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REVIEW OF USAID MISSION STRATEGIES IN AFRICA: Activities Related to Urban Development

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Appendix 1

Urban Initiative in Southern Africa Resources to Support Local Government Role in Urban Service Delivery

1'

Benin: Mission Country Strategy and Proposed Urban Activities[1]

1 Introduction

Benin is among the few African countries presently carrying out comprehensive political, economic, and social reforms Since 1990, when the government dropped its Marxist-Leninist outlook, the country has made fundamental changes in political and economic policies resulting in a more favorable basis for economic growth Benin's political stability, privatization of state assets, and fiscal reforms are resulting in increased economic opportunities, and have already facilitated an improved environment for U S investment Politically, the National Assembly recently passed decentralization laws, and municipal elections are to be held during the second half of 1998 However, with a GNP of $370 per capita, Benin remains one of the poorest countries in the world, facing some formidable development challenges

- high unemployment, exacerbated by civil service downsizing,
- high adult illiteracy (77%), and weak technical and business skills,
- limited access to credit and financial services (especially for women and youths),
- rapid population growth (3 1%),
- volatile climatic conditions and fragile soils, which undermine agriculture, and
- environmental degradation, in both urban and rural areas

USAID/Benin's program intends to consolidate the country's economic and democratic transformation by strengthening the country's human resource base in order to broaden the benefits of economic growth USAID is strengthening Benin's human resources by improving the quality of and expanding access to basic education, providing family health services, and strengthening civil society involvement in the conduct of public affairs

USAID's strategy to strengthen Benin's human resource base combines three approaches the establishment of a quality and equitable basic education system that prepares the younger generations for a productive role and effective leadership within their society (SO1), the consolidation of the democratic process and creation of an enabling environment for participatory development (SpO1), and the support and expansion of family health services, including HIV prevention (SpO2) and child survival programs (SpO3)

Programmatically, the Mission suffers from understaffing Many approved positions remain vacant, for example, both the Health Officer and Program Officer positions have not been occupied since July 1997 While a program officer should be on board by December 1998, there are no health officers on the horizon Lack of adequate staffing has had an adverse affect on project implementation in the family health program This absence has also affected day-to-day operations and capacity building of FN staff

[1] Much of the information in this report was excerpted or paraphrased from the USAID FY 1998 Congressional Presentation (Benin) the USAID/Benin Results Review and Resource Request (R4) of March 1998 and the Africa Development Foundation Congressional Presentation FY 1998

2 USAID/Benin Program

2 1 Summary of Country Strategy

USAID/Benin recently submitted a Country Strategic Plan (CSP) for FY 1998-2003 that was unavailable for review However, according to the recent Results Review and Resource Request (R4), the strategy was conceived in partnership with the GOB, the U S Embassy, other agencies at post, other donors, and NGO/PVOs

Additionally, under the plan to restructure REDSO/WCA and to ensure that essential services formerly provided by REDSO/WCA continue, USAID/Benin is twinned with Togo, Nigeria, Gabon, and Congo (Brazzaville) The CSP and the recent R4 fully incorporate these additional responsibilities and reflect the additional resources necessary to support them

The total funding requested for the FY 1999 Benin program is $17,502,000, with $11,200,000 from Child Survival and Disease funds, $4,400,000 from Development Assistance, and $1,902,000 from P L 480 Title II These funds are to be split among the three SOs as follows

FY 1999 USAID/Benin Program Funding		
	US$ (millions)	% of Total FY 1999 Funding
SO1 "Increased Basic Education"	7 0	40
SO2 "Increased Use of HIV Prevention Services"	8 6	50
SpO1 "Improved Governance and Democracy"	1 9	10
Total	**17 5**	**100**

Source The USAID FY 1999 Congressional Presentation (Benin)

2 2 Summary of Results Review and Resource Request (R4)

USAID/Benin has submitted its CSP for FY 1998-2003 As of the submission of the R4, the CSP had not been reviewed and accepted Based on the presupposed acceptance of the CSP, below are the changes

SO1 — Basic Education There will not be major changes in the SO1 intermediate results To better address new constraints in the education reform program, USAID has developed revisions in the financial mechanism and in the number and kinds of conditionalities for the remaining Non-Project Assistance (NPA) funds USAID is currently negotiating with its education partners to ensure that part of the NPA funds are used for project activities The number of conditions to be met for each tranche will be reduced and will be more targeted USAID seeks to strengthen the role of local communities and civil society in the management of schools by assisting the GOB in devolving more responsibility to the local level The program will focus on results in the classrooms after six years of capacity building

SpO1 — Democracy and Governance There are no significant changes in the Democracy and Governance Management Contract If the CSP (1998-2003) is approved, the program will maintain its integral and cross-cutting role To tackle the GOB's absorptive capacity problem and combat corruption, the program will change the order of priority of its IRs to emphasize the promotion of greater transparency and accountability in the management of public affairs DG IRs will be re-prioritized as follows 1) increased participation of civil society in national decision making, 2) strengthened mechanisms to promote transparency and accountability, 3) improved environment for decentralized private and local initiatives, and 4) a strengthened, more independent and representative legislature The Mission will depend on the Global and Africa Bureaus to support its SpO specifically in IR2 and IR4

SpO2 — Family Health Since the last reporting period, both SpO2 and its IRs have been changed A new results framework was developed in April 1997 Since health has taken on a greater role in the Mission's portfolio, approval to upgrade SpO2 to a Strategic Objective (SO2) was given in November 1997 A new health strategy has been developed for the new CSP (FY 1998-2003) This strategy calls for the implementation of an integrated program of family health activities in the target region of Borgou supported by selected policy activities at the national level Emphasis will also be placed on community-based activities and collaboration with the private and public sectors When this strategy is approved, the solicitation of a competitive award should be completed by the end of FY 1998 Another major activity, the social marketing program, will be expanded as well and will follow a similar competitive process, which will be completed by March 1999

Based on the available material, the urban relevant SOs, IRs, and Indicators are as follows

SO1 **More Children Receive, on an Equitable Basis, a Basic Education that Prepares Them For Productive Roles in Society (indicators not available)**	
IR 2	*Increased equity of access to primary schools*
IR 3	*Maintained sufficient financing for primary education*
IR 4	*Increased civil and government participation in basic education*
IR 5	*Improved institutional capacity for educational planning, management, and accountability*

SO2. **Increased Use of FP/MCH/STD/HIV Services and Prevention Measures within a Supportive Policy Environment (indicators not available)**	
IR 1	*Improved policy environment*
IR 2	*Increased access to FP/MCH/STD/HIV services and products*
IR 3	*Improved quality of FP/MCH/STD/HIV management and prevention services*
IR 4	*Increased demand for and practices supporting use of FP/MCH/STD/HIV services, products, and prevention measures*
SpO1. **Improve Governance and Reinforce Democracy (indicators not available)**	
IR 1	*Increased participation of civil society in national decision making*
IR 2	*Strengthened mechanisms to promote transparency and accountability*
IR 3	*Improved environment for decentralized private and local initiatives*
IR 4	*A strengthened, more independent, and representative legislature*
SpO3 **Decreased Infant Child and Maternal Mortality through Targeted Health and Nutritional Education and Complementary Activities (Catholic Relief Services implements this P L 480 Title II food aid program — not rated)**	

3 Institutional Analysis/Key Players

Foreign assistance represents about 15 percent of the annual Gross Domestic Product (GDP) The United States is the sixth-largest donor (after bilaterals Japan, France, Germany and MDBs the World Bank and the African Development Fund) Foreign assistance to the GOB was distributed as follows 49 percent — capital projects, 25 percent — budget support, 23 percent — technical assistance, and 3 percent — food aid

National

- Ministry of Interior Works with the French Cooperation and local communities on decentralization issues
- Ministry of Finance With public audit institutions, the MOF implements activities to increase the accountability of government

- Ministry of Education Educational reforms have heeded the inputs of local voluntary groups, NGOs, and parent associations, which have been active in the development of curricula and overall school management, among other areas

International

- European Union In partnership with USAID, conducted a macro assessment of governance (financial, economic, and political activities), recommendations include decentralization and greater public participation in government
- French Cooperation Works with the Ministry of Interior and local communities on decentralization issues
- GTZ Active in agriculture, health, structural adjustment, and private sector promotion Current projects include national water-use master plan, water supply system maintenance in Cotonou, and decentralization reform
- International Foundation for Election Systems Providing technical assistance in support of municipal elections this year and legislative elections in 1999 Goal is to strengthen electoral institutions and increase public participation and confidence in the electoral process
- African Development Fund Projects focused on microenterprise development, agriculture, and animal husbandry Also involved in promotion of community development
- World Bank Involved in agriculture, including efforts to decentralize rural finance, as well as health and population issues and food security

Local/Local Government

- Efforts continue to decentralize authority to local governments

Relevant USAID Contractors

- AFRICARE Since 1994, AFRICARE, a U S PVO, has implemented the Benin Indigenous NGOs Strengthening activity to reinforce the managerial and financial capacity of local NGOs This activity has tremendously improved the participating NGOs' capacity to implement development activities and influence public policy
- Mitchell Group, World Education, Medical Care Development International, and Songhai Implementing AID's education program

NGOs/Others

- Cercle des Inter-Dépendent (CID) Hosted a colloquium on electoral reform in February that focused on needed revisions to the electoral code and draft decentralization laws
- Local NGOs have been strengthened by AFRICARE activity (see above)
- Local voluntary groups, NGOs, and parent associations have been active in the implementation of educational reforms, including the development of curricula and overall school management

4 Status of USAID/Benin Program and Opportunities for Urban Activities

SO1, Basic Education, exceeded its targets over the last year in the areas of teacher training, the primary school completion exam pass rate, capacity building, and public participation in educational decision making Overall, the reform program met the targets of ensuring a better education and more equitable access to a quality education Progress was made in textbook reform, which is now being institutionalized throughout the primary cycle However, financial and logistical constraints prevented their production in sufficient numbers, and schools have had to improvise and transfer work to the blackboard or to home-made posters to cope with the shortages The Mission will use technical assistance in planning and logistics to resolve these constraints There was clear evidence of greater public participation in the decision-making process in education that exceeded program objectives — through World Education's (WE) Primary Education NGO's Project (PENGOP), 17 NGOs and 208 Parents' Associations were strengthened Parental participation in the revision of school curricula, the repair and building of infrastructure, and the improvement of living conditions for teachers are also major PENGOP achievements The SO is also supporting public participation providing training in financial management and administration to the national Federation of Parents' Associations Institutional capacity building efforts in the area of financial management aim at overhauling and strengthening the GOB's resource allocation procedures SO1 established a series of benchmarks to measure the GOB's improvements in its financial management systems and accountability in the following areas procurement, budgeting, cash management, accounting and reporting, auditing and payrolls *Urban programs could support SO1 by 1) developing strategies to finance the purchasing of textbooks (e g , municipal or private sector opportunity), 2) developing strategies to boost spending for pedagogical activities, while 3) building the necessary capacity for sustainable public procurement In addition, there could be additional activities to further strengthen the participation of parents in the revision of school curricula and in the repair and building of infrastructure*

SpO1, Democracy and Governance, maintained its cross-cutting role by supporting reform to reduce governance constraints in the basic education and health sectors As recommended by the 1996 joint USAID/European Union governance assessment, progress in reinforcing civil society and the democratic transition should be extended to reforming administration, reducing corruption and carrying out effective decentralization Integration, coordination, and synergy are the main strategic approaches to achieving the democracy and governance special objective USAID will help create linkages among civil society needs, public administration responsibilities, and other donor programs Although DG resources will not be spent on health and education programs, emphasis will be placed on programs that improve governance through decentralized approaches, particularly in the education and health sectors In the coming year the following four intermediate results will be tracked IR1, increased participation of civil society in national decision making, IR2, strengthened mechanisms to promote transparency and accountability, IR3, improved environment for decentralized private and local initiatives, and IR4, a strengthened, more independent, and representative legislature Excellent progress was made supporting civil society through NGO capacity building Two notable NGO networks were created, including one involved with microfinance Several pilot projects have been initiated to support the GOB's efforts to implement administrative reforms Building on the recently passed decentralization law, the Mission plans to encourage decentralized grassroots initiatives as well

as increase the local revenue base In this regard, two U S PVOs were awarded contracts to strengthen the enabling environment for small enterprise development, including microcredit programs for disadvantaged communities *Urban programs could support the decentralization efforts by defining the role that municipalities and urban players have in 1) health, 2) education, and 3) economic development In many cases, the three are extensively linked together In addition, urban programs can strengthen support for democracy by focusing on the related fiscal and financial implications of democracy building*

Despite staffing constraints and certain setbacks that were experienced with the Ministry of Health, SpO2, Family Health, progress met expectations The Western Consortium Population Fellow, who arrived at the beginning of FY 1997, provided the Mission's first technical support in health Much effort was devoted to the development of a framework and strategic approach the Mission would take for its health objective Benin is in the early stages of progress in the policy arena, having adopted a National Population Policy (NPP) only in 1996 An implementation plan for the NPP was developed by the Ministry of Health with support of the United Nations Fund for Population Activities (UNFPA) and the USAID field support Policy Project USAID/Benin drafted a national strategy for reproductive health training in collaboration with the MOH and UNFPA Much progress was made in IR2 USAID/Benin provided support to expand its social marketing activities to the three northern regions of Benin and thus increase access to condoms and oral rehydration salts (ORS) Among the highlights, 463 new points of sale were established A total of about 1,500 community-based distributors were trained or retrained to distribute these commodities Community-based, NGO-implemented activities were supported by the Mission under IR4 *Urban programs could support the national policy reform effort by defining the role that municipalities and urban players have in health service provision, particularly finance mechanisms for clinic construction and health service provision Additionally, "brown" environmental health initiatives could be developed and/or implemented*

5 Proposed Urban Activities and Approach

The proposed activity areas relate to the following five areas identified for emphasis by the RUDO

1 Coordination and Support for Environmental Health Agencies,
2 Support for Democracy through Improved Service Delivery,
3 Focus on Fiscal and Financial Implications of Democracy Building,
4 Support for Local Government Economic Growth Activities, and
5 Support for Microenterprises in Urban Environmental Service Provision and Privatization

It has been noted where the proposed activities directly relate to one or more of the aforementioned areas

While Section 4 provided sample urban opportunities related to each of the four SOs, the table below presents more detailed urban program opportunities related to two key Mission activities 1) supporting decentralization, promoting SO links, and 2) implementing an integrated program of family health activities

Key Mission Activity	Urban Program Opportunity
Supporting decentralization promoting SO links USAID/Benin has introduced new approaches/ strategies and refined old ones to maximize program effectiveness First, it places more emphasis on decentralization in the education and health sectors to achieve results The role of local communities and civil society in the management and financing of schools and health centers is an integral part of the Mission's education and health SOs By assisting the GOB in devolving effective power to the local level and by enhancing the advocacy, management, and decision-making skills of local public and private entities, we will increase the absorptive capacity and efficiency of the government By encouraging local participation, the delivery of sustainable health and education services should be expanded Given the synergistic nature of the program, successful achievement of results in one area tends to enhance results in another One example is the HEPS project, which integrates health promotion activities into primary school using school children as change agents for improved health behaviors Another example is that effective parent-teachers organizations supported by World Education become advocates of decentralized approaches to government The integrated program will have a geographic focus in Borgou, the northern most region of Benin, where the Mission intends to develop its health program and concentrate its D/G activities	• Activities that support both decentralization and promote SO links Working with the Mission and other donors, identify and differentiate the roles of various public sector players, including local governments and municipal environmental service providers, as well as formulating critical SO linkages *(Coordination and Support for Environmental Health Agencies)* • Activities to design and prepare an implementation strategy for local government laws Particularly relevant is legislation surrounding municipal finance and local governments ability to finance "municipal companies" and "autonomous services" to provide specific urban services, or contract out municipal services This provides a specific opportunity to design legislation to support microenterprise development in urban environmental service provision, while also supporting democracy and service improvements *(Support for Democracy Local Governments, and Microenterprises)* • Urban opportunities exist in support of decentralization related to designing municipal finance programs for municipal schools or health providers *(Support for Democracy through Improved Service Delivery)* • While not an IR, urban initiatives that improve the enabling environment for business development (legal regulatory finance) can also support democracy and local government strengthening by improving overall economic conditions *(Support for Local Government Economic Growth Activities)* • All of these activities have good potential to link with MDB activities

Key Mission Activity	Urban Program Opportunity
Implementing an integrated program of family health Specific SO2 activities and progress that should take place in FY 1998 are the following • finalization of a population health and sustainable development policy presentation as well as the AIDS Impact Model (AIM) presentation • adoption of IMCI by the GOB and the beginning of its adaptation to Benin, • the development of a viable contraceptive logistics system in the Borgou region, • launching of the social marketing campaign for ***Harmonie*** oral contraceptive, • training of health agents in the Borgou region in family planning and community-based distribution, • development of IEC messages supporting family planning and child survival interventions, and • skills building for the NGO members of ROBS in advocacy as well as the design and execution of community-based health activities	• The RUDO can offer its assistance in designing and implementing a program based on the SEATS Urban Initiative to support SO2 reproductive health related activity The SEATS Urban Initiative which has also been started in Senegal (like Benin, a French-speaking country), employs a three-pronged approach 1) conducting city-specific research to encourage data-driven approaches to designing urban health delivery models, 2) empowering municipal-level officials to become advocates for sustainable reproductive health delivery, and 3) building coalitions between the public and private sectors and between institutions to maximize use of reproductive health resources • Using available community-based health program material tested and tried in Tunisia (another French-speaking country), the RUDO can offer additional assistance to an issue currently not addressed in the SO The Community Involvement in Management of Environmental Pollution programs (CIMEP) helps low-income populations identify the sources of their environmental health problems and empower them to solve them Building on this program would provide an opportunity to encourage microenterprise development to improve environmental service provision *(Support for Microenterprises in Urban Environmental Service Provision and Privatization)* • Both of the above help foster collaborative relationships between government and local communities In turn, these activities support democracy strengthening *(Support for Democracy through Improved Service Delivery)* • While not explicitly stated in the IR, improved family health necessitates improved sanitation and water quality As decentralization continues, local governments will need assistance as to how best to maintain, improve and finance environmental service provision These are areas in which the RUDO has much to contribute *(Support for Democracy through Improved Service Delivery)*

Attachments

1 USAID 1999 Congressional Presentation

2 Benin Chapter from CIA World Factbook, 1997

Note This document may not always reflect the actual appropriations determined by Congress Final budget allocations for USAID's programs are not determined until after passage of an appropriations bill and preparation of the Operating Year Budget (OYB)

BENIN

	FY 1997 Actuals	FY 1998 Estimate	FY 1999 Request
Child Survival and Disease	$11,000,000	$12,000,000	$11,200,000
Development Assistance	$2,800,000	$5,150,000	$4,400,000
P L 480 Title II	$2,095,690	$1,923,900	$1,902,000

Introduction

Benin is of interest to the United States because of its remarkable transition to a democratic, free-market society and its resulting political and economic prominence in West Africa Benin's civilian-led multi-party system of democracy is a model for other African nations Recent history suggests that democratic countries tend to be more stable, prosperous and much less likely to wage war on their neighbors than authoritarian countries It also suggests that democratic countries are more apt to play a moderating and restraining role in the event of regional instability and civil strife The Government of Benin has played an active role in facilitating, monitoring and advancing the Liberian peace process in close collaboration with the United States Government Benin has proven to be an ally in the region and beyond, as it was the only African nation to contribute to the United Nations peace-keeping forces in Haiti The success of its democratization process and its political stability have also facilitated an improved environment for U S investment in Benin

Since 1991, the growth of Benin's democratic institutions has made it not only a success story but a model for Africa The country has organized two consecutive presidential elections that were free, fair and transparent, each making possible a smooth transfer of power Such an accomplishment is the best evidence of the health of democratic institutions in Benin In this sub-region where some countries have wavered in their commitment to democracy and political liberalism, Benin is playing an important moderating role It has faithfully followed its structural adjustment program and macroeconomic reforms have begun to take effect Fiscal balance has been achieved, the market sets prices, and economic growth has averaged 5% over the past five years while inflation has been stabilized at around 3% Political and economic reform has become institutionalized, and is not dependent on charismatic personalities The legislative and judicial branches of government are alive and well and the constitutional court in particular exercises effective checks and balances against executive power, as does a free and active press

Development Challenge

While critical to the establishment of improved governance, reforms have yet to show a significant impact on poverty Infant, child and maternal mortality rates, although falling, are among the highest in West Africa Contraceptive prevalence is low, reported at 3% for modern methods by the Demographic and Health Survey (DHS, September 1996) This survey also reported a fertility rate of over six children per woman and a population growth rate over 3% per year This means that Benin's population will double in less than 25 years, adversely affecting the gains of economic growth Illiteracy is about 75% overall and 80% for women

Systemic problems exist as well The Government of Benin is only able to spend about 60% of its non-salary recurrent expense budget for education, for health, the rate is even lower USAID believes the underlying cause of weak absorptive capacity and low efficiency is deficient governance A national bureaucracy from the earlier Marxist-Leninist period remains highly centralized, and resists change Public officials are not easily held accountable, are poorly paid, lack incentives to serve the

public good, often occupy a dual role in the private sector, and conduct their business under less than transparent conditions Despite Benin's success in establishing democratic institutions at the macro level, the bureaucratic regime poses formidable obstacles to development Only through concerted action with health and education objectives and coordinated planning with other donors can meaningful results be generated in improving governance and reinforcing democracy

Other Donors

Between 1991 and 1995, Benin received approximately $1 6 billion in foreign assistance In 1996, it received $261 million in foreign assistance, 20% less than in 1995, but representing about 11 5% of GDP The contribution of the top ten donors represents more than 77% ($200 million) of the total for 1996 These were France ($38 million), Japan ($33 million), African Development Fund ($25 million), World Bank ($20 million), United States ($19 million), Germany ($18 million), Canada ($15 million), Denmark ($14 million), Switzerland ($11 million) and United Nations Development Program (UNDP) ($8 million) Taken together, total foreign assistance amounted to 86% of the GOB public investment budget in 1996

FY 1999 Program

To provide continued support to Benin for FY 1999, funding has been requested for the Basic Education strategic objective, the Health/Population strategic objective, and the cross-cutting activities in the Democracy and Governance special objective

The P L 480 Title II Food Aid Program in Benin is implemented by Catholic Relief Service The FY 1999 funding level has been set at approximately $1 9 million, and will distribute food aid to maternal and child health centers, nutritional recuperation and education centers for malnourished children, and to other child feeding centers, such as primary schools

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BENIN

FY 1999 PROGRAM SUMMARY

(in thousands of dollars)

USAID Strategic and Special Objectives	Economic Growth & Agriculture	Population & Health	Environment	Democracy	Human Capacity Development	Humanitarian Assistance	TOTALS
S O 1 Ensuring That an Increasing Number of School-aged Children Receive, on a More Equitable Basis, an Education Which Adequately Prepares Them for a Productive Role in Their Society - CSD	---	---	---	---	7,000	---	7,000
S O 2 Increase use of FP/MCH and STD/HIV prevention services within a supportive policy environment - CSD	---	4,200	---	---	---	---	4,200
- DA	---	2,500	---	---	---	---	2,500
- P L 480/II	---	---	---	---	---	1,902	1,902
Sp O 1 Improve Governance and Reinforce Democracy - DA	---	---	---	1,900	---	---	1,900
Totals - CSD	---	4,200	---	---	7,000	---	11,200
- DA	---	2,500	---	1,900	---	---	4,400
- P L 480/II	---	---	---	---	---	1,902	1,902

USAID Representative, Thomas E Park

ACTIVITY DATA SHEET

PROGRAM BENIN
TITLE AND NUMBER Ensuring That an Increasing Number of Primary School-aged Children Receive, on a More Equitable Basis, an Education Which Adequately Prepares Them for a Productive Role in Their Society, 680-SO01
STATUS Continuing
PROPOSED OBLIGATION AND FUNDING SOURCE FY 1999 $7,000,000 CSD

INITIAL OBLIGATION FY 1996, **ESTIMATED COMPLETION DATE** FY 2002

Purpose To facilitate the development of a basic education system in Benin that is equitable, efficient, effective and sustainable

USAID Role and Achievements to Date Since 1991, USAID support has included technical and budgetary assistance to the Government Of Benin in its implementation of a comprehensive reform of the primary education system Results include an increase in the gross enrollment rate from 49 7% in 1990 to 68 8% in 1996, the girl/boy ratio, while still low, has nevertheless increased to 62 in 1996 following a low level of 55 in 1993, and the leaving exam pass rate for primary school has increased to 62% in 1996 from 31 7 % in 1991 The effort to involve parents in education, with the strengthening of more than 200 parents' associations, has resulted in their participation in school management, infrastructure building (latrines, classrooms, for example) and revision of curricula For the first time in recent Beninese history, the Ministry of Education has developed a decentralized approach to several key planning functions, thus strengthening institutional capacity and local participation

Description The USAID program focuses on the following five activity areas 1) Establishing and maintaining sufficient financing for primary education This activity assists the Ministry of Education and Ministry of Finance to set up a reliable budget expenditure tracking system that would allow the two ministries to achieve improved planning, management, and accountability 2) Improving the institutional capacity for education planning Technical assistance is provided to the Ministry of Education and the Ministry of Finance to improve institutional structures, resource allocation, and control and investigation procedures Delegating authorities to departmental education divisions will be facilitated Training is provided to administrative and financial staff to improve management and accountability 3) Upgrading key pedagogical systems to provide a quality teaching and learning environment USAID is helping schools comply with the norms defined when the program was launched in 1991 Activities include revising school curricula and textbooks, providing training to teachers and working with schools to improve the sanitary environment 4) Increasing equity of access to a quality primary education taking into account gender and region USAID is helping to increase girls' enrollment in schools A network for the promotion of girls' education will work with key ministries, the Educational Commission at the National Assembly and Non-Governmental Organizations (NGOs) to address gender issues in textbooks, classrooms, and in everyday life Efforts focus on increasing schooling in remote village areas 5) Promoting widespread public participation For the past three years, an American Private Voluntary Organization (PVO), World Education, has been working with parents' associations for their increased involvement in education affairs World Education has provided training in areas such as management, fund raising, and implementing projects Local NGOs in education have been strengthened

In addition, USAID will continue to support skills training which was targeted as a key intervention area in 1998 with emphasis on primary school children and school leavers

Host Country and Other Donors The World Bank assists with in-service teacher training, the provision of pedagogical materials, financial tracking and accountability, and school construction France provides assistance in secondary and higher education The European Union's (EU) intervention in education is limited Its assistance contributes to school construction and technical training Japan

has recently launched a major school construction project Other multilateral organizations and international PVOs also contribute to Benin's primary education reform During the recent round table held in May 1997 in Benin, France pledged more than $11 million over three years, the World Bank $53 million, and the EU more than $3 million

Beneficiaries Approximately 800,000 children will benefit from USAID-financed activities in primary education and technical training

Principal Contractors, Grantees, or Agencies Implementation will continue through private American firms and U S and local non-governmental organizations such as World Education, Medical Care Development International and Songhai International Foundation for Education and Self-Help, a U S PVO, has recently begun the implementation of a teacher training project The institutional contract for

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technical assistance for primary education will be recompeted in 1998

Major Results Indicators	Baseline (1990)	Baseline (2002)	Target
Gross Enrollment Rate	49 7%	78%	
Girls' Enrollment Rate (Girls/Boys ratio)	58		1 00
Pass rate, primary school leaving exams	40 0%		80%

ACTIVITY DATA SHEET

PROGRAM BENIN
TITLE AND NUMBER Increase Use of Family Planning/Maternal and Child Health (FP/MCH) and Sexually Transmitted Diseases/Human Immunodeficiency Virus (STD/HIV) Prevention Services within a Supportive Policy Environment, 680-SO02
STATUS Continuing
PROPOSED OBLIGATION AND FUNDING SOURCE FY 1999 $4,200,000 CSD, 2,500,000 DA, DA, $1,901,000 P L 480 Title II
INITIAL OBLIGATION FY 1997, **ESTIMATED COMPLETION DATE** FY 2004

Purpose To expand the availability, quality, and demand for sustainable family health services including family planning, child survival and STD/HIV prevention

USAID Role and Achievement to Date USAID has supported HIV/Acquired Immune Deficiency Syndrome (AIDS) prevention activities through the of social marketing of condoms, community education campaigns, and institutional strengthening of the National AIDS Control Program As a result, condom sales rose from 355,000 in 1990 to 2,200,000 in 1995 Support for child survival activities has been through social marketing of oral rehydration salts (ORS), training of village health volunteers in diarrhea prevention and management, and through a grant to United Nations International Children Emergency Fund's child survival program As a result of these interventions, usage of ORS in the target regions has gone from an average of 10% to 30% USAID also financed a series of studies including a population/family planning needs assessment (1994) and a Demographic Health Survey, the first ever in Benin, which was completed in September 1996 These studies indicate the need for immediate intervention to strengthen the Government Of Benin's capacities in maternal and child health, to integrate family planning services into the ongoing public sector programs, and to develop initiatives in the non-government organizations (NGOs) sector to increase access to adequate family planning and maternal/child health services USAID also financed training for family planning service providers and Beninese participation in international workshops and conferences

Description USAID/Benin's special objective in health is being upgraded to a strategic objective and the strategy is being revised Development of activity descriptions for grants/contracts will be completed in early 1998 and assistance awards will be made by the end of 1998 The results to be achieved by this program are an increase in availability, quality and demand for family planning, maternal and child health services, and STD/HIV preventive measures within an improved policy environment This will be achieved through capacity-building, support for implementation of the national population policy, service delivery, commodity provision, training, and information, education, and communication in the public and private sectors The program of social marketing of condoms, child survival products, and contraceptive products will be expanded To ensure efficiency and sustainability, USAID, in partnership with other donors, will encourage the integration of reproductive health into health related (NGOs) and promote the development of NGO networks These networks will work in partnership with the Ministry of Health (MOH) and will serve as advocates on family health issues

Host Country and Other Donors The World Bank supports the MOH in implementing a health care development project that provides the framework for the integration of family planning within the general health care system The United Nations Population Fund supports family planning service delivery in the public sector The International Planned Parenthood Federation provides assistance to the Beninese Association for the Promotion of the Family The World Health Organization, French Cooperation, and the

European Union support the National AIDS Control Program Germany, Switzerland, Holland, and Canada are also active in the health area Donor contributions in the area of health for 1996 were $18 4 million

Beneficiaries Direct beneficiaries of the proposed activity will be children up to age five, women of child-bearing age, and groups at risk for HIV and other sexually transmitted infections

Principal Contractors, Grantees or Agencies USAID will implement the activity through the Ministry of Health, Ministry of Plan, the National AIDS Program, The International Planned Parenthood Foundation affiliate, a U S private voluntary organization and various field support agencies such as Basic Support for Institutionalizing Child Survival, Primary Providers' Education and Training in Reproductive Health, etc

Major Result Indicators	Baseline (1996)	Target (2003)
Contraceptive Prevalence Rate (Nat'l)	3 4%	8 5%
Contraceptive Prevalence (Borgou Region)	2 4%	7 5%
Oral rehydration salts use rate	26%	60%
Condom use rate	27%	70%

ACTIVITY DATA SHEET

PROGRAM BENIN
TITLE AND NUMBER Improve Governance and Reinforce Democracy, 680-SP01
STATUS continuing
PROPOSED OBLIGATION AND FUNDING SOURCE FY 1999 $1,900,000 DA
INITIAL OBLIGATION FY 1996, **ESTIMATED COMPLETION DATE** FY 2004

Purpose To strengthen civil society's advocacy skills, improve transparency and accountability of public and democratic institutions, and improve the business environment to promote private initiatives

USAID Role and Achievements to Date USAID has strengthened the institutional capacity of non-government organizations (NGOs) working at the grassroots level through the Benin Indigenous NGO Strengthening (BINGOS) program and has funded conferences, seminars and civic education training in the area of governance BINGOS Phase I has been extended to December 31, 1997 to bridge into BINGOS Phase II which will extend its services to NGOs in the northern part of the country in support of the Mission's health and education activities there Appropriate Technology International (ATI) was awarded a grant in October 1997 to implement a program to strengthen the enabling environment for small enterprise development In November 1997, a grant was awarded to the Volunteers in Technical Assistance (VITA) to start a program on microenterprise development in Benin Start-up activities are due to begin shortly Several assessments have been completed including a needs assessment of the National Assembly in the area of training and institutional support, an assessment of the pre-electoral environment, including the examination of the legal and institutional framework of the Beninese electoral commission, and the material, technical and logistic needs for the upcoming municipal and legislative elections

Description USAID will continue to provide support to sustain the growth of active NGOs so they can play their advocacy role and defend civil society's needs and interests in education and health Activities will be geared to helping government institutions be more accountable and responsive to Beninese citizens The implementation of democracy and governance activities will 1) provide NGOs with the capacity to better play their role in the civil society and monitor government's actions in education and health, 2) alleviate some of the legal and regulatory constraints to NGO activity in Benin, 3) facilitate public sector transparence and accountability through assistance to on-going decentralization efforts, particularly in the education and health sectors, and 4) reinforce the technical capacities of democratic institutions such as the National Assembly

Host Country and Other Donors Among the donors, the Konrad Adenauer Foundation, a German foundation, is the most involved in democracy and governance in Benin Its activities cover information, education and communication programs on democracy and governance topics Danish Cooperation and

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local NGOs such as the Research Group on the Democratic, Social, and Economic Development of Africa (GERDDES) and New Ethics (Nouvelle Ethique) are involved in the development of advocacy skills French Cooperation, the Ministry of Interior and local communities work on decentralization issues The Ministry of Finance and public audit institutions implement accountability activities The European Union in conjunction with USAID conducted a macro-governance assessment The World Bank, the "Moralisation" Unit of the Presidency and an NGO network are involved in anti-corruption activities Swiss Cooperation is the DAC-designated lead donor in good governance activities United Nations Development Program is coordinating donor election support actions

Beneficiaries All Beninese citizens

Principal Contractors, Grantees or Agencies USAID implements the activities through the National Assembly, Supreme Audit Institutions (Chambre of Account, Inspector General), State University of New York (S U N Y) Albany, VITA (U S PVO), ATI (US PVO), and AFRICARE (U S PVO)

Major Result Indicators	Baseline	Target
Number of NGOs financially viable and democratically managed	40% (1997)	55% (1999)
Number of NGOs registered by the Ministry of Interior	1000 (1997)	2000 (1999)
Level of locally collected revenue in local government budget	5% (1998)	10% (1999)
Number of audits performed by supreme audits institutions	20 (1997)	35 (1999)

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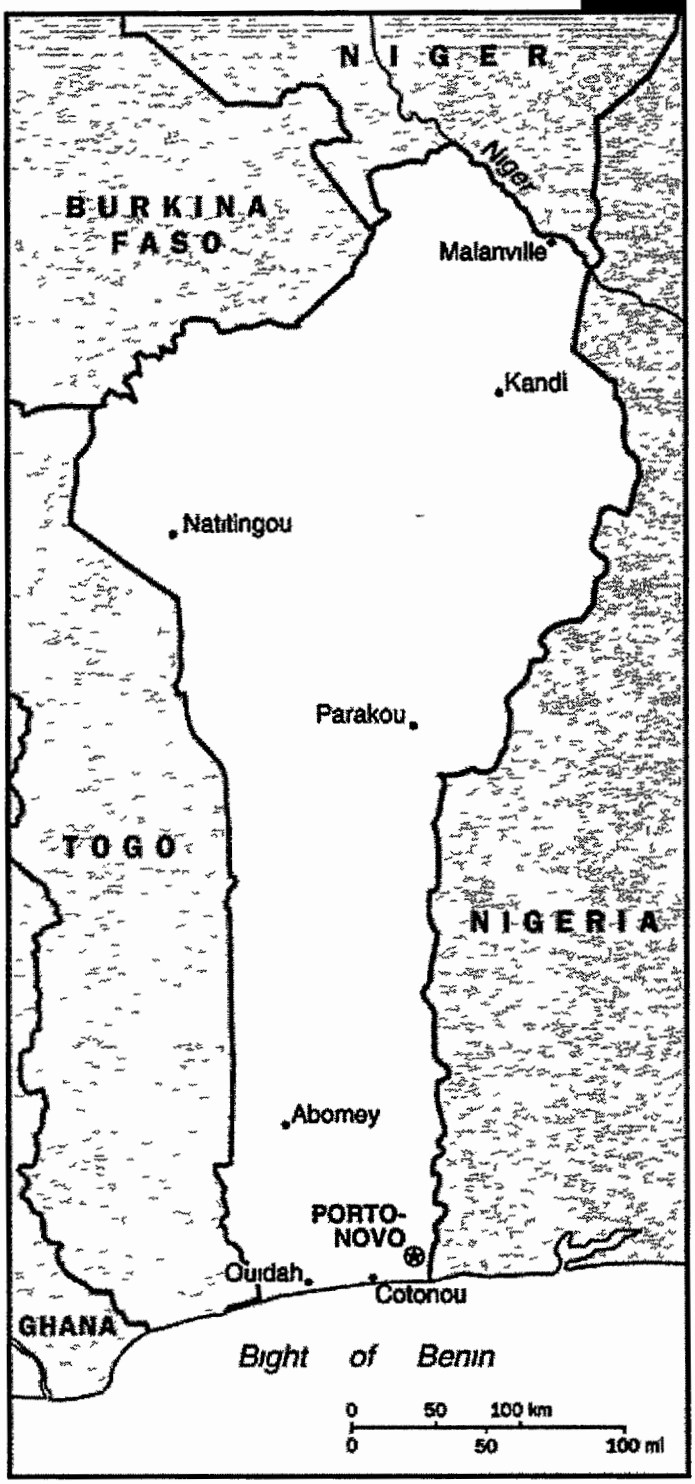
Benin



Geography

Location Western Africa, bordering the North Atlantic Ocean, between Nigeria and Togo

Geographic coordinates 9 30 N, 2 15 E

Map references Africa

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Area
total 112,620 sq km
land 110,620 sq km
water 2,000 sq km

Area - comparative slightly smaller than Pennsylvania

Land boundaries
total 1,989 km
border countries Burkina Faso 306 km, Niger 266 km, Nigeria 773 km, Togo 644 km

Coastline 121 km

Maritime claims
territorial sea 200 nm

Climate tropical, hot, humid in south, semiarid in north

Terrain mostly flat to undulating plain, some hills and low mountains

Elevation extremes
lowest point Atlantic Ocean 0 m
highest point Mount Tanekas 641 m

Natural resources small offshore oil deposits, limestone, marble, timber

Land use
arable land 13%
permanent crops 4%
permanent pastures 4%
forests and woodland 31%
other 48% (1993 est)

Irrigated land 100 sq km (1993 est)

Natural hazards hot, dry, dusty harmattan wind may affect north in winter

Environment - current issues recent droughts have severely affected marginal agriculture in north, inadequate supplies of potable water, poaching threatens wildlife populations, deforestation, desertification

Environment - international agreements
party to Biodiversity, Climate Change, Desertification, Endangered Species, Environmental Modification, Nuclear Test Ban, Ozone Layer Protection
signed, but not ratified Law of the Sea

Geography - note no natural harbors

People

Population 5,902,178 (July 1997 est)

Age structure
0-14 years 48% (male 1,420,335, female 1,411,160)
15-64 years 50% (male 1,401,360, female 1,530,626)
65 years and over 2% (male 60,704, female 77,993) (July 1997 est)

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Population growth rate 3 31% (1997 est)

Birth rate 46 28 births/1,000 population (1997 est)

Death rate 13 14 deaths/1,000 population (1997 est)

Net migration rate 0 migrant(s)/1,000 population (1997 est)

Sex ratio
at birth 1 03 male(s)/female
under 15 years 1 01 male(s)/female
15-64 years 0 92 male(s)/female
65 years and over 0 78 male(s)/female
total population 0 96 male(s)/female (1997 est)

Infant mortality rate 102 7 deaths/1,000 live births (1997 est)

Life expectancy at birth
total population 53 15 years
male 51 15 years
female 55 21 years (1997 est)

Total fertility rate 6 56 children born/woman (1997 est)

Nationality
noun Beninese (singular and plural)
adjective Beninese

Ethnic groups African 99% (42 ethnic groups, most important being Fon, Adja, Yoruba, Bariba), Europeans 5,500

Religions indigenous beliefs 70%, Muslim 15%, Christian 15%

Languages French (official), Fon and Yoruba (most common vernaculars in south), tribal languages (at least six major ones in north)

Literacy
definition age 15 and over can read and write
total population 37%
male 48 7%
female 25 8% (1995 est)

Government

Country name
conventional long form Republic of Benin
conventional short form Benin
local long form Republique du Benin
local short form Benin
former Dahomey

Data code BN

Government type republic under multiparty democratic rule, dropped Marxism-Leninism December 1989, democratic reforms adopted February 1990, transition to multiparty system completed 4 April 1991

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National capital Porto-Novo

Administrative divisions 6 provinces, Atakora, Atlantique, Borgou, Mono, Oueme, Zou

Independence 1 August 1960 (from France)

National holiday National Day, 1 August (1990)

Constitution 2 December 1990

Legal system based on French civil law and customary law, has not accepted compulsory ICJ jurisdiction

Suffrage 18 years of age, universal

Executive branch
chief of state President Mathieu KEREKOU (since 4 April 1996), note - the president is both the chief of state and head of government
head of government President Mathieu KEREKOU (since 4 April 1996), note - the president is both the chief of state and head of government, Prime Minister Adrien HOUNGBEDJI (since 9 April 1996) acts as assistant to the president, a prime minister is not provided for in the constitution but was appointed by President KEREKOU with the permission of the constitutional court
cabinet Council of Ministers headed by the prime minister, all are appointed by the president
elections president elected by popular vote for a five-year term, election last held 18 March 1996 (next to be held March 2001)
election results Mathieu KEREKOU elected president, percent of vote - Mathieu KEREKOU 52 49%, Nicephore SOGLO 47 51%

Legislative branch unicameral National Assembly or Assemblee Nationale (83 seats, members are elected by direct popular vote to serve four-year terms)
elections last held 28 March 1995 (next to be held NA 1999)
election results percent of vote by party - NA, seats by party - RB 20, PRD 19, FARD-ALAFIA 10, PSD 7, NCC 3, RDL-VIVOTEN 3, Communist Party 2, Alliance Chameleon 1, RDP 1, other 17

Judicial branch Constitutional Court or Cour Constitutionnelle, Supreme Court or Cour Supreme, High Court of Justice

Political parties and leaders Alliance of the National Party for Democracy and Development or PNDD and the Democratic Renewal Party or PRD [Pascal Chabi KAO], Action for Renewal and Development or FARD-ALAFIA [Mathieu KEREKOU], Alliance of the Social Democratic Party or PSD and the National Union for Solidarity and Progress or UNSP [Bruno AMOUSSOU], Alliance Chameleon, Alliance for Democracy and Progress or ADP [Adekpedjon AKINDES], Alliance for Social Democracy or ASD [Robert DOSSOU], Assembly of Liberal Democrats for National Reconstruction or RDL [Severin ADJOVI], Communist Party of Benin, [Pascal FATONDJI, First Secretary], Our Common Cause or NCC [Albert TEVOEDJRE], Rally for Democracy and Progress or RDP, The Renaissance Party of Benin or RB [Nicephore SOGLO]
note as of February 1996, more than 80 political parties were officially recognized

International organization participation ACCT, ACP, AfDB, ECA, ECOWAS, Entente, FAO, FZ, G-77, IBRD, ICAO, ICFTU, ICRM, IDA, IDB, IFAD, IFC, IFRCS, ILO, IMF, IMO, Intelsat, Interpol, IOC, ITU, NAM, OAU, OIC, UN, UNCTAD, UNESCO, UNIDO, UPU, WADB, WCL, WFTU, WHO, WIPO, WMO, WToO, WTrO

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FAX [229] 30-14-39, 30-19-74

Flag description two equal horizontal bands of yellow (top) and red with a vertical green band on the hoist side

Economy

Economy - overview The economy of Benin remains underdeveloped and dependent on subsistence agriculture, cotton production, and regional trade Growth in real output, which had averaged a sound 4% in 1990-95, rose to 5 5% in 1996 Rapid population growth offset much of this growth in output Inflation jumped to 55% in 1994 (compared to 3% in 1993) following the 50% currency devaluation in January 1994, but has subsided gradually over the past two years, with 14 5% inflation in 1995 and a target of 4 5% inflation in 1996 Commercial and transport activities, which make up a large part of GDP, are extremely vulnerable to developments in Nigeria as evidenced by decreased reexport trade in 1994 due to a severe contraction in Nigerian demand Support by the Paris Club and official bilateral creditors has eased the external debt situation in recent years The government, still burdened with money-losing state enterprises and a bloated civil service, has been gradually implementing a World Bank supported structural adjustment program since 1991

GDP purchasing power parity - $8 2 billion (1996 est)

GDP - real growth rate 5 5% (1996 est)

GDP - per capita purchasing power parity - $1,440 (1996 est)

GDP - composition by sector
agriculture 36 8%
industry 12 6%
services 50 6% (1993)

Inflation rate - consumer price index 14 5% (1995)

Labor force NA

Unemployment rate NA%

Budget
revenues $272 million (1993 est)
expenditures $375 million, including capital expenditures of $84 million (1993 est)

Industries textiles, cigarettes, beverages, food, construction materials, petroleum

Industrial production growth rate NA%

Electricity - capacity 28,000 kW (1992)

Electricity - production 10 million kWh (1994)

Electricity - consumption per capita 45 kWh (1994 est)

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Agriculture - products corn, sorghum, cassava (tapioca), yams, beans, rice, cotton, palm oil, peanuts, poultry, livestock

Exports
total value $300 million (f o b , 1995)
commodities cotton, crude oil, palm products, cocoa
partners Brazil 18%, Portugal 14%, Morocco, Libya, France

Imports
total value $380 million (c i f , 1995)
commodities foodstuffs, beverages, tobacco, petroleum products, intermediate goods, capital goods, light consumer goods
partners France 27%, Thailand 9%, China, Hong Kong

Debt - external $1 6 billion (1994 est)

Economic aid
recipient ODA, $NA

Currency 1 Communaute Financiere Africaine franc (CFAF) = 100 centimes

Exchange rates CFA francs (CFAF) per US$1 - 541 69 (January 1997), 511 55 (1996), 499 15 (1995), 555 20 (1994), 283 16 (1993), 264 69 (1992)
note beginning 12 January 1994 the CFA franc was devalued to CFAF 100 per French franc from CFAF 50 at which it had been fixed since 1948

Fiscal year calendar year

Communications

Telephones 16,200 (1986 est)

Telephone system
domestic fair system of open wire and microwave radio relay
international satellite earth station - 1 Intelsat (Atlantic Ocean), submarine cable

Radio broadcast stations AM 2, FM 2, shortwave 0

Radios NA

Television broadcast stations 2

Televisions 20,000 (1993 est)

Transportation

Railways
total 578 km (single track)
narrow gauge 578 km 1 000-m gauge (1995 est)

Highways
total 8,460 km
paved 2,656 km
unpaved 5,804 km (1995 est)

Waterways navigable along small sections, important only locally

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Ports and harbors Cotonou, Porto-Novo

Merchant marine none

Airports 5 (1996 est)

Airports - with paved runways
total 2
2,438 to 3,047 m 2 (1996 est)

Airports - with unpaved runways
total 3
1,524 to 2,437 m 1
914 to 1,523 m 2 (1996 est)

Military

Military branches Armed Forces (includes Army, Navy, Air Force), National Gendarmerie

Military manpower - military age 18 years of age

Military manpower - availability
males age 15-49 1,261,059
females age 15-49 1,333,966 (1997 est)
note both sexes are liable for military service

Military manpower - fit for military service
males 645,660 (1997 est)
females 675,243 (1997 est)

Military manpower - reaching military age annually
males 64,028
females 63,056 (1997 est)

Military expenditures - dollar figure $33 million (1994)

Military expenditures - percent of GDP 3 2% (1994)

Transnational Issues

Disputes - international none

Illicit drugs transshipment point for narcotics associated with Nigerian trafficking organizations and most commonly destined for Western Europe and the US

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Ethiopia: Mission Country Strategy and Proposed Urban Activities

1 Introduction

Ethiopia has a population of 57 million people that comprises nearly 50 percent of the population of the Horn of Africa and close to 10 percent of sub-Saharan Africa The country has a varied resource base, strategic location, and long-term potential to be a center of regional economic growth and stability Located in the middle of the Horn of Africa, it has become a strong ally of the United States and a dependable partner in support of many of its regional and continental interests

After enduring more than two decades of economic disintegration and social turmoil, Ethiopia is now on the verge of attaining sustained economic growth Impressive success with stabilization measures, followed by strong economic adjustments and liberalization, have resulted in a 7 percent GDP growth rate and an annual rate of inflation below 2 percent International lending institutions have granted Ethiopia access to the Structural Adjustment Facility (SAF) and Special Program of Assistance (SPA) for Africa as a result of these recent economic reforms and the success they have had on the national economy For those countries that have undertaken sustainable economic reform programs, SPA donors have agreed to fill their financing gap through quick disbursing finance

The total funding requested for the FY 1999 Ethiopia program is $78,529,000, with $23,635,000 from Child Survival and Disease funds, $13,950,000 from Development Assistance, $32,044,000 from P L 480 Title II, and $8,900,000 from P L 480 Title III These funds are to be split among the five SOs as follows

FY 1999 USAID/Ethiopia Program Funding

	US$ (millions)	% of Total FY 1999 Funding
SO1 "Increased Availability of Domestically Produced Crops"	15 1	19
SpO1 "Enhanced Household Food Security"	33 0	42
SO2 "Increased Use of Health Care Services"	15 2	19
SO3 "Improved Quality and Equity of Basic Education	13 0	17
SO4 "Increased Access and Participation in Democracy"	2 2	3
Total	**78 5**	**100**

Source The USAID FY 1999 Congressional Presentation (Ethiopia)

The economic reforms and performance over the past six years have provided a promising platform for sustained and rapid economic growth and poverty reduction Seizing that opportunity now requires continued efforts to ease the constraints that are emerging with the next stage

of development This will require building on the momentum of the reforms to further unleash the potential of the private sector, agriculture and exports, improving infrastructure and social services, and strengthening the capacity to implement reforms and policies effectively

Despite two major and several smaller famines over the past 20 years, Ethiopia is a country with the capability to feed itself and eventually produce a surplus of food Two years of good rains and aggressive extension programs have helped Ethiopia come closer to attaining a minimal level of food self-sufficiency Recent experience has demonstrated that small farmer production, supported by reliable supplies of agricultural inputs, credit, and market incentives, can grow enough food to feed the people of Ethiopia

Nevertheless, extreme poverty and dismally low economic and social indicators underline the fragility of this success Ethiopia's gains in economic growth are seriously eroded by its rapidly growing population, which is 85 percent rural and now the second largest in sub-Saharan Africa At the current growth rate of over 3 percent, the total population of the country is expected to reach 145 million by the year 2025 Given the urbanization trends that are now occurring throughout Africa, the urban needs over this period to absorb the excess rural population will be enormous The provision of adequate infrastructure will be among the country's foremost needs

Ethiopia must also be given a chance to play a proactive, positive role in regional affairs In line with USAID-sponsored Greater Horn of Africa Initiatives (GHAI), Ethiopia, along with Uganda and Eritrea, has led ongoing efforts to reshape and bring new life to the Intergovernmental Authority on Development (IGAD) The primary purpose of IGAD is to establish a development alliance among the regional body of Horn of Africa countries that will reduce the threat of conflict in the region and promote development

2 USAID/Ethiopia Program

2 1 Summary of Country Strategic Plan

USAID/Ethiopia has built its program on three interrelated subgoals enhanced food security, smaller, healthier, better-educated families, and an increasingly stable and democratic political system The FY 1998 program addresses four of the five USAID worldwide priorities in order to achieve these subgoals Additionally, USAID/Ethiopia's assistance strategy is fully consistent with the goals of the GHAI and its major emphasis on promoting food security and preventing future conflict The Mission's programs help ensure food security are aimed at providing a minimum level of food availability so that the country can focus on other essential aspects of long-term development To this end, NGO-implemented Title II Food for Work activities are being used to help build necessary infrastructure (feeder roads, small dams, terracing on steep slopes, etc) in marginal, rural areas The Mission's programs to help avoid future conflict include full support to the Civil Service Reform Program and the provision of training and technical assistance in budgetary and financial processes at both national and regional levels The Mission is also helping increase civic society representation in development by supporting NGO activities and by helping build healthier, better-educated, and planned Ethiopian families who can participate in this process

USAID/Ethiopia and the Government have chosen to focus on the establishment of basic food security and self-sufficiency as their response to the Agency's overall goal of "encouraging broad-based economic growth " The Mission supports environmental efforts and natural resource management within the context of increasing agricultural production

In terms of "stabilizing population and protecting human health," USAID/Ethiopia is helping improve the availability of reproductive health care and contraceptives through public, private, and NGO channels and helping strengthen rural primary health programs in selected regions of the country

To meet the Agency goal of "building democracy," Mission assistance is helping define a far-reaching effort by the government to fundamentally reform the Civil Service and improve financial management and accounting practices at both central and regional levels Additional work with emerging legislative institutions includes assistance to the government in establishing a new Human Rights Commission and Ombudsman in consultation with domestic and international human rights organizations Capacity building and support to domestic NGOs and civic organizations are also included among the Mission's most important activities

The United States has always been forthcoming in humanitarian assistance and food aid to prevent starvation Under the auspices of GHAI, the government, donors, and NGOs are now developing a coordinated nationwide early warning system that will facilitate the targeting of food aid and development resources to those areas of greatest need

2 2 Summary of Results Review and Resource Request (R4)

SO1: **Increased Availability of Selected Domestically Produced Food Grain Crops**	
Indicator 1 1	*Increased volume of food grains purchased by private merchants*
Indicator 1 2	*Increased per capita availability of total food grains*
SO2. **Increased Use of Primary and Preventive Health Care Services**	
Indicator 2 1	*Per capita expenditure*
Indicator 2 2	*Number of new clients receiving modern family planning services in ESHE focus areas*
Indicator 2 3	*Number of CYP generated through a) COFAP/Pathfinder, b) Contraceptive Social Marketing*

SO3: Quality and Equity of Primary Education Improved in an Expanded System	
Indicator 3 1	*Scope from primary student assessment in Tigray and the southern nations, nationalities, and peoples region (proxy average raw score in Grade 8 national examination)*
Indicator 3 2	*Female share of grade 4 enrollment*
Indicator 3 3	*Gross enrollment ratio in focus regions*
Indicator 3 4	*Percent of national education budget out of total government budget*
Indicator 3 5	*Percent of primary education budget out of total national education budget*
SO4 Increased Access to and Participation in a Democratic System	
Indicator 4 1	*Increased number of CSOs with sound strategic management plans*
Indicator 4 2	*Increased number of CSOs with sound financial management capacity*
Indicator 4 3	*CSO networks successfully develop common positions/approaches*
Indicator 4 4	*CSO networks increase production/circulation of information*
SpO Enhanced Food Security in Target Areas	

3 Institutional Analysis/Key Players

The donor community provided Ethiopia with an estimated $650 million in grant and loan assistance during FY 1996 During the same period, the government completed prolonged negotiations with the World Bank and the International Monetary Fund for a new multiyear Policy Framework Paper and an Enhanced Structural Adjustment Facility agreement One of the major constraints from the perspective of these donors remains the country's capacity to put these funds to work effectively, in particular by increasing the speed of implementation of the existing portfolio

Coordination among donors remains relatively strong, but more could be done to establish a true partnership among all of the actors in Ethiopia's development (the government, the private sector, and NGOs) The African Development Bank, the European Union, and the World Bank provide the largest share of assistance The United States has been the largest bilateral donor to Ethiopia in recent years, but ranked third behind Italy and Germany in 1995 Other major bilateral donors include Japan, the Netherlands, France, Denmark, Norway, Switzerland, Britain, and Canada

National

- Ministry of Agriculture (MOA) The MOA is USAID's main counterpart for its agriculture policies and programs
- Ministry of Health (MOH) The MOH is USAID's main counterpart in the field of family health and population services
- Office of Population and Family Health Department These two offices within the MOH are the direct counterparts working with USAID on its health and population activities

- Agricultural Input Supply Corporation (AISCO), the Ethiopian Grains Marketing Enterprise (EGME), and Merchandise Wholesaling, Importing and Trading Enterprise (MWITE) The roles of these three government marketing corporations are the focus of donor-supported change in helping the agricultural sector move to a free-market approach
- Ministry of Education (MOE) The MOE is USAID's main counterpart for its programs in education
- Ministry of Justice (MOJ) The MOJ is USAID's main counterpart for activities related to democracy and governance
- National Election Commission (NEC), Constitutional Commission (CC), and Council of Representatives (COR) These three agencies are the key government counterparts involved in national and local elections

International

- International Monetary Fund (IMF) The IMF has provided Ethiopia with an Enhanced Structural Adjustment Facility to support its adoption of a comprehensive adjustment strategy
- World Bank The World Bank has extended a $120 million IDA grant to the Ethiopian Social Rehabilitation Development Fund to provide financial and technical support to poor rural communities The Fund will help these low-income communities launch small projects aimed at creating the assets and services required to upgrade their economic and social standards and strengthen self-reliance

  Another concessional loan of $35 73 million will help improve access to safe water and sanitation facilities, provide support to human resource development and capacity building for the regional governments, and establish a new regulatory framework for water supply operations The three major components of this program include 1) capacity building for the overall water supply sector and a rural water supply pilot scheme, 2) designs for urban water schemes and regional headquarters, and 3) building works and rehabilitation of water and sanitation facilities

  Another major World Bank program involves a $309 2 million IDA credit as part of Ethiopia's $2 75 billion ongoing program to develop and improve its roads This road development program is expected to improve travel, food distribution, crop supplies, and trade The overall program, which includes funding from the World Bank, the Ethiopian government, the European Community, and the African Development Bank (AfDB), is in the first five-year phase of a 10-year effort
- Swedish International Development Agency (SIDA), Canadian International Development Agency (CIDA), and European Economic Community (EEC) These three donor country organizations have worked closely with USAID in addressing food security issues Reform efforts have been coordinated under the World Bank and IMF coordinated Emergency Recovery and Reconstruction Program (ERRP) and have focused on the operating nature of government-owned marketing corporations and enterprises

- Food and Agriculture Organization (FAO) The FAO has led international efforts to obtain fertilizer It has been supported in this activity by Italy, the Netherlands, the AfDB, the EEC, and USAID
- World Food Program (WFP) The WFP chairs a multidonor working group that reviews how to implement safety nets to support food-insecure groups It has also worked closely with the World Bank to initiate public works activities in rural areas
- Italian Government Bilateral aid from Italy has also been used to support the reconstruction of infrastructure
- UNICEF This UN agency has provided emergency assistance, maternal and child health, essential drugs, help in infrastructure support, curriculum and materials production

Local/Local Government

- The Ethiopian government is committed to a process of ethnically based regionalization to be supported by decentralized, popularly elected government, organized around newly drawn ethnically-based regions but still subject to certain central controls USAID relations with these regional entities and with a wide range of local-level counterparts are still being established

Relevant USAID Contractors

A fairly large number of institutional contractors work with USAID/Ethiopia in implementing its program objectives These contractors can be grouped most easily according to the Mission's Strategic Objectives (SOs)

Contractors working with the Mission to increase the availability of selected domestically produced food grain crops under SO 1 include

- U S Department of Agriculture/National Agricultural Statistics Service
- Volunteers in Overseas Cooperative Assistance
- Michigan State University
- Winrock

Contractors working with the Mission to increase the use of primary and preventive health care services under SO 2 include

- BASICS
- Pathfinder (a U S PVO)
- Family Health International
- Population Services International
- Partnership for Child Health
- World Health Organization

Contractors working with the Mission to improve the quality and equity of primary education in an expanded system under SO 3 include

- Academy for Educational Development
- World Learning Inc

Contractors working with the Mission to increase access to and participation in a democratic system under SO 4 include

- Carter Center
- National Democratic Institute
- Participating Agencies Cooperating Together
- Fund for Peace
- International Fund for Election Systems
- Thunder Associates
- Inter-Africa Group
- USIA
- UNDP
- A-Bu-Gi-Da
- Harvard Institute for International Development

Contractors working with the Mission to enhance household food security in target areas under Special Objective 1 include

- CARE
- Catholic Relief Services
- Save the Children Federation/USA
- World Vision International
- Food for the Hungry International

NGOs/Others

USAID deals with a consortium of local NGOs in its efforts to expand health services to women and children A few of the more prominent NGOs include

- Family Planning Consortium of NGOs in Ethiopia
- Tigray Development Association (an Ethiopian NGO)
- Relief Society of Tigray
- Ethiopian Orthodox Church

In terms of other organizations, the Regional Water and Sanitation Group for East and Southern Africa (RWSG-ESA) (located in Nairobi) has supported an inventory and review of community-based environmental sanitation projects in Addis Ababa It has also provided inputs to the World Bank's Second Urban Development Project and to the preparation of water supply and sanitation

investments now under consideration by the World Bank and the European Union The RWSG-ESA has also helped establish the project rules and selection criteria for the community-initiated projects to be funded under the Social Rehabilitation Fund

4 Status of USAID/Ethiopia Program and Opportunities for Urban Activities

While Ethiopia is one of the least-urbanized countries of sub-Saharan Africa, it is also one of those that are most rapidly urbanizing Over the past 10 years, the country's urban population has increased by 6 3 percent per year, with the growth of many smaller towns averaging over 10 percent per year The town of Gambella, near the Sudanese border, achieved an average growth rate of 15 percent per year over the 1984-94 period Settlement patterns and their hierarchy are now being redefined as a result of the change and development related to regionalization and the government's massive road improvement program Few of the these urban settlements are prepared to handle the significant changes that are likely to occur

While the Mission has identified improved land use and tenure as particularly important to the success of its agricultural programs, it has opted to support the central government's position that emerging regional governments should be responsible for determining the new land tenure arrangements Recent studies of selected secondary towns have shown that there is currently no land use planning or provision of serviced land for housing or commercial use within these towns The result has been a serious mismatch between the demand and supply of serviced land Very little infrastructure is being put in place due to poor cost recovery and the lack of funds

5 Proposed Urban Activities and Approach

The following section briefly summarizes the Mission's strategic objectives and provides some initial suggestions for potential urban program opportunities that could support these objectives and potentially improve results Two basic considerations should be kept in mind in attempting to outline urban activities although the country is one of the most rural in sub-Saharan Africa, anticipated development will encourage very rapid patterns of rural-urban migration similar to those experienced by other countries in the region, and the country's hierarchy of human settlements is very rudimentary and poorly developed and is likely change dramatically with large-scale improvement in roads

Key Mission Objective	Urban Program Opportunity
Increased Availability of Selected Domestically Produced Food Grains Recognizing that food grain production remains the single biggest variable in the food security equation in Ethiopia, USAID's strategy has emphasized the supply of these grains It has focused on reducing government involvement in the marketing of agricultural goods and services, liberalizing commodity and input markets, and increasing the analytical capacity of the government to deal with essential policy reforms The lack of suitable infrastructure and roads are the major physical constraints to fertilizer distribution and to the improvement of grain supply The World Bank, the government, and other donors have developed a major road-building program, but without integrating this initiative in a broader human settlement or food security strategy	The USAID Mission, along with other donors, has worked very closely with the Ethiopian government to address the need to alleviate basic hunger and to move the country towards greater food security and self-sufficiency To obtain full value from these efforts, particular attention must be given to the development of market towns and distribution centers that make key contributions to this objective These cities and towns provide important marketing facilities and services means of transport and communication, networks of social and health services and access to financing and credit systems that need to be developed and supported Within any settlement framework, there is a need for a well-developed and integrated system of market towns that can concentrate essential services and facilities required by the surrounding rural population Market towns need a critical mass of services, ,facilities and enterprises to function as effective centers for the exchange bulking and distribution of agricultural products, for the generation of off-farm employment and for administrative, commercial, and social services An analysis of the directional flows of major agricultural inputs and products, as well as the functions of various settlements along these major paths, would be very useful in addressing existing constraints and bottlenecks to food security and self-sufficiency Agriculture and market town studies should also go hand in hand in attempting to determine areas to be cultivated for alternative crops There is a need to identify and provide the necessary agriculture-supporting infrastructure in these towns and cities that cannot be provided by the private sector alone It is important to identify initial needs so that private sector investment will follow A major problem for the fast-growing, smaller towns involves land use planning and the ability to make land available for development A simple, strategic land use planning approach should be developed that incorporates such aspects as urban farming wetland reclamation, biodiversity, and environmental education and research Public-private partnerships can be developed that will allow public lands to be developed by private investors according to government needs and requirements

Key Mission Objective	Urban Program Opportunity
Increased Use of Primary and Preventive Health Care Services USAID's policy agenda with the government focuses on increasing the availability and use of drugs and supplies by improving distribution Particular attention is being given to access to and use of essential services related to family planning, AIDS prevention, and general family health at the community level	Urban program opportunities under this SO may involve helping identify rapidly growing settlements where the provision of primary and preventive health care services will the greatest positive impact
Quality and Equity of Primary Education Improved in an Expanded System USAID's emphasis will be on improving the quality of basic education in an expanding system	Once again, urban program opportunities under this SO concern the identification of suitable sites for priority investments in education A better understanding of settlement patterns, hierarchies, and potential for future growth fill help achieve this
Increased Access to and Participation in a Democratic System A key aspect of the Mission's strategy involves increasing participation in civil society and the transition process by citizens and civic organizations Municipal development and management is one obvious area where this applies	Considerable opportunity exists to provide support for democracy and governance through greater community participation in the management of local resources and development, in municipal decision making, and in the provision of urban infrastructure and services This can be achieved through the emerging regional governments, municipalities, and local NGOs Opportunities may exist in helping the regional governments and local authorities define their respective roles in regard to infrastructure provision, management, and cost recovery Technical assistance and training should be provided to regional governments and local authorities to help determine this balance
Special Objective Enhanced Food Security in Target Areas	Urban program opportunities implemented under this Special Objective will also support those related to SO 1 They are likely to support smaller size settlements in more remote and marginal areas

Attachments

1 USAID 1999 Congressional Presentation

2 Ethiopia Chapter from CIA World Factbook, 1997

Note This document may not always reflect the actual appropriations determined by Congress Final budget allocations for USAID's programs are not determined until after passage of an appropriations bill and preparation of the Operating Year Budget (OYB)

ETHIOPIA

	FY 1997 Actuals	FY 1998 Estimate	FY 1999 Request
Child Survival and Disease	$19,200,000	$25,885,000	$23,635,000
Development Assistance	$18,089,775	$19,700,000	$13,950,000
P L 480 Title II	$37,396,000	$56,812,000	$32,044,000
P L 480 Title III	$10,000,000	$9,900,000	$ 8,900,000

Introduction

Events over the past year in the Horn of Africa and the Great Lakes reinforce Ethiopia's status as a critical player and an important U S ally in developing self-reliant stability in a region still plagued by natural and man-made crises The Government of the Federal Democratic Republic of Ethiopia (GFDRE), particularly its top leadership, plays an increasingly active and influential role among the new leaders emerging in Africa, the Organization for African Unity (OAU), and the more regionally focused Intergovernmental Authority for Development (IGAD) In addition, negotiations are underway to bring Ethiopia into the African Crisis Response Initiative (ACRI) as a key participant Recent visits by the Secretary of State and senior Congressional figures clearly signify the importance of Ethiopia to U S foreign policy interests in Africa The country's promising economic growth over the past three years has been slowed by the return of erratic and untimely rains in 1997, which are expected to reduce annual gross domestic product growth to around 3% In spite of the economic slowdown, Ethiopia continues to make strides to break out of almost two decades of economic and political doldrums, a process which is critical to both continued democratization of national politics and for supporting the key regional and continental role Ethiopia now plays in Africa

