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U.S. Agency for International Development

FISCAL YEAR

2003

Budget Justification to the Congress

Annex II
Asia and the Near East

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT
FY 2003 CONGRESSIONAL BUDGET JUSTIFICATION

ASIA AND THE NEAR EAST
ANNEX II

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B

ASIA AND THE NEAR EAST

Assistant Administrator, Lori Forman
Deputy Assistant Administrator, Karen Turner
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East Asia Region

Burma
Cambodia ...Mission Director, Lisa Chiles
China
East Timor
Indonesia ... Mission Director, Desaix Myers
Laos
Mongolia .... Mission Director, Jonathan Addleton
Philippines ...Mission Director, Patricia Buckles
Thailand
Vietnam

South Asia Region

Afghanistan
Bangladesh ...Mission Director, Acting Mary Ott
India .....Mission Director, Walter North
Nepal .....Mission Director, Joanne Hale
Pakistan
Sri Lanka ... Mission Director, Vicki Moore

Middle East and North Africa Region

Egypt .....Mission Director, Bill Pearson
Israel
Jordan .....Mission Director, Toni Christiansen-Wagner
Lebanon .....Mission Director, Jon Breslar
Morocco .....Mission Director, James Bednar
West Bank and Gaza . Mission Director, Larry Garber
Yemen

THE DEVELOPMENT CHALLENGE

Aside from its humanitarian value, foreign assistance is one of the United States' most effective foreign policy tools for promoting regional stability. By encouraging a prosperous, healthy, educated population that is able to participate in democratic processes, USAID reduces the risk of terrorism, regional conflict, refugee flows, and the spread of infectious diseases that all threaten the interests of the United States. Nowhere are these threats more apparent than in the Asia and Near East (ANE) region and its three subregions: South Asia, the Middle East, and East Asia. Through its foreign assistance programs, the United States also has the opportunity to help Asia and the Near East respond to globalization and explore the benefits of regional cooperation.

1. South Asia

The events of September 11th highlighted the strategic importance of this subregion to the United States, and the importance of improving economic and social conditions in South Asia to U.S. national security. South Asia faces some of the most daunting development problems in the world. The region is home to one-fifth of the world's population and 40% of the world's poor. More than half of the region's children under the age of five are malnourished.[1] South Asia has the world's highest adult illiteracy rates, second highest fertility levels, a rapidly growing HIV/AIDS epidemic, widespread prevalence of infectious diseases, low socioeconomic status for women and girls, increasing urbanization and pollution, and staggering infant and child mortality. Each of these phenomena also threatens political stability, as millions of poor and dispossessed are susceptible to radical and sometimes anti-American ideologies.

Economic Growth, Agriculture, and Trade

Poverty is the most glaring barrier to human development in South Asia. Half a billion people live on less than a dollar a day. Agriculture is crucial to South Asia's economy: 25% of GDP comes from the agriculture sector (compared to the worldwide average of four to five percent), and 58% of workers are in agriculture. Yet, the subregion is a net importer of food. Major constraints on the sector include low productivity and poor management of scarce water resources. Finally, lack of access to education or poor-quality education for a large sector of South Asian society inhibits poverty reduction and economic growth. Thirty-five percent of men and 59% of women in South Asia cannot read.

Bangladesh: USAID's agribusiness programs in Bangladesh reduce poverty and increase food security. USAID helped expand shrimp exports to over $350 million per year by introducing hygienic processing practices and promoted environmentally-friendly freshwater shrimp species. In addition, since 1990 USAID has supported a home gardening program that has helped establish over 10,000 new private nurseries and 1.1 million homestead gardens that provide income and an additional source of nutritious food to rural households.

USAID work in this pillar focuses on improving economic growth and education to reduce poverty. USAID is committing more resources to improve performance in agriculture and assist South Asia's transformation from a subsistence-based agricultural system to one of greater income-generation and food security. Because of the importance of education in improving productivity and earning potential, as well as the links between literacy and improved health and governance, USAID will expand current basic education programming throughout the subregion.

Global Health

South Asia's incredibly high child mortality rates exemplify overall poor health conditions. Twenty-two percent of children in Afghanistan and 12% of children in Pakistan do not live past the age of five. Tuberculosis, malaria, cholera, and dengue fever are rampant, and HIV/AIDS infections are increasing faster than in any other region.

[1] "South Asia Regional Brief," September 2000.

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USAID's health interventions in South Asia concentrate on basic health interventions and programs that combat the spread of infectious disease. USAID support for basic health will focus on establishing essential services at the community level, including heavy emphasis on maternal and child health programs. HIV/AIDS interventions will remain focused on preventing the spread of the epidemic from groups who engage in high-risk behaviors, i.e., drug use and unprotected sex, to the general population. In India, USAID will continue to concentrate on two of the states with the highest incidence of HIV/AIDS: Maharashtra and Tamil Nadu.

Democracy, Conflict, and Humanitarian Assistance

Poor governance in South Asia not only foments unrest and conflict, it also undermines progress in other development sectors. South Asia's numerous intrastate and cross-border conflicts, history of martial law, and the threat of failed states as havens for terrorism all underscore the importance of strong democratic institutions, robust political debate, and active citizens.

USAID programs in this pillar support the American democratic values of good governance and active civil participation. USAID also stresses cooperation in the subregion around issues such as human trafficking and energy. It is in the United States' national interests to help solve pressing development problems while forging improved relationships between sometimes-hostile neighbors.

2. Middle East and North Africa

The Middle East and North Africa's vast oil resources and potential for conflict make the subregion pivotal to U.S. strategic interests. The subregion controls 70% of the world's known oil reserves. At the same time, the Middle East has the most meager freshwater resources in the world, and increasing competition for water will exacerbate an already volatile political climate. By addressing development problems, such as stagnant economies, high unemployment and population growth rates, lack of participatory government, poor education and health conditions, and competition over scarce natural resources, USAID assistance advances the U.S. goals of creating the necessary conditions for peace and preserving American access to petroleum resources in the Middle East.

Jordan: USAID provides assistance to the Customs Department of Jordan to streamline import processing and thereby reduce importer and exporter clearance times and administrative burdens. An additional benefit is that it increases financial transparency. A major element of this assistance has been provision of the computer and communications hardware needed by the Customs Department to implement an automated commercial processing system. Jordan now operates the system at most of its major ports of entry.

Economic Growth, Agriculture, and Trade

While some countries in the Middle East have made progress in reforming their economies, more needs to be done to integrate the subregion into the global economy and raise levels of investment. Increased investment and economic growth will in turn help provide jobs to the subregion's enormous population of young people: in Yemen and Egypt, 48% and 37% of their respective populations are under the age of 15, and unemployment rates in most Middle Eastern states exceed 15%. Increases in already high rates of unemployment may further destabilize the region and exacerbate the conditions that gave rise to the September 11th attacks.

USAID projects will focus more heavily on legal and regulatory reform programs that will foster an economic environment in which competition and investment flourish. Besides enabling stronger economic growth, USAID will develop a more productive and employable workforce through education programs targeted especially at those entering the workforce. Without renewed focus on education, Middle Eastern countries will either be left behind or forced to import skilled labor.

Global Health

The increasing population of the region seriously impedes development and places further demands on already scarce resources, such as water and jobs. Although some progress has been made in reducing

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the rate of population growth in the last decade, the Middle East still tends to have very high rates of total fertility. For example, the average woman in Gaza and Yemen has more than six children.[2]

Through projects such as community health centers, USAID promotes healthier children and more self-sufficient women who can take advantage of family planning. Healthy mothers and children provide the starting point for addressing the root causes of poverty: poor education, high unemployment, and unsustainable resource use. Family planning empowers women and encourages smaller, healthier families with better opportunities for education and living productive lives.

Democracy, Conflict, and Humanitarian Assistance

The looming water crisis is the Middle East's most severe environmental problem and requires continuous resource negotiations among Arab and Israeli users, as well as Egyptians and sub-Saharan Africa users of Nile-basin water. The subregion has the lowest per capita availability of freshwater in the world—and these resources are declining. Furthermore, water quality in the region is deteriorating due to over-extraction, salinity increase from over-irrigation, and raw or inadequately treated wastewater. Both deteriorating quality and decline in total available resources will increase the likelihood of conflict among competing water users.

USAID efforts focus on mitigating the chances that water shortages will spark or intensify regional conflict in the Middle East. By focusing on water management both within and among states, USAID can promote peace in the subregion and address an important environmental need at the same time. Indeed, water management may be the most effective and direct means by which USAID can support the U.S. interest in a more peaceful Middle East.

Cambodia: USAID-supported prevention measures lead to a decline in HIV prevalence. There is good news from Cambodia, which has the highest HIV/AIDS rates in Asia, and is one USAID's four highest-priority countries in its expanded response to HIV/AIDS. According to UNAIDS' December 2001 "AIDS Epidemic Update," Cambodia shows that early, large-scale, focused prevention programs can keep HIV infection rates lower in high risk groups and can reduce the risk of HIV spreading to the general population. From the mid to late 1990s, prevention measures in Cambodia have led to a decline in high-risk behavior among men and increasing condom use. UNAIDS reports that HIV prevalence among pregnant women declined from 3.2% in 1997 to 2.3% at the end of 2000—suggesting that the country's epidemic may soon be under control.

3. East Asia

East Asia is struggling to emerge from a legacy of financial and political crises. Some countries are in a state of economic and political transition, intrastate conflict threatens fragile democracies in several East Asian nations, and authoritarian regimes persist. Levels of development vary from agrarian Mongolia to post-industrial Japan, and effects of the Asian financial crisis of the late 1990s linger across the region. Cambodia has the highest rate of HIV infection in Asia. Due to the region's geographic location amid major shipping routes, the existence of important U.S. allies, and the emergence of China as a military and economic power, stability in East Asia is vital to U.S. strategic interests. Last but not least, combating terrorist networks that operate in East Asia and addressing the root causes of terrorism are top U.S. priorities.

Economic Growth, Agriculture, and Trade

Weak economic governance and pervasive corruption contributed to the expansion of financial and currency crises into the full Asian economic crisis; the absence of sound social policies and a social "safety net" exacerbated its impact on the region's poor and marginalized. Although the "Asian model of development" has been credited with leading to exceptional growth in East Asia, it has yet to put into place systems that mitigate or reduce the impacts of economic downturns, *i.e.*, strong economic governance, transparent financial systems, employment policies, insurance programs, and other safety

[2] U.S. Bureau of the Census, International Database 2000

net mechanisms. Although much of East Asia is richly endowed with natural resources, mismanagement of these resources is an obstacle to economic growth and improved public health.

USAID is helping East Asian countries increase competition, transparency, and accountability in capital markets and other financial sector institutions. Its programs work to liberalize international trade, increase the degree of competition within domestic economies, eliminate restraints on foreign and domestic investment, and privatize infrastructure. USAID programs in East Asia also encourage sound natural resources management, energy sector reform, biodiversity conservation, and clean urban and industrial development.

Global Health

The Asian Development Bank estimates that the share of HIV/AIDS–related illnesses in the sub-region will triple in the next 20 years, unless preventive measures are undertaken.[3] In East Asia, where risk factors are high and reports of HIV/AIDS in China and Burma are causing particular concern, the virus could erode development gains and destabilize a region of immense strategic and economic importance to the United States. At present, excepting Cambodia, Burma, and localized epidemics in some countries, seroprevalence rates are still relatively low in East Asia. This provides a unique opportunity for USAID to prevent the epidemic from reaching catastrophic proportions. USAID has identified HIV and related infectious diseases such as tuberculosis as a grave threat to health in East Asia, and employs both cross-border and national programs to combat their spread.

Philippines: USAID supports the peace process in Mindanao and addresses some of the root causes of terrorism. USAID has assisted some 13,000 former combatants to become commercial level producers of corn, rice, or seaweed through its Livelihood Enhancement and Peace (LEAP) Program (and LEAP's predecessor programs). USAID plans to assist an additional 10,000 former combatants through the program. USAID-assisted rural banks in Mindanao extend microfinance services to over 34,000 clients. Finally, USAID plans to strengthen governance in Muslim areas of Mindanao through decentralization and anti-corruption programs.

Democracy, Conflict, and Humanitarian Assistance

The Asian Development Bank in Manila estimates that as much as one-third of all public investment in many Asian-Pacific nations is being squandered on graft.[4] The development of market economies, new constituencies for reform within civil society, and stronger rule of law will improve governance standards in East Asia, especially at the local level. USAID programs will support strong civil society organizations that promote responsible public participation that will help prevent East Asian rulers from acting with impunity.

PROGRAM AND MANAGEMENT CHALLENGES

USAID faces three main program and management challenges in the ANE region. First, in an environment of constrained Agency program and personnel resources, USAID will need to adjust available program and personnel resources to tackle heightened foreign policy priorities (i.e., Pakistan and Afghanistan; and increased efforts in basic education) without jeopardizing existing bilateral and regional development activities. Existing activities remain critical to achieving development progress and stability in the three subregions.

Second, USAID must respond to requests to initiate or expand programs in nonpresence countries while identifying betters ways to manage nonpresence country assistance. USAID must be able to deliver meaningful development results toward achievement of US foreign policy objectives, even in an environment of constrained program and personnel resources.

Finally, USAID looks forward to fulfilling the vision that is captured in the Global Development Alliance. Considering the daunting problems facing the ANE region, USAID programs alone are not enough.

[3] ADB News and Events, News Release, August 14, 2001.

[4] Michael Richardson, "In Many Asian Countries, Public Anger at Corruption Is on the Rise," *International Herald Tribune*, January 22, 2001.

USAID must foster greater collaboration with key bilateral donors and private sector entities (foundations, companies, NGOs, etc) to leverage resources in order to maximize efforts and achieve the United States' foreign policy objectives.

OTHER DONORS

Excluding its assistance to Israel, the United States ranks third among donors in this region. The top two lenders are Japan and the World Bank, followed by the United States, the European Union, Germany, France, and the Asian Development Bank. USAID continues to work with these donors and United Nations agencies to reach a consensus on development priorities and to coordinate programs in every USAID-assisted country in the region. In particular, USAID will seek new opportunities to cooperate with Japan on parallel programs in Asia and the Middle East.

FY 2003 PROGRAM

For the ANE region, $2,645,612,000 is requested for FY 2003 programs. Of this amount, $464.2 million is Development Assistance and $2.034.8 billion is Economic Support Funds, and $146.6 million is P.L. 480 (Title II) resources.

A subregional breakdown of the FY 2003 request is as follows:

- East Asia—$312.1 million
- South Asia—$598.5 million
- Middle East and North Africa—$1.589 billion; and
- Regional—$145.8 million.

By USAID pillar, the FY 2003 request is as follows:

- Economic Growth, Agriculture, and Trade—$2.000 billion
- Global Health—$293.6 million
- Democracy, Conflict, and Humanitarian Assistance—$184.8 million; and
- The Global Development Alliance - $20 million.

Asia and Near East
PROGRAM SUMMARY
(in thousands of dollars)

Accounts	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Child Survival and Disease Programs Fund	89,980	110,533	0	0
Child Survival and Health Programs Fund	0	0	212,028	0
Development Assistance	204,161	222,807	211,100	464,248
Economic Support Fund	2,517,573	2,036,558	1,891,500	2,034,750
FREEDOM Support Act	6,000	0	0	0
PL 480 Title II	249,297	194,216	153,822	146,614
Total Program Funds	**3,067,011**	**2,564,114**	**2,468,450**	**2,645,612**

East Asia
PROGRAM SUMMARY
(in thousands of dollars)

Country/ Fund Account	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Burma				
Child Survival and Disease Programs Fund	3,000	2,000	0	0
Development Assistance	0	993	0	0
Economic Support Fund	3,500	3,492	6,500	6,500
Total Burma	6,500	6,485	6,500	6,500
Cambodia				
Child Survival and Disease Programs Fund	3,550	9,420	0	0
Child Survival and Health Programs Fund	0	0	15,000	0
Development Assistance	0	0	0	22,500
Economic Support Fund	10,000	14,967	20,000	17,000
PL 480 Title II	7,071	2,422	0	0
Total Cambodia	20,621	26,809	35,000	39,500
China				
Economic Support Fund	1,000	0	5,000	5,000
Total China	1,000	0	5,000	5,000
East Timor				
Economic Support Fund	25,500	24,945	25,000	19,000
PL 480 Title II	6,089	0	0	0
Total East Timor	31,589	24,945	25,000	19,000
Indonesia				
Child Survival and Disease Programs Fund	18,950	19,560	0	0
Child Survival and Health Programs Fund	0	0	35,568	0
Development Assistance	53,050	51,483	38,704	71,472
Economic Support Fund	22,500	49,890	50,000	60,000
PL 480 Title II	18,110	12,233	4,831	10,244
Total Indonesia	112,610	133,166	129,103	141,716
Laos				
Child Survival and Health Programs Fund	0	0	1,000	0
Development Assistance	0	0	1,000	2,000
Total Laos	0	0	2,000	2,000
Mongolia				
Economic Support Fund	6,000	11,974	12,000	12,000
FREEDOM Support Act	6,000	0	0	0
Total Mongolia	12,000	11,974	12,000	12,000
North Korea				
PL 480 Title II	60,853	1,776	0	0
Total North Korea	60,853	1,776	0	0

Country/ Fund Account	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Philippines				
Child Survival and Disease Programs Fund	7,200	9,450	0	0
Child Survival and Health Programs Fund	0	0	25,599	0
Development Assistance	22,500	30,334	24,459	50,659
Economic Support Fund	0	7,202	21,000	20,000
Total Philippines	29,700	46,986	71,058	70,659
Thailand				
Child Survival and Health Programs Fund	0	0	1,000	0
Development Assistance	0	0	750	3,250
Total Thailand	0	0	1,750	3,250
Vietnam				
Child Survival and Disease Programs Fund	1,500	2,494	0	0
Child Survival and Health Programs Fund	0	0	4,106	0
Development Assistance	1,250	2,999	6,950	12,456
Total Vietnam	2,750	5,493	11,056	12,456
Total Program Funds	**277,623**	**257,654**	**298,467**	**312,081**

South Asia
PROGRAM SUMMARY
(in thousands of dollars)

Country/ Fund Account	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Afghanistan				
Child Survival and Health Programs Fund	0	0	2,000	0
Development Assistance	0	0	10,000	0
Economic Support Fund	0	0	17,250	0
Emergency Response Fund	0	0	168,200	0
PL 480 Title II	13,905	29,294	40,005	0
Total Afghanistan	13,905	29,294	237,455	TBD
Bangladesh				
Child Survival and Disease Programs Fund	14,836	15,500	0	0
Child Survival and Health Programs Fund	0	0	39,950	0
Development Assistance	31,063	42,050	21,870	57,220
Economic Support Fund	0	0	3,000	7,000
PL 480 Title II	23,525	67,658	19,176	45,082
Total Bangladesh	69,424	125,208	83,996	109,302
India				
Child Survival and Disease Programs Fund	22,750	24,593	0	0
Child Survival and Health Programs Fund	0	0	41,678	0
Development Assistance	28,700	28,805	29,200	75,185
Economic Support Fund	0	4,989	7,000	25,000
PL 480 Title II	116,782	78,064	86,431	91,288
Total India	168,232	136,451	164,309	191,473
Nepal				
Child Survival and Disease Programs Fund	7,000	9,250	0	0
Child Survival and Health Programs Fund	0	0	20,000	0
Development Assistance	9,900	12,158	7,597	31,696
Economic Support Fund	0	0	3,000	6,000
PL 480 Title II	0	0	2,603	0
Total Nepal	16,900	21,408	33,200	37,696
Pakistan				
Child Survival and Health Programs Fund	0	0	5,000	0
Development Assistance	0	0	10,000	50,000
Economic Support Fund	0	0	9,500	200,000
Emergency Response Fund	0	0	600,000	0
PL 480 Title II	537	1,855	0	0
Total Pakistan	537	1,855	624,500	250,000

Country/ Fund Account	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Sri Lanka				
Child Survival and Disease Programs Fund	700	300	0	0
Child Survival and Health Programs Fund	0	0	300	0
Development Assistance	3,650	3,399	5,150	6,050
Economic Support Fund	0	0	3,000	4,000
Total Sri Lanka	4,350	3,699	8,450	10,050
Total Program Funds	**273,348**	**317,915**	**1,151,910**	**598,521**

Middle East and North Africa
PROGRAM SUMMARY

(in thousands of dollars)

Country/ Fund Account	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Algeria				
PL 480 Title II	0	0	776	0
Total Algeria	0	0	776	0
Egypt				
Economic Support Fund	727,267	693,471	655,000	615,000
PL 480 Title II	714	323	0	0
Total Egypt	727,981	693,794	655,000	615,000
Israel				
Economic Support Fund	949,056	838,152	720,000	600,000
Total Israel	949,056	838,152	720,000	600,000
Jordan				
Economic Support Fund	199,500	149,670	150,000	250,000
Total Jordan	199,500	149,670	150,000	250,000
Lebanon				
Development Assistance	0	600	600	500
Economic Support Fund	15,000	34,923	35,000	32,000
Total Lebanon	15,000	35,523	35,600	32,500
Morocco				
Child Survival and Disease Programs Fund	3,000	4,902	0	0
Child Survival and Health Programs Fund	0	0	4,600	0
Development Assistance	7,250	5,685	5,713	6,713
PL 480 Title II	0	591	0	0
Total Morocco	10,250	11,178	10,313	6,713
West Bank and Gaza				
Economic Support Fund	485,000	84,813	72,000	75,000
Total West Bank and Gaza	485,000	84,813	72,000	75,000
Yemen				
Economic Support Fund	0	3,991	5,000	10,000
PL 480 Title II	1,711	0	0	0
Total Yemen	1,711	3,991	5,000	10,000
Total Program Funds	**2,388,498**	**1,817,121**	**1,648,689**	**1,589,213**

ANE Regional
PROGRAM SUMMARY
(in thousands of dollars)

Accounts	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Child Survival and Disease Programs Fund	7,494	13,044	0	0
Child Survival and Health Programs Fund	0	0	16,227	0
Development Assistance	46,798	44,301	49,107	74,547
Economic Support Fund	73,250	114,079	72,250	71,250
Total Program Funds	**127,542**	**171,424**	**137,584**	**145,797**

Asia and Near East Bureau
Congressional Budget Justification (CBJ) Fiscal Year 2003
Notified Levels for FY 2003

Country/Program SO No.	Strategic Objective Title	Account	Amount Being Notified in CBJ
EAST ASIA REGION			
Burma			
482-002	Democracy and Humanitarian Assistance	ESF	6,500
Cambodia			
442-001	Strengthened Democratic Processes and Respect for Human Rights	ESF	17,000
442-009	Increased Use of HIV/AIDS and Family Health Services and Appropriate Health-Seeking Behavior	DA	22,500
China			
435-003	Selected Foreign Policy Concerns Addressed	ESF	5,000
East Timor			
472-001	Revitalization of Local Economy	ESF	7,000
472-003	Democratic Development Strengthened	ESF	12,000
Indonesia			
497-007	Democratic Reforms Sustained and Deepened	DA	7,500
		ESF	23,500
497-008	Health of Women and Children Improved	DA	32,768
497-009	Impact of Conflicts and Crises Reduced	DA	4,500
		ESF	10,000
497-010	Decentralized and Participatory Local Government	DA	6,951
		ESF	7,000
497-011	Fnds Set for Rapid, Sustain,& Equitable Econ Grth	DA	5,123
		ESF	18,000
497-012	Strengthen and Decentralize Natural Res Mgt	DA	10,500
		ESF	1,500
497-013	Energy Sector Governance Strengthened	DA	4,130
Laos			
439-004	Laos Economic Acceleration Program for the Silk Sector	DA	1,000
439-005	Strengthen the Laos National Response to HIV/AIDS	DA	1,000
Mongolia			
438-001	Accelerate and Broaden Environmentally Sound Private Sector Growth	ESF	9,000
438-002	Consolidate Mongolia's Democratic Transition	ESF	3,000

Asia and Near East Bureau
Congressional Budget Justification (CBJ) Fiscal Year 2003
Notified Levels for FY 2003

Country/Program SO No.	Strategic Objective Title	Account	Amount Being Notified in CBJ
Philippines			
492-002	A More Stable and Competitive Economy	DA	9,192
		ESF	5,000
492-003	Reduced Fertility Rate and Improved Maternal and Child Health	DA	24,050
492-004	Enhanced Management of Renewable Natural Resources	DA	13,667
492-010	Prospects for Sustainable Peace in Mindanao Strengthened	DA	3,750
		ESF	15,000
Thailand			
493-002	Selected Foreign Policy Concerns Addressed in Thailand	DA	3,250
Vietnam			
440-006	Enhanced Environment for Trade and Investment	DA	6,950
440-007	Improved Access to Services for Selected Vulnerable Groups	DA	5,506
SOUTH ASIA REGION			
Afghanistan			
306-001	Reestablish Food Security	DA	TBD
		ESF	TBD
306-002	Create Conditions for Stability	DA	TBD
306-003	Rehabilitate Afghanistan as a Nation	DA	TBD
		ESF	TBD
Bangladesh			
388-001	Reduced Fertility and Improved Family Health	DA	32,500
388-005	Growth of Agribusiness and Small Business	DA	5,600
		ESF	3,500
388-006	Improved Management of Open Water and Tropical Forest Resources	DA	2,700
		ESF	500
388-007	Improved Performance of the Energy Sector	DA	5,470
		ESF	1,500
388-008	Improved Food Security for Vulnerable Groups	DA	2,600
		ESF	1,500
388-009	Strengthened Institutions of Democracy	DA	8,350
India			
386-002	Reduced Fertility and Improved Reproductive Health in North India	DA	12,000
386-003	Improved Child Survival and Nutrition in Selected Areas of India	DA	5,650
386-004	Increased Environmental Protection in Energy, Industry and Cities	DA	16,700
		ESF	10,000
386-007	Reduced Transmission and Mitigated Impact of Infectious Diseases, Especially STD/HIV/AIDS	DA	23,135
386-009	Expanded Advocacy and Service Delivery Networks for Women and Girls	DA	7,508
		ESF	8,000
386-011	Incr Capacity of Financial Markets and Govt to Transparently and Efficiently Mobilize Resources	DA	10,192
		ESF	5,000
386-012	Recovery, Reconstruction, and Rehabilitation Needs Met for Targeted Vulnerable Groups	ESF	2,000

Asia and Near East Bureau
Congressional Budget Justification (CBJ) Fiscal Year 2003
Notified Levels for FY 2003

Country/Program SO No.	Strategic Objective Title	Account	Amount Being Notified in CBJ	
Nepal				
367-002	Reduced Fertility and Improved Maternal and Child Health	DA	20,449	
367-006	Incr Private-Sector Participation and Inv in Env and Socially Sustainable Hydropower Dev	DA	2,447	
367-007	Strengthened Governance of Natural Resources and Selected Institutions	DA	5,800	
367-008	Restoring Political Stability and Improving Local Governance	DA	3,000	
		ESF	6,000	
Pakistan				
391-003	Pakistan Basic Education	DA	21,500	
391-004	Pakistan Democracy and Governance Program	DA	6,000	
391-005	Emergency Economic Assistance to Pakistan	ESF	200,000	*
391-YYY	Improve Basic Health Services	DA	12,500	
391-XXX	Improve On-Farm Water Management	DA	10,000	
Sri Lanka				
383-002	Citizen's Rights Better Protected in Law and Practice	DA	2,000	
		ESF	4,000	
383-003	Enhanced Economic and Social Opportunities for Disadvantaged Groups	DA	800	
383-004	Increased Sri Lankan Competitiveness in the Global Marketplace	DA	3,250	
MIDDLE EAST and NORTH AFRICA REGION				
Egypt				
263-016	Environment for Trade and Investment Strengthened	ESF	501,000	
	Cash Transfer	ESF		*
	Commodity Import Program (CIP)	ESF		*
263-017	Skills for Competitiveness Developed	ESF	33,323	
263-019	Management of the Environment and Natural Resources in Targeted Sectors Improved	ESF	11,000	
263-020	Healthier, Planned Families	ESF	38,900	
	cash transfer			*
263-021	Egyptian Initiatives in Governance and Participation Strengthened	ESF	17,877	
263-022	Basic Education Improved to Meet Market Demands	ESF	12,900	
Israel				
271-001	Support Policy Reform for Fin'l Stability and Structural Adj Needed for Rapid Sustainable Growth	ESF	600,000	*
Jordan				
278-002	Improved Water Resources Management	ESF	75,000	
278-003	Improved Access to and Quality of Reproductive and Primary Health Care	ESF	41,500	
278-005	Increased Economic Opportunities for Jordanians	ESF	133,500	
	cash transfer			*

Asia and Near East Bureau
Congressional Budget Justification (CBJ) Fiscal Year 2003
Notified Levels for FY 2003

Country/Program SO No.	Strategic Objective Title	Account	Amount Being Notified in CBJ
Lebanon			
268-001	Reconstruction and Expanded Economic Opportunity	ESF	20,000
268-002	Increased Effectiveness of Selected Institutions that Support Democracy	ESF	7,000
268-005	Improved Environmental Practices	ESF	5,000
		DA	500
Morocco			
608-005	Increased Opportunities for Domestic and Foreign Investment	DA	2,185
608-006	Improved Water Resources Management in the Souss-Massa River Basin	DA	3,000
608-008	Increased Attainment of Basic Education Among Girls in Selected Rural Provinces	DA	1,528
West Bank and Gaza			
294-001	Expanded Economic Opportunities	ESF	11,034
294-002	Greater Access to and More Effective Use of Scarce Water Resources	ESF	44,806
294-003	More Responsive and Accountable Governance	ESF	10,500
294-005	Selected Development Needs Addressed	ESF	1,800
294-007	Healthier Palestinian Families	ESF	6,110
294-008	Improved Community Services	ESF	750
Yemen			
279-004	Broad-Based Economic Growth	ESF	10,000
Asis and Near East Regional Programs			
498-007	Program Development and Learning	DA	42,722
		CSD	
498-009	United States-Asia Environmental Partnership (US-AEP)	DA	8,000
498-012	Middle East Regional Democracy Fund	ESF	5,000
498-022	Stabilize Population Growth and Protect Human Health	DA	13,303
498-023	Encourage Economic Growth	DA	9,600
		ESF	4,000
498-024	Manage the Environment for Sustainability and Prosperity	DA	
		ESF	
498-036	Improve East Asia Regional Stability Through Democracy and Human Rights	ESF	9,000
498-037	Improve South Asia Regional Stability Through Democracy and Human Rights	DA	922
		ESF	2,000

* - These activities will be notified separately.

Asia and Near East Bureau
Congressional Budget Justification (CBJ) Fiscal Year 2003
Notified Levels for FY 2002

Country/Program SO No.	Strategic Objective Title	Account	Amount Being Notified in CBJ
EAST ASIA REGION			
Burma			
482-002	Democracy and Humanitarian Assistance	DA	
		CSD	
		ESF	3,000
Cambodia			
442-001	Strengthened Democratic Processes and Respect for Human Rights	ESF	
442-002	Improved Reproductive and Child Health	ESF	
442-005	Reduced Transmission of STIs and HIV/AIDS in High Risk Populations	CSD	
442-009	Increased Use of HIV/AIDS and Family Health Services and Appropriate Health-Seeking Behavior	CSH	15,000
		ESF	7,000
China			
435-001	Selected Foreign Policy Concerns Addressed	ESF	5,000
East Timor			
472-001	Revitalization of the Local Economy	ESF	1,500
472-003	Democratic Development Strengthened	ESF	
Indonesia			
497-007	Democratic Reforms Sustained and Deepened	DA	807
		ESF	
497-008	Health of Women and Children Improved	DA	
		CSH	14,288
		ESF	
497-009	Impact of Conflicts and Crises Reduced	DA	
		ESF	6,500
497-010	Decentralized and Participatory Local Government	DA	
		ESF	3,000
497-011	Fnds Set for Rapid, Sustain,& Equitable Econ Grth	DA	
		ESF	
497-012	Strengthen and Decentralize Natural Res Mgt	DA	2,012
		ESF	
497-013	Energy Sector Governance Strengthened	DA	
Laos			
439-004	Laos Economic Acceleration Program for the Silk Sector	DA	1,000
439-005	Strengthen the Laos National Response to HIV/AIDS	DA	1,000
Mongolia			
438-001	Accelerate and Broaden Environmentally Sound Private Sector Growth	ESF	
438-002	Consolidate Mongolia's Democratic Transition	ESF	1,000

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Notified Levels for FY 2002

Country/Program SO No.	Strategic Objective Title	Account	Amount Being Notified in CBJ
Philippines			
492-002	A More Stable and Competitive Economy	DA	
		ESF	
492-003	Reduced Fertility Rate and Improved Maternal and Child Health	DA	
		CSH	15,799
		ESF	
492-004	Enhanced Management of Renewable Natural Resources	DA	10,300
492-010	Prospects for Sustainable Peace in Mindanao Strengthened	DA	2,200
		ESF	7,300
Thailand			
493-002	Selected Foreign Policy Concerns addressed in Thailand	DA	750
		CSH	1,000
Vietnam			
440-006	Enhanced Environment for Trade and Investment	DA	2,350
440-007	Improved Access to Services for Selected Vulnerable Groups	CSD	
		CSH	2,606
		DA	1,500
SOUTH ASIA REGION			
Afghanistan			
306-001	Reestablish Food Security	DA	10,000
306-002	Create Conditions for Stability	CSH	2,000
306-003	Rehabilitate Afghanistan as a Nation	ESF	17,250
Bangladesh			
388-001	Reduced Fertility and Improved Family Health	DA	
		CSH	25,950
		ESF	
388-005	Growth of Agribusiness and Small Business	DA	
388-006	Improved Management of Open Water and Tropical Forest Resources	DA	900
		ESF	
388-007	Improved Performance of the Energy Sector	DA	3,270
		ESF	
388-008	Improved Food Security for Vulnerable Groups	DA	500
		ESF	1,500
388-009	Strengthened Institutions of Democracy	DA	2,500
		CSD	

Asia and Near East Bureau
Congressional Budget Justification (CBJ) Fiscal Year 2003
Notified Levels for FY 2002

Country/Program SO No.	Strategic Objective Title	Account	Amount Being Notified in CBJ
India			
386-002	Reduced Fertility and Improved Reproductive Health in North India	DA	
		CSH	9,900
386-003	Improved Child Survival and Nutrition in Selected Areas of India	DA	
		CSH	3,700
386-004	Increased Environmental Protection in Energy, Industry and Cities	DA	3,650
		ESF	-
386-007	Reduced Transmission and Mitigated Impact of Infectious Diseases, Especially STD/HIV/AIDS	CSD	
		CSH	3,678
386-009	Expanded Advocacy and Service Delivery Networks for Women and Girls	DA	2,240
		CSD	
		ESF	
386-011	Incr Capacity of Financial Markets and Govt to Transparently and Efficiently Mobilize Resources	DA	5,387
		ESF	
386-012	Recovery, Reconstruction, and Rehabilitation Needs Met for Targeted Vulnerable Groups	DA	
		ESF	1,500
Nepal			
367-002	Reduced Fertility and Improved Maternal and Child Health	DA	
		CSH	10,250
367-006	Incr Private-Sector Participation and Inv in Env and Socially Sustainable Hydropower Dev	DA	700
		ESF	
367-007	Strengthened Governance of Natural Resources and Selected Institutions	DA	1,347
		ESF	
367-008	Restoring Political Stability and Expanding Confidence in Democracy	DA	2,050
		ESF	3,000
Pakistan			
391-003	Pakistan Basic Education	DA	10,000
		ESF	5,000
391-004	Pakistan Democracy and Governance Program	ESF	2,000
391-005	Emergency Economic Assistance to Pakistan	ESF	2,500
391-YYY	Improve Basic Health Services	ESF	•
391-XXX	Improve On-Farm Water Management	ESF	•

Asia and Near East Bureau
Congressional Budget Justification (CBJ) Fiscal Year 2003
Notified Levels for FY 2002

Country/Program SO No.	Strategic Objective Title	Account	Amount Being Notified in CBJ
Sri Lanka			
383-002	Citizen's Rights Better Protected in Law and Practice	DA	1,500
		ESF	3,000
383-003	Enhanced Economic and Social Opportunities for Disadvantaged Groups	CSD	
		DA	400
383-004	Increased Sri Lankan Competitiveness in the Global Marketplace	DA	250
		ESF	
MIDDLE EAST and NORTH AFRICA REGION			
Egypt			
263-016	Environment for Trade and Investment Strengthened	ESF	
	Cash Transfer	ESF	- *
	Commodity Import Program (CIP)	ESF	- *
263-017	Skills for Competitiveness Developed	ESF	
263-018	Access to Sustainable Utility Service in Selected Areas Increased	ESF	
263-019	Management of the Environment and Natural Resources in Targeted Sectors Improved	ESF	700
263-020	Healthier, Planned Families	ESF	1,840
	cash transfer		- *
263-021	Egyptian Initiatives in Governance and Participation Strengthened	ESF	
263-022	Basic Education Improved to Meet Market Demands	ESF	6,800
Israel			
271-001	Support Policy Reform for Finl Stability and Structural Adj Needed for Rapid Sustainable Growth	ESF	
Jordan			
278-002	Improved Water Resources Management	ESF	
278-003	Improved Access to and Quality of Reproductive and Primary Health Care	ESF	1,000
278-005	Increased Economic Opportunities for Jordanians	ESF	12,000
	cash transfer		
Lebanon			
268-001	Reconstruction and Expanded Economic Opportunity	ESF	3,000
268-002	Increased Effectiveness of Selected Institutions that Support Democracy	ESF	
268-005	Improved Environmental Practices	ESF	
		DA	600

Asia and Near East Bureau
Congressional Budget Justification (CBJ) Fiscal Year 2003
Notified Levels for FY 2002

Country/Program SO No.	Strategic Objective Title	Account	Amount Being Notified in CBJ
Morocco			
608-005	Increased Opportunities for Domestic and Foreign Investment	DA	
608-006	Improved Water Resources Management in the Souss-Massa River Basin	DA	800
608-007	Key Interventions Promote Sustainability of Population, Health and Nutrition Programs	DA CSH	 1,500
608-008	Increased Attainment of Basic Education Among Girls in Selected Rural Provinces	DA	
West Bank and Gaza			
294-001	Expanded Economic Opportunities	ESF	7,379
294-002	Greater Access to and More Effective Use of Scarce Water Resources	ESF	181,324
294-003	More Responsive and Accountable Governance	ESF	4,366
294-005	Selected Development Needs Addressed	ESF	37,351
294-007	Healthier Palestinian Families	ESF	21,639
294-008	Improved Community Services	ESF	71,385
Yemen			
279-XXX	Broad-Based Economic Growth	ESF	
Asia and Near East Regional Programs			
498-007	Program Development and Learning	DA CSH	22,641 6,635
498-009	United States-Asia Environmental Partnership (US-AEP)	DA	
498-012	Middle East Regional Democracy Fund	ESF	
498-022	Stabilize Population Growth and Protect Human Health	DA CSD	
498-023	Encourage Economic Growth	DA ESF	1,900
498-024	Manage the Environment for Sustainability and Prosperity	DA ESF	
498-036	Improve East Asia Regional Stability Through Democracy and Human Rights	DA ESF	
498-037	Improve South Asia Regional Stability Through Democracy and Human Rights	DA CSD ESF	272

* - These activities will be notified separately.

East Asia
PROGRAM SUMMARY
(in thousands of dollars)

Accounts	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Child Survival and Disease Programs Fund	34,200	42,944	0	0
Child Survival and Health Programs Fund	0	0	82,273	0
Development Assistance	76,800	85,809	71,863	162,337
Economic Support Fund	68,500	112,470	139,500	139,500
FREEDOM Support Act	6,000	0	0	0
PL 480 Title II	92,123	16,431	4,831	10,244
Total Program Funds	277,623	257,654	298,467	312,081

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More than 25% of the population subsists on less than $1 a day; infant mortality is 79 per 1000; an estimated 1.6 million Burmese people have fled fighting and poor economic conditions; another 1.5 million are internally displaced.

THE DEVELOPMENT CHALLENGE: U.S. Government foreign policy towards Burma seeks (1) progress toward democracy; (2) an improved human rights climate; and (3) more effective counternarcotics efforts. The U.S. also pursues a global strategic goal of preventing or minimizing the human costs of conflict and natural disasters.

Conditions in Burma continue to reflect the State Peace Council's (SPDC, formerly the State Law and Order Restoration Council or SLORC) struggle for political and military control of the country. Despite multiparty elections in 1990 that resulted in the main opposition party, the National League for Democracy (NLD), winning a decisive victory, SPDC refused to hand over power. During most of the past decade, the SPDC has attempted to divide the NLD and weaken key opposition leader and Nobel Peace Prize recipient Aung San Suu Kyi's authority as well as her reputation among members of the international community. However, in late 2000, the SPDC initiated talks with Aung San Suu Kyi that have led to the release of some political prisoners and reopening of some NLD offices in Rangoon and Mandalay. It is unclear if ongoing talks will lead to eventual transition to civilian rule.

The military believes it is the only institution capable of keeping Burma united as a single country, and that pluralism is destructive to national unity. It views economic progress, reform, and liberalization as secondary to the maintenance of political control. The military is now more powerful than it has ever been, due to an aggressive recruitment program, improved weaponry, and cease-fire agreements with several ethnic armies that have allowed troops to be concentrated in fewer areas.

The SPDC has signed cease-fire agreements with all but three armed insurgent groups representing the Shan, Karenni, and Karen ethnic groups. The army continues to scour the homelands of these people for resistance and forcibly relocate entire villages in its efforts to eliminate armed resistance. Extrajudicial killings, torture, forced labor, rape, and other abuses commonly occur in most ethnic states.

Economic policies pursued by the Burmese Government have resulted in a deteriorating social and economic situation. Approximately 13 million of Burma's 48 million people, more than 25% of the population, live below the subsistence level of $1 per day. Ten percent of Burmese children are severely malnourished, and 20% suffer nutritional deficits, according to a recent World Bank report.

As a result of ethnic fighting and deteriorating economic conditions in Burma, more than 1.6 million people have fled Burma and an estimated 1.5 million more remain inside Burma as internally displaced people. Of the population that fled Burma, approximately 155,000 reside in refugee camps in Thailand and Bangladesh and more than 800,000 live as illegal migrant workers in Thailand, Bangladesh, India, China, and Malaysia.

THE USAID PROGRAM: In FY 2002, USAID will devote $6.5 million to its Burma program and requests $6.5 million for FY 2003. USAID suspended assistance to Burma following the 1988 suppression of the pro-democracy movement. A FY 1993 earmark of $1 million reinstated USG assistance, initially through the Department of State's Bureau for Democracy, Human Rights and Labor (State/DRL). Since 1998, USAID has co-funded and co-managed the Burma earmark with State/DRL. In FY 1999, 2000, and 2001, the Appropriation Act earmarked $6.5 million to support democracy in Burma and support for pro-democracy groups and refugees located outside Burma. This earmark was funded with $3 million in Development Assistance and Child Survival funds for humanitarian activities along the Burma-Thailand border, and $3.5 million in Economic Support

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Funds for pro-democracy activities. Humanitarian activities include improving primary healthcare and food security for refugees, and improving the quality of education that refugee children receive. Democracy activities support training and advocacy for transition to a democratic government in Burma.

ONGOING PROGRAMS FOR WHICH NO FY 2002 FUNDING IS REQUESTED: None.

OTHER PROGRAM ELEMENTS: The Department of State's Population, Refugee and Migration Program funds refugee assistance activities that complement USAID activities.

OTHER DONORS: The activities being funded under the earmark operate independently of the Burmese regime, but are coordinated with over 30 other donor agencies through either the Burma Donors Forum or the Coordinating Council for Support to Displaced Persons in Thailand. Bilateral donor programs that focus on humanitarian assistance to Burma and to Burmese Refugees include the Netherlands, Denmark, Sweden, Australia, and the United Kingdom. Multilateral donors with activities in Burma include the United Nations Children's Fund, the United Nations Development Program, the World Food Program, and the United Nations High Commission for Refugees.

Burma
PROGRAM SUMMARY
(in thousands of dollars)

Accounts	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Child Survival and Disease Programs Fund	3,000	2,000	0	0
Development Assistance	0	993	0	0
Economic Support Fund	3,500	3,492	6,500	6,500
Total Program Funds	**6,500**	**6,485**	**6,500**	**6,500**

STRATEGIC OBJECTIVE SUMMARY				
482-002 Democracy and Humanitarian Assistance				
CSD	3,000	2,000	0	0
DA	0	993	0	0
ESF	3,500	3,492	6,500	6,500

Total Transfers

PROGRAM DATA SHEET

USAID PROGRAM: Burma
PROGRAM TITLE: Promote Democracy and Aid Burmese Refugees (Pillar: Democracy, Conflict, and Humanitarian Assistance)
STRATEGIC OBJECTIVE AND NUMBER: Democracy and Humanitarian Assistance, 482-002
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $6,500,000 ESF
UNOBLIGATED PRIOR YEAR FUNDS: $2,592,000 ESF, $2,000,000 CSD
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $6,500,000 ESF
INITIAL OBLIGATION: FY 1996 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: USAID's program of democracy and humanitarian assistance includes—

- Training and advocacy for a transition to a democratic government in Burma;
- Humanitarian assistance to refugees living along the Thai-Burma border to improve access to primary healthcare;
- Humanitarian activities to help maintain nutrition and food security of the refugee population; and
- Humanitarian activities to improve the quality of education being provided to refugee children.