The Development Challenge

Ethiopia remains among the poorest countries in the world Steady and measurable progress in improving conditions in almost all economic and social sectors over the past three years has not yet made significant inroads in ameliorating desperate conditions inherited by the new government in 1991 The year 1997 saw a return to lower agricultural production levels because of poor rains, which will result in slowing the strong national economic growth achieved Gross National Product is at a level of $110 per capita and only modest gains have been realized in improving social services Social statistics are still among the lowest in the world, and in some cases such as malnutrition rates and primary school enrollment, Ethiopia ranks the lowest in the world, despite the fact that primary school enrollment is estimated to have increased from about 20% to over 30% in four years The GFDRE confronts challenges in all sectors of the economy and is mounting a series of sector development programs based on carefully considered priorities Major sector development programs are operating or being organized in key sectors -- transportation (particularly roads), education and health A new program is also planned for the energy sector GFDRE efforts to structure investments in the critical agriculture sector are being developed slowly, but are carefully crafted

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to respond to Ethiopia's unique challenges and potentials by utilizing a three-pronged approach which looks at (1) the food security needs in high potential production areas, (2) the food security needs of lower production areas, and (3) strengthens the government's capacity to respond to emergencies and address needs in chronically vulnerable areas An important, comprehensive regionally based food security program is being formulated in 1998 by regional and local governments Important regional transportation, trade and communication constraints are proposed to be tackled under projects being prepared by IGAD for support under the Greater Horn of Africa Initiative

Ethiopia's development efforts remain hampered by poor private sector participation, which is only now recovering from having been dismantled under the previous regime While the GFDRE lacks both trust and experience in working with the private sector to achieve public good, progress has been made in

opening up most sectors to private sector investment in Ethiopia The United States still has limited trade with Ethiopia, and a significant trade surplus The number of U S companies represented in Ethiopia has grown over the last four years from around 40 to 185

Other Donors

The donor community provided an estimated $850 million in grant and loan assistance to Ethiopia during 1996, against a three year pledge level for 1997 - 1999 of $3 billion at the 1996 Consultative Group (CG) Meeting The United States was the third largest bilateral donor to Ethiopia in 1996 at a level of $56 million In the last CG meeting, the United States led other bilateral donors with a pledge of $240 million for the period 1997 -- 1999 A new World Bank Country Assistance Program was negotiated and approved for Ethiopia at a maximum three year level of $1 65 billion and a base level of $1 2 billion Negotiations with the International Monetary Fund on the second phase of an Enhanced Structural Adjustment Facility broke down over issues concerning pace and timing of key liberalization reforms, but renewed negotiations appear to be moving toward a resolution of issues Donor coordination remains good The development of the health and education sector investment plans is a crucial fora for inter-donor and donor-government collaboration Collaboration and trust among the public and private sectors and non-government organizations (NGOs) needs to be improved Both the OAU and the United Nations Economic Commission for Africa, with their headquarters in Addis Ababa, continue reformation and revitalization efforts begun in 1996

FY 1999 Program

USAID's program of assistance in Ethiopia focuses on three of the GFDRE's five high priority sectors - education, health and food security - leaving the transportation and energy sectors for other donors USAID's support to the GFDRE priority in rebuilding the health and education sectors has been in line with GFDRE's policies since 1992, and provides direct benefits to citizens, particularly the large (85%) rural population U S assistance to these sectors has provided important lessons for the GFDRE education and health sector development programs now under design Both programs have demonstrated their ability to improve the quality and access to health services and primary education USAID assistance has also encouraged the government to begin increasing critically low budget allocations at central and regional levels to these two sectors USAID is currently involved in finalizing discussions on assistance to improve the critical food security sector through support to Ethiopia's regional government food security programs which are under design This support will build on Ethiopia's success in recent years to increase cereal grain production and improve input and output marketing in a liberalized economy These regional programs will also provide an opportunity to build better links between relief assistance and effective programs to move whole groups from vulnerable to self-sustaining USAID is also supporting the development of institutional structures necessary for strengthening the democratic processes - (1) developing a vibrant civic society through the strengthening of indigenous NGOs, (2) strengthening judicial systems through badly needed judicial training, and (3) supporting the government's Civil Service Reform effort through assistance in budgeting, financial management and accounting to both federal and regional governments

USAID's assistance strategy for Ethiopia supports the recently promulgated principles of the Greater Horn of Africa Initiative (GHAI), particularly in contributing to and working with African ownership of

development programs, linking relief to development, and looking for opportunities to apply regional approaches A key element of the GHAI is an emphasis on African ownership of the development process The Ethiopians, in particular have embraced this concept However, African ownership has challenged the international community to rethink its approaches As a result, USAID must be willing to invest the significant time and patience that is necessary to enable our African partners to learn to manage their own development and work together as development professionals As a result, measurable people level impact takes longer, but USAID hopes will be more sustainable as it fits into the priorities of the country Consistent with the African Food Security Initiative and the GHAI goal of increased food security, USAID continues to work with the GFDRE in identifying areas in which USAID can contribute to the Ethiopians efforts to overcome their chronic food deficits

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ETHIOPIA

FY 1999 PROGRAM SUMMARY

(in thousands of dollars)

USAID Strategic and Special Objectives	Economic Growth & Agriculture	Population & Health	Environment	Democracy	Human Capacity Development	Humanitarian Assistance	TOTALS
S O 1 Availability of Selected Domestically Produced Food Grain Crops - DA - P L 480/III	4,500 ---	--- ---	1,700 ---	--- ---	--- ---	--- 8,900	6,200 8,900
S O 2 Increased Use of Primary and Preventive Health Care Services - CSD - DA	--- ---	10,435 4,750	--- ---	--- ---	--- ---	--- ---	10,435 4,750
S O 3 Quality and Equity of Primary Education Improved - CSD	---	---	---	---	13,000	---	13,000
S O 4 Increased Access to and Participation in a Democratic System - DA	---	---	200	2,000	---	---	2,200
Sp O 1 Enhanced Household Food Security in Target Areas - CSD - DA - P L 480/II	--- 300 ---	200 --- ---	--- 500 ---	--- --- ---	--- --- ---	--- --- 32,044	200 800 32,044
Totals - CSD - DA - P L 480/II - P L 480/III	--- 4,800 --- ---	10,635 4,750 --- ---	--- 2,400 --- ---	--- 2,000 --- ---	13,000 --- --- ---	--- --- 32,044 8,900	23,635 13,950 32,044 8,900

USAID Mission Director Keith E Brown

ACTIVITY DATA SHEET

PROGRAM ETHIOPIA
TITLE & NUMBER Increased Availability of Selected Domestically Produced Foodgrains, 663-SO01

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STATUS Continuing
PROPOSED OBLIGATION & FUNDING SOURCE FY 1999 $6,200,000 DA, $8,900,000 P L 480, Title III
INITIAL OBLIGATION FY 1996 **ESTIMATED COMPLETION DATE** FY 2003

Purpose Increase the availability of selected domestically produced food grain crops in Ethiopia through support to the Government of the Federal Democratic Republic of Ethiopia (GFDRE), the private sector and non-governmental organizations (NGOs)

USAID Role and Achievements to Date Over the past 15 years, the average annual per capita grain consumption (excluding food aid) in Ethiopia has ranged from 172 kilograms (kgs) to 96 kgs, with per capita availability exceeding the 171 kgs minimum recommended level in only two of these years Farmers have not been able to exploit Ethiopia's considerable potential because of negative policies and state intervention and a failure to utilize technological and cultural advances Increasing production alone, however, does not solve the problem, as demonstrated during the 1996/97 bumper harvest Many Ethiopians were still unable to afford to buy enough food, despite the abundance of grain in markets Addressing food insecurity in Ethiopia requires a sound policy framework, increasing the amount of grain produced and increasing people's ability to purchase food through increasing incomes and decreasing food prices, without disrupting farmer's incentives to increasing their production

The GFDRE has made great strides in recent years in increasing agricultural production, with consecutive 20% increases in 1995 and 1996 Although production in 1997/98 was an estimated 26% lower than the record production of last year (1996/1997) due to poor rainfall distribution, the GFDRE's agricultural extension program continues to expand and should show good results in the future USAID's Development of Competitive Markets (DCM) activity, and Title III Food Security program, have complemented efforts to improve market efficiency and openness -- ensuring that inputs (e g fertilizer and credit) get to the farmer and the increased production gets to the consumer in a cost-efficient manner USAID promotes policy changes by the GFDRE to liberalize the agricultural economy, reduce the role of the public sector and increase the role of the private sector Results include

-- reduced market share of the parastatal grain trading agency from 37% to 4%,
-- opened up fertilizer distribution and retailing to the private sector, with increased private sector imports from 41,649 metric tons (MT) in 1994/95 to 138,943 MT in 1996/97 Total fertilizer sales increased from 150,000 MT in 1992 to 210,891 MT in 1997,
-- foreign exchange is now available for both private and public sector fertilizer importers,
-- reduced the number of check points for taxing grain thereby reducing transport costs of grain movement Regional grain price differentials have dropped significantly and prices in cereal surplus areas have risen by 12% to 48%, which benefits farmers, while prices in cereal deficit areas have declined by 6% to 36%, which benefits consumers,
-- micro-finance institutions now have a legal framework and can offer savings and loan services, and
-- reduced tariff on commercial grain imports from 30% to 5 % which encourages commercial imports

Description USAID continues to support the GFDRE's efforts to improve food security and increase production, working at the policy level as well as on the ground USAID also supports key GFDRE analytical activities Under the Development of Competitive Markets project, the GFDRE initiated a grain market research activity to understand and stabilize food price mechanisms in the emerging market economy Based on the successful pilot program, this activity will help establish a functioning nation-wide market information system eventually covering cereals, pulses, oilseeds and livestock for farmers and traders It has included research on fertilizer and grain market efficiencies, food aid impacts, and the structure and performance of grain markets Support is also given to the Ethiopian

Central Statistical Authority (CSA) to improve agricultural production data collection techniques, analyses and timeliness of its annual Agricultural Survey In 1997, for the first time under the new government, CSA was able to produce production estimates in time to use in the annual food aid needs appeal to donors

An activity with the Volunteers in Overseas Cooperative Assistance (VOCA) works to improve the efficiency and safety of private and public sector input marketing To date, some 240 retailers in two

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regions have received training and it is expected that the gross profits of each retailer will increase by at least $2,000 in the first year Another VOCA project is strengthening agricultural cooperatives in the Oromiya region, helping them to form cooperative unions and take advantage of economies of scale in marketing agricultural inputs and grain An activity with Winrock International will implement programs to alleviate social, economic and technical constraints faced by women in agricultural production, household level grain storage and processing, and marketing

In support of the African Food Security Initiative and the Greater Horn of Africa Initiative, USAID is currently holding discussions with central and regional government officials on possible support for the new food security programs developed by the regions USAID will refine our current strategy if necessary to respond to this new government priority program USAID's support to this program, however, will likely continue to support increased participation of the private sector, while at the same time re-defining the role of government in the agriculture sector

Host Country and Other Donors USAID assistance complements aid from the European Union, the World Bank, and other bilateral donors to agricultural production, transportation and infrastructure development, and related policy reforms The World Bank is the primary donor (with five other donors) on a fertilizer sector support program, and to seed market development and agriculture research The fertilizer program aims to increase access to fertilizer through more competitive and efficient markets Assistance from Sweden and Italy is enhancing grain production in the major growing areas Canada will provide funds to build capacity for one region's small scale irrigation sector A donor forum on agriculture and food security has been assisting the government in developing a national food security program Based on this strategy, four regions have developed food security programs, targeting the most food deficit areas in each region and proposing interventions to address the major constraints to improving household level food security Major elements include sustainable agricultural production, watershed management, small scale irrigation, livestock development, cash crop development, credit, rural road construction and capacity building at local levels

Beneficiaries The beneficiaries are the majority of Ethiopians (rural and urban, men and women) who must purchase food on the market More immediate beneficiaries are the millions of small farmers and small agricultural businesses who will profit from the increase in demand for agricultural goods

Principal Contractors, Grantees, or Agencies U S Department of Agriculture, Volunteers in Overseas Cooperative Assistance, Michigan State University and Winrock International

Major Results Indicators		Baseline (1992)	(2003)	Target
Increased average production per hectare				
Maize		1 1 MT/hectare	(ha)	2 5 MT/ha
Wheat		8 MT/ha		1 5 MT/ha
Sales of Fertilizer annually		150,000 MT		500,000 MT
Increased private sector involvement in fertilizer	Import	0 %		75 %
	Wholesale	0 %		100 %
	Retail	5 %		100

ACTIVITY DATA SHEET

PROGRAM ETHIOPIA
TITLE & NUMBER Increased Use of Primary and Preventive Health Care Services, 663-SO02
STATUS Continuing
PROPOSED OBLIGATION & FUNDING SOURCE FY 1999 $10,435,000 CSD, $4,750,000 DA
INITIAL OBLIGATION FY 1995 **ESTIMATED COMPLETION DATE** FY 2003

Purpose To increase the use of primary and preventive health care services in order to improve the health status of Ethiopians and to reduce population growth

USAID Role and Achievements to Date USAID is working with the Government of the Federal Democratic Republic of Ethiopia (GFDRE) to improve a desperate health care situation With a population of about 57 million growing at over 3% per year and a per capita income of $110, Ethiopia is one of the poorest and most populated countries in Africa At current rates, Ethiopia's population could exceed 145 million by the year 2025 It is currently estimated that fewer than 20% of Ethiopian citizens are within a two hour walk of any modern health care facility The average Ethiopian woman bears on average eight children in her life time, and Ethiopia has one of the highest maternal mortality rates in the world One fourth of Ethiopian children die before their fifth birthday An estimated 1 7 million Ethiopians were infected with the AIDS virus in 1996 This could translate into 1 8 million AIDS orphans by the year 2010

USAID's Essential Services for Health in Ethiopia (ESHE) program supports integrated rural child survival and general health care services to the more than 11 million people living in the Southern Nations and Nationalities Peoples Region (SNNPR) of Ethiopia, promotes the expansion of comprehensive reproductive health service delivery through both the public and non-government organization (NGO) sector nationwide, and supports the expansion of successful private sector social marketing of condoms and oral contraceptives throughout Ethiopia At the national level, USAID supports policy reforms which focus on increasing the GFDRE budget resources dedicated to basic health, emphasizing child survival and integrated sustainable rural health service delivery

USAID has supported baseline surveys of health facilities in targeted areas and community level surveys in the SNNPR With USAID assistance, a Health Care Finance Strategy has been developed and is soon to be adopted by the GFDRE The government has maintained a higher share of its national budget going to health, while improving allocations in favor of rural areas and preventive care Training has promoted new and innovative methods of health care service delivery, especially at the community level, utilizing existing structures Modern family planning services have been provided to over 80,000 women by USAID through Pathfinder, a U S private voluntary organization (PVO) Through USAID support for contraceptive social marketing, nearly 24 million condoms were sold in 1996 and it is anticipated that over 36 million condoms will be sold in 1998 to reduce HIV transmission USAID HIV/AIDS activities have expanded sexually transmitted disease treatment to over 30,000 clients in urban areas Furthermore, 24 million condoms and 200,000 cycles of oral contraceptive pills were sold with USAID support through private sector channels Vaccination coverage in target rural areas rose from 0% to over 30% in the last year of project implementation Primary health care facilities have been rehabilitated and strengthened (both in their systems and staff development) to increase the access and quality of care to rural communities

Description USAID assistance focuses on encouraging national and regional policy reforms to (1) increase resources budgeted to population, health, and nutrition activities, and actual expenditures on primary health care, (2) re-orient services more toward prevention of infant and child mortality, (3) develop and implement a national health care financing strategy and implement cost recovery and local financing to promote a self-sustaining system, (4) focus resources on community delivery, particularly for child survival and reproductive health initiatives, and (5) reduce bureaucratic obstacles to the provision of reproductive health care service delivery

Project assistance supports (1) enhanced rural health care service delivery to improve maternal and child health (including the reduction of communicable parasitic and infectious diseases) in the SNNPR, (2) implementation of a national health care financing strategy and logistics management information system, which will move financial decision making closer to those providing care, (3) strengthening the national AIDS control program, (4) supporting indigenous NGO outreach programs in family planning, and (5) expanding the private sector marketing of contraceptives

Rural health service delivery efforts in the SNNPR will initially reach about 1 6 million children under five years and almost two million women Over the next five years, up to a total of eight million children and women nationally will have access to basic care If implemented successfully, by the end of the project, over 150,000 child deaths could be saved annually A reproductive health survey was completed in the SNNPR This survey provides important information on causes of maternal and child illness and death, and presents options for improving maternal and child health which are directly suited to the specific needs of those communities USAID is also supporting initiatives in the SNNPR to promote public and private

sector cooperation to maximize health care delivery services USAID will continue to support Ethiopia's Polio Eradication Program through funding to the World Health Organization for surveillance, social mobilization, national and district micro-planning, and support USAID's efforts in building rural health care services in the SNNPR will also benefit the government's polio eradication efforts

Host Country and Other Donors The GFDRE has demonstrated its commitment to improving health care by maintaining national budget levels allocated to health, with emphasis on rural and preventive, services, and has adopted solid strategies and policies on improving health, family planning, and women's role in society A regular donor group meets under USAID chairmanship, composed of representatives from 15 bilateral and multilateral donors In addition to USAID, major donors in the sector include the World Bank, World Health Organization, the Netherlands, United Nations Fund for Population Activities (UNFPA), UNICEF and Germany Donor coordination has been good and is improving as work progresses on a multi-year, coordinated Health Sector Development Plan (HSDP) The five year HSDP and USAID's ESHE activity have the same goals USAID's contribution to the HSDP will be multi-dimensional USAID will promote new national policies to strengthen health care financing, private sector involvement, and increased budget allocations to the sector USAID will also support measures to aggressively curb AIDS transmission and population growth rates, particularly in urban areas through both public and non-governmental service provision of quality reproductive health services

Beneficiaries Beneficiaries will include 50% of the 16 million people in the SNNPR, and an estimated 10 million urban residents nationally who will benefit from family planning, AIDS prevention and control activities

Principal Contractors, Grantees, or Agencies Activities to achieve this strategic objective are being implemented by a wide range of international and local partners working in collaboration with the GFDRE and local governments These partners include BASICS, Pathfinder, Family Health International, Population Services International, Partnership for Child Health, the Family Planning Consortium of NGOs in Ethiopia, UNFPA, and the World Health Organization

Major Results Indicators

	Baseline (1992)	Target (2002)
Health as a percent of national budget	5 8%	9 0%
Number of condoms distributed annually	20 million	50 million
Use of essential services in rural areas of SNNPR	20%	40%
Proportion of children 12-23 months who have received full vaccination in target communities	38% (1996)	80% (2000)

ACTIVITY DATA SHEET

PROGRAM ETHIOPIA
TITLE & NUMBER Quality and Equity of Primary Education Improved in an Expanded System, 663-SO03
STATUS Continuing
PROPOSED OBLIGATION & FUNDING SOURCE FY 1999 $13,000,000 CSD
INITIAL OBLIGATION FY 1995 **ESTIMATED COMPLETION DATE** FY 2002

Purpose To improve the quality and equity of primary education in an expanding system by improving education sector policy, education financing, decentralizing administration, and improving the supply of critical educational inputs such as teachers, curricula, and books

USAID Role and Achievements to Date In 1991, the primary education system was a weakened and discredited shell, with an attendance rate of about 20% of the eligible students, inadequate facilities, poorly paid, undertrained and demoralized teachers, and a poor policy and strategy framework Rapid improvement of this system required coordinated interventions which will improve the policy and procedural frameworks, improve and increase trained administrators and staff, and sustainably increase the resources flowing to schools and the local support they receive To achieve this, USAID worked with the

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Government of the Federal Republic of Ethiopia (GFDRE) to develop a combination of policy oriented assistance with grass-roots oriented project assistance Through the Basic Education Systems Overhaul (BESO) program, USAID is providing technical, financial and other assistance to the GFDRE to bring about policy change, improve education sector financing, and decentralize administration USAID is also helping the government by working with teacher training institutes to improve teacher preparation, curricula, policies and facilities, and by assuring the sustainable availability of key inputs such as books and improved curricula

Implementation is now in its third year, and gains are already evident The Ministry of Education has drafted new minimum primary schooling standards to monitor progress on quality objectives A new career and salary structure for teachers has now been in operation for two years Teacher training methods and facilities are improving, with greater numbers of female trainees receiving increased attention At the community level, over 400 schools have been improved with communities increasingly taking over management responsibilities Curriculum development, for the first time involves direct input from teachers and, in one pilot effort, communities BESO focus regions started to use desktop publishing mechanisms to reduce textbook publication costs and improve quality Planning and policy analysis techniques are improving, linked to more efficient collection and production of educational data Work on school mapping is complete in one focus region and is on track in the other to better understand access problems, and allow for monitoring quality improvements

Gender related objectives are being met in part with the admission of 1,000 more female trainees annually into primary teacher training institutes and a public campaign initiated to encourage parents to send their daughters to school GFDRE financing for education has also improved with an increase in the national budget share for education from 14 8% to 16 3% over the past two years The financing of education is being diversified, with the opening up of private schools for the first time in over 20 years and cost-sharing measures being planned at secondary and tertiary levels Finally, competition for textbook production contracts is expanding out of the public sector, resulting in private firms winning publishing contracts at the regional level

Description USAID assistance efforts are focused on using a combination of policy changes and project interventions to (1) improve the quality and equity of the primary school environment, (2) improve the efficiency and effectiveness of key quality-related services, such as teacher utilization and textbook availability, (3) improve the quality of teacher training, (4) improve decentralized management and administration of primary education, and (5) increase and rationalize sectoral financing

USAID interventions occur at the national level to promote system-wide gains and in the two focus regions (containing about 25% of the country's population) to improve the administration of the newly decentralized system USAID assistance strengthens the skills of education administrators, school principals and newly recruited primary school teachers (with particular attention to females), development of more relevant curricula, and improvement in the supply of instructional materials to schools Furthermore, within hundreds of rural settings, communities are identifying problems which have eroded performance of the education sector and are receiving direct support to redress these problems Finally, USAID supports the spreading of gains and lessons from the target regions to other regions throughout the country

Host Country and Other Donors USAID assistance has been explicitly designed to conform to and promote the stated education policies and priorities of the GFDRE While USAID is seen as the major donor in this area, others supporting primary education include the World Bank, UNICEF, Sweden, Germany, Finland and Ireland Currently, Japan is developing a sector assistance program and is exploring ways to develop a coordinated approach with USAID

The GFDRE is developing a five year Education Sector Development Plan (ESDP) with an overall investment target of $1 96 billion This comprehensive plan is being developed jointly by the federal and regional governments and has received technical support from World Bank-led joint donor missions involving 12 agencies, including USAID This plan will serve as a development framework for longer term government and donor efforts to fundamentally rebuild the education sector Among the objectives of the ESDP is universal primary education by the year 2015

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Beneficiaries The ultimate beneficiaries are the expanding pool of primary school pupils in the two target regions, expected to number over 2 4 million by the year 2000 In addition, about 1,600 primary school teacher trainees per year at the three teacher training institutes in the focus regions will benefit in the interim Six hundred communities in Tigray and 800 communities in the Southern Nations and Nationalities Peoples Region are targeted for support under the School Community Grants Program which will enable them to develop and implement community- based strategic plans for their schools

Principal Contractors, Grantees, or Agencies Academy for Educational Development, World Learning, Inc and Tigray Development Association (an Ethiopian non-government organization)

Major Results Indicators

(Indicators apply to the two target regions)		Baseline (1994-95)	Target (2002
Primary school graduation examination raw scores	Tigray SNNPR	51% 43%	56% 49%
Primary school female enrollment rates	Tigray SNNPR	40% 20%	48% 37%
Primary school rural enrollment rates	Tigray SNNPR	39% 25%	45% 35%
Share of females in grade 4	Tigray SNNPR	42 5% 30%	50% 46%
Note Primary education refers to grades 1 - 8			

ACTIVITY DATA SHEET

PROGRAM ETHIOPIA
TITLE & NUMBER Increased Access to and Participation in a Democratic System, 663-SO04
STATUS Continuing
PROPOSED OBLIGATION & FUNDING SOURCE FY 1999 $2,200,000 DA
INITIAL OBLIGATION FY 1992 **ESTIMATED COMPLETION DATE** FY 2002

Purpose Increase access to and participation in a democratic system in Ethiopia by providing selected support and assistance to the Government of the Federal Democratic Republic of Ethiopia (GFDRE) and non-government organizations (NGOs)

USAID Role and Achievements to Date USAID assistance began with the Democracy and Governance (DG) Support program in 1992 Support has been provided, as appropriate, for the development of critical institutions to facilitate basic democratic processes -- elections and improved election administration, the drafting of and deliberations on a new federal constitution, the investigation and prosecution of war crimes, the formation and structuring of a new Parliament, the strengthening and administration of national and regional courts, the decentralization process, and media capacity building The last five years has witnessed a rapid political evolution, including the establishment of a transitional government, and the installation of a democratically elected government governed by a constitution that meets international standards

Over the past year, USAID has concentrated most of its resources in three areas the judiciary, decentralization, and civil society In the judiciary, all 300 regional high court judges have been trained in an effort to increase their knowledge and judicial independence In decentralization, efforts to improve and facilitate the efficient and equitable distribution of revenue in both the federal and regional government resulted in reformed budget processes In civil society, USAID played a leading role in encouraging the establishment of a positive enabling environment by strengthening the institutional capacities of local NGOs and encouraging the improvement of the legislative and regulatory parameters under which they operate

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Description USAID now focuses in three major areas of support -- the decentralization process, the judiciary and civil society If opportunities arise, USAID will consider support to the legislature and future elections

The emerging federal structure is strongly committed to the principles of fiscal federalism Although regional administrative capacity remains uneven, there has been an increasing devolution of resources, authority and control over budgets to regional states USAID supports this devolution of responsibility to local governments by building local capacity and policy-making skills related to fiscal management and economic policy coherence at the federal and regional levels This assistance is being provided within the framework of the Government of the Federal Democratic Republic of Ethiopia's (GFDRE) Civil Service Reform Program At the end of the project, there will be improved management of fiscal federalism and a rationalization and strengthening of the policy reform process

USAID judicial training assistance provides judicial training at the regional level for high court judges, local woreda (district) judges and associated law enforcement personnel based on the specific needs of each region Through a variety of activities, the project will also strengthen the working relationship between and among the federal and regional courts, enabling the Ethiopian judiciary to collectively and independently address common problems and consistently apply judicial procedures and principles At the end of the project, there will be improved knowledge of regional court judges and improved judicial coordination

Efforts to strengthen civil society continue to promote organized societal participation in the democratic process Given the linkage between government and civil society, USAID will also work to improve the

capacity of NGOs and improve both the enabling environment and government understanding of the role of NGOs By first building the service delivery capacity of NGOs, it is hoped that they will then be better positioned to expand their civic roles of interacting with government more effectively USAID will also work on improving the dialogue between NGOs and government At the end of the project, there will be an improved enabling environment for NGOs, improved NGO institutional capacity, and increased civil society participation in public policy formulation and review

Legislative support will continue under the joint donor/United Nations Development Program (UNDP) grant to support training and capacity building for the Parliament, and as the next round of national and regional elections approaches in 2000, electoral assistance will also be provided

Host Country and Other Donors Considerable energy and funds have been devoted by the GFDRE to develop democratic institutions and procedures through special commissions and other ad hoc institutional mechanisms Under the guidance of an ambassadorial subgroup, coordination and collaboration among key donors, including the United Kingdom, United Nations Development Program (UNDP), France, Italy, Germany, the United States, and international NGOs has been extremely good Multi-donor support has been organized for a number of purposes, including support to elections, election monitoring and now, parliamentary support

Beneficiaries Direct beneficiaries include individuals and communities who have chosen to participate in the new political, judicial, and legislative systems as well as civic society groups Ultimate beneficiaries will include all the people of Ethiopia

Principal Contractors, Grantees, or Agencies The Carter Center, National Democratic Institute, PACT, Fund for Peace, International Foundation for Election Systems, Inter-Africa Group, United States Information Services, UNDP, A-Bu-Gi-Da, and Harvard Institute for International Development

Major Results Indicators

	Baseline (1991)	Target (1999)
Strengthened and reformed budget process and accounting systems	Repetitive, fragmented budgeting accounting backlog inadequate budgeting procedures	Line item budgets established new procedures for budgeting & accounting in place public sector investment program in place
Increased legal knowledge of regional judges and ability to make independent decisions	Newly appointed judges with little or no legal training	Second round training targeting regional needs completed, 1,100 receive training judicial capacity improved
Increased number of NGOs with sound institutional capacity registered & functioning	Limited number of NGOs registered, none with sound capacity	75 indigenous NGOs with improved management and financial capacity

ACTIVITY DATA SHEET

PROGRAM ETHIOPIA
TITLE & NUMBER Enhanced Household Food Security in Target Areas, 663- SPO1
STATUS Continuing
PROPOSED OBLIGATION & FUNDING SOURCE FY 1999 $200,000 CSD, $800,000 DA, $23,154,000 P L 480, Title II
INITIAL OBLIGATION FY 1996 **ESTIMATED COMPLETION DATE** P L 480 Title II, Continuing, DA FY 2000

Purpose To enhance household food security in target areas where USAID cooperating partners have previously carried out food assisted interventions

USAID Role and Achievements to Date USAID seeks to increase agricultural crop production, increase household incomes, improve the use of primary and preventive health care, better maintain natural resources in chronically food deficit areas as well as ensure that emergency monitoring and response capacities are improved These activities are primarily supported from Title II food-for-work In 1997, Title II food commodities, provided through NGO partners, equalled 46,269 metric tons (MT) and benefitted 970,000 people

Description Title II partners are generally working in drought-prone rural areas where populations are heavily dependent on rainfed agriculture The key to household food security in these marginal areas is to build up the resource base and range of income flows of families to allow them to withstand unpredictable rainfall cycles Increasing agricultural production is one way to accomplish this Non-government organizations (NGO) efforts to increase agricultural production include the construction of irrigation systems, farm to market roads, improving access of farmers to agricultural inputs (tools, seeds, extension services) The NGO partners are also assisting local farmers to increase their income directly through cash crop production, livestock husbandry, rural credit programs and vocational training The areas where Title II NGO Cooperating Sponsors work are often without even rudimentary health services, and historically, the Ethiopian Government Health Service has focused on curative not preventative health Expanding preventative (immunization, health, nutrition education) services to target groups will result in improved health and nutrition, especially for children In addition, Title II partners are improving water supplies for communities by protecting springs, and developing wells and catchment systems Title II partners will also continue to program considerable resources for protection and conservation efforts (afforestation, enclosure systems, soil bunding and terracing) to try to arrest further deterioration of the ecosystem

Although the current focus of NGO Partners is on food assisted development programs, the vital role that NGOs have played in responding to past emergencies is recognized and this capacity will be maintained and, where possible, improved The NGOs working in vulnerable areas provide the Government of the Federal Democratic Republic of Ethiopia (GFDRE) and donors with a quick response capability to food

needs in times of emergencies These activities also support the African Food Security Initiative and the Greater Horn of Africa Initiative

Host Country and Other Donors After years of relief activity by a large number of NGOs working with a sometimes hostile Ethiopian government under the previous regime, relations between the new government and NGOs in peacetime now have the possibility to become quite constructive and collaborative The Disaster Prevention and Preparedness Commission (DPPC) has set up a number of working groups involving government ministries/NGO partners and donors to study issues and assist the GFDRE in policy formulation and implementation of various aspects of preparedness and prevention, e g , food program targeting The World Food Program hosts bi-weekly meetings that bring United Nations agencies, donors, NGOs, and the DPPC together to discuss all aspects of food assistance programming In 1997, USAID invested considerable time in improving the capacity of the GFDRE to better target scarce food resources Under the aegis of the Greater Horn of Africa Initiative, Ethiopia

will also be the first country in the region to attempt to standardize how food assessments are done and how vulnerable groups are defined USAID has been the main supporter in this exercise which will hopefully allow prediction of levels of poverty for each woreda (district) in the country USAID has also worked closely with the DPPC, other donors and NGOs to improve coordination of Early Warning Systems that monitor rainfall, crop and market conditions nationwide USAID will support a number of special studies, workshops, and forums to improve food program design, implementation and targeting with the GFDRE and NGO partners This integration of development assistance with the P L 480 Title II food program is providing needed and flexible support to enhance GFDRE and NGO capability to respond rapidly to food shortages and crises In line with this, a total of 95,000 MT of food has been consigned to DPPC during 1997, to mitigate the current emergency situation

Beneficiaries Direct beneficiaries will be the most chronically vulnerable populations in Ethiopia, approximately 970,000 people

Principal Contractors, Grantees, or Agencies Developmentally oriented Title II programs are implemented by a group of NGO partners, including five international and two indigenous organizations CARE, Catholic Relief Services, Save the Children Federation/USA, World Vision International, Food for the Hungry International, The Relief Society of Tigray and the Ethiopian Orthodox Church

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Major Results Indicators
(indicators for target areas)   Baseline        Target
                        (1996/97)       (2002)
Nutritional status of children
  Decrease in proportion of children
    under 5 who are
      -  stunted                61%     55%
      -  underweight    45%     35%
Decrease in the number of hungry
  months (# of months households
  did not have sufficient food to eat)  5 6     3
Per cent increase in crop yield
          Maize                 0 55 MT/hectare (Ha)    30% gain
          Teff          0 38 MT/Ha      15% gain
          Wheat                 0 68 MT/Ha      20% gain
          Barley                0 77 MT/Ha      15% gain
          Sorghum       0 53 MT/Ha      15% gain
Per cent increase in number of  1 66 units/HH   15%-20% gain
  livestock units

Approved disaster management plans      None    Approved plans for all
  in place                      vulnerable areas in place

Access to local early warning (EW)      Few vulnerable areas    All Title II sponsors have
  information for  all  target areas    have access to limited  EW information for all targ
                        weak government EW      nation and flow of
                        system   Limited sharing        information from actors
                        and flow of information
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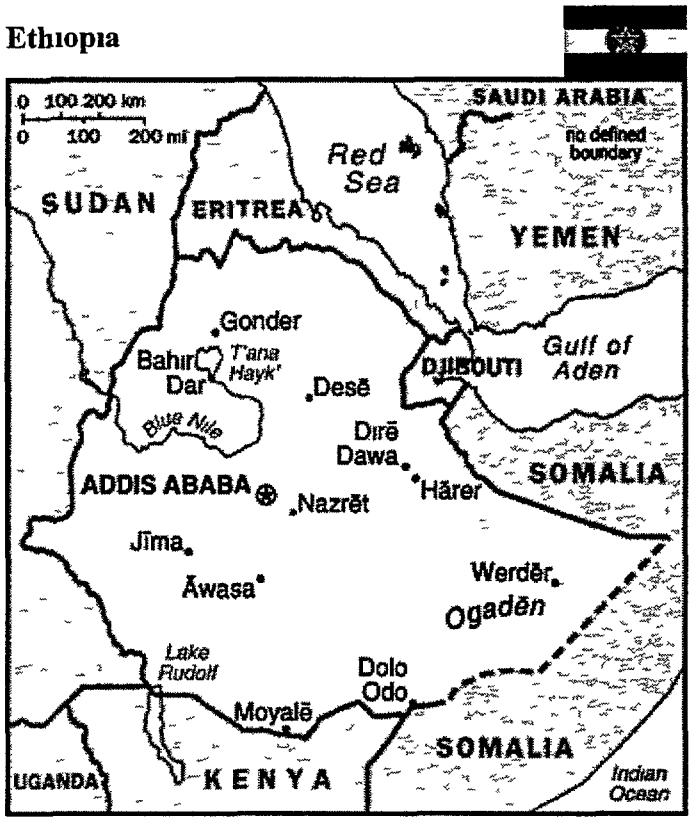
Ethiopia



Introduction

Historical perspective on 28 May 1991 the Ethiopian People's Revolutionary Democratic Front (EPRDF) toppled the authoritarian government of MENGISTU Haile-Mariam and took control in Addis Ababa, a new constitution was promulgated in December 1994 and national and regional popular elections were held in May and June 1995

Geography

Location Eastern Africa, west of Somalia

Geographic coordinates 8 00 N, 38 00 E

Map references Africa

Area
total 1,127,127 sq km
land 1,119,683 sq km
water 7,444 sq km

Area - comparative slightly less than twice the size of Texas

Land boundaries
total 5,311 km
border countries Djibouti 337 km, Eritrea 912 km, Kenya 830 km, Somalia 1,626 km, Sudan 1,606 km

Coastline 0 km (landlocked)

Maritime claims none (landlocked)

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Climate tropical monsoon with wide topographic-induced variation

Terrain high plateau with central mountain range divided by Great Rift Valley

Elevation extremes
lowest point Denakil -125 m
highest point Ras Dashen Terara 4,620 m

Natural resources small reserves of gold, platinum, copper, potash

Land use
arable land 12%
permanent crops 1%
permanent pastures 40%
forests and woodland 25%
other 22% (1993 est)

Irrigated land 1,900 sq km (1993 est)

Natural hazards geologically active Great Rift Valley susceptible to earthquakes, volcanic eruptions, frequent droughts

Environment - current issues deforestation, overgrazing, soil erosion, desertification

Environment - international agreements
party to Biodiversity, Climate Change, Endangered Species, Ozone Layer Protection
signed, but not ratified Desertification, Environmental Modification, Law of the Sea, Nuclear Test Ban

Geography - note landlocked - entire coastline along the Red Sea was lost with the de jure independence of Eritrea on 27 April 1993

People

Population 58,732,577 (July 1997 est)

Age structure
0-14 years 46% (male 13,492,323, female 13,444,656)
15-64 years 51% (male 15,167,806, female 15,020,499)
65 years and over 3% (male 745,554, female 861,739) (July 1997 est)

Population growth rate 2 67% (1997 est)

Birth rate 45 59 births/1,000 population (1997 est)

Death rate 17 56 deaths/1,000 population (1997 est)

Net migration rate -1 32 migrant(s)/1,000 population (1997 est)
note repatriation of Ethiopians who fled to Sudan, Kenya and Somalia for refuge from war and famine in earlier years, is expected to continue in 1997, entry into Ethiopia of Sudanese and Somalis fleeing the fighting in their own countries is also continuing in 1997

Sex ratio
at birth 1 03 male(s)/female
under 15 years 1 male(s)/female
15-64 years 1 01 male(s)/female
65 years and over 0 86 male(s)/female
total population 1 male(s)/female (1997 est)

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Infant mortality rate 121 5 deaths/1,000 live births (1997 est)

Life expectancy at birth
total population 46 62 years
male 45 48 years
female 47 8 years (1997 est)

Total fertility rate 6 94 children born/woman (1997 est)

Nationality
noun Ethiopian(s)
adjective Ethiopian

Ethnic groups Oromo 40%, Amhara and Tigrean 32%, Sidamo 9%, Shankella 6%, Somali 6%, Afar 4%, Gurage 2%, other 1%

Religions Muslim 45%-50%, Ethiopian Orthodox 35%-40%, animist 12%, other 3%-8%

Languages Amharic (official), Tigrinya, Orominga, Guaraginga, Somali, Arabic, English (major foreign language taught in schools)

Literacy
definition age 15 and over can read and write
total population 35 5%
male 45 5%
female 25 3% (1995 est)

Government

Country name
conventional long form Federal Democratic Republic of Ethiopia
conventional short form Ethiopia
local long form Yeltyop'iya Federalawi Demokrasiyawi Ripeblik
local short form Yeltyop'iya
abbreviation FDRE

Data code ET

Government type federal republic

National capital Addis Ababa

Administrative divisions 9 ethnically-based administrative regions (astedader akababiwach, singular - astedader akababi) and 1 federal capital* Addis Ababa*, Afar, Amhara, Benshangul/Gumaz, Gambela, Harar, Oromia, Somali, Southern Nations, Nationalities and Peoples, Tigray

Independence oldest independent country in Africa and one of the oldest in the world - at least 2,000 years

National holiday National Day, 28 May (1991) (defeat of Mengistu regime)

Constitution new constitution promulgated in December 1994

Legal system NA

Suffrage 18 years of age, universal

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Executive branch
chief of state President NEGASSO Gidada (since 22 August 1995)
head of government Prime Minister MELES Zenawi (since NA August 1995)
cabinet Council of Ministers as provided in the December 1994 constitution, ministers are selected by the prime minister and approved by the Council of People's Representatives
elections president elected by the Council of People's Representatives for a six-year term, election last held June 1995 (next to be held NA 2001), prime minister designated by the party in power following legislative elections
election results NEGASSO Gidada elected president, percent of vote by the Council of People's Representatives - NA

Legislative branch bicameral Parliament consists of the Council of the Federation or upper chamber (117 seats, members are chosen by state assemblies to serve five-year terms) and the Council of People's Representatives or lower chamber (548 seats, members are directly elected by popular vote from single-member districts to serve five-year terms), note - the upper chamber represents the ethnic interests of the regional governments
elections regional and national popular elections were held in May and June 1995 (next to be held NA 2000) and the Federal Parliamentary Assembly assumed legislative power on 21 August 1995
election results percent of vote - NA, seats - NA, note - EPRDF won nearly all seats

Judicial branch Supreme Court, judges are elected by the national legislature

Political parties and leaders Ethiopian People's Revolutionary Democratic Front or EPRDF [MELES Zenawi]

Political pressure groups and leaders Oromo Liberation Front or OLF, All Amhara People's Organization, Southern Ethiopia People's Democratic Coalition, numerous small, ethnic-based groups have formed since MENGISTU'S resignation, including several Islamic militant groups

International organization participation ACP, AfDB, CCC, ECA, FAO, G-24, G-77, IAEA, IBRD, ICAO, ICRM, IDA, IFAD, IFC, IFRCS, IGADD, ILO, IMF, IMO, Intelsat, Interpol, IOC, ISO, ITU, NAM, OAU, UN, UNCTAD, UNESCO, UNHCR, UNIDO, UNU, UPU, WFTU, WHO, WMO, WToO, WTrO (observer)

Diplomatic representation in the US
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chancery 2134 Kalorama Road NW, Washington, DC 20008
telephone [1] (202) 234-2281, 2282
FAX [1] (202) 328-7950

Diplomatic representation from the US
chief of mission Ambassador David H SHINN (17 June 1996)
embassy Entoto Street, Addis Ababa
mailing address P O Box 1014, Addis Ababa
telephone [251] (1) 550666
FAX [251] (1) 552191

Flag description three equal horizontal bands of green (top), yellow, and red with a yellow pentagram and single yellow rays emanating from the angles between the points on a light blue disk centered on the three bands, Ethiopia is the oldest independent country in Africa, and the colors of her flag were so often adopted by other African countries upon independence that they became known as the pan-African colors

Economy

Economy - overview Ethiopia continues to face difficult economic problems as one of the poorest and

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least developed countries in the world Its economy is based on agriculture, which accounts for more than half of GDP, 90% of exports, and 80% of total employment, coffee generates 60% of export earnings The agricultural sector suffers from frequent periods of drought, poor cultivation practices, and deterioration of internal security conditions The manufacturing sector is heavily dependent on inputs from the agricultural sector Over 90% of large-scale industry, but less than 10% of agriculture, is state-run The government is considering selling off a portion of state-owned plants and is implementing reform measures that are gradually liberalizing the economy A major medium-term problem is the improvement of roads, water supply, and other parts of an infrastructure badly neglected during years of civil strife

GDP purchasing power parity - $24 8 billion (1995 est)

GDP - real growth rate 7 7% (1995 est)

GDP - per capita purchasing power parity - $430 (1995 est)

GDP - composition by sector
agriculture 57%
industry 10%
services 33% (1994 est)

Inflation rate - consumer price index 10% (1995 est)

Labor force
total 18 million
by occupation agriculture and animal husbandry 80%, government and services 12%, industry and construction 8% (1985)

Unemployment rate NA%

Budget
revenues $1 billion
expenditures $1 48 billion, including capital expenditures of $415 million (FY96/97)

Industries food processing, beverages, textiles, chemicals, metals processing, cement

Industrial production growth rate NA%

Electricity - capacity 630,000 kW (1991)

Electricity - production 1 27 billion kWh (1994)

Electricity - consumption per capita 23 kWh (1994 est)

Agriculture - products cereals, pulses, coffee, oilseed, sugarcane, potatoes, other vegetables, hides, cattle, sheep, goats

Exports
total value $423 million (f o b , 1995 est)
commodities coffee, leather products, gold (1995)
partners Germany 18%, Japan 13%, Djibouti 10%, Saudi Arabia 8% (1993)

Imports
total value $1 15 billion (f o b , 1995 est)
commodities food and live animals, petroleum and petroleum products, chemicals (1995)
partners Saudi Arabia 13 3%, Italy 11 6%, US 10 2%, Germany 9 1%, Japan (1993)

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Debt - external $4 3 billion (1995 est)

Economic aid
recipient ODA, $367 million (FY95/96)

Currency 1 birr (Br) = 100 cents

Exchange rates birr (Br) per US$1 (end of period) - 6 4260 (December 1996), 6 4260 (1996), 6 3200 (1995), 5 9500 (1994), 5 0000 (fixed rate 1992-93), fixed at 2 070 before 1992
note since May 1993, the birr market rate has been determined in an interbank market supported by weekly wholesale auction, prior to that date, the official rate was pegged to US$1 = 5 000 birr

Fiscal year 8 July - 7 July

Communications

Telephones 100,000 (1983 est)

Telephone system open wire and microwave radio relay system adequate for government use
domestic open wire and microwave radio relay
international open wire to Sudan and Djibouti, microwave radio relay to Kenya and Djibouti, satellite earth stations - 3 Intelsat (1 Atlantic Ocean and 2 Pacific Ocean)

Radio broadcast stations AM 4, FM 0, shortwave 0

Radios 9 9 million (1992 est)

Television broadcast stations 1

Televisions 100,000 (1993 est)

Transportation

Railways
total 681 km (Ethiopian segment of the Addis Ababa-Djibouti railroad)
narrow gauge 681 km 1 000-m gauge

Highways
total 28,360 km
paved 4,254 km
unpaved 24,106 km (1995 est)

Ports and harbors none, Ethiopia is landlocked but by agreement with Eritrea may use the ports of Assab and Massawa

Merchant marine
total 12 ships (1,000 GRT or over) totaling 60,081 GRT/84,686 DWT
ships by type cargo 7, oil tanker 2, roll-on/roll-off cargo 3 (1996 est)

Airports 59 (1996 est)

Airports - with paved runways
total 13
over 3,047 m 2
2,438 to 3,047 m 3
1,524 to 2,437 m 1
914 to 1,523 m 1

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under 914 m 6 (1996 est)

Airports - with unpaved runways
total 46
over 3 047 m 2
2,438 to 3,047 m 5
1,524 to 2,437 m 8
914 to 1,523 m 31 (1996 est)

Military

Military branches Ground Forces, Air Force, Police
note following the secession of Eritrea, Ethiopia's naval facilities remained in Eritrea's possession, current reorganization plans do not include a navy

Military manpower - military age 18 years of age

Military manpower - availability
males age 15-49 13,257,668 (1997 est)

Military manpower - fit for military service
males 6,889,800 (1997 est)

Military manpower - reaching military age annually
males 605,030 (1997 est)

Military expenditures - dollar figure $110 million (1996)

Military expenditures - percent of GDP NA%

Transnational Issues

Disputes - international most of the southern half of the boundary with Somalia is a Provisional Administrative Line, territorial dispute with Somalia over the Ogaden

Illicit drugs transit hub for heroin originating in Southwest and Southeast Asia and destined for Europe and North America as well as cocaine destined for markets in southern Africa, cultivates qat (chat) for local use and regional export

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Ghana: Mission Country Strategy and Proposed Urban Activities[1]

1 Introduction

USAID's strategy supports Ghana in achieving its goal of middle-income status within 25 years by promoting broad-based sustainable economic growth This being achieved by 1) increasing revenues from selected goods and services in trade and agriculture, 2) increasing the effectiveness of the primary education system, 3) improving family health, and 4) enhancing participatory development and governance Improving economic viability through sustainable development will move Ghana toward graduation from donor assistance over time and further the U S policy goals of economic growth and political democratization in Africa

USAID's activities will help leverage additional support from other donors as the Agency is the lead bilateral donor in all of the strategic objectives in which it is involved Fifty-five percent of the FY 1998 request focused on fostering greater economic growth by improving policies and strengthening the productive capacity of Ghanians to invest in their future The remaining resources are used to further objectives in reducing population growth in the long run, preventing the spread of sexually transmitted disease, increasing child survival, and promoting greater citizen participation in Ghana's development and protecting the environment

The total funding requested for the FY 1999 Ghana program is $51,609,000, with $15,295,000 from Child Survival and Disease funds, $21,248,000 from Development Assistance, and $15,066,000 from P L 480 Title II These funds are to be split among the four SOs as follows

FY 1999 USAID/Ghana Program Funding

	US$ (millions)	% of Total FY 1999 Funding
SO1 "Private Sector Growth"	28 3	55
SO2 "Basic Education"	7 7	15
SO3 "Family Health"	14 1	27
SO4 "Democracy and Governance"	1 5	3
Total	**51 6**	**100**

Source The USAID FY 1999 Congressional Presentation (Ghana)

[1] Much of the information in this report was taken from the USAID/Ghana FY 2000 Results Review and Resource Request (March 1998) and the USAID FY 1998 Congressional Presentation on Ghana

2 USAID/Ghana Program

2 1 Summary of Country Strategic Plan

The U S Mission's program supports democratic institution building and respect for human rights, a constructive role in regional affairs and economic reforms to facilitate free trade and investment Ghana is a key ally of the U S and the U S 's third-largest trading partner in Africa USAID's program directly supports U S goals and objectives and focuses on promoting broad-based sustainable economic growth through trade and investment, human capacity building, improved social services, and greater citizen participation in the development process Major programmatic changes are not anticipated

2 2 Summary of Results Review and Resource Request (R4)

The major thrust of USAID's program in Ghana is to support accelerated economic growth through more trade with the U S , macroeconomic and trade policy reform, and direct assistance to productive enterprises The Strategic Objectives created to achieve these goals are as follows

SO1·	
Increased Private Sector Growth	
SO Indicator	**Value of nontraditional exports**
SO Indicator	**Foreign exchange earnings from tourism**
SO Indicator	**Value of sales of selected goods and services**
SO Indicator	**Percentage of nontraditional exports as a total of all exports**
SO Indicator	**Private investment as share of gross domestic product**
IR 1 1	*Increased productive capacity of private enterprise*
INDICATOR	Percentage in value of production per full-time equivalent employee for assisted enterprises
INDICATOR	Increase in range of new products, i e , number of NTE products
IR 1 2	*More efficient marketing system*
INDICATOR	Value of nontraditional exports through border crossings

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SO2·
Increased Effectiveness of the Primary Education System

SO Indicator **Students in partnership schools passing criterion referenced tests in English and math**
SO Indicator **Gross enrollment rates in Partnership School communities, compared to current national average**
SO Indicator **Retention rates in Partnership Schools, compared to national average**
SO Indicator **Number of districts that adopt the Partnership School Program**

IR 2 1 *Improved classroom instruction*

INDICATOR Percentage of teachers with satisfactory performance in classroom

IR 2 2 *Improved education management*

INDICATOR Percentage of schools in Partnership Program with developed and implemented School Improvement Plans

IR 2 3 *Increased community participation*

INDICATOR Increased involvement in community driven participation in the school system

IR 2 4 *Improved school facilities*

INDICATOR Percent of Partnership Schools implementing school infrastructure plans

SO3:
Improved Family Health

SO Indicator **Total fertility rate (TFR)**
SO Indicator **Reported HIV prevalence at Sentinel Sites**
SO Indicator **Full immunization of children under two years as measured by DPT**

IR 3 1 *Increased usage of more effective family planning methods*

INDICATOR Modern Contraceptive Prevalence Rate (CPR)
INDICATOR Long-term family planning methods, Couple Years Protection (CYP)

IR 3 2 *Increased usage of proven STD/HIV prevention and control interventions*

INDICATOR Males and females including youth who can cite at least two ways to prevent the spread of HIV infection
INDICATOR Men and women, including youths, reporting condom use at last sexual encounter at risk

IR 3 3 *Increased use of child survival interventions*

INDICATOR Diarrheal episodes treated with ORT

SO4· Enhanced Civic Participation and Accountable Governance	
SO Indicator	**Citizen confidence in the democratic process**
SO Indicator	**Number of Government of Ghana laws/policies modified by citizen participation**
IR 4 1	***Increased effectiveness of civil society organizations in shaping public policy***
INDICATOR	Number of local government policies influenced by civic participation
IR 4 2	***More effective parliament***
INDICATOR	Quality of policy and budgetary debates including use of facts and figures and materials provided through library and research services
IR 4 3	***More competitive political process***
INDICATOR	Percent of registered voters, and percent of women voters who vote in Unit Committee and District Assembly elections
IR 4 4	***Responsive and accountable local government***
INDICATOR	Number of CSOs who feel that the district government is responsive to citizens

3 Institutional Analysis/Key Players

Assistance to Ghana, in the form of grants and concessional loans from over 20 multilateral and bilateral donors, totals approximately $700 million a year, with the U S contributing about 7 percent of that amount Donor assistance focuses on structural adjustment, economic growth, and poverty alleviation, with USAID playing a leading role in providing support to the private sector, primary education, family planning and AIDS prevention, and democracy and governance

National

The Ministry of Education, with support from USAID, is implementing the six-year Quality Improvements in Primary Schools activity to establish 330 model schools located in all 110 districts of Ghana and to revise education policies to ensure that best practices from the model schools program will be widely replicated throughout the primary education system

International

- World Bank and UNDP support the Government of Ghana's implementation of the Trade and Investment Gateway Initiative
- The World Bank is implementing a $50 million Private Enterprise Export Development Program, as well as infrastructure investments It is also implementing a large Basic Education Investment Program aimed at improving access to and quality of education, particularly in impoverished areas The Bank is also supporting efforts to control HIV/AIDS and improve child survival and family planning practices
- The United Nations Children's Fund has begun a five-year country education program that concentrates on girls' education and community-based education programs The Fund is also

supporting efforts to control HIV/AIDS and to improve child survival and family planning practices

- British ODA plans to collaborate with Germany's KFW and GTZ on improving education in teacher training institutions
- The European Union plans to continue providing funds for non-wage expenditures in education
- Japan is developing joint coordinated actions with USAID to complement efforts already under way to support family planning, fight against HIV/AIDS, and improve child survival
- The British fund programs in the areas of good governance and decentralization
- The Germans, U S Embassy through the Human Rights Fund, Danes, and Canadians actively support programs in training the media and nongovernmental organizations, such as women's groups and the Bar Association
- The Canadians, British, Danes, and Europeans support election monitoring activities

USAID Contractors

- International Foundation for Electoral Systems has implemented activities to strengthen the capacity of the Electoral Commission to register voters and conduct elections, train 80,000 electoral officials and 120,000 political party agents to effectively participate in the registration of 9 2 million Ghanians and the national general elections, and provide electoral commodity support
- The National Democratic Institute conducted extensive training of local election observers and fielded an additional 30 international observers to monitor the elections nationwide
- Mid-West Universities Consortium for International Activities provided technical assistance and training in collaboration with Conservation International to effectively manage and control poaching and logging activities in national parks and game reserves and the construction of a tree-top canopy walkway, which increased tourist visitation by 300 percent since 1994
- Catholic Relief Services is implementing the Education Support Program in the three northern regions (24 of 110 districts) of Ghana
- Africare was awarded $1 4 million for a four-year program to reduce child morbidity and mortality by expanding immunization coverage and reducing incidence of childhood diarrheal diseases through the outreach work of community health nurses
- University of Cape Coast Primary Education department conducted two workshops for 70 teachers to improve the teaching of basic math The group also designed a new evaluation instrument for developing teacher competency in primary schools
- Georgetown University Law Center, Women's Law and Public Policy Fellowship Program will train two women in law and NGO advocacy work Each woman will earn a law degree and then work for six months in an NGO in the U S
- Others Association for Voluntary Surgical Contraception (U S), Ghana Social Marketing Foundation, Ghana Registered Midwives' Association, Planned Parenthood Association of Ghana

NGOs/Others

- TechnoServe and Aid to Artisans have paired with Ghanian entrepreneurs to improve managerial, technical, and operational skills and increase competitiveness of Ghanian products

4 Status of USAID/Ghana Program and Opportunities for Urban Activities

The USAID Mission in Ghana felt that it exceeded or met all four of its Strategic Objectives The progress for each SO is noted below

SO1. Increased Private Sector Growth

Efforts to increase economic growth by fostering a more competitive enabling environment for the private sector exceeded expectations and targets in 1997 Non-traditional exports (NTEs) rose from $227 million in 1996 to $300 million in 1997, a 20 percent increase over the 1997 target of $250 million NTEs make up 20 percent of all export earnings, up 15 percent in 1996 Foreign exchange earnings from tourism increased from $248 million in 1996 to $290 million in 1997 This growth has generated significant increases in employment and incomes (nearly 50,000 new jobs in the NTE sector alone) Women constitute about 50 percent of the total number of people employed both directly and indirectly in the NTE sector

While this progress is significant, it is far from sufficient to achieve the target Ghana has set for itself of becoming a middle-income country in the year 2020 This requires an average annual growth rate of 8 percent from 1995 to 2020 To reach the next level of economic growth, major attention must be focused on Ghana's existing problems, including minimal private sector investment, high inflation, and low national savings *Opportunities exist for the RUDO to work with the Mission to further encourage private sector investment This assistance could involve, for example, microenterprise development, the privatization of services, and municipal/regional infrastructure development and maintenance*

SO2 Increased Effectiveness of the Primary Education System

USAID/Ghana's program to improve the quality of primary education met expectations during 1997 During the last year, USAID refocused its strategic objective to developing quality educational standards through a partnership program with 330 schools and reforming national educational policy The 1997 Criterion Reference Test scores improved by 18 percent for English and by 55 percent for math

The Mission is in the process of developing a detailed and comprehensive monitoring and evaluation system for the primary schools Among the issues to be monitored are infrastructure costs, management capabilities, and use of district funding *The RUDO could build on the work already being done by the Mission by offering technical assistance with and/or training in infrastructure development and maintenance, system management, finance, and accountability*

SO3 Improving Family Health

The Mission met its performance targets in 1997 in the health sector, continuing to make gains in improving family health through the reduction of fertility, increasing the use of interventions to prevent the spread of HIV/STD, and improving the use of child survival interventions

The Mission decided that the non-project assistance (NPA) component of the bilateral program had successfully accomplished its policy objectives in year three of a five-year program Thus, funding in the population sector was phased out and shifted to support project assistance activities in service delivery to expand pre-service training, mass media campaigns, social marketing, and completion of a communications production unit

Major changes at the Ministry of Health (MOH) have led to implementation problems and data collection slippage The MOH is in the process of restructuring to create a National Health Service, decentralizing responsibilities to the local district level Ultimately, the objective of the decentralization of the health (and education) sectors is to increase authority and ownership responsibility at the local level However, this has caused confusion in determining the lines of authority and responsibility New layers of authority are being created as district health officers are required to assume responsibility for all health-related activities in the district, but are not provided the resources to carry them out *In order to improve service delivery, RUDOs could assist with the development of models for expanded health care provision at the local level Local governments and community organizations would benefit from technical assistance to develop the administrative capacity to effectively implement projects under their new responsibilities, including project design, implementation, and monitoring*

SO4 Enhancing Civic Participation and Accountable Governance

Although this SO was new in 1997, USAID is the leading donor in the democracy and governance sector in Ghana All expectations for the first year were met Surveys and interviews indicated that Ghanians are satisfied with the political system They feel they have the freedom to express their opinions and that the electoral system is fair They are relatively dissatisfied with aspects of the system that are less abstract, such as health care and the education system

Ghana's decentralization experiment is under way to mixed reviews Currently, roles and responsibilities of the various actors in metropolitan, municipal, and district levels are not yet clarified The aforementioned surveys also found that the issues of more responsive and accountable local governance are elements of critical public expectations *A potential opportunity for the RUDO exists in offering to build on the training efforts of the Mission (impact of decentralization on the day-to-day management and decision making) to improve the management of decentralization Technical assistance could be provided to clarify the authority and responsibilities decentralization has brought to specific municipalities to introduce expanded roles for community participation (social contract issues) and develop approaches to quickly and effectively implement programs to improve the quality of health, education, and other municipal services*

5 Proposed Urban Activities and Approach

Key Mission Activity	Urban Program Opportunity
Increased Private Sector Growth Although the progress made in increasing economic growth surpassed expectations in 1997, it is not strong enough for the country to reach middle income status by the year 2020 To reach the next level of economic growth, major attention must be focused on Ghana's existing problems, including minimal private sector investment, high inflation, and low national savings This strategic objective is new, yet the Mission believes that significant progress has been made in achieving aspects of the IRs	• Power shortages are emerging as a problem of crisis proportions as they result in decreased production, employee lay-offs, flattened investment levels, and a decline in growth The RUDO could assist the GOG in resolving its power capacity and distribution issues Specifically, technical assistance in infrastructure planning and finance including public sector actions to promote the use of municipal (and enterprise) credit and to leverage private investment There is an opportunity to encourage the use of energy efficient and climate change friendly technology and design in retrofits and new construction • There is no discussion of privatization or microenterprise development in Mission activities The RUDO could provide significant support to the Mission's SO by using its experience in the privatization of public services and the development of microenterprises in urban service provision
Increased Effectiveness of the Primary Education System The focus of the Mission's new strategic objective is on developing quality educational standards through a partnership program with 330 schools that will deliver cost-effective quality education that is replicable on a national scale USAID is also working at the national level and district levels to reform educational policies and develop programs that will create a more supportive environment for better primary education, and at the community level to increase parents participation in and responsibility for children's education	• Forty-five new schools will be put into operation by FY 2000 and there are plans to improve existing school facilities The RUDO has the opportunity to work with the Mission and the GOG to design infrastructure plans and encourage the use of energy-efficient and climate-change-friendly building designs and construction technologies for the schools Such projects would also complement efforts to combat power shortages (see above)

Key Mission Activity	Urban Program Opportunity
Improving Family Health The Mission s IRs for this issue focus on reducing fertility, preventing the spread of HIV/STD and improving the use of child survival interventions Improvements appear to have been made in all three IRs however, this may be due to poor reporting as a result of decentralization difficulties	• There is consensus among GOG officials and foreign donors that not enough is being done to retard the spread of HIV especially among women and youth There is the specific opportunity to work with local governments and organizations to quickly design and implement health care services aimed at retarding the spread of HIV • The transition to decentralization is proving to be difficult for local governments and organizations The RUDO could help strengthen the linkage at the local level between the public health and environmental service provision Water supply and treatment and solid waste management are two areas where improvements would contribute significantly to public health and child survival • There is the need for more accurate and consistent data on HIV prevention and child survival The decentralization process has hampered such efforts as responsibilities are unclear and resources are limited The RUDO could provide technical assistance/training to 1) the GOG and the Mission in developing accurate municipal-level demographics to support information gathering and 2) government officials and community groups to use the demographic information and enable them to gather more complete data sets • Evaluate USAID's "SEATS Urban Initiative" as a model for addressing the reproductive health issues in towns and cities (potentially other health issues) The SEATS urban initiative employs a three-pronged approach 1) conducting city-specific research to encourage data-driven approaches to design urban service delivery models 2) empowering municipal-level officials to become advocates for sustainable reproductive health delivery, and 3) building coalitions between the public and private sectors and institutions to maximize use of reproductive health resources

Key Mission Activity	Urban Program Opportunity
Enhancing Civic Participation and Accountable Governance This is a new objective and the Mission worked with various U S PVOs, the GOG, and civil society during the past year to refocus program activities IR 4 4, Strengthened Local Government, is of particular interest as it deals primarily with decentralization As stated before, the decentralization process has not been smooth for local-level government officials and community groups Currently, the Mission has issued two grants to provide training and design/implement seminars In general, both grants concentrate on enhancing the capabilities of civil society and the relationship between civil society and local government	• Technical assistance could be provided to clarify the authority and responsibilities decentralization has brought to specific municipalities to introduce expanded roles for community participation (social contract issues) and develop approaches to quickly and effectively implement programs to improve the quality of health education, and other municipal services • The RUDO could complement the Mission s grant activities by working directly with local government to improve administrative capabilities, identify clear roles and responsibilities (particularly in the areas of infrastructure and economic and trade development) and improve financial accountability

Attachments

1 USAID 1999 Congressional Presentation

2 Ghana Chapter from CIA World Factbook, 1997

3 "Ghana A Leader in Africa " The World Bank Group

Note This document may not always reflect the actual appropriations determined by Congress Final budget allocations for USAID's programs are not determined until after passage of an appropriations bill and preparation of the Operating Year Budget (OYB)

GHANA

	FY 1997 Actuals	FY 1998 Estimate	FY 1999 Request
Child Survival and Disease	$11,400,000	$16,731,000	$15,295,000
Development Assistance	$24,600,000	$21,500,000	$21,248,000
P L 480 Title II	$13,844,000	$13,478,000	$15,066,000

Introduction

Ghana is a key U S ally in promoting economic and political reform and respect for human rights in West Africa Ghana plays a constructive role as a stabilizing influence in the region and is committed to helping resolve regional conflicts and promoting regional security Ghana has taken a lead role in supporting the African Crisis Response Initiative, and is also in the forefront of African countries that have made positive steps toward consolidating democracy Trade links between Ghana and the United States are expanding U S exports to Ghana grew from $53 million in 1985 to $295 million in 1996, boosting Ghana to third place (after South Africa and Nigeria) among African markets for U S exports The United States has a strong commitment to encourage these positive efforts and supports the development of African leadership in promoting economic growth and political stability

The Development Challenge

The 1997 United Nations Human Development Index -- which measures life expectancy, adult literacy and per capita income -- ranks Ghana 132 out of 175 countries, making it one of the poorest countries in the world Ghana's development is constrained by low private sector investment, rapid population growth (3%), inadequate health care, low educational status of its citizens, and institutions which are struggling to be effective in a swiftly changing society Recent setbacks in macroeconomic management have slowed growth to an estimated 4 5% between 1992 and 1996 and led to high, double digit inflation and tight credit The Government of Ghana is committed to reducing deficit spending, stabilizing the economy and pursuing an annual growth rate of at least 7% The challenge is to address fundamental macroeconomic problems such as excessive increases in the money supply and public sector spending and unacceptably high inflation and interest rates while expanding support to the private sector and accelerating both privatization and secondary reforms to increase broad-based sustainable growth A growing and diversified economy, complemented by better education, lower population growth and better health will generate increased investment, higher incomes and improved living standards Ghana's external debt stands at $5 4 billion, 79% of gross domestic product Debt service equals 39 7% of exports and, given healthy foreign exchange reserves and minimal arrearage, Ghana is, so far, able to manage this burden Ghana has set an ambitious goal of becoming a middle- income country by the year 2020 and it will need donor assistance for at least half this period to attain this goal

Other Donors

Assistance to Ghana, in the form of grants and concessional loans from over 20 multilateral and bilateral donors, totals $800 million a year The United States contributes about 7% of the amount Donor assistance focuses on structural adjustment, economic growth and poverty alleviation, human resource development, primary education, health sector reform, family planning and decentralization Donors include the World Bank, United Nations Development Program (UNDP), United Nations Children Fund (UNICEF), the European Union, Britain, Canada, Denmark, France, Germany, Japan, the Netherlands and the United States

FY 1999 Program

USAID's FY 1999 resource request will support Ghana's efforts to increase broad-based sustainable economic growth through four mutually reinforcing objectives (1) increasing private sector growth, (2) improving the effectiveness of primary education, (3) improving family health through family planning, HIV/AIDS prevention and child survival interventions, and (4) enhancing civic participation and accountable governance

In FY 1999, USAID's Trade and Investment Reform Program will continue to play a strong leadership role in promoting sound macroeconomic and trade policy reforms that will help Ghana attract domestic and international investment and improve private sector capacity to produce quality goods and services more cost-effectively The Program's focus on boosting the non-traditional export sector through support to farmers and manufacturers will contribute to increases in non-traditional exports and tourism revenues, and increase the capacity of private voluntary organizations to play a major role in working in the rural areas to organize cooperatives and encourage the use of agricultural inputs and more modern production techniques

USAID's resources also contribute to the management of a 360-square-kilometer forest habitat in Ghana's Central Region which has important biodiversity implications In FY 1999, resources will contribute to increases in the expansion of microenterprises in areas such as organic cocoa, handicrafts, tour guides and promotional materials that contribute to more sustainable community involvement in managing park resources

USAID's primary education program is funding the establishment of 330 model schools (at least one in each of 110 districts) in Ghana and the reform of key educational policies to improve the quality of primary education By FY 1999, USAID will have established model schools in 12 districts Students in those schools will begin to exhibit (1) higher English pass rates -- going from 3 6% (for boys) and 3 9% (for girls) in 1995 to 6 5% and 7 0%, respectively, in 1999, (2) higher math pass rates -- from 1 8% (1995) to 5% (1999) for both, and (3) higher enrollment rates -- 60% (boys) and 77% (girls) in 1995 to 65% and 80%, respectively, in 1999

USAID's FY 1999 program in the health and population sectors will contribute to increases in the use of modern contraceptives from 10% (1993) to 18%, and better treatment of sexually transmitted diseases and a slowing of the increase in HIV/AIDS prevalence from 6% (1996) to 5% Additionally, 60% of one-year-old infants will be immunized with diphtheria-pertussis-tetanus toxoid (DPT3) vaccine (up from 49% in 1997), 45% of children with diarrhea will receive oral rehydration therapy (up from 24% in 1997) and 40% of mothers will exclusively breastfeed their newborns during the first 4 months

Ghana's successful transition to democracy and holding of the second parliamentary and presidential elections have created opportunities to deepen the democratization process in Ghana In FY 1999 USAID's assistance to civil society, parliament and local government will contribute to greater citizen participation in the development and articulation of national public policy and more transparency in the deliberative process through non-government organizations involvement in Parliamentary hearings

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GHANA

FY 1999 PROGRAM SUMMARY

(in thousands of dollars)

USAID Strategic and Special Objective	Economic Growth & Agriculture	Population & Health	Environment	Democracy	Human Capacity Development	Humanitarian Assistance	TOTALS
S O 1 Increased Private Sector Growth - DA - P L 480/II	11,248 ---	--- ---	2,000 ---	--- ---	--- ---	--- 15,066	13,248 15,066
S O 2 Increased Effectiveness of the Primary Education System - DA	---	---	---	---	7,695	---	7,695
S O 3 Improved Family Health - CSD - DA	--- ---	7,600 6,500	--- ---	--- ---	--- ---	--- ---	7,600 6,500
S O 4 Enhanced Civic Participation and Accountable Governance - DA	---	---	---	1,500	---	---	1,500
Totals - CSD - DA - P L 480/II	--- 11,248 ---	7,600 6,500 ---	--- 2,000 ---	--- 1,500 ---	7,695 --- ---	--- --- 15,066	15,295 21,248 15,066

Acting Mission Director, Thomas Hobgood

ACTIVITY DATA SHEET

PROGRAM GHANA
TITLE AND NUMBER Increased Private Sector Growth, 641-SO01
STATUS Continuing
PROPOSED OBLIGATION AND FUNDING SOURCE FY 1999 $13,248,000 DA, $15,065,407 P L 480 Title II
INITIAL OBLIGATION FY 1997 , **ESTIMATED COMPLETION DATE** FY 2002

Purpose To increase private sector growth

USAID Role and Achievement to Date With USAID assistance, Ghana has expanded and diversified its

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export base beyond its traditional exports and nearly tripled non-traditional export (NTE) earnings since 1992 from $68 million to an estimated $276 million in 1996 Increases in NTEs, such as horticultural crops, fish and seafood, and wood products, have directly resulted in the creation of nearly 27,000 new jobs, a significant accomplishment in an economy which has been experiencing rising unemployment and rampant underemployment

Description The Trade and Investment Reform Program (TIRP) is a five-year activity to enhance Ghana's potential to earn needed foreign exchange and compete on the international market The program supports key macro and sectoral policy reforms and provides technical assistance and training to improve the investment environment and technical capacity of Ghanaian enterprises Policy reforms focus on eliminating and revising regulations that adversely impact Ghana's international competitiveness in sectors that have the potential to contribute to exports such as horticultural and wood products, telecommunications and financial services U S technical assistance and training help Ghanaian firms working throughout the export production and marketing chain to improve their managerial and operational skills as well as their ability to identify and penetrate viable markets The latter is particularly important in benefitting smaller producers, thousands of smallholders and micro-entrepreneurs who are playing an increasingly important role in supplying the larger exporters

The TIRP program also enhances the sustainability of efforts now underway in Ghana's Central Region to support economic growth and generate revenues from tourism USAID is establishing an endowment to increase the sustainability of USAID's investments in the Central Region, including the historic castles and forts, and Kakum Nature Park, a 360 square kilometer park representing the last vestiges of the Guinea rainforest Food aid is used to strengthen farmers' groups and cooperatives to increase incomes through agricultural production and marketing, as well as to improve community-based sanitation These latter activities are implemented by U S private voluntary organizations (PVOs) The overall TIRP program supports efforts to increase U S trade with and investment in Ghana It will bolster economic growth which will increase demand for imports of food, equipment, agricultural and industrial inputs and capital goods, as well as promote Ghana's exports to the United States

Host Country and Other Donors The Government of Ghana continues the implementation of its trade and investment initiative, with support from the World Bank and United Nations Development Program The World Bank is also implementing a $50 million Private Enterprise Export Development Program as well as infrastructure investments USAID's planned assistance is complementary to these efforts

Beneficiaries Over 90% of jobs generated by the TIRP Program will be for workers in small-scale agriculture and fishing, and micro-enterprises Currently women own 24% of the horticulture, wood, African cloth/garments, and handicrafts industries Women-owned businesses will continue to grow as a result of this program

Principal Contractors, Grantees or Agencies The TIRP Program will be implemented by U S institutional contractors and grantees, as well as U S PVOs and local non-government organizations The process to competitively select implementing contractors and grantees will be completed by June 1998

Major Results Indicators

	Baseline (1994)	Target (2001)
Increase revenues from selected goods and services	$690 m	$1,500 m
Increase non-traditional exports	$119 m	$ 605 m
Increase earnings from tourism	$241 m	$ 420 m

ACTIVITY DATA SHEET

PROGRAM GHANA
TITLE AND NUMBER Increased Effectiveness of the Primary Education System, 641-SO02
PROPOSED OBLIGATION AND FUNDING SOURCE $7,695,000 DA
INITIAL OBLIGATION FY 1996, **ESTIMATED COMPLETION DATE** FY 2002

Purpose To increase the effectiveness of the primary education system

USAID Role and Achievement to Date USAID has supported the primary education sector in Ghana since the early 1990s Earlier assistance focused on stabilizing government expenditures on primary education, supplying textbooks and other teaching materials, and conducting in-service training for teachers With USAID assistance, more than six million textbooks have been printed This is nearly enough to ensure that each pupil within the primary education system is equipped with a basic learning tool and is a substantial improvement over 1992 figures which show that only half of the pupils had access to textbooks There have been comparable improvements in providing teachers with basic materials and training Approximately 96% of all primary school teachers have been equipped with instructional materials such as chalk, pens, paper and record books compared to 50% in 1992 Almost 95% of primary school teachers have been trained to meet a minimum standard for teaching English and math, compared to 66% in 1992 However, more work needs to be done to significantly raise student test scores in English and math A curriculum-based test for sixth graders conducted for the past five years has provided invaluable information to the Ministry of Education (MOE) on student performance The low test results and ensuing public discussion have helped to focus the government's attention on weaknesses within the primary education system This has led to the MOE undertaking discussions with USAID and other donors on how to effectively improve the primary education system The new program will support key educational policy reforms and technical and managerial constraints to primary education

Description Quality Improvements in Primary Schools is a six-year activity which is assisting the MOE to (a) establish 330 model schools in all 110 districts of Ghana, and (2) revise key education policies to ensure that best practices from the Model Schools program will be widely replicated throughout the primary education system The Model Schools program is based on establishing a set of school quality standards which are necessary for pupil learning Examples include targets for enrollment of children, minimum attendance rates for pupils and teachers, sufficient equipment and learning materials and adequate school facilities The Model Schools program will concentrate on three major objectives First, to improve the learning environment by strengthening the capacity of District Assemblies (similar to city councils) to support quality schools Second, to improve classroom teaching through better supervision and training in methods that stimulate student interest in learning Third, to encourage greater community (i e Parent-Teacher Associations, School Management Committees) involvement and participation in developing and implementing school improvement plans Policy reform will focus on improving educational policies in four critical areas (1) curriculum development, (2) educational personnel management, (3) capacity building at the district and local levels, and (4) school data collection and analysis A key theme throughout the program will be to expand support for the decentralization process Policies that increase district authority and accountability will be encouraged and district-level training will be conducted in management, financial planning and teacher training

Host Country and Other Donors Education reforms, beginning in 1987, have led to the devolution of greater responsibility for local school facilities to the district level At the same time, local nongovernmental organizations and religious groups have increased their involvement in education In early 1996, the Ghanaian government released a comprehensive plan for improving primary education in Ghana In addition to the United States, other principal donors are supporting basic education The World Bank has signed a large Basic Education Investment Program aimed at improving access and quality, particularly in impoverished areas The British development organization will provide budgetary support and collaborate with Germany on improving education in teacher training institutions United

Nations Children Fund recently started a five-year country education program which concentrates on girls' education and community-based education programs The European Union plans to continue providing funds for non-wage expenditures Japan has recently assigned their first education specialist in sub-Saharan Africa to Ghana

Beneficiaries The primary beneficiaries will be approximately 132,000 students in 330 model schools The rest of Ghana's 3 million primary school children will benefit as changes introduced into the initially targeted schools become more widespread throughout the system Other beneficiaries include approximately 3,300 teachers and head-teachers along with 400 district education personnel

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Principal Contractors, Grantees or Agencies The Program is implemented by the following U S contractors and U S private voluntary organizations Academy for Educational Development, The Mitchell Group and the Education Development Center (which includes CARE and Save the Children)

Major Results Indicators	Baseline (1995)			Target (2002)		
Model Schools established		0			330	
		Boys	Girls		Boys	Girls
English Pass Rate		3 6%	3 9%		30%	30%
Math Pass Rate	1 8%	1 8%		15%	15%	
Enrollment Rate	60%	77%		85%	90%	

ACTIVITY DATA SHEET

PROGRAM GHANA
TITLE AND NUMBER Improved Family Health, 641-S003
STATUS Continuing
PROPOSED OBLIGATION AND FUNDING SOURCE FY 1999 $7,600,000 CSD, $6,500,000 DA
INITIAL OBLIGATION FY 1994, **ESTIMATED COMPLETION DATE** FY2000

Purpose To improve family health through reducing fertility, increasing child survival and increasing use of interventions to prevent HIV/AIDS and other sexually transmitted diseases (STDs)

USAID Role and Achievement to Date Policy reforms promoted by USAID have led to the elimination of price controls, deregulation of contraceptives and wider availability of contraceptives through the private sector These contributed to a significant decline in the fertility rate from 6 4 to 5 5 children per woman between 1988 and 1993 Both the increase in the use of modern contraceptives and the marked decline in the total fertility rate are significant achievements over a short period of time, making the Ghana program one of the first family planning successes in West Africa In addition to family planning, USAID's health program has focused on increasing awareness of HIV/AIDS in the general population Now more than 90% of men and women in Ghana are aware of the HIV/AIDS transmittal routes However, major behavioral changes have not yet occurred to slow transmission of HIV, with prevalence now estimated at 5% of the population USAID funded a national sero-surveillance system to track HIV prevalence The system includes four public health reference laboratories in strategic locations throughout the country which have been built, equipped and staffed by laboratory personnel who have been trained under this program USAID is providing technical assistance to the Ministry of Health (MOH) to develop a new, comprehensive child survival strategy Child survival interventions supported by USAID are incorporated into health messages and support for immunization equipment (cold storage) and vaccines is an integral aspect of this assistance

Description To improve health status in Ghana, USAID supports policy dialogue designed to improve access and availability of contraceptives, effective diagnosis and treatment of AIDS and STDs and greater use of child survival interventions Technical assistance and training is geared towards (1) development of Information, Education & Communication (IEC) campaigns to generate greater demand for family planning, child survival and AIDS/STDs awareness, (2) training of service providers to improve counseling and medical procedures, (3) promotion of use of family planning methods, continued training of staff, and equipping laboratories to improve diagnosis and treatment of AIDS/STDs, and (4) provision of contraceptive commodities Greater resources are being channeled to the National Population Council and its secretariat to implement effective decentralization of population policy at the regional level, improve data gathering of vital statistics, and enhance more vigorous political support for the National Population Policy Support is provided for expanding points of sale for contraceptives through non-government organizations (NGOs), private physicians and the private sector, which is already

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providing 56% of family planning services For child survival activities USAID supports selected elements of the new MOH strategy, namely improving child nutrition, exclusive breastfeeding, immunization coverage, including the Polio Eradication Campaign, and infant diarrhea management Collaboration continues with U S private voluntary organizations (PVOs) (Africare, Plan International and CARE), United Nations Children Fund (UNICEF) and local NGOs to (1) increase immunization coverage (with special emphasis on the eradication of polio), and (2) improve treatment of diarrhea and reduction of dehydration through increased use of oral rehydration therapies, both home fluids and commercially prepared oral rehydration salts

Host Country and Other Donors The Government of Ghana (GOG) strongly supports family planning, the fight against HIV/AIDS and improved child survival interventions USAID is the lead donor in population/family planning and HIV/AIDS Japan is beginning to collaborate with USAID to complement efforts in public health training, supplying public health laboratories and assisting in the Ghana Census

Other major donors in the health sector include the World Bank, United Nations Population Fund, UNICEF and the United Kingdom

Beneficiaries Beneficiaries include all men and women of reproductive age in Ghana Important target groups are women who wish to delay or limit children but are not currently using family planning methods, adolescents, males and people in rural areas with limited access to services

Principal Contractors, Grantees or Agencies The program is implemented through the GOG, the Association for Voluntary Surgical Contraception, Plan International and Africare (all U S PVOs), private non-profit Ghanaian associations and local NGOs such as Ghana Social Marketing Foundation, Ghana Registered Midwives' Association and the Planned Parenthood Association of Ghana

Major Results Indicators

	Baseline (1997)	Target (1999)
Total Fertility Rate	5 5% (1993)	5 0% (200
Modern Contraceptive Prevalence	10 1% (1993)	18 %
HIV Infection Prevalence	6 % (1996)	5 %
Mothers exclusively breastfeeding	19 %	40 %
Infants immunized with DPT3*	49 %	60 %
Children receiving ORT**	24 %	45 %

* DPT3 -- Diphtheria-pertussis-tetanus toxoid vaccine
** ORT -- Oral rehydration therapy

ACTIVITY DATA SHEET

PROGRAM GHANA
TITLE AND NUMBER Enhanced Civic Participation and Accountable Governance, 641-SO04
STATUS Continuing
PROPOSED OBLIGATION AND FUNDING SOURCE FY 1999 $1,500,000 DA
INITIAL OBLIGATION FY 1997, **ESTIMATED COMPLETION DATE** FY 2002

Purpose To increase civic participation and accountable governance by supporting the development of civil society and strengthening the capacity of parliament and local government to improve accountability and transparency

USAID Role and Achievements to Date USAID has been a major player in encouraging and supporting Ghana's efforts to consolidate democracy From 1994 to 1996, USAID's program focused on supporting the electoral process by funding the development of a new voter registry (9 2 million registered) in 1995 and strengthening the capacity of the Electoral Commission to conduct presidential and parliamentary elections in December 1996 Nearly 80% of registered voters participated in the elections, the first

consecutive national elections to be held in Ghana's history With the elections over, Ghana is continuing on the path of consolidating democracy

Description USAID's program focuses on strengthening civil society organizations (CSOs) to play a more active role in the governance process and fostering greater government accountability and transparency This program was designed in late FY 1997 as a follow-on to the previous electoral assistance activities Two U S private voluntary organizations based in Ghana implement the activity and conduct training programs nationally that include leadership development, organizational and financial management, problem analysis and solving techniques, and greater collaboration with other non-government organizations and local government organizations Workshops and seminars are to be held in all 110 administrative districts over the four years of the project The civil society development activities include increasing management capacity of CSOs promoting collaboration and communication with government decision makers, improving CSOs' capacity to represent their members and improving coordination among CSOs to articulate their positions on public-policy issues Parliamentary assistance includes support to improve the professional skills of parliamentarians and staff, increase access to and use of information, and improve oversight capacity Limited support is also provided to conduct local district-level elections and improve the capacity of political parties to develop party platforms Assistance to strengthen local government is also provided through training and technical assistance

Host Country and Other Donors Many donors are involved in promoting democracy and good governance objectives in Ghana USAID is the largest donor in civil society development and parliamentary support The United Kingdom, Denmark, Germany, and Netherlands as well as the European Union and World Bank have active programs in supporting decentralization of government services to local level district assemblies Germany also have an active media and journalism support program

Beneficiaries Ghana's 18 million people are the beneficiaries of this program Without a stake in the society that encourages individual initiative and involvement in decision making, Ghanaians will not be able to achieve the levels of economic, social and political growth required to move the country forward

Principal Contractors, Grantees or Agencies The major grantees implementing the strategic objective are International Foundation for Election Systems (IFES) National Democratic Institute (NDI), and Georgetown University Law Center's Women's Law and Public Policy Fellowship Program IFES's activities support development of civil society, strengthening local government effectiveness and enhancing the capacity of political parties in a multiparty democracy NDI works principally to strengthen Parliament and enhance its role as an effective legislative body and counterweight to the

executive branch Under the auspices of the Georgetown Fellowship Program, USAID supports the Legal Advocacy for Women in Africa Program which funds advanced training for women lawyers in Ghana involved in advocacy and non-governmental organizations

Major Results Indicators

		Baseline (1996)	Tar (20
Number of changes made to government-introduced legislation as a result of CSO advocacy	2	10	
Percent of Ghanaians surveyed who feel they have sufficient information about what the government is doing	32%	65%	
Percent of District Assembly budgets generated from local sources	5%	20%	

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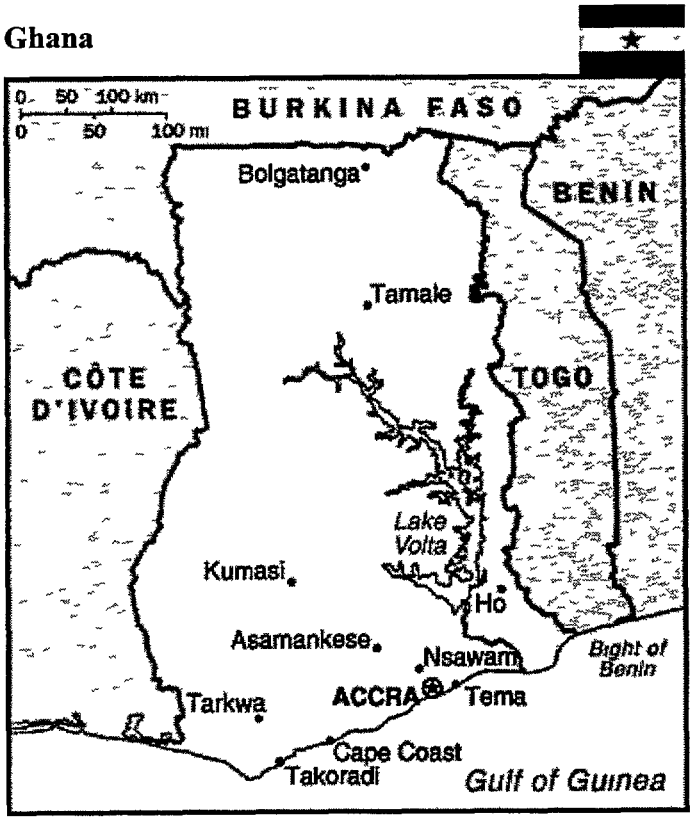
Ghana



Geography

Location Western Africa, bordering the Gulf of Guinea, between Cote d'Ivoire and Togo

Geographic coordinates 8 00 N, 2 00 W

Map references Africa

Area
total 238,540 sq km
land 230,020 sq km
water 8,520 sq km

Area - comparative slightly smaller than Oregon

Land boundaries
total 2,093 km
border countries Burkina Faso 548 km, Cote d'Ivoire 668 km, Togo 877 km

Coastline 539 km

Maritime claims
contiguous zone 24 nm
continental shelf 200 nm
exclusive economic zone 200 nm
territorial sea 12 nm

Climate tropical, warm and comparatively dry along southeast coast, hot and humid in southwest, hot and dry in north

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Terrain mostly low plains with dissected plateau in south-central area

Elevation extremes
lowest point Atlantic Ocean 0 m
highest point Mount Afadjato 880 m

Natural resources gold, timber, industrial diamonds, bauxite, manganese, fish, rubber

Land use
arable land 12%
permanent crops 7%
permanent pastures 22%
forests and woodland 35%
other 24% (1993 est)

Irrigated land 60 sq km (1993 est)

Natural hazards dry, dusty, harmattan winds occur from January to March, droughts

Environment - current issues recent drought in north severely affecting agricultural activities, deforestation, overgrazing, soil erosion, poaching and habitat destruction threatens wildlife populations, water pollution, inadequate supplies of potable water

Environment - international agreements
party to Biodiversity, Climate Change, Endangered Species, Environmental Modification, Law of the Sea, Nuclear Test Ban, Ozone Layer Protection, Ship Pollution, Tropical Timber 83, Tropical Timber 94, Wetlands, Whaling
signed, but not ratified Desertification, Marine Life Conservation

Geography - note Lake Volta is the world's largest artificial lake, northeasterly harmattan wind (January to March)

People

Population 18,100,703 (July 1997 est)

Age structure
0-14 years 43% (male 3,928,741, female 3,891,591)
15-64 years 54% (male 4,775,610, female 4,939,664)
65 years and over 3% (male 268,579, female 296,518) (July 1997 est)

Population growth rate 2 21% (1997 est)

Birth rate 33 88 births/1,000 population (1997 est)

Death rate 10 89 deaths/1,000 population (1997 est)

Net migration rate -0 92 migrant(s)/1,000 population (1997 est)

Sex ratio
at birth 1 03 male(s)/female
under 15 years 1 01 male(s)/female
15-64 years 0 97 male(s)/female
65 years and over 0 91 male(s)/female
total population 0 98 male(s)/female (1997 est)

Infant mortality rate 78 9 deaths/1,000 live births (1997 est)

Life expectancy at birth
total population 56 49 years
male 54 47 years
female 58 57 years (1997 est)

Total fertility rate 4 43 children born/woman (1997 est)

Nationality
noun Ghanaian(s)
adjective Ghanaian

Ethnic groups black African 99 8% (major tribes - Akan 44%, Moshi-Dagomba 16%, Ewe 13%, Ga 8%), European and other 0 2%

Religions indigenous beliefs 38%, Muslim 30%, Christian 24%, other 8%

Languages English (official), African languages (including Akan, Moshi-Dagomba, Ewe, and Ga)

Literacy
definition age 15 and over can read and write
total population 64 5%
male 75 9%
female 53 5% (1995 est)

Government

Country name
conventional long form Republic of Ghana
conventional short form Ghana
former Gold Coast

Data code GH

Government type constitutional democracy

National capital Accra

Administrative divisions 10 regions, Ashanti, Brong-Ahafo, Central, Eastern, Greater Accra, Northern, Upper East, Upper West, Volta, Western

Independence 6 March 1957 (from UK)

National holiday Independence Day, 6 March (1957)

Constitution new constitution approved 28 April 1992

Legal system based on English common law and customary law, has not accepted compulsory ICJ jurisdiction

Suffrage 18 years of age, universal

Executive branch
chief of state President Jerry John RAWLINGS (since 3 November 1992), note - the president is both the chief of state and head of government
head of government President Jerry John RAWLINGS (since 3 November 1992), note - the president is both the chief of state and head of government

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cabinet Council of Ministers, president nominates members subject to approval by the Parliament
elections president and vice president elected by popular vote for four-year terms, election last held 7 December 1996 (next to be held NA 2000)
election results Jerry John RAWLINGS elected president, percent of vote - Rawlings 58 8%

Legislative branch unicameral Parliament (200 seats, members are elected by direct popular vote to serve four-year terms)
elections last held 7 December 1996 (next to be held NA December 2000)
election results percent of vote by party - NA, seats by party - NDC 126, NPP 65, PCP 5, PNC 1, to be determined 3

Judicial branch Supreme Court

Political parties and leaders National Democratic Congress or NDC [Dr Huudu YAHAYA], New Patriotic Party or NPP [Peter Ala ADJETY], People's Heritage Party or PHP [Alex ERSKINE], National Convention Party or NCP [Sarpong Kuman Kuman], Every Ghanian Living Everywhere or EGLE [Ashang OKINE], Peoples Convention Party or PCP [P K DONKOS-AYIFL, acting chairman], Peoples National Convention or PNC [Edward MAHAMA]

International organization participation ACP, AfDB, C, CCC, ECA, ECOWAS, FAO, G-24, G-77, IAEA, IBRD, ICAO, ICFTU, ICRM, IDA, IFAD, IFC, IFRCS, ILO, IMF, IMO, Inmarsat, Intelsat, Interpol, IOC, IOM (observer), ISO, ITU, MINURSO, NAM, OAU, UN, UNCTAD, UNESCO, UNIDO, UNIFIL, UNIKOM, UNMIBH, UNMOP, UNPREDEP, UNTAES, UNU, UPU, WCL, WFTU, WHO, WIPO, WMO, WToO, WTrO

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Flag description three equal horizontal bands of red (top), yellow, and green with a large black five-pointed star centered in the yellow band, uses the popular pan-African colors of Ethiopia, similar to the flag of Bolivia, which has a coat of arms centered in the yellow band

Economy

Economy - overview Well endowed with natural resources, Ghana has twice the per capita output of the poorer countries in West Africa Even so, Ghana remains heavily dependent on international financial and technical assistance Ghana has made steady progress in liberalizing its economy since 1983 Overall growth continued at a rate of approximately 5% in 1995 and 1996, due largely to increased gold, timber, and cocoa production - major sources of foreign exchange The economy, however, continues to revolve around subsistence agriculture, which accounts for almost half of GDP and employs 55% of the work force, mainly small landholders In 1995-96, Ghana has made mixed progress under a three-year structural adjustment program in cooperation with the IMF On the minus side, public sector wage increases, regional peacekeeping commitments, and the containment of internal unrest in the underdeveloped north have led to continued inflationary deficit financing, depreciation of the cedi, and rising public discontent with Ghana's austerity program

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GDP purchasing power parity - $27 billion (1996 est)

GDP - real growth rate 5% (1996 est)

GDP - per capita purchasing power parity - $1,530 (1996 est)

GDP - composition by sector
agriculture 46%
industry 16%
services 38% (1995 est)

Inflation rate - consumer price index 36% (1996 est)

Labor force
total 3 7 million
by occupation agriculture and fishing 54 7%, industry 18 7%, sales and clerical 15 2%, professional 3 7%, services, transportation, and communications 7 7%

Unemployment rate 10% (1993 est)

Budget
revenues $1 05 billion
expenditures $1 2 billion, including capital expenditures of $178 million (1993)

Industries mining, lumbering, light manufacturing, aluminum, food processing

Industrial production growth rate 3 3% (1995 est)

Electricity - capacity 1 19 million kW (1994)

Electricity - production 6 1 billion kWh (1994)

Electricity - consumption per capita 304 kWh (1995 est)

Agriculture - products cocoa, rice, coffee, cassava (tapioca), peanuts, corn, shea nuts, bananas, timber

Exports
total value $1 43 billion (f o b , 1995 est)
commodities gold 39%, cocoa 31%, timber 6%, tuna, bauxite, aluminum, manganese ore, and diamonds (1994 est)
partners UK, Germany, US, Togo, Netherlands, Japan

Imports
total value $1 84 billion (c i f , 1995)
commodities capital equipment, petroleum, consumer goods, foods, intermediate goods
partners UK, Nigeria, US, Germany, Japan, Netherlands

Debt - external $5 2 billion (1996 est)

Economic aid
recipient ODA, $472 million (1993)

Currency 1 new cedi (C) = 100 pesewas

Exchange rates new cedis per US$1 - 1,718 31 (October 1996), 1,200 43 (1995), 956 71 (1994), 649 06 (1993), 437 09 (1992)

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Fiscal year calendar year

Communications

Telephones 70,000 (1988 est)

Telephone system poor to fair system
domestic primarily microwave radio relay
international satellite earth station - 1 Intelsat (Atlantic Ocean)

Radio broadcast stations AM 4, FM 1, shortwave 0

Radios NA

Television broadcast stations 4 (repeaters 8)

Televisions 250,000 (1993 est)

Transportation

Railways
total 953 km (undergoing major renovation)
narrow gauge 953 km 1 067-m gauge (32 km double track) (1995 est)

Highways
total 37,561 km
paved 9,353 km (including 21 km of expressways)
unpaved 28,208 km (1995 est)

Waterways Volta, Ankobra, and Tano Rivers provide 168 km of perennial navigation for launches and lighters, Lake Volta provides 1,125 km of arterial and feeder waterways

Pipelines 0 km

Ports and harbors Takoradi, Tema

Merchant marine
total 4 ships (1,000 GRT or over) totaling 28,900 GRT/37,240 DWT
ships by type cargo 2, refrigerated cargo 2 (1996 est)

Airports 12 (1996 est)

Airports - with paved runways
total 8
2,438 to 3,047 m 3
1,524 to 2,437 m 1
914 to 1,523 m 2
under 914 m 2 (1996 est)

Airports - with unpaved runways
total 4
1,524 to 2,437 m 1
914 to 1,523 m 3 (1996 est)

Military

Military branches Army, Navy, Air Force, Police Force, Palace Guard, Civil Defense

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Military manpower - military age 18 years of age

Military manpower - availability
males age 15-49 4,254,386 (1997 est)

Military manpower - fit for military service
males 2,365,286 (1997 est)

Military manpower - reaching military age annually
males 178,560 (1997 est)

Military expenditures - dollar figure $30 million (1994)

Military expenditures - percent of GDP 0 8% (1994)

Transnational Issues

Disputes - international none

Illicit drugs illicit producer of cannabis for the international drug trade, transit hub for Southwest and Southeast Asian heroin and South American cocaine destined for Europe and the US

THE WORLD BANK GROUP

Ghana. A Leader in Africa

President Clinton makes his first African stop in Accra, capital of a country which has been a regional leader in many ways In 1957, it became the first country in Sub-Saharan Africa to emerge from colonialism, it enjoyed the highest per capita income in the region at independence before its economy went into a tailspin, and it experienced the trauma of military takeovers long before that became a trend in the region Nearly a decade and a half ago, Ghana launched one of the first and more stringent economic recovery programs in the region

The economy is mainly agricultural and cocoa, coconut, coffee and timber are the main export crops Minerals include gold, diamonds, manganese ore, and bauxite

The emerging industrial sector's products include cassava, fruit juices and cocoa by-products

Ghana at a Glance	
GDP (1997 preliminary estimates US$)	6 7 billion
GNP per capita 1996 (US$)	360
GDP Growth (1997 preliminary estimates US$)	3 0%
Population (1997 est)	17 5 million
Population growth rate	2 7%
Inflation (1996)	20%
Gross Primary Enrollment	76%
Female	83%
Life expectancy at birth	59 years

In the decade following independence, the Ghanaian economy grew by an average 4 percent Yet, by the early 1980s, per capita income had fallen by a third, inflation was running at over 100 percent, infrastructure had collapsed, and the economy was in a downward spiral

In 1983, the government launched an aggressive program of stabilization and economic liberalization It sought to reduce budget deficits and create a market-friendly environment The economy was progressively deregulated through the elimination of price controls and investment restrictions, the government also liberalized interest rates and improved banking supervision In the decade that followed, growth averaged 5 percent and physical and social infrastructure was largely rehabilitated Inflation was reduced from 142 percent in 1983, to 10 percent by the end of 1991

The country still faces severe economic challenges GDP growth for 1997 is estimated at 3 0%, hardly enough to have any impact on poverty, considering a population growth rate of 2 7% Inflation peaked at 70 percent in 1995 but declined to about 20 percent in 1997, aided by a good harvest and a relatively stable exchange rate The Government's current aim is to secure a stable economy, to promote private investment, and to inspire the confidence of investors and the public in liberal, market-oriented policies

On the political front, a new constitution was introduced in 1992 and Ghana's first multiparty elections were organized shortly thereafter In 1996, Ghana enjoyed a smooth second-term election, conducted with full participation of all political parties and of the Ghanaian electorate, strengthening democratic institutions The World Bank has played an active part in Ghana's economic recovery With 32 active projects, the country portfolio is the largest in Africa and current commitments amount to over US$1 4 billion

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IFC

Contact Information

Fact Sheet: IFC and Ghana

go to the IFC Press Center

The International Finance Corporation (IFC), a member of the World Bank Group, is the world's largest multilateral source of loan and equity financing for private investment in developing countries It finances private sector projects, without government guarantees, by investing its own resources, making loans, and by mobilizing funds in the international capital markets The Corporation also advises businesses and governments on investment related matters From the time IFC was founded in 1956, it has committed more than US$21 2 billion in financing for its own account and has arranged US$15 billion in syndications and underwriting for 1,852 companies in 129 developing nations IFC's share capital is provided by its 173 member countries, which collectively determine its policies and activities

In FY97 IFC approved 276 projects, providing US$3 3 billion in financing for its own account The Corporation continued its success in mobilizing capital for private sector projects in developing countries, approving US$3 4 billion through the IFC loan syndication program Under this program commercial lenders provide their own funds and take their own commercial risk, but IFC acts as the lender of record Investors thus enjoy the same tax and country risk benefits that IFC derives from its special status as a multilateral development agency

IFC Strategy in Ghana

In Ghana, IFC intends to continue to provide an integrated package of financial and advisory services at each stage of the project cycle

These services range from the preparation of business plans, to the provision of project and working capital finance, to management, production, marketing and management information system support IFC will continue to provide support for all sectors of the Ghanaian economy and will concentrate on supporting the growth of small and medium enterprises (SMEs), providing assistance to the financial and agricultural sectors, and developing other export-oriented and infrastructure projects

Investments

Since 1984 IFC has invested in 55 projects in Ghana, approving US$258 million in financing for its own account and US$226 million for the accounts of participants in the Corporation's loan syndication program The cumulative cost of these projects is US$960 million

Twenty-five of these investments have been financed through IFC'ssmall business program, whichprovides debt and equity financing for projects which typically cost less than US$5 million, resulting in financing of US$100,000 to US$1 5 million In Ghana IFC has financed the creation of new businesses as well as the expansion, modernization, and diversification of existing ones

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FINANCING SOURCE	$US MILLIONS
IFC Loan	158
IFC Equity	12
IFC Quasi-equity	18
IFC Guarantee Standby and Risk Management	70
IFC	
IFC Loan Syndication Program	**226**
TOTAL	**484**

1997 Project Approvals in Ghana

Client	*Activity*	*IFC loan*	*IFC quasi equity*	*Total project financing*	*Total project cost*
Network Computer Systems	Expand the provision of information technology services including Internet and the introduction of Electronic Data Interchange for electronic commerce		0 67	0 67	1 30
Professional Technical Services Ltd	Manufacture constant velocity joints for automobiles using reconditioned equipment		0 31	0 31	0 70
Rafi Aluminum Co Ltd	Purchase computerized grinding machine to expand aluminum products manufacturer	0 30		0 30	0 60
Signals and Controllers Ltd	Expand electronics firms to include sales and service of intruder detection systems	0 21		0 21	0 50

Technical Assistance

The technical assistance program managed by IFC is closely coordinated with other donor-supported bilateral and multilateral initiatives aimed at the private sector in emerging economies The objectives of the program are to promote a strong enabling environment for efficient private sector investment, to support specific investments with appropriate forms of assistance, to encourage best practice with regard to environmental and social impacts, and to develop managerial and technical capacities with both private companies and government agencies Within this broad set of objectives, IFC chooses technical assistance assignments that are best suited to its areas of expertise Coordination among all concerned agencies has been critical to the success of IFC's technical assistance program and will remain a priority for the future

The **African Project Development Facility (APDF)** was established in 1986 as a joint initiative of IFC, the African Development Bank (AfDB), and the United Nations Development Programme (UNDP) The facility is supported by 15 donors and is managed

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by IFC APDF identifies African entrepreneurs and helps them initiate their projects and expand or diversify their businesses by assisting them throughout the project preparation cycle

APDF typically supports projects with investment costs ranging from US$250,000 to US$7 million, but also considers smaller projects, depending on the economic conditions in the entrepreneur's country and the social and economic impact that the project can have

Ghana is APDF's most important market, having undertaken 47 projects in the country, resulting in the mobilization of US$4 8 million in financing, the creation or preservation of 4,831 jobs, and the generation of US$57 3 in export earnings In 1997 about 20 percent of APDF's total program involved projects in Ghana Companies benefiting from APDF's assistance during that period include

- ACP - roofing sheet production
- Astek - mineral water production
- AVOM - agro processing
- Catfish - fishery
- Inter Maritime - teak processing and export
- Kinapharma - pharmaceuticals
- Tamso Lodge - hotel
- Tatlock - agro processing

Enterprise Support Services for Africa (ESSA), begun in Ghana in 1996, is funded by the Canadian International Development Agency (CIDA) and IFC ESSA assists small and medium businesses to develop their potential for achieving success, both locally and internationally, by helping business men and women better manage their businesses

In 1997, 24 clients from Ghana benefitted from ESSA training programs which addressed specific needs in

- Strategic Planning
- Business Planning
- Marketing
- Finance
- Quality Control
- Productivity
- Management of Information Systems

During this same period, ESSA worked closely with a local training institution, the Ghana Institute of Management and Public Administration, on the development and delivery of specialized training courses

The **African Management Services Company (AMSCO)** wasestablished in 1989 as the result of a joint initiative of the African Training and Management Services Project (ATMS), IFC, the Untied Nations Development Programme (UNDP), and the African Development Bank (AfDB)

In 1997 10 companies benefited from the services of 47 AMSCO managers

- Samaratex - wood processing
- Ghana Primewood - wood processing
- Dupaul - wood processing
- CAL Merchant Bank - merchant banking
- Vodi - automobile sales and service
- Scoa - automobile sales and service
- BMK - particle board production
- Tara Systems - information technology
- South Akim - plastic and crown cork production
- Interplast - plastic pipe manufacturing

For more information, please contact

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Malawi: Mission Country Strategy and Proposed Urban Activities[1]

1 Introduction

In spite of severe development problems, there is hope and opportunity for the USAID/Malawi program to provide the kind of assistance that will both strengthen the country's economic and political institutions and further broaden U S foreign policy objectives associated with the advancement of a growing, politically open and prosperous Africa For example, USAID/ Malawi's SO5, to help strengthen democratic institutions, reflects the U S goal "to promote consolidation of democratic institutions and practices " Major elements of SO1 and SO2, which promote democratic association of farmers to manage their resources and market their products, and SO4, which promotes literacy, also support the United States's democracy goal

The context for the USAID/Malawi program remains positive, but in important ways the context has been changing for the worse Many factors contribute to this environment the breadth and openness of dialogue with Malawians in government and civil society, the macro-economy, political developments, the social and institutional context, donor cooperation, and circumstances pertaining to each of the program's five sectors Roughly 90 percent of all Malawians live and work in rural areas, making both survival and economic growth dependent on agriculture The country's food and agricultural problems were exacerbated by three serious droughts in four years between 1991 and 1995 The modern commercial economy is small and dominated by a few firms that hold oligopoly power over trade, agribusiness, and the financial sector High population density, disease, small land holdings, traditional agricultural techniques, and pervasive poverty contribute to deforestation, overworked soils, and low agricultural output

USAID's strategy for helping Malawi achieve broad-based, sustainable economic growth concentrates on raising agricultural incomes (SO1) Through institutional and policy reforms plus targeted projects to promote competition, liberalize markets, and improve management of the country's constrained natural resources (SO2), USAID is helping improve the standard of living of the majority of the population Improving access to family planning services, child health programs, STD services to reduce HIV/AIDS transmission (SO3), and primary education (SO4) lead to greater human capacity and potential and contribute to the sustainability of economic growth Building decentralized public, private, and voluntary institutions for Malawi's democratic future will ensure that more Malawians have a greater say in how their resources are allocated and enable them to more fully participate in the benefits of growth

The majority of Malawians view strong economic growth as a net product of democracy Thus, Malawi's democratic development and its economic growth go hand in hand Together, they contribute to a more stable country and region and, in the long-term, a more mature partner for U S trade and investment Moreover, with political democracy a fragile but real achievement,

[1] Much of the information in this report was taken from the USAID/Malawi FY 2000 Results Review and Resource Request (March 2 1998) the USAID Country Strategy Plan for Malawi (Malawi 2000) FY 1995-2000 (Approved March 1995) and the USAID FY 1998 Congressional Presentation (Malawi)

the new government realizes that public support will fade quickly without demonstrable economic progress Consequently, it has begun the process of dismantling and privatizing state-owned enterprises, as well as the policy apparatus and bureaucracy that stifled private enterprise development Simultaneously, it is attacking rural poverty through self-help and policies that encourage income generation in rural communities Failure to free the private sector and reduce rural poverty will undermine the country's fledgling democracy

2 USAID/Malawi Program

2.1 Summary of Country Strategic Plan

The overall goal of the USAID/Malawi Country Strategic Plan for FY 1995-2000 is to achieve broad-based, sustainable economic growth USAID believes that based on the current political mandate, government priorities, donor commitments, the various assessments and consultations, and the best judgment of technical observers, Malawi has the potential to make significant strides toward this goal over the next five years The two greatest challenges will be balancing limited resources between short-term political goals and long-term development objectives, and rapidly expanding the sources of Malawi's growth

The total funding requested for the FY 1999 Malawi program is $32,461,000, with $7,300,000 from Child Survival and Disease funds and $25,161,000 from Development Assistance These funds are to be split among the five SOs as follows

FY 1999 USAID/Malawi Program Funding

	US$ (millions)	% of Total FY 1999 Funding
SO1 "Increased Agricultural Incomes"	10 0	30
SO2 "Increased Sustainable Use of Natural Resources"	8 9	28
SO3 "Increased Use of Measures to Reduce Fertility and HIV Risk"	7 1	22
SO4 "Increased Access to Basic Education"	4 2	13
SO5 "Strengthened Democratic Participation"	2 3	7
Total	**32 5**	**100**

Source The USAID FY 1999 Congressional Presentation (Malawi)

2 2 Summary of Results Review and Resource Request (R4)

By the year 2000, the Mission expects to achieve its goal and five SOs through a combination of direct assistance, policy dialogue, and collaboration with government and nongovernment partners and other donors The urban relevant SOs, IRs, and Indicators are as follows

SO1:
Increased Agricultural Incomes on a Per Capita Basis

Indicator 1 1 *Real per capita incomes for smallholder tobacco producers*

IR 1 2 *Competitive market environment established*

IR 1 3 *Private sector agribusiness and transport activities expanded*

INDICATOR 1 2 3, 1 3 1 Share of high yielding variety (HYV) maize seed sold through private channels
INDICATOR 1 2 4, 1 3 2 Share of fertilizer sold through private channels
INDICATOR 1 3 4 Volume of goods transported by rail

SO2.
Increased Sustainable Use, Conservation, and Management of Natural Resources

IR 2 1 *Comprehensive policy and legislative framework established*

INDICATOR 2 1 1 New policies and legislation enacted

IR 2 2 *Capacity of national NRM institutions strengthened*

INDICATOR 2 2 1 Prototype environmental information system (EIS) developed and applied
INDICATOR 2 2 2 Environmental research and training strengthened

SO3.
Increased Adoption of Measures That Reduce Fertility and Risk of HIV Transmission, Including Improved Child Health Practices

IR 3 2 *Family planning, STD/HIV, and child health services accessible and provided to Malawi's citizens*

INDICATOR 3 2 1 Access to employer-based HIV/STD information and condom distribution

IR 3 3 *Increased participation of community members in activities that improve health*

INDICATOR 3 3 1 Community-based distribution agents (CBDA) and supervisors providing family planning information and services
INDICATOR 3 3 2 Population in targeted areas with access to safe water

IR 3 3 1 *MOHP support systems strengthened*

INDICATOR 3 3 1 1 Contraceptive distribution and logistics management information system (CDLMIS) in operation at district level and below

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SO4. Increased Access to and Quality and Efficiency of Basic Education, Especially for Girls	
IR 4 1	*Budget allocations for education sector and primary education increased*
INDICATOR 4 1 1	Education share of discretionary expenditures total
INDICATOR 4 1 2	Share of education sector revenue budget allocated to primary education
IR 4 2	*Availability of resources (e g , classrooms, teachers, learning materials) increased*
SO5 Institutional Base for Democratic Participation Strengthened and Broadened	
IR 5 1	*Increased participation of civil society organizations in the economic and political development process*
INDICATOR 5 1 1	D/G advocacy activities undertaken by CSOs (including urban CSOs)
INDICATOR 5 1 2	People who say that they belong to a voluntary organization
INDICATOR 5 1 3	CSOs that undertake policy analysis
IR 5 2	*Parliament's capacity to function as an independent and representative body strengthened*
INDICATOR 5 2 1	Representatives of civil society testify before committees (including urban CSOs)
INDICATOR 5 2 2	Occasions on which specified conditions are obtained during the passage of legislation
IR 5 5	*Process for formulating and implementing GOM economic policies and programs promotes greater transparency and participation*
INDICATOR 5 5 3	Public forums promoted by GOM to review GOM budgets, policies, programs etc

3 Institutional Analysis/Key Players

The United States and the United Kingdom are Malawi's largest and most-influential bilateral partners Other major bilateral contributors include Germany, Japan, Canada, the Netherlands, and Denmark In recognition of Malawi's potential and its development assistance performance, other bilateral donors (Norway, Australia, and Sweden) have recently announced a readiness to expand or begin development programs in Malawi

National

- Ministry of Education Decentralizing its planning and management with the assistance of UNDP and UNESCO
- Malawi Railways Formally privatized and restructured in 1995, now operating without a government subsidy Preparations are in progress for a private concession to operate the line, which is key for the transport of agricultural goods

International

- The United Nations Maintains a presence in Malawi and has active programs in the education and family planning sectors, as well as in public sector capacity building
- The Technical Consultation on Decentralization (TCD) A forum held December 1997, it was sponsored by the Food and Agriculture Organization of the United Nations (FAO), the United Nations Capital Development Fund (UNCDF), the International Fund for Agricultural Development (IFAD), the German Agency for Technical Cooperation (GTZ), the Swiss Agency for Development and Cooperation (SDC), and the World Bank (WB) TCD brings together policy makers, practitioners, and academics from the developed and developing world to review and discuss the contribution of decentralized and participatory strategies to rural development Proposal designs for Malawi's decentralization were developed as part of "Proposals for the Future" Working Group activities
- The African Development Bank Finances several important operations related to education, including the building and equipping of schools
- The European Community A large resident donor involved in improving household food security through promotion of fertilizers, agro-forestry, and other land husbandry techniques Also works on natural resource management and education
- The International Monetary Fund (IMF) Has had a strong relationship with the Government of Malawi (GOM) since the early 1980s Performance under the IMF's ESAF arrangement has been satisfactory to date
- WB Also has had a strong relationship with the GOM since the early 1980s The Bank is the largest donor, with programs supporting structural adjustment and major sectors, particularly agriculture (research, extension, rural credit, and rail transportation)
- GTZ Provides support for governmental decentralization and democratization through a local government project and promotion of democratization in Lilongwe and Blantyre, Malawi's two largest cities

Local/Local Government

- Community Level USAID began a pilot community-level social mobilization program in 1995 to promote girls' school enrollment and reduce their drop-out rates The campaign is being expanded nationwide Also, a USAID grantee (Save the Children Federation) is testing new approaches for community governance of schools

NGOs/Others

- Local NGOs and PVOs participate in USAID's efforts to promote 1) agriculture, 2) natural resource management, 3) family planning and STD prevention, 4) education, and 5) democracy

4 Status of USAID/Malawi Program and Opportunities for Urban Activities

SO1, increased agricultural incomes, has exceeded Mission expectations with respect to increasing agricultural incomes, and the Mission is optimistic that SO1 will move well beyond

original expectations While much has been accomplished, there is more to be done Significant numbers of farm families — those with small land holdings and limited ability to procure inputs — remain too marginalized to participate in the production of cash crops Opportunities exist for greater collaboration with the Mission's democracy team, with potential integration of the successful grassroots smallholder association movement, which is the centerpiece of the agriculture and food security program The Mission intends to use the additional resources that will be provided under the African Food Security Initiative (AFSI) to expand SO1 activities and to intensify efforts in promoting food security through research and technology transfer related to food crops and through the development of strong farmer-based associations *Urban-focused programs could strengthen the Mission's effort for greater collaboration with democracy and governance by designing appropriate rural-urban forums that address urban-rural linkages, i e , rural feeder road rehabilitation and transport, including road-rail links, export trade, and market development*

Overall, SO2, increased sustainable use of natural resources, has met expectations in increasing sustainable use, conservation, and management of natural resources By FY 2000, a new and comprehensive set of policies and legislation governing natural resource management, both at the sector and national level, will be in place Implementation of this contemporary policy framework may be uneven, given that the reforms require that both government and communities assume new roles and responsibilities However, the impetus to make these adjustment is clearly under way and, by FY 2000, implementation of these policies should be institutionalized and widespread Start-up of the proposed CBNRM activity in June 1998 will facilitate this transition The prototype environmental information system in the middle Shire (IR2 2) will also be fully functioning, used to support informed decision making in this important catchment It is anticipated that the EIS will be broadened to include at least one other geographic area in response to the growing demand for environmental information In short, by FY 2000, USAID support, in conjunction with other donor and government efforts, will have laid the foundation for increased sustainable development in Malawi The reversal of environmental degradation, however, requires a 15–20 year time frame and is intimately linked to trends in the population, education, and governance sectors Programmatically, in March 1998, SO2 will begin a broad strategic review to reassess the original SO2 strategy and causal linkages to the IRs *A potential opportunity for the RUDO exists in offering its participation in the strategic review vis-a-vis urban/municipal approaches For example, urban programs could support SO2 by 1) designing an appropriate forum to discuss and develop municipal strategies for minimizing urban encroachment on the environment and 2) defining the role of urban decision makers as stakeholders in the natural resource management process (e g , environmental tourism) Particular emphasis should be placed on cultivating links between environmental sustainability and economic growth*

SO3, increased use of measures to reduce fertility and the risk of HIV, has enjoyed steady progress, constrained only by the limited human and financial resources available to the GOM International Monetary Fund mandates and the strict controls on the national budget have left the district health offices strapped for resources With USAID financing, both the NGO and private sectors have been active partners in promoting better reproductive health behaviors and expanding reproductive health services to targeted areas and clients With the signing of the

PVO/DHO partnership agreements in early 1998, the three-year proposed activities are about to be initiated During this past reporting period alone, 15 rural water systems serving a population of almost 230,000 villagers were completed (IR3 3) with additional rural systems to be constructed in the next two years Since MOHP health reform activities are potentially very significant and far reaching, SO3 will continue to be engaged in their full development and implementation It is the intention of the MOHP to work toward the establishment of a health sector approach, which would be supported by all donors, in lieu of individual projects Preliminary support provided by USAID includes the management audit phase one situation analysis, which will be followed by a district-level management audit in early 1998 USAID will be developing a policy results package this year that will support the analysis of data, development of policies, and full participation of stakeholders, providers, and customers who will be engaged in the health reform process *Urban programs could support SO3 by defining the role that municipalities and urban players have in the health reform process, particularly finance mechanisms for clinic construction and health service provision Additionally, an urban focus on "brown" environmental health issues, which are being focused solely on rural areas, could be expanded to urban areas*

SO4, increased access to basic education, fell short of expectations this past year as a result of the introduction of free primary education (in a resource-scarce environment), and the absence of a clear policy investment framework (PIF) that establishes priority programs in the context of a realistic budget hampers education reform The lack of a functional education management information system (EMIS) until this year has made it difficult to measure the true impact of policy reform in any area but resource allocation The Ministries of Education and Finance have not effectively collaborated on Girls Attainment on Basic Literacy and Education (GABLE), focusing too much on the legalities of policy conditionality and not enough on the impact of policy at the classroom level USAID/Malawi believes that the original objective of the GABLE project remains valid The MOE has a deficit of more than 15,000 classrooms at the primary level Hence, continued incremental assistance in the area of expanding real access to a minimally acceptable classroom environment is needed Realistically, the education sector cannot capture a much larger share of the total budget without disrupting necessary activities in other sectors The Mission, along with its donor partners, recently put together a series of policy, construction, finance, and qualitative targets regarding the sector The mix of NPA and PA, together with how NPA resources ought to be targeted, will be reexamined in light of the problems to be addressed and the extent to which they are amenable to policy vs technical approaches Furthermore, until the MOE revises the PIF and demonstrates a clear political mandate to implement it, the Mission will not attempt to design a new 10-year sector program *Urban programs could support SO4 by 1) developing finance strategies to construct more classrooms, 2) defining the role that urban decision makers could play as stakeholders in the education campaign, and 3) assisting the MOE in developing the PIF Consideration could be given to targeting classroom construction to market towns and/or settlements with key road and rail junctions*

While SO5, democratic participation strengthened, has a particular urgency, it fell short of Mission expectations Upon realizing that it is highly unlikely that it will be met by FY 2000, a series of retreats and consultations with partners beginning in September 1997 were held to

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validate the assumptions on which the current framework is based, review the strategy, and set realistic targets for the next two years Programmatically, when D/G was elevated from a target of opportunity to a strategic objective, it was assumed that resource levels and staffing would be sufficient to implement the range of activities necessary to have the systemic impact expected of a full strategic objective Resource levels have been reduced from the requested level of 3 5 million to 2 5 million per year Though some economic support funds (ESF) were obtained last year, it is not likely that the amount of ESF requested this year to prepare for the 1999 elections will be forthcoming Unless resource levels increase, the Mission questions whether it can sustain a full D/G strategic objective At the same time resource levels are declining, focus group research is revealing disturbing trends In general, people equate democratic development with economic empowerment Since they perceive that the economic situation has not improved significantly since 1994, and law and order is breaking down, they are skeptical of the democratic process and have little understanding of civil society's role in democracy These trends have implications for system support Citizens' lack of understanding of democratic principles and the role of civil society in aggregating their interests, coupled with their perception that elected officials are unresponsive to constituents' economic and social concerns, could undermine support for democracy *Urban-focused activities could play a large role in strengthening democracy by promoting at the local level economic growth and trade development Particular attention could be given to developing/strengthening agricultural processing and/or distribution infrastructure of market towns and/or settlements with key road and rail junctions In addition, urban programs can strengthen support for democracy by focusing on the related fiscal and financial implications of democracy-building*

5 Proposed Urban Activities and Approach

While Section 4 provided sample urban opportunities related to each of the five SOs, the table below presents more detailed urban program opportunities related to three key Mission activities 1) strengthening Malawi's democracy, 2) increasing economic growth, and 3) increasing access to primary education

Note Depending on the priorities and available resources, the RUDO may consider initially focusing activities on other countries where decentralization is already under way with a roll-out to Malawi once the GOM takes steps toward transferring power from the center to municipal authorities In addition, due to the low level of urbanization — roughly 10 percent of the population — other more urbanized southern African countries may present themselves as better first-round candidates for urban activities Alternatively, it may be an ideal time to focus on the urbanization process in a preemptive manner — to establish models of good local governance combined with rural-linked economic development as a means to build capacity before the pressures of growth become a crisis in Malawi's secondary cities Further, given the international community's TCD's decentralization strategy development activities, now might be a particularly opportune time for the RUDO to offer its own participation in the process

Key Mission Activity	Urban Program Opportunity
Strengthening Malawi's democracy USAID/Malawi proposes the following measures to improve SO5's performance Priority will be given to election-related activities during FY 98 and early FY 99, and work with parliament and civil society will complement the electoral process The two main themes will be civic education and enhancing the political role of women IR5 5 is to be removed from the SO and converted to a target of opportunity in the area of economic policy analysis After the elections, SO5 intends to focus less on building institutions and more on policy dialogue regarding political reform, administration of justice, and promotion of human and political rights at the grassroots level The execution of a public opinion survey will guide this process and set the stage for the next CSP	Opportunities exist for the RUDO across all SOs with respect to designing decentralization strategies Such activities include, but not limited to • identifying power-arrangements to improve the provision of local services, and • helping the GOM address the fiscal and financial implications of democracy-building at the local level
Increasing economic growth The SO1 team is currently in the process of reviewing its entire portfolio to examine opportunities to broaden and deepen the current program A position paper is currently being prepared that will identify new opportunities for expanding our efforts to promote food security and develop reporting mechanisms that more accurately capture significant actions already under way Opportunities exist for greater collaboration with the Mission's democracy team, with potential integration of the successful grassroots smallholder association movement, which is the centerpiece of the agriculture and food security program The opportunity for much greater integration of activities between the agriculture and natural resources programs will also be reviewed Additionally, SO1 will review activities in the areas of agricultural policy and planning and rural finance Over the next year, SO1 will also continue implementation of the new national survey to track changes in income across the rural economy — measuring both farm and non-farm results This is being done in part to capture benefits from all SO1 program efforts some of which are not currently being measured and in part to prepare for new opportunities such as value-added agricultural processing and other rural microenterprise activities Indicators will be adjusted to more adequately reflect what is being done and the impact of SO1-supported activities	• Activities to link democracy building (i e , decentralization) with economic growth Such activities would include defining and implementing local government economic growth initiatives, e g , financing and provision of basic infrastructure, market activities, road building, and rail networks • Related activities involve designing strategies to expand the role of microenterprises in local service provision and privatization This could build democracy strengthening efforts above • Lastly, proactive activities related to strengthening current and future urban-rural links, including market and border towns, could be particularly timely and leveraged with other international donor activity

Key Mission Activity	Urban Program Opportunity
Increasing access to primary education To strengthen SO2, USAID/Malawi is planning on emphasizing the following areas in the GABLE redesign 1) building capacity in the MOE Planning Department and districts 2) completing the EMIS 3) constructing more classrooms, 4) improving the quality of teaching and learning in the classroom, 5) redirecting the SMC toward increasing demand for quality and stimulating community participation, and 6) improving intrasectoral resource allocation	• Activities to link education (e g , capacity building) to increased economic growth The RUDO could focus on increasing access to education in strategic locations — border towns, agricultural processing/transshipment (e g , road/rail junctions), and market towns — and on strategic skills • Related capacity building would be associated with school construction and cost recovery In addition it could involve designing at the national level, with local-level implementation, enterprise zone microcredit programs • In both of the above, the activities link themselves to strengthening democracy by increasing economic growth

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Attachments

1 USAID 1999 Congressional Presentation

2 Malawi Chapter from CIA World Factbook, 1997

Note This document may not always reflect the actual appropriations determined by Congress Final budget allocations for USAID's programs are not determined until after passage of an appropriations bill and preparation of the Operating Year Budget (OYB)

MALAWI

	FY 1997 Actual	FY 1998 Estimate	FY 1999 Request
Child Survival and Disease	$13,377,000	$10,300,000	$7,300,000
Development Assistance	$20,935,000	$25,800,000	$25,161,000
Economic Support Funds	$500,000	---	---

Introduction

After 30 years of authoritarian rule, Malawi now has a democratically elected government following its free and fair presidential and parliamentary elections in May 1994 The political transformation has been accompanied by fundamental economic liberalization and structural reform Its ability to sustain the hard-won political change and to consolidate and make further progress on democratic governance, while promoting broad-based, equitable, economic growth and development will contribute to a more stable country and region, and in the long-term, to a stronger economic relationship with the United States

The Development Challenge

Malawi's political and economic development has been impeded historically by its narrow economic base, concentrated ownership of assets, limited foreign and domestic investment, authoritarian leadership, high population growth, and low education levels Life expectancy at birth is under 45 years The infant mortality rate (134 per 1,000) and malnutrition are among the highest in Africa Only half the population has access to safe drinking water and the prevalence of HIV/AIDS is high and growing Annual per capita gross domestic product is estimated below $200, and external debt in 1996 was $2 28 billion The country's food and agricultural problems have been exacerbated by three serious droughts in four years between 1991 and 1995 High population density, disease, small land holdings, traditional agricultural techniques and pervasive poverty contribute to deforestation, overworked soils and low agricultural output Despite the daunting challenge of managing an open economy that is subject to intermittent droughts and instability while nurturing a young democracy, the government's commitment to economic and political reforms remains strong and it is an excellent partner for U S development assistance

Other Donors

The United States and the United Kingdom are Malawi's largest and most influential bilateral partners Other major bilateral donors include Germany, Japan, Canada, the Netherlands, Denmark, and Sweden Multilateral donors include the European Union, the World Bank, the International Monetary Fund, and the African Development Bank Donor coordination is strong in-country, as evidenced by the local donors' leadership in implementing a pilot effort by the Development Assistance Committee of the Organization for Economic Cooperation and Development to coordinate assistance in participatory development and democracy The Malawian experience is becoming a model for Africa

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FY 1999 Program

USAID's strategy for helping Malawi achieve broad-based, sustainable economic growth concentrates on raising agricultural incomes USAID is helping to improve the standard of living of the majority of the population through institutional and policy reforms plus targeted projects to promote competition, liberalize markets, and improve the management of the country's constrained natural resources Improving access to family planning services, child health programs, primary education, and sexually transmitted disease (STD) services to reduce HIV/AIDS transmission will lead to greater human capacity and contribute to the sustainability of economic growth Building decentralized public, private

and voluntary institutions for Malawi's democratic future will ensure that more Malawians have a greater say in how their resources are allocated and enable them to participate more fully in the benefits of growth

USAID's agricultural programs develop market-based service institutions, increase economic opportunities for smallholders, develop public capacity for policy reform, and introduce low-cost agroforestry practices to improve soil fertility and increase crop yields USAID FY 1999 support, including funds from the Africa Food Security Initiative, will further transform the agricultural sector by expanding smallholder enterprise development, continue development of crop diversification and sustainable agroforestry technologies, and extend food security monitoring and the famine early warning system USAID/Malawi's activities to strengthen agriculture and food security will expand farmer access to research results for drought resistant root crops such as cassava and sweet potatoes, improve farmer incomes through the development of business-oriented producer associations, and support policy-oriented research and analysis on household level food security concerns

Malawi's economic growth potential is constrained by high levels of illiteracy The country's basic education system is weak, schools are overcrowded, teachers are not adequately trained, and teaching materials are inadequate USAID's support for a community-level social mobilization campaign has resulted in a marked increase in girls' enrollments, a substantial reduction in the female dropout rate (for the first time the drop-out rate for girls was lower than that for boys), and a dramatic increase in the number of girls entering secondary school FY 1999 funds will expand social mobilization efforts and continue to support increased efficiency in primary education Women's economic empowerment, and transparency in economic policy are also elements of this objective

USAID's goal in Malawi is to help lower the population growth rate by encouraging the adoption of modern contraceptive methods, promoting technologies to reduce infant and child mortality, morbidity and malnutrition, and encouraging behavioral change to reduce the spread of HIV/AIDS Because government adoption of fertility reduction programs has been slow due to a lack of qualified personnel, weak budgeting and management, USAID focuses its support on activities aimed at behavioral change and expanded service delivery USAID's substantial on-going investments will continue to provide detection and treatment of STDs, and promote the use of condoms, both of which are critically important to fighting the transmission of HIV/AIDS

USAID environmental efforts focus on developing a unifying, comprehensive policy and legislative framework to govern natural resources management, strengthening human capacity in public and private institutions responsible for managing natural resources and the environment, introducing management systems that improve community-level performance, and ensuring sustainability of financing for private initiatives Efforts in this area are relatively new, but, build on successful pilot programs in agroforestry Strong government and donor coordination is now being forged and lends confidence that substantial improvements in the policy and legislative framework will be achieved in the near term FY 1999 funding will support the expansion of community-based action programs, environmental monitoring, an environmental education program, and wildlife conservation activities

One of USAID's objectives is to increase Malawian participation in transparent and accountable political and economic institutions In FY 1999, USAID will provide technical support to Malawi's Electoral Commission in conducting the 1999 presidential and parliamentary elections including voter registration and voter education USAID also will work with non-governmental organizations and political parties on election monitoring Work with Parliament will focus on strengthening the committee system and the

women's caucus In addition, USAID will work with local human rights organizations and with the High Court to improve efficiency in the administration of justice

MALAWI

FY 1999 PROGRAM SUMMARY

(in Thousands of Dollars)

USAID Strategic Objectives	Economic Growth & Agriculture	Population & Health	Environment	Democracy	Human Capacity Development	Humanitarian Assistance	TOTALS
S O 1 Increased ag incomes on a per capita basis - DA	10,011	---	---	---	---	---	10,011
S O 2 Increased sustainable use, conservation and management of renewable natural resources - DA	---	---	8,900	---	---	---	8,900
S O 3 Increased adoption of measures that reduce fertility & HIV transmission, while promoting child hlth practices - DA - CSD	--- ---	4,000 3,100	--- ---	--- ---	--- ---	--- ---	4,000 3,100
S O 4 Increased access to, and quality and efficiency of basic education, especially for girls - CSD	---	---	---	---	4,200	---	4,200

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S O 5 Strengthened & broadened Institutional base for democratic participation - DA	---	---	---	2,250	---	---	2,250
Totals - DA - CSD	10,011 ---	4,000 3,100	8,900 ---	2,250 ---	--- 4,200	--- ---	25,161 7,300

USAID Mission Director, Kiertisak Toh

ACTIVITY DATA SHEET

PROGRAM MALAWI
TITLE AND NUMBER Increased Agricultural Incomes on a Per Capita Basis, 612-SO01
STATUS Continuing
PROPOSED OBLIGATION AND FUNDING SOURCE FY 1999 $10,011,000 DA
INITIAL OBLIGATION FY 1995, **ESTIMATED COMPLETION DATE** FY 2000

Purpose To increase smallholder access to agricultural inputs, markets for crops, and cash crop production alternatives