Inputs, Outputs, and Activities: *FY 2002 Program:* USAID's program will support activities that provide humanitarian assistance to Burmese refugees and for pro-democracy activities. The State Department's program provides grants to organizations that support Burmese pro-democracy efforts. USAID programmed funds will finance activities that assist Burmese refugees, internally displaced people, and pro-democracy groups. To date, these program activities have supported training and advocacy for a transition to a democratic government in Burma as well as humanitarian assistance to refugees living along the Thai-Burma border. Humanitarian activities have improved the access to primary healthcare, helped maintain nutrition and food security of the refugee population, and improved the quality of education being provided to refugee children.

Planned FY 2003 Program: USAID and the Department of State continue to evaluate opportunities to strengthen the capacity of nongovernmental Burmese organizations and persons that will play a key role in any transition to a more democratic government. In FY 2003, USAID and the Department of State plan to provide greater training opportunities for Burmese both inside and outside of Burma in key disciplines such as economics, finance, political science and government, and law. In addition, USAID anticipates shifting some effort to address the humanitarian needs of the growing population of Burmese refugees that live outside officially designated camps in Thailand.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL RENOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: As a result of USAID activities, the Open Society Institute reports that by the end of June 2001, 275 grants for scholarships, which supplement higher education costs (average grant is about $500) were awarded to Burmese students worldwide. The grants are used to obtain undergraduate, masters, and Ph.D. degrees. Internews reports that the SHAN (Burmese newspaper) increased its circulation by 500 a month (or by 25%) using a savings measure that Internews recommended. Now they not only have a cleaner, neater layout but also are publishing and distributing 500 extra copies per month. The International Rescue Committee reports between December 2000 and May 2001 almost 100% of the approximately 16,000 Karenni refugees in camps near Mae Hong Son were immunized for diptheria, tetanus, pertussis (whooping cough),

measles, mumps, rubella, tuberculosis, and polio. World Education reports that in addition to its continuing efforts to strengthen the quality of the primary school curriculum and teaching capabilities, it also trained 55 teachers in special education. This enables the refugee schools to begin to address the special learning needs of deaf and blind children, children afflicted with cerebral palsy, and others.

Principal Contractors, Grantees, or Agencies: Key USAID partners include the International Rescue Committee, World Education, the Open Society Institute, and Internews. Department of State partners include World Vision, National Endowment for Democracy, and Project Burma.

US Financing in Thousands of Dollars

Burma

482-002 Democracy and Humanitarian Assistance	CSD	DA	ESF
Through September 30, 2000			
Obligations	4,460	3,040	10,270
Expenditures	1,905	823	6,800
Unliquidated	2,555	2,217	3,470
Fiscal Year 2001			
Obligations	0	993	900
Expenditures	1,691	2,226	3,740
Through September 30, 2001			
Obligations	4,460	4,033	11,170
Expenditures	3,596	3,049	10,540
Unliquidated	864	984	630
Prior Year Unobligated Funds			
Obligations	2,000	0	2,592
Planned Fiscal Year 2002 NOA			
Obligations	0	0	6,500
Total Planned Fiscal Year 2002			
Obligations	2,000	0	9,092
Proposed Fiscal Year 2003 NOA			
Obligations	0	0	6,500
Future Obligations	0	0	0
Est. Total Cost	6,460	4,033	26,762

CAMBODIA

THE DEVELOPMENT CHALLENGE: The United States was one of the principal architects of the 1991 Paris Peace Accords, which effectively ended decades of civil war in Cambodia. Our national interest lies in assuring that our investment in that process is not lost. Promotion of democracy, good governance, and continued improvement of human rights are the United States' main foreign policy objectives in Cambodia. Addressing global problems of infectious disease, especially HIV/AIDS, is also of great importance.

> Thirty-six percent of Cambodians live on only 45 cents a day or less; 45% of children five and under are malnourished.

The decade since the Accords has seen the establishment of important institutions of Cambodia's governance system, including the National Assembly and Senate, two national elections in 1993 and 1998, and the first multiparty local elections, scheduled for February 3, 2002. With assistance from the United States, Cambodia has passed a law providing for prosecution of senior leaders of the Khmer Rouge in a mixed tribunal and is in discussion with the United Nations about making it operational. The Cambodian Government has committed itself to a Governance Action Plan, in consultation with donors, which charts a comprehensive and ambitious reform program. Cambodia was admitted to the Association of Southeast Asian Nations in 1999 and is actively pursuing World Trade Organization accession.

Cambodia's struggle to rebuild comes after 30 years of civil strife and warfare, including the genocidal Khmer Rouge period. Ranked 121st of 162 countries on the United Nations Development Program's most recent Human Development Index, Cambodia's annual per capita GDP is less than $300; 85% of Cambodians live in rural areas where life is harsh and access to basic services is difficult; and life expectancy is only in the mid-50s. Infant mortality stands at 95 per 1,000 live births, maternal mortality rates are among the highest in Asia, and Cambodia is facing the most serious documented HIV/AIDS epidemic in the region, with an adult prevalence rate around 3%. There is an alarming indication that literacy may actually be declining. In 1998 the adult literacy rate was 67.3%, including 79.5% for males and 57.0% for females, but the primary school completion rate was only 51.0% for males and 33.9% for females. Cambodia's ravaged infrastructure and decimated human resource base from the many years of war and neglect remain a serious constraint to development. As a result, intense capacity building is required in every sector.

Among developing countries and especially transition economies in the region, Cambodia stands out for having a vibrant civil society. Highly committed domestic human-rights organizations now function both as watchdogs—monitoring government compliance with international human-rights standards—and as trainers. In the run-up to the 2002 local elections, domestic election-monitoring organizations are educating voters and monitoring the election process; they will have observers in all of Cambodia's approximately 12,400 polling stations.

THE USAID PROGRAM: USAID's FY 2002 estimate is $20 million in Economic Support Funds and $15 million in Development Assistance. The FY 2003 request is for $17 million in Economic Support Funds and $22.5 million in Development Assistance. Since restrictions were imposed on U. S. assistance to the Cambodian central government in 1997, USAID has supported only activities of nongovernmental organizations (NGOs) for democracy and human rights, HIV/AIDS prevention, reproductive and child health, and microfinance. The restrictions on assistance to the central government have since been lifted for activities on HIV/AIDS, antitrafficking, and basic education programs. USAID is currently developing a new three-year strategy for the Cambodia program, during which the feasibility of a basic education program will be explored. A new strategic objective for health and HIV/AIDS has already been approved in order to expedite progress against the HIV epidemic. USAID's program in Cambodia supports two Agency pillars: Global Health, and Democracy, Conflict and Humanitarian Assistance. The principal objectives of the program are to

promote respect for human rights and democratic processes and to increase the use of HIV/AIDS prevention and family health services.

ONGOING PROGRAMS FOR WHICH NO FY 2002 OR FY 2003 FUNDING IS REQUESTED: The USAID program in Cambodia includes the following objective for which USAID is not requesting new funds but is continuing to spend funds previously appropriated.

Number	Title	Last Notified	Planned Completion
442-002	Improved Reproductive Health and Child Health	FY02 CBJ, p. 42	FY 2003
442-004	Enhanced Assistance for War and Mine Victims	FY02 CBJ, p. 49	FY 2003
442-005	Reduced Transmission of STIs and HIV/AIDS in High Risk Populations	FY02 CBJ, p. 53	FY 2003
442-007	Expanded Access to Sustainable Financial Services	FY02 CBJ, p. 57	FY 2003

OTHER PROGRAM ELEMENTS: Pillar Bureau programs such as the Leahy War Victims Fund carry out additional activities complementary to USAID's strategic objectives in Cambodia. In FY 2002, activities will focus on provision of prosthetics and orthotics, vocational training, and job placement for war and mine victims and the disabled. Building the capacity of Cambodian NGO service-providers through training and coordination within the sector will be emphasized. In addition, funding from the Bureau for Democracy, Conflict and Humanitarian Assistance for four child survival grants to NGOs complements bilateral family-health activities. The grants support innovative approaches to community-based health information and services, including an immunization tracking system called a "world's best buy" in a 1998 evaluation.

> Overall development assistance to Cambodia totals about $500 million annually.

OTHER DONORS: Donors coordinate well in most areas, particularly in promotion of good governance and social sector reforms. The United States is the third largest bilateral donor. Japan and Australia are Cambodia's first and second largest bilateral partners. USAID and Japan work jointly on activities targeting HIV/AIDS and infectious diseases. Other major donors and their chief areas of support are as follows: France (higher education in law and medicine, legal and judicial reform, and rural development), Germany (health, land management, and rural development), Sweden (governance, social sectors, and rural development) and the United Kingdom (UK) (governance, health, and HIV/AIDS). Multilateral donors include the United Nations agencies, the Asian Development Bank (health and education, poverty alleviation, and roads), the World Bank (governance, social sectors, and rural development), and the European Union (governance and elections support, health, and HIV/AIDS). In addition to programs in health and education, governance, and administrative reform, the United Nations Development Program provides support for elections with funding from the UK, Australia, and Canada.

CAMBODIA

THE DEVELOPMENT CHALLENGE: The United States was one of the principal architects of the 1991 Paris Peace Accords, which effectively ended decades of civil war in Cambodia. Our national interest lies in assuring that our investment in that process is not lost. Promotion of democracy, good governance, and continued improvement of human rights are the United States' main foreign policy objectives in Cambodia. Addressing global problems of infectious disease, especially HIV/AIDS, is also of great importance.

> Thirty-six percent of Cambodians live on only 45 cents a day or less; 45% of children five and under are malnourished.

The decade since the Accords has seen the establishment of important institutions of Cambodia's governance system, including the National Assembly and Senate, two national elections in 1993 and 1998, and the first multiparty local elections, scheduled for February 3, 2002. With assistance from the United States, Cambodia has passed a law providing for prosecution of senior leaders of the Khmer Rouge in a mixed tribunal and is in discussion with the United Nations about making it operational. The Cambodian Government has committed itself to a Governance Action Plan, in consultation with donors, which charts a comprehensive and ambitious reform program. Cambodia was admitted to the Association of Southeast Asian Nations in 1999 and is actively pursuing World Trade Organization accession.

Cambodia's struggle to rebuild comes after 30 years of civil strife and warfare, including the genocidal Khmer Rouge period. Ranked 121st of 162 countries on the United Nations Development Program's most recent Human Development Index, Cambodia's annual per capita GDP is less than $300; 85% of Cambodians live in rural areas where life is harsh and access to basic services is difficult; and life expectancy is only in the mid-50s. Infant mortality stands at 95 per 1,000 live births, maternal mortality rates are among the highest in Asia, and Cambodia is facing the most serious documented HIV/AIDS epidemic in the region, with an adult prevalence rate around 3%. There is an alarming indication that literacy may actually be declining. In 1998 the adult literacy rate was 67.3%, including 79.5% for males and 57.0% for females, but the primary school completion rate was only 51.0% for males and 33.9% for females. Cambodia's ravaged infrastructure and decimated human resource base from the many years of war and neglect remain a serious constraint to development. As a result, intense capacity building is required in every sector.

Among developing countries and especially transition economies in the region, Cambodia stands out for having a vibrant civil society. Highly committed domestic human-rights organizations now function both as watchdogs—monitoring government compliance with international human-rights standards—and as trainers. In the run-up to the 2002 local elections, domestic election-monitoring organizations are educating voters and monitoring the election process; they will have observers in all of Cambodia's approximately 12,400 polling stations.

THE USAID PROGRAM: USAID's FY 2002 estimate is $20 million in Economic Support Funds and $15 million in Development Assistance. The FY 2003 request is for $17 million in Economic Support Funds and $22.5 million in Development Assistance. Since restrictions were imposed on U. S. assistance to the Cambodian central government in 1997, USAID has supported only activities of nongovernmental organizations (NGOs) for democracy and human rights, HIV/AIDS prevention, reproductive and child health, and microfinance. The restrictions on assistance to the central government have since been lifted for activities on HIV/AIDS, antitrafficking, and basic education programs. USAID is currently developing a new three-year strategy for the Cambodia program, during which the feasibility of a basic education program will be explored. A new strategic objective for health and HIV/AIDS has already been approved in order to expedite progress against the HIV epidemic. USAID's program in Cambodia supports two Agency pillars: Global Health, and Democracy, Conflict and Humanitarian Assistance. The principal objectives of the program are to

promote respect for human rights and democratic processes and to increase the use of HIV/AIDS prevention and family health services.

ONGOING PROGRAMS FOR WHICH NO FY 2002 OR FY 2003 FUNDING IS REQUESTED: The USAID program in Cambodia includes the following objective for which USAID is not requesting new funds but is continuing to spend funds previously appropriated.

Number	Title	Last Notified	Planned Completion
442-002	Improved Reproductive Health and Child Health	FY02 CBJ, p. 42	FY 2003
442-004	Enhanced Assistance for War and Mine Victims	FY02 CBJ, p. 49	FY 2003
442-005	Reduced Transmission of STIs and HIV/AIDS in High Risk Populations	FY02 CBJ, p. 53	FY 2003
442-007	Expanded Access to Sustainable Financial Services	FY02 CBJ, p. 57	FY 2003

OTHER PROGRAM ELEMENTS: Pillar Bureau programs such as the Leahy War Victims Fund carry out additional activities complementary to USAID's strategic objectives in Cambodia. In FY 2002, activities will focus on provision of prosthetics and orthotics, vocational training, and job placement for war and mine victims and the disabled. Building the capacity of Cambodian NGO service-providers through training and coordination within the sector will be emphasized. In addition, funding from the Bureau for Democracy, Conflict and Humanitarian Assistance for four child survival grants to NGOs complements bilateral family-health activities. The grants support innovative approaches to community-based health information and services, including an immunization tracking system called a "world's best buy" in a 1998 evaluation.

> Overall development assistance to Cambodia totals about $500 million annually.

OTHER DONORS: Donors coordinate well in most areas, particularly in promotion of good governance and social sector reforms. The United States is the third largest bilateral donor. Japan and Australia are Cambodia's first and second largest bilateral partners. USAID and Japan work jointly on activities targeting HIV/AIDS and infectious diseases. Other major donors and their chief areas of support are as follows: France (higher education in law and medicine, legal and judicial reform, and rural development), Germany (health, land management, and rural development), Sweden (governance, social sectors, and rural development) and the United Kingdom (UK) (governance, health, and HIV/AIDS). Multilateral donors include the United Nations agencies, the Asian Development Bank (health and education, poverty alleviation, and roads), the World Bank (governance, social sectors, and rural development), and the European Union (governance and elections support, health, and HIV/AIDS). In addition to programs in health and education, governance, and administrative reform, the United Nations Development Program provides support for elections with funding from the UK, Australia, and Canada.

Cambodia
PROGRAM SUMMARY
(in thousands of dollars)

Accounts	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Child Survival and Disease Programs Fund	3,550	9,420	0	0
Child Survival and Health Programs Fund	0	0	15,000	0
Development Assistance	0	0	0	22,500
Economic Support Fund	10,000	14,967	20,000	17,000
PL 480 Title II	7,071	2,422	0	0
Total Program Funds	20,621	26,809	35,000	39,500

STRATEGIC OBJECTIVE SUMMARY				
442-001 Strengthened Democratic Processes and Respect for Human Rights				
ESF	4,250	8,514	13,000	17,000
442-002 Improved Reproductive and Child Health				
CSD	1,500	0	0	0
ESF	4,000	4,703	0	0
442-004 Enhanced Assistance for War and Mine Victims				
ESF	1,000	1,000	0	0
442-005 Reduced Transmission of Sexually Transmitted Infections and HIV/AIDS among High-Risk Populations				
CSD	2,050	9,420	0	0
ESF	0	750	0	0
442-007 Expanded Access to Sustainable Financial Services				
ESF	750	0	0	0
442-009 Increased Use of HIV/AIDS and Family Health Services and Appropriate Health-Seeking Behavior				
CSH	0	0	15,000	0
DA	0	0	0	22,500
ESF	0	0	7,000	0

Total Transfers

PROGRAM DATA SHEET

USAID MISSION: Cambodia
PROGRAM TITLE: Democracy and Human Rights (Pillar: Democracy, Conflict, and Humanitarian Assistance)
STRATEGIC OBJECTIVE AND NUMBER: Strengthened Democratic Processes and Respect for Human Rights, 442-001
STATUS: Ongoing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $13,000,000 ESF
UNOBLIGATED PRIOR YEAR FUNDS AND FUNDING SOURCE: $305,000 ESF
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $17,000,000 ESF
INITIAL OBLIGATION: FY1997 **ESTIMATED COMPLETION DATE:** FY 2002

Summary: The USAID Democracy and Human Rights program includes—

- voter education, domestic election monitoring, candidate training for women and men, and political party development;
- improving local governance through training of local officials;
- providing legal aid to Cambodia's poorest and most vulnerable people;
- grants to Cambodian nongovernmental organizations (NGOs) engaged in protecting human rights and advocating against human trafficking and government corruption; and
- improving working conditions in the textile and apparel industry by developing trade unions.

Inputs, Outputs, and Activities: *FY 2002 Program:* USAID will use FY 2002 resources to promote free and fair elections in Cambodia, effective governance, and human rights. USAID technical support to Cambodian NGOs for the 2002 local commune elections will enable voter and civic education, monitoring and advocacy for swift and appropriate investigation and resolution of election irregularities, training for women candidates, and civil society participation in the development of transparent government. As these are the first multiparty local elections in Cambodian history, USAID will also provide technical support for NGOs to help newly elected commune councils understand and exercise their new roles in a democratic manner and effectively represent their constituents. In the lead-up to the national elections in 2003, support to NGOs will be focused on voter education, domestic monitoring, and political party development. USAID will provide technical assistance to Cambodian human rights NGOs by supporting human rights monitoring and investigations, human rights training and community education, comprehensive assistance (legal, material, and psychological) to victims and witnesses of human rights abuses, national media campaigns on specific human rights issues, and production of human rights education materials.

Planned FY 2003 Program: USAID plans to continue activities begun in FY 2002. If restrictions on support to the Cambodian government were lifted, USAID would expand this objective by providing technical assistance to the government in key areas of U.S. national interest, such as reform of the National Election Commission and strengthening of the judicial system.

> USAID-supported U.S. and local NGOs convened a conference and effectively advocated the removal of National Election Committee (NEC) regulations that would have required censorship of all voter-education materials.

Performance and Results: USAID enabled three domestic electoral monitoring organizations to set up fixed provincial monitoring networks that will cover all polling stations in the upcoming commune elections. NGOs supported by USAID to promote the participation of women in the election helped persuade many to register as candidates: 16% of the candidates are women. With funding from USAID, the only independent radio station in Cambodia extended its coverage to approximately 60% of the country by installing a new provincial radio transmitter. Voter education in the run-up to

the local elections in early 2002 has reached at least 90% of voters. Support for Cambodian human rights NGOs funded advocacy campaigns on anticorruption and antitrafficking legislation, public defender programs in 23 of Cambodia's 24 provinces, and human rights investigation and monitoring services in 30 provincial offices.

Principal Contractors, Grantees, or Agencies: USAID programs are implemented by The Asia Foundation, the National Democratic Institute, the International Republican Institute, PACT, the University of San Francisco (grantees), and Cambodian NGOs (sub-grantees).

US Financing in Thousands of Dollars

Cambodia

442-001 Strengthened Democratic Processes and Respect for Human Rights	DA	ESF
Through September 30, 2000		
Obligations	3,500	52,312
Expenditures	3,042	42,758
Unliquidated	458	9,554
Fiscal Year 2001		
Obligations	0	8,209
Expenditures	160	8,621
Through September 30, 2001		
Obligations	3,500	60,521
Expenditures	3,202	51,379
Unliquidated	298	9,142
Prior Year Unobligated Funds		
Obligations	0	305
Planned Fiscal Year 2002 NOA		
Obligations	0	13,000
Total Planned Fiscal Year 2002		
Obligations	0	13,305
Proposed Fiscal Year 2003 NOA		
Obligations	0	17,000
Future Obligations	0	0
Est. Total Cost	3,500	90,826

PROGRAM DATA SHEET

USAID MISSION: Cambodia
PROGRAM TITLE: HIV/AIDS and Family Health (Pillar: Global Health)
STRATEGIC OBJECTIVE AND NUMBER: *Increased Use of HIV/AIDS and Family Health Services and Appropriate Health-Seeking Behavior*, 442-009
STATUS: New
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $15,000,000 CSH; $7,000,000 ESF
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $22,500,000 DA
INITIAL OBLIGATION: FY 2002 **ESTIMATED COMPLETION DATE:** FY 2005

Summary: USAID's HIV/AIDS and Family Health program in Cambodia includes—

- public awareness campaign/social marketing efforts;
- technical assistance to improve quality and expand coverage of HIV/AIDS and health services;
- technical assistance and training to strengthen health-system planning and management skills;
- technical assistance to improve the use of data at the operational and management levels;
- training in strengthened surveillance, case detection, and successful treatment of tuberculosis (TB); and
- efforts to improve collaboration between government, NGOs and the private sector.

Inputs, Outputs, and Activities: *FY 2002 Program:* As a result of a comprehensive assessment in 2001, USAID funds will focus on a rapid scale-up and national level expansion of successful HIV-prevention interventions, combined with strengthening of health systems to meet reproductive, family health, and infectious disease needs of Cambodia's largely rural population. This combined approach will replace separate programs in HIV/AIDS and reproductive and child health. USAID grantees will develop and test community-based approaches for care and support of those infected by HIV/AIDS. Voluntary counseling and testing programs will be expanded. USAID funds will continue to support Cambodia's surveillance system to monitor the epidemiological and behavioral trends of the epidemic. These efforts are key to helping Cambodian NGOs and health authorities balance prevention and care efforts and to develop and target appropriate prevention messages. USAID will also fund technical assistance, social marketing, and public awareness campaigns at the national and provincial levels to help prevent HIV and to reduce the stigma associated with the disease.

USAID efforts in health system strengthening will focus on technical assistance, training, and service provision. The focus will be on key provinces and operational districts where combining activities in HIV/AIDS, maternal and child health, reproductive health, and infectious diseases will result in a strengthened health system and better services. Funds will support skills training for midwives and development of a referral system to provide emergency obstetric care. USAID activities will make contraceptive information and services routinely available at the community level; increase the availability and effectiveness of outreach antenatal-care services; provide tetanus toxoid and anemia prophylaxis; and diagnose and treat sexually transmitted infections (STIs), TB, dengue fever, and malaria. This program will also train health providers in standard clinical management practices for infectious diseases and to design interventions aimed at public and private health providers, drug dispensers, and consumers in order to improve the quality of drugs and decrease the inappropriate use of drugs and other medications.

Planned FY 2003 Program: USAID intends to use FY 2003 funds to continue the FY 2002 program.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL NOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 FUNDS FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: USAID programs focused strongly on targeted behavior change interventions in 2001 in order to motivate increased condom use by high-risk individuals, reduce commercial sex, and seek treatment for sexually transmitted diseases. National HIV and behavioral surveys since 1999 have shown declining trends in HIV prevalence and increased condom use among all high-risk groups since 1997. During 1997-2000, HIV prevalence decreased from 39% to 31% among sex workers, from six to 3.1% among the police, and from 3.2% to 2.3% among women attending antenatal clinics.

USAID programs in six provinces conducted HIV outreach education, STI referrals, and treatment for 4,187 sex workers. Overall, 277 have been trained as group leaders and 3,889 are now in sex worker networks. By the end of FY 2001, 2,617 peer educators among the military were trained, and they in turn have trained 28,044 of their peers. In all, more than 37,000 of Cambodia's uniformed services, or nearly 100%, have received HIV/AIDS prevention training. USAID programs continue to provide support for active HIV/AIDS surveillance and STI prevalence surveys.

USAID funding for orphans/vulnerable children has improved the physical and emotional development, and care and education of children affected by HIV/AIDS, in addition to activities preventing exploitation and HIV infection. By the end of FY 2001, a total of 10,201 children had benefited from these programs. In addition, 1,529 people living with HIV/AIDS received care and support as a result of HIV/AIDS funding.

USAID activities trained 1,993 health-center staff throughout Cambodia in family health. The estimated number of beneficiaries for maternal and child health services through one Cambodian NGO alone grew from 215,000 to 360,000 clients in a single year.

Principal Contractors and Grantees: To be determined. Current USAID activities are implemented through the International HIV/AIDS Alliance, CARE International, EngenderHealth, Family Health International, Helen Keller International, Partners for Development, the Reproductive Health Association of Cambodia, and Population Services International.

US Financing in Thousands of Dollars

Cambodia

442-009 Increased Use of HIV/AIDS and Family Health Services and Appropriate Health-Seeking Behavior	CSH	ESF	DA
Through September 30, 2000			
Obligations	0	0	
Expenditures	0	0	
Unliquidated	0	0	
Fiscal Year 2001			
Obligations	0	0	
Expenditures	0	0	
Through September 30, 2001			
Obligations	0	0	
Expenditures	0	0	
Unliquidated	0	0	
Prior Year Unobligated Funds			
Obligations	0	0	
Planned Fiscal Year 2002 NOA			
Obligations	15,000	7,000	
Total Planned Fiscal Year 2002			
Obligations	15,000	7,000	
Proposed Fiscal Year 2003 NOA			
Obligations	0	0	22,500
Future Obligations	0	0	0
Est. Total Cost	15,000	7,000	22,500

CHINA

THE DEVELOPMENT CHALLENGE: Cooperation between the United States and China is vital to regional security, prosperity, and peace. China plays a key role in international security through its permanent membership in the United Nations Security Council and arms sales. China is also an increasingly important U.S. trade partner: the total value of trade between the countries in 2000 was more than $122 billion.[1]

There is no USAID presence in the People's Republic of China (PRC). The United States maintains principled and purposeful engagement with the PRC. Since the United States-China dialogue began, there have been important gains in a number of critical areas, although differences remain. The Chinese Government does not share core American values on human rights, religious freedom, and democracy. The United States and China continue to view Taiwan and Tibet from widely different perspectives. The United States believes that the way to narrow these differences, and to take advantage of the many areas where U.S. and Chinese interests coincide, is through regular contacts and dialogue. The United States is pursuing human rights and other elements in a broad bilateral dialogue.

Since 1979, China has been engaged in an effort to reform its economy. The Chinese leadership has adopted a pragmatic perspective on many political and socioeconomic problems, and has sharply reduced the role of ideology in economic policy. Political and social stability, economic productivity, and public welfare are considered paramount. The Chinese government began emphasizing increased personal income and consumption. The Chinese government has also focused on foreign trade as a major vehicle for economic growth.

In the 1980s, China tried to combine central planning with market-oriented reforms to increase productivity, living standards, and technological quality without exacerbating inflation, unemployment, and budget deficits. China pursued agricultural reforms, dismantling the commune system and introducing a household-based system that provided peasants greater decision making in agricultural activities. The Chinese government also encouraged nonagricultural activities such as village enterprises in rural areas. Other initiatives have been the promotion of self-management for state-owned enterprises, increased competition in the marketplace, and facilitation of direct contact between Chinese and foreign trading-enterprises. China has come to rely more upon foreign financing and imports.

The Chinese Government's efforts to promote rule of law are significant and ongoing. After the Cultural Revolution, China's leaders aimed to develop a legal system to restrain abuses of official authority and revolutionary excesses. In 1982, the National People's Congress adopted a new state constitution that emphasized the rule of law under which even party leaders are theoretically held accountable. Since 1979, when the drive to establish a functioning legal system began, more than 300 laws and regulations, most of them in the economic area, have been enacted. The use of mediation committees—informed groups of citizens who resolve about 90% of China's civil disputes and some minor criminal cases at no cost to the parties—is one innovative device. There are more than 800,000 such committees in both rural and urban areas.

THE USAID PROGRAM: USAID began an ESF-funded Rule of Law activity managed by USAID's Democracy, Conflict, and Humanitarian Assistance Bureau in FY 2001 with $1 million in ESF, and will supplement that program with $5 million in ESF in FY 2002. The FY 2003 request of $5 million in ESF will be used to continue these activities.

ONGOING PROGRAMS FOR WHICH NO FY2002 OR FY 2003 FUNDING IS REQUESTED: None.

[1] Imports and exports. Source: *Directions of Trade*, International Monetary Fund.

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OTHER PROGRAM ELEMENTS: Over the past seven years USAID's American Schools and Hospitals Abroad (ASHA) program has provided over $4.5 million to construct and equip the Center for American Studies (FUDAN). ASHA has also supported the Johns Hopkins Center for Chinese-American Studies in Nanjing and provided a grant to Project Hope to support a training activity for the Shanghai Children's Medical Center. USAID plans to help implement a $2 million (Title I funds) farmer-to-farmer program beginning in FY 2002 in cooperation with the U.S. Department of Agriculture. Also, the Department of State administers a $3 million program to help Tibetan communities preserve their cultural traditions, promote sustainable development, and conserve the environment. The program is implemented through NGOs located outside of China that can provide the Tibetan communities with access to financial, technical, marketing, environmental, and educational resources they need for equitable and sustainable development.

OTHER DONORS: Important donors include the World Bank, Japan, Germany, and the United Kingdom.

China

PROGRAM SUMMARY

(In thousands of dollars)

Accounts	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Economic Support Fund	1,000	0	5,000	5,000
Total Program Funds	1,000	0	5,000	5,000

STRATEGIC OBJECTIVE SUMMARY

484-001 Tibetan Community Support				
ESF	1,000	0	0	0
435-003 Selected Foreign Policy Concerns Addressed				
ESF	0	0	5,000	5,000

Total Transfers

PROGRAM DATA SHEET

USAID PROGRAM: China
PROGRAM TITLE: Rule of Law (Pillar: Democracy, Conflict, and Humanitarian Assistance)
STRATEGIC OBJECTIVE AND NUMBER: Selected Foreign Policy Concerns Addressed, 435-003
STATUS: New
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $5,000,000 ESF
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $5,000,000 ESF
INITIAL OBLIGATION: FY 2001 **ESTIMATED COMPLETION DATE:** 2003

Summary: USAID assistance promotes the development of the rule of law in China by funding education, technical assistance, and training for Chinese legal professionals and supporting reform of laws, legal procedures, and justice-sector institutions. These activities will contribute to the development of an influential group of Chinese legal professionals familiar with the expectations of the international community with respect to the rule of law in both economic and human rights affairs.

Inputs, Outputs, and Activities: *FY 2002 Program:* USAID grants to NGOs, academic institutions, and legal experts will support a set of technical assistance and training programs that include but are not limited to: 1) sharing U.S. legal expertise on World Trade Organization compliance (through case studies and basic training); 2) building capacity of Chines legal aid clinics for the poor; 3) supporting election law reform; 4) training village officials; 5) supporting legislative and administrative reform to incorporate public input into law and regulation drafting; 6) building capacity of Chinese lawyers to play a positive role in upholding labor, consumer protection, and environmental laws; 7) creating bilateral working groups on substantive areas of law; and 8) supporting Chinese scholars and judges studying in the United States.

The funds will also enable USAID to carry out special programs in specific legal areas, such as the U.S. Federal Register process.

Planned FY 2003 Program: USAID will continue similar activities in FY 2003.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL RENOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: USAID activities have been initiated to train a cadre of Chinese legal professionals sensitive to the requirements of international law, both with respect to human rights as well as commerce. Bilateral working groups have been established to deal with a range of legal issues of mutual concern. Thirty Chinese students are currently enrolled in Temple University's Master of Laws (LL.M.) degree program. With USAID funding, Brigham Young University is developing an intensive English proficiency course for Chinese legal professionals.

Principal Contractors, Grantees, or Agencies: Temple University Beasley School of Law (prime grantee), New York University Law School (sub), Brigham Young University (sub), the American Bar Association (sub), and others to be determined.

US Financing in Thousands of Dollars

China

435-003 Selected Foreign Policy Concerns Addressed	ESF
Through September 30, 2000	
Obligations	0
Expenditures	0
Unliquidated	0
Fiscal Year 2001	
Obligations	0
Expenditures	0
Through September 30, 2001	
Obligations	0
Expenditures	0
Unliquidated	0
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2002 NOA	
Obligations	5,000
Total Planned Fiscal Year 2002	
Obligations	5,000
Proposed Fiscal Year 2003 NOA	
Obligations	5,000
Future Obligations	0
Est. Total Cost	10,000

EAST TIMOR

East Timor's adult literacy rate is below 50%. Per capita GDP was estimated at $303 in 2001.

THE DEVELOPMENT CHALLENGE: In 2001, the East Timorese continued their progress toward independence by taking three crucial steps: electing a constituent assembly; progress in drafting a Constitution; and forming an all-Timorese Council of Ministers. As East Timor approaches full independence in May 2002, popular support for democracy and free-market economic development remains high. Despite this progress, significant challenges remain. East Timor, already one of the poorest areas of Southeast Asia, was ravaged by violence and destruction following its vote for independence from Indonesia in 1999. Per capita GDP—only $431 in 1996—has dropped by an estimated 40 to 50% following the destruction, and has since made only modest gains. As East Timor slowly rebuilds, it must contend not only with widespread poverty but with literacy rates well below 50%, a lack of technical skills and expertise, and little experience in self-governance. Urban unemployment is very high. Schools, hospitals, communication facilities, and power plants—all badly damaged or destroyed during the post-referendum violence—are only slowly being rehabilitated or rebuilt.

U.S. foreign policy interests in East Timor focus on this new nation's transition to a democratic government and market economy. Normalizing East Timor's relationship with Indonesia, its closest neighbor and largest trading partner, is another key priority. As one of the first and largest foreign aid providers during East Timor's transition period, the United States is recognized as a credible and efficient source of outside advice and assistance by the East Timorese. Projected funding levels through FY 2003 will enable the United States to continue its central role in East Timor.

THE USAID PROGRAM: USAID will devote $25 million in FY 2002 and is requesting $19 million in FY 2003. The USAID program in East Timor supports two key strategic objectives: promoting economic recovery and strengthening democratic institutions. FY 2002 funds will support economic recovery by expanding participation in USAID's coffee cooperative program and increasing incomes from the export of East Timor's primary cash commodity, coffee. USAID will also develop other profitable agricultural crops, fund community-level rehabilitation; strengthen democratic institutions, and contribute to the U.N.-administered consolidated trust fund for East Timor (CFET). FY 2003 funds will continue training and mentoring farmers, managers, and processors in practices to maximize productivity and profits, and to assume full management of the coffee project; expand health clinics in coffee-growing areas; establish purchasing and distribution cooperatives to reduce prices and of consumer goods; and continue to assist the country's transition to democratic governance.

Economic Revitalization and Growth. The USAID economic growth program in East Timor focuses on agricultural development and trade. USAID will continue its support for Cooperativa Café Timor (CCT), a federation of Timorese-owned organic coffee cooperatives, through a technical assistance grant to the National Cooperative Business Association (NCBA). The coffee project strongly supports USAID's goal of encouraging broad-based economic growth and agricultural development by expanding rural employment opportunities and producing coffee and other agricultural products that demand the highest prices in international markets. Forty percent of East Timor's annual coffee harvest is purchased by cooperatives established through USAID financing and technical assistance and 18,000 families—approximately 10% of the total population—benefit directly from the CCT program. In FY 2002 and FY 2003 the project will further expand the number of farmers participating in coffee cooperatives.

Through expanded training and mentoring activities, USAID will focus on developing East Timorese capacity to assume overall management of the project, a priority reflected in the Agency goal supporting education and training. The project will also continue to diversify beyond coffee into other high-value crops to increase farmers' income and reduce reliance on a single product. The

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project has established clinics to provide basic health services to coffee farmers and their families, which are supported through a portion of the coffee profits. These clinics, the only source of quality health care in many rural areas, employ over 70 Timorese medical personnel. The project plans to add more health clinics.

USAID's Office of Transition Initiatives (OTI) activities focus on key gaps in the economic recovery of East Timor and regions in most need of efforts to promote stability. These interventions include targeted grants that support a greater diversification of income sources and in sectors that have the greatest potential. Also, OTI is assisting the East Timorese in key policy analysis that are critical to economic revitalization and independence.

As the East Timorese government takes shape in the coming years, USAID may extend its economic revitalization activities to provide macroeconomic policy assistance. As interest in this area is high, any new activities would be closely coordinated with other donors and be responsive to specific requests from the government.

Democratic Development. USAID's assistance program for East Timor's nascent post-conflict democracy focuses on four areas: new legislative and executive bodies at the national and local level; the justice sector; local and national-level civil society; and the media. Following on assistance to the Constituent Assembly elections and constitutional drafting process, USAID anticipates providing additional assistance to the newly elected executive and legislative branches in establishing democratic institutions. To support the development of the rule of law in East Timor, USAID will focus on training and advising judges, prosecutors, investigators, defenders, and court officials. Support for NGO advocacy at local and national levels and for effective media will help ensure that mechanisms for two-way communication between Timorese leaders and the public continue, especially for the next few critical years. Through its OTI and Mission programs, USAID implements activities that support media development, rule of law, the Serious Crimes Unit, and pilot projects in community policing and civilian-military relations.

ONGOING PROGRAMS FOR WHICH NO FY 2002 OR FY 2003 FUNDING IS REQUESTED: The USAID program in East Timor includes the following objectives for which USAID is not requesting new funds, but is continuing to expend funds already appropriated.

Number	Title	Last Notified	Planned Completion
472-002	Selected Develop. Needs Addressed	FY02 CBJ, p. 72	FY 02

OTHER PROGRAM ELEMENTS: A rule of law program, managed by USAID's Bureau for Democracy, Conflict, and Humanitarian Assistance, has provided support to the judiciary, particularly in regard to the establishment of the Serious Crimes Unit and training for judges and public defenders. These activities will wind down in FY 2002 and USAID will develop follow-on rule of law activities.

OTHER DONORS: Coordination among donors in East Timor is good, with all donors participating in twice-yearly coordination meetings and all resident donors participating in monthly coordination meetings. The United Nations is expected to design a successor mission to the U. N. Transitional Administration in East Timor (UNTAET) that will remain in East Timor after independence. Donors support two trust funds—a World Bank-administered trust fund (TFET), in partnership with the Asian Development Bank (ADB), and a Consolidated Fund for East Timor (CFET), administered by UNTAET for the administrative costs of government and to strengthen the capacity of the Timorese elected government. The International Monetary Fund, World Bank, and ADB are engaged in the management of economic policy as well as the development of broad strategic objectives. Major bilateral donors include Japan, Portugal, and Australia.

East Timor
PROGRAM SUMMARY
(in thousands of dollars)

Accounts	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Economic Support Fund	25,500	24,945	25,000	19,000
PL 480 Title II	6,089	0	0	0
Total Program Funds	31,589	24,945	25,000	19,000

STRATEGIC OBJECTIVE SUMMARY				
472-001 Revitalization of the Local Economy				
ESF	18,600	13,603	11,500	7,000
472-003 Democratic Development Strengthened				
ESF	6,900	11,342	13,500	12,000

Total Transfers

PROGRAM DATA SHEET

USAID PROGRAM: East Timor
PROGRAM TITLE: Economic Revitalization (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Revitalization of the Local Economy, 472-001
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $11,500,000 ESF
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $7,000,000 ESF
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: USAID support to East Timor's economic recovery and growth includes the following components—

- expand national (Cooperativa Café Timor) and local-level cooperative business projects to include high-quality organic specialty coffee for export, other agricultural commodities, and small retail enterprises;
- improve management and business skills of Timorese managers;
- expand cooperative health clinics to include HIV/AIDS prevention information and services; and
- assist East Timorese to advance key economic transition issues, i.e., policy analysis, advocacy, and capacity-building.

Inputs, Outputs, and Activities: *FY 2002 Program:* USAID's major categories of economic recovery activities in FY 2002 will be the expansion and diversification of agriculture, rural development, training, and health activities under the East Timor Coffee Project.

While in recent years the coffee project has focused primarily on rehabilitating and strengthening the coffee components of the project, in FY 2002 activities will increasingly emphasize research and demonstration projects to develop other profitable agricultural crops and trade opportunities. At the same time, USAID will expand the coffee activity to more geographic areas and increase membership in the coffee cooperative by approximately 4,000 farmers in FY 2002 to a total of 22,000. As the largest private-sector employer in East Timor, the cooperative contributes significantly to stability, recovery, and long-term economic development by generating immediate employment and income. Through support to purchasing cooperatives of small-scale retail outlets, USAID will help lower prices and improve access to consumer goods in rural areas, and provide credit and training for small-scale and micro-entrepreneurs. USAID-supported health clinics in coffee growing areas will continue to expand, with four new clinics planned in FY 2002.

USAID's Office of Transition Initiatives (OTI) will provide critical grants that support USAID's economic recovery program, including policy analysis, advocacy, and capacity building for key economic transition issues. Initiatives include support to the East Timorese Public Administration's Office of the Timor Sea to familiarize senior public officials' with off-shore oil and gas regimes, technical assistance to the National Planning Commission to develop a private-sector development strategy as part of the National Development Plan, an assessment of the rural banking system and policy options to extend financial services, and innovative pilot projects supporting farm-to-market trade linkages and rural enterprises.

> One in 10 East Timorese families directly benefits from the coffee project.

Planned FY 2003 Program: In FY 2003, USAID plans to further expand farm cooperative membership, with a target of 26,000 farmers participating by the end of the project period. In addition to continuing technical assistance to retail, agriculture, health, and training activities, the program intends to focus on strengthening Timorese managers' capacity to assume overall management of the program with a view toward reducing expatriate advisors and creating a sustainable enterprise.

The transition of OTI-managed activities to the field mission will take place during the first quarter of FY 2003; USAID does not envision programs under OTI's management beyond this time period. Incorporated in the transfer plan will be a small-grants mechanism so that USAID will have the ability to continue grants to local groups through FY 2003.

Performance and Results: A total of 122 grants provided under OTI's community stabilization program bridged gaps in local social services and economic infrastructure, i.e., irrigation systems, schools, and community buildings. OTI partnered with the World Bank to effectively complete the reintegration of Falantil ex-combatants. The East Timor Coffee Project buys premium organically grown coffee cherries from the 18,000 farm families in its cooperative network and exports organic coffee beans worldwide. The 2001 harvest generated $3.5 million for the cooperative's coffee farmers and processors. The project directly benefits one in ten Timorese families by generating income for cooperative staff, farmers, seasonal workers, and medical personnel. NCBA also has integrated business education and training into its project. The NCBA coffee project has integrated community-health maintenance and healthcare services, providing basic health services to 18,000 families through eight primary health clinics. Over 26,000 farm families will be eligible to receive CCT affordable healthcare services over the next two years. While other donors have taken the lead on HIV/AIDS in East Timor, USAID collaborated with the Ministry of Health and other donors in FY 2001 on an assessment of East Timor's vulnerability to HIV/AIDS.

Principal Contractors, Grantees, or Agencies: The National Cooperative Business Association (NCBA) implements the coffee project. In addition to local civil society organizations, media entities, and targeted support to the new East Timorese Public Administration, major OTI partners include Development Alternatives, Inc. (implementer of the small-grants mechanism) and the International Organization for Migration (final phase of a community stabilization program and the re-integration of ex-combatants project).

US Financing in Thousands of Dollars

East Timor

472-001 Revitalization of the Local Economy	ESF
Through September 30, 2000	
Obligations	18,405
Expenditures	1,397
Unliquidated	17,008
Fiscal Year 2001	
Obligations	13,500
Expenditures	5,588
Through September 30, 2001	
Obligations	31,905
Expenditures	6,985
Unliquidated	24,920
Prior Year Unobligated Funds	
Obligations	103
Planned Fiscal Year 2002 NOA	
Obligations	11,500
Total Planned Fiscal Year 2002	
Obligations	11,603
Proposed Fiscal Year 2003 NOA	
Obligations	7,000
Future Obligations	11,500
Est. Total Cost	62,008

PROGRAM DATA SHEET

USAID PROGRAM: East Timor
PROGRAM TITLE: Support to East Timor's Democratic Transition (Pillar: Democracy, Conflict, and Humanitarian Assistance)
STRATEGIC OBJECTIVE AND NUMBER: Democratic Development Strengthened, 472-003
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $13,500,000 ESF
UNOBLIGATED PRIOR YEAR FUNDS AND FUNDING SOURCE: $1,015,262 ESF
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $12,000,000 ESF
INITIAL OBLIGATION: FY 2001 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: USAID's program to support East Timor's post-conflict democratic development includes four components—

- strengthen the capacity of new East Timorese legislative and executive bodies at national and local levels to implement democratic processes and adopt effective legislation;
- create a judicial-sector development program through U.S. and local NGOs;
- strengthen local advocacy-oriented civil society organizations' ability to participate in national and local governance; and
- develop an independent media and production and dissemination of accurate and balanced information.

Inputs, Outputs, and Activities: *FY 2002 Program:* USAID will use FY 2002 ESF to continue activities through U.S. NGOs that have shown results in the pre- and immediate post-election period and to support democracy activities through *USAID's Office of Transition Initiatives (OTI)*. USAID's technical assistance to East Timor's new legislative and executive bodies will help ensure that the legislative drafting process is transparent, inclusive, and well-informed. East Timorese leaders will receive information on the benefits and risks of various legislative and executive options, as well as improved mechanisms for ensuring public input in decision-making processes. These options are likely to include the design and development of local-government structures.

USAID will help the East Timorese develop their judicial system through a mix of technical assistance and training in national and district courts for judges, prosecutors, and public defenders. USAID will support legal aid services, initiatives in alternative dispute resolution, the Serious Crimes Unit, the Commission for Reception, Truth and Reconciliation, and the development of a civilian-military relations program. It will continue to provide rapid, in-kind grants of highly needed materials and equipment to the formal justice sector.

USAID will assist local civil society organizations in both Dili and the districts to promote the flow of information on rights and responsibilities that lead to greater citizen engagement in national and community governance. OTI will support civil society organizations to strengthen the responsiveness of future state institutions, and to support the ability of citizens to articulate and solve their own problems through influencing public policy and/or through mobilizing nonstate resources. OTI will place a particular focus on the following: organizational and institutional capacity; a supportive legal environment for civic organizations; civic and voter education; and advocacy and public information/consultation on topical issues. Media activities in FY 2002 will include mentors and small subgrants to local radio and newspapers.