USAID Role and Achievements to Date USAID focuses on increasing smallholder farmers' cash incomes to ensure that they can purchase agricultural inputs and food To increase food security, USAID has promoted crop diversification away from the rain-fed staple, corn, to more drought resistant root crops like cassava and sweet potatoes USAID support also has contributed to liberalization of the agricultural markets which has allowed smallholders to grow and competitively market cash crops including paprika, coffee and spices Almost 40% of smallholder acreage is now planted in crops other than corn, principally sweet potato, cassava and peanuts These crops provide both increased food sources and a significant cash return for the smallholder Whereas in 1991 only 11% of hybrid corn seeds and six percent of the fertilizer was sold through private commercial channels, in 1997 more than 75% of hybrid seed and 70% of the fertilizer was sold through a growing number of commercial entities USAID support for the credit union movement has resulted in a 93% increase in membership in targeted credit unions in the last 15 months with savings increasing by more than 55% and loans for productivity by more than 133%

Description Achieving broad-based economic growth in Malawi depends on increasing rural agricultural incomes Rural income growth is restricted first and foremost by the prices farmers receive for their crops In the past the Government of Malawi (GOM) controlled input and output prices, and maintained policies that inhibited the development of competitive markets and kept a lid on farm gate prices High transportation costs for imported inputs, such as fertilizers, also constrained agricultural productivity and rural income growth USAID's primary focus is on increasing per capita rural incomes as the foundation for broad-based economic growth This will be achieved through activities aimed at (1) reducing government control of markets for both agricultural inputs and crops, thereby creating a conducive environment for increased production, (2) expanding farmer-owned rural agribusiness and cooperative marketing activities, and (3) reducing the transportation costs of imported agricultural inputs and exports Funding under the new Africa Food Security Initiative will complement these activities and help to link them directly to national and household-level food security The initiative will expand farmer's access to new technology for drought-resistant root crops, increase farm household income by supporting and expanding producer associations, and promote direct food security activities such as Malawian-led monitoring and research on household vulnerability and safety net interventions

Host Country and Other Donors Other major donors include the World Bank and European Union (EU) The World Bank provides agricultural research, extension services, rural credit assistance and rail

transportation assistance The EU provides assistance in improving household food security through expanded use of fertilizers, improved management of the strategic grain reserve, and agroforestry While other donors are also involved in the sector, their contributions are more limited and geographically focused Host country contributions include in-kind and budgetary support

Beneficiaries The 2 2 million smallholder farm families with limited access to resources, including 475,000 female-headed families, and all farmers who rely on imported inputs and export markets

Principal Contractors, Grantees, or Agencies USAID implements activities through the Harvard Institute for International Development, Agricultural Cooperative Development International, Development Associates Incorporated, the World Council on Credit Unions, Lincoln University, and local non-government organizations

Major Results Indicators	Baseline		Target	
Real per capita incomes for smallholders in target areas	$153	(1991)	$266	(19
Share of smallholder cultivated area planted in non-maize crops	36%	(1997)	43%	(19
Ratio of smallholder root crop area to smallholder maize area	6 8%	(1990)	18 5%	(19

ACTIVITY DATA SHEET

PROGRAM MALAWI
TITLE AND NUMBER Increased sustainable use, conservation and management of renewable natural resources, 612-S002
STATUS Continuing
PROPOSED OBLIGATION AND FUNDING SOURCE FY 1999, $8,900,000 DA
INITIAL OBLIGATION FY 1995 **ESTIMATED COMPLETION DATE** FY 2000

Purpose To increase the sustainable use, conservation, and management of renewable natural resources

USAID Role and Achievements to Date USAID is the lead donor in environmental policy reform efforts which has resulted in the development and approval of Malawi's first national environmental policy and environmental management bill Both the policy and the bill are critical to establishing a comprehensive framework for governing natural resource use in Malawi An achievement of the environmental bill was the establishment in 1997 of the National Council for the Environment to coordinate environmental programs and activities Policy reform efforts are now focusing on harmonizing sectoral legislation with the new national umbrella policy and legal framework A key issue is ensuring that all new policies and legislation encourage partnerships between government, communities and the private sector in managing the country's natural resources Thus far, new legislation has been passed in both the forestry and fishery sectors, and revised policies in the irrigation and wildlife sectors have been drafted In response, commercial operations and cost-sharing arrangements with local communities have been initiated in several of Malawi's protected areas

In other areas, noteworthy progress has been made on the prototype environmental information system (EIS), a system for which USAID is the lead donor Specific locations experiencing severe rates of degradation have been identified, causes are being investigated, and the resulting information will be used to efficiently target interventions A joint program with the European Union (EU) is promoting soil conservation and agroforestry practices on 200 demonstration sites throughout the country Program efforts also support local capacity building in the areas of environmental monitoring and research

Description The major thrust of USAID's involvement in natural resources management has been to promote policy reforms Increased incomes and food security can only be assured if Malawi protects the

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natural resource base upon which over 90% of its population depends for food, employment and energy Failure to undertake policy and institutional reforms or to initiate community-based protection activities entails enormous risks for chronic malnutrition, worsening national incomes, civil strife and long-term donor dependence Improved natural resource management is also linked to achievement of other U S Government objectives in Malawi improved land management contributes to increased agricultural productivity and hence increased rural incomes With an increase in rural income, Malawi will solidify gains in economic security and reducing family size

Under this USAID-supported program initiated in FY 1995, the Government of Malawi (GOM) is developing and implementing an ambitious policy and institutional reform agenda leading to a unified national policy and legal framework governing natural resource management In addition, the GOM will strengthen the capacity of Malawians to coordinate and monitor natural resource use, including implementing a prototype EIS in the critical watershed which is the source of drinking water for Malawi's major urban area and is key to the generation of the country's electric power The program also will work toward sustainable financing of environmental initiatives through the creation of a privately managed endowment fund Finally USAID support will strengthen community capacity to manage natural resources with an emphasis on soil conservation and agroforestry on a sustainable basis

Host Country and Other Donors The World Bank, European Union, United Nations, and the British and Danish governments are implementing assistance programs to address environmental constraints that complement the USAID program It is widely acknowledged that USAID's focus on policy reform will enhance the feasibility, success and sustainability of all GOM and donor-financed programs in this sector To promote improved donor coordination among a wide variety of stakeholder organizations, including Malawian government agencies, donor organizations, communities and private sector entities, USAID chairs monthly meetings of the Natural Resource Management Donor Coordination Group

Beneficiaries The 90% of Malawi's population who live and work in rural areas, particularly women, who are responsible for 70% of the farming practices and most household chores such as collecting firewood Overall, improved natural resource management contributes to increased agricultural productivity and sustained rural incomes and food security

Principal Contractors, Grantees, or Agencies University of Arizona, Clark University, Washington State University, and local non-governmental organizations

Major Results Indicators	Baseline		Target	
Sectoral policies revised and upgraded	0%	(1996)	100 %	(19
Prototype EIS developed & applied	10%	(1996)	100%	(19
Hectares under soil improving technologies	2,850	(1996)	10,100	(19
Protected areas and neighboring communities with revenue sharing programs	0	(1996)	12	(1999)

ACTIVITY DATA SHEET

PROGRAM MALAWI
TITLE AND NUMBER Increased adoption of measures that reduce fertility and HIV transmission including improved child health practices 612-SO03
STATUS Continuing
PROPOSED OBLIGATION AND FUNDING SOURCE FY 1999, $4,000,000, DA $3,100,000 CSD
INITIAL OBLIGATION FY 1995 **ESTIMATED COMPLETION DATE** FY 2000

Purpose To reduce fertility and HIV transmission by supporting the Government of Malawi (GOM) and private sector in family planning, HIV/AIDS and child survival programs

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USAID Role and Achievements to Date Malawi's total fertility rate declined from 7 2 to 6 7 between 1984 and 1992 In a five year period, the under-five mortality rate dropped from 246 to 234 deaths per 1,000, while the infant mortality rate remained about the same, at 134 deaths per thousand Since 1992, USAID efforts contributed to a doubling of the contraceptive prevalence rate from seven percent to 14% in 1996 With the support of USAID, a national family planning policy has been issued, thousands of health workers have been trained, and family planning and child health services have been expanded from hospitals to health centers and into communities USAID-funded private voluntary organizations (PVOs) will soon complete water systems to serve over 200,000 villagers The revised malaria treatment that was pioneered with USAID assistance is still effective and is being made more accessible to communities as medicines are being supplied through community drug revolving funds USAID-funded efficacy studies help to ensure the continued effectiveness of the malaria treatment program Although the prevalence of HIV has not decreased, there has been a significant increase in the numbers of condoms distributed and sold through a USAID-funded social marketing program, and an increase in the number of sexually transmitted diseases (STD) cases treated under the new syndromic management approach

Description USAID-funded activities focus on increasing access to family planning and child health services USAID's implementing agencies provide prevention and treatment of STDs and sponsor activities that promote behavior change to reduce the risk of HIV transmission This includes increasing access to condom and related education messages, providing greater access to family planning information and services through public, non-governmental and private agencies, and, expanding family planning and HIV prevention services at the community level USAID partners work directly with health districts to increase their management capacity, strengthen support systems, and improve the delivery of maternal, child, and reproductive health care services to the health centers and village levels, including supplying water and sanitation, malaria treatment, and oral rehydration therapy for diarrhea

Host Country and Other Donors The GOM is currently revising its approach to delivery of health services with emphasis on decentralization and efforts to improve coordination of donor programs Other donors include the European Union, the World Bank, Great Britain, the United Nations Children's Fund, the World Health Organization, the United Nations Family Planning Agency (UNFPA), the United Nations Development Program, and Germany UNFPA supports a number of training and family planning service initiatives British assistance is working with a non-governmental organization (NGO) to expand the availability of quality reproductive health services to urban and semi-urban areas Great Britain and UNFPA assist USAID with provision of contraceptives and support for the logistics system The World Bank supports training of health workers, clinic facility improvement and provision of drugs and supplies Germany co-funds the condom social marketing program with USAID and works in two districts strengthening management and services delivery

Beneficiaries Women of reproductive age, infants and children under five, youth and men

Principal Contractors, Grantees, or Agencies Principal U S organizations involved in implementation include John Snow, Incorporated, Africare, Population Services International, Save the Children, Project HOPE, International Eye Foundation, University Research Corporation, and the Association for Voluntary Surgical Contraception Malawian implementing agencies include local NGOs, the Ministry of Health and Population at all levels, the National Family Welfare Council, and the Ministry of Education

Major Results Indicators		Baseline		Target	
Contraceptive Prevalence Rate (% married women using modern methods)	7 4%	(1992)	17%	(1999)	
Percentage of condom use reported-male with last non-regular partner		7 0%	(1992)	47%	(19
Percentage of condom use reported-female with last non-regular partner		1 4%	(1992)	27%	(19
Oral rehydration therapy use rate of under 5 with diarrhea (fluids, food, oral rehydration salts)		63%	(1992)	77%	(19

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ACTIVITY DATA SHEET

PROGRAM MALAWI
TITLE AND NUMBER Increased access to, and quality and efficiency of basic education, especially for girls, 612-SO04
STATUS Continuing
PROPOSED OBLIGATION AND FUNDING SOURCE FY 1999, $4,200,000 CSD
INITIAL OBLIGATION FY 1995 **ESTIMATED COMPLETION DATE** FY 2000

Purpose To increase children's attainment, especially that of girls, in basic education by increasing access to and quality and efficiency of primary education

USAID Role and Achievements to Date With USAID's assistance, and in spite of its fiscal problems, the Government of Malawi (GOM) has demonstrated its strong commitment to primary education by allocating more resources to this subsector Since 1992, the share of the GOM budget allocated to education has risen from 12% to nearly 21%, and primary education received approximately 56% of the total recurrent budget for the education sector in 1997 USAID assistance has resulted in progress in reducing the pupil/teacher ratio from 68 in 1992 to 61 in 1996 by hiring approximately 22,000 new teachers The total education budget devoted to learning materials has increased from about one percent in 1993/1994 to 8 6% in 1994/1995 USAID provides technical expertise to the GOM to introduce more efficient and better quality teaching methodologies The USAID program's focus on girls has paid off as all measures indicate rising numbers and proportions of girls in school at both the primary and secondary levels This is reflected through increases in girls' enrollment which is now 47% of total enrollment in first grade and persistence -- girls' enrollment in the eighth grade is now 39% compared to 35 6% in 1991 Girls' overall repetition in grades one to eight has also declined from 20% in 1991 to 15 5% in 1996 The utilization of Malawi's teacher training college has been improved Nationwide registration of all primary pupils is now done regularly, providing basic planning and management data for school administration A pilot social mobilization campaign was completed, and the campaign was launched nationwide in October 1997

Description USAID's program focuses on three areas increasing the long-term financial resource base for primary education, improving the quality, availability, and efficiency of primary education, and improving the relevance of primary education for girls Technical assistance, training, research, limited commodities, and support of policy reform help to improve education sector planning and budgeting, construct schools, recruit and train teachers, privatize distribution of learning materials, develop gender-sensitive curriculum and train teachers in its use, and establish a girls' scholarship fund Among USAID's innovative programs are its social mobilization campaign to develop community action programs for increasing girls' enrollment and retention and a grant to a private voluntary organization to test new approaches for community governance of schools

Host Country and Other Donors The World Bank provides support to primary and secondary education While Great Britain has traditionally concentrated on secondary and tertiary education, it has recently launched a community schools project at the primary level The United Nations Children's Fund has been involved in several small projects supporting adult literacy, pre-school and out-of-school youth The United Nations Development Program and the United Nations Educational, Scientific and Cultural Organization support curriculum development and the Ministry of Education's efforts to decentralize planning and management The European Union provides assistance for school construction, and equipment Germany has supported teaching of science in primary schools and is about to launch a basic education project The African Development Bank supports building and equipping primary and secondary schools, and is developing a new education sector credit

Beneficiaries All children in Malawi's primary school system, estimated at over three million students

Principal Contractors, Grantees, or Agencies USAID implements activities through the U S firm,

Creative Associates as well as through local non-governmental organizations, local firms, and three government ministries

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Major Results Indicators	Baseline		Target	
Net enrollment rate in Primary School - overall 55%	(1991)	87%	(1999)	
Net enrollment rate in primary schools - girls	52 4%	(1991)	87%	(19
Primary repetition rate - overall	20 2%	(1991)	15%	(19
Primary repetition rate - girls	20 4%	(1991)	15%	(19
Primary pupil teacher ratio	72	(1992)	60	(19

ACTIVITY DATA SHEET

PROGRAM MALAWI
TITLE AND NUMBER Strengthened and broadened institutional base for democratic participation, 612-SO05
STATUS Continuing
PROPOSED OBLIGATION AND FUNDING SOURCE FY 1999 $2,250,000 DA
I NITIAL OBLIGATION FY 1995 , **ESTIMATED COMPLETION DATE** FY 2000

Purpose To establish and consolidate democratic and civic institutions in Malawi by supporting efforts to establish and strengthen participatory and transparent governance

USAID Role and Achievements to Date USAID has incorporated activities throughout its portfolio aimed at the development of indigenous organizations important to civil society These organizations promote human rights, civic education, services to smallholder agricultural families, primary education and basic health services USAID played a significant role in supporting the remarkable political transition that began in 1992 and ended with the successful multiparty democratic elections in 1994 Following the elections, USAID has assisted in building and supporting much needed democratic institutions, from nongovernmental organizations (NGOs) to Parliament, the judiciary and the electoral commission

Description USAID focuses on strengthening newly-formed and weak institutions to ensure that Malawians will benefit from the democratic transition USAID supports a local human rights NGO to pioneer a paralegal program in Malawi and to begin a program of free legal assistance and education using the trained personnel The use of paralegals will be adopted as an approach to assist the chronically overstretched legal personnel in the ministry of justice USAID's support for the high court will help the dispensation of justice to become more uniform and informed Additional activities will contribute to a participatory process of dialogue towards an enabling environment for NGOs The first of the women's bills prepared by the parliamentary women's caucus have been enacted and parliamentary committees are increasing their contact with civil society by holding consultations with stakeholders about legislation USAID is also working with key financial institutions to make the economic policy making and budget process more transparent USAID will support the country's second national election in 1999 through activities such as voter education and election administration

Host Country and Other Donors Donor coordination has been effective in promoting political liberalization in Malawi The United Nations Development Program supports constitutional and legal reform The European Union has developed a project focused on reform of the legal system, and human rights The United Kingdom helps the Ministry of Justice improve administration, by providing lawyers to reduce the current backlog of cases and training for court interpreters It is also providing support to police reform Donors continue to work together and with the Ministry of Justice and other stakeholders on a strategy for overall legal reform The Germans are providing support for civic education and government decentralization

Beneficiaries All Malawians will benefit from a more transparent and responsive political and governance system Direct beneficiaries include court users, civil society organizations, the judiciary, women, parliament, disadvantaged citizens, and local NGOs

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Principal Contractors, Grantees, or Agencies U S organizations include the International Foundation for Election Support, National Democratic Institute, World Learning International, Harvard Institute for International Development Local partner are various local NGOs, other key government institutions, Parliament, the judiciary, and the electoral commission

Major Results Indicators	Baseline		Target	
Number of occasions parliamentary committees consult with non-governmental and/or private sector associations	1	(1996)	5	(1999)
Percentage of Ist and 2nd tier court decisions set down for review by the High Court	20%	(1996)	45%	(1999)
Number of laws discriminating against women amended or overturned by parliament	0	(1996)	5	(1999)
Percentage of elections judged free and fair by independent observers	100%	(1996)	100%	(1999)

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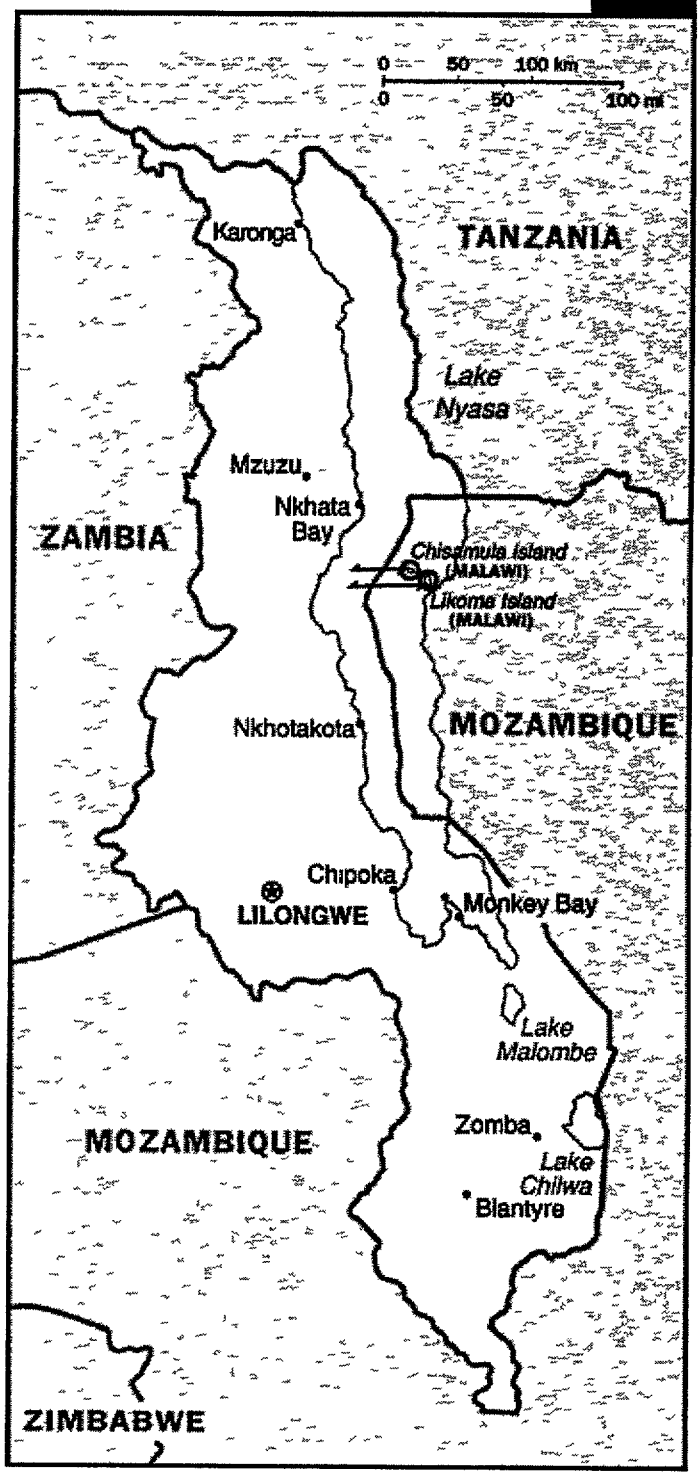
Malawi



Geography

Location Southern Africa, east of Zambia

Geographic coordinates 13 30 S, 34 00 E

Map references Africa

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Area
total 118,480 sq km
land 94,080 sq km
water 24,400 sq km

Area - comparative slightly smaller than Pennsylvania

Land boundaries
total 2,881 km
border countries Mozambique 1,569 km, Tanzania 475 km, Zambia 837 km

Coastline 0 km (landlocked)

Maritime claims none (landlocked)

Climate tropical, rainy season (November to May), dry season (May to November)

Terrain narrow elongated plateau with rolling plains, rounded hills, some mountains

Elevation extremes
lowest point junction of the Shire River and international boundary with Mozambique 37 m
highest point Mount Mlanje Sapitwa 3,002 m

Natural resources limestone, unexploited deposits of uranium, coal, and bauxite

Land use
arable land 18%
permanent crops 0%
permanent pastures 20%
forests and woodland 39%
other 23% (1993 est)

Irrigated land 280 sq km (1993 est)

Natural hazards NA

Environment - current issues deforestation, land degradation, water pollution from agricultural runoff, sewage, industrial wastes, siltation of spawning grounds endangers fish populations

Environment - international agreements
party to Biodiversity, Climate Change, Desertification, Endangered Species, Environmental Modification, Hazardous Wastes, Marine Life Conservation, Nuclear Test Ban, Ozone Layer Protection
signed, but not ratified Law of the Sea

Geography - note landlocked

People

Population 9,609,081 (July 1997 est)

Age structure
0-14 years 46% (male 2,210,871, female 2,190,564)
15-64 years 51% (male 2,430,178, female 2,520,608)
65 years and over 3% (male 109,010, female 147,850) (July 1997 est)

Population growth rate 1 57% (1997 est)

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Birth rate 40 79 births/1,000 population (1997 est)

Death rate 25 08 deaths/1,000 population (1997 est)

Net migration rate 0 migrant(s)/1,000 population (1997 est)
note the return of refugees to Mozambique is apparently complete

Sex ratio
at birth 1 03 male(s)/female
under 15 years 1 01 male(s)/female
15-64 years 0 96 male(s)/female
65 years and over 0 74 male(s)/female
total population 0 98 male(s)/female (1997 est)

Infant mortality rate 138 9 deaths/1,000 live births (1997 est)

Life expectancy at birth
total population 35 26 years
male 34 86 years
female 35 68 years (1997 est)

Total fertility rate 5 77 children born/woman (1997 est)

Nationality
noun Malawian(s)
adjective Malawian

Ethnic groups Chewa, Nyanja, Tumbuko, Yao, Lomwe, Sena, Tonga, Ngoni, Ngonde, Asian, European

Religions Protestant 55%, Roman Catholic 20%, Muslim 20%, traditional indigenous beliefs

Languages English (official), Chichewa (official), other languages important regionally

Literacy
definition age 15 and over can read and write
total population 56 4%
male 71 9%
female 41 8% (1995 est)

Government

Country name
conventional long form Republic of Malawi
conventional short form Malawi
former Nyasaland

Data code MI

Government type multiparty democracy

National capital Lilongwe

Administrative divisions 24 districts, Blantyre, Chikwawa, Chiradzulu, Chitipa, Dedza, Dowa, Karonga, Kasungu, Lilongwe, Machinga (Kasupe), Mangochi, Mchinji, Mulanje, Mwanza, Mzimba, Ntcheu, Nkhata Bay, Nkhotakota, Nsanje, Ntchisi, Rumphi, Salima, Thyolo, Zomba

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Independence 6 July 1964 (from UK)

National holiday Independence Day 6 July (1964), Republic Day 6 July (1966)

Constitution 18 May 1995

Legal system based on English common law and customary law, judicial review of legislative acts in the Supreme Court of Appeal, has not accepted compulsory ICJ jurisdiction

Suffrage 18 years of age, universal

Executive branch
chief of state President Bakili MULUZI (since 21 May 1994), note - the president is both the chief of state and head of government
head of government President Bakili MULUZI (since 21 May 1994), note - the president is both the chief of state and head of government
cabinet Cabinet named by the president
elections president elected by popular vote for a five-year term, election last held 17 May 1994 (next to be held by May 1999)
election results Bakili MULUZI elected president, percent of vote - NA

Legislative branch unicameral National Assembly (177 seats, members are elected by popular vote to serve five-year terms)
elections last held 17 May 1994 (next to be held by May 1999)
election results percent of vote by party - NA, seats by party - UDF 84, AFORD 33, MCP 55, others 5, note - because of defections and byelections, the seats in the National Assembly were held at the end of the year as follows UDF 84, MCP 47, AFORD 34, independents 8, and vacant 4
note the constitution of 18 May 1995, in addition to reducing the age at which universal suffrage is conferred from 21 to 18 years, provided for a bicameral legislature, by 1999, in addition to the existing National Assembly, a Senate of 80 seats is to be elected

Judicial branch High Court, Supreme Court of Appeal

Political parties and leaders
ruling party United Democratic Front or UDF [Bakili MULUZI]
opposition groups Alliance for Democracy or AFORD [Chakufwa CHIHANA], Congress for the Second Republic or CSR [Kanyama CHIUME], Malawi Congress Party or MCP [Hastings KAMURU BANDA, president/Gwanda CHAKAUMBA, vice president], Malawi Democratic Party or MDP [Kampelo KALUA, president], People Democratic Party or PDP [Rolf PATEL], Social Democratic Party or SDP [Eston KAKHOME, president]

International organization participation ACP, AfDB, C, CCC, ECA, FAO, G-77, IBRD, ICAO, ICFTU, ICRM, IDA, IFAD, IFC, IFRCS, ILO, IMF, IMO, Intelsat, Interpol, IOC, ISO (correspondent), ITU, NAM, OAU, SADC, UN, UNCTAD, UNESCO, UNIDO, UPU, WFTU, WHO, WIPO, WMO, WToO, WTrO

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Flag description three equal horizontal bands of black (top), red, and green with a radiant, rising, red sun centered in the black band

Economy

Economy - overview Landlocked Malawi ranks among the world's least developed countries The economy is predominately agricultural, with about 90% of the population living in rural areas Agriculture accounts for 45% of GDP and 90% of export revenues The economy depends on substantial inflows of economic assistance from the IMF, the World Bank, and individual donor nations The new government faces strong challenges, e g , to spur exports, to improve educational and health facilities, and to deal with environmental problems of deforestation and erosion

GDP purchasing power parity - $7 5 billion (1996 est)

GDP - real growth rate 6% (1996 est)

GDP - per capita purchasing power parity - $800 (1996 est)

GDP - composition by sector
agriculture 45%
industry 30%
services 25% (1995 est)

Inflation rate - consumer price index 83 3% (1995 est)

Labor force
total 3 5 million
by occupation agriculture 86%, wage earners 14% (1990 est)

Unemployment rate NA%

Budget
revenues $530 million
expenditures $674 million, including capital expenditures of $129 million (1993)

Industries tea, tobacco, sugar, sawmill products, cement, consumer goods

Industrial production growth rate 1% (1994 est)

Electricity - capacity 190,000 kW (1993)

Electricity - production 782 million kWh (1993)

Electricity - consumption per capita 67 kWh (1993)

Agriculture - products tobacco, sugarcane, cotton, tea, corn, potatoes, cassava (tapioca), sorghum, pulses, cattle, goats

Exports
total value $431 million (f o b , 1995 est)
commodities tobacco, tea, sugar, coffee, peanuts, wood products
partners US, South Africa, Germany, Japan

Imports
total value $348 million (f o b , 1995 est)

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commodities food, petroleum products, semimanufactures, consumer goods, transportation equipment
partners South Africa, Zimbabwe, Japan, US, UK, Germany

Debt - external $2 2 billion (1995 est)

Economic aid
recipient donor pledges, $332 million (1996)

Currency 1 Malawian kwacha (MK) = 100 tambala

Exchange rates Malawian kwacha (MK) per US$1 - 15 3118 (September 1996), 15 2837 (1995), 8 7364 (1994), 4 4028 (1993), 3 6033 (1992)

Fiscal year 1 April - 31 March

Communications

Telephones 43,000 (1985 est)

Telephone system
domestic fair system of open-wire lines, microwave radio relay links, and radiotelephone communications stations
international satellite earth stations - 2 Intelsat (1 Indian Ocean and 1 Atlantic Ocean)

Radio broadcast stations AM 10, FM 17, shortwave 0

Radios 1 011 million (1995)

Television broadcast stations 0 (1987 est)

Televisions NA

Transportation

Railways
total 789 km
narrow gauge 789 km 1 067-m gauge

Highways
total 49,837 km
paved 5,731 km
unpaved 44,106 km (1995 est)

Waterways Lake Nyasa (Lake Malawi), Shire River, 144 km

Ports and harbors Chipoka, Monkey Bay, Nkhata Bay, Nkhotakota

Airports 41 (1996 est)

Airports - with paved runways
total 26
over 3,047 m 1
1,524 to 2,437 m 1
914 to 1,523 m 4
under 914 m 20 (1996 est)

Airports - with unpaved runways

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total 15
1,524 to 2,437 m 1
914 to 1,523 m 14 (1996 est)

Military

Military branches Army (includes Air Wing and Naval Detachment), Police (includes paramilitary Mobile Force Unit)

Military manpower - availability
males age 15-49 2,163,056 (1997 est)

Military manpower - fit for military service
males 1,106,487 (1997 est)

Military expenditures - dollar figure $10 4 million (FY94/95)

Military expenditures - percent of GDP NA%

Transnational Issues

Disputes - international dispute with Tanzania over the boundary in Lake Nyasa (Lake Malawi)

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Mozambique: Mission Country Strategy and Proposed Urban Activities[1]

1 Introduction

The primary goal of the U S Mission in Mozambique is the *promotion of peace and political reform, avoidance of civil instability, and mitigation of humanitarian disasters* USAID contributes to this goal through fast-track poverty reduction, increased food security, and the building of democratic participation Pervasive poverty, a major contributor to instability and conflict, is addressed by USAID's direct household-level income and food production program under USAID's first strategic objective (SO1) and community-level basic health interventions in the third strategic objective (SO3) USAID's second strategic objective (SO2), which promotes increased citizen participation in governance, contributes to promotion of peace, political reform, and crisis prevention

A second U S Mission goal is the *institutionalization of democracy* Additional USAID programs under SO2 support the long-term development of Mozambique's basic democratic institutions, consolidation of the rule of law, more transparent and decentralized legislative and executive institutions, and stronger political institutions

An equally important U S government (USG) priority in Mozambique, and the centerpiece of the Mission Performance Plan (MPP), is the *integration of Mozambique into the global economy through sustainable development* A stable and democratic Mozambique contributes to regional security and economic growth in southern Africa, an important market for U S goods and services All USG agencies contribute to this goal, which encompasses economic restructuring, financial market development, and increased investment, increased rural household incomes and food security through private sector-led investments in agriculture and enterprise, and human capacity building through better education and improved health status USAID, through its proposed Special Objective (SpO) to improve the enabling environment for economic development and growth, contributes to trade and investment policy reform, transportation sector privatization, and structural reorientation of the telecommunications sector USAID's long-term investments in agriculture and its policy reform agenda in that sector promote sustainable agricultural and rural enterprise growth under SO1 In the health sector, USAID activities under SO3 promote long-term human capacity development through systemic improvements in public access to health services A fourth strategic objective (SO4) has been proposed, to start FY 1999, that will address the lack of existing capacity to environmental management, specifically natural resources management

[1] Much of the information in this report was taken from the USAID/Mozambique FY 2000 Results Review and Resource Request (March 2 1998) USAID/Mozambique FY 1999 Results Review and Resource Request (March 7 1997)

The total funding requested for the FY 1999 Mozambique program is $65,999,955, with $9,920,000 from Child Survival and Disease funds, $31,300,000 from Development Assistance, $18,779,955 from P L 480 Title II, and $6,000,000 from P L 480 Title III These funds are to be split among the four SOs as follows

FY 1999 USAID/Mozambique Program Funding		
	US$ (millions)	% of Total FY 1999 Funding
SO1 "Increased Rural Incomes"	41 3	63
SO2 "Increased Partnership between Government and Civil Society"	2 7	4
SO3 "Essential Maternal/Child Health and Family Planning Services"	19 0	29
SO4 "Increased Sustainable Natural Resource Management"	3 0	4
Total	**66 0**	**100**

Source The USAID FY 1999 Congressional Presentation (Mozambique)

2 USAID/Mozambique Program

2 1 Summary of Country Strategy

According to USAID/Mozambique's recent Results Review and Resource Request (R4), Mozambique's future depends on economic growth, especially at the household level, and the successful maturation of its fledgling democracy The goal of the Country Strategic Plan is to broaden participation in political life and economic growth

2 2 Summary of Results Review and Resource Request

By the year 2001, the Mission expects to achieve three existing SOs, a fourth proposed SO, and a Special Objective, through a combination of direct assistance, policy dialogue, and collaboration with government and nongovernment partners and other donors Shown below are relevant urban SOs, intermediate results (IRs), and indicators

SO1
Increased Rural Household Income in Focus Area

SO Indicator 1 **Net per capita average real income per year**
SO Indicator 2 **Income shares from agricultural production for household consumption and for sale, from microenterprises, and from wage labor**
SO Indicator 3 **Net per capita average real income per year**

IR 1 1 Improved market access

INDICATOR Average road transport charges

IR 1 1 2 Road necessary for agricultural marketing are rehabilitated and are thereafter adequately maintained

INDICATOR Roads in the focus area that are constructed/rehabilitated
INDICATOR Resources applied to routine road maintenance in focus area

IR 1 1 3 Expanded private sector capacity to market goods and provide transport services

INDICATOR Number of vehicles registered in focus area
INDICATOR Traffic volume in target areas
INDICATOR Volume of cargo carried by coastal shipping companies

IR 1 1 4 Market information system operational

INDICATOR Districts in focus area regularly receiving price information
INDICATOR Districts in focus area where price information is collected systematically

IR 1 2 Expanded rural enterprises

INDICATOR Rural households in focus area involved in or operating at least one micro- or small enterprise (MSE)
INDICATOR Rural households owning/operating MSEs of different sizes
INDICATOR MSEs in target areas having an environmental focus
INDICATOR Average annual value per household of transactions (gross sales) of MSEs and Rural Group Enterprises (RGEs)

IR 1 2 2 Strengthened access to financial services

INDICATOR Household MSEs that report receiving loans in preceding year
INDICATOR Loans of up to $300 to MSEs in target areas
INDICATOR Loans greater than $300 to MSEs and RGEs

IR 1 2 3 Viable rural groups operating as microenterprises

INDICATOR RGEs in target areas
INDICATOR Membership in RGEs in target areas
INDICATOR Number of different economic activities (businesses) operated by RGEs in target areas
INDICATOR Average return per household participating in RGEs in target areas

IR 1 2 4 Increased adoption of improved technologies by MSEs

INDICATOR MSEs in target areas using specific technologies

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SO2 Government and Civil Society Are Effective Partners in Democratic Governance at National and Local Levels
SO Indicator *Perceptions on whether local questions of interest are better resolved through collaboration between local government, citizens, and the private sector* *IR 2 2 4* *Elected municipal governments are effective and accountable* INDICATOR Increased percentage of municipal budgets allocated to identified citizen priority areas INDICATOR Municipal budget takes effect by January 1st of the year following its preparation
SO3 **Increased Use of Essential Maternal and Child Health and Family Planning Services in Focus Area**
IR 3 **Strengthened policy and management of decentralized essential services** *IR 3 1* *Increased access to community-based services* INDICATOR Communities receiving services INDICATOR Health posts providing family planning services *IR 3 3* *Strengthened policy and management of decentralized, essential services* **IR 3 3 1** **Improved planning, availability, and use of data** INDICATOR Data collection **IR 3 3 3** **Improved financial systems** INDICATOR Cost recovery
Proposed SO4 **Increased Capacity for Sustainable Natural Resource Management**
IR 1 *Strengthened capacity for environmental analysis and advocacy* *IR 2* *Increased adoption of sustainable environmental technologies and practices*
Proposed SpO **Improved Enabling Environment for Economic Growth and Development**

3 Institutional Analysis/Key Players

This section identifies a number of institutions and individuals who seem to be playing a prominent role in the activities discussed in this report

National

- Ministry for the Coordination of Environmental Affairs[2] — Coastal Management Unit Responsible for new coastal zone management activities Official Alfredo Massinga is mentioned in connection with these activities
- Ministry for the Coordination of Environmental Affairs About 18 months ago, created the **Office for Urban Environmental Management**, which was at that time seeking information on urban survey instruments that would allow it to collect and systematize existing information on Mozambican urban centers and was developing the Urban Environmental Survey to cover cities and towns in Mozambique Jacinta Carlos, MICOA, P O Box 2020, Maputo, jacinta@ambinet uem mz
- Ministry for the Coordination of Environmental Affairs — Central Census Office (GCR) Recently completed a national census, in coordination with the Provincial Mapping Units, Provincial Services of Geography and Land Registry, and the Provincial Offices of the National Planning Institute The data could be useful in developing urban activities Among the provisional findings are that the population is actually smaller than anticipated (15 7 million versus 18 5 million)
- Ministry of State Administration (MAE) Has been working for more than a decade on the issue of decentralization, and helped get in place the constitutional amendment and nine laws that govern local government structure, finance, and elections
- National Institute of Physical Planning (INPF), with the National Directorate of Water and the National Directorate of Health Started a research project for the development of an appropriate latrine This first phase of the program was supported by UNDP, IDRC, and SIDA
- National Assembly Has been another contact for the Mission for the work on decentralization, among other DG-related activities

Local/Local Government

- Mozambican Foundation for Community Development Mentioned as having advocated for the regulatory environment for nongovernmental organizations (NGOs) Its other activities are not known

(From the USAID/Mozambique home page) To date, a number of donors have initiated activities that support the decentralization process in Mozambique

- World Bank Has carried out studies on municipal finance in five cities (Pemba, Quelimane, Nampula, Beira and Maputo) Based on the study, they have supported a process whereby draft legislation for the local finance law has been elaborated
- Swedish International Development Agency (SIDA) Has worked primarily in six rural districts and focused at first on studies of the institutional and legal context and possibilities for functioning local government The six rural districts SIDA is working in include

[2] This Ministry seems to have at least three different names

Mocimboa da Praia (Cabo Delgado), Lichinga (Niassa), Angonia (Tete), Monapo (Nampula), Buzi (Sofala), and Boane (Maputo)

- Both SIDA and the World Bank, as well as the **Norwegian Development Agency (NORAD)** have supported, through the MAE, training activities for provincial- and local-level public officials
- German Technical Cooperation (GTZ) May also support technical assistance and training activities to the MAE at the central, provincial, and district levels

International

- International Union of Local Authorities (IULA) Has in the past worked with the World Bank in the region
- International Union for the Conservation of Nature Is an (international?) environmental group that recently met in the country to address coastal zone management issues
- NORAD Carried out coastal zone study for GRM
- World Bank Is planning loans in various sectors, including a US$36 million credit to the GRM to improve water supply and sanitation announced in February 1998 under the Mozambique National Water Development Project Other bilateral lenders are involved in this project, which includes policy, systems, privatization, and capacity building (including at the community level) World Bank Mozambique Resident Mission 1224, Ave Kenneth Kaunda, Maputo, Mozambique, Tel (258-1) 492841/51/51/7,1 Fax (258-1) 492893 WB/Mozambique home page http //www worldbank mz/index htm (List of WB projects in Mozambique is attached)

Relevant USAID Contractors

- African-American Institute Working with NGOs that work in the democratic sector across the country to increase their administrative, strategic planning, advocacy, and leadership capacities
- Food for the Hungry International, CARE, and CLUSA Working on USAID micro-enterprise activities
- The State University of New York and Wisconsin's Land Tenure Center Working with the National Assembly to prepare a new land law and regulations, with civil society input
- The National Democratic Institute Has been training local civic organizations on the processes of civil society

NGOs/Others

- Oxfam, Avenida Patrice, Lumumba 770, CP 2865 Maputo, Mozambique, Tel + 2581 421461 or +44 2581 427518, Fax +44 2581 429572
- UNDP, IDRC, and SIDA supported the INPF and the National Directorate of Water and the National Directorate of Health on a research project for the development of an appropriate latrine

Many other NGOs and PVOs are present in the country

4 Status of USAID/Mozambique Program and Opportunities for Urban Activities

Progress

When USAID approved the current Country Strategic Plan in 1995, the Mission believed that the achievement of the strategy's three strategic objectives would depend on three important factors Mozambique's *political will*, its *capacity to reform*, and its ability to create immediate and *visible opportunities* for its people According to the recent R4 document, Mozambique has set out an impressive record against these prerequisites for sustainable development This record has set the stage for substantial progress under all of USAID's strategic objectives

SO1 *Increased rural incomes* are being stimulated and realized within the context of a sound macroeconomic framework, improved infrastructure, removal of many unnecessary licensing and regulation requirements, liberalized export markets, financial sector privatization, and equitable access to foreign exchange supported by direct household- and community-level income generating activities

SO2 *Effective government and civil society partnerships in governance* are a result of increased political and economic freedom, private interests developing their own political agenda, steps toward devolution of central authority, increased transparency and freedom of information, and stronger institutions of democracy

SO3 *Increased access to and use of maternal/child health services* is being fostered by policies for decentralization and preventative care, better health care delivery, and expansion of health infrastructure

Constraints and Opportunities related to "Making Cities Work" Approach

The fast pace of development in Mozambique has exposed a number of weaknesses in the country's policy and institutional framework, as well as in the Mission's approach, that could threaten the sustainability of growth The opportunity exists in Mozambique to employ urban-oriented activities as a way of addressing some of these weaknesses This approach follows the comments of the USAID Administrator that sustainable development is not possible without cities that work In Mozambique's case, there are some direct linkages between accomplishing the Mission's stated goals and strengthening the role of cities in the country's economic and social development

The following table illustrates the links between the R4 identified constraints, potential urban program opportunities, and urban ("Making Cities Work") objectives

Mission Identified Constraint	Urban Program Opportunity	"Making Cities Work" Connection
Human capacity development The country's human capacity deficit is becoming more problematic as the economy grows If USAID activities are to be increasingly managed by Mozambican counterparts — a key element of sustainability — new innovative programs of on-the-job training and mentoring will be needed	Initiatives related to developing the necessary human capacity for program sustainability in all sectors, but particularly relevant to decentralization, private sector service provision, and local government services	*Strengthening Democracy and Good Governance* USAID's programs have increasingly emphasized decentralization and the need for assisting fledgling democratic institutions accomplish real changes If local government is unable to respond because it does not have the capacity and is overwhelmed by rapid urbanization, the outlook for democracy in those countries is worsened

Mission Identified Constraint	Urban Program Opportunity	"Making Cities Work" Connection
Public sector reform and decentralization The current USAID program includes minimal support for the public sector even though it is recognized that government must manage its responsibilities more effectively USAID staff and partners agree that a closer dialogue is required with government officials to foster Mozambican leadership Public sector reform is at the top of the government s agenda for 1998 In 1996, the Mission worked with the National Assembly under SO2 on a consultation process concerning the devolution of authority and resources Draft legislation was submitted to the Assembly in 1997 and passed (actually a constitutional amendment and nine laws) The Mission s focus has been on the participatory nature of the process, more than the details of the law and its implementation Yet in the 1998 R4 a new IR 2 2 4, "Elected local governments are effective and accountable," and new activity, Local Empowerment in Governance Activity (LEGA), has been established citing a "huge need for assistance and the importance of local governments to achieving decentralization and political stability Funding for this SO was reduced, only targeted activities are able to be done — but none is specifically identified Indicators include allocation of LG budget to community priorities and the timeliness of the budgeting process	Activities to identify and differentiate roles of various public sector players, including local government Activities to implement local government law, especially the finance aspects, perhaps helping local governments create and finance municipal companies" and "autonomous services' (as they are allowed to do) to provide specific urban services, or contract out municipal services Activities related to existing sectoral investment programs (SIPs) such as in the road transport subsector to carve out a role for local government and local microenterprises in roadway investment and maintenance Currently, SIPs comprehensively address needs at the policy, ministerial, local government, and community levels USAID and Norway have organized a donor working group to improve the SIP model in-country	*Strengthening Democracy and Good Governance* (see above)

Mission Identified Constraint	Urban Program Opportunity	"Making Cities Work" Connection
Trade and investment The overall climate does not yet attract sufficient foreign and domestic capital on a sustained basis USAID stated in its recent R4 that this policy area is something that should be examined more closely Assistance is indicated to improve the financial regulatory framework The Michigan State University microenterprise report has verified problems with financial/regulatory systems while the CLUSA Rural Group Enterprise evaluation recommended USAID assist with reforming the financial/regulatory framework governing enterprises	Efforts to improve conditions for foreign and domestic capital investment Identify local government investments needed to support trade and market development and local government activities that support this objective, and propose financing mechanisms in context of broader financial market development objectives Good opportunity to link with MDB activity	*Encouraging Broad-Based Economic Growth and Agricultural Development* USAID s "Expanding New Markets" strategy proposes that one of USAID's key roles in the future should be to open markets for American businesses by working on upstream investments in market creation This is clearly compatible with and would be enhanced by a strategy that makes cities a better place to do business in
Agricultural focus USAID did not anticipate that the commercialization of agriculture would proceed as quickly as it has As a result, the transition from subsistence to commercial agriculture needs to be a clearer focus over the 1998-2001 period SO1 is planning an increased emphasis on private sector-led agricultural marketing, rural financial services and improved agricultural technology	Activities related to the Mission's increased emphasis on private sector-led agricultural marketing, such as rural/urban roads and transport, export trade, and market development	*Encouraging Broad-Based Economic Growth and Agricultural Development* Small farms rely on urban areas as their markets Initiatives aimed at improving peoples livelihoods in rural areas often fail to achieve their full potential because they do not take into account the need for adequate infrastructure and other support services in market towns and growing cities Attention needs to be paid to this relationship as economies grow and urbanize

Mission Identified Constraint	Urban Program Opportunity	"Making Cities Work" Connection
Environmental needs Mozambique's rapid economic expansion is based largely on natural resource-based agriculture, forestry, fishing, and, increasingly, industry and tourism This has raised a number of environmental concerns, and the country lacks the awareness and capacity to ensure that these activities are environmentally sustainable USAID is playing an important role in promoting sustainable agriculture practices and secure land tenure while other donors are contributing to the country s capacity for environmental management However, other human capacity challenges must be addressed to ensure that the country's economic development is not interrupted USAID would like to take a more programmatic environmental approach starting in FY 1999 through the proposed SO4	The Mission is recommending a new environmental SO, Increased Capacity for Sustainable Natural Resource Management The basic concern seems to be maintenance of natural resource-based livelihood and environment, however, the potential for an urban component of this project should be explored One emerging concern is coastal zone management Three-quarters of Mozambique's population lives within 40 km of the coastline, 40 of the country s 128 districts are on the coast NORAD recently paid for a major coastal management study and program definition is under way in the Ministry of the Environment USAID's expectation appears to be that it will work with NGOs, local government is not mentioned in connection with environment in the R4	*Protecting the World s Environment for Long-Term Sustainability* The interaction between urbanization and local, regional, and world environments in which this urbanization takes place is substantial and complex A priority of USAID's urban programs has been improving water supply, wastewater disposal, and solid waste collection in cities Other issues considered are the links between transportation and the environment and urban areas and their natural resource bases

Mission Identified Administrative Constraint	Program Opportunity
1) *USAID s resource base* The CSP was prefaced on budget and staffing levels for USAID much higher than have been realized Title II resources have partially offset the short-fall in DA However, the management burden on staff remaining after downsizing (from 17 to 13 USDH) has increased significantly USAID needs to increase its development focus and concentrate resources while effectively searching for new ways of managing programs	Initiatives with a development focus to allow the Mission to better balance its resources between its own technical assistance and management
2) *Geographic focus* The Mission focuses most of its resources on the rural center-north of the country Program performance baselines confirm that this is an area of severe need (income is $50 per capita), and GRM officials, including the Prime Minister, have recently expressed concern that the rural population not be left behind as the country moves ahead USAID target areas, bordering Malawi and along transportation corridors also coincide with areas of high HIV/AIDS prevalence, which reinforces the importance of interventions in these zones Government and some development partners have questioned the donors approach of dividing up the country and speculated that this too, could ultimately contribute to development unevenness This issue is likely to become a major point of dialogue over the next year	Programs focused on regions of Mozambique that do not receive Mission attention and that attempt to even economic and social development
3) Need to develop new environmental SO	Opportunity is to assist the Mission in designing this SO as it relates to the urban environment, including urban environmental assessment and the use of urban environmental NGOs

5 Proposed Urban Activities and Approach

Local governments are still largely managed from the capital, according to USAID Activities to strengthen the fiscal condition of local government and the ability of local government to provide urban environmental services will help realize the goals of decentralization, strengthen partnerships between government and civil society (SO2), and improve environmental management (SO4) Urban activities that address economic development objectives of the Mission and the country, such as those that strengthen urban-rural market linkages, will help increase incomes for rural households (SO1) and improve the enabling environment for economic growth and development (SpO)

There are three recommended focus areas for urban work in Mozambique 1) implementing local finance in the new local governments, 2) defining the local government role in trade and market development, and 3) improving municipal capacity in urban environmental services Additional benefits could result if the urban activity is used to target and/or leverage anticipated MDB programs In particular, potential urban activities can be used as a way to coordinate with the World Bank on proposed and/or approved loans in the transportation (i e , roads and ports), water, and the urban sector

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Together, the three proposed activity areas also address all five of the areas for urban work identified by Joel Kolker The five areas are

1 coordination and support for environmental health agencies,
2 support for democracy through improved service delivery,
3 focus on fiscal and financial implications of democracy building,
4 support for local government economic growth activities, and
5 support for microenterprises in urban environmental service provision and privatization

Implementing Finance Systems in the New Local Governments

Mission activities in the democracy and governance areas have focused in the past on participation in decision making at the local government level, but a new IR, Local Empowerment in Governance Activity (LEGA), puts emphasis on the effectiveness of local governments Because of prior activities, relationships exist with certain municipalities that can be built on A number of donors are working in this area (see above), but the opportunities to contribute to this effort appear to be considerable The RUDO could potentially contribute assistance directly to certain municipalities, to the Mission on the basics of municipal development and finance under LEGA, to the GRM or others on policy development related to local government development and finance, and/or by bringing local officials together with other local officials in the region

The organization AWEPA (European Parliamentarians for Africa) has recently written that "Money and taxes will be the biggest headache for the new local governments The centralisation of 1978 meant that the new executive councils saw little reason to raise revenue, some fees and taxes have not been increased since the colonial era and cost more to collect than they yield The present executive councils collect about half of their budget as local revenue, although the four cities of Beira, Quelimane, Nampula and Pemba together raise nearly 80%, according to MAE estimates This means that the first task of the new elected governments will be unpopular tax increases, which hopefully can be justified by improved services "

Defining the Local Government Role in Trade and Market Development

Development of trading activities, both local and international, is a critical issue in the country's economic development Urban centers play a major role in supporting trade, goods flow into them, are marketed and stored in them, and flow out of them In addition, the urban market is one of the main destinations for rural products Road construction and rehabilitation have thus far been focal points for donor activities on trade Potential complements to these efforts are activities that focus on the local government role in alleviating constraints on trade and promoting economic development, and could include

- port development/management/privatization,
- urban service provision in trade areas,
- industrial parks development,
- warehouse and distribution infrastructure finance and management,
- market development/privatization,
- market parking development/privatization,

- regulatory and policy frameworks associated with LG economic development,
- strengthening related public-private partnerships, and
- building other local government capacity to support trade development

Improving Municipal Capacity in Urban Environmental Services

The Mission is contemplating development of a new SpO in environmental management Although the focus is on natural resources-related activities, one component of this is coastal zone management and the effect of urban pollution, such as solid waste management practices (see announcement of PACSICOM Coastal Management conference in July, 1998) Capacity building has been identified by the GRM, the Mission, and other donors, as particularly relevant for Mozambique's sustainable economic growth This is particularly relevant, as the country will be holding its first local elections May of 1998

Two objectives of improved environmental management and capacity building of local officials could be pursued simultaneously through training activities in environmental management, such as the EMS methodology, designed for local officials with the Mission Local governments are also allowed to create "municipal companies" and "autonomous services," and assistance could be provided with these activities By assisting these new administrations in tackling their new responsibilities, and by improving the urban services they manage, the public's view of democracy can be improved In addition, municipalities will be better candidates for upcoming MDB loans and programs

Approach

For one or more of these three activities, the RUDO might negotiate initial agreement with the Mission to carry out urban assessments, employing a four-phased approach, such as

1 identifying the cities and issues that require immediate attention related to the activity areas and that offer the most promise for quick positive results,
2 identifying an appropriate strategic framework for municipal development related to the activity areas,
3 establishing or improving local strategies for economic and infrastructure development related to the activity areas, and
4 preparing relevant investment projects related to the activity areas, where investment funds are available

The strategy formulation and capacity building components of this approach will be mutually reinforcing improving market trade and urban infrastructure and services on the one hand, and developing the municipal institutions on the other hand

Attachments

1 USAID 1999 Congressional Presentation

2 Mozambique Chapter from CIA World Factbook, 1997

3 "Overview of Status of Decentralization in Mozambique Possible Areas of Continued USAID Support Towards its Implementation " USAID Mozambique homepage

4 "Local empowerment in governance activity (LEGA) " USAID Mozambique homepage

5 "Table of IDA Projects in Mozambique" and "Summary of IDA Projects in Mozambique " World Bank Mozambique homepage

Note This document may not always reflect the actual appropriations determined by Congress Final budget allocations for USAID's programs are not determined until after passage of an appropriations bill and preparation of the Operating Year Budget (OYB)

MOZAMBIQUE

	FY 1997 Actual	FY 1998 Estimate	FY 1999 Request
Child Survival and Disease	$10,832,500	$ 10,596,000	$9,920,000
Development Assistance	$21,100,000	$27,800,000	$31,300,000
Economic Support Funds	$500,000	---	---
P L 480 Title II	$21,181,000	$23,854,800	$18,779,955
P L 480 Title III	$4,000,000	$5,000,000	$6,000,000

Introduction

Given Mozambique's importance in providing ocean access for several landlocked countries and its proximity to the Republic of South Africa, political stability and economic growth in Mozambique contribute to U S national interests of peace, stability, and economic growth throughout the entire southern Africa region Mozambique is also a growing market for U S exports In addition, Mozambique continues to attract U S investment in its vast agricultural land, valuable fisheries resources, and significant mineral and natural gas reserves

Mozambique is a major success story of war-to-peace transition in sub-Saharan Africa USAID's support has been vital to this process, which began with the signing of the Peace Accords in October 1992, and has encompassed the demobilization of opposing armies, resettlement of almost five million displaced persons and refugees, successful democratic elections, and the installation of a new government that has managed a stellar economic revival Mozambique's transition from war to peace, and from crisis to sustainable growth is nearly complete

The economy grew at 6 6% in 1997, with substantial increases in agricultural production A streamlined investment code is expected to facilitate project commitments worth $6 billion in foreign investment Land tenure reform is critical to economic progress and began in 1997 with new legislation that promotes equitable land tenure security The government's decentralization program will take an important step forward in 1998 with the first local government elections The government restructured its budget to direct major increases to education and health, investments critical for sustainable growth In 1997, government revenues increased by 21%, reducing Mozambique's budgetary dependency on external resources Finally, Mozambique's eligibility for Highly-Indebted Poor Countries debt forgiveness currently scheduled for FY 1999 will help to reduce its annual debt burden and will reinforce positive perceptions of this African success story

The Development Challenge

In spite of the successful transition, Mozambique still has a long road to travel to eradicate poverty,

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eliminate malnutrition, reduce mortality and increase incomes Eighty percent of the population lives in rural areas, two-thirds in absolute poverty Rain-fed subsistence agriculture leaves the rural poor particularly vulnerable to recurring drought and natural disasters The average daily caloric intake in Mozambique is just 77% of daily requirements Chronic malnutrition is estimated to affect 30% to 40% of Mozambique's children Slash-and-burn agriculture and indiscriminate logging are leading to erosion and soil loss, sedimentation of waterways, and destruction of the marine ecosystem

The population growth rate of 2 7% per annum erodes improvements in the standard of living One-third of all rural health clinics were lost during the war, and 70% of the population lives without health services Fifty percent of child deaths in Mozambique are the result of common treatable diseases, and HIV infection is estimated to be 8% to 10% of the adult population Illiteracy rates are 25% higher than the average for sub-Saharan Africa

A prerequisite for both rapid economic growth and democratization is good policies, and USAID has been influential in supporting Mozambique's reform agenda The Government of Mozambique (GRM) has carried out ambitious financial sector reforms and promoted privatization and decentralization All of the commercial banks and over 780 other entities have been privatized and the customs services are now under private management As a result, the economy has grown at an average rate of over 6% annually for the past five years, the currency achieved stability in 1996, and inflation was cut to 4 5% in 1997 Continued economic growth is still vulnerable to Mozambique's debt problems, and revenue increases are still insufficient to make many needed development investments

Mozambique's transition to democracy is still fragile The executive branch's sensitive relationship with an increasingly strong National Assembly will require patience and continued political commitment Following the 1998 local elections, newly-constituted municipal governments will be extremely weak Regulations to support new laws in the areas of the land, business, and environmental management are required to support the pace and sustainability of economic growth

Other Donors

The United States is the largest bilateral donor in Mozambique and in FY 1997 provided over $51 million in grants and food aid In 1997, the donor community at large pledged about $790 million for development assistance Major contributors are the World Bank, the International Monetary Fund, the United Nations agencies, the European Union, the Netherlands, Sweden, Denmark, Switzerland, Italy, France and Norway Portugal and South Africa maintain a major investment position in Mozambique

FY 1999 Program

In FY 1999, the USAID program will continue to focus on Mozambique's central provinces, which were the most affected by war, contain 50% of the country's population, and boast the greatest agricultural potential Increasing rural incomes will reduce absolute poverty and improve nutritional status Income growth will stimulate on-farm investment and expand rural enterprises Mozambique will participate in the Africa Food Security Initiative through rehabilitation of farm-to-market roads, expansion of producer business associations, and increased capacity of the Ministry of Agriculture to promote sound sector policies In FY 1999, USAID will also support an agriculture sector investment program in conjunction with the GRM and other donors to enhance effectiveness of limited public sector activities

Democracy and good governance, which requires and promotes informed participation, accountability, and respect for human rights are inextricably linked to sustainable development USAID will also support Mozambique's second national elections -- a critical juncture for this young democracy The program will support capacity building of the National Assembly, civil society groups, more effective judicial processes including alternative dispute resolution, and new municipal governments

Primary health care is critical to enhancing human productivity, participation in an open economy, and improved family well-being In FY 1999, USAID will increase focus on building local capacity in public and non-governmental institutions to ensure sustainable provision and access for basic health services,

especially those related to child survival, malaria and polio The program to combat HIV/AIDS will continue throughout the country

In FY 1999, USAID will initiate a new strategic objective, increased use of sustainable natural resource management practices, to assist Mozambique to address growing environmental pressures related to economic growth Activities will support increased capacity to assess environmental impacts, build sustainable environmental enterprises, and expand knowledge of sound environmental practices

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MOZAMBIQUE

FY 1999 PROGRAM SUMMARY

(in Thousands of Dollars)

USAID Strategic Objectives	Economic Growth & Agriculture	Population & Health	Environment	Democracy	Human Capacity Development	Humanitarian Assistance	TOTALS
S O 1 Increased Rural Household Income in Targeted Areas							
- DA	15,000	---	4,300	---	---	---	19,300
- P L 480/II	---	---	---	---	---	15,980	15,980
- P L 480/III	---	---	---	---	---	6,000	6,000
S O 2 Government and Civil Society are Effective Partners in Democratic Governance							
- DA	---	---	---	2,700	---	---	2,700
S O 3 Essential Maternal/Child Health and Family Planning Services							
- CSD	---	9,920	---	---	---	---	9,920
- DA	---	6,300	---	---	---	---	6,300
- P L 480/II	---	---	---	---	---	2,800	2,800
S O 4 Increased Sustainable Natural Resource Management							
- DA	---	---	3,000	---	---	---	3,000
Totals							
- CSD	---	9,920	---	---	---	---	9,920
- DA	15,000	6,300	7,300	2,700	---	---	31,300
- P L 480/II	---	---	---	---	---	18,780	18,780
- P L 480/III	---	---	---	---	---	6,000	6,000

Mission Director Cynthia F Rozell

ACTIVITY DATA SHEET

PROGRAM MOZAMBIQUE
TITLE AND NUMBER Rural Household Income Increased in Targeted Areas, 656-S001
STATUS Continuing
PROPOSED OBLIGATION AND FUNDING SOURCE FY 1999 DA $19,300,000, P L 480 Title II $15,980,000, >P L 480 Title III $6,000,000
INITIAL OBLIGATION FY 1996, **ESTIMATED COMPLETION DATE** FY 2001

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Purpose To increase household income of the rural poor in targeted areas by increasing access to markets, expanding rural enterprises and increasing sustainable agricultural output

USAID Role and Achievements to Date This activity focuses on increasing the capacity of rural households to increase incomes and enhance their food security After 16 years of civil war, the resurgence of agricultural production is proceeding ahead of expectations In the past two years, the country has increased coarse grain production from 72% to nearly 100% of requirements The production of other important food crops such as cassava, beans, and peanuts has increased for a third year in a row USAID's programs have significantly increased economic activities Production of cashews, the principal small-holder cash crop, increased from 22,000 tons in 1995 to 40,000 tons in 1996, already exceeding USAID targets USAID assistance in developing farmer associations has led to an increased ability to operate profitably Informal and formal traders of food crops have effectively supplied urban centers with basic commodities at reasonable prices, while at the same time offering remunerative prices to producers

In the first year of a multi-donor roads project, USAID financed the rehabilitation of over 200 kilometers of rural feeder roads to help move products from farm to market Microenterprise activities also have grown throughout the country, and provide supplementary cash for basic household needs Modest improvements in peoples' lives from increased agricultural production can be credited to the Mozambican government's commitment to improving the macroeconomic policy environment and implementing sectoral reforms, such as liberalizing the pricing and marketing of agricultural commodities Eight U S private voluntary organizations (PVOs) carried out programs in 1997 to improve access to inputs and techniques for sustainable agricultural production, as well as to provide technical and organizational expertise in promoting marketing, microenterprises and microfinance

Description Mozambique depends upon smallholder agriculture to make a major contribution to economic growth USAID baseline survey results show that in 1996 annual per capita income in areas where USAID is concentrating its efforts was only $50 per capita USAID resources promote improvements in the policy framework, labor-intensive rehabilitation of farm-to-market roads, the adoption of sustainable farming practices, and the creation and growth of microenterprises This approach is producing significant increases in rural household incomes and output

The P L 480 Title III program is supporting the adoption and implementation of policies to replace government-mandated prices for agricultural commodities with broadly diffused market information and to reduce the role of the cereals marketing parastatal Additional food aid policies seek to privatize all major ports and rail services, establish a private system for road maintenance, simplify business licensing, registration, and operations, and offer greater security and transferability of title to land In addition, USAID is pursuing establishment of a legal framework for rural financial institutions and the liberalization of agricultural input markets throughout several programs

To increase sustainable agricultural output and expand rural microenterprises, USAID finances collaborative efforts between government and private sector extension agents to introduce improved farming techniques, and help farmer-led associations process and market agricultural production and acquire entrepreneurial skills Other income-generating activities that result in the preservation and enhancement of the agricultural resource base are being adopted The rehabilitation of smallholder

cashew orchards, largely abandoned during the war years, is a priority because of its importance to sustainable agriculture and increased household incomes Private voluntary organizations working with USAID are able to use local currency generated from P L 480 Title II sales to expand programs

USAID is rehabilitating several key roads to connect agricultural production zones with urban markets and opening up new marketing opportunities for farming households In conjunction with local communities, PVOs promote manual labor-based road rehabilitation to extend the network of farm-to-market roads Over 1,000 kilometers of feeder roads will be improved and opened over the coming three years USAID also supports the Mozambican government in ensuring road maintenance by providing technical assistance to a new road authority which administers maintenance funds, through training local private contractors in rehabilitation and maintenance, and through involving local communities who benefit directly from the roads

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Host Country and Other Donors Key donors (World Bank, United States, Sweden, Denmark, Germany, Great Britain, European Community, United Nations Development Program) and the Mozambican government regularly consult on policy and implementation issues The Ministry of Public Works and Housing effectively coordinates donor assistance for the rehabilitation of rural roads under the Roads and Coastal Shipping Project The Ministry of Agriculture and Fisheries and donors are engaged in the preparation of a sector investment program scheduled for appraisal in FY 1998 A donor working group on microenterprise and microfinance meets regularly to share information and coordinate efforts USAID and other donors are active in macroeconomic and sectoral policy dialogue with the Mozambican government

Beneficiaries An estimated 9 million people, 52% of Mozambique's population, live in USAID program target areas Virtually all of these will benefit from the improved policy environment and USAID-financed technical interventions The multi-donor roads program and market information systems will improve market access for 65% of this population Food assistance ensures affordable wheat flour and edible oil for millions of poor urban Mozambicans, commodities which Mozambique does not produce in sufficient quantities

Principal Contractors, Grantees, or Agencies U S PVO partners of USAID include World Vision, CARE, Africare, Food for the Hungry, National Cooperative Business Association, Heifer Project International, Save the Children, World Relief, the Adventist Development and Relief Agency, and Technoserve U S university partners include Michigan State University and the University of Wisconsin Morrison Knudson International provides engineering services for the rehabilitation of rural roads

Major Results Indicators	Baseline		Target	
Increase in rural per capita income	$ 50	(1996)	$ 98	
Change in volume of (corn)	83,000 tons	(1995)	134,000 ton	–
marketed goods (beans)	12,500 tons	(1995)	20,100 tons	(20
(cashews)	22,000 tons	(1995)	35,400 tons	
Change in the				
a) No of small and microenterprises	840,000	(1996)	1,020,000	
b) % of firms with more than one employee	41%	(1996)	55%	
Increased total crop production (corn)	346,500 tons	(1995)	449,000 tons	(20
Increased small livestock production	90,500	(1995)	145,500	(20

ACTIVITY DATA SHEET

PROGRAM MOZAMBIQUE
TITLE AND NUMBER Government and Civil Society Are Effective Partners in Democratic Governance at National and Local Levels, 656-S002
STATUS Continuing
PROPOSED OBLIGATION AND FUNDING SOURCE FY 1999 $2,700,000 DA
INITIAL OBLIGATION FY 1996, **ESTIMATED COMPLETION DATE** FY 2001

Purpose To promote citizen participation and increase the effectiveness of both government and civil society in democratic governance

USAID Role and Achievements to Date Mozambique represents one of the few "transition-to-democracy" success stories in Africa USAID played a key role in this process by providing crucial support for the 1994 national elections which are considered a model by international observers More recently, USAID activities have supported the consolidation of democracy in Mozambique through assistance to both government institutions and civil society organizations Achievements include multiparty representation in an active National Assembly, now capable of seriously analyzing and debating, rather than simply rubber-stamping, legislation The recent nationwide voter registration drive was a success, due in part to

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USAID assistance Support to civil society institutions has resulted in initiatives to bring together political actors who have a history ranging from poor communication to deep distrust