The United States will contribute funds in FY 2002 to the Consolidated Fund for East Timor (CFET), a UN-administered trust fund that serves as the new Timorese government's recurrent cost and capital spending budget.

Planned FY 2003 Program: USAID plans to use FY 2003 resources to further assist East Timor's transition to democratic governance. USAID will support the four components presented above into FY 2003, recognizing that significant results in the judicial, legislative, and civil society sectors will take a minimum of two years. OTI is expected to close its program in the first quarter of FY 2003; USAID plans to continue funding OTI-initiated programs in media and support to local organizations; and the Commission for Reception, Truth and Reconciliation. USAID also plans to continue a small grants mechanism (similar to OTI's mechanism) so that it will have the ability to provide grants to local groups through FY2003.

> In the lead-up to the August 2001 elections, 80% of election monitors received training through USAID partner organizations.

Performance and Results: USAID helped ensure citizen participation in successful Constituent Assembly elections on August 30, 2001. A USAID-funded survey helped focus voter education efforts and grantees' activities on aspects of the election least understood by the electorate. A subsequent publicity campaign reinforced important themes, including women's right to vote and peaceful competition among political parties. A website, easttimorelections.org, provided information on the elections and has continued to operate through the constitutional drafting process. USAID assistance also helped local reporting on the elections became more objective. USAID's primary media grantee produced weekly radio programs on election-related topics, and conducted workshops for journalists that combined election details with training in basic journalism skills. Working with a local women's organization, a USAID grantee supported efforts by woman candidates for the Constituent Assembly. Rural communities had increased opportunities to interact with candidates through forums. For the first time, domestic observer groups mobilized and trained for an election, with the support of USAID grantees, and set the stage for effective citizen oversight of future elections.

Principal Contractors, Grantees, or Agencies: Election support activities are carried out by the Asia Foundation, the Carter Center, the International Foundation for Election Systems, the International Republican Institute, Internews (also through OTI), and the National Democratic Institute, along with several local NGOs. Development Alternatives Incorporated (DAI) implements OTI's small-grants mechanism.

US Financing in Thousands of Dollars

East Timor

472-003 Democratic Development Strengthened	ESF
Through September 30, 2000	
Obligations	0
Expenditures	0
Unliquidated	0
Fiscal Year 2001	
Obligations	10,327
Expenditures	1,263
Through September 30, 2001	
Obligations	10,327
Expenditures	1,263
Unliquidated	9,064
Prior Year Unobligated Funds	
Obligations	1,015
Planned Fiscal Year 2002 NOA	
Obligations	13,500
Total Planned Fiscal Year 2002	
Obligations	14,515
Proposed Fiscal Year 2003 NOA	
Obligations	12,000
Future Obligations	13,500
Est. Total Cost	50,342

INDONESIA

Nearly 60% of the population lives below the poverty line of $2 a day.

THE DEVELOPMENT CHALLENGE: The United States has a strong national security interest in Indonesia and the two nations share a long history of friendship and mutual support. As the world's fourth most populous state, and largest Muslim country, Indonesia can play a fundamentally important role in efforts to combat terrorism and maintain political stability in Southeast Asia. Its 220 million people are a major market for U.S. goods. Indonesia's importance also stems from its enormous natural resources, rich biodiversity, and strategic location across key shipping lanes linking Europe, the Middle East, and Asia.

Indonesia faces remarkable challenges as it takes on three major tasks: economic reform, a transition to democracy after 30 years of military authoritarian rule, and a massive decentralization of power to nearly 400 local governments. The task has not been easy, and the country continues to suffer through a period of political and economic uncertainty. The budget is in crisis, the economy fragile, and new political leadership has only begun to provide some sense of stability to what has been a turbulent ride since the fall of Suharto in May 1998.

The turbulence is reflected in the numbers. More than 1.3 million Indonesians have been displaced by ethnic, religious, and separatist violence. Economic growth dropped from 4.8% to 3.5% in 2001, inflation has grown to 12%, and the budget deficit is close to four percent of GDP. Indonesia's policy makers continue to be slow in seizing opportunities to implement necessary economic structural reforms such as bank and corporate restructuring, privatization, and fiscal reform. Rising unemployment has pushed many people below the poverty line, increasing the appeal of radical and extremist elements. Corruption, exacerbated by a weak justice sector, permeates all levels of society, politics, and the economy, seriously undermining reform efforts. Declining government resources for the health system imperils many Indonesians, and HIV/AIDS is spreading at an alarming rate among high-risk populations.

At the same time, the country and its people have demonstrated remarkable resilience. Decentralization has moved forward—two million government officials and 20,000 government offices have been transferred from central to local control. In August 2001, the presidency transferred peacefully and constitutionally from Abdurrahman Wahid to Megawati Sukarnoputri, ending a long period of political and economic turmoil that had stymied reform efforts, tainted relations with the IMF, and discouraged foreign investment. The parliament has begun to play an increasingly active role, considering more than 100 pieces of legislation including laws on bank secrecy and money laundering. Civil society is flourishing and an independent media has grown exponentially. The reduction of massive energy subsidies is easing pressure on the national budget.

The events of September 11th and subsequent actions to combat terrorism have had special implications for U.S. policy interests in Indonesia. Indonesia's response to the global war on terrorism has been mixed. Small but vocal militant groups were outspoken in their initial reaction to the war in Afghanistan; moderate voices, and the government itself, have increasingly gained footing and are working to restore the image of Indonesia as a country tolerant of diversity and committed to cooperating in dealing with terrorism.

THE USAID PROGRAM: USAID will devote $74,272,000 DA and $50,000,000 ESF to its FY 2002 program and requests $71,472,000 DA and $60,000,000 ESF for FY 2003. The USAID program in Indonesia supports all four Agency Pillars: Economic Growth, Agriculture and Trade; Global Health; Democracy, Conflict and Humanitarian Assistance; and the Global Development Alliance (GDA). It focuses on 1) accelerating Indonesia's democratic transition, through civil society development, strengthening democratic institutions, and conflict prevention and mitigation; 2) promoting

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economic recovery and growth; 3) facilitating Indonesia's decentralization process, concentrating on local service delivery and budget planning in sectors such as natural-resource management and health; 4) reducing the threat of conflict and crisis in Indonesia related to ethnic and religious violence, internally displaced persons, and natural disasters; and 5) addressing health-sector priorities such as child survival, family planning, and HIV/AIDS.

By concentrating activities in certain geographic areas, the programs maximize impact, capitalize on synergies, and make the most of limited resources. Innovative private sector partnerships, including a national health campaign, resource city exchanges between U.S. and Indonesian local governments, and development partnerships with private companies, leverage USAID resources and support the GDA. While Food for Peace activities offer immediate relief to the poor, economic growth work on food policy is helping the Government rationalize pricing to make food staples more affordable and available. Linkages with regional universities provide a forum for local dialogues on a host of topics, from revenue sharing, to public television, to performance-based budgeting.

The events of September 11th led to USAID's reassessment of programs and priorities. While reaffirming that USAID programs mitigate the underlying causes of terrorism, such as the frustration and disenfranchisement generated by rising poverty in Indonesia, the review also led to new initiatives. A program supporting moderate mass-based Islamic organizations was expanded to promote better cooperation on inter-religious issues, increase public understanding and appreciation of democracy and religious tolerance, bolster civic education efforts in faith-based and secular schools, and strengthen the ability of Muslim women's organizations to promote messages of peace among less educated groups. This expansion will help ensure that moderate, peaceful voices are represented in Indonesia's ongoing dialogue on religion. Pending legislation on money laundering and anti-terrorism took on new relevance, and USAID stepped up its technical assistance to help the government pass and implement strong laws. Upcoming activities will continue and expand efforts that focus on youth, basic education, public diplomacy, and conflict resolution.

ONGOING PROGRAMS FOR WHICH NO FY 2002 OR FY 2003 FUNDING IS REQUESTED: None.

OTHER PROGRAM ELEMENTS: USAID is carrying out activities in Indonesia through global and regional programs in health (polio and tuberculosis), economic growth (Asian Economic Recovery Assistance program) and environment (U.S.-Asia Environmental Partnership and East Asia and Pacific Environment Initiative). The State Department's East Asia and Pacific Women's Rights Initiative has provided funding for antitrafficking programs in Indonesia. The bilateral program is complemented by activities funded by USAID's Office of Foreign Disaster Assistance (OFDA) and Office of Transition Initiatives (OTI). OFDA emergency and disaster relief activities enhance USAID's Title II food assistance and programs related to internally displaced persons. OTI activities are aligned with programs supporting Indonesia's democratic transition in conflict areas such as Aceh, the Malukus, and Papua.

OTHER DONORS: The United States is the second largest bilateral donor in Indonesia behind Japan. Other major bilateral donors include the Netherlands, Australia, Germany, the United Kingdom, and Canada. Through flexible and responsive programming, USAID plays a leadership role among donors, most notably in civil society development, decentralization, natural resources management, and health and humanitarian assistance. USAID works closely with the major multilateral donors: the World Bank, the Asian Development Bank (ADB), the International Monetary Fund (IMF), the European Union, and the United Nations agencies. The World Bank-chaired Consultative Group on Indonesia (CGI) coordinates donor assistance to Indonesia. The United Nations-led Partnership for Governance also coordinates donor interventions on civil society, corporate governance, anticorruption, decentralization, justice sector reform, and poverty reduction.

Indonesia

PROGRAM SUMMARY

(in thousands of dollars)

Accounts	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Child Survival and Disease Programs Fund	18,950	19,580	0	0
Child Survival and Health Programs Fund	0	0	35,568	0
Development Assistance	53,050	51,483	38,704	71,472
Economic Support Fund	22,500	49,890	50,000	60,000
PL 480 Title II	18,110	12,233	4,831	10,244
Total Program Funds	**112,610**	**133,186**	**129,103**	**141,716**

STRATEGIC OBJECTIVE SUMMARY

497-007 Democratic Reforms Sustained and Deepened				
DA	14,000	8,180	8,000	7,500
ESF	11,000	18,080	16,000	23,500
497-008 Health of Women and Children Improved				
CSD	18,950	19,580	0	0
CSH	0	0	35,568	0
DA	8,000	9,678	0	32,768
497-009 Impact of Conflicts and Crises Reduced				
DA	3,000	3,506	4,000	4,500
ESF	0	0	11,500	10,000
497-010 Decentralized and Participatory Local Government				
DA	6,500	9,496	7,451	6,951
ESF	0	2,500	7,000	7,000
497-011 Foundation Set for Rapid, Sustainable, and Equitable Economic Growth				
DA	6,850	5,623	5,123	5,123
ESF	11,500	11,827	14,000	18,000
497-012 Strengthened and Decentralized Natural Resources Management				
DA	14,700	10,500	10,500	10,500
ESF	0	1,500	1,500	1,500
497-013 Energy Sector Governance Strengthened				
DA	0	4,500	3,630	4,130
497-XXX State Dept & BHR Funds				
ESF	0	15,983	0	0

Total Transfers

Indonesia
PROGRAM SUMMARY
(in thousands of dollars)

Accounts	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Child Survival and Disease Programs Fund	18,950	19,580	0	0
Child Survival and Health Programs Fund	0	0	35,568	0
Development Assistance	53,050	51,483	38,704	71,472
Economic Support Fund	22,500	49,890	50,000	60,000
PL 480 Title II	18,110	12,233	4,831	10,244
Total Program Funds	**112,610**	**133,186**	**129,103**	**141,716**

STRATEGIC OBJECTIVE SUMMARY				
497-007 Democratic Reforms Sustained and Deepened				
DA	14,000	8,180	8,000	7,500
ESF	11,000	18,080	16,000	23,500
497-008 Health of Women and Children Improved				
CSD	18,950	19,580	0	0
CSH	0	0	35,568	0
DA	8,000	9,678	0	32,768
497-009 Impact of Conflicts and Crises Reduced				
DA	3,000	3,506	4,000	4,500
ESF	0	0	11,500	10,000
497-010 Decentralized and Participatory Local Government				
DA	6,500	9,496	7,451	6,951
ESF	0	2,500	7,000	7,000
497-011 Foundation Set for Rapid, Sustainable, and Equitable Economic Growth				
DA	6,850	5,623	5,123	5,123
ESF	11,500	11,827	14,000	18,000
497-012 Strengthened and Decentralized Natural Resources Management				
DA	14,700	10,500	10,500	10,500
ESF	0	1,500	1,500	1,500
497-013 Energy Sector Governance Strengthened				
DA	0	4,500	3,630	4,130
497-XXX State Dept & BHR Funds				
ESF	0	15,983	0	0

Total Transfers

PROGRAM DATA SHEET

USAID MISSION: Indonesia
PROGRAM TITLE: Democratic Reform (Pillar: Democracy, Conflict, and Humanitarian Assistance)
STRATEGIC OBJECTIVE AND NUMBER: Democratic Reforms Sustained and Deepened, 497-007
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $8,000,000 DA; $16,000,000 ESF
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $7,500,000 DA; $23,500,000 ESF
INITIAL OBLIGATION: FY 1998 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: Amid multiple social, economic and political crises, Indonesia is struggling to consolidate its fragile democracy. As head of the world's largest Muslim country, President Megawati Sukarnoputri is attempting to build a stable democratic government out of an uneasy coalition of secular and Muslim political parties, a task complicated by heightened religious tensions in the post-September 11th world. Responding to this uncertain environment, USAID provides assistance in support of USAID's Democracy, Conflict, and Humanitarian Assistance pillar. This program includes technical assistance, training, and grants to—

- support nongovernmental organization (NGO) efforts to facilitate citizen participation in government and public advocacy;
- help Indonesians develop effective, sustainable programs in human-rights monitoring, conflict prevention, religious/ethnic tolerance, and enhancing local government accountability and citizen participation;
- develop an independent media;
- strengthen competitive and transparent political processes through development of the national Parliament, local legislatures, political parties, and electoral institutions;
- combat the trafficking of women and children; and
- reform and strengthen justice sector institutions.

Inputs, Outputs, and Activities: *FY 2002 Program:* USAID will use FY 2002 funds for technical assistance and training to: 1) strengthen 90 national and local NGOs to independently analyze key reform issues and promote effective advocacy in human rights, basic education, anti-corruption, labor rights, conflict prevention, and trafficking; and to collaborate effectively with government while preserving their role as independent watchdogs. Responding to September 11, the program will expand the conflict prevention and mitigation activities of two dozen civil society partners that promote religious and ethnic tolerance; 2) strengthen an independent media reporting on critical reform issues, corruption, and conflict; 3) support political parties as they prepare for the 2004 elections by developing issue-oriented platforms, establishing internal democracy and stronger linkages to constituents, and reducing reliance on "money politics"; 4) help the national Parliament and local legislatures on constitutional and electoral reforms to develop new internal procedures and capacities, to strengthen oversight of the executive branch and access to the public; and 5) strengthen formal legal institutions and work with civil society organizations to promote public access to information on judiciary and legal reform. These programs are carried out in coordination with USAID's Office of Transition Initiatives' (OTI) activities in Indonesia. FY 2002 activities will also include promoting increased interfaith tolerance and cooperation through programs with local NGOs, the media, and moderate Islamic groups, and building the capacity of local parliaments to respond to immediate challenges of the new decentralization program.

Planned FY 2003 Program: USAID proposes to use FY 2003 resources to 1) continue to provide technical assistance to advocacy-oriented civil society organizations with proven performance records; 2) continue grant support to civil society organizations focused on human rights, conflict prevention, basic education, anti-corruption activities, and programs promoting the rights of disadvantaged groups including trafficked women and children; 3) continue to build the capacity of key national and local government institutions, particularly in the justice sector; 4) support free and

fair elections in 2004 through an independent and credible election administration and adjudication body, public opinion surveying, voter education, poll worker training, and public information; 5) shift political party support to issue-oriented and nonviolent campaigning and poll worker training in preparation for the elections; and 6) build the capacity of legal institutions to advocate rule of law reforms with civil society support.

The planned FY 2003 program includes funds from USAID's conflict prevention initiative.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL RENOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: The passage of the Special Autonomy Law for Papua, initiated by USAID-supported NGOs, represents a potential breakthrough in the search for a lasting solution to separatist conflict there. Assistance to civil society organizations and to the constitutional drafting committee of the national Parliament produced an amendment to the 1945 constitution, including an agreement to introduce direct presidential elections, a key civil society demand across the country. A formal civic education course introduced values of human rights, gender, pluralism, and religious tolerance to students in 46 faith-based and secular schools; and public discussions on "Islam and Democracy" have been extended to public affairs television programs.

Parliament is playing a new assertive role, currently discussing over 100 new draft laws.

USAID support has significantly enhanced government transparency. Parliament has conducted "fit and proper" tests for election commissioners and Supreme Court judges, a first for officials seeking public office. Use of Internet technologies to share information and increase community participation in governance is giving citizens access to critical public information and promoting debate. USAID has helped new associations of city and district legislatures begin to advocate on behalf of their members in the national dialogue over decentralization. For the first time, with assistance from USAID's indigenous civil society partners, local and national legislators have begun to reach out to constituents to solicit citizen views on specific policies and general government performance.

More than 20 USAID-assisted moderate Islamic organizations are promoting messages of tolerance in the post-September 11 environment.

Principal Contractors, Grantees, and Agencies: Chemonics (prime) and CARE (sub), National Democratic Institute, International Republican Institute, Asia Foundation, American Center for International Labor Solidarity, International Foundation for Electoral Systems, Internews, Institute for Strengthening Participation, Initiative and Partnerships in Civil Society (YAPPIKA), Institute for Study of Free Flow of Information (ISAI), PACT, Center for Electoral Reform (CETRO), and Yayasan Science, Esthetics, and Technology (SET).

US Financing in Thousands of Dollars

Indonesia

497-007 Democratic Reforms Sustained and Deepened	DA	ESF
Through September 30, 2000		
Obligations	94,587	12,825
Expenditures	78,406	5,471
Unliquidated	16,181	7,354
Fiscal Year 2001		
Obligations	7,935	14,771
Expenditures	15,550	3,014
Through September 30, 2001		
Obligations	102,522	27,596
Expenditures	93,956	8,485
Unliquidated	8,566	19,111
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2002 NOA		
Obligations	8,000	16,000
Total Planned Fiscal Year 2002		
Obligations	8,000	16,000
Proposed Fiscal Year 2003 NOA		
Obligations	7,500	23,500
Future Obligations	0	0
Est. Total Cost	118,022	67,096

PROGRAM DATA SHEET

USAID MISSION: Indonesia
PROGRAM TITLE: Health, Population, and Nutrition (Pillar: Global Health)
STRATEGIC OBJECTIVE AND NUMBER: Health of Women and Children Improved, 497-008
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $35,568,000 CSH
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $32,768,000 DA
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: This program supports the Global Health pillar and contributes to the Agency's goal of stabilizing global population and protecting human health. Its aim is to improve the health of Indonesia's most vulnerable women and children by strengthening government commitment for reproductive and child health; improving access, quality and sustainability of health services systems; and empowering women, families and communities to take responsibility for improving health. Major program components include technical assistance and training to—

- reduce maternal and neonatal mortality;
- improve the quality and sustained use of family planning;
- prevent the transmission of sexually transmitted infections (STIs), HIV/AIDS, and other infectious diseases, including tuberculosis and malaria;
- reduce malnutrition among children under age five; and
- protect the health of the poor during the transition to decentralization through local advocacy for resources, and skills-building for decision-makers who set health priorities.

Mothers and children under five are the key beneficiaries of the program.

> HIV is on the rise in Indonesia. In 2001, 40% of drug injectors in treatment in Jakarta tested positive for HIV. Among sex workers, eight percent in Riau, 17% in Jakarta and 26% in Merauke, Papua, tested positive.

Inputs, Outputs, and Activities: *FY 2002 Program:* In FY 2002, Child Survival and Health activities will continue to emphasize reproductive and child health (including family planning, maternal, and newborn health), nutrition, and will target Indonesia's poor women and children. USAID will work closely with the Government and NGOs to ensure that decentralization of health services at the district level does not result in increased maternal and child morbidity and mortality because of a breakdown of essential primary health care services. USAID expects to broaden its response to the HIV/AIDS prevention program in reaction to increasing rates of HIV infection in some populations. Infectious disease resources will be used in FY 2002 to expand support for tuberculosis control through Directly Observed Treatment Short Course (DOTS) strategy and malaria control interventions in areas where the disease is re-emerging.

The population program will continue ongoing activities in training, key policy reform efforts, and assistance for logistics management of essential drugs and contraceptives. FY 2002 program priorities will focus on improving the quality of reproductive health and family planning services and increasing acceptability, availability, and effective use. USAID will seek public-private partnerships to share fiscal responsibility for health and family-planning services where feasible. These linkages are already being forged as a new generation of Indonesians sees protecting social welfare as a corporate responsibility. FY 2002 programs will expand community mobilization activities that emphasize the importance of local participation in determining and securing resources for health needs and assist in the decentralization of the national family planning program, which remains a central service until 2003. FY 2002 activities will also focus on meeting the health needs of vulnerable populations in conflict areas, including women, children, and internally displaced persons.

Planned FY 2003 Program: FY 2003 resources will support ongoing programming in the areas of newborn and child survival, micronutrient supplementation, maternal survival practices, and STI/HIV prevention in a decentralized Indonesia. USAID also will further expand efforts to reduce the burden of tuberculosis in highly infected areas and to expand malaria-control efforts. Funding also will support ongoing programming to improve quality and choice of reproductive health services, ensure contraceptive security, and address the reproductive health needs of youth.

All contracts and grants funded with resources from USAID's population, health, and nutrition program will incorporate clauses that implement the President's directive reinstating the Mexico City Policy.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL RENOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: USAID achieved impact by helping to maintain the national contraceptive prevalence rate and increasing the proportion of births attended by trained personnel. Despite the negative effects of Indonesia's fiscal crisis, it appears that Indonesian men and women are continuing to seek and use family planning methods: today 57% of women are using contraception, a stable rate from 1997 pre-crisis figures.

Urban families have struggled, however, as is evidenced by the increase in the number of urban street children. In Indonesia's four largest cities, 40 indigenous NGOs are now receiving financial and technical assistance to enable them to protect the health and welfare of street children. Since the majority of Indonesia's women deliver at home, USAID is working to increase the number of births that are attended by a trained midwife. Data from one study suggests that 52% of births in a USAID program area were attended by a trained midwife, an increase from 31% (IDHS, 1997). USAID's HIV-prevention activities are designed to change high-risk behaviors and promote the use of condoms. Among female sex workers in Indonesia, a high-risk population, condom use remained stable at 41%.

With USAID's support, 18 million preschool children receive Vitamin A capsules to strengthen their immune systems and prevent blindness.

Principal Contractors, Grantees, or Agencies: Key primes include Family Health International, Helen Keller International, International Medical Corps, JHPIEGO Corporation, Johns Hopkins University, Program for Appropriate Technology in Health, Royal Netherlands Tuberculosis Association, Save the Children, and World Vision. Key Indonesian sub-contractors include the Midwives Association and the Society of Obstetricians and Gynecologists.

US Financing in Thousands of Dollars

Indonesia

497-008 Health of Women and Children Improved	CSD	CSH	DA
Through September 30, 2000			
Obligations	34,332	0	72,274
Expenditures	17,014	0	50,488
Unliquidated	17,318	0	21,786
Fiscal Year 2001			
Obligations	19,580	0	9,678
Expenditures	1,812	0	15,477
Through September 30, 2001			
Obligations	53,912	0	81,952
Expenditures	18,826	0	65,965
Unliquidated	35,086	0	15,987
Prior Year Unobligated Funds			
Obligations	0	0	0
Planned Fiscal Year 2002 NOA			
Obligations	0	35,568	0
Total Planned Fiscal Year 2002			
Obligations	0	35,568	0
Proposed Fiscal Year 2003 NOA			
Obligations	0	0	32,768
Future Obligations	0	0	0
Est. Total Cost	53,912	35,568	114,720

PROGRAM DATA SHEET

USAID MISSION: Indonesia
PROGRAM TITLE: Food Assistance (Pillar: Democracy, Conflict, and Humanitarian Assistance)
STRATEGIC OBJECTIVE AND NUMBER: Impact of Conflicts and Crises Reduced, 497-009
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $4,000,000 DA; $11,500,000 ESF
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $4,500,000 DA; $10,000,000 ESF
INITIAL OBLIGATION: FY 1998 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: This program delivers P.L. 480 Title II food assistance through grants to U.S. NGOs to improve the food security of urban and rural poor. The major components of the program include—

- distribution of Title II commodities to improve access to food for vulnerable people;
- food-for-work programs through U.S. NGOs to generate short-term jobs and income;
- food-for-training programs and agricultural inputs to increase economic production;
- emergency assistance and conflict prevention activities in conflict areas; and
- technical assistance and training to build local capacity for conflict resolution.

Inputs, Outputs, and Activities: USAID's Transitional Activity Program (TAP) is a P.L. 480 Title II program launched in FY 2001. Over three years (FYs 2001-2003), the TAP is expected to facilitate the delivery of 80,000 metric tons (MT) in Title II food commodities through U.S. NGOs. The TAP focuses on the food security and nutritional status of the urban poor who have been hit hardest by the prolonged economic crisis in Indonesia. The TAP operates primarily in urban areas, such as slums, that report childhood malnutrition rates (wasting) in excess of 13%, indicating a chronic food emergency by world standards.

FY 2002 Program: USAID will use FY 2002 DA funds to facilitate the distribution of approximately 29,000 MTs of P.L. 480 Title II commodities to urban and rural poor and victims of natural or manmade disasters. U.S. NGO partners will manage food-for-work activities to increase food security, improve nutritional and health status, and generate temporary employment and income through small-scale community rehabilitation projects such as rural water supply systems and sanitation in urban slums. U.S. NGOs will also conduct food-for-training activities in the fields of agriculture, health, and other vocational sectors to enhance skills and expand job opportunities. To mitigate community-level conflict stemming from poverty, the presence of 1.3 million internally displaced persons in Indonesia, and ongoing inter-religious tension, the TAP will build local capacity to prevent conflict and promote reconciliation. Food-for-work programs will serve as a mechanism for bringing together Muslims, Christians, and other faiths to implement joint community improvement projects. FY 2002 ESF-funded activities will focus on providing humanitarian assistance, basic economic rehabilitation and reconstruction, as well as conflict prevention and community reconciliation activities in Indonesia's conflict areas.

Activities under this program are closely integrated with other elements of the USAID program in Indonesia. The USAID health program (497-008) administers a nutritional status monitoring program to ensure that food aid is reaching the right people and having a measurable impact on nutritional status. USAID Title II food aid under the TAP is also complemented by USAID's Office of Foreign Disaster Assistance (OFDA) emergency assistance for internally displaced persons and victims of natural or manmade disasters. The TAP U.S. NGO partners also serve as effective conduits for OFDA emergency assistance. Catholic Relief Services provided rice for 17,000 families impacted by recent landslides and floods in Central Java. The existence of ongoing TAP operations in Surabaya allowed World Vision to rapidly respond with lifesaving assistance in February 2001 to Madurese fleeing ethic violence in Central Kalimantan. TAP implementers also work with USAID's Office of Transition Initiatives (OTI) grant assistance promoting conflict prevention and resolution in

Indonesia's "hot spots", such as Ambon and North Maluku. In addition, USAID coordinates its Title II food assistance with USDA Title I and 416b food aid programs and with the World Food Program.

Planned FY 2003 Program: USAID plans to use requested FY 2003 resources to fund the final year of the TAP, continuing Title II food-for-work and food-for-training activities carried out by U.S. NGO partners. Should the economic situation deteriorate, however, USAID will need to assess the need for extending or expanding the TAP.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL RENOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: USAID's Transitional Assistance Program (TAP) has had a significant impact on the health, productivity, and social stability of vulnerable populations by providing a stable food supply, income-generation opportunities, and community improvement. TAP has successfully improved access to food among poor urban dwellers. The urban poor in Indonesia can be susceptible to radical and fundamentalist elements in Indonesia, who often recruit from the ranks of the urban poor using cash payments to entice participation in street protests. TAP helps combat this activity by providing job opportunities for the unemployed and fostering greater community morale as living areas are upgraded through food-for-work projects.

TAP has enhanced food security in under-served rural areas of Central Java, East Kalimantan, and East Nusa Tenggara. TAP supplemental feeding programs in Central Java reduced severe malnutrition rates from nearly 10% to four percent. In remote areas of East Kalimantan, TAP assistance helped communities devastated by forest fires improve food security and nutritional status through crop diversification, integrated pest management, supplementary feeding, and health and nutritional education programs. In Central Java, an area prone to sectarian conflict, TAP-funded interfaith committees used joint food-for-work programs to foster community cooperation on projects such as common marketplaces and athletic fields. The mutual "sweat equity" invested in these projects reinforces community bonds between residents of different faiths and helps reduce the risk of future conflict.

> USAID's program is the first in the world to link food aid with scientific nutritional monitoring to more accurately gauge impact and refine targeting.

Principal Contractors, Grantees, or Agencies: TAP is implemented through five U.S. NGO grantees: CARE, Catholic Relief Services, Church World Service, Mercy Corps International, and World Vision, which have formed a consortium to better coordinate their efforts. Helen Keller International (HKI) joined this NGO consortium to monitor and evaluate the nutritional impact of the TAP initiative. Linking HKI's food monitoring expertise with TAP food aid has allowed USAID to not only scientifically measure the nutritional impact of the TAP interventions, but to capitalize upon natural synergy between health and food programs.

US Financing in Thousands of Dollars

Indonesia

497-009 Impact of Conflicts and Crises Reduced	CSD	DA	ESF
Through September 30, 2000			
Obligations	2,500	7,288	0
Expenditures	1,275	3,691	0
Unliquidated	1,225	3,597	0
Fiscal Year 2001			
Obligations	0	3,500	0
Expenditures	980	7,092	0
Through September 30, 2001			
Obligations	2,500	10,788	0
Expenditures	2,255	10,783	0
Unliquidated	245	5	0
Prior Year Unobligated Funds			
Obligations	0	0	0
Planned Fiscal Year 2002 NOA			
Obligations	0	4,000	11,500
Total Planned Fiscal Year 2002			
Obligations	0	4,000	11,500
Proposed Fiscal Year 2003 NOA			
Obligations	0	4,500	10,000
Future Obligations	0	0	0
Est. Total Cost	2,500	19,288	21,500

PROGRAM DATA SHEET

USAID MISSION: Indonesia
PROGRAM TITLE: Strengthening Local Government (Pillar: Democracy, Conflict, and Humanitarian Assistance)
STRATEGIC OBJECTIVE AND NUMBER: Decentralized and Participatory Local Government, 497-010
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $7,451,000 DA, $7,000,000 ESF
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $6,951,000 DA, $7,000,000 ESF
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: On January 1, 2001, Indonesia launched a rapid and deep devolution of authority to local levels of government, many of which lack the skills needed to manage functions, services, and resources in an effective, transparent, and participatory manner. Successful decentralization is a key factor in maintaining Indonesia's territorial integrity by responding to local demand for more equitable political and fiscal relations between the center and the regions. Local governments must develop the capacity to deal with a number of issues important in the post-September 11 environment in Indonesia. These include conflict prevention to counter ongoing ethnic and religious conflict that often involves extremist militant forces, effective budget planning, service delivery, economic development to minimize the effects of rising poverty and absorb the growing number of internally-displaced persons, and transparent decision-making to open clear channels for citizens to participate in their government. USAID's program to support the establishment of effective local government in a new era of decentralization includes technical assistance and training to—

- adopt fiscal and administrative decentralization policy;
- improve local governments' participatory planning and budgeting capacity;
- restructure local water utilities into profit-making entities;
- strengthen independent local government associations; and
- link Indonesian and U.S. local governments under the Resource Cities program.

Inputs, Outputs, and Activities: *FY 2002 Program:* Through technical assistance and training, USAID programs are building the capacity of more than 60 Indonesian local governments to carry out their new responsibilities under decentralization. USAID programs will lead to the adoption of improved local budget and planning processes which reflect community priorities in areas such as basic education, health, natural resource management, financially viable water services, and associations of local governments. USAID programs generate models, such as participatory development plans, that can be replicated by Indonesia's 400 local governments. USAID will facilitate the central government's transition to a policy-making role in support of decentralization. FY 2002 activities will also include facilitating the transition to decentralization by launching a resource center for local governments that will serve as a mechanism for disseminating replicable models and innovative practices of good governance, and developing local capacity to quickly monitor and assess the decentralization process to better inform key decision-makers.

> USAID's local government participatory planning model, now being implemented in 30 locations, offers Indonesians their first real opportunity to have a voice in local government decision-making.

Planned FY 2003 Program: USAID plans to use FY 2003 resources to continue capacity-building activities for local governments in the areas of budget, planning, and water services. USAID will place increased priority on further development of sustainable independent local institutions (associations and a local government resource center). These institutions will ensure that, as packages of models and skills for improved local governance flow from USAID capacity-building

programs, they are disseminated and adopted widely by Indonesian local governments. USAID will help develop a local-government finance policy framework outlining the steps to enable local governments to access private credit markets to meet infrastructure and other long-term financing needs. USAID may also expand its planning and budgeting technical assistance and training to local governments in West Papua, Indonesia's least-developed region that was recently given special autonomy status under decentralization.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL RENOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: USAID policy assistance has played a critical role in assisting the Government of Indonesia (GOI) to develop national revenue-sharing formulas, revise local tax policy, and adopt regulations that clarify the roles and functions of local government. USAID is the only donor with substantial programs at both the local and central levels of government—its policy advice is valued by the GOI because it is informed by the realities of local situations.

USAID assistance directly reaches more than 60 local governments (15% of all local governments): 30 are preparing multiyear investment plans that feature meaningful community participation; nine are developing performance budgets and four are making other financial management improvements. All these local governments have committed financial resources to cooperate with USAID. Twelve local governments are successfully restructuring water enterprises to increase profitability and improve service delivery. USAID assistance to local water utilities in 2001 expanded access to piped water for 370,000 people and led to $5 million in subsidy reductions. Four local governments and three associations are now partnered with U.S. cities and associations in Oregon through the Resource Cities program that promotes information exchanges on improving local government. USAID-assisted associations of local government play a critical role in the current debate on revising the two foundation laws governing decentralization, and help ensure that views of local government and the public are channeled to decision-makers in Parliament and GOI ministries.

> USAID assistance helped the city of Jember's water utility overcome bankruptcy and win an award as "best public service enterprise in Indonesia."

Principal Contractors, Grantees, or Agencies: USAID anticipates the continued involvement of Research Triangle Institute, the International City/County Management Association, the Asia Foundation, the Urban Institute (prime), and Chemonics International (sub). USAID also works with key GOI ministries and local associations. USAID will select new implementing organizations for activities on municipal finance and monitoring local government performance.

US Financing in Thousands of Dollars

Indonesia

497-010 Decentralized and Participatory Local Government	DA	ESF
Through September 30, 2000		
Obligations	58,404	0
Expenditures	46,954	0
Unliquidated	11,450	0
Fiscal Year 2001		
Obligations	9,496	2,500
Expenditures	5,915	0
Through September 30, 2001		
Obligations	67,900	2,500
Expenditures	52,869	0
Unliquidated	15,031	2,500
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2002 NOA		
Obligations	7,451	7,000
Total Planned Fiscal Year 2002		
Obligations	7,451	7,000
Proposed Fiscal Year 2003 NOA		
Obligations	6,951	7,000
Future Obligations	0	0
Est. Total Cost	82,302	16,500

PROGRAM DATA SHEET

USAID MISSION: Indonesia
PROGRAM TITLE: Promoting Economic Growth (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Foundation Set for Rapid, Sustainable, and Equitable Economic Growth, 497-011
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $5,123,000 DA; $14,000,000 ESF
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $5,123,000 DA; $18,000,000 ESF
INITIAL OBLIGATION: FY 1998 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: This program is helping accelerate Indonesia's economic recovery and strengthen the capacity of key institutions and policy-makers to undertake economic reforms necessary for long-term equitable growth. Major program components technical assistance, training, and grant assistance to—

- strengthen key economic and financial institutions and encourage sound polices;
- create a market-oriented legal and regulatory environment;
- foster small and medium enterprises (SMEs) and microenterprises through credit, supportive policies, and business services;
- reform and assist parliaments, local governments, professional associations, media and the public to participate in decision making.

Inputs, Outputs, and Activities: *FY 2002 Program:* USAID will use FY 2002 funding for technical assistance and training in economic policy assistance, focusing on immediate issues related to fiscal sustainability, monetary and exchange rate policy, debt management, agriculture, trade and investment reforms, and establishing a sound institutional framework. Key institutional beneficiaries include Bank Indonesia, the National Development Planning Board, the Indonesian Bank Restructuring Agency (IBRA) (bank asset sales), the Jakarta Initiative Task Force (JITF) (corporate debt restructuring), the Ministry of Finance (budget and tax) and the Ministry of Trade and Industry (WTO, domestic and international trade issues). USAID will work with business associations and NGOs to open access for opportunities for SME and microenterprises. To encourage knowledgeable public participation, USAID will work with universities to reach out and help local governments and media through policy workshops, media campaigns, and objective analysis on critical reform agenda items. FY 2002 activities will also include accelerating corporate and bank debt restructuring through the JITF and IBRA, resolution of the fiscal policy issues related to decentralization, and supporting GOI efforts to advance priority legislative reforms such as money laundering, bank secrecy, anticorruption, competition, and corporate governance.

Planned FY 2003 Program: USAID plans to continue the above activities with increased attention on technical assistance and training for longer-term institution building and capacity development, regional issues, agriculture, and privatization.

> USAID technical assistance to the Jakarta Initiative Task Force (JITF) contributed significantly to the restructuring of $12.2 billion in corporate debt.

Performance and Results: USAID assistance contributed significantly to meeting IMF targets for asset recovery and corporate debt restructuring in 2001. The Indonesia Bank Restructuring Agency (IBRA) contributed $2.8 billion to the state budget, moved to a "fair market value" concept, improved planning, increased sales of un-restructured debts, and enhanced oversight functions to accelerate the final approval of deals. USAID is helping maintain momentum for trade policy reforms, despite political pressure to reverse the process. Tariffs have been reduced by nearly 50% over the past six years and most nontariff barriers have been eliminated. With USAID encouragement, Bank Indonesia adopted a

market-friendly small credit promotion policy and abandoned lending quotas, as required by the IMF Letter of Intent. Careful analysis of rice production in five regions of Indonesia led the GOI to accept the impact of rice price on poverty and the need to revise rice policy.

USAID helped with the drafting, passage and implementation of key economic reform laws. Assistance in drafting the Warehouse Receipts Law, which is crucial to the operation of the Commodities Exchange, will allow farmers to receive higher prices. The Companies Law currently under revision will help open Indonesia's market and attract foreign investment. Implementing regulations now being drafted for the Secured Transactions Law will lower the cost of credit and allow more efficient use of resources.

USAID microlending programs, targeting low-income families, have generated 2.8 million commercial term loans since 1995 with over 98% repayment. In the under-developed province of Papua, over 3,100 small business owners were assisted. A network of SME owners advocated reforms in the provinces of South Sulawesi, Central Java, West Kalimantan, and North Sumatra, and increased awareness of the burdensome procedures faced by SME exporters, such as the furniture industry, and the impact of decentralization on SMEs.

Close working ties were established with 20 regional universities. More than 20 influential reports, draft laws, and draft regulations were provided to local governments and parliaments. Training centers at three regional universities helped to improve the quality of legislative drafting and analysis by local parliamentarians and their staff, university faculty, and government officials.

Principal Contractors, Grantees, or Agencies: USAID activities are implemented by Nathan-Checchi; Development Alternatives; Boston Institute for Developing Economies (sub); Barents Group; the U.S. Department of Treasury; The Asia Foundation; the Universities of Maryland, Georgia State, San Francisco, Columbia, Georgetown, South Carolina, Southern California, SUNY-Albany (sub), and Kentucky (sub); Financial Sector Volunteer Corps; Rand Corporation; Rural Development Institute; Opportunity International; and CARE. USAID works closely with key Government economic ministries, the University of Indonesia, and Gadjah Mada University.

US Financing in Thousands of Dollars

Indonesia

497-011 Foundation Set for Rapid, Sustainable, and Equitable Economic Growth	DA	ESF
Through September 30, 2000		
Obligations	135,349	10,048
Expenditures	126,714	0
Unliquidated	8,635	10,048
Fiscal Year 2001		
Obligations	5,623	12,577
Expenditures	1,727	4,028
Through September 30, 2001		
Obligations	140,972	22,625
Expenditures	128,441	4,028
Unliquidated	12,531	18,597
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2002 NOA		
Obligations	5,123	14,000
Total Planned Fiscal Year 2002		
Obligations	5,123	14,000
Proposed Fiscal Year 2003 NOA		
Obligations	5,123	18,000
Future Obligations	0	0
Est. Total Cost	151,218	54,625

PROGRAM DATA SHEET

USAID MISSION: Indonesia
PROGRAM TITLE: Natural Resources Management (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Strengthened and Decentralized Natural Resources Management, 497-012
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $10,500,000 DA; $1,500,000 ESF
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $10,500,000 DA; $1,500,000 ESF
INITIAL OBLIGATION: FY 1998 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: This program strengthens local management of Indonesia's forests, protected areas, coastal zones, and mineral resources. While Indonesia ranks first in the world in plant and marine biodiversity and second in the area of tropical forests, these natural resources are under relentless pressure. Decentralization has devolved responsibility for natural resource management, with control of vast areas of wealth at stake, to the local level. USAID's program, implemented in close coordination with other donors, includes technical assistance and training to—

- improve protected forest management and agro-forestry practices;
- encourage community-based coastal management;
- strengthen local environmental NGOs and universities;
- promote orangutan habitat protection; and
- improve mining regulation and coal seam fire suppression.

Inputs, Outputs, and Activities: *FY 2002 Program*: In FY 2002, USAID will fund technical assistance to national, regional, and local governments, universities and NGOs to increase their capacity to manage natural resources in a sustainable, transparent, and participatory manner. USAID believes that local control over natural resources is an essential step to realizing more sustainable resource use, the maintenance of ecosystem functions, and the conservation of biological diversity. USAID will continue funding activities in East Kalimantan, North Sulawesi, and Papua that encourage the formation of pluralistic management advisory boards and site-management plans for protected areas, vital watersheds, and coastal areas. In addition, USAID technical assistance and training programs will help expand its Orangutan Habitat Conservation Program in Northern Sumatra and Indonesian Borneo. To increase public awareness and interest in natural resource management decision-making, legislation, and law enforcement, USAID, in coordination with local NGOs, will launch a nationwide media campaign targeting unsustainable forestry issues, primarily illegal logging. The program will continue to provide technical assistance to improve coal mine safety and mining practices that increase profitability while reducing environmental damage. In FY 2002, USAID will expand its technical assistance to local governments and farmers on agroforestry practices designed to raise incomes and relieve pressure on remaining natural forests.

Planned FY 2003 Program: USAID plans to use FY 2003 resources to support NGO-led national media campaign against unsustainable coastal and fishery practices, including fish bombing, cyanide fishing, and destruction of coral reefs. Other specific efforts will include continuation of activities described for FY 2002 to strengthen decentralized natural resource management.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL RENOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: USAID-supported site management plans are encouraging more participatory and transparent decision-making on natural resource management. In 2001, USAID helped implement 51 site-specific plans that placed 700,000 hectares of forest and coastline under better management and protection—exceeding USAID's target of 42 plans and 410,000 hectares. Significant progress on the clarification of roles and responsibilities related to natural resource management led to more than 180 policy decisions in 2001 made by the GOI in a participatory and transparent manner with local communities.

In North Sulawesi fishing villages where USAID has funded community-based coastal zone management plans, fish abundance has more than doubled, fish diversity has increased significantly (from 56 to 95 species recorded), and more than 72% of the coral reefs have stabilized or improved (44% of sites experienced a 10% to 20% increase in hard coral over the period of 1997 to 2001). In Bunaken National Marine Park, home to world-renowned coral reefs, USAID advisors were instrumental in the establishment of a multi-stakeholder advisory board. In the first seven months, regular joint park ranger and villager patrols have been instituted, fish bombing incidents have decreased significantly, and there has been a corresponding 5% increase in hard coral cover.

With USAID assistance, Balikpapan, a key port city and home to several endangered species including river dolphins, sun bears, and orangutans, prepared a comprehensive and participatory watershed management plan, and then backed the plan with a budget of over $300,000 for 2002.

In the Bird's Head Peninsula area of Papua, USAID is protecting endangered sea turtles by working with communities to establish land tenure and resolve conflicts over natural resource rights. As a result of village patrols and public awareness activities, the number of turtles landing to nest has increased by 50% since 1999.

Principal Contractors, Grantees, or Agencies: World Wildlife Fund Indonesia, Conservation International, Nature Conservancy, Univ. of Rhode Island, Academy for Educational Development, International Center for Research in Agroforestry, U.S. Dept. of Interior-Office of Surface Mining, and International Resources Group (prime), Winrock and Development Associates (subs).