Description USAID democracy and governance (D/G) activities focus on two complementary areas The first involves increased citizen participation in governance, achieved through broadening debate and discussion of public policies, combined with increased informed participation in the electoral process USAID activities are helping create the environment for improved public debate on key issues by developing opportunities for discussion and improving the substantive content of debate For example, nationwide "citizen fora" have provided an opening for members of the legislature to meet with citizens and discuss issues of mutual concern USAID support for public hearings on proposed bills within the National Assembly has led to the incorporation of citizen viewpoints into final legislation Activities also improve the capacity of civil society organizations to constructively participate in public policy debate

Recent activities supporting the electoral process include nationwide civic and voter education programs, and the training of voter registration and electoral monitors Both sets of activities are being implemented in conjunction with Mozambique's first-ever local elections, which are planned for May 1998 Working with the Government's electoral administration, USAID supported the development of a comprehensive voter education program designed to increase informed participation in pre-election voter registration This undertaking, supported by USAID through the National Democratic Institute (NDI), represented the first updating of the voter registry since the 1994 post-civil war general elections The educational materials developed by NDI were used both by the Government's civic education workers, and by civic educators working with NDI's local non-governmental organization (NGO) partner Working with the country's independent National Elections Commission, another USAID activity trained over 300 political party representatives responsible for monitoring the registration process While the monitors reported some irregularities, which in most cases were promptly rectified, the overall registration process was considered a success In fact, at the conclusion of the registration period an estimated 90% of the country's eligible voters were registered -- a remarkable feat given the many isolated rural areas throughout Mozambique

The second D/G area is focused on institutional strengthening to improve the effectiveness and accountability of both government and civil society organizations USAID's principal activity in this area supports the National Assembly Implemented by the State University of New York, the main objectives of this multi-year program are to strengthen the legislative capabilities of Assembly commissions,

improve the two-way flow of information between the Assembly and constituents, and increase the effectiveness of both elected representatives and staff Another capacity-building program is underway with the Maputo court system which emphasizes improvements in civil procedures At the same time, USAID is supporting the development of alternative dispute resolution mechanisms in Mozambique The possible use of arbitration to resolve commercial disputes is anticipated by the end of 1998 Support will be given to civil society organizations to improve their ability to promote change, and after local elections are held in mid-1998 assistance will be directed at newly constituted municipalities as well

Host Country and Other Donors Since the end of 1996, USAID has worked closely with the Mozambican government in programming democracy-related activities, while at the same time continuing to support civil society institutions The World Bank, the United Nations Development Program, and the European Union will likely continue their significant programs In terms of resource levels, the USAID program ranks third among bilateral democracy/governance programs in this area USAID works closely with other donors through the Development Partners Group, and several technical level working groups (USAID chairs the group on parliamentary assistance) USAID's principal governmental partners include the Ministry of State Administration, the National Assembly, and the Supreme Court

Beneficiaries All Mozambicans stand to benefit from the democracy program Given the programmatic emphasis on greater participation, historically disenfranchised groups, including rural residents and women throughout the country, will benefit particularly Although democracy and governance are clearly national issues, due to resource constraints USAID will necessarily focus its rural field activities in the four central provinces selected as the target of the overall USAID program Given the potential impact of improved governance on USAID's economic and social sector efforts, such a strategy will promote useful synergy between many of USAID's activities

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Principal Contractors, Grantees, or Agencies Democracy and governance activities are implemented primarily through U S and local non-governmental organization partners and government entities U S organizations involved with the current program include the National Democratic Institute for International Affairs, the International Foundation for Election Systems, the National Center for State Courts, and the State University of New York Research Foundation

Major Results Indicators

		Baseline			Target	
Citizen perception of influence on public decisions (percentage of public polled in nationwide public opinion survey (POS))		39%	(1997)		50%	(20
Citizen perception that government works for citizens (POS)		15%	(1997)		33%	(20
National Assembly provides substantive input into legislation proposed by the executive branch (percentage of total legislation per year)	0%	(1995)		25%	(1996 targe 43%	(19
No of times civil society representatives testify before National Assembly committees	0	(1995)		1	(1996 targe 2	(19

ACTIVITY DATA SHEET

PROGRAM MOZAMBIQUE
TITLE AND NUMBER Increased Use of Essential Maternal/Child Health and Family Planning Services in Focus Areas, 656-SO03
STATUS Continuing
PROPOSED OBLIGATION AND FUNDING SOURCE FY 1999 $9,920,000 CSD, $6,300,000 DA, $2,800,000 P L 480 Title II
INITIAL OBLIGATION FY 1996, **ESTIMATED COMPLETION DATE** FY 2001

Purpose To increase the use of essential maternal child health and family planning services by expanding access to and demand for community-based services

USAID Role and Achievements to Date Access to health care services and information is the major constraint to improved health Only 30% of the population have access to health care, and 40% of health facilities have no trained staff Use of essential services is constrained by inadequate knowledge of safe health practices and how to obtain these services The health sector itself lacks institutional, human and financial resources to provide adequate services

USAID focuses its efforts on rural provinces where health conditions are most acute Through its primary health care activities, USAID has supplied essential drugs to most rural health facilities USAID has improved management skills at Ministry of Health (MOH) clinics, and USAID technical assistance to the ministry supports decentralized planning and management in three provinces Significant progress has been made in strengthening MOH capacity for provincial level planning, human resource management, supervision, as well as for improved budgeting and financial management systems

USAID also supports the work of U S and international private voluntary organizations (PVOs) working with the MOH to improve the health of mothers and children through delivery of basic health information and services USAID assistance has evolved from emergency relief to focus on sustainable development of rural health services Over 5 million people in USAID's focus provinces now have access to improved services USAID emphasizes beneficiary participation in program design and implementation through partnerships with indigenous non-governmental organizations (NGOs), in collaboration with public sector counterparts at national, provincial and community levels

USAID-funded activities are contributing to increases in immunization coverage, prevention and treatment of diarrheal disease with oral rehydration therapy, child spacing, prenatal care, births assisted by trained personnel, improved nutrition, and exclusive breast-feeding There have been notable achievements in raising the awareness of HIV/AIDS and changing high-risk behavior Through the USAID-funded social marketing project, 1,800 private commercial sales outlets have been established and 100 sales agents trained Condom sales have far exceeded expectations, with more than 16 million sold

Description USAID's program has three targets 1) increased access to health services, 2) increased demand for these services, and 3) strengthened management of decentralized services

In order to expand access, health services are being brought closer to the people USAID supports the development of a strong outreach program in the focus provinces With the help of PVOs, the MOH is emphasizing outreach from fixed facilities and the placement of health volunteers in communities The USAID strategy also recognizes the need to improve the quality of clinic-based health services By ensuring the availability of essential commodities, and by expanding and improving the human resource base, USAID support helps to ensure that facilities have the capacity to provide basic quality care This includes the development of functional referral systems, essential to ensure basic standards

With prevalence of HIV/AIDS increasing rapidly, and knowledge and use of safe child spacing being very limited, increasing awareness of and demand for reproductive health services is important to achieving an improvement in the health of Mozambicans USAID is working with the MOH to expand family planning services into all basic health programs Efforts are underway to build provincial level capacity to implement education campaigns aimed at producing changes in sexual behavior To combat the spread of HIV/AIDS, USAID supports a social marketing activity to increase condom demand and access

USAID also supports MOH decentralization, improved pharmaceutical management, health care financing and improved systems for data collection and analysis These activities are strengthening the capacity of the government and local non-governmental organizations to develop and sustain effective health policies and to expand effective and efficient service delivery

Host Country and Other Donors Mozambique relies heavily on donors for health sector support, particularly in rehabilitating rural health facilities destroyed during the war Switzerland, at the request of the Ministry of Health, has taken the lead in coordinating donor activity in the health sector Other donors include the Netherlands, Finland, Denmark, the European Community, the World Bank and the United Nations Children's Fund They are also supporting USAID-led programs to move from centralized to provincially-based management systems

Beneficiaries Children under five years of age and women of child-bearing age in Mozambique represent almost 40% of Mozambique's population The USAID program focuses on the most densely populated rural provinces, where needs are the greatest USAID support will reach over 8 million people by the end of 2001

Principal Contractors, Grantees, or Agencies USAID works with the Ministry of Health and U S and international PVOs to carry out activities in support of this strategic objective U S PVOs, such as World Vision Relief and Development, Save the Children, CARE, and Project HOPE are particularly effective in supporting community outreach activities and in helping the MOH train health workers Several other U S PVOs, such as Pathfinder, Population Services International and Health Alliance International have formed partnerships with Mozambican NGOs to build indigenous capacity USAID also works with U S -based cooperating agencies to provide technical assistance for education programs, logistics management, data collection and analysis, and specialized reproductive health services

Major Results Indicators	Baseline			Tar
Children 12-23 months vaccinated with diphtheria, pertussis and tetanus (third dose)	49%	(1997)	65%	(20
Infants fed solely on breast milk	37%	(1997)	60%	(20
Cases of diarrhea in children	40%	(1997)	60%	(20

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treated with oral rehydration therapy				
Women using a modern contraceptive method	2 3%	(1997)	12%	(2001)

ACTIVITY DATA SHEET

PROGRAM MOZAMBIQUE
TITLE AND NUMBER Increased Use of Sustainable Natural Resource Management Practices, 656-SO04
STATUS New
PROPOSED OBLIGATION AND FUNDING SOURCE FY 1999 $3,000,000 DA
INITIAL OBLIGATION FY 1999 **ESTIMATED COMPLETION DATE** 2001

Purpose To increase Mozambique's capacity to protect the environment and manage natural resources sustainably

USAID Role and Achievements to Date USAID's strategy integrates environmental protection in program activities that support sustainable agricultural development and economic growth To date, USAID-funded activities focus on rural income increases through rehabilitation of Mozambique's agriculture sector on an environmentally sustainable basis, including rehabilitation of an important agroforesty crop, cashews Community groups are actively working together to expand use of sound, on-farm environmental practices Through the University of Wisconsin's Land Tenure Center, USAID provided technical assistance which led to 1997 legislation that will enable easier land access and titling for smallholders and communities -- a critical step to promoting the sound, long-term use of resources USAID support has also strengthened Mozambique's capacity for environmental impact analysis in the area of road rehabilitation

Description The majority of USAID's target population is rural and poor With little formal education and few formal sector employment opportunities, rural Mozambicans depend on subsistence agriculture, fishing and exploitation of forest products Mozambique is experiencing rapid rural economic expansion, both small-scale and through large commercial concessions with the end of its civil war Clearcut logging and slash-and-burn farming are destroying natural habitats and lead to soil fertility loss, erosion, siltation of waterways and coastal water quality degradation If not addressed, this trend may diminish the sustainability of USAID, Government of Mozambique and other donor investments and create long term liabilities

Environmental awareness among Mozambicans is minimal, and the country is yet to benefit from significant public interest in environmental regulation and enforcement In USAID target areas there is very limited ability to manage natural resources sustainably These are the same areas where conservation of watersheds, forests, wildlife, and important ecosystems is important for production of primary commodities and economic diversification Achievement of rural economic growth requires a holistic approach, with integrated land-use planning and mechanisms whereby communities or individuals retain the right to manage their resources

Mozambique is poised for large projects by foreign investors, such as exploitation of natural gas fields, a large aluminum smelter and mining activities These are natural resource-intensive activities and carry the potential for significant environmental impact Given weak in-country capacity, an inability to carry out required environmental assessments will ultimately delay these projects or result in insufficient consideration of environmental issues

The lack of technical capacity is also felt at the local level, where there is a dearth of natural resource management planning capacity As part of the new Land Law, groups including communities seeking land tenure for economic purposes will require environmentally-sound land use plans prior to titling Sufficient expertise does not currently exist in Mozambique for this large effort, and there is a clear need for greater private capacity in country

In FY 1999, USAID proposes to initiate a new strategic objective to support increased use of sustainable natural resource management practices, building on past USAID experience in promoting

sound agricultural practices and alternative economic activities through sustainable natural resource use

USAID proposes three program targets First, USAID activities would increase the knowledge and adoption of sound environmental practices, through community-based education programs to increase environmental awareness and adoption of sustainable resource use technologies Second, USAID would strengthen Mozambican capacity for environmental public information and analysis This would include activities to strengthen the private sector's role in meeting communities' needs for land use planning, and in promoting the protection of important ecosystems and conservation of economically-significant natural resources USAID also would strengthen the government's regulatory role and private sector capacity to analyze the impacts of proposed investments Third, USAID would increase sustainable environmental enterprises in USAID target areas These would include the sustainable harvesting of forest timber and resins, medicinal herbs, and honey, multiple resource use activities in coastal zones and protected areas, including, ecotourism

Host Country and Other Donors USAID works closely with other donors through its participation in the Development Partners Environmental Working Group Under the proposed new program, USAID will support the broader objectives of the Government of Mozambique and Other Donors The Netherlands is the largest donor and is strengthening directly the capacity of the Ministry of the Environment The World Bank supports coastal zone management through the Global Environmental Fund Other donors with more limited environmental interests include United Nations Development Program, Denmark, Sweden, and Canada

Beneficiaries USAID's rural target group of 8 million people in four focus provinces would benefit from increased protection of natural resources that are critical to sustainable livelihoods This would result from an increase level of environmental awareness, a public demand for protection of economically-important ecosystems, increased capacity to analyze environmental impacts, and diversified income-earning opportunities through environmental enterprises

Principal Contractors, Grantees, or Agencies Current agricultural-related environmental activities are implemented primarily through U S private voluntary organizations (PVOs) including Food for the Hungry, World Vision, CARE, Adventists Relief and Development Agency, Technoserve, and PACT USAID anticipates that local organizations would play a significant role in managing activities under this new program In addition, building environmental assessment capacity would focus on private sector organizations, limiting direct assistance to government's role in environmental regulation

Major Results Indicators As this is a new objective, baseline and indicators are being established but will include

Increased environmental awareness
Adoption of sustainable natural resource management practices
Private sector entities strengthened in land use planning
Individuals trained in environmental impact assessment
Environmental enterprises initiated

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Mozambique

Geography

Location Southern Africa, bordering the Mozambique Channel, between South Africa and Tanzania

Geographic coordinates 18 15 S, 35 00 E

Map references Africa

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Area
total 801,590 sq km
land 784,090 sq km
water 17,500 sq km

Area - comparative slightly less than twice the size of California

Land boundaries
total 4,571 km
border countries Malawi 1,569 km, South Africa 491 km, Swaziland 105 km, Tanzania 756 km, Zambia 419 km, Zimbabwe 1,231 km

Coastline 2,470 km

Maritime claims
exclusive economic zone 200 nm
territorial sea 12 nm

Climate tropical to subtropical

Terrain mostly coastal lowlands, uplands in center, high plateaus in northwest, mountains in west

Elevation extremes
lowest point Indian Ocean 0 m
highest point Monte Binga 2,436 m

Natural resources coal, titanium, natural gas

Land use
arable land 4%
permanent crops 0%
permanent pastures 56%
forests and woodland 18%
other 22% (1993 est)

Irrigated land 1,180 sq km (1993 est)

Natural hazards severe droughts and floods occur in central and southern provinces, devastating cyclones

Environment - current issues a long civil war and recurrent drought in the hinterlands have resulted in increased migration of the population to urban and coastal areas with adverse environmental consequences, desertification, pollution of surface and coastal waters

Environment - international agreements
party to Biodiversity, Climate Change, Endangered Species, Ozone Layer Protection
signed, but not ratified Desertification, Law of the Sea

People

Population 18,165,476 (July 1997 est)

Age structure
0-14 years 45% (male 4,021,791, female 4,136,853)
15-64 years 53% (male 4,678,819, female 4,910,085)
65 years and over 2% (male 173,177, female 244,751) (July 1997 est)

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Population growth rate 2 6% (1997 est)

Birth rate 44 33 births/1,000 population (1997 est)

Death rate 18 31 deaths/1,000 population (1997 est)

Net migration rate 0 migrant(s)/1,000 population (1997 est)

Sex ratio
at birth 1 03 male(s)/female
under 15 years 0 97 male(s)/female
15-64 years 0 95 male(s)/female
65 years and over 0 71 male(s)/female
total population 0 96 male(s)/female (1997 est)

Infant mortality rate 122 9 deaths/1,000 live births (1997 est)

Life expectancy at birth
total population 44 85 years
male 43 71 years
female 46 02 years (1997 est)

Total fertility rate 6 11 children born/woman (1997 est)

Nationality
noun Mozambican(s)
adjective Mozambican

Ethnic groups indigenous tribal groups 99 66% (Shangaan, Chokwe, Manyika, Sena, Makua, and others), Europeans 0 06%, Euro-Africans 0 2%, Indians 0 08%

Religions indigenous beliefs 50%, Christian 30%, Muslim 20%

Languages Portuguese (official), indigenous dialects

Literacy
definition age 15 and over can read and write
total population 40 1%
male 57 7%
female 23 3% (1995 est)

Government

Country name
conventional long form Republic of Mozambique
conventional short form Mozambique
local long form Republica Popular de Mocambique
local short form Mocambique

Data code MZ

Government type republic

National capital Maputo

Administrative divisions 10 provinces (provincias, singular - provincia), Cabo Delgado, Gaza,

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Inhambane, Manica, Maputo, Nampula, Niassa, Sofala, Tete, Zambezia

Independence 25 June 1975 (from Portugal)

National holiday Independence Day 25 June (1975)

Constitution 30 November 1990

Legal system based on Portuguese civil law system and customary law

Suffrage 18 years of age, universal

Executive branch
chief of state President Joaquim Alberto CHISSANO (since 6 November 1986), note - before being popularly elected, CHISSANO was elected president by FRELIMO's Central Committee 4 November 1986 (reelected by the Committee 30 July 1989)
head of government Prime Minister Pascoal MOCUMBI (since NA December 1994)
cabinet Cabinet
elections president elected by popular vote for a five-year term, election last held 27 October 1994 (next to be held NA 1999), prime minister appointed by the president
election results Joaquim Alberto CHISSANO elected president, percent of vote - Joaquim CHISSANO 53 3%, Afonso DHLAKAMA 33 3%

Legislative branch unicameral Assembly of the Republic or Assembleia da Republica (250 seats, members are directly elected by popular vote on a secret ballot to serve five-year terms)
elections last held 27-29 October 1994 (next to be held NA October 1999)
election results percent of vote by party - Frelimo 44 33%, RENAMO 33 78%, Democratic Union 5 15%, other 16 74%, seats by party - Frelimo 129, RENAMO 112, Democratic Union 9
note the presidential and legislative elections took place as called for in the 1992 peace accords, RENAMO participated in the elections

Judicial branch Supreme Court, judges appointed by the president and judges elected by the Assembly

Political parties and leaders Front for the Liberation of Mozambique or FRELIMO [Joaquim Alberto CHISSANO, chairman], Mozambique National Resistance or RENAMO [Afonso DHLAKAMA, president], Democratic Union or DU [Antonio PALANGE, general secretary]

International organization participation ACP, AfDB, C, CCC, ECA, FAO, G-77, IBRD, ICAO, ICFTU, ICRM, IDA, IDB, IFAD, IFC, IFRCS, ILO, IMF, IMO, Inmarsat, Intelsat, Interpol, IOC, IOM (observer), ISO (correspondent), ITU, NAM, OAU, OIC, SADC, UN, UNCTAD, UNESCO, UNIDO, UPU, WFTU, WHO, WIPO, WMO, WToO, WTrO

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Flag description three equal horizontal bands of green (top), black, and yellow with a red isosceles triangle based on the hoist side, the black band is edged in white, centered in the triangle is a yellow

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five-pointed star bearing a crossed rifle and hoe in black superimposed on an open white book

Economy

Economy - overview One of Africa's poorest countries, Mozambique has failed to exploit the economic potential of its sizable agricultural, hydropower, and transportation resources Agricultural output is at only 75% of its 1981 level, and grain has to be imported Industry operates at only 20%-40% of capacity Foreign assistance programs supply the foreign exchange required to pay for imports of goods and services The peace accord, signed in October 1992, has improved Mozambique's prospects The restoration of electrical transmission lines to South Africa and the completion of a new transmission line to Zimbabwe (permitting the giant Cahora Bassa hydropower plant to export large amounts of electricity), proposed construction of a natural gas pipeline to South Africa, and reform of transportation services will greatly improve foreign exchange receipts The Mozambique and South African governments are developing the Maputo corridor, linking the port of Maputo with Witbank, South Africa In the past few years, more than 500 state enterprises have been privatized, including the country's largest commercial bank and a number of sizable manufacturing firms Other pending reform measures are the privatization of customs operations, the reform of tax collection, and the facilitation of private enterprise in the transportation, energy, and telecommunications sectors

GDP purchasing power parity - $12 2 billion (1995 est)

GDP - real growth rate 3% (1995 est)

GDP - per capita purchasing power parity - $670 (1995 est)

GDP - composition by sector
agriculture 33%
industry 12%
services 55% (1994 est)

Inflation rate - consumer price index 22% (1996 est)

Labor force NA
by occupation 80% engaged in agriculture
note in 1993, 47% of the wage earners were employed in industry, 28% in transportation and communication, traditionally, a large number of Mozambicans work abroad

Unemployment rate 50% (1989 est)

Budget
revenues $252 million
expenditures $607 million, including capital expenditures of $NA (1992 est)

Industries food, beverages, chemicals (fertilizer, soap, paints), petroleum products, textiles, cement, glass, asbestos, tobacco

Industrial production growth rate 5 8% (1993 est)

Electricity - capacity 2 36 million kW (1994)

Electricity - production 490 million kWh (1994)

Electricity - consumption per capita 45 kWh (1993)

Agriculture - products cotton, cashew nuts, sugarcane, tea, cassava (tapioca), corn, rice, tropical fruits, beef, poultry

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Exports
total value $169 million (f o b , 1995)
commodities shrimp 40%, cashews, cotton, sugar, copra, citrus
partners Spain, South Africa, US, Portugal, Japan

Imports
total value $784 million (c i f , 1995)
commodities food, clothing, farm equipment, petroleum
partners South Africa 44%, UK, France, Japan, Portugal

Debt - external $5 5 billion (1995)

Economic aid
recipient ODA, $NA

Currency 1 metical (Mt) = 100 centavos

Exchange rates meticais (Mt) per US$1 - 11,455 0 (December 1996), 11,293 8 (1996), 9,024 3 (1995), 6,038 6 (1994), 3,874 2 (1993), 2,516 5 (1992)

Fiscal year calendar year

Communications

Telephones 59,000 (1983 est)

Telephone system fair system of tropospheric scatter, open-wire lines, and microwave radio relay
domestic microwave radio relay and tropospheric scatter
international satellite earth stations - 5 Intelsat (2 Atlantic Ocean and 3 Indian Ocean)

Radio broadcast stations AM 29, FM 4, shortwave 0

Radios 700,000 (1992 est)

Television broadcast stations 1

Televisions 44,000 (1992 est)

Transportation

Railways
total 3,131 km
narrow gauge 2,988 km 1 067-m gauge, 143 km 0 762-m gauge (1994)

Highways
total 29,810 km
paved 5,545 km
unpaved 24,265 km (1995 est)
note highway traffic impeded by land mines not removed at end of civil war

Waterways about 3,750 km of navigable routes

Pipelines crude oil (not operating) 306 km, petroleum products 289 km

Ports and harbors Beira, Inhambane, Maputo, Nacala, Pemba

Merchant marine

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total 4 cargo ships (1,000 GRT or over) totaling 5,694 GRT/9,724 DWT (1996 est)

Airports 129 (1996 est)

Airports - with paved runways
total 85
over 3,047 m 1
2,438 to 3,047 m 4
1,524 to 2,437 m 10
914 to 1,523 m 5
under 914 m 65 (1996 est)

Airports - with unpaved runways
total 44
1,524 to 2,437 m 12
914 to 1,523 m 32 (1996 est)

Military

Military branches Army, Naval Command, Air and Air Defense Forces, Militia

Military manpower - availability
males age 15-49 4,149,766 (1997 est)

Military manpower - fit for military service
males 2,390,791 (1997 est)

Military expenditures - dollar figure $84 million (1994)

Military expenditures - percent of GDP 5 3% (1994)

Transnational Issues

Disputes - international none

Illicit drugs Southern African transit hub for South American cocaine probably destined for the European and US markets, producer of hashish and methaqualone

Overview of Status of Decentralization in Mozambique: Possible Areas of Continued USAID Support Towards its Implementation

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BACKGROUND

Constraints

The primary constraints for power to be devolved to the local level are policy that defines the role of local government and provides for its implementation, and the capacity of citizens and local administration to work together to resolve local problems On the policy side, since the enactment of the 1990 Constitution, the government has been taking steps to plan for and implement decentralization — both devolution and deconcentration — of government functions In May, 1992, the Council of Ministers approved a set of proposals based on a presentation by the Ministry of State Administration (MAE) which formed the basis on which decentralization began The proposals specify that devolution would be implemented in a gradual process Since then work has focussed on preparation of legislation to provide for decentralization, including the draft of a local public finance law, and a framework for local elections There have also been various decrees, the most important of which is the decree on administrative tutelage which defines the role of the central government vis-a-vis its oversight of municipal government

The Municipal Law of 1994 provides for a gradual devolution of central government power (including) to municipal government, in selected urban and rural districts As outlined in the law, the municipal government will consist of a municipal assembly, a president of the municipality (a mayor), and a municipal council The municipal assembly and the president will be selected by universal adult suffrage within the district The municipal council will be appointed by the president of the municipality, but half of its members must also be chosen from among the members of the elected assembly

Some political actors maintain that certain aspects of the municipality law are unconstitutional In order to resolve the unconstitutionality issue and thus permit local elections to take place, leaders in the National Assembly have agreed to amend the specific articles of the constitution that are the cause for concern It is likely that the proposed amendments will be submitted for the approval of the National Assembly during the legislative session that begins in October 1996

With regard to local finances, municipalities will need resources to be able to respond to citizen needs as well as to be able to govern effectively The policy framework that will permit financial autonomy currently exists in draft form and probably includes local government authority to receive resources from several sources, including taxes, user fees, and transfers from the central government

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The constraints in human capacity consist of a lack of understanding within local communities on the role that citizens and local government could play in local development There is also a lack of professional capacity with regard to local government officials, who would require improved management and technical skills in order to carry out their mandate

There is also a need to ensure that the institutions through which citizens participate in local governance — in both the government and civil society realms — become internally accountable Within the scope of an attached concept paper civil society will be strengthened to demand accountability at the local level, and local assemblies (when they are created) will be assisted to become effective and accountable through focussed activities to strengthen their capacity for effective governance Mechanisms for interaction between local government and civil society will also be strengthened

Activities in Decentralization

To date, many donors have initiated activities which support the decentralization process in Mozambique The World Bank has carried out studies on municipal finance in 5 cities Based on these studies, for example, the bank has supported a process whereby draft legislation for the local finance law has been prepared SIDA (Swedish Government) has worked primarily in 6 rural districts and has focussed on the institutional and legal context, and possibilities for decentralized local government Both SIDA and the World Bank, as well as NORAD, have supported, through the MAE, training activity for provincial and local level public officials Other donors who are interested in supporting the decentralization process include Germany, Switzerland, the Netherlands, France and Italy

USAID activity which relates to decentralization includes supporting research and analysis regarding traditional authority through the African-American Institute (AAI) Provincial level seminars have been held to better understand traditional authority roles The analysis resulting from the empirical study and the seminars has assisted the GRM in preparing draft legislation for the potential role that traditional authority can play in a democratic society Pamphlets on traditional authority roles are being prepared and will be made available to government and civil society actors This activity ends early to mid 1997 AAI is also strengthening the capacity of civil society actors who will as a result be better equipped to participate meaningfully in NDI's civil education campaign which is laying a foundation for citizens to understand the role of government and the rights and responsibilities in a democracy

USAID also supported a process whereby civil society and government established a dialogue concerning the implementation of decentralization in Mozambique The mechanism used was the Implementing Policy Change project Three provincial workshops and one national workshop were carried out to discuss and recommend actions concerning local finance, territorial administration, and human resources National level stakeholders in the decentralization process were given an opportunity to listen to what provincial level stakeholders were saying about the process The national level stakeholders also had the opportunity to voice their own opinions as well The major recommendations which resulted from the workshops included the following 1) local resources, including financial, should stay at

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the local level for development purposes, and, should be used in transparent manner, 2) decentralization should be gradual and be accompanied by a clear definition of the roles of different levels of government as well as of traditional authority, and, 3) government and non-governmental representatives should be trained in decentralization matters, and the appointment of public officials should be based on their skills and not on previous posts held

Finally, the Mission's activity with SUNY (State University of New York) can potentially be a base for the Mission's policy dialogue with the National Assembly over decentralization Our assistance to the National Assembly could include (already has) examples of decentralization in capacity building exercises

VIEW TOWARDS THE FUTURE

Popular participation in local government is fundamental to Mozambique's consolidation of democracy and to legitimize municipal government Local participation in determining local priorities, directing local government action towards the concerns of the population, and contributing local resources to development reduces expenses and generates income and employment However, in Mozambique, existing participatory mechanisms need to be refined and new ones developed Civil society at the local level lacks a clear definition of the role that they can potentially play in local development in partnership with local government

Local government, however, needs to have the capacity to respond to local initiatives The responses to local initiatives should be in a transparent and accountable manner Fundamental to the promotion of civil society, local groups should have mechanisms (formal and informal) to discuss and make decisions concerning budgetary issues and the development strategy for the district The transparency and accountability on the part of the local government will improve citizen's understanding and participation in the decision making process

The activity would be carried out in 5 districts within our focus area and would involve working with local stakeholders to assist them in identifying and implementing participatory mechanisms which can lead to identifying problems and means to resolving them

On the policy side, as mentioned above, legislation already has been drafted for a new local public finance law, and for local elections to be carried out, although in a first round elections will probably not take place in more than 43 urban and rural districts There has been little debate thus far with regard to central government versus municipal government provision of services, i e which services will be provided by whom? A "*Lei de Competencias*" may clarify this and may include categorizing municipalities by different levels A national referendum during the 1999 elections which would allow citizens of municipalities to have a clear choice with regard to the level of municipalization they want

The IPC workshops resulted in a series of recommendations and key questions The Mission and the Ministry of State Administration may want to focus on a couple of these to further the debate We can access the buy-in to allow for this, including whether the possibility of different categories of

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municipalities and public referendum for citizens to decide this, is a realistic one

The IPC process which was recently carried out demonstrated that Mozambicans in civil society are interested and knowledgeable of the debate related to decentralization although at times their focus is on decentralization within sectors e g health, as opposed to an overall vision The most natural proponents of decentralization over the mid and long-term will be the elected mayors (presidentes do conselhos) They will have a direct interest in pushing for authority and accountability to be devolved from the center to the local level In other countries associations of mayors have been very vocal in pushing for more municipal level political and financial autonomy

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In summary, decentralization is a policy question as well as a capacity one in the districts The Mission will play a role at both levels by using resources in a strategic manner to promote sound policy formulation and build capacity

Questions or comments?
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Local empowerment in governance activity (LEGA)

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BACKGROUND

Since the enactment of the 1990 Constitution, the government has been taking steps to plan for and implement decentralization In May 1992, the Council of Ministers approved a set of proposals based on a presentation by the Ministry of State Administration (MAE), which formed the basis on which decentralization began These specify that devolution would be implemented in a gradual process Since then work has focussed on preparation of legislation to provide for decentralization, including the draft of a local finance law, analysis of the role of traditional authorities in Mozambican society, and building human resource capacity to cope with new governance structures

The President of Mozambique, and the National Assembly, recently approved several amendments to the constitution These amendments create the legal environment for a series of electoral and decentralization laws which allow for municipal elections to be carried out, registration of citizens, and creation of municipalities and villages The municipalities will be created from what are currently cities and *vilas*, and the villages will be those areas immediately surrounding administrative posts

The new municipal and village law (1996) provides for a gradual devolution of central government power to municipal governments and villages, in what are currently urban and rural districts As outlined in the law, the municipal government will consist of a municipal assembly, a president of the municipality (a mayor), and a municipal council The municipal assembly and president will be elected by universal adult suffrage The municipal council will be appointed by the president of the municipality, but half of its members must also be members of the assembly The government at the village level will be similar to that established for municipalities

The primary constraint for power to be devolved to the local level is the viability of the municipalities' and villages' financial and human capacity Financially, municipalities and villages will need resources to be able to respond to citizen needs These resources could come from several sources including taxes, user fees, and transfers from the central government The constraint in human capacity includes a lack of consciousness within local communities on the role that citizens and local governments can play concerning local development There will also be a need to improve management capacity within local governments

To date a number of donors have initiated activities which support the decentralization process in Mozambique The World Bank has carried out studies on municipal finance in 5 cities (Pemba, Quelimane, Nampula, Beira and Maputo) Based on the study they have supported a process whereby draft legislation for the local finance law has been elaborated The Swedish International Development Agency (SIDA) has worked primarily in 6 rural districts and focussed at first on studies of the institutional and legal context and possibilities for functioning local government The six

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rural districts SIDA is working in include Mocimboa da Praia (Cabo Delgado), Lichinga (Niassa), Angonia (Tete), Monapo (Nampula), Buzi (Sofala), and Boane (Maputo) Both SIDA and the World Bank, as well as the Norwegian Development Agency (NORAD) have supported, through the MAE, training activities for provincial level and local level public officials German Technical Cooperation (GTZ) may also support technical assistance and training activities to the MAE at the central, provincial and district levels

USAID activities in decentralization include supporting research and dissemination of information regarding traditional authority through the African-American Institute (AAI) Seminars have been held regarding traditional authority roles Pamphlets on traditional authority roles are being prepared and will be disseminated Also through AAI, the Mission supported an activity in Morrumbala district (Zambezia) The activity was sponsored by Zaone-Morrumbala (with AAI funding) and brought together stakeholders from all sectors of the district to discuss local development problems Priorities were established and means to resolve problems were determined

USAID also supported a process whereby civil society and government established a dialogue concerning implementation of decentralization in Mozambique The mechanism used was the Implementing Policy Change project This is a USAID/W project which is used to promote dialogue on policy change throughout the world Three provincial workshops and one national workshop were carried out to discuss and recommend actions concerning three decentralization sub-themes local finance, territorial administration, and human resources National level stakeholders in the decentralization process were given an opportunity to listen to what provincial level stakeholders were saying about the process The national level stakeholders also had the opportunity to voice their own opinions

The Mission believes that popular participation in local government is fundamental to Mozambique's consolidation toward democracy and to legitimize municipal government Experience indicates that local participation in identifying local priorities, supporting local government action towards the concerns of the population and contributing local resources for development, reduces expenses and generates income and employment Also, democratization efforts staged in an underdeveloped setting are more effectively pursued through concrete activities yielding real benefits rather than through more abstract civic education services/training However, in Mozambique, existing participatory mechanisms need to be refined and systems developed Civil Society groups at the local level lack a clear definition for the roles that they can potentially play in local development with local government

Local government, however, also needs to have the willingness and capacity to respond to local initiatives In addition, the responses to local initiative should take place in a transparent and accountable manner Fundamental to the promotion of civil society, local government should have mechanisms (formal and informal) to discuss and make decisions concerning budgetary issues and local development strategy The transparency and accountability on the part of the local government will improve citizen understanding and participation in the decision making process

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OVERALL OBJECTIVE OF THE PROJECT

The objective of the requested assistance is to strengthen democratic institutions and processes at the local level The purpose is to enhance the participation of Mozambicans in the local development process and improve the capacity of district government to respond to the needs of citizens, in 5 districts Districts tentatively identified include Morrumbala, Mocuba, and Ile in Zambezia, Mutarara in Tete, and Caia in Sofala Alternate sites will be considered The activities would begin in mid-1997 and end two years later

Specific objectives include the following

1 Motivate and empower ordinary residents to actively engage in decision making and problem solving, and in the process overcome the widespread belief that only the (central) government or foreign institutions such as donor agencies or international NGOs are responsible for identifying and meeting citizen needs
2 Encourge people who have not worked together to henceforth collaborate on activities which create sustainable local development
3 Promote local level accountability and transparency in decision making
4 Mobilization and generation of in-kind and financial resources for local development efforts

Major activities envisioned are the following

- Creation of municipal or village development councils (where they don't currently exist) composed of local government officials, traditional authorities and representatives from civil society
- The establishment of processes and mechanisms by which local problems are identified, prioritized and solutions sought in an inclusive, participatory and transparent manner
- After priorities are presented to the local government, budgets would be developed and implementation undertaken utilizing resources both from within and outside the community

The objectives would be achieved by working with local stakeholders such as civil society groups, traditional authority and local government to assist them in identifying and implementing participatory mechanisms which can lead to identifying local problems and resolving them, and increasing local government accountability by increasing demand for local government action The identification of problems and possible solutions to these will result in a development proposal for the district This project will include, but not be limited to, a number of priority actions which can be taken to improve the quality of life

This project may include a large range of local priorities, and may include, but won't be limited to

Commerce (community marketplace)
Education (a rehabilitated or new school)
Environment/Conservation (community erosion control measures)
Public Health (rehabilitated or new health post)
Public Administration
Road/Bridges (repair of a washed out bridge)

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institutions

Road/Bridges (repair of a washed out bridge)
Sanitation (latrine project)
Water Supply (new well)
Land Conflict Prevention/Resolution (assist in demarcating boundaries)

The activity to be carried out will require much discussion between district government and civil society leaders In addition, provincial government and provincial level civil society leaders will also have to be consulted concerning the scope of the activity At the national level the Ministry of State Administration will be the prime counterpart

Questions or comments?
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TALBE OF IDA PROJECTS IN MOZAMBIQUE

As of June 20,1996 the World Bank's portfolio exists of 24 active operations -- two rehabilitation credits and 22 projects There are three projects in the immediate pipeline The Table below lists the active operations, with key dates

Name of Project	Board Date	Effectiveness Date	Closing Date	Amount US$
Health and Nutrition a/	03/14/89	10/3089	12/31/96	27 0
Houshold Energy	06/08/89	03/05/90	12/31/96	22 0
Beira Corridor	09/14/89	03/05/90	12/31/96	40 0
Econ & Financial Managemt TA	10/17/89	05/24/90	12/31/97	21 0
Industrial Resructuring	12/21/89	06/07/90	12/31/97	50 1
Small and Medium Scale Enterprises	12/21/89	06/07/90	12/31/96	32 0
Agricultural Rehabilitation	09/06/90	04/30/91	06/30/99	15 4
Education II	12/20/90	07/29/91	04/30/97	53 7
Agricultural Services	02/11/92	15/12/92	06/30/00	35 0
Roads and Coastal Shipping I	04/02/92	09/17/92	00/00/97	74 3
Economic Recovery Credit	05/19/92	08/03/92	06/30/95	180 0
Human Resources Development	11/19/92	12/01/93	06/30/99	48 6
Legal Institutions Development Proj	11/19/92	02/28/94	06/30/99	15 5
Maputo Corridor Revitalization	01/19/93	09/27/93	31/12/98	10 5
Rural Rehabilitation Project	03/30/93	12/08/93	31/12/98	20 0
Food Security Capacity Building	04/22/93	02/25/94	28/02/98	6 3
Local Government Reform	06/20/93	07/14/94	30/09/99	23 2
Roads and Coastal Shipping II	04/07/94	11/07/94	00/00/00	188 0
Financial Sector Capacity Building	04/14/94	17/08/94	30/06/00	9 0
Second Economic Recovery Credit	06/02/94	19/07/94	08/30/97	200 0
IFAD Niassa Agricultural Develop		10/19/94	10/19/04	13 0
Gas Engineering	06/16/94	12/01/94	30/06/00	30 0
Health Sector Recovery Program	/00/0095	04/30/96	06/30/01	98 7

Notes a/ Includes SDA

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SUMMARY OF IDA PROJECTS IN MOZAMBIQUE

A ADJUSTMENT LOANS

1 Economic Recovery Credit - Rene Bonnel (202 - 473 4257)

The ERC is the fourth in a series of adjustment credits that the World Bank has provided to Mozambique The project provides balance of payments support in return for economic policy change The credit supports private sector based growth, redeployment of budgetary expenditures toward key social sectors and smallholder agriculture, as well as providing support for drought relief The credit has four main components First, it will improve foreign exchange allocation and export incentives by developing a consolidated market for foreign exchange, liberalizing prices of manufactured products and reforming agricultural marketing Second, it will strengthen the role of the central bank, improve access to credit by the private sector and develop commercial banking services Third, the credit will accelerate the restructuring and privatization of the state enterprise sector and establish a transparent system for privatization Fourth, the credit will reorient budgetary expenditures to protect a set of high-priority activities in primary health, primary and secondary education, smallholders in agriculture, and provide support for the implementation of limited targeted direct income transfers to poor households The proceeds of the credit would be used by Mozambique to support the enlargement of the secondary market and finance technical assistance to strengthen the Government's capacity to extend the privatization process to large enterprises and reform the banking sector It is also expected that up to $10 million would be used to restore the productive potential of agriculture destroyed by the drought **$180 0 million**

2 Second Economic Recovery Credit - Simon Bell (258 - 1 - 492 841/51/61/71)

The SERC is the fourth in a line of adjustment operations in Mozambique, providing US$200 million in balance of payments support The conditionality of the credit has four components First, it supports the development of integrated sectoral programs in three key areas of agriculture, health and education The urgent need to support emergency programs has led to fragmented donor assistance With peace and stability, it is now necessary to develop budgetary priorities within these key sectors, and ensure that capital and recurrent expenditures can be supported through the budget Second, the program supports the central bank in its key central banking functions of monetary policy management, banking supervision, legal development, accounting—while continuing the strengthening and the streamlining of the foreign exchange management and allocation process Third, the program supports the development of a competitive, efficiently functioning, and truly commercial banking system New banking entry is being encouraged and the existing state owned banks are being "commercialized" and prepared for privatization Fourth, the program accelerates the privatization program, with particular attention being paid to the larger state owned enterprises within the economy In addition to privatization, the program supports a review of business environment issues which impact adversely upon the development of enterprises—with a view to ameliorating constraints identified **$200 0 million**

B INDUSTRY PROJECTS

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3 Industrial Enterprise Restructuring - Arnold Sowa (202 - 473 3369)

This project supports the rehabilitation of the industrial sector in Mozambique through the divestiture of state owned enterprises and a line of credit for term financing for plant and equipment rehabilitation within potentially profitable enterprises The major components of the amended credit are (a) technical assistance for the privatization of large strategic state owned enterprises provided through UTRE (the privatization unit within the Ministry of Finance), (b) technical assistance for the privatization of small and medium sized industrial sector enterprises through GREI (the privatization unit within the Ministry of Industry and Energy), and (c) a term lending facility provided through the participating commercial banks in the country, administered by the Project Management Unit (UGP) of the Bank of Mozambique **$50 1 million**

4 Small and Medium Scale Enterprise Development - Yuriko Sakairi (202 - 473 4811)

The objectives of the project are (a) to promote the rehabilitation and development of the SME sector by financing small and medium enterprises capable of efficient operation within the reformed business environment, (b) to promote credit to SME's, and (c) to assist in the formulation of Government policy for SME development The project comprises (a) an apex line of credit through the Central Bank for on lending to eligible enterprises through participating banks (BCM, BPD, BSTM, BPA and BFE), and (b) technical assistance and training, including the establishment and operation of an apex management unit, upgrading of commercial bank accounting practices, establishment of a business advisory service, an industrial policy study, and training of loan appraisal staff Covenants under the project relate to the reform of the financial sector and the formulation of industrial policy **$32 0 million**

C EDUCATION PROJECTS

5 Education II - Ricardo Silveira (202 - 473 8490)

The project's objectives are to (a) improve the quality and efficiency of primary education through the support of improvements in the teaching process as well as the introduction of new initiatives to enhance effective learning, (b) improve the quality and efficiency of the university, addressing the critical areas of manpower shortage in Mozambique, by strengthening the faculties of physical sciences, engineering and economics and by enhancing the University's capacity to develop strategic management and planning, and (c) improve the management of the education sector, particularly of the sub-systems managed by the Ministry of Education

There are three major components to this project (a) primary education with sub-components in teacher training, school rehabilitation and expansion and several pilot initiatives to enhance effective learning, (b) university with sub-components addressing the specific needs of the faculties of physical sciences, engineering and economics, as well as the broad need for strategic management development, (c) Ministry of Education management strengthening with sub-components addressing the needs of the project implementation unit as well as those of the overall Ministry **$53 7 million**

D HEALTH PROJECTS

6 Health and Nutrition - Ricardo Silveira (202 - 473 8490)

The objectives of this project are to (a) strengthen policy formulation and management on health and food security issues, (b) improve efficiency and quality of services, and (c) help mitigate some of the social costs of adjustment Project components include (a) institutional support and capacity building

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for Ministry of Health reorganization and selected health and food security policy studies and implementation, (b) equipment, civil works and technical assistance for health facility and equipment rehabilitation and maintenance, increase hospital efficiency, improved pharmaceutical supplies and strengthening health manpower training, (c) increased efficiency of urban food rationing system and improved nutrition for primary school children and factory workers in Maputo **$27 0 million**

7 Health Secotr Recovery Program - Ricardo Silveira (202) 473-8490)

The Objective of this program is the improvement of the health status of the population, in general, and a decrease in infant and child mortality, in particular, to be achieved through an increase in health coverage of the population from the present 40 percent level to 60 percent by the turn of the century, with better quality of services provided **$ 98 7 million**

E CAPACITY BUILDING PROJECTS

8 Economic and Financial Management Technical Assistance - Carolina Machado (202 - 473 3346)

The objective of this project is to support the Ministry of Finance and the Bank of Mozambique to (a) carry out technical analyses in areas of economic policy formulation, capital budgeting, and banking operations, (b) define specific needs and prepare programs of institutional support as the basis for immediate action as well as subsequent follow-up, (c) increase the stock of qualified professions needed in the essential areas of accounting and economic analysis, and (d) increase the productivity and effectiveness of the two priority institutions by furnishing them with basic systems and equipment needed for day-to-day operations, particularly in financial systems and production of basic economic information Project components in the MOF include improving collection and analysis of economic information for economic policy formulation, establish a central technical project unit in the National Budget Directorate, and provide intensive accountancy training In the central bank, the components include improving data collection and policy formulation in the Economic Studies Department, the computerization of banking system and the introduction of modern equipment, and strengthening the legal department (particularly with respect to external financing and negotiations with creditors) **$21 0 million**

9 Human Resources Capacity Building - Ricardo Silveira (202 - 473 8490)

This project aims at helping Mozambique increase and improve the provision of skilled and highly skilled personnel entering the labor market The project has two components one addressing the feeder secondary schools, whose graduates are going into higher education, and one addressing the Eduardo Mondlane University, which is the main institution preparing academics and professions in the country With respect to the first component, project funds will help to rehabilitate six secondary schools, to build dormitories for pupils and houses for staff, to revise the curriculum and the examination system, to provide text books and other teaching and learning materials, to increase female enrollments through a scholarship fund, and to train Ministry of Education officials in management With respect to the second component, project funds will help to develop administrative and information systems at the University and train administrative staff, to rehabilitate, upgrade and construct staff houses as well as student dormitories, to expand libraries and improve the provision of text books, to enter into twinning arrangements with other universities, and to develop staff through a graduate studies fellowship program **$48 6 million**

10 Legal/Public Sector Capacity Building - Elie Orbach (202 - 473 4771)

The project aims at helping Mozambique strengthen the capacity of its civil service and the ability of its key legal institutions to deliver, to the public, the services for which they were created The

project has two components one addressing the civil service, particularly the Ministry of State Administration (MAE), and one addressing six legal institutions With respect to the first component, the project provides finances to establish a policy analysis unit within MAE, to strengthen its Department of Administration and Finances, to redesign and develop personnel management systems for the civil service (including the development of career structures, job analysis and grading, recruitment procedures, etc), to introduce a human resources management function into provincial structures, and to train administrators both on and off the job With respect to the second component, the project provides finances to train legal and para-legal staff, including judges and lawyers, for the Ministry of Justice, the Supreme Court, the Attorney General and the Administrative Court, to equip them with basic office technology, to strengthen the Faculty of Law at the University, to help all of these institutions improve their legal library collections, to reform important legal codes, and to disseminate knowledge of the law **$15 5 million**

11 Food Security Capacity Building - Helena Ribe/Maryam Salim (202 - 473 1271 & 473 8405)

The overall goal of the project is to strengthen national capacity to confront and deter the major causes of poverty and household food insecurity Specific goals are to (a) establish a strong institutional focal point for food security policy development and coordination, (b) improve understanding of food security issues and responses by decisions-makers and staff of relevant sectoral universities, and (c) incorporate research and teaching on food security issues at university level The project components include (a) strengthening the Poverty Alleviation Unit (PAU) of National Planning with staff, equipment, and other resources necessary for food security policy development and program monitoring, (b) increasing national awareness of food security through workshops, conferences, in-service training courses and a limited number of study tours, and (c) support for research teaching improvements, textbooks and computer equipment at the Agriculture Faculty of the University under the umbrella of an institutional twinning arrangement **$6 3 million**

12. Financial Sector Capacity Building - Simon Bell (258 - 1 - 492 841/51/61/71)

The FSCB seeks to develop skills within the financial sector in support of the Government's overall financial reform program It has five main components First, the credit supports training within the central bank in areas related to economics, banking supervision, foreign exchange management, accounting, and management strengthening The second component supports training in the commercial banking sector through a series of specific, short term courses, which will be taught at the newly established Banker's Institute Third, it supports the legal financial capacities of the lawyers in Banco de Moçambique and the Ministry of Finance through training programs, provision of specialized legal services, development of the legal institutional framework, and the dissemination of financial legislation Fourth, it provides institutional development to the banking sector through the provision of consultancy services Last, it funds a series of studies related to the financial sector **$9 0 million**

F AGRICULTURAL PROJECTS

13 Agricultural Rehabilitation and Development - Adelina Paiva (202 - 458 7223)

This project seeks to alleviate poverty and generate foreign exchange by raising productivity and production of cashew, a major export, traditionally cultivated by smallholders This is being accomplished through the provision of agricultural extension and applied research services Additionally, efforts are being made to liberalize cashew price policy, to develop rural financing and to support the privatization process of state owned farms and commercial agricultural enterprises **$20 0 million**

14 Agricultural Services Rehabilitation and Development - Adelina Paiva (202 - 458 7223)

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Poverty alleviation, improved food security, reduction of food-aid dependency and foreign exchange generation are the country's major development targets The project is helping in these efforts by supporting the development and rehabilitation of agricultural services such as extension and applied research, providing working capital (credit) for smallholder cotton and foodcrop producers, upgrading the rural water supply, improving land use and management, and strengthening institutional capacity to formulate, implement and monitor agricultural development activities **$20 0 million**

15 Rural Rehabilitation - Christine de Voest (258 - 1 - 492 841/51/61/71)

This project is designed to help address some of the principal post-war resettlement and reconstruction needs of the rural sector through discrete components which include the distribution of agricultural inputs to returning populations and the increase of rural water supply Smallholder land tenure security will increase as a result of the supply of satellite images to better inform land use policy In addition, the project has created provincial funds that community groups can access for the rehabilitation of rural infrastructure

16 IFAD Niassa Agricultural Development - Christine de Voest (258 - 1 - 492 841/51/61/71)

Complementary in its design to IDA's Rural Rehabilitation Project, this project seeks to support decentralized rural economic recovery, while creating capacity and procedures for the implementation of the Government's National Reconstruction Program in Mozambique's most remote province Principal components include agricultural support services (demand driven agricultural extension services and participatory research and development), secondary and tertiary road infrastructure rehabilitation, support for community initiatives through district development funds, and savings and credit associations

G ENERGY PROJECTS

17 Urban Household Energy - Mahesh Sharma (202 - 473 2296)

This project consists of (a) power system reinforcement in Mozambique's cities together with connection of 40,000 houses, provision of coal stoves to about 50,000 houses, reinforcement of kerosene and LPG distribution facilities, improvements in woodfuel supply and operations, provision of stoves, lamps, pots and pans, drums and cans, (b) technical assistance and consultancy support to reinforce the operations of EDM and PETROMOC and Mocacor, to support project coordination and implementation, and for the woodfuel and coal programs The project would be coordinated by the MIE with support from a number of Mozambican institutions The project would be executed by EDM, PETROMOC, Moçacor and a number of small Mozambican enterprises The project will be complemented through commodity aid finance of fuels **$22 0 million**

18 Gas Engineering - Eric Daffern (202 - 473 4057)

The Pande Gas field, located near the coast in central Mozambique, was discovered in 1961 Original concessions on this field (which were held by the Gulf/Amoco group) were relinquished because of a lack of a market at that time Subsequent work has indicated that a sufficient market potential now exists, mainly in South Africa The Pande Gas development is expected to lead to annual gas exports to South Africa of around $150 million The Primary objective of this engineering project is to see that necessary pre-investment work is undertaken to ensure that Empresa Nacional de Hidrocarbonetos de Mocambique (ENH), on behalf of the Government of Mozambique, and private sector investors are in a position to make a firm decision to develop the Pande Gas filed for export and for use in Mozambique Secondary objectives include minor environmental clean up relating to previous operations and some training and institutional strengthening **$21 3 million**

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H URBAN PROJECTS

19 Local Government Reform - Bernard Becq (202 - 473 4392)

The objective of this project is to support the Government's decentralization program Reforms are focused on the legal institutional and fiscal framework of local government in order to create a suitable structure for self-sufficient and accountable local authorities, and will be implemented on a pilot basis in five urban areas designated as the project cities Complementary objectives include assisting the Government to create an appropriate policy framework for investments in the urban sector, prepare urban investment plans for the five project cities, including plans for the efficient management, rehabilitation, and financing of essential urban infrastructure and services, test specific, replicable approaches to solving entrenched urban problems (including absorption of rural migrants, environmental degradation, low cost transportation), and coordinate the work of other donors and NGO's in the urban/local Government sector The project finances technical assistance and studies, and provides for the selective implementation of the findings of these studies, including some modest pilot investments in the five project cities (Maputo, Beira, Pemba, Quelimane and Nampula) **$23 2 million**

I TRANSPORT PROJECTS

20 Beira Transport Corridor - Yash Pal Kedia (202 - 473 4544)

The main objective of the project is the rehabilitation and upgrading of the Beira Corridor to restore its cost efficient transit functions The IDA assisted project would contribute to this objective through the provision of technical assistance, manpower development and training and motive power IDA components will provide for (a) technical assistance to run port and railway operations during the 1989-1995 period, (b) manpower development and training for all levels of staff in the port and railways, (c) rehabilitation and acquisition of motive power for main line shunting operations, and (d) implementation of a railway/port cost accounting system and a management information system Project components include, (a) technical assistance to run port and railways operations in the Beira Transport Corridor during the 1989-95 period, (b) manpower development and training at all levels of CFM, (c) rehabilitation and acquisition of motive power for main line and shunting operations, (d) technical assistance for the study and implementation of a railway/port cost accounting system and a management information system in CFM, and (e) studies and technical assistance for future investments **$40 0 million**

21 Roads and Coastal Shipping - John Roome/Bernard Becq (202 - 473 3373 & 473 4392)

The primary objectives of ROC's are to (a) develop the institutional capacity in MCA and MTC necessary to effectively plan and supervise the rehabilitation and maintenance of roads and the efficiency improvement of small coastal ports serving the priority districts, and (b) implement policy reforms in the trucking and coastal shipping sub-sectors, required to effectively support the ESRP and the agricultural development contemplated by the Government In particular, ROCS-1 would begin IDA's long-term assistance to GOM in developing the institutional and managerial capacity and the policy and regulatory framework required to successfully implement and sustain transport improvements through this and forthcoming projects

The project includes 1) technical assistance to coastal shipping organizations, and to DNEP, intended to provide guidance and assistance during implementation of this and the two proposed subsequent ROCS projects, including (a) overall project management, (b) policy and regulatory reform, (c) facilitation of greater private sector involvement (awarding port management contracts, preparing transport state enterprises for divestiture), and (d) development and preparation of

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subsequent phases of a long-term roads and coastal shipping transport sub-sectors improvement program, (ii) the first five years of a comprehensive training program for road and coastal shipping personnel, (iii) studies and implementation of recommendations for policy and regulatory reform in road financing, procurement, trucking, and the local road contractors industry, (iv) initial assistance for intermodal facilitation and for customs efficiency improvement, (v) small ports investments in infrastructure and in cargo handling equipment and tugs - the latter to be funded through a credit line, in five of the fifteen tertiary ports and in one of the five regional ports, (vi) investments in small port navigational aids and communications, (vii) design and preparation of tender documents for rehabilitation of about 1,800 km of priority primary roads, and (viii) the first phase of a long-term nationwide Feeder Roads Program (FRP), for the rehabilitation and maintenance in 22 priority districts of approximately 12% of the estimated 21,000 km feeder road network **$74 3 million**

22 Maputo Corridor Revitalization - Yash Pal Kedia (202 - 473 4544)

The overall objective of this project is to assist the Government to restructure CFM (south) in order to improve its long term efficiency by (a) facilitating Government's divestiture of direct involvement in the management and operation of those transport facilities in the corridor where there is no demonstrable competitive or regulatory advantage to such participation on the most commercially advantageous terms, and (b) assist Government in cushioning the workforce made redundant as a result of the restructuring against the impact of the loss of employment A subsidiary and related objective is to enhance confidence in the capacity of the system by financing equipment to relieve bottlenecks in container terminal operations and to strengthen communications with neighboring systems The project will include the following components, (a) Investment and Financial Advisory Consulting Services, (b) Legal Advisory Services, (c) Environmental Analytical Consulting Services, (d) Labor Redeployment Strategy Development, and (e) Port Handling and Communications Equipment **$10 5 million**

23 ROC's II - John Roome/Bernard Becq (202 - 473 3373 & 473 4392)

The primary objectives of the project are (a) to support Mozambique's economic recovery program through rehabilitation and maintenance of priority roads, and (b) to further strengthen the management capacity of road sector institutions The project comprises the government's agreed "flexible" rolling roads investment and maintenance program for the five years 1994-1998, coordinating all donors through discrete parallel sub-projects The first two years of the program have been defined and appraised in detail, as has the scope of the five year program A major review after two years and annual reviews thereafter will define in more detail the specifics of the program in the outer years The civil works program comprises (a) emergency works to open access in all 10 provinces, (b) rehabilitation of priority trunk roads, (c) labor based reconstruction of about priority feeder roads, and (d) current routine and periodic maintenance of that portion of the network that is in good or fair condition The project will also finance engineering services in support of the program and the continuation of the government's Road Sector Institution Building Program commenced under ROCS-1 **$188 0 million**

J SDA PROJECT

24 SDA - Maryam Salim (202 - 473 8405)

The Development Credit Agreement of the Health and Nutrition Project was amended in 1990 to include new donor contributions related to Social Dimensions of Adjustment Activities Contributions at the time of amendment were from the Germans, the Netherlands, the Swiss, and the British Current grants, still under IDA administration, are the Dutch and ODA grants The intended goal of this amendment was to strengthen the National Planning Commission's capabilities for Social Planning for Poverty Reduction The components include

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(1) Carrying out of Social Policy Studies to (a) support development of options for policy measures and targeted interventions in the areas of (i) food security, (ii) access to basic services and (iii) enhanced participation in economic recovery of the absolute poor, (b) support social dimensions evaluation of major economic policy decisions and support social dimensions evaluation of major economic policy decisions and programs, (c) identify absolutely poor and vulnerable groups and monitor effects of institutional changes and macroeconomic and sectoral policies on specific groups, and (d) support Government's efforts to integrate within the activities of its line ministries, and within the national budget, all activities presently dispersed under the areas of Rehabilitation, the Emergency Program, and SDA

(2) Data Collection, (a) complement existing information, and data collection efforts presently programmed under other projects to monitor the effects of economic, social and institutional policies on the poor, (b) provide information to develop, monitor, and evaluate the targeted interventions, and (c) provide information required for programs seeking to expand the coverage of basic services to the poor

(3) Social Action Preparation Program, (a) prepare programs and policies aimed to provide short-term poverty alleviation of vulnerable households, (b) experiment in small-scale projects with proposed policies and programs for poverty alleviation, which are being considered for full-scale implementation, and (c) finance the initial stages of large programs phased to increase progressively to allow for learning-by-doing

Prospective Projects for 1996/1997

25 GEF Transborder National Parks

26 Third Economic Recovery Credit (TERC)

27 Water Development Project

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Senegal: Mission Country Strategy and Proposed Urban Activities

1 Introduction

Senegal is the most politically, economically, and socially developed Sahelian country It has a long democratic tradition that has produced relative stability and national unity throughout most of its 37 years of post-colonial independence U S support to Senegal's democratic evolution and to its successful transition to a market-based economy will help strengthen its stabilizing influence in the region and reinforce U S global interests Common economic and trade interests are also emerging as Senegal attempts to expand its economic horizon beyond its traditional linkages with France

While Senegal has been making the right political and economic decisions at the macro level, recent improvements in its economic performance have been largely negated by even greater increases in population As a result, the country's workforce is growing faster than the narrow modern sector can generate new jobs, and unemployment, particularly among urban youth, is on the rise High population growth has also contributed to more population in the rural areas, deterioration of the country's natural resource base, and growing stagnation in agriculture, the primary source of income for almost 70 percent of the population

Although recent decreases in fertility have been encouraging, recent World Bank and UN population projections indicate that little near-term relief can be expected from the growing population pressure Indications are that Senegal's national and urban populations will increase by 5 0 and 2 9 million people, respectively, during the 1990–2010 period The percentage of population living in urban areas during this period is expected to more than double, with the urban proportion of the total population increasing from 40 to 52 percent

The large growth in urban population will increase pressures for cash-crop farming, environmental improvements, and health and urban services Even now, domestic production of food has been unable to keep pace with the needs of the country's population Deterioration in soil fertility has been a major contributor to the decline in agricultural productivity and is expected to worsen, at least in the short run, as a result of the recent removal of government subsidies for fertilizer Previous government efforts in agricultural research, extension, marketing, and/or processing have also been inadequate to encourage farmers to produce more food Recent efforts to improve soil fertility through composting urban waste, promoting bio-degradable packaging, educating farmers on NRM practices, and improving land use planning have been promising but need to be expanded New approaches to land use planning within and around urban areas are desperately needed if small-scale farmers are to be encouraged to continue their operations

Despite very effective programs by USAID and other donors, health and social services remain extremely limited for most of the country and for women and children in particular As a result, the country continues to suffer low average life expectancy and relatively high rates of child mortality and illiteracy

Economic recovery and sustainable growth are essential if Senegal is to maintain its political stability and continue its democratic evolution USAID has played a major role in helping Senegal liberalize its economy and increase the role of the private sector in development Despite these efforts, Senegal's infrastructure, institutions, and human capital require even greater improvement if the country is to take full advantage of its liberalized economy and reduced role of the State

The total funding requested for the FY 1999 Senegal program is $24,526,000, with $5,935,000 from Child Survival and Disease funds and $18,591,000 from Development Assistance These funds are to be split among the three SOs as follows

FY 1999 USAID/Senegal Program Funding		
	US$ (millions)	% of Total FY 1999 Funding
SO1 "Increased Private Sector Income"	6 7	27
SO2 "Increased Effectiveness of Locally Managed Services "	4 8	20
SO3 "Increased Use of Reproductive Helath Services"	13 0	53
Total	**24 5**	**100**

Source The USAID FY 1999 Congressional Presentation (Senegal)

2 USAID/Senegal Program

FY 1998 is a transition year from the Mission's current Country Strategic Plan (CSP) to a new CSP for the 1998-2006 period Development of the new CSP has been based on a highly participatory process aimed at generating broad support from the Senegalese people, private voluntary organizations (PVOs), the Government of Senegal (GOS), and other development partners and stakeholders The new CSP will likely focus on two main objectives 1) reducing population growth and 2) halting deterioration of the environment Cross-cutting activities will include education and gender, while future training programs will emphasize in-country training and follow-on programs The new CSP will continue USAID support for GOS decentralization by promoting democracy and good governance and by making use of civic education to strengthen participation in the political process The new CSP will also consider the promotion of high technology for development by providing assistance in telecommunications, power generation and distribution, information and data processing, transportation, and manufacturing

2 1 Summary of Country Strategic Plan

USAID/Senegal's current CSP has been designed to seize opportunities created by Senegal's recent macroeconomic reforms and continued political stability Efforts have focused on achieving sustainable economic growth and development in health, agriculture, and the management of natural resources

2 2 Summary of Results Review and Resource Request (R4)

In making the transition from the current to the new CSP, USAID/Senegal has sought to consolidate previous development gains, incorporate the lessons learned from past experiences, and exploit the multiple synergies that exist among its activities The RUDO and the Global Bureau have an excellent opportunity to provide direct support to several of these synergies as they involve urban areas Results from the most recent Results Review and Resource Request (R4 for FY 1997-2000) are summarized in the following table They include three SOs and one SpO that will be developed into a full SO in the new CSP Several of the Mission's IRs for the three current SOs were not included in the R4, since they had either been completed or fully evaluated in the previous year

SO1.
Decreased Family Size

SO Indicator 1 0 Nationwide Total Fertility Rate (TFR)

IR 1 1 1 Increased access, demand, and quality for family planning

IR 1 1 4 Increased percentage of SDPs with trained staff, Adequate equipment, and products to provide FP services

INDICATOR 1 4 1 Proportion of SDPs with trained staff adequate equipment and products to provide FP services

IR 1 1 6 Increased percentage of SDPs that have at least one person among their staff well trained in diarrhea case management and an adequate stock of ORS

INDICATOR 1 6 1 Proportion of SDPs with a person among the staff well trained in diarrhea case management and an adequate stock of ORS

IR 1 1 7 Increased percentage of SDPs that have at least one person among their staff well trained in malnutrition case management and adequate equipment and products

INDICATOR 1 7 1 Proportion of SDPs with a person among the staff well trained in malnutrition case management and an adequate equipment and products

IR 1 1 9 Increased percentage of SDPs that have trained staff and adequate equipment and products to provide STD/HIV-AIDS services

INDICATOR 1 9 1 Proportion of SDPs with trained staff and adequate equipment and products to provide STD/HIV-AIDS services

IR 1 2 3 Increased percentage of children (0-36 months) enrolled in surveillance nutrition program

INDICATOR 1 2 3 Proportion of under-five enrolled in surveillance nutrition program

IR 1 2 5 Increased percentage of mothers practicing exclusive breast-feeding

INDICATOR 1 2 5 Proportion of mothers who practice exclusive breast-feeding

R 1 2 7 General population (15-49) that can cite at least two appropriate means of protection from HIV infection

INDICATOR 1 2 7 Proportion of general population who know two appropriate means of protection from HIV infection

IR 1 3 5 Quarterly supervision of SDPs according to national norms and protocols

INDICATOR 1 3 5 Proportion of SDPs that receive quarterly supervision according to national norms and protocols

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SO2.