US Financing in Thousands of Dollars

Indonesia

497-012 Strengthened and Decentralized Natural Resources Management	DA	ESF
Through September 30, 2000		
Obligations	84,494	300
Expenditures	69,898	0
Unliquidated	14,596	300
Fiscal Year 2001		
Obligations	10,500	1,500
Expenditures	18,478	16
Through September 30, 2001		
Obligations	94,994	1,800
Expenditures	88,376	16
Unliquidated	6,618	1,784
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2002 NOA		
Obligations	10,500	1,500
Total Planned Fiscal Year 2002		
Obligations	10,500	1,500
Proposed Fiscal Year 2003 NOA		
Obligations	10,500	1,500
Future Obligations	0	0
Est. Total Cost	115,994	4,800

PROGRAM DATA SHEET

USAID MISSION: Indonesia
PROGRAM TITLE: Energy Sector Reform (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Energy Sector Governance Strengthened, 497-013
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $3,630,000 DA
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $4,130,000 DA
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: The energy sector is a major component of the Indonesian economy, generating nearly 30% of total Government revenues and significant foreign exchange. However, the sector is plagued by weak policies, corruption, inefficient production and distribution, wasteful consumption, and massive energy subsidies that siphon off half of the sector's $10 billion in annual revenues. USAID's program to strengthen efficiency, governance, and transparency in the energy sector will help Indonesia overcome these challenges and derive the greatest benefits from its energy resources. USAID technical assistance and training activities include—

- energy policy, analysis, and restructuring;
- development of oil and gas and electricity laws to increase efficiency and private sector investment;
- increasing public awareness and involvement in energy issues; and
- energy efficiency and renewable energy development.

Inputs, Outputs, and Activities: *FY 2002 Program:* A reformed energy sector can contribute billions of dollars in tax revenue, have a positive environmental impact, rationalize pricing, increase access to energy services, and sustain Indonesia's energy resource base. USAID is the primary bilateral donor working on energy sector reform. USAID will assist the Government of Indonesia (GOI) to implement the new oil and gas law (drafted with USAID assistance), draft a new electricity sector law, and continue electricity sector restructuring to increase efficiency and private sector investment. Technical assistance and training activities will facilitate the Government's efforts to reduce energy subsidies, both in the longer-term and for the planned 30% reduction in 2002. USAID will focus on mitigating the negative social impact of price increases through outreach activities that increase the public's understanding of the reasons behind the price increases. Other technical assistance will provide analysis on the nexus between energy, environment, and economy (pricing/subsidy, supply/demand, and regional energy policy) for key Government policymakers at the local and national level. USAID will expand activities that foster grassroots support for energy reform and promote renewable energy development.

Planned FY 2003 Program: USAID plans to use FY 2003 resources to continue technical assistance and training activities that encourage energy sector reform. USAID intends to continue to focus on implementation of electricity reform, including passage of a new law, and expects to begin activities on implementation of a new oil and gas sector law. USAID plans to continue to provide technical assistance on subsidy reductions, on raising public awareness about energy sector reform and promoting cleaner energy production and use.

> The Indonesian Parliament has approved a 2002 government budget that includes a 30% reduction in energy subsidies, as recommended by USAID experts.

Performance and Results: USAID technical assistance on drafting led to the enactment of a new oil and gas law in October 2001 that increases competition and efficiency by ending the monopoly of the State Oil and Gas Company (Pertamina). Implementation of the law will upgrade product quality for consumers, increase government revenues, and improve air quality. USAID is encouraging the Government of Indonesia (GOI) to enact a second new law governing

electricity to increase efficiency, introduce independent regulation, and open the power market to competition.

In 2001, the Government took major steps toward the reduction of energy subsidies, increasing electricity prices by 17.5% and petroleum products by 29%. USAID provided technical assistance for activities by local NGOs to begin building public support for subsidy elimination. These local NGOs conducted public hearings on energy subsidies, helped the Government by developing a strategy to address the adverse impact of price increases, and expressed their views in testimony before the Parliament. The Center for Energy Information, established through a USAID activity in the Ministry of Energy and Mineral Resources, produced policy analysis on pricing and subsidy removal that led to a new law eliminating all petroleum subsidies by 2004, except kerosene. Kerosene and electricity subsidies will be eliminated by 2005.

Indonesia's decentralization program has placed responsibility for energy resources in the hands of local governments. USAID is working with local universities to strengthen local capacity in energy policy-making and provide a forum for local governments to better analyze and understand local and national energy issues. In 2001, USAID trained more than 100 local government officials and regional university lecturers on calculating oil and gas and mineral resource revenue sharing, a contentious issue between central and local governments.

> USAID technical assistance played a key role in Indonesia's decision to phase out leaded gasoline by 2003.

Principal Contractors, Grantees, or Agencies: USAID activities are implemented by the Institute for International Education (prime), Advanced Engineering Associates International (prime), local NGOs (subs), and the Albany Research Center, and the U.S. Department of Energy (prime).

US Financing in Thousands of Dollars

Indonesia

497-013 Energy Sector Governance Strengthened	DA
Through September 30, 2000	
Obligations	1,000
Expenditures	0
Unliquidated	1,000
Fiscal Year 2001	
Obligations	4,130
Expenditures	187
Through September 30, 2001	
Obligations	5,130
Expenditures	187
Unliquidated	4,943
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2002 NOA	
Obligations	3,630
Total Planned Fiscal Year 2002	
Obligations	3,630
Proposed Fiscal Year 2003 NOA	
Obligations	4,130
Future Obligations	0
Est. Total Cost	12,890

Life expectancy is 54 years; infant mortality is 93 per 1000; and per capita income is just $330.

THE DEVELOPMENT CHALLENGE: For a generation, U.S. national interests in Laos have focused on three main issues: reducing the cultivation of opium through law enforcement, crop substitution and infrastructure development; finding the remains of U.S. MIAs; and assisting in the removal of unexploded ordinance. All three of these "heritage issues" continue to be important. The long-term U.S. interest is to encourage a transition to representative government with a significantly improved human rights record and a viable, market-based economy. The United States also has a humanitarian interest in addressing the effects of the country's extreme poverty by providing assistance to improve health and income generation in rural areas. The aim is to help the impoverished people of Laos without helping or lending credence to the one-party Communist regime. The crop substitution programs, particularly those involving sericulture, serve the dual purpose of poverty reduction and opium poppy eradication.

Laos is one of the poorest and least developed countries in East Asia. In 2001, the World Bank estimated that Laos' 5.6 million people had a per capita income of just $330. Agriculture remains the economic mainstay, contributing 53% of the Gross Domestic Product (GDP) and employing over 80% of the labor force. Social indicators in Laos, among the worst in the world, are comparable to those of sub-Saharan Africa; e.g. infant mortality in Laos is 93 per 1000 births, compared with an average of 92 in Sub-Saharan Africa. Life expectancy in Laos is under 54 years. According to the available information, Laos currently has a low level of HIV/AIDS. However, systematic and nationwide surveillance for HIV is not yet in place so the future course of the epidemic is uncertain. With Laos being surrounded by countries such as China, Thailand, and Vietnam that have significant numbers of HIV infections and with the current levels international migration, it is very likely that the epidemic will continue to spread in Laos in the absence of appropriate interventions. A significant HIV epidemic would have a serious impact on development efforts in Laos.

The Government of Laos is one of the few remaining official communist states. The country's economy remains hampered by inadequate infrastructure and deficient health and education services to support its workforce and population. While the government has stated its intention to decentralize control and encourage private enterprise, the transition from a centrally planned and controlled economy to a more market driven one is moving very slowly. The government recognizes that it needs considerable technical assistance, training and donor and private sector investment if it is to modernize its economy and address the critical health, education and employment generation issues. With reforms moving relatively quickly in Vietnam, this may encourage Laos to undertake the necessary reforms, including improving its human rights record, to attract outside support. The continuation of reforms in Vietnam and the increasing availability of Thai broadcasting may create greater incentives for the regime to undertake necessary reforms.

THE USAID PROGRAM: USAID will use $1,000,000 in Development Assistance (DA) funds and $1,000,000 in Child Survival and Health (CSH) funds in FY 2002 and requests $2,000,000 in DA for FY 2003. In 1999, USAID launched the Laos Economic Acceleration Program for the Silk Sector (LEAPSS). This program was built on experiences developed under the Lao-American Crop Control Program, and has the specific objective of making the production of raw and processed silk a viable economic alternative to opium production. Program activities have expanded the area under mulberry cultivation and increased the volume of silk produced. Activities also assist with improving the processing and marketing of raw silk and silk weavings, to improve the status of women weavers and increase profitability for silk producers. Program activities focus efforts in two provinces where some of the most intensive fighting occurred in Laos during the war. This program is presently funded through FY 2003. The program partner is World Education/World Learning Consortium.

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USAID's other objective in Laos is to maintain the low levels of HIV prevalence by strengthening the local capacity to monitor the epidemic and behaviors contributing to its spread while also educating those at risk and highlighting the importance of prevention. Through Regional HIV/AIDS Programs in the Asia and Near East Bureau, USAID has supported a small number of HIV/AIDS activities in Laos since 1998. In addition, the Regional HIV/AIDS Programs have supported cross-border activities (involving Laos, Thailand, and Vietnam) in order to expand surveillance and educate mobile populations on HIV prevention. These activities will now be funded under the new SO 439-005.

ONGOING PROGRAMS FOR WHICH NO FY 2002 OR FY 2003 FUNDING IS REQUESTED: None.

OTHER PROGRAM ELEMENTS: In addition to the LEAPSS program, USAID supports four other activities through regional and global programs.

- The Leahy War Victims Fund supports the Laos War Victims Assistance which has, since 1990, programmed more than $6.5 million to support the refurbishing of emergency care facilities, training of emergency care staff, and financial support for civilians injured by war era unexploded ordnance.
- The Asia and Near East Bureau's Regional HIV/AIDS and Infectious Diseases program supports activities directed at slowing the cross-border transmission of HIV/AIDS, tuberculosis and malaria between Thailand and Laos, and between Vietnam and Laos. Program partners are Family Health International and Population Services International.
- The East Asia and Pacific Environmental Initiative supports a small community-based wildlife management program in Laos. The program partner is Conservation International.
- USAID's worldwide human capacity development program is helping improve the institutional capacity in Laos to train physicians in the primary specialties of pediatrics and internal medicine. USAID's partner is Case Western University.

OTHER DONORS: Donor coordination is good. USAID coordinates activities with Japan, Germany, Sweden, France, Australia, and Norway. Bilateral donor efforts focus on education, health, and rural development. The World Bank and the Asian Development Bank focus on the financial sector and state-owned enterprise reforms needed to create an enabling environment for private sector development.

Laos
PROGRAM SUMMARY
(in thousands of dollars)

Accounts	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Child Survival and Health Programs Fund	0	0	1,000	0
Development Assistance	0	0	1,000	2,000
Total Program Funds	0	0	2,000	2,000

STRATEGIC OBJECTIVE SUMMARY				
439-004 Laos Economic Acceleration Program for the Silk Sector				
DA	0	0	1,000	1,000
439-005 Strengthen the Laos National Response to HIV/AIDS				
CSH	0	0	1,000	0
DA	0	0	0	1,000

Total Transfers

PROGRAM DATA SHEET

USAID PROGRAM: Laos
PROGRAM TITLE: Economic Development (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Laos Economic Acceleration Program for the Silk Sector, 439-004
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $1,000,000 DA
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $1,000,000 DA
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: USAID's program of economic acceleration of the silk sector in Laos includes—

- training of government program coordinators to strengthen technical and managerial capacity of local and national authorities to support private silk sector activities;
- training including a study tour of silk sector initiatives to identify and address marketing and policy issues which affect the development of the Lao silk industry at the local and national level
- training and distribution through micro-credit of mulberry saplings and barbed-wire fencing to families involved in the project to increase silk production;
- creation of Media Centers in villages to build capacity for sustainable information development and dissemination to meet the needs of the silk sector in rural areas; and
- training to enhance the role of women in all components of the silk sector.

Inputs, Outputs, and Activities: *FY 2002 Program:* The program provides instruction to Laotian farmers to increase and improve silk production. In FY 2002, the program will perform the following: 1) provide follow-up training for care and maintenance of mulberry bushes; 2) provide training for farmers on improved silk rearing technologies; 3) provide training in production and marketing of silk handicrafts; 4) prepare a training curriculum on sericulture and agricultural extension for District Implementation Teams; and 5) provide follow-up assistance on the construction of village training and media centers.

Planned FY 2003 Program: Pending the results of a program assessment, USAID will continue with similar activities in FY 2003.

Performance and Results: This program is premised on the observation that opium in the region is largely grown for economic reasons. Yields from rice, the staple crop, are insufficient to feed farmer families. Opium is the best cash crop available to isolated farmers because of its high value and resistance to spoilage. The LEAPSS program supports silk production as an alternative cash crop by strengthening the weak and fragmented information dissemination programs, training understaffed agricultural extension services, and training farmers in silk production.

> LEAPSS has helped 249 families to purchase a total of close to 100,000 saplings, resulting in 13.14 hectares of planted mulberry trees.

The LEAPSS program is increasing the volume and profitability of existing enterprises and micro-enterprises engaged in the production, processing and marketing of silk. Thus far the program has reintroduced silk growing to twelve rural villages, trained both government staff and 249 farm families in sericulture, and worked with Lao silk producers and weavers to promote silk. The program has provided more than $10,000 in micro-credit to the participating families to purchase mulberry trees and fencing materials. Almost 100,000 saplings have been distributed and so far 13 hectares of mulberry have been planted. The actual cultivation of new areas is defined by how quickly lands can be cleared of unexploded bombs and mines. Media centers have been set up in two key villages to distribute technical information on sericulture and markets.

Principal Contractors, Grantees, or Agencies: USAID implements LEAPSS activities through a grant to World Education, Inc.

US Financing in Thousands of Dollars

Laos

439-004 Laos Economic Acceleration Program for the Silk Sector	DA
Through September 30, 2000	
Obligations	0
Expenditures	0
Unliquidated	0
Fiscal Year 2001	
Obligations	0
Expenditures	0
Through September 30, 2001	
Obligations	0
Expenditures	0
Unliquidated	0
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2002 NOA	
Obligations	1,000
Total Planned Fiscal Year 2002	
Obligations	1,000
Proposed Fiscal Year 2003 NOA	
Obligations	1,000
Future Obligations	0
Est. Total Cost	2,000

PROGRAM DATA SHEET

USAID PROGRAM: Laos
PROGRAM TITLE: HIV/AIDS (Pillar: Global Health)
STRATEGIC OBJECTIVE AND NUMBER: Strengthen the Laos National Response to HIV/AIDS, 439-005
STATUS: New
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $1,000,000 CSH
PROPOSED FY 2003 OBLIGTION AND FUNDING SOURCE: $1,000,000 DA
INITIAL OBLIGATION: FY 2002 **ESTIMATED COMPLETION DATE:** FY 2006

Summary: The goal of USAID assistance to Laos is to strengthen the national response to HIV/AIDS by—

- improving HIV and behavioral surveillance to include mobile populations and others at high risk;
- expand condom social marketing, education and behavior change activities to reduce the spread of HIV/AIDS ; and
- implementing education and prevention programs in target areas.

Inputs, Outputs, and Activities: *FY 2002 Program*: The U.S. Government will invest $1.0 million in FY 2002 in CSH funds to address the spread of HIV/AIDS in Laos. These funds will be used to continue to improve HIV surveillance and expand prevention activities to additional at-risk populations by strengthening training, education, policy, and advocacy. In FY 2002, an assessment of the HIV/AIDS situation in Laos will be conducted and opportunities for USAID investment will be explored.

Planned FY 2003 Program: Information from the FY 2002 assessment will be used to develop an HIV program framework for Laos (expected completion date mid-FY 2002) that will guide FY 2003 funding.

Performance and Results: In support of objectives to improve disease monitoring and expand prevention services, past HIV activities in Laos have resulted in—

- increased condom sales;
- increased HIV/AIDS awareness through mass media communications; and
- completion of the first-ever Behavioral Surveillance Survey for Laos, which included high-risk populations.

These efforts have resulted in significant progress in educating and providing prevention options for specific populations who are at risk from HIV infection in Laos and while visiting neighboring countries.

Principal Contractors, Grantees, or Agencies: Family Health International and Population Services International.

US Financing in Thousands of Dollars

Laos

439-005 Strengthen the Laos National Response to HIV/AIDS	CSH	DA
Through September 30, 2000		
Obligations	0	
Expenditures	0	
Unliquidated	0	
Fiscal Year 2001		
Obligations	0	
Expenditures	0	
Through September 30, 2001		
Obligations	0	
Expenditures	0	
Unliquidated	0	
Prior Year Unobligated Funds		
Obligations	0	
Planned Fiscal Year 2002 NOA		
Obligations	1,000	
Total Planned Fiscal Year 2002		
Obligations	1,000	
Proposed Fiscal Year 2003 NOA		
Obligations	0	1,000
Future Obligations	0	0
Est. Total Cost	1,000	1,000

MONGOLIA

THE DEVELOPMENT CHALLENGE: Mongolia, a large, land-locked country with a small population, provides an important and increasingly rare example for Central Asia and beyond of how to manage a difficult economic transition within a democratic political framework. Mongolia has emerged in recent years as an important force for stability in a strategic part of the world. It shares long land borders with a rapidly emerging China to the south and the resource-rich Siberian region of Russia to the north. Few countries have been as friendly to the United States or as quick to voice strong support in the global war on terrorism.

> Mongolia, more than twice the size of Texas, has a population of 2.4 million – and less than 1,000 miles of paved roads.

Mongolia's transition to democracy is a remarkable achievement with ramifications that go well beyond its frontiers. Over the last decade, the country has had nine elections, three each at the local, parliamentary and presidential level. Governments have been elected to power in free and fair elections—and then peacefully relinquished that power in response to subsequent elections. Mongolia's admirable record in this area stands in stark contrast to its five Central Asian neighbors, each of which is still governed by the same former Communist ruler who assumed power when these countries were granted independence more than ten years ago.

USAID's challenge is to help Mongolia create an attractive environment for private investment, combat corruption with a functioning court system, strengthen public sector fiscal management, and spur economic opportunity in rural areas while continuing to consolidate its democratic transition by implementing reforms to encourage opposition party development. Nearly 80% of the Mongolian economy is now in private hands—up from virtually nothing a decade ago—and total GDP is estimated at $1 billion (or around $450 for each of the 2.4 million people in the country). However, the debt burden will soon be equivalent to Mongolia's annual GDP and is a growing concern, as are annual economic growth rates that have stagnated in recent years at around one to two percent. Unpredictable weather conditions, including drought and two successive severe winters, have also had an adverse effect on an economy that is heavily dependent on the livestock sector. The USAID program is actively addressing these issues.

Mongolia's three largest trading partners are China, Russia, and the United States. Traditional sources of foreign exchange include minerals, meat and cashmere. In addition, a number of new sources of income have emerged in recent years, including tourism, textile exports, remittances from workers abroad and over flight fees. These over flight fees are paid by the more than 20,000 commercial airplanes that crossed Mongolian air space in 2001, many on the polar route between North America and East Asia.

U.S. national interests in Mongolia center largely on its strategic location between Russia and China, two traditional rivals that are also nuclear powers and important global players. In addition, Mongolia provides an important though fragile example of economic reform and democratization in a potentially unstable part of the world. Finally, Mongolia consistently provides strong support for U.S. positions on many international issues, including those related to the ongoing war on terrorism.

> All USAID activities in Mongolia promote at least one of two objectives, the shift to a market economy and the consolidation of a true democracy.

USAID PROGRAM: USAID will devote $12 million in ESF to its Mongolia program in FY 2002 and has requested $12 million in ESF in FY 2003. USAID's objectives are focused on the two key issues facing Mongolia, namely the shift to a market economy and the consolidation of a true democracy. Approximately two-thirds of USAID funding is devoted to promoting private sector led economic growth. Specific activities target Mongolia's large nomadic and rural population; new private sector companies; and improved economic management. USAID has provided funds for vocational training for disadvantaged teenagers and will remain

vigilant to the needs of vulnerable children. The remaining one-third of the program focuses on key institutions that are essential to a properly functioning democracy. USAID uses funds to help reform the judiciary; make parliament more efficient; and strengthen political parties. Specific programs are targeted, well crafted, and results oriented.

OTHER PROGRAM ELEMENTS: Bilateral program resources are on occasion supplemented by additional funding. For example, farmer-to-farmer programs in rural Mongolia have in the past received support from both the USAID Mission and the Economic Growth, Agriculture, and Trade Bureau. In addition, USAID is now competing for potential central funding for rural microfinance.

USAID works closely with the State Department country team to integrate foreign assistance programs with broader U.S. government objectives. For example, proceeds from the sale of Section 416(b) wheat support the USAID-funded Gobi Initiative. Similarly, international visitor programs routinely involve topics that help strengthen USAID programs in such areas as trade, investment, and transparency in government. The active military assistance program also represents an important element of U.S. foreign policy in Mongolia, among other things helping to prepare the Mongolian armed forces for potential peacekeeping duties in troubled parts of the world such as Afghanistan.

> Total foreign assistance to Mongolia exceeds $300 million annually. Japan is the largest bilateral donor and the Asian Development Bank is the largest multilateral donor.

OTHER DONORS: Mongolia receives more than $300 million in foreign aid each year, one of the highest per capita assistance levels in the world. Though donors profess a commitment to coordination, problems sometimes emerge related to duplication. Regular Consultative Group (CG) meetings help promote coordination at a macro level. Sector-specific meetings on important topics such as energy and information technology are increasingly held.

USAID is committed to a pragmatic, results-oriented approach that gives the U.S. assistance effort influence within the donor community well beyond the size of its budget. USAID plays a catalytic role in addressing some of the major issues in the country, including privatization, rural finance and democracy. For example, USAID's Gobi Initiative represented the first significant donor program outside the capital city, providing a model for other donors to follow. Every major USAID-funded initiative in Mongolia also includes examples of cooperation with one or more other donors. The fact that USAID funding is entirely in grant form represents a notable contribution at a time when increasing concern is being voiced about Mongolia's growing indebtedness.

The Asian Development Bank (ADB) is the single largest multilateral donor. Other multilateral donors include the World Bank, International Finance Corporation, European Union, and various UN agencies. The European Bank for Reconstruction and Development (EBRD) will soon begin providing advisory services and would like to start a loan assistance program once its board approves.

Japan is Mongolia's major bilateral source of loan as well as grant assistance. Both the United States and Germany provide substantial grant assistance to the country. A number of other donors provide modest amounts of additional support. These other donors include Sweden (governance); Netherlands (energy conservation); Canada (rural and urban development); Korea (energy and health); the Czech Republic (health); Russia (humanitarian aid); China (housing); and India (information technology). Another possible and relatively unusual donor nation is the United Arab Emirates (UAE), which recently offered to help finance a hydroelectric plant in the countryside.

Nongovernmental organizations (NGOs) such as the Soros Foundation and World Vision make important contributions to Mongolia, each managing annual development programs valued at around $3 million. Numerous other NGOs from the United States, Japan, Europe, and elsewhere also provide important support, especially in the social sectors.