Increased Crop Productivity through Improved Natural Resource Management (NRM) in Zones of Reliable Rainfall

IR 2 1 Legal and institutional framework related to NRM improved, accepted, and approved

INDICATOR 1 1 Completion of the National Environmental Action Plan (NEAP)

IR 2 2 Improved NRM techniques mastered and used by farmers

INDICATOR 2 2 1 Percentage of households using specific NRM techniques
INDICATOR 2 2 2 Percentage of households in SO_2 activity sites using specific NRM techniques in FY97
INDICATOR 2 2 3 Percentage of households using adapted technology live fence
INDICATOR 2 2 4 Percentage of households using adapted technology compost
INDICATOR 2 2 5 Percentage of households using adapted technology improved seed
INDICATOR 2 2 6 Percentage of households using adapted technology wind breaks
INDICATOR 2 2 7 Percentage of households using adapted technology fallow land
INDICATOR 2 2 8 Percentage of households using adapted technology manure
INDICATOR 2 2 9 Percentage of households using adapted technology field trees
INDICATOR 2 2 10 Number of training sessions for farmers and local institutions' personnel
INDICATOR 2 2 11 Number of farmers reporting their knowledge of improved NRM techniques

IR 2 3 Increased access to commodity and input markets

IR 2 4 Increased access to capital

INDICATOR 2 4 1 Number of loans processed in KAED participating villages

SO3

Increased Liberalization of the Markets for Agricultural and Natural Resources-Based Projects

SO Indicator 3 0 Reduced marketing margins

IR 3 1 Decreased government regulations

INDICATOR 3 1 1 Deregulation of prices for broken rice
INDICATOR 3 1 2 UPA reorganized and functions effectively

IR 3 2 Increased private sector participation

INDICATOR 3 2 1 Elimination of CSPP from rice imports, handling, and marketing
INDICATOR 3 2 2 Installation of a functioning rice market information system

SpO:

Decentralization of State Authorities and Resources and Improved Transparency and Efficiency in Public Management

3 Institutional Analysis/Key Players

International donors at the Consultative Group meeting in July 1995 pledged approximately $1 5 billion in development assistance to Senegal for the 1995-1997 period During this period, France, Germany, Japan, and Saudi Arabia have been the four largest bilateral donors The

United States has ranked fifth, providing approximately 3 9 percent of the total external assistance to Senegal in 1996 Major multilateral donors have included the IMF, the World Bank, the European Union (EU), and the United Nations Donor coordination is generally good, with USAID and the World Bank cooperating very closely in several programs

National

- Ministry of Health and Social Action (MOHSA) The Ministry has recently developed a National Health Development Plan (PDIS) that covers all of its national priorities and enlists the participation of all donor agencies in jointly funding its five-year plan Implementation of the PDIS is intended to improve government partnerships between MOHSA and local authorities as part of the new decentralization process The PDIS also provides a common "road map" for all health sector donors, PVOs, and other partners, which should help improve coordination and the delivery of services within the sector
- National Family Planning Program (PNPF) The PNPF is the GOS counterpart agency for family planning activities
- CONSERE and CSE CONSERE has served as the GOS environmental policy body and has received considerable support from USAID through the U S Geological Survey and its EROS Center CSE has served as the Government's center for ecological monitoring The two agencies have now been merged as the result of a GOS decision in late 1997 CONSERE recently led a two-year participatory process that produced and validated Senegal's National Environmental Action Plan (NEAP) beginning in September 1997
- ISRA This agency serves as the Government's agricultural resource center
- Partnerships for Health Reform (PHR) PHR has worked with USAID in undertaking an important study on the impact of decentralization on the health sector

International

- International Monetary Fund The IMF has provided Senegal with a three-year Enhanced Structural Adjustment Facility (ESAF) to support its adoption of a comprehensive adjustment strategy Senegal has made substantial macroeconomic and structural policy achievements during the three-year period that this ESAF has been in effect
- World Bank World Bank activities in Senegal have emphasized private sector development, social sector development, public administration reform, and reforms that aim to improve the quality of service in the power sector Its current portfolio includes 16 projects with a commitment value close to $500 million Along with USAID, the World Bank has been a major donor in the field of population It has worked to strengthen the National Family Planning Program and to expand reproductive health services provided by the private sector It has also worked closely with AGETIP to combat growing unemployment Recently, the Bank approved a $75 million equivalent credit for a new Urban Development and Decentralization project that will help shift responsibility and accountability for the provision and maintenance of urban infrastructure from the central government to each of Senegal's 60 individual municipalities The project will support efforts to simplify the financing of urban investments, improve municipal management, and provide basic infrastructure in both urban and rural communities

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- European Union (EU) The EU has been an important donor in the sectors for agriculture and natural resource management It has also funded several studies related to improving neighborhood environments through community empowerment and participation
- United Nations (UNDP, UNFPA, FAO, WHO, etc) Several UN agencies have been actively involved in Senegal UNFPA, for example, has worked very closely with USAID and the World Bank in population activities It is now implementing a fourth cycle of assistance that is aimed at helping the Government attain the national objectives established by the Population Policy Declaration of July 1995
- African Development Bank (AfDB) The AfDB recently funded a project to improve the socioeconomic situation of women and children in five regions of the country
- African Development Foundation (ADF) ADF is a U S public corporation and federal agency whose activities in Senegal have focused on empowering grassroots organizations to improve socioeconomic conditions, promote participatory development, and achieve sustainable economic growth Since 1986, ADF has funded 34 projects totaling more than $4 million Initially, ADF aid was focused almost entirely on agriculture, but more recent attention has been given to activities related to micro- and small enterprise development ADF's proposed budget for FY98 was $650,000

Local/Local Government

- Local Governments Local governments have increased their importance as development partners due to the genuine steps taken by the central government to decentralize decision making and accountability to these local constituencies

Relevant USAID Contractors

- Management Sciences for Health This contractor has helped USAID implement family planning programs
- Population Services International, John Snow, Incorporated, and Futures Group All of these contractors have assisted USAID in implementing its family planning and AIDS-related programs and activities
- South-East Consortium for International Development, Consortium for International Development, Development Alternatives Inc , and U S Geological Survey EROS Data Center All of these contractors, grantees, and agencies have assisted USAID in implementing its AG/NRM activities

NGOs/Others

- **The Rodale Institute** Since 1988, this NGO has worked with the Senegalese Institute for Agronomic Research on the development of practical programs for soil regeneration It has implemented parallel programs in the composting of urban waste and home gardening in eight cities These programs have trained people to compost their own gardens and/or to start small compost producing enterprises that can market this type of fertilizer to small-scale farmers Household waste collected by several municipalities has also been successfully used to fertilize nearby fields for millet and sorghum

- ENDA GRAF This NGO has focused its attention on poverty alleviation and has made a successful transition from dependence on expatriate funding to local ownership based on local savings and credit funds Under this new approach, money obtained from "savings and credit outlets" in public market places is reinvested into local communities based on member priorities The success and rapid expansion of the scheme led several municipalities to delegate certain public functions to the organization With this growth and sophistication, ENDA was required to change its management culture to allow the integration of other parties through joint ventures ENDA GRAF is now working internationally to replicate its approach to other countries
- Local Health NGOs USAID is currently working with seven small Senegalese NGOs in the implementation of its health programs
- AFRICARE This international PVO is working with USAID to implement its population and national resource management programs
- Winrock This company is also assisting USAID in implementing its programs for natural resource management

4 Status of USAID/Senegal Program and Opportunities for Urban Activities

USAID/Senegal has achieved considerable success in implementing the Strategic Objectives of its current Country Strategy Plan Overall results for SO1, for examples, have exceeded expectations, with many of the planned targets either ahead of schedule or greater than those established for the End of Program (EOPs) Significantly, the nationwide Total Fertility Rate (TFR) has decreased from 6 0 in 1992 to 5 7 in 1996, while the Contraceptive Prevalence Rate (CPR) for 1996 increased to 7 1 percent for the country as a whole and to a high of 19 3 percent in urban areas Infant/child mortality from diarrhea and dehydration, the major focus in terms of USAID child survival programs, has improved in USAID focus regions through the provision of trained staff and proper equipment Despite overall success, application of the 1997 Decentralization Law launched immediate and profound changes in the way that MOSHA's regional and district operation plans were funded and monitored with local officials

Implementation of SO2 has also fulfilled its expectations Success under this SO has included completion and validation of the country's NEAP, increased adoption and spread of key NRM practices, improved income generation and quality of life from NR-based enterprises, continued high credit repayment rates, establishment of the empowerment-ownership-sustainability triad, enhanced capacities of both GOS and NGO institutions related to the NR sector, and the production of several land use management plans

Under SO3, USAID has been instrumental in helping the GOS design and implement the Rice Sector Adjustment Program (RSAP) initiated in February 1994 as part of a multidonor, agricultural sector adjustment program led by the World Bank The RSAP was specifically designed to allow prices to perform as responsive resource allocation signals in the market place by eliminating administrative pricing mechanisms and virtually all direct government involvement in purchasing, importing, storing, processing, and/or distributing rice To date, USAID/Senegal,

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IBRD, the Ministry of Finance, and others view the RSAP program as an outstanding success The rice sector has been privatized and liberalized and is now functioning smoothly The launching of the Rice Marketing Information System (RMIS) in June 1997 provides timely, reliable, and regular information to all market participants concerning the status of national and international rice markets The RMIS is now a cornerstone in the consolidation and sustainability of rice market liberalization in Senegal Application of a Policy Analysis Matrix (PAM) has created a clearer understanding of the technical and economic factors that underlie the relative profitability of rice and other major commodity production systems in the region

The Mission's Special Objective (SpO) for Democracy and Government (D/G) seeks to decentralize state authorities and resources and to improve the transparency and efficiency in public management Until now, this SpO has furthered a cross-cutting theme with only a very limited budget It has been present, however, in virtually all of USAID/Senegal activities Beginning in FY 1999, however, this SpO will become a full-scale SO with four IRs and a proposed annual budget close to $7 million per year for the eight-year period of the CSP This new SO will assist the GOS in decentralization through training, observational tours, medium-term technical assistance, and regional conferences The Mission already plans to fund a major workshop on financing decentralization and to help train newly elected regional, municipal, and rural representatives in the assumption of their duties and responsibilities

5 Proposed Urban Activities and Approach

The proposed activity areas relate to the following five areas identified for emphasis by the RUDO

1 Coordination and Support for Environmental Health Agencies
2 Support for Democracy through Improved Service Delivery
3 Focus on Fiscal and Financial Implications of Democracy-Building
4 Support for Local Government Economic Growth Activities
5 Support for Microenterprises in Urban Environmental Service Provision and Privatization

It has been noted where the proposed activities directly relate to one or more of the aforementioned areas

The following table briefly summarizes some of the Mission's key activities and provides some initial suggestions for potential urban program opportunities that could support these activities and potentially improve their results Given that FY 1998 is a transition year between the current and a new CSP, opportunities exist to reinforce the results of the previous program as well as more directly support Mission activities over the next couple of years

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Key Mission Activity	Urban Program Opportunity
Decreasing family size (this activity will likely continue as one of the two main SOs in the new CSP) USAID/Senegal has been involved very actively in strengthening public and private family planning services in both urban and rural areas There is continuing need to reduce fertility and to slow population growth A better understanding of the impact of settlement size infrastructure, and community services on fertility reduction would help the Mission build on its previous success and target its future activities more effectively USAID RUDOs already have obtained the basic experience and training tools (in French from Tunisia) to undertake Community Involvement in Management of Environmental Pollution (CIMEP) programs aimed at helping low-income populations identify the sources of their environmental health problems and to take responsibility and ownership for their solution The CIMEP methodology is a community-based approach that governments can employ to develop solutions for the ever-growing environmental health problems within low-income communities	• A review of urban environmental causes of child disease and mortality would help reinforce previous Mission efforts and increase the positive impact and sustainability of ongoing health and urban infrastructure programs *(Coordination and Support for Environmental Health Agencies)* • Apply CIMEP approach to foster negotiations between government and these local communities and to ensure that various actions are carried out Successful results depend on forming new partnerships among the public sector, communities, and NGOs CIMEP provides the means to develop these collaborative relationships and the trust to make them work • The World Bank is very active in family planning issues in Senegal Potential projects could be designed to enhance Mission, as well as Bank, programs

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Key Mission Activity	Urban Program Opportunity
Increasing crop productivity through improved management of natural resources in zones of reliable rainfall (this activity is likely to be continued as part of new SO to Halt the Deterioration of the Environment)	
As transition from subsistence to commercial agriculture continues, the backward, forward, and lateral linkages between urban and rural areas will intensify The need for a very integrated marketing system in which market towns and secondary cities play a crucial role in organizing and providing access to this system is very strong Greater commercialization and diversification of agriculture requires a well-functioning network of towns and cities that serve as distribution centers and enable farmers to trade their agricultural goods and products with people coming from wider areas and longer distances Cities and towns also provide important marketing facilities and services, means of transport and communication networks of social and health services, and access to financing and credit systems that need to be developed and supported Within any settlement framework, there is a need for a well-developed and integrated system of market towns that can concentrate essential services and facilities required by the surrounding rural population Market towns need a critical mass of these services, facilities, and enterprises in order to function effectively as centers for the exchange, bulking and distribution of agricultural products for the generation of off-farm employment, and for administrative, commercial, and social services An area of particular concern for fast-growing medium-sized and market towns involves land use planning around the urban periphery	• Identify and provide the necessary agriculture-supporting infrastructure in these towns and cities that cannot be provided by the private sector alone It is important to identify initial needs so that private sector investment will follow *(Support for Local Government Economic Growth Activities)* • Municipalities could be trained in new approaches to urban land use planning that encourage and incorporate urban farming, wetland reclamation, biodiversity, and environmental education and research Assistance to interested farmers in improved NRM techniques would be coupled with new land use approaches that would allow these farmers to stay in business *(Support for Local Government Economic Growth Activities)*

Key Mission Activity	Urban Program Opportunity
Liberalizing markets for agricultural and natural resource-based products There is now a need to make the application of adopted policy and market reforms work as well as possible Impacts from the PAM on the flow of goods, settlement patterns, and requirements for urban infrastructure and services should be carried out to help maximize benefits from responding to market forces PAM results, for example, have shown that rice production is profitable in a much smaller area than previously believed, and that more land can to be devoted to the production of alternative crops Agriculture and market town studies should go hand in hand in determining areas to be cultivated for these alternative crops	• Provide urban development assistance to key market towns and distribution centers that make key contributions to the improved processing and distribution of agricultural products *(Support for Local Government Economic Growth Activities)* • An analysis of the directional flows of major agricultural products (e g , rice) and the functioning of various settlements along the major paths would be very useful in addressing existing constraints and bottlenecks *(Support for Local Government Economic Growth Activities)*
Supporting decentralization USAID's portfolio is currently structured to encourage the empowerment of farmers, PVOs, and NGOs in decentralizing the management of natural resources, health and family planning activities The Mission's effort has been devoted largely to structural reform, transparency, and privatization Given formal GOS adoption of the 1997 Decentralization Law, this SpO will become a major SO in the new CSP for the period 1998-2006 Requested funding levels will be around $7 million per year Under the new program, USAID will provide training, observational tours, medium-term technical assistance, and regional conferences to help newly elected regional and local representatives assume their full duties and responsibilities	• Depending on the status of this Special Objective, it may be possible for the RUDO to assist the Mission with the design and implementation of the new SO The RUDO could provide support both at the programmatic level and at the administration/ management level — specifically with programs to decentralize responsibility for and improve service quality of solid waste management and water supply and treatment *(Support for Democracy through Improved Service Delivery)* • Provide support for democracy and governance through greater community participation in the management of local, natural resources, in municipal decision making and in the provision of urban infrastructure and services Technical assistance and training should be provided to local authorities and communities in each of these areas The CIMEP methodology can again be used to encourage community involvement *(Support for Democracy through Improved Service Delivery)* • The World Bank is implementing projects in urban development, private sector development, and decentralization RUDO activities in these areas could be structured to support ongoing Bank projects

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Attachments

1 USAID 1999 Congressional Presentation

2 Senegal Chapter from CIA World Factbook, 1997

3 "Senegal Growing, but Still Poor " The World Bank Group

Note This document may not always reflect the actual appropriations determined by Congress Final budget allocations for USAID's programs are not determined until after passage of an appropriations bill and preparation of the Operating Year Budget (OYB)

SENEGAL

	FY 1997 Actuals	FY 1998 Estimate	FY 1999 Request
Child Survival and Disease	2,300,000	$2,100,000	$5,935,000
Development Assistance	$18,900,000	$15,200,000	$18,591,000
P L 480 Title II	$72,000	---	---

Introduction

Senegal is one of America's most important francophone partners in sub-Saharan Africa Largely Moslem, politically stable, and a multiparty democracy, it is a moderate secular nation A voice of moderation on peace in the Middle East and conflict resolution in Africa, Senegal has demonstrated commitment and professionalism in peace keeping operations in, among other places, Bosnia, Liberia, Rwanda, the Sinai, and Lebanon Senegal was the first sub-Saharan country to volunteer forces for Operation Desert Storm Senegal is also a charter member of the U S -proposed African Crisis Response Initiative Senegal's 35 years of political stability, its increasing political pluralism, and good record on human rights buttress partnership with the United States

Development Challenge

Long recognized as a "democratic model" in Africa, Senegal is still among the world's least developed countries Despite its political stability and relatively modern capital city, Senegal's economic growth has only recently improved and it has virtually been negated by high population growth -- currently 2 7% or doubling every 26 years Per capita gross domestic product (GDP), $534 in 1997, has stagnated since independence Sustainable economic growth is essential for Senegal to maintain its stability and to continue its democratic evolution Strong structural adjustments, including a 50% devaluation of currency in 1994 and recent efforts to privatize and liberalize the economy, have shown Senegal's resolve Inflation is about 3%, and Senegal's external debt has decreased in recent years to approximately $3 1 billion (66% of GDP) as of December 1997 While economic growth is now positive, it is not yet strong enough at 5% to have a substantial impact on per capita incomes Senegal needs to create an environment conducive to generating additional employment and higher incomes
Senegal's deteriorating natural resource base continues to be a major concern The Sahelian ecosystem is vulnerable to erosion, droughts, deforestation and locusts In spite of its relatively small share of GDP (20%), agriculture is still the principal source of income for about 60% of the population Yet annually, one-third of Senegal's cereal needs must be met by imports Improvements in crop yields have kept up with the population growth rate, but not closed the gap in food grain needs Only 19% of Senegal's land is suitable for agriculture, and only 1 5% is currently irrigated In addition, an overall decline in rainfall over the past 30 years, as well as the fact that 57% of energy needs is supplied by fuelwood and charcoal, translate into extreme pressure on natural resources

Social services in Senegal remain extremely limited, especially for women and children Maternal mortality is high (510 per 100,000 live births), and many infants die of preventable diseases The country

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suffers from relatively high childhood mortality rates (139 per 1,000), and women still bear on average 5 7 children each Life expectancy is 50 years, with half the population under 18 years old
Senegal's Socialist Party has been continuously in power since before Independence, and the Presidency has not changed in 18 years The disorderliness of local and regional elections in November 1996 cast a shadow over democratic procedures and has heightened awareness of the need to assure a more transparent process in the future The 1996 Decentralization Law was a major step toward

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democratization by creating regional and local elected bodies to decentralize political decisions Success of this ground-breaking experiment will depend on how well the new political institutions can mobilize local revenues and manage their natural resources

USAID experience in Senegal has yielded a number of successes While graduation from USAID assistance is not anticipated within the next ten years, our successes demonstrate that we are moving toward that end USAID has been and will remain the preeminent donor in the family planning sector Declines in infant mortality and the low incidence of Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome (HIV/AIDS) are largely attributed to USAID assistance USAID also can be credited with an increased emphasis on preventive as opposed to curative health care USAID also played a major part in increasing the private sector's role in the economy As an example, the private sector, not the government-owned corporations, now controls the supply and pricing of rice, which is Senegal's largest grain import When prices start to rise, the private sector responds with additional imports to assure a regular supply of rice Privatization of the Senegalese national airlines, vegetable oil processing, and a hotel are planned for 1998

In the management of natural resources, USAID efforts have helped formulate a National Environmental Action Plan, and put in place local natural resource management (NRM) committees Those who use the land are now in a position to make sure that it is sustainably maintained In the area of democracy and good governance, USAID assisted with voter education for the first-ever election of the newly created local and regional positions Many problems were avoided and others identified, which led to the creation of the National Observation of Elections, a neutral body charged with monitoring the next elections

1998 will be a crucial year for Senegal Senegal needs another International Monetary Fund stand-by agreement conditioned upon tight fiscal policies, yet there will be great pressures to increase public spending prior to the May 1998 national legislative elections

Other Donors

The donor community is large and pledges about $500 million per year, which funds 60% of Senegal's investment budget The next Consultative Group meeting is slated for March 1998, at which further debt relief, among other topics, will be discussed USAID provided approximately 4% of total external financing assistance to Senegal in 1997, placing the United States as the sixth largest bilateral donor (behind France, Germany, Japan, Taiwan and Saudi Arabia) and the ninth largest donor overall Other major funders are the World Bank, European Union, and the International Monetary Fund These donors are active in sectors assisted by USAID, but they also cover those that USAID does not, such as education and physical infrastructure USAID is at the forefront of donor coordination, particularly in the areas of economic liberalization, family planning and HIV/AIDS, good governance, and natural resource management

FY 1999 Program

Senegal's new 1998-2006 strategy will take effect Its focus is on the opportunities created by Senegal's recent macro-economic reforms and passage of the 1996 Decentralization Law During FY1999, USAID will focus on resolving three problems critical to Senegal's future 1) USAID will increase sustainable private sector income-generating activities 2) USAID will foster more effective, democratic, and accountable local management of services and resources 3) USAID will increase sustainable use of reproductive health services (child survival, maternal health, family planning, and prevention of sexually transmitted diseases (STD/AIDS)) in the context of decentralization in targeted areas

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SENEGAL

FY 1999 PROGRAM SUMMARY

(in thousands of dollars)

USAID Strategic and Special Objectives	Economic Growth & Agriculture	Population & Health	Environment	Democracy	Human Capacity Development	Humanitarian Assistance	TOTALS
S O 1 Sustainable Increases in Private Sector Income Generating Activities in Selected Sectors - DA	4,900	---	1,620	200	---	---	6,720
S O 2 More Effective, Democratic & Accountable Local Management of Services & Resources in Targeted Areas - DA	1,500	---	1,620	1,700	---	---	4,820
S O 3 Increased and Sustainable Use of Reproductive Health (Child Survival, Maternal Health, Family Planning, and STD/AIDS) Services in the Context of Decentralization in Targeted Areas - CSD - DA	--- ---	5,935 6,951	--- ---	--- 100	--- ---	--- ---	5,935 7,051
Totals -CSD - DA	--- 6,400	5,935 6,951	--- 3,240	--- 2,000	--- ---	--- ---	5,935 18,591

USAID Mission Director, Anne M Williams

ACTIVITY DATA SHEET

PROGRAM SENEGAL
TITLE & NUMBER Sustainable Increases in Private Sector Income Generating Activities in Selected Sectors, 685-SO01
STATUS New

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PROPOSED OBLIGATION & SOURCE OF FUNDING FY 1999 $6,720,000 DA
INITIAL OBLIGATION FY 1998, **ESTIMATED COMPLETION DATE** FY 2006

Purpose To achieve sustainable increases in private sector income-generating activities in selected sectors

USAID's Role and Achievements to Date In October 1998, USAID will begin implementing its new strategy building on the successes of past USAID-funded activities These include, inter alia (a) pursuing a policy dialogue with the Government of Senegal (GOS) which has already significantly liberalized the marketing of rice, ending government controls and artificial shortages or surpluses, (b) financing micro- and small businesses through building sustainable savings and credit systems, as successfully completed in Kaolack, Senegal, (c) institutionalizing village banks with a focus on financial services for women as begun under USAID's non-governmental organization support activity, and d) providing credit, technical assistance and business, entrepreneurial, literacy, and numeracy training to farmers for the development of natural resource management (NRM) based enterprises as a way of stimulating incomes as initiated in various USAID training activities

Description Not only is USAID embarking on new activities under its new strategy, but it will also use a new mode of implementation In addition to traditional detailed assessments of the private sector environment to define specific activities, USAID will emphasize soliciting the needs and participation of Senegalese organizations (thus creating ownership and increasing the likelihood of sustainable development) USAID's new Strategic Plan has already identified three major groups of results that will be attained during the next eight years

First, the legal, regulatory and policy environment will be improved to promote income-generating activities by
* Enhance the policy and regulatory framework based on an "Investment Barrier/Road Map Survey" that USAID is completing in collaboration with other donors , and
* Adapting judicial process to business needs, e g promoting private arbitration centers

A proposed activity for achieving these results is the completion of an Investment Barrier/Investment Road Map Survey, which would document bureaucratic red tape that should be reduced Other activities under consideration include training judges in commercial law and supporting private Arbitration Centers

Second, access to financial services will be improved by
* Expanding and strengthening the Decentralized Financial System (DFS), * Increasing client awareness of financial instruments, * Reducing financial risk, and * Mobilizing more savings

Proposed activities include (1) expanding village banks with a focus on financial services for women, (2) technical assistance to train managers of financial services, expand savings services, and enforce regulation, and (3) implementing a loan guarantee mechanism to increase access to formal bank services by lowering banks' perceived risk in lending small amounts to new clients

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Third, the use of improved technical and managerial practices will be increased, with a focus on
* Increasing access to information, * Increasing use of appropriate technologies for Small and Medium Enterprise (SME) development and NRM practices, and
* Strengthening private businesses, associations, and groups

Proposed activities include (1) training in entrepreneurship, management, and business plan development, (2) training to improve professional associations, (3) public education campaigns on the benefits of free markets and the appropriate role for government In the Natural Resource Management (NRM) sector, activities will continue to focus on dissemination of improved NRM technologies and the translation of NRM-based initiatives into viable profit-making enterprises

Host Country and Other Donors The GOS has demonstrated its commitment to private sector development through a comprehensive package of policy reforms These have included a 50% CFAFr (West African Monetary Union Franc) devaluation, price and trade liberalization, reform of the labor code, and the

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abolition or renegotiation of special agreements under which the GOS conferred special protection, subsidies and tax exemptions to certain enterprises A special provision in the tax code has also encouraged groups of entrepreneurs to form Economic Interest Groups, which essentially are micro-enterprises or cooperatives

The World Bank, the International Monetary Fund (IMF), and France are the leading donors for Senegal's private sector The World Bank-supported programs aim at encouraging competition, liberalizing the sector, and reducing energy costs, major obstacles to the sector's growth In 1997, the International Finance Corporation opened an office in Dakar to respond to financial needs of SMEs

After successfully completing its 1994-1997 Enhanced Structural Adjustment Facility (ESAF), the IMF is considering in early 1998 a new program that centers on a "new generation of reforms" with a declared objective of promoting the private sector, alleviating poverty, and strengthening governance
Other key donors include the African Development Bank, the European Union, the International Fund for Agricultural Development, the United Nations Development Program, the West African Development Bank, Canada, Germany, and Italy USAID will take a lead role in donor coordination over the next few years

Beneficiaries This strategic objective will support promising income-generating activities that will target youth and women in rural, urban, and peri-urban areas Primary beneficiaries include (1) individuals and community groups engaged in private enterprise activities, (2) NRM-based enterprises, (3) micro-enterprises (employing up to ten people with modest investment), and (4) SMEs employing 5 to 100 employees with under $800,000 in equity

Principal Contractors, Grantees or Agencies Development Alternatives, Inc has been instrumental in policy reform in the rice sector Africare's current grant ends in September 1998, but USAID will encourage Historically Black Colleges and Universities (HBCUs) and other disadvantaged organizations to join in partnership with USAID to achieve some of the results mentioned above Awards will be also made to Senegalese organizations in order to develop local capacities

Major Results Indicators

Sustainable increases in private sector income generating activities in selected sectors measured by
The amount of income distributed through activities targeted and/or supported, The number of newly established businesses/SMEs, The number of businesses/SMEs remaining in business at least (a) one, and (b) two years
Baseline data and the exact magnitude of results will be determined in 1998 after the Mission has selected specific locations for its work

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ACTIVITY DATA SHEET

PROGRAM SENEGAL
TITLE & NUMBER More Effective, Democratic, and Accountable Local Management of Services and Resources in Target Areas, 685-SO02
STATUS New
PROPOSED OBLIGATION & SOURCE OF FUNDING FY 1999 $4,820,000 DA
INITIAL OBLIGATION FY 1998, **ESTIMATED COMPLETION DATE** FY 2006

Purpose To achieve more effective, democratic, and accountable local management of services and resources in targeted geographic areas

USAID's Role and Achievements to Date USAID's new strategy (to begin in October 1998) builds upon the success of the current program The Community-Based Natural Resources Management program is working in 15 communities to help villagers develop land use management plans The Kaolack Agriculture Enterprise Development project has aided organizations in 56 villages to create new income generating activities The Southern Zone Water Management Project has established over 70 village water committees that equitably and profitably control water allocation from newly built dikes USAID also helped establish

the National Environmental Action Plan and a national committee that coordinates actions to sustainably manage Senegal's natural resources Two multi-country seminars held in Senegal recently with USAID assistance focused on the nature and extent of corruption USAID also helped to improve the management of local and regional elections by providing voter education materials

Description USAID's new Strategic Plan has identified four major groups of results that will be attained during the next eight years

First, the capacity of local institutions will be increased, with a focus on
* Improving managerial, leadership, planning, and analytical skills,
* increasing access to good information through as many media as possible, and
* Improving systems for transfer of information and human resources from national to local levels

Second, access to financial resources will be increased This is essential because the demand for resources at the local level far exceeds the amount that the central government can provide Activities will focus on * Improving systems for the transfer of funds from national to local levels, * Improving management and enforcement of tax collection procedures, and * Improving implementation of a policy and legal framework for local government authority to raise revenues

Third, popular participation in the management and oversight of local affairs will be increased by
* Establishing multiple and regular channels for citizen access to information, and * Informing and strengthening local development groups including local media concerned with good governance

Fourth, implementation of policies and regulations related to decentralization will be made more effective by
* Improving coordination systems among levels of local government, and * Increasing knowledge of decentralization texts and related legislation through various channels including local media

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Host Country and Other Donors The GOS passed a landmark decentralization law in 1996, marking a turning point in Senegal's devolution of authority and transfer of technical competence to local governments and new regional councils In 1996, a donor coordination committee on decentralization was established under the leadership of the Canadian International Development Agency Canada's assistance focuses initially on fiscal discipline and financial transfers among levels of government, and training for the national association of newly elected regional officials The European Union is providing equipment to the new local governing bodies as well as helping with information systems The French, upon whose governing system the decentralization law was modeled, are providing training and equipment The United Nations Development Program, the World Bank, the Netherlands, and the German Friedrich Ebert Foundation are also providing training to newly elected officials, while Germany's technical assistance agency, GTZ, is conducting literacy programs

Beneficiaries This strategic objective will essentially benefit (1) local government institutions and other groups in Senegal's 10 regions, 60 urban communes, and 320 rural communities, (2) youth associations, (3) women's groups, (4) expatriate Senegalese associations who send money back to their Senegalese families and communities, (5) Senegal's journalists and local media, and (6) local and regional unions and federations

Principal Contractors, Grantees or Agencies Through the end of October 1998, Africare, the South-East Consortium for International Development (SECID), the Earth Research Observation System (EROS), and the International Foundation for Election Systems (IFES) will continue to provide assistance Under the new strategy, new contracts/grants will be competed and awards will also be made to Senegalese organizations in order to develop local capacities

Major Results Indicators
* Proportion of citizens who benefit from programs provided by local governments,
* Proportion of local governments implementing land use management plans,
* Proportion of local governments implementing 90% of their planned budgets, and

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* Proportion of local governments in which 60% of eligible voters participate in local elections

Baseline data and the exact magnitude of results will be determined in 1998 after the Mission has selected specific locations for its work

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ACTIVITY DATA SHEET

PROGRAM SENEGAL
TITLE & NUMBER Increased and Sustainable Use of Reproductive Health (Child Survival, Maternal Health, Family Planning, and Sexually Transmitted Diseases (STD)/AIDS) Services in the Context of Decentralization in Targeted Areas, 685-SO03
STATUS New
PROPOSED OBLIGATION & SOURCE OF FUNDING FY 1999 $5,935,000 CSD, $7,051,000 DA
INITIAL OBLIGATION FY 1998, **ESTIMATED COMPLETION DATE** FY 2006

Purpose To increase use and sustainability of selected primary health care services to decrease infant and child mortality, reduce fertility, and stabilize STD/AIDS prevalence rates, working in both public and private sectors

USAID's Role and Achievements to Date Past USAID investments in the population and health sector in Senegal have contributed to some remarkably good results A leading donor in the population and family planning sector, USAID has provided improved service delivery and information As result, Senegal's total fertility rate declined from 6 6 to 5 7 between 1986 and 1997 USAID's Child Survival activities have helped significantly to decrease the child mortality rate from over 250 to 139 per 1,000 between the 1960s and 1996

Since 1980, USAID has been instrumental in assisting the Government of Senegal (GOS) to contain the expansion of HIV/AIDS through a combination of early and aggressive control efforts, including the involvement of religious, political and traditional leaders, intensive information campaigns for greater condom use among young adults, and an effective epidemiologic surveillance system for high-risk groups Senegal presently has one of the lowest levels of prevalence (about 1 4%) and incidence of HIV infection in Africa

Description To combat Senegal's high maternal and child mortality rates, USAID interventions will focus on selected services that reflect priorities established by the GOS in its 1998-2002 national plan The program will emphasize reproductive health and safe motherhood services as summarized below

Child Survival activities will include vaccination, control of diarrheal diseases, nutrition, exclusive breastfeeding, acute respiratory infection, and malaria

Maternal Health activities will include family planning, prenatal visits, assisted deliveries, and post-natal services

STD/AIDS activities will include treatment of sexually transmitted infections, epidemiologic surveillance of HIV and STDs, and Information, Education and Communication activities

It is anticipated that the program will result in a doubling of levels of use for these key services by improving the access to, the demand for and the quality of the services For long-term sustainability of the service system, USAID will improve the effective mobilization and use of internal resources for a better balance between external funds, the GOS central health budget, and local-level tax and consumer cost-recovery sources

In addition, USAID will reinforce its emphasis in recent years on stimulating private and voluntary-sector initiatives (e g social marketing of condoms) to enhance Senegal's political and administrative decentralization

Host Country and Other Donors At least 16 donors including the World Bank, Japan, France, the European Union currently contribute in the sector Under the GOS national health plan for the period 1998-2002, it is estimated that the GOS will cover about 60% of the planned health budget by providing human and material resources, while donors will fund about 30% of the budget mostly for preventive health and family planning Cost-recovery systems will contribute the remaining 10%

The national health plan provides an assessment of needs, the duration of interventions and results expected, and the location and costs of interventions so that donors can select their areas of assistance based on their comparative advantages A formal institution is being developed to monitor and coordinate assistance, serving as the liaison between donors and the Ministry of Health on a daily basis

Beneficiaries The program will benefit three (3) categories of the Senegalese population (1) 1 6 million children under five will be the primary beneficiaries of the child survival activities, (2) couples and individuals, specifically women of reproductive age, will be targeted as main beneficiaries of the family planning and maternal health activities, and (3) 1 5 million sexually active persons at high risk of contracting HIV/AIDS in urban and peri-urban areas will be targeted as direct beneficiaries of the STD/AIDS component of the program

Principal Contractors, Grantees or Agencies Contracts and grants under the current strategy end September 30, 1998 New ones will be issued in early FY 1999 USAID anticipates awarding contracts and grants to U S -based organizations, including an emphasis on Historically Black Colleges and Universities and disadvantaged firms

Major Results Indicators While a firm estimate of the magnitude of impact in the targeted areas of intervention can only be made after USAID has selected these areas on a demand-driven basis, it is expected that the USAID program will contribute to the achievement of the following nationwide results

	Baseline (1996)		Tar (
Prevalence (%) of use of modern contraceptives	8	9	15
Percentage of population reporting condom use with non-regular partner	29	33	51
Percentage of pregnancies receiving at least one prenatal visit	82	85	98
Percentage of children fully vaccinated by age one		39	45
Rate (%) of use of oral rehydration therapy		33	35
Rate (%) of exclusive breastfeeding		14	15

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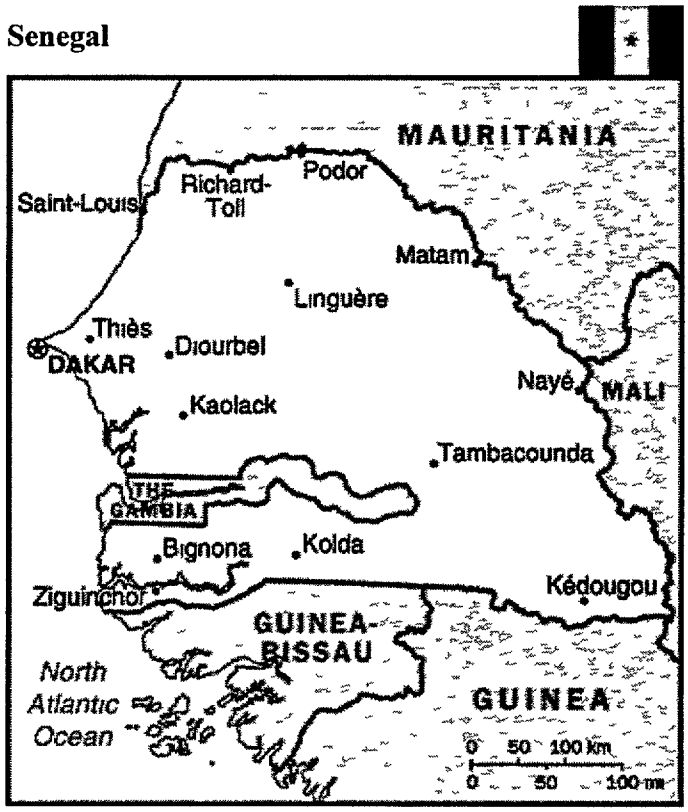
Senegal



Geography

Location Western Africa, bordering the North Atlantic Ocean, between Guinea-Bissau and Mauritania

Geographic coordinates 14 00 N, 14 00 W

Map references Africa

Area
total 196,190 sq km
land 192,000 sq km
water 4,190 sq km

Area - comparative slightly smaller than South Dakota

Land boundaries
total 2,640 km
border countries The Gambia 740 km, Guinea 330 km, Guinea-Bissau 338 km, Mali 419 km, Mauritania 813 km

Coastline 531 km

Maritime claims
contiguous zone 24 nm
continental shelf 200 nm or to the edge of the continental margin
exclusive economic zone 200 nm
territorial sea 12 nm

Climate tropical, hot, humid, rainy season (May to November) has strong southeast winds, dry season (December to April) dominated by hot, dry, harmattan wind

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Terrain generally low, rolling, plains rising to foothills in southeast

Elevation extremes
lowest point Atlantic Ocean 0 m
highest point unnamed location in the Futa Jaldon foothills 581 m

Natural resources fish, phosphates, iron ore

Land use
arable land 12%
permanent crops 0%
permanent pastures 16%
forests and woodland 54%
other 18% (1993 est)

Irrigated land 710 sq km (1993 est)

Natural hazards lowlands seasonally flooded, periodic droughts

Environment - current issues wildlife populations threatened by poaching, deforestation, overgrazing, soil erosion, desertification, overfishing

Environment - international agreements
party to Biodiversity, Climate Change, Desertification, Endangered Species, Hazardous Wastes, Law of the Sea, Marine Life Conservation, Nuclear Test Ban, Ozone Layer Protection, Wetlands
signed, but not ratified Marine Dumping

Geography - note The Gambia is almost an enclave of Senegal

People

Population 9,403,546 (July 1997 est)

Age structure
0-14 years 48% (male 2,259,765, female 2,270,363)
15-64 years 49% (male 2,190,263, female 2,418,385)
65 years and over 3% (male 130,742, female 134,028) (July 1997 est)

Population growth rate 3 35% (1997 est)

Birth rate 44 91 births/1,000 population (1997 est)

Death rate 11 4 deaths/1,000 population (1997 est)

Net migration rate 0 migrant(s)/1,000 population (1997 est)

Sex ratio
at birth 1 03 male(s)/female
under 15 years 1 male(s)/female
15-64 years 0 91 male(s)/female
65 years and over 0 98 male(s)/female
total population 0 95 male(s)/female (1997 est)

Infant mortality rate 62 6 deaths/1,000 live births (1997 est)

Life expectancy at birth

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total population 56 93 years
male 54 15 years
female 59 79 years (1997 est)

Total fertility rate 6 24 children born/woman (1997 est)

Nationality
noun Senegalese (singular and plural)
adjective Senegalese

Ethnic groups Wolof 36%, Fulani 17%, Serer 17%, Toucouleur 9%, Diola 9%, Mandingo 9%, European and Lebanese 1%, other 2%

Religions Muslim 92%, indigenous beliefs 6%, Christian 2% (mostly Roman Catholic)

Languages French (official), Wolof, Pulaar, Diola, Mandingo

Literacy
definition age 15 and over can read and write
total population 33 1%
male 43%
female 23 2% (1995 est)

Government

Country name
conventional long form Republic of Senegal
conventional short form Senegal
local long form Republique du Senegal
local short form Senegal

Data code SG

Government type republic under multiparty democratic rule

National capital Dakar

Administrative divisions 10 regions (regions, singular - region), Dakar, Diourbel, Fatick, Kaolack, Kolda, Louga, Saint-Louis, Tambacounda, Thies, Ziguinchor

Independence 4 April 1960 from France, complete independence was achieved upon dissolution of federation with Mali on 20 August 1960 (The Gambia and Senegal signed an agreement on 12 December 1981 that called for the creation of a loose confederation to be known as Senegambia, but the agreement was dissolved on 30 September 1989)

National holiday Independence Day, 4 April (1960)

Constitution 3 March 1963, revised 1991

Legal system based on French civil law system, judicial review of legislative acts in Constitutional Court, the Council of State audits the government's accounting office, Senegal has not accepted compulsory ICJ jurisdiction

Suffrage 18 years of age, universal

Executive branch
chief of state President Abdou DIOUF (since 1 January 1981)

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head of government Prime Minister Habib THIAM (since 7 April 1991)
cabinet Council of Ministers appointed by the prime minister in consultation with the president
elections president elected by popular vote for a seven-year term, election last held 21 February 1993 (next to be held NA February 2000), prime minister appointed by the president
election results Abdou DIOUF reelected president, percent of vote - Abdou DIOUF (PS) 58 4%, Abdoulaye WADE (PDS) 32 03%, other 9 57%

Legislative branch unicameral National Assembly or Assemblee Nationale (120 seats, members are elected by direct popular vote to serve five-year terms)
elections last held 9 May 1993 (next to be held NA May 1998)
election results percent of vote by party - PS 70%, PDS 23%, other 7%, seats by party - PS 84, PDS 27, LD-MPT 3, AND/JEF-PADS 3, PIT 2, UDS-R 1

Judicial branch under the terms of a reform of the judicial system implemented in 1992, the principal organs of the judiciary are as follows, Constitutional Court, Council of State, Court of Final Appeals or Cour de Cessation, Court of Appeals

Political parties and leaders African Party for Democracy and Socialism or AND/JEF-PADS [Landing SAVANE, secretary-general], Democratic League-Labor Party Movement or LD-MPT [Dr Abdoulaye BATHILY], Democratic and Patriotic Convention or CDP Garab-Gi [Dr Iba Der THIAM], Independent Labor Party or PIT [Amath DANSOKHO], Let Us Unite Senegal (coalition of African Party for Democracy and Socialism and National Democratic Rally), National Democratic Rally or RND [Madier DIOUF], Senegalese Democratic Party or PDS [Abdoulaye WADE], Senegalese Democratic Union-Renewal or UDS-R [Mamadou Puritain FALL], Socialist Party or PS [President Abdou DIOUF], other small uninfluential parties

Political pressure groups and leaders students, teachers, labor, Muslim Brotherhoods

International organization participation ACCT, ACP, AfDB, CCC, ECA, ECOWAS, FAO, FZ, G-15, G-77, IAEA, IBRD, ICAO, ICC, ICFTU, ICRM, IDA, IDB, IFAD, IFC, IFRCS, ILO, IMF, IMO, Inmarsat, Intelsat, Interpol, IOC, IOM, ITU, NAM, OAU, OIC, PCA, UN, UNAVEM III, UNCTAD, UNESCO, UNIDO, UNIKOM, UNMIBH, UPU, WADB, WCL, WFTU, WHO, WIPO, WMO, WToO, WTrO

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Diplomatic representation from the US
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FAX [221] 22 29 91

Flag description three equal vertical bands of green (hoist side), yellow, and red with a small green five-pointed star centered in the yellow band, uses the popular pan-African colors of Ethiopia

Economy

Economy - overview In 1994 Senegal embarked on its most concerted structural adjustment effort yet to exploit the 50% devaluation of the currencies of the 14 Francophone African nations which took place on 12 January of that year After years of foot-dragging, the government passed a liberalized labor code which should lower the cost of labor and improve the manufacturing sector's competitiveness Inroads also have been made in closing tax loopholes, eliminating monopoly power in several sectors, and privatizing state-owned firms At the same time, the government is holding the line on current fiscal

expenditure under the watchful eyes of international organizations on which it depends for substantial support The IMF, in mid-1995, announced that the government met most economic targets as called for in its Enhanced Structural Adjustment Facility agreement and released the second $50 million tranche The country's narrow tax and resource base, environmental degradation, and untamed growth of the population will continue to hold back improvement in living standards over the medium term According to the draft budget, GDP will again rise by 5% in 1997

GDP purchasing power parity - $15 6 billion (1996 est)

GDP - real growth rate 5% (1996 est)

GDP - per capita purchasing power parity - $1,700 (1996 est)

GDP - composition by sector
agriculture 21%
industry 19%
services 60% (1995 est)

Inflation rate - consumer price index 7 8% (1995)

Labor force
total 2 509 million (77% are engaged in subsistence farming, 175,000 wage earners)
by occupation private sector 40%, government and parapublic 60%

Unemployment rate NA%

Budget
revenues $876 million
expenditures NA, including capital expenditures of $NA

Industries agricultural and fish processing, phosphate mining, petroleum refining, construction materials

Industrial production growth rate 2% (1994)

Electricity - capacity 303,440 kW

Electricity - production 1 027 billion kWh (1997 est)

Electricity - consumption per capita 109 kWh (1997 est)

Agriculture - products peanuts, millet, corn, sorghum, rice, cotton, tomatoes, green vegetables, cattle, poultry, pigs, fish

Exports
total value $968 million (f o b , 1995)
commodities fish, ground nuts (peanuts), petroleum products, phosphates, cotton
partners France, other EU countries, Cote d'Ivoire, Mali

Imports
total value $1 22 billion (f o b , 1995)
commodities foods and beverages, consumer goods, capital goods, petroleum products
partners France 30%, other EU countries, Nigeria, Cameroon, Cote d'Ivoire, Algeria, China, Japan

Debt - external $4 1 billion (1995 est)

Economic aid

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recipient ODA, $439 million (1993)

Currency 1 Communaute Financiere Africaine franc (CFAF) = 100 centimes

Exchange rates CFA francs (CFAF) per US$1 - 541 69 (January 1997), 511 55 (1966), 499 15 (1995), 555 20 (1994), 283 16 (1993), 264 69 (1992)
note beginning 12 January 1994, the CFA franc was devalued to CFAF 100 per French franc from CFAF 50 at which it had been fixed since 1948

Fiscal year calendar year

Communications

Telephones 81,988 (1995 est)

Telephone system
domestic above-average urban system, microwave radio relay, coaxial cable and fiber optic cable in trunk system
international 4 submarine cables, satellite earth station - 1 Intelsat (Atlantic Ocean)

Radio broadcast stations AM 8, FM 6, shortwave 1

Radios 850,000 (1993 est)

Television broadcast stations 1

Televisions 61,000 (1993 est)

Transportation

Railways
total 904 km
narrow gauge 904 km 1 000-meter gauge (70 km double track) (1995)

Highways
total 14,580 km
paved 4,214 km
unpaved 10,366 km (1995 est)

Waterways 897 km total, 785 km on the Senegal river, and 112 km on the Saloum river

Ports and harbors Dakar, Kaolack, Matam, Podor, Richard-Toll, Saint-Louis, Ziguinchor

Merchant marine
total 1 bulk ship, 1,995 GRT/3,775 DWT (1996 est)

Airports 17 (1996 est)

Airports - with paved runways
total 10
over 3,047 m 1
1,524 to 2,437 m 7
914 to 1,523 m 1
under 914 m 1 (1996 est)

Airports - with unpaved runways
total 7

1,524 to 2,437 m 5
914 to 1,523 m 2 (1996 est)

Military

Military branches Army, Navy, Air Force, National Gendarmerie, National Police (Surete Nationale)

Military manpower - military age 18 years of age

Military manpower - availability
males age 15-49 1,938,693 (1997 est)

Military manpower - fit for military service
males 1,012,181 (1997 est)

Military manpower - reaching military age annually
males 94,397 (1997 est)

Military expenditures - dollar figure $81 million (1996 est)

Military expenditures - percent of GDP 2 1% (1996 est)

Transnational Issues

Disputes - international short section of boundary with The Gambia is indefinite

Illicit drugs transshipment point for Southwest and Southeast Asian heroin moving to Europe and North America, illicit cultivator of cannabis

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THE WORLD BANK GROUP

Senegal Growing, but Still Poor

Independent since 1960, Senegal was a multiparty state when most of Africa was a vast stretch of single party autocracies The *Parti Socialiste* (PS) of President Abdou Diouf has been in power since independence but successive governments, including the present one, have often included members of opposition parties

About 70 percent of the country's population is rural and farming, particularly groundnut production, is the dominant economic activity The other sectors of the economy include fishing, phosphate mining, tourism, and chemical industries

Senegal at a Glance	
GDP (1997 preliminary estimates US$)	4 85 billion
GNP per capita (1996 US$)	550
GDP Growth (1996 1997 est)	5 6% 5 2%
Population	8 9 million
Population Growth	2 7%
Inflation (1996, 1997 est)	3 8% 2 5%
Gross Primary Enrollment	57%
Female	50%
Life Expectancy at Birth	50 years

Senegal had a checkered history of economic growth between 1960 and 1994 when an exchange rate adjustment of the CFA franc and other reforms helped put the economy on a stronger growth path Prior to the January 1994 devaluation of the franc, the economy suffered from the falling terms of trade of its main exports, groundnuts and phosphates The frequency of debilitating droughts was another factor for a country that depends for over 20 percent of its value added and 60 percent of employment on agriculture, there have been 11 years of severe drought during the last 30 years

Over the past four years, a major improvement in economic policy implementation has occurred and the results so far have been positive Devaluation was accompanied by a comprehensive adjustment and reform strategy aimed at creating the conditions for sustainable growth and poverty alleviation

Supported by adjustment lending from the World Bank and the IMF, the economy has improved remarkably since 1994 Inflation has been brought down from about 32 percent in 1994 to less than 3 percent in 1997 After years of stagnation, GDP increased by 2 percent in 1994 and has averaged around 5 percent during the last three years The fiscal deficit has been reduced from almost 6 percent of GDP in 1994 to less than 1 5 percent in 1997 Despite import liberalization, exports have been growing more rapidly than imports, leading to a significant reduction of the external current account deficit

Despite solid reforms, there are some important problems unemployment remains high, especially for urban youth, and the deterioration in social services has only recently been reversed Senegal has also been unable to attract appreciable levels of foreign direct investment This has been blamed on regulatory and infrastructural constraints, with high costs of such factors of production as electricity, water and transport, and slow progress on public administration reform The World Bank's work in Senegal emphasizes private sector development, social sector development, public administration reform, and reforms that aim to improve the quality of service in the power sector The current portfolio of 16 projects has a commitment value of US$494 1 million

Uganda: Mission Country Strategy and Proposed Urban Activities[1]

1 Introduction

Over the last decade, Uganda has transformed itself from a pariah state into one of the world's best performing economies and a potential model for African development USAID has played a major role in this recovery However, recent factors — continued insurgency in the north and incursions along the western border, the rapid implementation of decentralization, and unusual weather patterns attributed to El Niño — threaten this accomplishment Over the next several years, USAID will focus on the following five different sectors 1) economic growth, 2) basic education, 3) health, 4) environmental management, and 5) democratic pluralism in an integrated and mutually reinforcing program The Mission's Strategic Objectives (SOs) directly support the country's continued sustainable growth and development and respond to the new challenges

Broad-based, agriculture-led, market-oriented economic growth (SO1) is the lynchpin of the program Without economic growth, people will not have the income, nor will there be sufficient tax revenues, to sustain improvements in health (SO4) and education (SO3) and other social services Rising incomes will also give people an incentive to maintain peace and stability (SpO) Without economic growth, there is little hope for a better future

Conservation of critical ecosystems (SO2) ensures that the natural resources on which the country depends for economic growth will continue to be productive While achieving SO2 is a prerequisite for Uganda's continued economic growth (SO1) over the long term, SO1's emphasis on increasing agricultural productivity will reduce the rate of destruction of forests and wetlands for agricultural purposes and offer people living near protected areas alternative sources of income USAID's health program (SO4) will increase use of family planning, which will, in turn, lead to smaller families and thereby ease population pressure on ecosystems

A functionally literate and numerate population is essential for broad-based economic growth USAID's basic education program (SO3) will contribute over the long term to economic growth (SO1), increased utilization of health services (SO4), and citizen's participation in public decision making (SO5)

USAID's democracy and governance program (SO5) has important impacts on all other SOs This is particularly true given the recent Local Governments Act, which transferred almost all social-service resources and decision making to Uganda's 45 districts, each district is administered by locally elected officials who will take office mid-1998 Stronger civil society organizations will be able to lobby for policies that benefit the sectors in which they work Effective legislative processes will ensure that sectoral budget allocations reflect national and local priorities SO5 will be the locus of USAID's effort to ensure that the tremendous

[1] Much of the information in this report was taken from the USAID/Uganda FY 2000 Results Review and Resource Request (March 1998) USAID Country Strategy Plan for Uganda FY 1997-2001 (Approved December 1996) and The USAID FY 1998 Congressional Presentation (Uganda)

opportunity provided by the decentralization process to improve resource allocation and service delivery at the grassroots, across all sectors in which USAID is involved, is fully exploited

Finally, the Mission's SpO addresses the single largest constraint to Uganda's development the protracted political instability in northern Uganda In this region, three separate conflicts are inextricably linked to larger regional insecurity The SpO aims to prevent or minimize the human costs of conflict and ultimately, to improve the northern Ugandans' standard of living

The total funding requested for the FY 1999 Uganda program is $53,584,000, with $19,100,000 from Child Survival and Disease funds, $29,200,000 from Development Assistance, and $5,284,000 from P L 480 Title II These funds are to be split among the five SOs as follows

FY 1999 USAID/Uganda Program Funding		
	US$ (millions)	% of Total FY 1999 Funding
SO1 "Increased Rural Income"	19 8	37
SO2 "Critical Ecosystems Conserved "	6 0	11
SO3 "Increased Basic Education"	8 8	16
SO4 "Increased Use of Reproductive, Maternal, and Child Health"	16 7	31
SO5 "Institutionalized Constitutional Checks and Balances"	2 3	5
Total	**53 6**	**100**

Source The USAID FY 1999 Congressional Presentation (Uganda)

2 USAID/Uganda Program

2 1 Summary of Country Strategic Plan

The USAID/Uganda Country Strategic Plan for FY 1997-2001 capitalizes on Uganda's unique development environment and on USAID's investments and experience in the five sectors over the last five to eight years The goal of the 1992-1996 strategy was to *establish the basis for sustainable improvements in the standard of living* Building on the previous strategy, the overall goal of the current strategy is *sustainable and equitable improvement in the standard of living*

2 2 Summary of Results Review and Resource Request (R4)

By the year 2001, the Mission expects to achieve its goal and five SOs and one SpO through a combination of direct assistance, policy dialogue, and collaboration with government and nongovernment partners and other donors The urban relevant SOs, IRs, and Indicators are as follows

SO1:
Increased Rural Household Income

Indicator 1 1 Average rural household monthly expenditures in targeted regions

IR 1 1 Increased use of financial services by rural households

INDICATOR 1 1 1	Number of new, small/micro rural business borrowers
INDICATOR 1 1 2	Number of new individuals opening savings accounts
INDICATOR 1 1 3	Number of sustainable financial intermediaries delivering financial services

IR 1 2 Increased non-traditional agricultural exports

SO2:
Critical Ecosystems Conserved to Sustain Biological Diversity and to Enhance Benefits to Society

Indicator 2 2 Critical ecosystems generate benefits and revenues

IR 2 1 Critical ecosystems managed to ensure biological integrity

INDICATOR 2 1 2	Private sector invests in NRM
INDICATOR 2 1 3	Integrity of critical areas maintained

IR 2 2 Pressure on critical ecosystems reduced

INDICATOR 2 2 3 Increased NR productivity energy

IR 2 3 Supportive framework for conservation and sustainable development strengthened

INDICATOR 2 3 1	Decentralization of NRM to sub-national levels
INDICATOR 2 3 2	Environmental concerns brought into development process
INDICATOR 2 3 3	Increased awareness by Ugandans of the environment

SO3
Improved Quality of Basic Education for Increased Percentage of Ugandan Children

IR 3 4 Education sector finance maintained

INDICATOR 3 4 1	Resource reallocation

SO4·
Increased Service Utilization and Changed Behaviors, Related to Reproductive/Maternal/Child Health in Selected Districts

IR 4 1 Increased availability of reproductive/maternal/child health services

INDICATOR 4 1 a	Clinical services
INDICATOR 4 1 b	Community services
INDICATOR 4 1 c	HIV testing/counseling

IR 4 3 Enhanced sustainability of reproductive/maternal/child health services

INDICATOR 4 3 a	Fees collected at district hospitals
INDICATOR 4 3 b	Pre-service training capacity

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SO5: Demand for Constitutional Checks and Balances Institutionalized	
Indicator Sp0	*Reintegration of Northern Uganda* (not rated)
Indicator Sp01	*Average rural household monthly expenditure in the North*

3 Institutional Analysis/Key Players

Uganda's track record as a good development partner has enabled it to finance a large proportion of its development budget — about one-third of public expenditure in Uganda is externally financed The largest donor is the World Bank As of 1995, the United States was the fifth-largest donor overall and the third-largest bilateral donor, behind the United Kingdom and Denmark Donor coordination is good, and USAID provides parallel financing for major health and education sector reform programs with the World Bank

National

- Ministry of Local Government Involved in the devolution of authority and resources to local governments
- Decentralization Secretariat A parastatal with a short-term mandate, DS is working with the above Ministry on designing and implementing decentralization policies
- Ugandan Wildlife Authority Responsible for managing protected areas like national parks

International

- African Development Foundation A U S public corporation and federal agency, the ADF over the last five years has financed various rural initiatives, e g , a silkworm cooperative, the development of village water systems, and strengthening CBOs and IOs in project management and participatory development methodologies
- World Bank The World Bank is involved primarily in supporting the health, education, and agriculture sectors in Uganda, as well as in promoting continued economic reform The Bank's urban efforts there have included an attempt at a new approach to water and sanitation improvements, based on the existence of demand and willingness-to-pay
- European Union, Denmark, and The United Kingdom All three work with USAID to create a more business-friendly environment in Uganda
- IMF The IMF is supervising a structural adjustment program in Uganda

Local/Local Government

- Local Governments The responsibilities and spending authority of local governments have increased significantly with recent legislation Among these responsibilities are the management and protection of biological diversity

Relevant USAID Contractors

- Contractors contributing to the strategic objective of increasing rural household income include Chemonics International, Agricultural Cooperative Development International (ACDI), VOCA, FINCA, Land O'Lakes, and Mississippi State University
- Contractors contributing to the strategic objective of conserving biological diversity include Associates in Rural Development, Consortium for International Development, CARE, Worldwide Fund for Nature, and African Wildlife Foundation
- The contractors for the democratization effort mentioned above had not been selected as of the time of the 1998 Congressional Presentation

NGOs/Others

- Uganda Development Services (UDS) is a charity registered in Great Britain that is a useful link to other NGOs Each of Uganda's 45 districts has an NGO Coordinating Group, and a new National NGO Forum coordinates government, foreign NGOs, and over 1,500 Ugandan NGOs UDS is a good source for tracking down NGOs, as it is working to provide NGO resource centers (providing, among other things, information on the district and relevant technical advice) in all of the districts

4 Status of USAID/Uganda Program and Opportunities for Urban Activities

SO1 has been successfully increasing income from on-farm activities, primarily by increasing non-traditional agricultural exports, and from off-farm activities by encouraging the growth of micro- and small enterprises and improving the overall business environment The Mission expects increasing access to rural financial services to have a similarly widespread impact During the next two years, grants to U S PVOs will provide small loans (averaging $110) to more than 12,000 borrowers These loans are used to finance small businesses and to pay for health care, school fees, and other family priorities The P L 480 Title II program, an integral part of SO1, will increase food security by improving rural infrastructure and revitalizing the Cooperative Bank, an indigenous privately held bank (soon to be traded publicly) with the second-largest branch network, which is the only formal financial institution active in agricultural credit Loans to the agricultural sector total more than an estimated $20 million annually and meet only a small percentage of current need *Urban-focused programs could strengthen the Mission's efforts by addressing the urban-rural linkages, i e , rural feeder road rehabilitation and transport, export trade, and market development*

SO2 has thus far met the challenge of biodiversity conservation by assisting Uganda to responsibly manage targeted biodiverse ecosystems Uganda, one of USAID's Biodiversity Priority Countries, contains unique, essential ecosystems critical to the conservation of globally important biodiversity Management of Uganda's protected areas by the Uganda Wildlife Authority has improved markedly through strengthened management capacity, improved infrastructure, and higher revenues from eco-tourism In addition, the incentives and ability of local communities to conserve biodiversity have grown due to new revenue-sharing policies, access to resources, and ongoing conservation education The decentralization of environmental

management along with partnering with local communities contributes to democracy and governance objectives by empowering local communities to manage and control natural resources, fostering opportunities for local economic growth along with increased community cooperation and stability *Urban programs could support SO2 by 1) defining the role of urban decision makers as stakeholders in the management process and 2) designing strategies for minimizing urban encroachment on the environment*

SO3 has exceeded the Mission's target for addressing the long-term need for literacy and other basic skills in order to raise productivity and provide an informed and responsible electorate USAID's policy dialogue has influenced the Government of Uganda's adoption of policies leading to wholesale reform of the primary education system These new policies have resulted, among other things, in the construction of hundreds of classrooms *Urban programs could support SO3 by 1) defining the role that urban decision makers could play as stakeholders in the education campaign and 2) developing education-related (e g , construction, maintenance, operating costs, etc) finance strategies for local governments in support of ongoing decentralization policies*

SO4 has met Mission expectations for supporting education and counseling programs aimed at behavior change, and its contraceptive social marketing program is a major source of condoms nationwide *Urban health programs could be introduced to focus on "brown" environmental health issues, which are currently not being addressed by the Mission's program*

SO5 is particularly relevant given the recent Local Governments Act, which decentralized almost all social-service resources and decision making directly to Uganda's 45 districts USAID anticipates funding activities that 1) increase citizen participation in public decisions and oversight functions through citizens' action groups and lobbies, 2) strengthen the institutional oversight of executive functions through a more informed and effective Parliament, and 3) improve access to and effectiveness of the justice system These activities will help more Ugandans, including those at the grassroots, participate in and benefit from a freer, more transparent and accountable democratic government The results achieved under this SO affect all sectors *Urban-focused activities could play a large role in strengthening the decision-making capacity of the newly elected local officials as well as in defining appropriate urban strategies Such strategies could include local government programs based on participatory models and social contracts In turn, such activities help strengthen democracy building activities, a USAID goal*

SpO — *Reintegration of Northern Uganda* — is a new objective The Special Objective relates directly to the U S national interest, humanitarian response, which is reflected in Embassy Kampala's MPP The Special Objective aims at preventing or minimizing the human costs of conflict (touched on in MPP goal 3) and, ultimately, to improve northern Ugandans' standard of living (MPP goal 5) USAID/Uganda's strategy is to assist in the reintegration of the north into the national economy and improve the standard of living, with a focus on increasing agricultural production for direct consumption and export and stabilizing peace through economic revitalization These activities will complement the political dimension of securing peace in the north and will be integrated into the overall U S Mission policy as defined and managed by the

Ambassador *This represents an opportunity for the RUDO in offering its assistance in designing or implementing a relevant urban activity, e g , rural feeder road rehabilitation and transport, market development, and/or participatory economic development plans*

Lastly, *Initial Environmental Examinations* (IEEs) are currently in force for all relevant USAID/Uganda activities The Mission Environmental Officer (MEO) will conduct a portfolio review to ensure that the Mission's activities are in compliance with Regulation 216 In November 1997, USAID/Uganda hired a PSC MEO who will oversee compliance with Regulation 216 A TDY by the REDSO Regional Environmental Advisor helped establish the MEO's 1998 Work Plan, which includes 1) COBS (SO2) — continue to review environmental documentation submitted by potential grant recipients and conduct compliance inspections of grants that have been funded, 2) PRESTO (SO1) — work with the project implementor to incorporate environmental considerations into the Subsector Technology Innovation Grant (STIG) activity, 3) IDEA (SO1) — ensure that ongoing activities are in compliance with Environmental Impact Reviews and other environmental documentation developed for IDEA activities, 4) NUFS (SO1) — the IEE was approved prior to the approval of grants and, therefore, a categorical exclusion, negative determination, and deferral were granted, 5) Title II activities — assist the Mission and cooperating sponsors in incorporating the Agency's environmental review requirements into Title II activities, and 6) Water Hyacinth EIS — continue to assist, as necessary, in the development and review of additional documentation for the EIS *The RUDO can offer its assistance in designing or helping implement urban-related components to the IEE process*

5 Proposed Urban Activities and Approach

While Section 4 provided sample urban opportunities related to each of the six SOs, the table below presents more detailed urban program opportunities related to only three key Mission activities 1) supporting Uganda's decentralization activities, 2) improving northern Ugandans' standard of living, and 3) improving the enabling environment for business development As the table discusses, support for these three efforts promote the goal of all six SOs

Note Given financial and political considerations, the RUDO may consider pursuing activities 1 and 3 initially, with a roll-out to northern Uganda planned contingent on a peaceful resolution of the existing conflicts

Key Mission Activity	Urban Program Opportunity
Supporting decentralization activities Decentralization impacts on the provision of all government services In a very tangible sense programs in health, education, economic growth, and the environment have fundamentally changed as Parliament now passes individual, integrated district budgets Within earmarks and conditions, individual districts can allocate these resources and implement programs along with discretionary revenue raised by local authorities The GOU, through the Ministry of Local Government (MOLG) and the Decentralization Secretariat (DS), currently lacks the resources or capacity to chart a clear course to fully implement decentralization Donors have been unanimous in expressing the need for clarity before resources can be effectively deployed With USAID assistance, the first steps in charting this course have been completed 1) distinguishing the roles of the MOLG, DS and local government councils to avoid duplication and unproductive competition, and 2) setting clear, sequenced priorities which address critical linkages, enabling policy makers to focus on concrete goals for the decentralization strategy The GOU is finalizing its strategic framework, which, once finalized, will allow USAID and other donors to productively pool their resources and identify discreet areas in which to assist in this gargantuan undertaking The Mission's cognizance of these new roles and responsibilities led to the formation of a Mission Decentralization Working Group with members from all SO teams and the implicit understanding that progress in achieving the DG SO profoundly affects progress in meeting the objectives in USAID/Uganda's overall strategic framework It is clearly in the direct interest of the Mission as a whole for Parliament to function more effectively and track resource allocations and expenditures Likewise, it is uniformly desirable that local governments rapidly develop the capacity to plan and provide responsible oversight Already, the linkage among Mission sectoral SOs has resulted in SO3 (basic education) leveraging non-project assistance to assure the adoption of the GOU policy to publicly post all local budget allocations at each district public school	• Activities in support of "charting a clear course" in achieving decentralization goals Working with the Mission's Decentralization Working Group and other donors, identify and differentiate the roles of various public sector players, including local governments, as well as formulating critical urban-rural linkages • Activities to design and prepare an implementation strategy for local government laws Particularly relevant is legislation surrounding municipal finance and local governments ability to create and finance "municipal companies" and "autonomous services" to provide specific urban services, or contract out municipal services • Urban opportunities exist in support of decentralization related to designing municipal finance programs for municipal schools or health providers • Likewise natural resource management capacity building and self-financing activities present new challenges/opportunities for municipalities as a result of decentralization • All of these activities have good potential to link with MDB activities

Key Mission Activity	Urban Program Opportunity
Improving northern Ugandans' standard of living The largest single internal constraint to Uganda s development is the protracted political instability in northern Uganda where three separate regional conflicts are inextricably linked to larger regional insecurity The Mission has developed a three phase approach, the latter two of which have urban program opportunities Phase II - Transitional Activities During FY 1997, the Mission began two major transitional initiatives 1) The Northern Uganda Food Security (NUFS) activity and, 2) the Northern Uganda Economic Revitalization (NUER) activity NUFS is a five-year, $5 million program to increase agricultural productivity in the northern region Current NUFS activities include linking farming cooperatives with markets Border districts (Lira and Apac) are within its scope because of their importance in providing access to the North and their historical and cultural ties to the region Strengthening the economic, political, and social institutions of the border districts will greatly benefit the core North when peace arrives and sustainable development programs can begin NUER incorporates sequenced development activities designed to infuse cash into the local economy through labor-intensive interventions aimed at rehabilitation of infrastructure Its implementation is directly dependent on political developments affecting the North and must be coordinated with broader U S Mission policies and perspectives	• The RUDO can offer its assistance in designing and implementing programs related to NUFS and NUER Particular emphasis would be placed on improving the market trade infrastructure, e g , road rehabilitation and market development
Phase III - Sustainable Development Emergency and transition-related assistance in the core North includes 1) rehabilitating infrastructure such as improving roads and building schools and health centers for refugees, 2) improving water and sanitation and, 3) providing seeds and tools, tents, blankets food aid, and immunizations for Sudanese refugees and IDPs	• Efforts to improve conditions for infrastructure investments related to Phase III Good opportunity to link with MDB activity
Improving the enabling environment for business development Current resources do not permit the Mission to take on the pressing needs that still hamper private investment and new business start-ups USAID/Uganda has submitted a Trade and Investment proposal requesting support from the President's Partnership for Economic Growth and Opportunity in Africa Initiative With additional funds from this initiative the Mission can further assist in streamlining the GOU red-tape that hampers import and export activities in revitalizing Uganda s investment promotion and facilitation in removing impediments to GOU s speedy development of a viable infrastructure, and in promoting linkages between Ugandan and U S companies/business associations These linkages will encourage greater use of U S private sector technical know-how promote joint ventures, and increase well-targeted U S -based investment in Ugandan enterprises	• Efforts to improve conditions for foreign and domestic capital investment • Identify local government investments needed to support trade and market development and local government activities that support this objective and propose enabling legislation as well as financing mechanisms, in context of broader financial market objectives • Good opportunity to link with U S -based and MDB activity

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Attachments

1 USAID 1999 Congressional Presentation

2 Uganda Chapter from CIA World Factbook, 1997

3 "Uganda Twelve Years of Progress " The World Bank Group

Note This document may not always reflect the actual appropriations determined by Congress Final budget allocations for USAID's programs are not determined until after passage of an appropriations bill and preparation of the Operating Year Budget (OYB)

UGANDA

	FY 1997 Actuals	FY 1998 Estimate	FY 1999 Request
Child Survival and Disease	$ 18,599,759	$20,814,000	$19,100,000
Development Assistance	$ 23,918,319	$23,900,000	$29,200,000
P L 480 Title II	$ 25,071,955	$29,012,000	$ 5,284,000

Introduction

Assistance to Uganda directly serves several vital U S foreign policy interests First, Uganda's economic re-birth and subsequent unparalleled growth, which have been achieved through adopting free market principles, serve as a model to other developing countries while directly increasing U S investment opportunities Its political evolution allows it to serve as an increasingly stable regional ally which exerts growing influence on neighboring countries (Kenya, Tanzania, Rwanda, Democratic Republic of Congo and Sudan) A net food exporter with vast agricultural potential, Uganda is the country best-situated in the region to provide food for surrounding crisis situations (alleviating the U S and international burden) Uganda serves as a last refuge for several unique and globally important species including half the world's remaining mountain gorillas Its effective and aggressive HIV awareness and treatment campaign has significantly reduced the rate of new infections and serves as a model for the rest of the world Uganda's commitment to universal primary education provides the essential foundation to increase economic output and promote meaningful participation in governance And, the unprecedented decentralization of government and the creation of a legal framework to guarantee women's political participation are unique innovations and deserve continued U S support

The Development Challenge

Decades of neglect and abuse by corrupt governments, rebellions, and anarchy have left the country in extreme poverty which is exacerbated by population pressures coupled with unsustainable use of natural resources, diminished agricultural productivity, a non-functioning health delivery system, and a crumbling education sector (primary enrollment hit an all-time low of 50% in 1985-86) Starting from this backdrop, and amidst continued violence and conflicts, the challenges and constraints to development are formidable

Constraints notwithstanding, Uganda has embarked on a remarkable transition over the past 10 years However, Uganda still remains a "Heavily Indebted Poor Country (HIPC)," with a debt burden of 64% of gross national product in 1995, and has been declared by the International Monetary Fund as one of the first beneficiaries under its HIPC-initiative For continued growth, Uganda will require external assistance to finance a high percentage of its development budget for at least the next 10 years Currently, approximately one-third of public expenditure is externally financed

The USAID program supports Uganda's remarkable recovery from decades of complete social and economic collapse (gross domestic product has averaged 6 5% growth over the past three years), and assists in creating a more business-friendly environment to attract investment USAID also promotes the

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successful economic exploitation of Uganda's comparative and competitive market advantages

USAID addresses the development challenge by providing support in basic education, infrastructure (rural roads), decentralization, privatization, health, agriculture, the environment and financial services for small businesses The program is also addressing constraints to full competitiveness through building human capital and technical competence USAID's assistance has been instrumental in establishing a $100 million per year non-traditional agricultural export sector, rehabilitating 6,700 kilometers of agricultural feeder roads, reclaiming endangered habitat resulting in a surge of eco-tourism, reducing both fertility and HIV transmission, revitalizing the primary education system, and strengthening democratization

Other Donors

In November 1997, donors collectively pledged $800 million at the annual donors' meeting convened by the World Bank, Uganda's largest donor In 1996, the United States was the fifth largest donor overall and the third largest bilateral donor after the United Kingdom and Denmark Donor coordination is good and USAID provides parallel financing for major health and education sector reform programs with the World Bank and other bilateral donors

FY 1999 Program

USAID's program combines investments in economic growth, basic education, health, environmental management and pluralistic government Broad-based, agriculture-led, market-oriented economic growth remains the linchpin of the program USAID maintains a well-established predominance in the five strategic sectors in which it is active

Smallholders, who dominate the agricultural sector, face limited access to credit and extension services, appropriate technology, adequate transportation systems, secure land tenure, marketing services and price information Funds will impact Uganda's rural poor by focusing on agricultural productivity, infrastructure, access to financial services, and policy and regulatory reform to facilitate micro/small business development Over the next three years, financial services will provide 50,000 new savers with access to credit, over half of whom are women Development assistance will also build the basic educational skills necessary to raise productivity and provide an informed and responsible electorate USAID's policy dialogue (through non-project assistance) has served as a catalyst to open the textbook market to competition, improve teachers' terms and conditions of service (salaries have increased ninefold), construct hundreds of classrooms, and train over 8,000 teachers

Uganda's track record in expanding economic opportunity, USAID's successes, and on-going efforts in food security, favorably position Uganda to make effective use of funds to expand the production of food crops in direct support of the Greater Horn of Africa Initiative (GHAI) principles

Uganda, one of USAID's Biodiversity Priority Countries, contains unique ecosystems critical to the conservation of globally important bio-diversity Population pressures and other constraints mentioned earlier pose substantial environmental threats Funding will address these challenges by assisting Uganda in responsibly managing targeted ecosystems through expanding protected critical habitats, expanding eco-tourism, and creating management systems which financially unite surrounding communities to save the nation's resources

HIV infection, high fertility, closely spaced births and teenage pregnancies, and chronic under-nutrition are major contributors to infant and child mortality Poor quality, inaccessible obstetric care and a large number of illegal abortions combined with poorly spaced births produce high rates of maternal mortality USAID will continue to play a pivotal role in reversing indicators in all these areas through an aggressive social marketing program of condoms, a mass media HIV public awareness campaign, improved community health education, training, and the provision of HIV testing and counseling

In 1997, Uganda devolved nearly all central powers to its 45 districts where one-third of all local office holders will be women USAID is assisting the Ministry of Local Government and the Decentralization Secretariat in implementing this bold political move which places political decisions and accountability

directly at the district level USAID will assist in establishing standards of performance and accountability while increasing public awareness and civil society advocacy USAID is also assisting the Parliament in establishing research and reference facilities and working with the Uganda Law Reform Commission to codify Uganda's laws and regulations

UGANDA

FY 1999 PROGRAM SUMMARY

(in thousands of dollars)

USAID Strategic and Special Objectives	Economic Growth & Agriculture	Population & Health	Environment	Democracy	Human Capacity Development	Humanitarian Assistance	TOTALS
S O 1 Increase Rural Household Incomes - DA - P L 480/II	14,500 ---	--- ---	--- ---	--- ---	--- ---	--- 5,284	14,500 5,284
S O 2 Critical Ecosystems Conserved - DA	---	---	6,000	---	---	----	6,000
S O 3 Quality Basic Educ for an Increased Percent of Ugandan Children - CSD	---	---	---	---	8,780	---	8,790
S O 4 Increased Service use and Changed Behaviors for Reproductive, Maternal and Child Health - CSD - DA	---- ----	10,310 6,400	---- ----	----- -----	----- -----	----- -----	10,310 6,400
S O 5 Demand for Constitutional Checks and Balances Institutionalizd - DA	----	-----	-----	2,300	-----	-----	2,300
Totals - CSD - DA - P L 480/II	--- 14,500 ---	10,310 6,400 ---	--- 6,000 ---	--- 2,300 ---	8,790 --- ---	--- --- 5,284	19,100 29,200 5,284

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USAID Director Donald B Clark

ACTIVITY DATA SHEET

PROGRAM UGANDA
TITLE and NUMBER Increase Rural Household Income, 617-SO01
STATUS Continuing
PROPOSED OBLIGATION AND FUNDING SOURCE FY 1999 $14,500,000 DA, $5,283,320 P L 480 Title II
INITIAL OBLIGATION FY 1995, **ESTIMATED COMPLETION DATE** FY 2001

Purpose To increase the income of rural families by increasing land and labor productivity and production of basic food crops, promoting non-traditional agricultural exports and facilitating the start-up and expansion of micro and small businesses

USAID Role and Achievements to Date Nearly 90% of Uganda's population derives most food and income from small-scale and cash-crop agriculture Over the past decade, the agricultural sector has decreased from 57% to 45% of gross domestic product as industry and services have revitalized Unlike many African countries, Uganda's vast tracts of fertile, uncultivated arable land and abundant rainfall offer vast potential Despite Uganda's record economic growth, the World Bank estimates that about half of Uganda's population lives on less than $1 per day USAID activities impact Uganda's rural poor, focusing on smallholders who face limited access to credit and extension services, appropriate technology, transportation systems, land tenure, marketing services, and price information

This activity directly tackles these constraints by 1) increasing the productivity of basic food crop staples such as maize and beans (over 900 USAID-funded improved-seed demonstration sites each year reach about 40,000 maize and bean farmers, success can be measured by the demand for improved maize seeds alone which quadrupled this year) and 2) diversifying and expanding non-traditional agricultural exports (NTAEs) For example, one NTAE--flowers--has increased from two metric tons (MT) in 1990 to over 1,500 MT in 1997, worth over $12 million

Over the past five years, over 100,000 micro and small businesses have been established USAID has taken the lead in microenterprise development and works closely with **Other Donors** This activity will affect trade and investment by reducing regulatory impediments, for example, USAID has supported efforts to remove government "red tape" by computerizing and simplifying forms for registering businesses To create an enabling environment for businesses, USAID has contributed to policy and regulatory reforms, for example, USAID has supported the National Forum, facilitating public/private sector dialogue, which has proven highly effective in persuading the Government of Uganda (GOU) to change policies and regulations that impede private sector development In addition, USAID has contributed to the development of the dairy sector, which is combining sound cooperative development with effective business practices

Description USAID is well-positioned to improve the enabling environment in the economic growth sector The Investment in Developing Export Agriculture (IDEA) activity helps to expand and diversify Uganda's export base by increasing food crop production and exports such as maize and beans to the Greater Horn of Africa and high value commodities such as fruits and vegetables, vanilla, and cut flowers to U S and European markets IDEA is expected to reach tens of thousands of smallholders and significantly expand the number of commercial NTAE enterprises over the next five years The Private Enterprise Support, Training and Organizational (PRESTO) development activity is expanding rural financial services to micro and small businesses, tackling second tier policy and regulatory constraints to business development, and improving capacity of local associations to attract and increase trade and investment opportunities Within the next three years, financial services will provide 50,000 new savers with access to credit PRESTO will facilitate the GOU's adoption of an arbitration unit for settling business disputes, work with Parliamentarians to pass laws for tax arbitration, and work with the GOU to ease inter-departmental actions For example, the Ugandan Investment Authority certifies the investment level for companies which dictates the number of work permits that the

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Immigration Office can issue, but the linkage needs improvement The Agricultural Non-Traditional Export Promotion activity focuses on food crop production by improving crop handling and post-harvest storage methods Currently, crop loss value is estimated at $18 million a year, USAID aims to reduce these losses by 30%, in effect increasing rural incomes by approximately $6 million per year Through the activities of the Cooperative Agriculture and Agribusiness Support activity, the Cooperative Bank, a formal financial institution with the most viable rural banking network, is being restructured to achieve long-term sustainability Cooperative Bank's rural banking network will provide over 100,000 rural inhabitants with direct access to financial services P L 480 resources will support the Cooperative Bank, as well as rehabilitate and maintain 2,500 kilometers of rural feeder roads to increase food security among rural farmers and businesses Finally, Greater Horn of Africa Initiative activities, including the ongoing design of an economic recovery program for Northern Uganda through cash infusion and basic infrastructure rehabilitation, are included in this SO The Northern Uganda Food Security activity provides food to displaced persons while promoting a return to food security and the revival of trade links with southern Sudan

Host Country and Other Donors The GOU's "Poverty Eradication Action Plan," dated 1997, focuses on "increasing economic opportunities particularly in agriculture" as one component of its five-part strategy Equally important is the GOU's commitment to creating a business-friendly environment through continued adherence to structural reforms and liberalized trade and payment systems In addition to the GOU and the Ugandan private sector, USAID's partners in this sector include the World Bank, the European Union and bilateral donors including Denmark and the United Kingdom Overall, donor assistance to economic growth activities is projected at $140 7 million over the FY 1997/1998

Beneficiaries Ten percent of Uganda's rural households, or 1,700,000 people, are expected to have increased incomes and improved food security directly as a result of USAID's program Based on current experience, as many as 80% of the smallholders who grow non-traditional agricultural exports are expected to be women Women are also expected to comprise more than half of the borrowers in USAID-supported micro-credit lending activities

Principal Contractors, Grantees or Agencies Implementors include Chemonics International, Agricultural Cooperative Development International/Volunteers Overseas for Cooperative Assistance (ACDI/VOCA), Foundation for International Community Assistance, Land O' Lakes, Mississippi State University, Management Services International, Africare, and World Vision

Major Results Indicators

	Baseline	Target (1999)
Average household expenditures		
Central Region	$52 (1992/93)	$104
Western Region	$46 (1992/93)	$64
Eastern Region	$43 (1992/93)	$55
Production of maize and beans (in millions)	1 05 MT (1995)	1 8 MT
Gender-differentiated baseline data, available from 1995, and targets for one of the pro		
Average household income of NTAE project participants		
Low Value NTAE (MH) See footnote 1	$74 (1995)	$97
Low Value (FH) See footnote 2	$47 (1995)	$63
High Value (MH)	$83 (1995)	$102
High Value (FH)	$67 (1995)	$86
Number of rural savers and borrowers	5,000 (1995)	26,500

ACTIVITY DATA SHEET

PROGRAM UGANDA
TITLE AND NUMBER Critical Ecosystems Conserved to Sustain Biological Diversity and to Enhance Benefits to Society, 617-SO02
STATUS Continuing
PROPOSED OBLIGATION AND FUNDING SOURCE FY 1999 6,000,000 DA
INITIAL OBLIGATION FY 1997, **ESTIMATED COMPLETION DATE** FY 2001

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Purpose To maintain the integrity of biologically diverse, economically important ecosystems through strengthening appropriate management entities, to reduce destructive pressures on the ecosystems, and to promote an environmental policy framework compatible with conservation

USAID Role and Achievements to Date Uganda is one of USAID's key biodiversity countries because ecosystems critical to the conservation of globally important biological diversity lie within its borders Improper or inadequate management of these ecosystems, together with external pressures brought on by poverty and population growth, have placed Uganda's unique biological diversity at risk Managed wisely, these ecosystems can continue to serve as repositories for biological diversity while providing a foundation for sustainable economic growth in Uganda The economic vitality of each component of the country's agricultural sector - livestock, fisheries, food and cash crops - hinges on the health of these natural resources USAID assists Uganda in conserving targeted biologically diverse and economically important ecosystems through the Conservation of Biodiversity for Sustainable Development activity

At the national level, USAID has strengthened Uganda's policy and institutional framework for environmental management At the local (e g , protected area) level, USAID assists the Uganda Wildlife Authority (UWA), the organization responsible for managing protected areas (national park reserves), non-governmental organizations (NGOs), and local governments and communities to better manage critical ecosystems USAID's efforts have led to major improvements in the policy and institutional framework A National Environmental Action Plan (NEAP) has been adopted and landmark enabling legislation passed Dialogue on land tenure reform has led to a new draft law, compatible with both conservation and development Six new national parks have been created since 1991, bringing to 10 the number of parks within Uganda's protected area system These new parks currently represent the core of USAID's target ecosystems for conservation Important progress has been achieved in these areas, as well as in other ecosystems not formally protected in Uganda Implementation of the NEAP and its enabling legislation has been supported through the National Environment Management Authority (NEMA), which is responsible for overseeing, coordinating and monitoring all activities concerning the environment USAID has assisted NEMA to achieve important progress in enhancing monitoring and information dissemination capabilities, environmental impact assessment standards, environmental education policy, and sensitization of politicians to environmental issues

USAID is a key player in the ongoing restructuring of UWA, helping to build a solid foundation for long-term effective management of Uganda's protected area system Prospects for increases in nature-based tourism are good, although regional insecurity negatively impacted tourism levels during 1997 However, in western Uganda, further growth in the tourism sector is anticipated as security is re-established Privatization of state-owned tourism concessions has been completed and important investment in tourism-related enterprises continues USAID has successfully stimulated small-scale investment in conservation-friendly activities such as tourism ventures launched by local communities (for example, small lodges for accommodations and meals) Such investment continues to be an important factor in boosting tourism, local revenues and employment

New policies for sharing the benefits of improved conservation of protected areas with neighboring communities, including revenue sharing, access to in-park resources, and participation in management planning and management have encouraged communities to embrace conservation of park resources

Increasingly, local communities are seeing the benefits of conservation of these ecosystems and are becoming stakeholders, as opposed to adversaries, in conservation For example, villages receive 15% of park revenues and have used this income to build classrooms and health clinics

Finally, USAID assists the Government of Uganda (GOU) in its response to the uncontrolled spread of destructive water hyacinth plants in Lake Victoria, a regionally important ecosystem and the second largest fresh water lake in the world Important progress has been made in devising a control plan and in deploying available resources to combat the hyacinth problem in severely affected areas

Description At the national level, USAID assistance focuses on development and implementation of a comprehensive strategy to address environmental issues through policy, legislation and institutional reform

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encompassed in the NEAP and its associated legislation USAID provides technical assistance and training to NEMA, the institution charged with implementing the NEAP USAID also supports the work of the GOU and U S and local NGOs to better manage ecosystems through capacity-building of local and national partners and through the development of sound natural resource management practices These organizations also work to create conservation incentives for local communities that result in more broadly shared benefits from conservation and increases public awareness USAID also supports management-oriented research designed to better inform the decisions of ecosystem managers

Host Country and Other Donors USAID works most closely with NEMA on broad policy and institutional issues, and with the UWA on protected areas management On conservation issues concerning non-protected areas, USAID works with local governments and NGOs USAID collaborates with other donors, including the World Bank, the United Nations Development Program, European Union, German Technical Cooperation, and Danish International Development Agency to ensure overall donor coordination in natural resource management USAID also works closely with the U S Peace Corps and U S Department of Interior

Beneficiaries Loss of biological diversity presents a threat to the global environment Within Uganda, activities implemented under this SO benefit the nation by increasing the efficiency of management of natural resources and by increasing foreign exchange and employment from the growing nature-based tourism industry Activities implemented by NGOs in areas adjacent to national parks benefit rural communities Water hyacinth control activities benefit the people of Kenya and Tanzania as well

Principal Contractors, Grantees or Agencies Activities under of SO 2 are implemented by U S contractors, private for-profit companies, and U S and host country private voluntary organizations and NGOs, including Associates in Rural Development, Aquatics Unlimited, Agricultural Cooperative Development International/Volunteers in Overseas Cooperative Assistance (ACDI/VOCA), Consortium for International Development, Cooperative for American Relief Everywhere (CARE), World Wildlife Fund, and African Wildlife Foundation

Major Results Indicators

	Baseline	Target (2001)
Annual park user fee revenues	$67,000(1990)	$3 million
Number of critical ecosystems operating under management plans	3 (1991)	22
Area under highest level of protective status (square kilometers)	7,540 (1991)	11,023
Population of key indicator species Mountain Gorilla	280-300 (est 1990)	300
Area of water hyacinth covering Lake Victoria (hectares)	6,000 (1995)	750

ACTIVITY DATA SHEET

PROGRAM UGANDA
TITLE AND NUMBER Quality Basic Education for an Increased Percentage of Uganda Children, 617-SO03
STATUS Continuing
PROPOSED OBLIGATION AND FUNDING SOURCE FY 1999 8,790,000 CSD
INITIAL OBLIGATION FY 1992, **ESTIMATED COMPLETION DATE** FY 2001

Purpose To improve quality basic education for an increased percentage of Ugandan children by continuing the development of delivery systems to improve school quality and addressing issues of equity, specifically measured to increase girls' persistence in primary education

USAID Role and Achievements to Date Uganda's ability to build a free democratic society relies on the knowledge, attitudes and skills of its citizens This ability is severely constrained by the poor quality of basic education Decades of civil strife left the Ugandan education system in shambles Although significant improvements have been made in the quality of primary education since 1992, these

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achievements will have to be recast in the context of the bold Government of Uganda (GOU) decision to embrace universal primary education (UPE) The UPE initiative which allows free education for four children in every family approximately doubled the primary school population from 2 7 to 5 2 million students in 1997 While the GOU's commitment to increased access for all children to primary school is laudable, it has put strains on the effectiveness of the primary education system Sustaining Uganda's remarkable economic recovery and spreading its benefits require an effective education system Evidence from other developing countries has convincingly demonstrated the link between investments in basic education and agricultural and manufacturing productivity, reduced fertility and poverty, improved income distribution, and the establishment and functioning of non-governmental institutions in civil society USAID's decision to support primary education in Uganda is based on the recognition of the role education will play in the country's continued revival and the links between human resource development and the achievement of USAID's other strategic objectives

USAID's Support to the Uganda Primary Education Reform activity finances key elements of the GOU's education reform program After five years, significant results have been achieved Some 8,000 principals, teachers, and tutors, representing 11% of the primary teaching force, are currently enrolled in USAID-sponsored in-service training programs USAID policy dialogue was a major factor in the GOU's decision to quadruple primary education expenditures between 1992 and 1997 (from $30 million to $120 million) and increase teachers' salaries nine-fold (from $8 per month to $72 per month) Moreover, accumulation of savings has dramatically increased in selected pilot areas through the development of teachers' credit unions In order to foster transparency, every school is now required to publicly display budgets specifying their GOU allocations, to inform parents and teachers and allowing them to fully participate in decisions affecting their locale Instructional materials and textbooks, once a government monopoly, have been converted to a competitive market, eliminating inefficiency and corruption This policy has led to the growth of vibrant local publishing and printing industries and to the growth of the local retail book market Individual schools are now able to select the materials they need most Approximately four million USAID-financed textbooks have been distributed to schools Research on school quality is providing insights into the impact of educational reform activities and suggesting new approaches

Description USAID's education program targets five policy objectives as precursors to establishing an environment in which primary education can flourish for a majority of Ugandan children First, USAID will work with the GOU to establish and promote a policy framework that enables all children to go to primary school A related objective is to work with the GOU to formulate policies to govern critical financing decisions supporting UPE Although the GOU has quadrupled its allocations to primary education over the past five years, the cost of UPE exceeds current levels of financing A third objective is to continue improving the quality of instruction by expanding in-service teacher training

programs to the remaining half of the country, sustaining policies which improve teachers' terms and conditions of service, and providing instructional materials on a continual basis Fourth, USAID will continue to actively promote analysis, dialogue and programs that improve girls' participation and achievement in primary school through community awareness programs Finally, as the GOU's policy of decentralization places management responsibilities for primary schooling with local government, USAID will support activities that strengthen the institutional capacity of district administrations and promote the formation of civic organizations in order to effectively lobby for improved education services and increased accountability

Host Country and Other Donors Donor participation in the education sector has increased significantly since 1992 due to the GOU's proven commitment and because the GOU's educational reform program provides an effective framework for coordinating external finance to the sector USAID has been the largest donor in the sector, and its resources are complemented by those of **Other Donors** The educational activities of USAID and the World Bank were designed simultaneously to ensure integrated support to primary education reforms as identified by the GOU Based on the results being achieved, other donors have entered the sector The European Union and Dutch, Irish and British governments are financing expansion of educational reform activities to areas of the country that are underserved and are planning to provide budget support to common policy and implementation frameworks in coordination with USAID Denmark, Germany, ActionAid, and other NGOs have been active in the area of education for teachers,

adults, the handicapped, and disadvantaged groups such as AIDS orphans UNICEF has a program to educate out-of-school girls through non-formal approaches

Beneficiaries Five million school-aged children and the country's 75,000 primary school teachers directly benefit from USAID's program

Principal Contractors, Grantees, or Agencies Activities contributing to the achievement in basic education are implemented by a number of U S institutions including the Academy for Educational Development, the American Institute for International Research, Creative Associates, the University of Massachusetts, and the Research Triangle Institute

Major Results Indicators

	Baseline (1995)	Target (2002)
Grade 4 completion rate	63%	83%
Grade 7 completion rate	35%	60%
Gross enrollment ratio (Number of students as % of total school age population)	73%	85%

ACTIVITY DATA SHEET

PROGRAM UGANDA
TITLE Increased Service Utilization and Changed Behaviors Related to Reproductive, Maternal and Child Health, SO04
STATUS Continuing
PROPOSED OBLIGATION AND FUNDING SOURCE FY 1999 $10,310,000 CSD, $6,400,000 DA
INITIAL OBLIGATION FY 1995, **ESTIMATED COMPLETION DATE** FY 1999

Purpose To reduce fertility, the transmission of HIV and maternal and child mortality by 1) improving the availability and quality of reproductive, maternal and child health services, 2) increasing knowledge and changing attitudes related to reproductive, maternal and child health, and 3) enhancing the financial sustainability of primary health care services

USAID Role and Achievements to Date USAID-funded programs are active in 15 of Uganda's 45 districts, which include about 35% of the country's population USAID has major program activities in 12 of those districts in addition to a national contraceptive social-marketing program

USAID's program emphasizes maternal and reproductive health Over the past several years, USAID has been responsible for major initiatives in upgrading the skills of health care providers in family planning and maternal health, mass-media communications, community health education, contraceptive social marketing, and HIV testing and counseling More recently, USAID has increased its emphasis on sexually transmitted diseases (STDs), a major factor in HIV transmission, and in health-care financing and private-sector development

These activities have increasingly measurable effects In 11 of the 12 districts where USAID has major activities, contraceptive use has increased since 1995 from 13 2% to 19 4% (Due to security concerns data can not be gathered in the 12th district at this time) During the same period, women not using contraception because of incorrect information or lack of a known source of service have declined from 20% to 16 8%, and the percentage of adults who know that condom use can prevent HIV infection increased from 22% to 58% Data continues to indicate that declines in HIV prevalence have continued for the fifth consecutive year among ante-natal mothers at sentinel surveillance clinics in areas where USAID programs are being implemented USAID-funded HIV testing and counseling are now available at 18 sites in eight districts

Description USAID's greatest potential and established comparative advantage for reducing mortality and lowering high fertility are in those areas associated with childbirth and high-risk sexual behavior USAID

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will continue to fund activities to 1) increase the availability and quality of health services related to family planning, HIV and other STDs, and to the care of mothers and infants, 2) encourage the adoption of behaviors which will reduce the risk of acquiring HIV, unwanted pregnancies, and maternal and child death, including optimal breastfeeding and nutritional education, and 3) enhance financial sustainability of maternal and child health services by increasing revenue generation at public facilities and increasing the private-sector provision of care, including the establishment of endowments for private health-care organizations

Host Country and Other Donors USAID is the most significant donor in the areas of maternal and reproductive health in Uganda, in terms of the amount and the quality of resources provided Donors of direct relevance to USAID's program include Britain's Department for Overseas Development, the UN Population Fund, and the World Bank The World Bank is the largest donor in the sector with active projects related to STDs, delivery of basic health services at the district level and a new nutrition project which is about to begin Other major bilateral donors include Denmark, which provides significant funding for essential-drug supply and management, support for the Ministry of Health's training and planning units, pre-service training, and improved primary care in three districts UNICEF and World Health Organization provide assistance in child survival and maternal health

Beneficiaries Approximately seven million people are potential beneficiaries of USAID's health activities, including about 1 5 million women of reproductive age In addition, the contraceptive social marketing program serves the commercial market for condoms nationwide

Principal contractors, Grantees or Agencies U S NGOs Pathfinder International, African Medical and Research Foundation, Cooperative for American Relief Everywhere (CARE), AVSC International, U S Universities Johns Hopkins University, University of North Carolina, U S firms E Petrich and Associates, The Futures Group, John Snow International, Ugandan NGOs The AIDS Information Center, The AIDS Support Organization

Major Results Indicators

	Baseline		Targets(199
Contraceptive Prevalence (9 districts)	13 2% (1995)	25%	
Assisted deliveries (sample of facilities)	59,000 (1996)	77,000	
Exclusive breastfeeding, 4-6 mos (9 districts)	21% (1995)	50%	
Condom sales	9 5 mil/yr (1996)		15 mil/yr
HIV testing/counseling (persons)	35,000 (1997)	80,000	

ACTIVITY DATA SHEET

PROGRAM UGANDA
TITLE AND NUMBER Demand for Constitutional Checks and Balances Institutionalized, 617-SO05
STATUS Continuing
PROPOSED OBLIGATION AND FUNDING SOURCE FY 1999 $2,300,000 DA
INITIAL OBLIGATION FY 1997, **ESTIMATED COMPLETION DATE** FY 2003

Purpose To strengthen and increase the demand for constitutional checks and balances in the Ugandan political culture in order to make government more accountable to its citizens

USAID Role and Achievements to Date Uganda has embarked on a remarkable transition over the past 10 years, moving from endemic anarchy, internecine violence, pervasive human rights abuses, wholesale government corruption accompanied by outright looting, and the near-destruction of both a functioning government and civil society counterparts The combined Amin-Obote era and its aftermath brought Uganda international notoriety and ridicule, leaving most observers in doubt as to whether order, let alone progress, could successfully be re-established Beginning in 1986 when the National Resistance Movement gained control, Uganda has undergone phenomenal change and achieved enviable progress on all fronts The resulting transition has changed Uganda's political culture from violent, arbitrary despotism and anarchy to respect for the rule of law and the emergence of democracy Benchmarks of this change include

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promulgation of a new constitution, the election of a government by universal adult suffrage, the devolution of authority and resources to local government, and a reduction in state-sponsored human rights abuses - all important steps in the right direction These achievements are, however, diminished by corruption, restrictions on free competition among political parties, and institutions, including the Parliament, the judiciary, the press, and citizen advocacy groups that are not yet effective in enforcing the checks and balances included in the new constitution In addition, because statutes have never been revised, contradictory laws and accompanying regulations abound Further, there is no compilation of statutes uniformly available to either the bar or the judiciary resulting in random access and inconsistency In some cases, bills have been drafted only to discover that the law already exists

USAID's partnership is strengthening constitutional checks and balances to achieve 1) a better informed and functioning parliament, 2) a strengthened electoral system, 3) a cohesive framework of laws and regulations, 4) a more accessible and accountable government, 5) more efficient local government, and 6) a network of strong civil society groups This vision of civil society as a cornerstone for fostering political pluralism and improved functioning is grounded in Uganda's unique decentralization of all government services, a move unparalleled throughout Africa In August 1997, Uganda devolved nearly all central powers and decentralized the Government of Uganda (GOU) budget to its 45 districts Constitutionally-mandated elections at the local government level in early 1998 will result in women holding one-third of elected local offices USAID is assisting the Ministry of Local Government (MOLG) and the Decentralization Secretariat (DS) in implementing this bold political experiment which re-defines the roles of Members of Parliament (MPs) and central GOU ministries, and places political decisions and accountability at the district level

To date, USAID has played an important part in assisting with drafting the constitution, assuring the success of presidential and parliamentary elections, and supporting the Law Reform Commission's complete codification of existing statutes and related regulations (which are not uniformly accessible and date back to the colonial era, laws and regulations have never been systematically repealed or homogenized by successive legislation) Other activities include workshops for women running for political office, building the capacity of women parliamentarians, and training the officials of the Interim Election Commission In addition, funds have supported human rights efforts aimed at ending female circumcision, advising women of their legal rights, assisting prisoners' advocacy groups and assisting non-government organization (NGO) human rights advocates Finally, U S assistance has been critical in the demobilization and reintegration of 37,000 soldiers and the expansion of civic education

Description USAID's four related approaches work together to achieve this objective through 1) building parliament's capacity to be an effective check on executive authority, 2) standardizing the legal framework, 3) building local government capacity, and 4) strengthening civil advocacy groups

MPs, all recently elected, are operating with a new constitution and committee system and have no organized access to reliable information USAID is strengthening Parliament's institutional capacity though a series of workshops and seminars on a variety of topics from rules and procedures to budgeting, legislative drafting and revenue generation Concurrently, USAID is assisting Parliament to establish and expand a research and reference capacity (currently non-existent) which will be available to all MPs with an emphasis on serving the standing committees Meanwhile, USAID will continue its work with the Law Reform Committee which seeks to compile all existing legislation and applicable regulations and submit draft legislation which is coherent, current, and non-contradictory
Host Country and Other Donors Ugandans and other donors view the United States as being at the forefront, in both experience and innovation, in promoting pluralism and good governance Donor participation in the democracy and governance sector, particularly in view of the rapidity with which decentralization was implemented, is increasing significantly Denmark and Germany are working extensively in selected districts to strengthen decentralization The United Kingdom is working closely with USAID to assist in publishing the revised statutes and regulations, once revision is completed and is assisting Uganda to redraft commercial legislation USAID takes a lead role in building the capacity of parliament and in strengthening the MOLG and the DS

Beneficiaries Parliamentarians, local councils, women candidates and office holders at all levels, potential

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litigants who benefit from legal codification, citizens' advocacy groups, and voters

Principal Contractors, Grantees, or Agencies Activities contributing to the achievement of this strategic objective will be implemented by a combination of U S and local institutions and NGOs U S contractors and/or grantees will be competitively selected in 1997/1998

Major Results Indicators

	Baseline (1996)	Target (1999)
Parliament initiates major legislation	None	One sectoral reform initiated
Number of schools that publicly display budgets	None	75%
Uniform sectoral legal codes established	None	Coherent legal codes in place
More effective civil advocacy	None	Civil groups network established to affect

Footnote 1 MH = Male headed households

Footnote 2 FH = Female headed households

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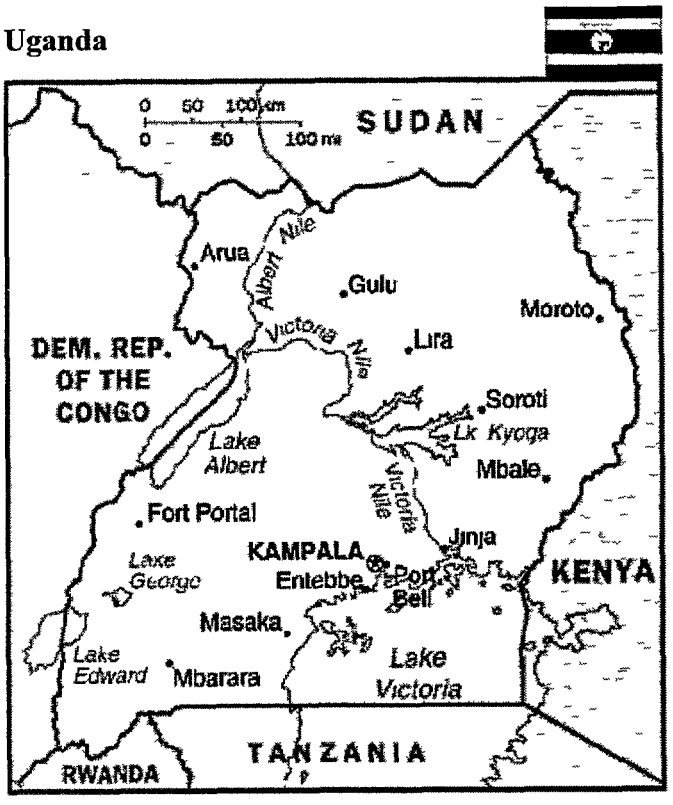
Uganda



Geography

Location Eastern Africa, west of Kenya

Geographic coordinates 1 00 N, 32 00 E

Map references Africa

Area
total 236,040 sq km
land 199,710 sq km
water 36,330 sq km

Area - comparative slightly smaller than Oregon

Land boundaries
total 2,698 km
border countries Democratic Republic of the Congo 765 km, Kenya 933 km, Rwanda 169 km, Sudan 435 km, Tanzania 396 km

Coastline 0 km (landlocked)

Maritime claims none (landlocked)

Climate tropical, generally rainy with two dry seasons (December to February, June to August), semiarid in northeast

Terrain mostly plateau with rim of mountains

Elevation extremes
lowest point Lake Albert 621 m

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highest point Margherita (Mount Stanley) 5,110 m

Natural resources copper, cobalt, limestone, salt

Land use
arable land 25%
permanent crops 9%
permanent pastures 9%
forests and woodland 28%
other 29% (1993 est)

Irrigated land 90 sq km (1993 est)

Natural hazards NA

Environment - current issues draining of wetlands for agricultural use, deforestation, overgrazing, soil erosion, poaching is widespread

Environment - international agreements
party to Biodiversity, Climate Change, Endangered Species, Law of the Sea, Marine Life Conservation, Nuclear Test Ban, Ozone Layer Protection, Wetlands
signed, but not ratified Desertification, Environmental Modification

Geography - note landlocked

People

Population 20,604,874 (July 1997 est)

Age structure
0-14 years 50% (male 5,126,249, female 5,092,583)
15-64 years 48% (male 4,948,859, female 4,963,718)
65 years and over 2% (male 234,351, female 239,114) (July 1997 est)

Population growth rate 2 14% (1997 est)

Birth rate 45 08 births/1,000 population (1997 est)

Death rate 20 98 deaths/1,000 population (1997 est)

Net migration rate -2 66 migrant(s)/1,000 population (1997 est)
note Uganda is host to refugees from a number of neighboring countries, including Sudan, Rwanda, and Democratic Republic of the Congo, formerly Zaire, probably in excess of 100,000 southern Sudanese fled to Uganda during the past year, many of the 10,000 Rwandans who took refuge in Uganda have returned home

Sex ratio
at birth 1 03 male(s)/female
under 15 years 1 01 male(s)/female
15-64 years 1 male(s)/female
65 years and over 0 98 male(s)/female
total population 1 male(s)/female (1997 est)

Infant mortality rate 98 4 deaths/1,000 live births (1997 est)

Life expectancy at birth
total population 39 69 years

male 39 3 years
female 40 1 years (1997 est)

Total fertility rate 6 52 children born/woman (1997 est)

Nationality
noun Ugandan(s)
adjective Ugandan

Ethnic groups Baganda 17%, Karamojong 12%, Basogo 8%, Iteso 8%, Langi 6%, Rwanda 6%, Bagisu 5%, Acholi 4%, Lugbara 4%, Bunyoro 3%, Batobo 3%, non-African (European, Asian, Arab) 1%, other 23%

Religions Roman Catholic 33%, Protestant 33%, Muslim 16%, indigenous beliefs 18%

Languages English (official), Luganda, Swahili, Bantu languages, Nilotic languages

Literacy
definition age 15 and over can read and write
total population 61 8%
male 73 7%
female 50 2% (1995 est)

Government

Country name
conventional long form Republic of Uganda
conventional short form Uganda

Data code UG

Government type republic

National capital Kampala

Administrative divisions 39 districts, Apac, Arua, Bundibugyo, Bushenyi, Gulu, Hoima, Iganga, Jinja, Kabale, Kabarole, Kalangala, Kampala, Kamuli, Kapchorwa, Kasese, Kibale, Kiboga, Kisoro, Kitgum, Kotido, Kumi, Lira, Luwero, Masaka, Masindi, Mbale, Mbarara, Moroto, Moyo, Mpigi, Mubende, Mukono, Nebbi, Ntungamo, Pallisa, Rakai, Rukungiri, Soroti, Tororo

Independence 9 October 1962 (from UK)

National holiday Independence Day, 9 October (1962)

Constitution 8 October 1995, adopted by the interim, 284-member Constituent Assembly, charged with debating the draft constitution that had been proposed in May 1993, the Constituent Assembly was dissolved on promulgation of the constitution in October 1995

Legal system in 1995, the government restored the legal system to one based on English common law and customary law and reinstituted a normal judicial system, accepts compulsory ICJ jurisdiction, with reservations

Suffrage 18 years of age, universal

Executive branch
chief of state President Lt Gen Yoweri Kaguta MUSEVENI (since seizing power 29 January 1986), note - the president is both chief of state and head of government

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head of government President Lt Gen Yoweri Kaguta MUSEVENI (since seizing power 29 January 1986), Prime Minister Kintu MUSOKE (since 18 November 1994) note - the president is both chief of state and head of government, the prime minister assists the president in the supervision of the cabinet
cabinet Cabinet appointed by the president from among elected legislators
elections president elected by popular vote, election last held 9 May 1996 (next to be held by 31 May 2001), note - first popular election for president since independence in 1962, prime minister appointed by the president
election results Lt Gen Yoweri Kaguta MUSEVENI elected president, percent of vote - Lt Gen Yoweri Kaguta MUSEVENI 74%, Paul Kawanga SSEMOGERERE 24%, Muhammad MAYANJA 2%

Legislative branch unicameral National Assembly (276 members serve five-year terms, 214 directly elected by universal suffrage, but 62 are nominated by legally established special interest groups and approved by the president - women 39, army 10, disabled 5, youth 5, labor 3)
elections elections to the National Assembly (formerly the National Resistance Council) took place on 27 June 1996 (next election to be held in 2001),
election results NA, note - election campaigning by party was not permitted

Judicial branch Court of Appeal, High Court

Political parties and leaders only one political organization, the National Resistance Movement or NRM [Dr Samson KISEKKA, chairman] is recognized, note - this is the party of President MUSEVENI, the president maintains that the NRM is not a political party, but a movement which claims the loyalty of all Ugandans
note of the political parties which exist but are prohibited from sponsoring candidates, the most important are the Ugandan People's Congress or UPC [Milton OBOTE], Democratic Party or DP [Paul SSEMOGERERE], and Conservative Party or CP [Joshua S MAYANJA-NKANGI], the new constitution confirms the suspension of political party activity until 2000

International organization participation ACP, AfDB, C, CCC, EADB, ECA, FAO, G-77, IAEA, IBRD, ICAO, ICFTU, ICRM, IDA, IDB, IFAD, IFC, IFRCS, IGADD, ILO, IMF, Intelsat, Interpol, IOC, IOM, ISO (correspondent), ITU, NAM, OAU, OIC, PCA, UN, UNCTAD, UNESCO, UNHCR, UNIDO, UPU, WFTU, WHO, WIPO, WMO, WToO, WTrO

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Flag description six equal horizontal bands of black (top), yellow, red, black, yellow, and red, a white disk is superimposed at the center and depicts a red-crested crane (the national symbol) facing the hoist side

Economy

Economy - overview Uganda has substantial natural resources, including fertile soils, regular rainfall, and sizable mineral deposits of copper and cobalt Agriculture is the most important sector of the economy, employing over 80% of the work force Coffee is the major export crop and accounts for the bulk of export revenues Since 1986 the government - with the support of foreign countries and international agencies - has acted to rehabilitate and stabilize the economy by undertaking currency

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reform, raising producer prices on export crops, increasing prices of petroleum products, and improving civil service wages The policy changes are especially aimed at dampening inflation and boosting production and export earnings In 1990-94, the economy turned in a solid performance based on continued investment in the rehabilitation of infrastructure, improved incentives for production and exports, and gradually improving domestic security The economy again prospered in 1995 with rapid growth, low inflation, growing foreign investment, a trimmed bureaucracy, and the continued return of exiled Indian-Ugandan entrepreneurs

GDP purchasing power parity - $16 8 billion (1995 est)

GDP - real growth rate 7 1% (1995 est)

GDP - per capita purchasing power parity - $900 (1995 est)

GDP - composition by sector
agriculture 55%
industry 12%
services 33% (1995)

Inflation rate - consumer price index 7 3% (1996 est)

Labor force
total 8 361 million (1993 est)
by occupation agriculture 86%, industry 4%, services 10% (1980 est)

Unemployment rate NA%

Budget
revenues $766 5 million
expenditures $894 3 million, including capital expenditures of $NA (FY94/95 est)

Industries sugar, brewing, tobacco, cotton textiles, cement

Industrial production growth rate 15% (1994)

Electricity - capacity 155,000 kW (1995)

Electricity - production 611 million kWh (1995)

Electricity - consumption per capita 31 kWh (1995 est)

Agriculture - products coffee, tea, cotton, tobacco, cassava (tapioca), potatoes, corn, millet, pulses, beef, goat meat, milk, poultry

Exports
total value $555 million (f o b , FY94/95)
commodities gold, cotton, coffee, tea, corn, fish
partners Spain 23%, France 14%, Germany 14%, Italy 10%, Netherlands 8%

Imports
total value $1 18 billion (c i f , FY94/95)
commodities petroleum products, machinery, metals, transportation equipment, cotton piece goods, food
partners Kenya 26%, UK 12%, Japan 8%, Germany 8%, India 5 5%

Debt - external $3 4 billion (1995 est)

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Economic aid
recipient ODA, $NA

Currency 1 Ugandan shilling (USh) = 100 cents

Exchange rates Ugandan shillings (USh) per US$1 - 1,030 3 (December 1996), 1,046 1 (1996), 968 9 (1995), 979 4 (1994), 1,195 0 (1993), 1,133 8 (1992)

Fiscal year 1 July - 30 June

Communications

Telephones 54,900 (1989 est)

Telephone system fair system
domestic microwave radio relay and radiotelephone communications stations
international satellite earth station - 1 Intelsat (Atlantic Ocean)

Radio broadcast stations AM 10, FM 0, shortwave 0

Radios 2 04 million (1992 est)

Television broadcast stations 9 (1987 est)

Televisions 193,000 (1992 est)

Transportation

Railways
total 1,241 km
narrow gauge 1,241 km 1 000-m gauge
note a program to rehabilitate the railroad is underway (1995)

Highways
total 27,000 km
paved 1,800 km
unpaved 25,200 km (of which about 4,800 km are all-weather roads) (1990 est)

Waterways Lake Victoria, Lake Albert, Lake Kyoga, Lake George, Lake Edward, Victoria Nile, Albert Nile

Ports and harbors Entebbe, Jinja, Port Bell

Merchant marine
total 3 roll-on/roll-off cargo ships (1,000 GRT or over) totaling 5,091 GRT/5,943 DWT (1996 est)

Airports 21 (1996 est)

Airports - with paved runways
total 10
over 3,047 m 2
1,524 to 2,437 m 1
under 914 m 7 (1996 est)

Airports - with unpaved runways
total 11
2,438 to 3,047 m 1

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1,524 to 2,437 m 5
914 to 1,523 m 5 (1996 est)

Military

Military branches Army, Navy, Air Wing

Military manpower - availability
males age 15-49 4,466,851 (1997 est)

Military manpower - fit for military service
males 2,423,556 (1997 est)

Military expenditures - dollar figure $56 million (FY93/94)

Military expenditures - percent of GDP 1 7% (FY93/94)

Transnational Issues

Disputes - international none

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THE WORLD BANK GROUP

Uganda Twelve Years of Progress

When President Yoweri Kaguta Museveni and the National Resistance Movement (NRM) took power in 1986 after a five-year guerrilla struggle against the regimes of Milton Obote and Titi Okello, Uganda had been bleeding both literally and figuratively for over 10 years Between 1971 and 1986 real GDP had declined by about 40% per capita Furthermore, Uganda's was a highly regulated economy with State companies in nearly all sectors, inefficient state trading boards, and a government stranglehold on the private sector On the political front, President Museveni formed a broad-based government bringing politically hostile factions together in the NRM and from there evolved Uganda's rather unique no-party system in a country of over 30 different languages This system was largely endorsed in presidential and parliamentary elections in June 1996 which were both peaceful and declared fair and in which the President won nearly 75% of the vote and carried a majority in all areas but the North

Northern Uganda has remained in a state of conflict for much of the last decade while the rest of the country has enjoyed growth A number of groups are involved in the conflict from genuine opposition groupings to those supported by Sudan Poverty and security concerns in the North are acute as a result of the conflict and government's inability to act freely in these areas

Uganda at a Glance	
GDP (1997 preliminary estimates US$)	6 5 billion
GNP per capita (1996 US$)	290
GDP Growth (1997 preliminary estimate)	5 0%
Inflation (1996)	7 6%
Population	19 7 million
Infant Mortality (per 1 000 live births)	98
Life expectancy	42
Literacy (% of population age 15+)	61%

Initial economic policies introduced by the Museveni government in an attempt to address the grim situation they inherited proved unsustainable In mid 1987, the government embarked on an economic recovery program aimed at reducing poverty by restoring fiscal discipline and monetary stability, rehabilitating infrastructure (economic, social and institutional), promoting investment and incentive structures and encouraging savings It was slow going at first but by 1992, the effects of a turnaround had begun to show, foreign inflows increased and coffee prices boomed Real GDP growth has averaged 6 4% over the past decade Uganda's economic figures, like those in so many African countries, are highly sensitive to fickle weather patterns Growth in 1996 was undermined by drought in the east and heavy rains in the west In 1997, weather again weakened growth while the current year is of course vulnerable to the effects of the heavy El Nino rains in eastern Africa

Among the significant challenges facing Uganda is fiscal discipline and keeping a rein on defense expenditures so that the vast health and education needs of the country may be met

In April 1998, Uganda will be the first country to benefit from the Highly Indebted Poor Countries (HIPC) initiative with debt relief in excess of $700 million (in nominal terms) This will enable Uganda to exit from the stifling rescheduling process In addition, the World Bank's International Development Association (IDA) will grant Uganda substantial assistance in support of its primary education program

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Zambia: Mission Country Strategy and Proposed Urban Activities[1]

1 Introduction

USAID's strategy seeks to open Zambia's democratic climate to allow people to develop, prosper, and invest in the economic opportunities available in the country, while reversing socioeconomic deterioration caused by past statist policies Family health and population activities account for two-thirds of the portfolio in terms of expenditures, but private sector development and growth, economic reform, and democracy and governance activities are important and are considered key indicators of USAID program success USAID has played an important role in the economic reorientation of Zambia, especially in the privatization of state-owned enterprises and the promotion of the government's programs of reform, particularly in health and family planning By these means and with a creative and flexible program of famine relief, the United States has successfully contributed to the establishment of a social safety net and to the generation of domestic pressures to sustain social and economic reform

The U S interest is defined by Zambia's continued performance as a stable and progressive influence near a troubled region After 1991, USAID restructured its program to support the new MDD government's reform agenda, promoting to the maximum extent possible Zambian ownership of the reforms to ensure their sustainability

The Mission seeks to facilitate broad-based participation by private enterprise in key economic sectors of the country Activities are focused on the privatization of state-owned enterprises and increasing the contribution from rural groups to the national economy

In the health sector, USAID promotes a decentralized, integrated, low-cost package of basic health services — focused on child survival, polio eradication, family planning, reproductive health, and HIV/AIDS prevention and mitigation activities — to achieve sustainable improvements in the health status of Zambians

The total funding requested for the FY 1999 Zambia program is $19,250,000,with $7,650,000 from Child Survival and Disease funds and $11,600,000 from Development Assistance These funds are to be split among the three SOs as follows

[1] Much of the information in this report was taken from the USAID/Zambia FY 2000 Results Review and Resource Request (March 3 1998) the USAID Bureau for Africa Program Information FY 1998, and the USAID FY 1998 Congressional Presentation on Zambia

FY 1999 USAID/Zambia Program Funding	US$ (millions)	% of Total FY 1999 Funding
SO1 "Increased Rural Income"	6 9	36
SO2 "Increased Use of Child, Reproductive, and HIV Interventions"	10 7	55
SO3 "Expanded Opportunity for Effective Government Participation"	1 7	9
Total	**19 3**	**100**

Source The USAID FY 1999 Congressional Presentation (Zambia)

In implementing these activities, the Mission seeks to work as much as possible with nongovernmental entities, such as the private business sector, nongovernmental organizations, and community groups, thereby encouraging the development of civil society in Zambia

2 USAID/Zambia Program

2 1 Summary of Country Strategic Plan

The U S interest is primarily to enhance prospects for peace, trade, and stability in the region and to ensure Zambia's viability as a partner in the 10-member Southern Africa Development Community Therefore, USAID is committed to working with Zambia to accelerate economic growth, consolidate democratic processes, open investment opportunities, reduce population growth rate, improve quality and coverage of primary health care, and curb growth in HIV/AIDS infections

2 2 Summary of Results Review and Resource Request (R4)

In making the transition from the 1993-1997 Country Strategic Plan (CSP) to the new (1998-2002) CSP, USAID/Zambia has sought to consolidate gains, incorporate lessons learned, and exploit synergies between its activities to develop a new set of Strategic Objectives These are as follows

SO1. **Reduce the State's Role in the Provision of Goods and Services**	
IR 1 1	***Divestiture of State-Owned Enterprises (SOEs)***
INDICATOR	Number of parastatal companies (SOEs) sold or liquidated to date
INDICATOR	Percent of privatized assets bought and/or controlled by Zambians
IR 1 2	***Management of SMEs and Privatized SOEs Improved through Business Training and Entrepreneurial Support***
INDICATOR	Difference between pre-assistance and post-assistance net profit margins for USAID-assisted SMEs (% increase or decrease)

SO2·

Increase the Productive Participation of Rural Enterprises and Communities in the National Economy

IR 2 1 Efficient Product Marketing Systems Exist

INDICATOR Agricultural exports as a percent of total non-traditional exports

IR 2 2 Productive Economic Participation Increases Rural Investment

INDICATOR Credit for rural enterprise
INDICATOR Credit for female-headed rural enterprise (percentage of commercial bank lending in Mumbwa and Mazabuka)

IR 2 3 Diversified and Productive Farm Enterprise Management Practices

INDICATOR Increased cropping diversity
INDICATOR Increased female-led cropping diversity

SO3.

Increased Use of Practices that Improve Child and Reproductive Health

INDICATOR Contraceptive prevalence rate (modern methods)
INDICATOR Vaccination coverage rate
INDICATOR Condom use F = Female M = Male
INDICATOR Vitamin A supplementation
INDICATOR Supervised deliveries

IR 3 1 Increased Demand for PHN Interventions among Target Groups

INDICATOR Rate and number of new family planning acceptors
INDICATOR IMCI Care

IR 3 2 Increased Delivery of PHN Interventions at Community Level

INDICATOR NGO service delivery

IR 3 3 Increased Delivery of PHN Interventions by the Private Sector

INDICATOR Annual number of products sold

IR 3 4 Improved Health Worker Performance

INDICATOR Diagnosis of IMCI
INDICATOR STI management (diagnosis and treatment)

IR 3 5 Improved Policies, Planning, and Support Systems for the Delivery of PHN Interventions

INDICATOR Number of critical PHN policies
INDICATOR Proportion of districts that conduct a self-assessment of their integrated logistics systems (drugs vaccines contraceptives laboratory supplies and IEC materials) and take actions to improve their system

SO4: A More Sustainable Multi-Party Democracy Built	
IR 4 1	*Improved Citizen Awareness of Rights and Responsibilities*
INDICATOR	Eligible voters registered
INDICATOR	Voter turn-out in parliamentary and by-elections (percentage of registered voters)
IR 4 2	*Independent Journalism*
INDICATOR	Private sector share of newspapers
INDICATOR	Private sector share of working journalists
IR 4 3	*Improved Public Policy Implementation*
INDICATOR	Number of cabinet subcommittees functioning effectively out of the total number of subcommittees

3 Institutional Analysis/Key Players

The United States is Zambia's seventh-largest bilateral donor Development assistance typically amounts to roughly three-quarters of the national budget in Zambia By far the greatest contributions are made by the World Bank/IDA (through structural adjustment loans) and the European Union Among the bilateral donors, Japan is the largest, followed by Great Britain, Germany, Norway, and Sweden, Denmark and the Netherlands share sixth place Because of concerns over governance issues associated with a recent constitutional amendment, all bilateral donors suspended balance of payments support to Zambia ($140 million) in 1996 The U S Government does not provide such support

National

- Ministry of Tourism Through a USAID grant, the Ministry of Tourism (MOT) has developed programs that channel wildlife hunting and viewing revenues to communities in protected areas
- Ministries of Agriculture and Health USAID also supports the Ministries of Agriculture and Health (increasing accessibility and quality of health care delivery and products)
- Programme Co-ordination Unit Through funding from UNICEF, Irish Aid, NORAD, and the European Community, the Programme Co-ordination Unit (all seven of the Zambian Ministries, the Environmental Council of Zambia, and the National Council for Scientific Research) is working to recommend policy reforms on the water supply and sanitation sector, define the responsibilities of the various ministries and organizations in this sector, determine the re-organization needs of the sector, and make proposals for reforming and strengthening various institutions with responsibility for water supply and sanitation services
- Government of Zambia The Government of Zambia is preparing an Urban Restructuring Water and Sanitation project for World Bank financing The project has three core components 1) a "quick fix" design to rehabilitate priority trunk infrastructure, 2) a demonstration component designed to fund sustainable community-generated water and sanitation projects, and 3) a capacity building component that will provide the linkages to

components 1 and 2 through training, information gathering, and physical planning, ensuring that future urban investment programs are generated through a decentralized planning process

International

- USAID USAID is the leading bilateral donor supporting privatization In the support of child-survival activities, USAID is the third-ranking donor, behind the United Nations Children's Fund and Denmark USAID and the Nordic countries focus on civic education, election monitoring, electoral reform, and constitutional reform Funding levels from this consortium rank below that of the World Bank, UNDP, and the United Kingdom in this sector USAID and the Embassy of Japan co-funded expanded joint support for malaria control activities, Vitamin A deficiency reduction, water disinfection, and safe storage for diarrheal disease control
- World Bank The World Bank is conditioning balance-of-payment support on progress achieved in privatization The Bank is also one of the primary supporters of government accountability and transparency
- United Nations Development Programme The principal donor institutions supporting increased participation, transparency, and accountability of government institutions in civil society are the United Nations Development Programme and the World Bank Specifically, these organizations support public service and judiciary reform programs The United National Development Programme is funding programs in agricultural and industrial development, economic planning and management, education and training, and women in development
- United Kingdom The United Kingdom has an ambitious program of support for governmental decentralization and fiscal responsibility and supports the training of senior civil servants
- Canadian International Development Agency The Canadian International Development Agency is providing funding in the areas of basic human rights, environment and natural resource management, and private sector support and economic management
- Norway, Denmark, Germany, and the United Kingdom are the other major bilateral partners in the privatization sector (behind the World Bank)
- WHO, UNICEF, Welcome Research Laboratory (UK), the Irish Government, USAID, and WAF provide grants to the Tropical Diseases Research Centre for work in malaria morbidity and mortality control, African trypanosomiasis control, schistososmiasis and HIV infection reduction, and Vitamin A deficiency

Relevant USAID Contractors

- The Cooperative League of the USA (CLUSA) is working to expand access to rural finance for farmer-managed non-farm enterprises and linking small-scale producers and processors through outgrower schemes and contracts
- Africare is working to diversify rural households' income sources through small-scale rural agroprocessing enterprises
- Through CARE, John Snow Inc , Johns Hopkins University, and the Population Council, USAID implements Family Planning Service activities

- Through Project Concern International and Population Services International, USAID implements HIV/AIDS Prevention activities
- Child Survival activities are implemented through Basic Support for Institutionalizing Child Survival Project (BASICS), a consortium of U S institutions, universities, and cooperating agencies
- Price Waterhouse is assisting in the privatization of the Zambia Telecommunications company under USAID's Regional Telecommunications Restructuring Project
- Michigan State University and Southern University have received USAID funding for work related to the government accountability sector
- Others World Food Program, Cargill Technical Services, Associates in Rural Development, and the New York Wildlife Society

NGOs/Others

- Through a USAID grant, the Administrative Management Design for Game Management Areas (Zambian NGO) is promoting community-based natural resource management in Game Management Areas Revenues accrue to the community
- The Zambia Association of Chambers of Commerce and Industry is taking the lead in providing business training and hands-on technical assistance to supplement privatization efforts (under USAID's Private Enterprise Support and Human Resources Development Assistance)
- CARE is implementing the Southern Province Rural Feeder Roads Rehabilitation Project, the Peri-Urban Lusaka Small Enterprise and Self-Help Projects, the Urban Restructuring and Water Supply Project Demonstration Component, and a food security program involving improved production techniques, diversified cropping, and expanded access to affordable rural finance

4 Status of USAID/Zambia Program and Opportunities for Urban Activities

The Mission's rural focus on cross-cutting issues, such as privatization and trade policy, insufficient funds for health reforms and service delivery, and a withdrawal of some USAID funding from the democracy building sector, threaten to reduce the potential for economic growth, democracy, and investment opportunities As demonstrated by the following chart, many of these issues directly relate to urban development and interests Consequently, additional benefits for Zambians can be derived from an increase in urban-oriented activities

5 Proposed Urban Activities and Approach

Key Mission Activity	Urban Program Opportunity
Health Reforms and Service Delivery The resources allocated are insufficient to cover the transition costs and ongoing costs of service delivery Service delivery in the water supply and sanitation sector has received a great amount of attention in Zambia as a contributor to health improvements (Programme Co-ordination Unit activities — UNICEF, EC, NORAD etc Urban Restructuring Water and Sanitation project — Water Bank, Urban Restructuring and Water Supply Project — CARE) USAID, however is not involved in the water supply and sanitation sector	Currently, the Mission is implementing programs to control malaria and water-borne diseases The RUDO could assist in defining programs to support the Mission's water disinfection and safe storage activities under these control programs • Link environmental "brown" issues to health issues, such as the provision of potable water and treatment and infrastructure expansion and maintenance • Policy reforms capacity building, infrastructure improvements and institutional responsibilities need to be defined and implemented • Assess USAID/CARE's Urban Restructuring and Water Supply Project (demonstration component) to identify potential for widespread replication • USAID activities could encourage the private sector's role in the provision of water supply and sanitation services
Democracy Building The Mission is withdrawing from the institution building program based on civic action grants This forces the NGOs — many of which are focusing on a range of citizen rights and responsibilities broader than voting — to search for other available funding	The RUDO could build on program achievements and relationships with local governments, groups, and NGOs to develop models of service provision at the local level • This withdrawal creates a need for support of local democracy building and frameworks for centralization • Initiate institution building activities that encourage local governments to participate in the provision of markets basic infrastructure, business opportunities through the privatization of services etc
Urban-Rural Linkages CARE in cooperation with the Ministry of Agriculture, Food and Fisheries and funded by IFAD is working with local communities to identify and rehabilitate priority road works	Many of the identified roads will lead to urban areas Improving these roads enhances microenterprise development in rural areas as it facilitates market access In addition, contributing to rural road improvements complements SO2 (increasing the productive participation of rural enterprises and communities in the National Economy) • Technical assistance may be needed to clarify (and strengthen) the role of local governments in the planning, construction improvement and maintenance of roads and to reinforce linkages to stakeholder groups that depend on these roads

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Key Mission Activity	Urban Program Opportunity
Trade Policy and Implementation Requests from the private and public sectors in Zambia for additional assistance with bilateral trade negotiations and the development of trade policy and legal frameworks compliant with World Trade Organization regulations require the integration of regional activities into the trade program for Southern Africa Furthermore, the current trade-related policy and institution building activities are focused on rural activities	Technical assistance training and regional coordination and identification of concerns are necessary to effectively incorporate regional and urban issues into trade policy and implementation in Zambia • Efforts to improve conditions for foreign and domestic capital investment Identify local government investments needed to support trade and market development and local government activities that support this objective, and propose financing mechanisms in context of broader financial market development objectives • Assistance to address the role of cities and local government in trade and economic growth activities

Urban Restructuring and Water Supply Project Demonstration Component

CARE Zambia, Copyright © 1997

Both the Ndola City Council and the Kalulushi Municipal Council have contracted CARE Zambia as the Facilitation Consultant for the World Bank-funded Urban Restructuring and Water Supply Project Demonstration Component (URWSP) This is one of three components in the overall URWSP, which is operating with a total of nine councils throughout the country In Kalulushi, the demonstration component is operating in the settlement of Chibote, in Ndola, the selected settlement is Kanyala-Bunga

As Facilitation Consultant, CARE Zambia's role is to assist with the development of sustainable water systems in the participating settlements, and to strengthen institutional capacities and linkages within and between the participating settlement communities and councils by

- assisting communities in exercising choice on water and sanitation infrastructure investments, based on what the residents want and are willing to pay for,
- strengthening the capacity within the councils to support the process of community project design and installation, and
- developing consultative mechanisms that will be used for the planning and implementation of future urban development projects

During the first phase of this three-year project, CARE Zambia is working with Rankin Engineering, the councils, and the residents to develop Settlement Technical Plans for the improvement of water supply If these plans are approved and funded, CARE will continue to play a monitoring role throughout the technical implementation phase

Attachments

1 USAID 1999 Congressional Presentation

2 Zambia Chapter from CIA World Factbook, 1997

3 "Zambia " The World Bank Group

4 "Peri-Urban Self-Help Project " CARE

USAID Congressional Presentation

Note This document may not always reflect the actual appropriations determined by Congress Final budget allocations for USAID's programs are not determined until after passage of an appropriations bill and preparation of the Operating Year Budget (OYB)

ZAMBIA

	FY 1997 Actual	FY 1998 Estimate	FY 1999 Request
Child Survival and Disease	$8,600,000	$7,300,000	$ 7,650,000
Development Assistance	$9,000,000	$11,011,000	$11,600,000
P L 480 Title II	$163,350	---	---

Introduction

It is in the U S interest for Zambia to remain a friendly, democratic state contributing to regional stability and firmly on the path to sustainable development Zambia shares borders with the new Democratic Republic of Congo and Angola and is a buttress against potential chaos It has played a role in facilitating African conflict resolution, including peacekeeping, and it is in the U S interest for this to continue Deep privatization reforms have created opportunities for U S trade and investment as well as for more Zambian economic participation in southern Africa Zambia's large copper deposits are encouraging U S entry into the Zambian market, and leading American mining firms are in the process of acquiring large scale mining assets which are being privatized

The Development Challenge

There are fundamental constraints to Zambia realizing full economic potential Labor productivity is low the HIV/AIDS pandemic increases absenteeism and kills many senior managers, education levels, especially for girls, remain low and inhibit productivity gains, the outreach system to farmers is weak, rural markets are fragmented and undeveloped, corruption and weak governance erode public confidence, drought constantly lurks as a possibility in any year In addition, internal transport links are poor, which makes the cost of marketing very high Zambia is a landlocked country and therefore very vulnerable to high transport costs Inflation, while down from the 200% of the past, remains around 20%, public expenditure controls are weak, the banking sector is also fragile, and domestic savings are low Public external debt at the end of 1997 was $7 1 billion These constraints are symptomatic of an economy in transition from the statist era to a free-market regime

Zambian prospects for realizing its full potential are good if it stays the course on its reform path, and if it builds the systems to implement the

necessary economic and political changes Privatization of the remaining parastatals will lead to significant new investment, more productive employment, and increased demand for local goods and services Zambia's open trading regime presents new opportunities primarily in agriculture, for traders, consolidators, producers, and processors Large companies and multi-national corporations are ready to take on a major role under the new reforms However, new and expanded small and medium enterprises must become more significant partners and fill the gap left by the departure of government marketing functions With the agriculture sector as the primary growth area, and the privatized mining sector as a catalyst, the economy appears poised for a modest takeoff Social services also have improved, and far-reaching reforms to decentralize the health system have resulted in reduced fertility, increased use of contraceptives and improved immunization coverage for Zambian children Political reforms have achieved less progress, and the failure of multi-party cooperation continues to be a domestic and international issue

Other Donors

Development assistance to Zambia has been falling in recent years, although it still amounted to more than $740 million in 1995, roughly about 20% of gross domestic product In that year the World Bank was the lead donor and contributed $281 million Bilateral donors accounted for about $264 million

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in assistance to Zambia, with Japan being the largest donor, followed by the United Kingdom, Germany and the Netherlands The United States was Zambia's seventh largest bilateral donor, with 2% of total development assistance

FY 1999 Program

USAID will foster an economic, political and social environment that promotes positive gains in living standards, increased opportunities for participation in the economy and the political system, and improved health for all Zambians

In line with the Government of Zambia's desire to promote business development and encourage competition and investment for recovery and growth, USAID will facilitate broad-based participation by private enterprise in key economic sectors of the country USAID support will move the majority of smallholder rural producers into the diversified market economy, develop the business skills of rural non-farm entrepreneurs, along with associated small and micro-enterprise finance USAID also will support better and increased natural resource management USAID will supplement Zambian-led privatization efforts which already have resulted in more than 200 privatizations to date by providing skills and management training to new rural entrepreneurs

USAID's health sector support program will play a key role in ensuring that the Zambia health reforms lead to significant health impact The GRZ is committed to providing equity of access to cost-effective, quality health care, as close to the family as possible The Zambia health reforms which are widely acclaimed by the World Bank, the World Health Organization, the United Nations Children's Fund and bilateral donors, take a decentralized approach in ensuring that all Zambians have equitable access to both public and private sector health service delivery The Government of Zambia's health sector reform program is an example of the African leadership that USAID seeks to promote in order to ensure ownership and sustainability of its development assistance efforts In Zambia, the integrated delivery of health interventions has proven to be a cost-effective and technically sound framework for enabling individuals to improve their own health, for expanding access to services at the community level through the private sector, and for improving the quality of services

Consolidating democracy in Zambia remains a challenge In FY 1999, USAID assistance will continue support for civil society institutions, to deepen and broaden citizens' understanding of and demand for democratic institutions, and to help those institutions function better New activities will include support for the judiciary, which has emerged as a defender of democratic values, and assistance to Parliament to enable it to

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be a more effective forum for citizen participation and public debate

ZAMBIA

FY 1999 PROGRAM SUMMARY

(in Thousands of Dollars)

USAID Strategic Objectives	Economic Growth & Agriculture	Population & Health	Environment	Democracy	Human Capacity Development	Humanitarian Assistance	TOTALS				
S O 1 Increased Sustainable Rural Incomes -DA		4,900	---	2,000	---	---	---		6,900		
S O 3 Increased Use of Integrated Child and Reproductive Health and HIV/AIDS Interventions -DA -CSD	--- ---	3,000 7,650	--- ---	--- ---	--- ---	--- ---		3,000 7,650			
S O 4 Expanded Opportunity for Effective Participation in Democratic Governance -DA	---	---	---		1,700	---	---		1,700		
Totals -DA -CSD		4,900 ---		3,000 7,650		2,000 ---		1,700 ---		--- ---	--- ---	11,600 7,650

USAID Mission Director, Walter E North

ACTIVITY DATA SHEET

PROGRAM ZAMBIA
TITLE AND NUMBER Increased Sustainable Rural Incomes, 611-SO01
STATUS Continuing
PROPOSED OBLIGATION AND FUNDING SOURCE FY 1999 $6,900,000 DA
INITIAL OBLIGATION FY 1995, **ESTIMATED COMPLETION DATE** FY 2003

Purpose To reduce the state's role in the provision of goods and services which are more efficiently produced by the private sector and to increase the efficiency and productive capacity of rural non-farm enterprises

USAID Role and Achievements to Date The government has largely fulfilled its stated commitment to disengage from its prominent role in national markets To date, Zambia has privatized 225 enterprises, including the primary player in the Zambian copper industry, Zambia Consolidated Copper Mines USAID's successful assistance to this large-scale privatization process has created market opportunities for both local and international investors and businesses, and has freed up public resources and talents Zambian entrepreneurs in small manufacturing and commercial operations in rural markets now are faced with the challenge of learning how to do business in an unprotected environment, this includes entering into expanded trade within the southern Africa region USAID assistance in business training and hands-on technical expertise is playing a large role in strengthening these small and medium-size private sector enterprises The success of these programs is evident through the heavy demand for services, and the impact that program beneficiaries are having through increased production and incomes Zambia's limited expertise in trade policy, and protocol negotiations is a major impediment to economic growth and the expansion of exports into regional and international markets USAID will assist both the private sector and the Government of Zambia (GRZ) to increase analytical capacity in this crucial area

USAID has also provided opportunities for rural families to improve their welfare USAID supports the policies of the GRZ and other donors through examples of on-the-ground success and lessons learned in productive rural activities Successes include an innovative sorghum seed distribution program, and a rural group business development program in which maize farmers selling in groups increased their incomes by 38% over selling as individuals Other replicable activities include a small-scale oilseed press which in combination with improved sunflower seed has resulted in a profitable oilseed processing industry Farmers crushing their own sunflower seed triple their harvests' value USAID also has been successfully working with Zambian non-governmental organizations (NGOs) in conducting training programs for village scouts in game management and natural resources conservation techniques

Description Private sector associations, such as the USAID-supported Zambia Association of Chambers of Commerce and Industry and the Zambia Association of Manufacturers are effectively lobbying for privatization of utilities Both organizations are partnering with the government to implement trade protocols with neighboring countries, and they require assistance in trade policy, negotiations and protocol drafting The Chamber is also taking the lead in providing training and services that enable new and newly privatized companies to cope in a market-oriented environment These companies are significant partners in economic growth and are taking advantage of new business opportunities to fill the gap left by the departure of the GRZ from input supply and output marketing USAID's continued support to these efforts is critical to their success

USAID is helping create a prosperous small-holder private agricultural economy by supporting rural group business development, farmer-initiated marketing enterprises, and rural savings mobilization USAID also supports food security programs managed through village committees and community- based natural resources management With support from USAID's privatization efforts, the government has reduced its role in agricultural production and marketing, and a number of private agribusinesses have been revitalized These include fertilizer and maize

marketing firms, flour mills

feed mills, oil extraction plants, cold storage plants, cashew and coffee plants, seed multiplication and distribution firms, and several food canning plants With these developments in the agroprocessing economy, agribusinesses have turned to the small farmer as a raw material supplier and have developed management systems including outgrower schemes and contract producers which improve the economics of working with them as a group

Host Country and Other Donors USAID is the leading bilateral donor supporting privatization The World Bank is conditioning balance-of-payment support on progress achieved in privatization Norway, Denmark, Germany, and the United Kingdom are the other major bilateral partners in this sector

Rural business activities are guided by the Ministry of Agriculture, Food, and Fisheries Private voluntary organization activities were initially funded by Canadian and British assistance and rely on government agency expertise where appropriate Other rural activities receive Dutch, International Fund for Agricultural Development, and World Bank financing and rely on government extension services The European Union, Japan, Norway and Great Britain coordinate resource conservation programs with USAID

Beneficiaries The Zambian private sector which through privatization and a better enabling environment receives adequate rewards for their initiative In turn, all citizens will benefit from a stronger and more open private sector through employment opportunities, lower prices, improved quality and diversity of products and services Specific beneficiaries of rural-based activities include disadvantaged rural communities, people and animals in game management areas, small scale farmers, and agribusiness operators

Principal Contractors, Grantees or Agencies U S-based implementing agencies working on privatization include International Executive Service Corps and Clark Atlanta University The key local grantee is the national chamber of commerce U S institutions involved in implementation of agricultural and rural activities include the Cooperative League of the United States of America, CARE, Africare World Food Program, Cargill Technical Services, Associates in Rural Development, and the New York Wildlife Society Key local agencies include the Ministry of Tourism and the Ministry of Agriculture, Food and Fisheries

Major Results Indicators

	Baseline		Target		
Private sector share of gross domestic product	45%	(1992)	60%	(1998)	Private sector sha
Gross revenues from the sale of state-owned enterprises	$80 million	(1995)	$1,500 million	(1998)	
No of farmers using improved technologies	22,500	(1997)	145,000	(2002)	
Increased net income per rural non-farm enterprise member	$124	(1997)	$271	(2002)	
Increased non-traditional exports (millions)	$271	(1996)	$450	(2002)	

ACTIVITY DATA SHEET

PROGRAM ZAMBIA
TITLE AND NUMBER Increased Use of Integrated Child and Reproductive Health and HIV/AIDS Interventions, 611-S003

STATUS Continuing
PROPOSED OBLIGATION AND FUNDING SOURCE FY 1999 $3,000,000 DA, $7,650,000 CSD
INITIAL OBLIGATION FY 1995, **ESTIMATED COMPLETION DATE** FY 2002

Purpose To improve delivery of decentralized integrated health services

USAID Role and Achievements to Date USAID's program is designed to ensure that the Zambia health reforms lead to sustainable improvements in the health status of Zambians USAID's strategy is to increase the use of integrated child and reproductive health, and HIV/AIDS interventions USAID will develop sector program assistance support for the health sector to expand the capacity of the GRZ to bring the benefits of health reform to the people of Zambia

Findings of the 1996 Zambia demographic and health survey (DHS) demonstrate that fertility continues to decline Zambian women will have on average 6 1 children during their childbearing years This rate represents a substantial decline from the 1992 DHS average of 6 5 children In 1992, nine percent of married women age 15-49 used a modern method of contraception Since then, this figure has reached 15% of women Most of the growth in family planning has been the result of a significant increase in the use of USAID-financed oral contraceptives and condoms sales In the last six years, childhood vaccination has become more widespread, with nearly 80% of children receiving childhood immunizations, as compared to 67% in 1992 USAID support for polio eradication in 1996 and 1997 contributed to two years of highly successful National Immunization Days, which reached over 90% of targeted children While the 1996 DHS also found that infant and under-five mortality rates remain very high, the rate of increase is showing signs of slowing, despite the HIV/AIDS pandemic

The HIV/AIDS epidemic in Zambia appears to have evolved into a mature, endemic phase Nationally, HIV seroprevalence seems to have stabilized over the past three years at 25% in urban and 13% in rural settings--with a national average of 20% in the 15-45 age group with significant behavioral impact, especially among youth This impact has been manifested through delaying the onset of sexual activity by youth, increased condom use, and a decreased number of sexual partners USAID funding supports a social marketing program with sales of male condoms now averaging more that 550,000 per month, which is one of the highest in Africa on a per capita basis In 1997, USAID supported the introduction of the female condom, one of the first social marketing initiatives in Africa to promote this new method of family planning

Description To address critical child survival issues, USAID is assisting Zambia to become the first country in the world to implement an integrated program which combats primary childhood diseases including diarrhea, acute respiratory infection, measles, and malnutrition This program also upgrades the capacity of health workers to improve clinical case management USAID is also taking a leadership role in addressing malaria, which is the leading killer of children under five years of age, by including Zambia as one of four countries participating in USAID's Africa Integrated Malaria Initiative USAID is also assisting Zambia to accelerate implementation of a national Vitamin A strategy This will include support for making Zambia the first country in sub-Saharan Africa to fortify sugar with Vitamin A, and expanding Vitamin A capsule distribution to prevent micronutrient deficiency In support of Zambia's child survival programs, USAID and the Embassy of Japan will increase joint support for malaria control activities, Vitamin A deficiency reduction, and to expand the participation of the private sector to deliver essential health services

USAID will continue to expand contraceptive choice and to make contraceptives more accessible to women and men who choose to limit their family size USAID recently launched a Men's Involvement

in Reproductive Health Initiative USAID is planning to support the expanded implementation of interventions to address the high maternal mortality rate in Zambia Efforts to expand the national response have included launching multisectoral strategies to mobilize efforts among the

GRZ ministries, local government authorities, the military, police, local court justices, churches, and non-governmental organizations (NGOs) in the development and implementation of HIV/AIDS programs USAID is supporting the dissemination of an AIDS Impact Model for Zambia to expand leadership support for HIV/AIDS policies and programs and to provide inputs for action-oriented strategic planning at national, regional and district levels USAID is accelerating efforts to address adolescents/youth as a key target group Peer-educator-promoters, youth radio shows, and a youth newspaper called "Trendsetters" are expanding youth access to critical information

The country's formal and informal social support systems are also in danger of being overwhelmed by the need to care for sick family members and for the enormous and growing number of AIDS orphans, conservatively projected to exceed 600,000 by the year 2000 In response, USAID recently initiated a new set of activities to improve the quality of life of orphaned/vulnerable children in Zambia The majors elements of this program are expanding the delivery of cost-effective support services through NGOs and community-based organizations

Host Country and Other Donors USAID is the third ranking donor, behind the United Nations Children's Fund and Denmark, in support of child survival activities The United Kingdom, the Netherlands and Sweden are close partners in overall funding, but USAID is the primary donor in support of HIV/AIDS prevention and family planning service activities

Beneficiaries The ultimate beneficiaries of USAID supported activities are the urban and rural population who take increased responsibility for their own health The intermediate beneficiaries include public sector institutions and facilities, private sector institutions and private voluntary organizations, Ministry of Health organizational units, cooperating partners (other donors) and contractors

Principal Contractors, Grantees or Agencies USAID implements family planning service activities through U S institutions which include CARE, John Snow Inc , Johns Hopkins University, Population Services International, and the Population Council HIV/AIDS prevention activities are implemented through the U S groups Project Concern International and Population Services International, and child survival activities through the U S organizations of Management Sciences for Health, the Academy for Educational Development and John Snow, Inc

Major Results Indicators		Baseline			Target	
Modern contraceptive prevalence rate	15%	(1996)		22%	(2002)	
Condom use (female/male)		24/35	(1996)		45/50	(2002)
Children 12 -23 months immunized		78%	(1996)		90%	(2002)
Reported condom use in most recent, high risk sexual intercourse		35%	(1995)		55%	(2002)

ACTIVITY DATA SHEET

PROGRAM ZAMBIA
TITLE AND NUMBER Expanded Opportunity for Effective Participation in Democratic Governance, 611-SO04
STATUS Continuing
PROPOSED OBLIGATION AND FUNDING SOURCE FY 1999 $1,700,000 DA
INITIAL OBLIGATION FY 1995, **ESTIMATED COMPLETION DATE** FY 2002

Purpose To increase the participation in and transparency and accountability of government institutions

USAID Role and Achievements to Date The goals of USAID's program in democracy and governance in Zambia are 1) to achieve government accountability, 2) to assure that public decisions are accessible and effective, 3) to support the role of privately owned media, and 4) to encourage

the conduct of free and fair elections To achieve these goals, USAID supports civil society non-governmental organizations (NGOs), training institutions, and the Government of Zambia (GRZ) Through USAID support, over 40 civic education NGOs have implemented grassroots programs encouraging citizens to register, and to vote, and seek accountability from their representatives While the United States decided not to support international monitoring of the 1996 elections, it was the major supporter of the Clean Campaign Committee, a coalition of 18 NGOs which campaigned to level the electoral playing field and avoid violence in the elections Noteworthy accomplishments during 1996 included the level of voter turnout achieved and peaceful circumstances of the 1996 elections, the achievement of autonomy from government of a key public media institution, the Zambia Institute for Mass Communication, and the adoption of a new cabinet handbook incorporating new procedures developed with USAID support Until June 1996, USAID also supported improved coordination of policy implementation in the Cabinet Office

Description Although actions by the current government to detain opposition leaders cast a shadow on the state of political reform in Zambia, there continue to be key points of entry for USAID support which will bolster democratic transition USAID will continue to support civil society NGOs in their work of deepening democratic culture and norms in Zambia In addition, USAID will explore options for continuing mid-career training for independent journalists through the Zambia Institute for Mass Communication A new activity will be initiated in support of the judiciary, which, along with civil society NGOs and parts of the private press, has emerged as a pillar of democratic values

Host Country and Other Donors The United Nations Development Program and World Bank are major donors and support the public service and judiciary reform programs The British have had an ambitious program of support for governmental decentralization and fiscal responsibility and support the training of senior civil servants Ranking behind these participants, the Nordic countries have joined with USAID in a focus on civic education, election monitoring, electoral reform, and constitutional reform Donors meet monthly for coordination purposes In response to USAID's program to support qualitative improvement and training of journalists, the GRZ privatized the state-owned media training facility in 1996 including significant assets in plant and equipment

Beneficiaries The ultimate beneficiaries are the citizenry of Zambia The immediate beneficiaries are the NGOs, journalists, and members of the judicial system

Principal Contractors, Grantees or Agencies At the present there are no U S contractors involved in implementation of the program The GRZ, local non-governmental organizations, the Zambia Institute of Mass Communications and local consultants and contractors are implementing activities

Major Results Indicators As previous activities under this objective have been completed and new ones are still in development, specific results indicators will be set after redesign activities are completed in FY 1998

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Note This document may not always reflect the actual appropriations determined by Congress Final budget allocations for USAID's programs are not determined until after passage of an appropriations bill and preparation of the Operating Year Budget (OYB)

ZAMBIA

	FY 1997 Actual	FY 1998 Estimate	FY 1999 Request
Child Survival and Disease	$8,600,000	$7,300,000	$ 7,650,000
Development Assistance	$9,000,000	$11,011,000	$11,600,000
P L 480 Title II	$163,350	---	---

Introduction

It is in the U S interest for Zambia to remain a friendly, democratic state contributing to regional stability and firmly on the path to sustainable development Zambia shares borders with the new Democratic Republic of Congo and Angola and is a buttress against potential chaos It has played a role in facilitating African conflict resolution, including peacekeeping, and it is in the U S interest for this to continue Deep privatization reforms have created opportunities for U S trade and investment as well as for more Zambian economic participation in southern Africa Zambia's large copper deposits are encouraging U S entry into the Zambian market, and leading American mining firms are in the process of acquiring large scale mining assets which are being privatized

The Development Challenge

There are fundamental constraints to Zambia realizing full economic potential Labor productivity is low the HIV/AIDS pandemic increases absenteeism and kills many senior managers, education levels, especially for girls, remain low and inhibit productivity gains, the outreach system to farmers is weak, rural markets are fragmented and undeveloped, corruption and weak governance erode public confidence, drought constantly lurks as a possibility in any year In addition, internal transport links are poor, which makes the cost of marketing very high Zambia is a landlocked country and therefore very vulnerable to high transport costs Inflation, while down from the 200% of the past, remains around 20%, public expenditure controls are weak, the banking sector is also fragile, and domestic savings are low Public external debt at the end of 1997 was $7 1 billion These constraints are symptomatic of an economy in transition from the statist era to a free-market regime

Zambian prospects for realizing its full potential are good if it stays the course on its reform path, and if it builds the systems to implement the necessary economic and political changes Privatization of the remaining parastatals will lead to significant new investment, more productive employment, and increased demand for local goods and services Zambia's open trading regime presents new opportunities primarily in agriculture, for traders, consolidators, producers, and processors Large companies and multi-national corporations are ready to take on a major role under the new reforms However, new and expanded small and medium enterprises must become more significant partners and fill the gap left by the departure of government marketing functions With the agriculture sector as the primary growth area, and the privatized mining sector as a catalyst, the economy appears poised for a modest takeoff Social services also have improved, and far-reaching reforms to decentralize the health system have resulted in reduced fertility,

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increased use of contraceptives and improved immunization coverage for Zambian children Political reforms have achieved less progress, and the failure of multi-party cooperation continues to be a domestic and international issue

Other Donors

Development assistance to Zambia has been falling in recent years, although it still amounted to more than $740 million in 1995, roughly about 20% of gross domestic product In that year the World Bank was the lead donor and contributed $281 million Bilateral donors accounted for about $264 million

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in assistance to Zambia, with Japan being the largest donor, followed by the United Kingdom, Germany and the Netherlands The United States was Zambia's seventh largest bilateral donor, with 2% of total development assistance

FY 1999 Program

USAID will foster an economic, political and social environment that promotes positive gains in living standards, increased opportunities for participation in the economy and the political system, and improved health for all Zambians

In line with the Government of Zambia's desire to promote business development and encourage competition and investment for recovery and growth, USAID will facilitate broad-based participation by private enterprise in key economic sectors of the country USAID support will move the majority of smallholder rural producers into the diversified market economy, develop the business skills of rural non-farm entrepreneurs, along with associated small and micro-enterprise finance USAID also will support better and increased natural resource management USAID will supplement Zambian-led privatization efforts which already have resulted in more than 200 privatizations to date by providing skills and management training to new rural entrepreneurs

USAID's health sector support program will play a key role in ensuring that the Zambia health reforms lead to significant health impact The GRZ is committed to providing equity of access to cost-effective, quality health care, as close to the family as possible The Zambia health reforms which are widely acclaimed by the World Bank, the World Health Organization, the United Nations Children's Fund and bilateral donors, take a decentralized approach in ensuring that all Zambians have equitable access to both public and private sector health service delivery The Government of Zambia's health sector reform program is an example of the African leadership that USAID seeks to promote in order to ensure ownership and sustainability of its development assistance efforts In Zambia, the integrated delivery of health interventions has proven to be a cost-effective and technically sound framework for enabling individuals to improve their own health, for expanding access to services at the community level through the private sector, and for improving the quality of services

Consolidating democracy in Zambia remains a challenge In FY 1999, USAID assistance will continue support for civil society institutions, to deepen and broaden citizens' understanding of and demand for democratic institutions, and to help those institutions function better New activities will include support for the judiciary, which has emerged as a defender of democratic values, and assistance to Parliament to enable it to be a more effective forum for citizen participation and public debate

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ZAMBIA

FY 1999 PROGRAM SUMMARY

(in Thousands of Dollars)

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USAID Strategic Objectives	Economic Growth & Agriculture	Population & Health	Environment	Democracy	Human Capacity Development	Humanitarian Assistance	TOTALS
S O 1 Increased Sustainable Rural Incomes -DA		4,900	---	2,000	---	---	---
S O 3 Increased Use of Integrated Child and Reproductive Health and HIV/AIDS Interventions -DA -CSD	--- ---	3,000 7,650	--- ---	--- ---	--- ---	--- ---	3,000 7,650
S O 4 Expanded Opportunity for Effective Participation in Democratic Governance -DA	---	---	---		1,700	---	---
Totals -DA -CSD		4,900 ---		3,000 7,650		2,000 ---	1,700 ---

USAID Mission Director, Walter E North

ACTIVITY DATA SHEET

PROGRAM ZAMBIA
TITLE AND NUMBER Increased Sustainable Rural Incomes, 611-SO01
STATUS Continuing
PROPOSED OBLIGATION AND FUNDING SOURCE FY 1999 $6,900,000 DA
INITIAL OBLIGATION FY 1995, **ESTIMATED COMPLETION DATE** FY 2003

Purpose To reduce the state's role in the provision of goods and services which are more efficiently produced by the private sector and to increase the efficiency and productive capacity of rural non-farm enterprises

USAID Role and Achievements to Date The government has largely fulfilled its stated commitment to disengage from its prominent role in national markets To date, Zambia has privatized 225 enterprises, including the primary player in the Zambian copper industry, Zambia Consolidated Copper Mines USAID's successful assistance to this large-scale privatization process has created market opportunities for both local and international investors and businesses, and has freed up public resources and talents Zambian entrepreneurs in small manufacturing and commercial operations in rural markets now are faced

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with the challenge of learning how to do business in an unprotected environment, this includes entering into expanded trade within the southern Africa region USAID assistance in business training and hands-on technical expertise is playing a large role in strengthening these small and medium-size private sector enterprises The success of these programs is evident through the heavy demand for services, and the impact that program beneficiaries are having through increased production and incomes Zambia's limited expertise in trade policy, and protocol negotiations is a major impediment to economic growth and the expansion of exports into regional and international markets USAID will assist both the private sector and the Government of Zambia (GRZ) to increase analytical capacity in this crucial area

USAID has also provided opportunities for rural families to improve their welfare USAID supports the policies of the GRZ and other donors through examples of on-the-ground success and lessons learned in productive rural activities Successes include an innovative sorghum seed distribution program, and a rural group business development program in which maize farmers selling in groups increased their incomes by 38% over selling as individuals Other replicable activities include a small-scale oilseed press which in combination with improved sunflower seed has resulted in a profitable oilseed processing industry Farmers crushing their own sunflower seed triple their harvests' value USAID also has been successfully working with Zambian non-governmental organizations (NGOs) in conducting training programs for village scouts in game management and natural resources conservation techniques

Description Private sector associations, such as the USAID-supported Zambia Association of Chambers of Commerce and Industry and the Zambia Association of Manufacturers are effectively lobbying for privatization of utilities Both organizations are partnering with the government to implement trade protocols with neighboring countries, and they require assistance in trade policy, negotiations and protocol drafting The Chamber is also taking the lead in providing training and services that enable new and newly privatized companies to cope in a market-oriented environment These companies are significant partners in economic growth and are taking advantage of new business opportunities to fill the gap left by the departure of the GRZ from input supply and output marketing USAID's continued support to these efforts is critical to their success

USAID is helping create a prosperous small-holder private agricultural economy by supporting rural group business development, farmer-initiated marketing enterprises, and rural savings mobilization USAID also supports food security programs managed through village committees and community- based natural resources management With support from USAID's privatization efforts, the government has reduced its role in agricultural production and marketing, and a number of private agribusinesses have been revitalized These include fertilizer and maize marketing firms, flour mills,

feed mills, oil extraction plants, cold storage plants, cashew and coffee plants, seed multiplication and distribution firms, and several food canning plants With these developments in the agroprocessing economy, agribusinesses have turned to the small farmer as a raw material supplier and have developed management systems including outgrower schemes and contract producers which improve the economics of working with them as a group

Host Country and Other Donors USAID is the leading bilateral donor supporting privatization The World Bank is conditioning balance-of-payment support on progress achieved in privatization Norway, Denmark, Germany, and the United Kingdom are the other major bilateral partners in this sector

Rural business activities are guided by the Ministry of Agriculture, Food, and Fisheries Private voluntary organization activities were initially funded by Canadian and British assistance and rely on government agency expertise where appropriate Other rural activities receive Dutch, International Fund for Agricultural Development, and World Bank financing and rely on government extension services The European Union, Japan, Norway and Great Britain coordinate resource conservation programs with USAID

Beneficiaries The Zambian private sector which through privatization and a better enabling environment receives adequate rewards for their initiative In turn, all citizens will benefit from a stronger and more open private sector through employment opportunities, lower prices, improved quality and diversity of products and services Specific beneficiaries of rural-based activities include disadvantaged rural

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communities, people and animals in game management areas, small scale farmers, and agribusiness operators

Principal Contractors, Grantees or Agencies U S-based implementing agencies working on privatization include International Executive Service Corps and Clark Atlanta University The key local grantee is the national chamber of commerce U S institutions involved in implementation of agricultural and rural activities include the Cooperative League of the United States of America, CARE, Africare World Food Program, Cargill Technical Services, Associates in Rural Development, and the New York Wildlife Society Key local agencies include the Ministry of Tourism and the Ministry of Agriculture, Food and Fisheries

Major Results Indicators

	Baseline		Target	
Private sector share of gross domestic product	45%	(1992)	60%	
Gross revenues from the sale of state-owned enterprises	$80 million	(1995)	$1,500 million	(19
No of farmers using improved technologies	22,500	(1997)	145,000	(2002)
Increased net income per rural non-farm enterprise member	$124	(1997)	$271	
Increased non-traditional exports (millions)	$271	(1996)	$450	

ACTIVITY DATA SHEET

PROGRAM ZAMBIA
TITLE AND NUMBER Increased Use of Integrated Child and Reproductive Health and HIV/AIDS Interventions, 611-S003
STATUS Continuing
PROPOSED OBLIGATION AND FUNDING SOURCE FY 1999 $3,000,000 DA, $7,650,000 CSD
INITIAL OBLIGATION FY 1995, **ESTIMATED COMPLETION DATE** FY 2002

Purpose To improve delivery of decentralized integrated health services

USAID Role and Achievements to Date USAID's program is designed to ensure that the Zambia health reforms lead to sustainable improvements in the health status of Zambians USAID's strategy is to increase the use of integrated child and reproductive health, and HIV/AIDS interventions USAID will develop sector program assistance support for the health sector to expand the capacity of the GRZ to bring the benefits of health reform to the people of Zambia

Findings of the 1996 Zambia demographic and health survey (DHS) demonstrate that fertility continues to decline Zambian women will have on average 6 1 children during their childbearing years This rate represents a substantial decline from the 1992 DHS average of 6 5 children In 1992, nine percent of married women age 15-49 used a modern method of contraception Since then, this figure has reached 15% of women Most of the growth in family planning has been the result of a significant increase in the use of USAID-financed oral contraceptives and condoms sales In the last six years, childhood vaccination has become more widespread, with nearly 80% of children receiving childhood immunizations, as compared to 67% in 1992 USAID support for polio eradication in 1996 and 1997 contributed to two years of highly successful National Immunization Days, which reached over 90% of targeted children While the 1996 DHS also found that infant and under-five mortality rates remain very high, the rate of increase is showing signs of slowing, despite the HIV/AIDS pandemic

The HIV/AIDS epidemic in Zambia appears to have evolved into a mature, endemic phase Nationally, HIV seroprevalence seems to have stabilized over the past three years at 25% in urban and 13% in rural settings--with a national average of 20% in the 15-45 age group with significant behavioral impact, especially among youth This impact has been manifested through delaying the onset of sexual activity by youth, increased condom use, and a decreased number of sexual partners USAID funding supports a social

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marketing program with sales of male condoms now averaging more that 550,000 per month, which is one of the highest in Africa on a per capita basis In 1997, USAID supported the introduction of the female condom, one of the first social marketing initiatives in Africa to promote this new method of family planning

Description To address critical child survival issues, USAID is assisting Zambia to become the first country in the world to implement an integrated program which combats primary childhood diseases including diarrhea, acute respiratory infection, measles, and malnutrition This program also upgrades the capacity of health workers to improve clinical case management USAID is also taking a leadership role in addressing malaria, which is the leading killer of children under five years of age, by including Zambia as one of four countries participating in USAID's Africa Integrated Malaria Initiative USAID is also assisting Zambia to accelerate implementation of a national Vitamin A strategy This will include support for making Zambia the first country in sub-Saharan Africa to fortify sugar with Vitamin A, and expanding Vitamin A capsule distribution to prevent micronutrient deficiency In support of Zambia's child survival programs, USAID and the Embassy of Japan will increase joint support for malaria control activities, Vitamin A deficiency reduction, and to expand the participation of the private sector to deliver essential health services

USAID will continue to expand contraceptive choice and to make contraceptives more accessible to women and men who choose to limit their family size USAID recently launched a Men's Involvement

in Reproductive Health Initiative USAID is planning to support the expanded implementation of interventions to address the high maternal mortality rate in Zambia Efforts to expand the national response have included launching multisectoral strategies to mobilize efforts among the GRZ ministries, local government authorities, the military, police, local court justices, churches, and non-governmental organizations (NGOs) in the development and implementation of HIV/AIDS programs USAID is supporting the dissemination of an AIDS Impact Model for Zambia to expand leadership support for HIV/AIDS policies and programs and to provide inputs for action-oriented strategic planning at national, regional and district levels USAID is accelerating efforts to address adolescents/youth as a key target group Peer-educator-promoters, youth radio shows, and a youth newspaper called "Trendsetters" are expanding youth access to critical information

The country's formal and informal social support systems are also in danger of being overwhelmed by the need to care for sick family members and for the enormous and growing number of AIDS orphans, conservatively projected to exceed 600,000 by the year 2000 In response, USAID recently initiated a new set of activities to improve the quality of life of orphaned/vulnerable children in Zambia The majors elements of this program are expanding the delivery of cost-effective support services through NGOs and community-based organizations

Host Country and Other Donors USAID is the third ranking donor, behind the United Nations Children's Fund and Denmark, in support of child survival activities The United Kingdom, the Netherlands and Sweden are close partners in overall funding, but USAID is the primary donor in support of HIV/AIDS prevention and family planning service activities

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Major Results Indicators	Baseline	Target

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Modern contraceptive prevalence rate	15%	(1996)	22%	(2002)	
Condom use (female/male)		24/35	(1996)	45/50	(2002)
Children 12 -23 months immunized		78%	(1996)	90%	(2002)
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ACTIVITY DATA SHEET

PROGRAM ZAMBIA
TITLE AND NUMBER Expanded Opportunity for Effective Participation in Democratic Governance, 611-SO04
STATUS Continuing
PROPOSED OBLIGATION AND FUNDING SOURCE FY 1999 $1,700,000 DA
INITIAL OBLIGATION FY 1995, **ESTIMATED COMPLETION DATE** FY 2002

Purpose To increase the participation in and transparency and accountability of government institutions

USAID Role and Achievements to Date The goals of USAID's program in democracy and governance in Zambia are 1) to achieve government accountability, 2) to assure that public decisions are accessible and effective, 3) to support the role of privately owned media, and 4) to encourage the conduct of free and fair elections To achieve these goals, USAID supports civil society non-governmental organizations (NGOs), training institutions, and the Government of Zambia (GRZ) Through USAID support, over 40 civic education NGOs have implemented grassroots programs encouraging citizens to register, and to vote, and seek accountability from their representatives While the United States decided not to support international monitoring of the 1996 elections, it was the major supporter of the Clean Campaign Committee, a coalition of 18 NGOs which campaigned to level the electoral playing field and avoid violence in the elections Noteworthy accomplishments during 1996 included the level of voter turnout achieved and peaceful circumstances of the 1996 elections, the achievement of autonomy from government of a key public media institution, the Zambia Institute for Mass Communication, and the adoption of a new cabinet handbook incorporating new procedures developed with USAID support Until June 1996, USAID also supported improved coordination of policy implementation in the Cabinet Office

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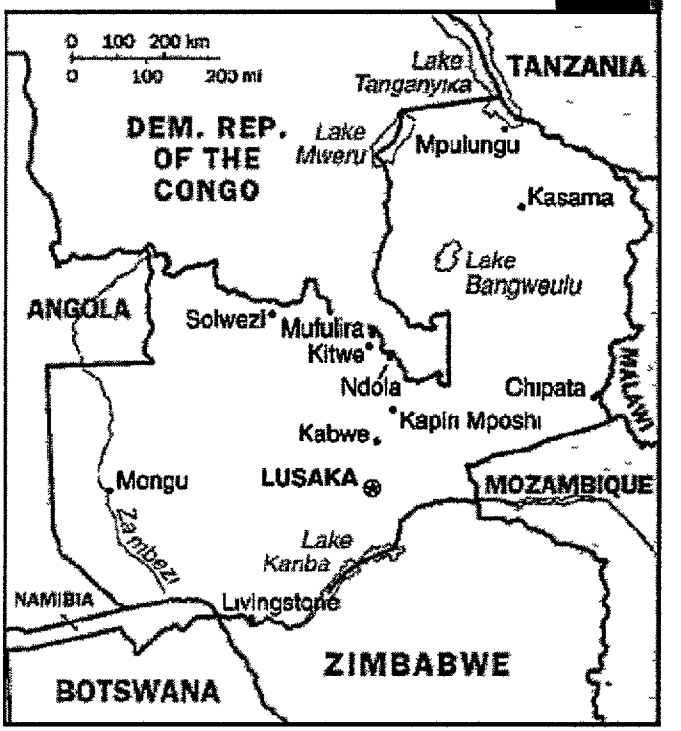
Zambia



Geography

Location Southern Africa, east of Angola

Geographic coordinates 15 00 S, 30 00 E

Map references Africa

Area
total 752,610 sq km
land 740,720 sq km
water 11,890 sq km

Area - comparative slightly larger than Texas

Land boundaries
total 5,664 km
border countries Angola 1,110 km, Democratic Republic of the Congo 1,930 km, Malawi 837 km, Mozambique 419 km, Namibia 233 km, Tanzania 338 km, Zimbabwe 797 km

Coastline 0 km (landlocked)

Maritime claims none (landlocked)

Climate tropical, modified by altitude, rainy season (October to April)

Terrain mostly high plateau with some hills and mountains

Elevation extremes
lowest point Zambezi river 329 m
highest point in Mafinga Hills 2,301 m

Natural resources copper, cobalt, zinc, lead, coal, emeralds, gold, silver, uranium, hydropower potential

Land use
arable land 7%
permanent crops 0%
permanent pastures 40%
forests and woodland 39%
other 14% (1993 est)

Irrigated land 460 sq km (1993 est)

Natural hazards tropical storms (November to April)

Environment - current issues air pollution and resulting acid rain in the mineral extraction and refining region, poaching seriously threatens rhinoceros and elephant populations, deforestation, soil erosion, desertification, lack of adequate water treatment presents human health risks

Environment - international agreements
party to Biodiversity, Climate Change, Desertification, Endangered Species, Hazardous Wastes, Law of the Sea, Nuclear Test Ban, Ozone Layer Protection, Wetlands
signed, but not ratified none of the selected agreements

Geography - note landlocked

People

Population 9,349,975 (July 1997 est)

Age structure
0-14 years 49% (male 2,315,739, female 2,286,829)
15-64 years 48% (male 2,212,021, female 2,301,354)
65 years and over 3% (male 112,134, female 121,898) (July 1997 est)

Population growth rate 2 02% (1997 est)

Birth rate 44 37 births/1,000 population (1997 est)

Death rate 24 18 deaths/1,000 population (1997 est)

Net migration rate 0 migrant(s)/1,000 population (1997 est)

Sex ratio
at birth 1 03 male(s)/female
under 15 years 1 01 male(s)/female
15-64 years 0 96 male(s)/female
65 years and over 0 92 male(s)/female
total population 0 98 male(s)/female (1997 est)

Infant mortality rate 96 5 deaths/1,000 live births (1997 est)

Life expectancy at birth
total population 35 58 years
male 35 58 years
female 35 59 years (1997 est)

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Total fertility rate 6 48 children born/woman (1997 est)

Nationality
noun Zambian(s)
adjective Zambian

Ethnic groups African 98 7%, European 1 1%, other 0 2%

Religions Christian 50%-75%, Muslim and Hindu 24%-49%, indigenous beliefs 1%

Languages English (official), major vernaculars - Bemba, Kaonda, Lozi, Lunda, Luvale, Nyanja, Tonga, and about 70 other indigenous languages

Literacy
definition age 15 and over can read and write in English
total population 78 2%
male 85 6%
female 71 3% (1995 est)

Government

Country name
conventional long form Republic of Zambia
conventional short form Zambia
former Northern Rhodesia

Data code ZA

Government type republic

National capital Lusaka

Administrative divisions 9 provinces, Central, Copperbelt, Eastern, Luapula, Lusaka, Northern, North-Western, Southern, Western

Independence 24 October 1964 (from UK)

National holiday Independence Day, 24 October (1964)

Constitution 2 August 1991

Legal system based on English common law and customary law, judicial review of legislative acts in an ad hoc constitutional council, has not accepted compulsory ICJ jurisdiction

Suffrage 18 years of age, universal

Executive branch
chief of state President Frederick CHILUBA (since 31 October 1991), Vice President General Godfrey MIYANDA (since NA August 1994), note - the president is both the chief of state and head of government
head of government President Frederick CHILUBA (since 31 October 1991), Vice President General Godfrey MIYANDA (since NA August 1994), note - the president is both the chief of state and head of government
cabinet Cabinet appointed by the president from among the members of the National Assembly
elections president elected by popular vote for a five-year term, election last held 18 November 1996 (next to be held October 2001), vice president appointed by the president
election results Frederick CHILUBA elected president, percent of vote - Frederick CHILUBA 70%,

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Dean MUNGO'MBA 12%, Humphrey MULEMBA 6%, Akashambatwa LEWANIKA 4%, Chama CHAKOMBOKA 3%, others 5%

Legislative branch unicameral National Assembly (150 seats, members are elected by popular vote to serve five-year terms)
elections last held 18 November 1996 (next to be held October 2001)
election results percent of vote by party - NA, seats by party - MMD 130, NP 5, ZDC 2, AZ 2, independents 11

Judicial branch Supreme Court, justices are appointed by the president

Political parties and leaders Agenda for Zambia or AZ [Akashambatwa LEWANIKA], Labor Party or LP [Chibiza MFUNI], Liberal Progressive Front or LPF [Roger CHONGWE, president], Movement for Democratic Process or MDP [Chama CHAKOM BOKA], Movement for Multiparty Democracy or MMD [Frederick CHILUBA], National Lima Party or NLP [Guy SCOTT and Ben KAPITA], National Party or NP [Humphrey MULEMBIA], United National Independence Party or UNIP [Kenneth KAUNDA], Zambia Democratic Congress or ZADACO [Dean MUNG'OMBA]

International organization participation ACP, AfDB, C, CCC, ECA, FAO, G-19, G-77, IAEA, IBRD, ICAO, ICFTU, ICRM, IDA, IFAD, IFC, IFRCS, ILO, IMF, Intelsat, Interpol, IOC, IOM, ITU, NAM, OAU, SADC, UN, UNAVEM III, UNCTAD, UNESCO, UNIDO, UPU, WCL, WHO, WIPO, WMO, WToO, WTrO

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Flag description green with a panel of three vertical bands of red (hoist side), black, and orange below a soaring orange eagle, on the outer edge of the flag

Economy

Economy - overview Despite progress in privatization and budgetary reform, Zambia's economy has a long way to go Inflation, while slowing somewhat, continues to be a major concern to the CHILUBA government Zambia's copper mining sector, which accounts for over 80% of the nation's foreign currency intake, is struggling Production rates are down as are world copper prices Aid cuts by Zambia's donors, arising out of concern for the November 1996 flawed election, will severely damage Zambia's economic prospects Urged by the World Bank, Zambia has embarked on a privatization program which is to include the all-important copper industry

GDP purchasing power parity - $9 7 billion (1996 est)

GDP - real growth rate 6 4% (1996 est)

GDP - per capita purchasing power parity - $1,060 (1996 est)

GDP - composition by sector
agriculture 32%

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industry 33%
services 35% (1994 est)

Inflation rate - consumer price index 34% (1995 est)

Labor force
total 3 4 million
by occupation agriculture 85%, mining, manufacturing, and construction 6%, transport and services 9%

Unemployment rate 22% (1991)

Budget
revenues $888 million
expenditures $835 million, including capital expenditures of $110 million (1995 est)

Industries copper mining and processing, construction, foodstuffs, beverages, chemicals, textiles, fertilizer

Industrial production growth rate -1% (1992)

Electricity - capacity 2 44 million kW (1994)

Electricity - production 7 78 billion kWh (1994)

Electricity - consumption per capita 610 kWh (1995 est)

Agriculture - products corn, sorghum, rice, peanuts, sunflower seed, tobacco, cotton, sugarcane, cassava (tapioca), cattle, goats, pigs, poultry, beef, pork, poultry meat, milk, eggs, hides

Exports
total value $975 million (f o b , 1996 est)
commodities copper, zinc, cobalt, lead, tobacco
partners EU countries, Japan, South Africa, US, Saudi Arabia, India, Thailand, Malaysia

Imports
total value $990 million (f o b , 1996 est)
commodities machinery, transportation equipment, foodstuffs, fuels, petroleum products, electricity, miscellaneous manufactured goods
partners South Africa, EU countries, Japan, Saudi Arabia, US

Debt - external $7 2 billion (1996 est)

Economic aid
recipient ODA, $734 million (1993)

Currency 1 Zambian kwacha (ZK) = 100 ngwee

Exchange rates Zambian kwacha (ZK) per US$1 - 1,250 (January 1997), 1,250 (1996), 833 33 (1995), 769 23 (1994), 434 78 (1993), 156 25 (1992)

Fiscal year calendar year

Communications

Telephones 80,900 (1987 est)

Telephone system facilities are among the best in Sub-Saharan Africa

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domestic high-capacity microwave radio relay connects most larger towns and cities
international satellite earth stations - 2 Intelsat (1 Indian Ocean and 1 Atlantic Ocean)

Radio broadcast stations AM 11, FM 5, shortwave 0

Radios 1,889,140

Television broadcast stations 9

Televisions 215,000 (1995 est)

Transportation

Railways
total 2,164 km (1995)
narrow gauge 2,164 km 1 067-m gauge (13 km double track)
note the total includes 891 km of the Tanzania-Zambia Railway Authority (TAZARA), which operates 1,860 km of 1 067-m narrow gauge track between Dar es Salaam and New Kapiri Mposhi where it connects to the Zambia Railways system, TAZARA is not a part of Zambia Railways

Highways
total 37,359 km
paved 6,575 km (including 56 km of expressways)
unpaved 30,784 km (1993 est)

Waterways 2,250 km, including Zambezi and Luapula rivers, Lake Tanganyika

Pipelines crude oil 1,724 km

Ports and harbors Mpulungu

Airports 103 (1996 est)

Airports - with paved runways
total 42
over 3,047 m 1
2,438 to 3,047 m 3
1,524 to 2,437 m 4
914 to 1,523 m 2
under 914 m 32 (1996 est)

Airports - with unpaved runways
total 61
2,438 to 3,047 m 1
1,524 to 2,437 m 4
914 to 1,523 m 56 (1996 est)

Military

Military branches Army, Air Force, paramilitary forces, Police

Military manpower - availability
males age 15-49 1,990,403 (1997 est)

Military manpower - fit for military service
males 1,051,227 (1997 est)

Military expenditures - dollar figure $96 million (1995)

Military expenditures - percent of GDP 2 7% (1995)

Transnational Issues

Disputes - international quadripoint with Botswana, Namibia, and Zimbabwe is in disagreement, Democratic Republic of the Congo-Tanzania-Zambia tripoint in Lake Tanganyika may no longer be indefinite since it has been informally reported that the indefinite section of the Democratic Republic of the Congo-Zambia boundary has been settled

Illicit drugs transshipment point for methaqualone, heroin, and cocaine bound for Southern Africa and Europe, regional money-laundering center

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THE WORLD BANK GROUP

Zambia

Zambia today has the advantages of ample arable land and rainfall, significant raw materials, and an economic policy environment conducive to private sector growth Yet coming out of two decades of a centrally controlled and mismanaged economy, it must also deal with a deteriorating infrastructure and human resource base, heavy dependence on a single export commodity, and a high level of external debt

Zambia at a Glance	
Population mid-1994 (million)	9 4
Average annual growth 1990 94 (percent)	
population	2 9
labor force	3 0
GNP 1995 (US$ billion)	3 5
GNP per capita 1995 (US$)	370
Life expectancy at birth 1990 (years)	46
Literacy latest year available since 1989 (percent)	78
Debt service/exports 1995	39 8

While accelerated debt relief could release more resources, sustained economic growth can come only through political and macroeconomic stability and continued reliance on the private sector and outward-oriented strategy Even with such favorable policies and strong donor support, it is projected that the Zambian economy domestic output could grow at only about 4 5 percent a year for the coming decade—a rate that would modestly raise per capita income

BACKGROUND

After gaining independence in 1964, Zambia became a one-party state whose government controlled the production of goods and services in an economy centered around the export of copper In the first decade after independence, high world copper prices enabled the economy to grow at an average rate of 2 5 percent a year But when the price of copper fell, Zambia's export income dropped with it Between 1974 and 1994, per capita income in Zambia was cut in half, and government attempts to support continued consumption through borrowing only served to enlarge the national debt

By 1990, inflation had been over 100 percent for three years The external debt was not being serviced, creating large arrears to multilateral and bilateral institutions, and the government was forced to subsidize inefficient state-owned companies, further increasing the budget deficit When more money was printed to fund these expenditures, asset holders transferred their capital abroad Tax compliance was low, and military spending rose, while public investment in social services and physical infrastructure declined Basic goods and services were in short supply, and Zambia had neither food reserves nor financial resources to deal with natural disasters or other emergencies As for the private sector—a parallel market in foreign exchange flourished, business and consumer confidence disappeared, and private investment collapsed

In 1990, a desperate government began a program of economic reforms designed to help the country move to a market economy A year leater—following the country s first multiparty democratic elections—the newly elected government accelerated this program and in five years has reoriented the policy framework

Despite a devastating drought in 1992, the government eliminated subsidies on maize and fertilizer, decontrolled prices, revised investment regulations, completely decontrolled the exchange rate, freed interest rates, reduced the budget deficit (excluding grants and interest), and embarked on an ambitious program to privatize state enterprises (including the massive state-owned Zambia Consolidated Copper Mines, ZCCM) While much of Zambia's economic activity still takes place in the informal economy, these measures succeeded in transforming its formal sector from a centrally controlled system dominated by the public sector to one based on market forces and led by the private sector

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But policy reform alone cannot resolve all of Zambia's economic problems Copper and cobalt together still account for nearly 85 percent of exports, and copper production has continued to decline steadily While Zambia produced 413,000 tons in 1993, it produced only 327,000 tons in 1995, and an even sharper decline is projected for the end of the decade

Copper's decline has meant that—despite the government's best efforts at reform— from 1991 through 1995, GDP remained virtually flat Although mining growth contracted an average 4 5 percent a year under ZCCM, these losses were balanced by high growth rates in power and utilities and modest growth in manufacturing—resulting in a slight average decrease in industrial sector GDP of less than 1 percent annually The services sector, too, maintained a modest average growth rate of slightly over 2 percent But agricultural production—subject to droughts and reduced plantings because of lack of credit to poor farmers—averaged a disappointing decline of over 3 percent a year In early 1995, moreover, one of Zambia's largest commercial banks became insolvent and was eventually closed, and the pressure on the budget from difficulties in tax collection and overspending on defense and personal emoluments depressed business and consumer confidence and cut short a surge in economic activity Inflation—though well below the levels of 1990-93—was still a troubling 35 percent in 1995, and with the import of US$100 million of grain, the current account deficit widened

Throughout this difficult period, however, Zambia's government retained tight control over the budget and began rebuilding foreign exchange reserves, the real exchange rate remained stable, and interest rates fell In FY96, the government's domestic balance—domestic revenues (without grants) versus domestic expenditure (without interest on the external debt and donor-financed capital spending)—actually showed a surplus of 1 percent of GDP With projected annual revenues at about 16–17 percent of GDP over the next few years, improvements in tax administration could permit some lowering of tax rates The improved macroeconomic environment, resumption in economic growth, and declining domestic debt service payments should also permit larger budget allocations for capital expenditures and social sector spending

ECONOMIC PROSPECTS

With limited short-term prospects for copper exports (although with proper management they could recover by 2005), even modest levels of economic growth would mean an increase in imports that would increase the current account deficit It is critical, therefore, for Zambia to diversify its economy Realistically, however, copper mining will continue to dominate the country's exports, employment, fiscal revenues, and growth in demand for domestic goods and services for many years to come

In the near term, Zambia's economic managers must deal with two difficult problems—a deteriorating current account deficit and an exceptional level of external debt Achieving economic self-reliance and growth will require close collaboration with the international community In June 1996, bilateral donors suspended their balance-of-payments support over governance issues While the support of multilaterals is essential, so is bilateral assistance, without which Zambia cannot continue its program of economic reform, and the gains of the past five years could be lost The resumption of bilateral donor support remains contingent on continued improvement in governance and the pace of economic reforms

DEVELOPMENT STRATEGY

Poverty Trends

The incidence of poverty in Zambia, always high, has worsened in recent years of economic decline While rural poverty is still more prevalent and severe, urban poverty increased from 4 percent of the poor in 1975 to just under 50 percent in 1994

In 1991, about 68 percent of Zambians could be classified as "poor" (unable to meet basic needs), and 55 percent as "very poor" (unable to meet even basic food needs) Although Zambians on average still have better access to health services, education, and safe water than many of their neighbors on the continent, recent data suggests that unlike most Sub-Saharan African countries, the trend in poverty indicators has been worsening since

the early 1970s The prevalence of HIV infection threatens to undermine efforts to reduce poverty and promote economic growth

Social Services

Although government spending declined sharply from 1993 to 1995, both in real terms and as a percent of GDP, the share of spending on the social sectors increased from 28 to 34 percent Considerable progress has also been made in decentralizing health service provision

Debt

At nearly twice the country's annual GDP—or about US$650 per capita—Zambia's external debt burden is one of the largest in the world At end–1995 it totaled US$6 7 billion, of which US$3 2 billion was multilateral Zambia's Paris Club debt was rescheduled in July 1992 and again in February 1996, and a 1994 buy-back operation reduced its commercial debt burden by over US$600 million But even with such successful negotiations with creditors, substantial debt payments will be required

Privatization and Civil Service Reform

Before 1991 state-owned monopolies controlled production and services, charged high prices for low-quality services and goods, and discouraged private enterprise State-run tourism attracted only a fraction of its potential market, the state gemstone company has exploited only a small portion of Zambia's tremendous resources (most gemstone exports avoid official channels), the national railways are unreliable and have lost much potential traffic to the road sector, the power company has been unable to maintain a sufficiently steady voltage to operate sensitive industrial machinery, telephone service is spotty, even in areas important to business

By the end of 1996, Zambia had privatized or liquidated 155 of the 275 state-owned companies originally marked for privatization Receipts from the sale of state enterprises in 1996 were estimated at US$22 million In March 1995, the government closed its state holding company in order to carry out a uniform privatization policy and improve the transparency of public sector management State enterprises that cannot cover their costs are no longer being supported by public funds, and Zambia Airways and the United Bus Company were liquidated Considerable progress has also been made in decentralizing service provision and developing reorganization plans for individual ministries

Zambia is now in the process of privatizing ZCCM and attracting new investment to refurbish existing mines and develop new ones But ZCCM is a large company with a complex arrangement between government and Anglo-American, the major private shareholder ZCCM also owns and manages many public services in the copper belt

Prices, Trade, and Private Sector Development

Zambia's government has made many bold moves to free prices and exchange rates and encourage investment It eliminated agricultural and fertilizer subsidies, decontrolled prices, revised investment laws, rules and regulations, completely decontrolled the exchange rate, and freed interest rates, opening Zambia's formal economy to market competition

ZAMBIA AND THE WORLD BANK

Zambia currently has 16 active operations funded by money borrowed from the International Development Association (IDA)—a lending affiliate of the World Bank Group that provides interest-free credits with 35-40 year maturities to countries with per capita GNP rates of under US$800

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Current Operations Funded by the World Bank			
Bank ID Number	Year Effective	Purpose	Original Amount (US$ million)
C17430	1987	Coffee Sector II	20 40
C24290	1993	Education Rehabilitation I	32 00
C27550	1995	Social Recovery II	30 00
C26980	1995	Agricultural Sector I	60 00
C24220	1993	Marketing and Processing	33 00
C29100	1997	Economic and Social II	90 00
C22690	1991	Mining (Technical Assistance)	21 00
C26600	1995	Health Sector	56 00
C27640	1996	Economic Recovery and Investment	140 00
C27250	1995	Urban Restructuring and Water	33 00
C22730	1991	Social Recovery Project	20 00
C25150	1993	Transport Engineering	8 50
C24060	1992	PIRC (Technical Assistance)	10 00
C26210	1994	Petroleum Rehabilitation	30 00
C25350	1994	Financial and Legal Management	18 00
C28750	1996	Economic Recovery and Investment Promotion Credit	23 00

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CARE

Peri-Urban Self-Help Project

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CARE E-MAIL

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PUSH is a three-year extension of an urban upgrading and community development project that uses a livelihood improvement approach to poverty reduction The goal of the project is to reduce urban poverty in Lusaka and Livingstone by supporting low income compound residents in activities that improve their living environment strengthen their human resources increase their opportunities to earn a decent livelihood strengthen their capacity to plan and manage the use of community resources and improve equality of access to household resources

PUSH receives funding support primarily from the Department for International Development (UK)

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Appendix 1
Urban Initiative in Southern Africa: Resources to Support Local Government Role in Urban Service Delivery

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African cities are growing more rapidly in the 1990s than are cities in any other region of the world While many African cities were small even a decade ago, urbanization rates as high as 8 percent per annum are not uncommon and, in general, have not been accompanied by sustained economic growth As a result, the majority of the population will be in urban areas in many African countries by early in the next decade, and the resulting demands for job creation and infrastructure development, pressures on general health conditions and infant mortality, and challenges for local governments are well documented

A new activity for supporting urban development in Africa appears to be timely The purpose of this memo is to introduce to the USAID Southern African Missions a new resource for responding to the demands of the urbanization process, especially local government service delivery This effort is being carried out by the Regional Urban Development Offices (RUDOs) in South Africa and Zimbabwe, supported by the Office of Environment and Urban Programs, in collaboration with USAID's Africa Bureau and the World Bank

The New Role of Cities in Sustainable Development

The urban strategy entitled "Making Cities Work," recently drafted for the Agency at the request of the Administrator, makes the central point that well-functioning cities are a means to enhance the achievement of all of USAID's six basic goals This is easily seen in Africa as well, where nearly all of the key activities being carried out in African countries by the Bureau for Africa could be strengthened if urbanized areas were well managed and adequately financed As identified by Acting Assistant Administrator Carol Peasley on the Bureau's home page, these key activities include economic growth, democracy and governance, basic education, population and family planning, child survival, HIV/AIDs, and environment and natural resources management

Historically, USAID's assistance in African countries has reflected the rural nature of their economies But urban growth, the just-emerging decentralization trend in a number of countries, the growth of democratic institutions, and the emphasis on increasing urban, as well as rural, incomes are putting the spotlight on urban areas as being important focal points for development assistance in Africa, particularly Southern Africa Local governments are gaining new powers and responsibilities to provide services throughout the region, but have limited experience in doing so In Africa, as elsewhere, the success of national development strategies rests increasingly on the ability of local governments to effectively carry out the new roles they are being given

A New Call to Support Urban Development

Through the early 1990s, USAID's Office of Housing and Urban Programs (now Environment and Urban Programs) maintained two regional offices in sub-Saharan Africa Country programs operated in some 14 countries and were often tied to Mission programs and Housing Guaranty (HG) loans In 1992, these operations ceased, due to new credit reform legislation, the increasing debt crisis in Africa, cutbacks in HG funding, and the introduction of a major new housing and urban development effort in South Africa As a result, today, USAID-supported urban programs exist only in Zimbabwe and South Africa, with very residual efforts ongoing in Swaziland, Tanzania, and Zambia

Yet over the past decade, urbanization and decentralization have gained enormous momentum in Southern Africa, and new approaches are needed to support them The Africa Bureau understands that urbanization on the continent is a reality and must be addressed in terms of wider development issues USAID Missions throughout the continent also have strategies and results easily seen as related to urbanization Donor approaches to supporting the urban sector are also changing rapidly and becoming more focused at the local level

There is a strong linkage between local government service delivery and many of the Southern Africa strategic objectives, including economic growth, health (particularly child survival and the provision of clean water and sanitation), democracy and governance (particularly decentralization efforts), and the environment (A brief summary of some of the current Mission activities is included as an attachment to this memo)

The convergence of these factors indicates that this is the time to relaunch an effort to support local governments in the provision of service delivery throughout sub-Saharan Africa

Five Focuses of the Urban Initiative

With expanding emphasis in USAID, the World Bank, and other donors on urbanization in Africa, RUDO/South Africa and RUDO/Zimbabwe are proposing a new initiative within the Agency to both formulate policy and design approaches to development programming that builds on RUDO experience in urban development in Southern Africa and elsewhere By design, RUDO assistance has the potential to leverage World Bank and other resources being newly committed for the purpose of African urban development

The Urban Initiative proposes to build on the worldwide RUDO experience in urban development to provide resources for technical assistance and training in areas related to urban service delivery While specific areas for support would be identified by Missions or groups of Missions, after an "urban audit" was conducted with RUDO assistance, the following areas of focus have been identified as potentially of value in strengthening ongoing and anticipated Mission activities related to urban development, based on an analysis of Mission strategies and programs in Southern Africa

1 Focus on Fiscal and Financial Implications of Democracy Building

The current programs in South Africa and Zimbabwe provide excellent models, which could be replicated in existing decentralization efforts across the continent Support could be provided in countries where the roles and responsibilities of local governments are expanding to ensure that the financial resources are adequate for these responsibilities Assistance could also be provided to identify constraints (both institutional and legal) on fiscal decentralization and to establish performance benchmarks for services provided on a decentralized basis

Assistance could focus on identifying revenue sources and applying modern budget practices, developing strategies for cost recovery, and designing mechanisms for financing investments, including tapping into a combination of private and donor resources, such as the World Bank, as appropriate Combining good fiscal planning and good democratic practices means that public input may be invited into the budget process and the prioritization of local expenditures and allocations, support for making these practices effective could be provided The overriding objective of any RUDO-supported intervention would be to reinforce local government accountability and transparency in service delivery, already an objective of a number of Africa programs

2 Coordination and Support for Environmental Health Agendas

The environmental focus of most Southern Africa Missions includes "green" (natural resources) and "blue" (water resources) And while nearly all Missions have health-related strategic objectives, including child survival, RUDOs could help strengthen the linkage between the public health and environmental components of Mission programs Local governments are critical players in defining and supporting programs to address "brown" environmental issues, such as public health issues related to the provision and treatment of potable water, which would, among other things, reduce the spread of cholera and the reduction of infant mortality, and planning improvements in solid waste management practices Assistance could also be provided to develop and refine environmental action plans and to prioritize the proposed activities and define the role of local governments and communities in implementing them New tools, such as environment management systems (EMSs), are also available to be introduced

3 Strengthening Support for Decentralization through Improved Service Delivery

As local governments are made responsible for addressing more and more of their citizens' needs, their limitations in meeting these needs becomes more apparent, potentially undermining the confidence in them that democracy-related activities seek to establish One of the primary constraints that many local government face is the lack of knowledge of possible options and solutions RUDOs can build on the work already being done by the Missions with nongovernmental organizations (NGOs) and central governments to develop models of service provision at the local level during the transition from centralized to more decentralized administrative systems This could involve NGOs, tribal groups, microenterprises, and community organizations, as well as emerging local governments Activities might include help with staging the expansion of local government responsibilities, defining institutional approaches to service provision at the local level, or involving civil society organizations in planning, monitoring, and participating in urban service provision

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4 Developing the Local Government Role in Economic Growth and Trade Development

Economic growth, trade expansion, and job creation are strong themes in many of the Southern Africa Mission programs While the locus for these activities is generally seen to be central government, in fact local governments have important roles to play, particularly as facilitators and in helping strengthen rural-urban economic linkages These roles might include seeing to the provision of traditional facilities, such as markets and basic infrastructure, and perhaps providing more innovative support, such as business incubators for microenterprises, business opportunities through privatization of services, and in some cases working with PL-480 or other resources to actually create jobs Road-building is a very high priority for a number of Missions, and one aim might be to establish the local government role in the building and maintenance of roads Overall, the RUDOs could provide assistance in defining the local role in economic development and trade development and support the implementation of new activities

5 Support for Microenterprises in Urban Environmental Service Provision and Privatization

A large number of Africa Mission programs have microenterprise activities within their economic growth strategy as well as activities in privatization (often the privatization of state-owned enterprises) RUDOs have worldwide experience in combining these two objectives and supporting the development of microenterprises in urban service provision Examples include community-based solid waste programs, contracting out maintenance for public housing and property, as well as the maintenance of basic municipal infrastructure, such as roads, markets, and sewers Expanding the use of microenterprises in the public transportation and shelter sectors could also be explored

Addressing Urbanization Issues at the Regional Level

One important aspect of this urban initiative is the intention to work regionally within the Southern Africa region, building on the long-established regional experience of RUDOs Working regionally on urban development issues has several benefits 1) it reinforces the approach of "regional linkages" recommended in the Bureau's 1997 report to the Senate on development assistance over the next decade, 2) it allows the pairing of cities and/or countries whose progress differs on similar issues, possibly through league of cities or mayors associations, 3) it creates opportunities for cross-border and/or collaborative approaches to management of water, roads, or other infrastructure systems, possibly through sister cities programs or fledgling regional organizations, 4) it allows for regional training opportunities in conjunction with regional training providers, and 5) it expands the potential for creating intermediaries, for instance for municipal financing, that could not economically operate in a single country

A regional effort complements ongoing and proposed World Bank programs as well The World Bank is assisting local governments in capacity building and infrastructure provision in Zambia, Zimbabwe, Swaziland, Malawi, South Africa, and Mozambique, all part of Southern Africa In many instances, the RUDOs are already informally coordinating with the Bank project officers A regional effort offers the opportunity for new support to USAID Missions while working more closely with the World Bank to maximize results not only in Southern Africa, but throughout the continent

Support and Resources Available to Missions under the Urban Initiative

[to be added in field]

The Urban Initiative First Steps

[to be added in field how Missions should get involved
initial visits to Missions that are interested
rapid urban assessment and/or "urban audit" of the Mission program]

Selected Urban-Related Activities in Current Southern Africa Mission Strategies

1 Health and child survival efforts in Zambia related to water-borne disease
2 Local government empowerment in Zambia
3 Environmental efforts to control surface and groundwater depletion in Malawi, and particularly the provision of related infrastructure
4 Joint economic growth and democracy efforts in Malawi
5 Infrastructure rehabilitation and decentralization support in Mozambique
6 Water infrastructure in Namibia
7 Infrastructure rehabilitation in Tanzania
8 Local government capacity building in Eritrea
9 Local government fiscal devolution programs in Uganda
10 Empowerment of local communities in environmental programs in Uganda
11 Provincial and local government financial management assistance in Ethiopia
12 Economic growth initiatives supporting infrastructure development in Ghana
13 Fiscal and administrative decentralization efforts in Kenya
14 Decentralization and local government fiscal autonomy programs in Benin