Mongolia
PROGRAM SUMMARY
(in thousands of dollars)

Accounts	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Economic Support Fund	6,000	11,974	12,000	12,000
FREEDOM Support Act	6,000	0	0	0
Total Program Funds	12,000	11,974	12,000	12,000

STRATEGIC OBJECTIVE SUMMARY				
438-001 Accelerate and Broaden Environmentally Sound Private Sector Growth				
ESF	6,000	8,974	8,000	9,000
FSA	4,640	0	0	0
438-002 Consolidate Mongolia's Democratic Transition				
ESF	0	3,000	4,000	3,000
FSA	1,360	0	0	0

Total Transfers

PROGRAM DATA SHEET

USAID MISSION: Mongolia
PROGRAM TITLE: Economic Growth (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Accelerate and Broaden Environmentally Sound Private Sector Growth, 438-001
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $8,000,000 ESF
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $9,000,000 ESF
INITIAL OBLIGATION: FY1994 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: USAID's program to promote private sector led economic growth targets rural Mongolia; emerging private sector business; and economic management at the macro level. Specific activities include—

- training and technical assistance to make herder groups more productive;
- training, technical assistance, and related support to expand access to financial services;
- training, technical assistance, and related support to inform rural Mongolians about the market economy;
- training and technical assistance to develop business associations and make private Mongolian firms more competitive; and
- training and technical assistance to promote privatization, support energy sector reform, and improve economic management.

Inputs, Outputs, and Activities: *FY 2002 Program:* USAID will use FY 2002 funds to promote private sector growth in four main ways. First, programs focused on rural Mongolia will work directly with herders, private companies, rural financial institutions and the media to expand economic opportunity. The intent is to ensure that rural Mongolia participates directly in the market economy without undermining the country's fragile environment. Programs include business training workshops that, in FY 2001, resulted in 25 new businesses, more than half of them started by women.

Activities focused on private Mongolian companies and business associations—especially those involved in tourism, meat and cashmere—will introduce new technologies and management approaches. The intent is to make the Mongolian private sector more productive and more competitive in the global economy. USAID ensured Mongolian representation at the February 2001 tourism fair in Chicago, which was a catalyst in increasing the number of American visitors to Mongolia by almost 20%. This year, USAID will help arrange Mongolian representation at similar adventure travel fairs in Spain, Britain, and Italy.

Technical study and training will promote the privatization and commercialization of remaining public owned companies, including in the financial and energy sectors. Programs focused at key government institutions such as the State Property Committee, the Energy Regulatory Authority and the Prime Minister's Office will encourage improved economic management at the macro level. This support should also promote private sector expansion and help consolidate Mongolia's transition to a market economy. Since 1998, USAID-funded advisors have been instrumental in the sale of 47 government-owned enterprises through a sealed bid auction that has raised more than $15.4 million in revenue for the state. FY 2002 programs will continue to promote private sector expansion and help consolidate Mongolia's transition to a market economy.

Planned FY 2003 Program: FY 2003 marks the last year of the currently approved USAID strategy for Mongolia. Activities will continue to focus on economic growth and private sector expansion at both the micro (e.g., rural development and private enterprise support) and the macro (e.g., policy reform and economic management) level. New activities may be integrated into existing programs,

> During the last 18 months, the USAID-supported Agricultural Bank more than doubled deposits, opened 67 new offices, hired 360 new employees, and made more than 43,000 loans.

with greater attention on training, environmental issues and key government institutions charged with implementing economic reform. An extension of the current strategy or development of a follow-on strategy that maintains targeted support for Mongolia's economic and political transition is also anticipated, depending on the economic and political environment in Mongolia.

Performance and Results: Important results include more efficient financial markets; an improved business environment; and the transfer of public assets to the private sector. A USAID-funded management contract introduced sound commercial practices and brought about a dramatic turn-around of Mongolia's Agricultural Bank. Eighteen months of USAID funded management and employee training helped to render the bank solvent and saved its vital network of 356 rural branch offices. The bank now pays $50,000 a month in taxes and is slated for privatization. Second, a new micro credit program established by USAID's Gobi Initiative has provided more than $1.2 million in loans for herders and owners of small businesses in rural areas who previously had no access to credit. A recently concluded merger with a similar program funded by United Nations Development Programme (UNDP) will result in nearly nation-wide coverage by the end of 2002. USAID's targeted assistance helped to improve the business environment and make individual private companies more competitive in tourism and other sectors. Finally, privatization met with mixed results, due to recent delays in the planned sale of two large public enterprises. Yet, USAID-funded technical assistance helped shape Mongolia's new Energy Law, approved by Parliament in May 2001, immediately resulting in the establishment of an independent Energy Regulatory Authority (ERA) to oversee new approaches to energy production and distribution.

Principal Contractors, Grantees, or Agencies: Four major contractors and grantees currently implement the economic growth/private sector expansion portion of the USAID program in Mongolia—Mercy Corps; Nathan Associates; Barents; and Development Alternatives Inc. In addition, several sub-contractors are involved, including Pact, Land O' Lakes, PA Consultants and J.E. Austin.

US Financing in Thousands of Dollars

Mongolia

438-001 Accelerate and Broaden Environmentally Sound Private Sector Growth	DA	ESF	FSA
Through September 30, 2000			
Obligations	5,569	10,140	15,739
Expenditures	5,569	4,629	11,020
Unliquidated	0	5,511	4,719
Fiscal Year 2001			
Obligations	0	8,609	0
Expenditures	0	7,082	2,738
Through September 30, 2001			
Obligations	5,569	18,749	15,739
Expenditures	5,569	11,711	13,758
Unliquidated	0	7,038	1,981
Prior Year Unobligated Funds			
Obligations	0	0	0
Planned Fiscal Year 2002 NOA			
Obligations	0	8,000	0
Total Planned Fiscal Year 2002			
Obligations	0	8,000	0
Proposed Fiscal Year 2003 NOA			
Obligations	0	9,000	0
Future Obligations	0	9,000	0
Est. Total Cost	5,569	44,749	15,739

PROGRAM DATA SHEET

USAID MISSION: Mongolia
PROGRAM TITLE: Democratic Transition (Pillar: Democracy, Conflict, and Humanitarian Assistance)
STRATEGIC OBJECTIVE AND NUMBER: Consolidate Mongolia's Democratic Transition, 438-002
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $4,000,000 ESF
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $3,000,000 ESF
INITIAL OBLIGATION: FY 1996 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: USAID's efforts to consolidate Mongolia's transition to democracy include three main types of support—

- training and technical assistance to make parliament more effective;
- training and technical assistance to encourage multiparty democracy; and
- training, technical assistance, and related support to help reform the judiciary.

Inputs, Outputs, and Activities: *FY 2002 Program*: USAID will use FY 2002 funds to support transparency and openness in some of Mongolia's major political institutions. For the parliament, technical assistance and training will focus on making the economic and budget committee more effective; improving consultations with stakeholders; standardizing drafting procedures; and improving parliamentary rules and procedures. Political party support will focus on encouraging transparency and openness within the dominant Mongolian People's Revolutionary Party (MPRP); and developing leadership, party management and coalition-building skills among the fragile and demoralized opposition parties. A multi-year program focused on parliamentary and political party development, to be implemented by the International Republican Institute (IRI), will be launched later in FY 2002.

In the judicial sector, activities will focus on expanded access to justice; improved court management; better judicial sector administration; improved ethics and discipline; and development of a sustainable mechanism for continued legal education. Activities also include training sessions on the adversarial process and a popular English language program for legal professionals. Having improved their English skills, these professionals will be more able and motivated to access legal materials from around the world.

Planned FY 2003 Program: FY 2003 marks the last year of the currently approved USAID strategy for Mongolia. Activities will focus on consolidating Mongolia's transition to democracy and will almost certainly continue under either a revised or an extended strategy. Parliamentary and local elections are scheduled for 2004, with presidential elections set for the following year. All three elections represent important milestones for Mongolia. Among other things, the elections will provide a useful "test" of the extent to which Mongolia's nascent democracy is becoming more deeply rooted. Judicial reform is a new area of activity for USAID in Mongolia and will almost certainly continue beyond 2003. Challenges are formidable, with recent polls suggesting that the judiciary ranks as the "least effective" of Mongolia's government institutions in the eyes of the Mongolian public. New activities related to electoral systems or the media could be integrated into the existing democracy portfolio, depending on the economic and political situation within the country.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL NOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: 2001 was a year of transition for USAID-funded democracy activities in Mongolia. A major multiyear judicial reform initiative was launched in the spring, building upon the government's Justice Sector Strategic Plan, which was developed with significant USAID assistance in 2000. The new judicial reform program is also strengthening the judiciary's credibility in other areas, in part by working with members of parliament to discuss new criminal code procedures. A parliamentary working group established with USAID support is now working on ways to strengthen legislative oversight and make information more widely available. The Democratic Party and other opposition parties have also requested and received training in post-election analysis and local party development.

> USAID helped develop a new web site (www.open-government.mn) that gives the public direct access to the Prime Minister's Office.

Finally, it is worth noting the clear overlap between economic reform on the one hand and democracy programs on the other. USAID in Mongolia explicitly encourages synergies between these two areas. A notable example from 2001 was the launch of the Prime Minister's web page as part of a broader, USAID-supported public-private partnership initiative. This interactive web site, initially designed to solicit feedback on pending economic legislation, received more than 1,000 "hits" during its first month of operation. It also represents an important step forward for transparency and accountability in government.

Principal Contractors, Grantees, or Agencies: Effective implementation of USAID's democratization strategic objective hinges on the work of two grantees, the International Republican Institute and the National Center for State Courts. Sub-contractors or grantees include Pact, a U.S. NGO.

US Financing in Thousands of Dollars

Mongolia

438-002 Consolidate Mongolia's Democratic Transition	DA	ESF	FSA
Through September 30, 2000			
Obligations	1,442	2,950	3,261
Expenditures	1,423	2,913	2,373
Unliquidated	19	37	888
Fiscal Year 2001			
Obligations	0	2,739	0
Expenditures	19	845	233
Through September 30, 2001			
Obligations	1,442	5,689	3,261
Expenditures	1,442	3,758	2,606
Unliquidated	0	1,931	655
Prior Year Unobligated Funds			
Obligations	0	0	0
Planned Fiscal Year 2002 NOA			
Obligations	0	4,000	0
Total Planned Fiscal Year 2002			
Obligations	0	4,000	0
Proposed Fiscal Year 2003 NOA			
Obligations	0	3,000	0
Future Obligations	0	3,000	0
Est. Total Cost	1,442	15,689	3,261

PHILIPPINES

THE DEVELOPMENT CHALLENGE: The Philippines is a critical partner in the global war on terrorism. Since the September 11, 2001 terrorist attacks on the United States, President Gloria Macapagal Arroyo has stood shoulder-to-shoulder with the United States. She granted access rights to U.S. ships and planes and moved swiftly to achieve passage of an anti-money laundering bill, developed with USAID assistance, to aid international efforts to cut off funding for terrorist organizations. She requested U.S. help in defeating the Abu Sayyaf, an armed terrorist group holding U.S. hostages in Mindanao. The Philippines has proven in the recent past to be a platform for terrorists to plan and organize international attacks.

> Philippine President Gloria Macapagal Arroyo stands firmly with the United States in the global war on terrorism.

The Philippines is a recognized leader among Southeast Asian nations as they confront the political and economic challenges presented by China's World Trade Organization (WTO) admission. This recent development will present either an opportunity for new markets or an overwhelming challenge from fierce competition. The Asian Financial Crisis, followed in 1999 by the internal conflict with the Muslim separatist groups, brought foreign investment almost to a standstill in the Philippines. Hostage taking by the Abu Sayyaf ended tourism in Mindanao. The current worldwide economic downturn and the bursting of the information technology bubble slashed demand for the Philippines' largest export—electronic components. The cumulative economic impact has been staggering. Per capita GDP tumbled from $1,019 in 1999, to $977 in 2000, and is estimated to have dropped further still in 2001.

Although its democratic system has demonstrated vibrancy and resilience, the Philippines remains East Asia's economic growth laggard. Between 1975 and 1999, per capita income grew by only 14%, compared to 326% in Indonesia, 153% in Malaysia, and 220% in Thailand. Poverty afflicts 40% of the population, the highest incidence in Southeast Asia—much higher than Malaysia (8% in 1998), Thailand (12.9% in 1998), and Indonesia (20.4% in 1999). The country's natural resources are being severely depleted.

> Corruption and unbridled population growth are the most critical factors contributing to the Philippines' continued poor economic growth and poverty.

Corruption and unbridled population growth are the most critical factors contributing to the Philippines' continued poor economic growth and poverty. The country has East Asia's fastest growing population: 2.36%, as compared with 1% in Thailand and 1.6% in Indonesia. Lack of transparency and corruption constrain performance at all levels of the executive branch, the legislature, and the judiciary. Systemic and structural weaknesses allow corruption to flourish, inhibiting the development of competitive markets, deterring foreign investors, and severely limiting the Government's ability to raise revenue. Uneven distribution of the benefits of economic growth has disproportionately excluded the Muslim minority, strengthening the resolve of armed separatist groups in the Mindanao, some elements of which have been linked to Osama bin Laden's al Qaeda terrorist network. The ongoing conflict feeds the cycle of poor economic performance by scaring off private investors, halting tourism, and draining fiscal coffers of funds needed for infrastructure and education.

> Over half of USAID's FY 2002 and FY 2003 funds will support activities in Mindanao, particularly in conflict-affected areas, and national level initiatives that have an impact on counterterrorism.

THE USAID PROGRAM: USAID will devote $50,058,000 in DA and $21,000,000 in ESF in FY 2002, and requests $50,659,000 in DA and $20,000,000 in ESF in FY 2003. The program will help reduce the conflict in Mindanao; combat corruption and improve the quality of governance; improve competitiveness within the private sector; support trade-related measures such as intellectual property rights.

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biotechnology, and customs reform; promote family planning; promote health, particularly for HIV/AIDS and TB; and preserve and restore the natural environment.

The four Strategic Objectives for which USAID is requesting funds are: to strengthen the prospects for peace in Mindanao; to improve the investment climate by helping reduce corruption and poor governance; to reduce unwanted fertility, maternal and child morbidity, TB mortality and HIV/AIDS prevalence; and to improve environmental management and enforcement. Over half of these funds will support activities in Mindanao, particularly in conflict-affected areas, and national level initiatives that have an impact on counterterrorism. All funds are for ongoing objectives. In addition, USAID is considering Global Development Alliance funding that will leverage private sector resources to develop renewable energy sources in remote areas of the country.

ONGOING PROGRAMS FOR WHICH NO FY 2002 OR FY 2003 FUNDING IS REQUESTED: The USAID program in the Philippines includes the following objectives for which USAID is not requesting new funds, but is continuing to expend funds previously appropriated.

Number	Title	Last Notified	Planned Completion
492-001	Economic development of Mindanao	FY 02 CBJ, p. 156	FY 2004
492-005	Reduce global warming	FY 02 CBJ, p. 177	FY 2003
492-007	Control the spread of HIV/AIDS, TB, dengue, and malaria	FY 02 CBJ, p. 187	FY 2003

OTHER PROGRAM ELEMENTS: The Philippines has received significant amounts of U.S. PL 480 Title I loan assistance: $30 million in FY 1999 and $40 million in FY 2000 and in FY 2001. The Government of the Philippines has requested another $40 million loan from the FY 2002 program. Proceeds of the sale of commodities are used to fund Government of the Philippines activities for agriculture and fisheries modernization, and in coordination with USAID, for activities supporting the peace process in Mindanao and coastal resources management.

OTHER DONORS: Donor coordination is excellent, with major collaborative efforts on many current issues including economic governance, the Mindanao peace process, health, local governance, environmental management, power-sector reform, and poverty reduction. Japan is the largest donor (50% of the total donor commitments in 2000), followed by the Asian Development Bank (25%) and the World Bank (21%). Major bilateral donors include the United States, Japan, Australia, Germany, and Canada. The Japanese are focusing on strengthening economic infrastructure and the World Bank and the Asian Development Bank on poverty reduction and corruption issues. The UN agencies are active in poverty alleviation, environmental improvement, human development, child welfare, and family planning. The UNDP is supporting the Mindanao peace process. The Australians support rural income generation, health, education, and the environment, especially in Mindanao. The Germans give priority to vocational training, industrial and urban environmental management, maritime safety, and health and family planning. The Canadians are focusing on private sector strengthening, and strengthening of democratic institutions and civil society, including Mindanao.

Philippines
PROGRAM SUMMARY
(in thousands of dollars)

Accounts	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Child Survival and Disease Programs Fund	7,200	9,450	0	0
Child Survival and Health Programs Fund	0	0	25,599	0
Development Assistance	22,500	30,334	24,459	50,659
Economic Support Fund	0	7,202	21,000	20,000
Total Program Funds	**29,700**	**46,986**	**71,058**	**70,659**

STRATEGIC OBJECTIVE SUMMARY				
492-001 Accelerate the Economic Transformation of Mindanao				
DA	2,500	200	0	0
492-002 Investment Climate Less Constrained by Corruption and Poor Governance				
DA	200	6,402	5,592	9,192
ESF	0	3,991	6,700	5,000
492-003 Reduced Fertility Rate and Improved Maternal and Child Health				
CSD	3,700	4,500	0	0
CSH	0	0	25,599	0
DA	14,000	17,865	0	24,050
ESF	0	0	2,000	0
492-004 Environmental Management Improved				
DA	0	4,367	13,667	13,667
492-005 Reduced Growth of Greenhouse Gas Emissions				
DA	5,000	0	0	0
492-006 Broadened Participation in Formulation and Implementation of Public Policies in Selected Areas				
DA	800	0	0	0
492-007 Threat of HIV/AIDS and Selected Infectious Diseases Reduced				
CSD	3,500	4,950	0	0
492-010 Prospect for Peace in Mindanao Strengthened				
DA	0	1,500	5,200	3,750
ESF	0	3,211	12,300	15,000

Total Transfers

PROGRAM DATA SHEET

USAID MISSION: Philippines
PROGRAM TITLE: Economic Governance (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Investment Climate Less Constrained by Corruption and Poor Governance, 492-002
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $5,592,000 DA; $6,700,000 ESF
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $9,192,000 DA; $5,000,000 ESF
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: USAID's Economic Governance program addresses the two reform areas most fundamental to ending the Philippines' pattern of stunted economic growth, and to improving the distribution of benefits. Particular attention is being given to delivering the benefits of USAID assistance to Mindanao, the poorest area of the country and the locus of armed conflict with separatist groups and terrorist activities, including kidnapping of Americans. The reforms are to—

- increase transparency and reduce opportunities for corruption in governance, finance and commerce; and
- end monopolies and increase transparent, competitive management of key infrastructure.

Success will benefit the Philippines by generating the investment and job growth needed to reduce poverty, and stem the unrest and conflict in Mindanao. It will further U.S. interests in combating terrorism and promoting stability in Asia, and will enhance U.S. trade and investment opportunities by such means as opening new markets, i.e., for biotechnology and energy-related products; making commercial and financial transactions with the Philippines more transparent; and protecting intellectual property rights.

Inputs, Outputs, and Activities: Inputs consist primarily of technical assistance and training engaged in such functions as information collection and dissemination; consultations; analysis; development of policies, legislation and regulations; providing support for passage of reform legislation and for an open and informed legislative process; strengthening institutions responsible for implementing or enforcing reforms; developing the capacity of civil society to advocate for reforms and to monitor their implementation and enforcement; and encouraging decentralized, competitive service delivery by local governments and the private sector.

FY 2002 Program: Activities will focus on—

- passage and/or implementation of key commercial laws governing money laundering, e-commerce, intellectual property rights, bankruptcy, and financial-sector regulation; strengthening regulatory institutions; and addressing tax and customs administration, public expenditure management, government procurement, and audit practices; and
- privatization, open and equal access to markets and inputs, transparency and public participation; and competitive procurement for infrastructure in the areas of roads, ports, shipping, aviation, railways, power, telecommunications, and information technology.

Planned FY 2003 Program: USAID will continue implementing reform efforts as described above; will expand the public-information component; and will initiate assistance to strengthen legal-judicial enforcement of new laws and regulations and to address other priority reform targets that may be identified.

ESF will focus on combating corruption in governance, particularly at the local level and in Mindanao; and in addressing national level policy, institutional, and regulatory issues relating to corruption in governance, finance and commerce. DA will address the need to increase

competitiveness of the economy, and will also support anticorruption and good governance, particularly at the national level.

Performance and Results: Rapid passage of an Anti-Money Laundering Law in September 2001 strengthened the war on terrorism. Rules were established to ensure the security and validity of electronic transactions and enable growth of e-commerce and related job-creation. Formulation and adoption of guidelines for restructuring retail pricing of telephone services resulted in a cost-based structure that has expanded competition in telecommunications. USAID's past and on-going initiatives to reduce costs associated with corruption and inefficiency at the ports resulted in President Arroyo mandating development of a program to reform ports-management policy. USAID assistance also facilitated a new air-services agreement with Singapore, preservation of competition on the Philippines-Taiwan route, and an end to monopolies on other international air routes. In the judicial sector, the Philippine Judicial Academy issued guidelines on the doctrine of primary jurisdiction to ensure consistent enforcement of commercial law and economic regulations by trial-court judges and quasijudicial regulatory agencies. A court-managed mediation system reduced the cost and time involved in seeking justice. Over 200 mediators were trained and accredited under the new procedures.

Principal Contractors, Grantees, or Agencies: USAID's implementing contractors are Development Alternatives, Inc., PricewaterhouseCoopers, Louis Berger International, and Management and Communications Corporation. Implementing grantees include The Asia Foundation and various local non-governmental organizations.

US Financing in Thousands of Dollars

Philippines

492-002 Investment Climate Less Constrained by Corruption and Poor Governance	DA	ESF	MAI
Through September 30, 2000			
Obligations	12,997	0	60,244
Expenditures	5,039	0	60,244
Unliquidated	7,958	0	0
Fiscal Year 2001			
Obligations	6,402	3,991	0
Expenditures	5,060	0	0
Through September 30, 2001			
Obligations	19,399	3,991	60,244
Expenditures	10,099	0	60,244
Unliquidated	9,300	3,991	0
Prior Year Unobligated Funds			
Obligations	0	0	0
Planned Fiscal Year 2002 NOA			
Obligations	5,592	6,700	0
Total Planned Fiscal Year 2002			
Obligations	5,592	6,700	0
Proposed Fiscal Year 2003 NOA			
Obligations	9,192	5,000	0
Future Obligations	0	0	0
Est. Total Cost	34,183	15,691	60,244

PROGRAM DATA SHEET

USAID MISSION: Philippines
PROGRAM TITLE: Family Planning and Health (Pillar: Global Health)
STRATEGIC OBJECTIVE AND NUMBER: Reduced Fertility Rate, Maternal and Child Morbidity, TB Mortality and HIV/AIDS Prevalence,* 492-003
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $25,599,000 CSH; $2,000,000 ESF
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $24,050,000 DA
INITIAL OBLIGATION: FY 1994 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: USAID's population, health and nutrition program focuses on strengthening the provision of family planning and other health services. Particular attention is given to conflict-affected areas of the country where health indicators are declining. The urban and working poor are targeted in support of the government's fight against poverty. Efforts to combat tuberculosis have been incorporated into the program, along with HIV/AIDS activities formerly under 492-007. Improvements in the provision of family planning and health services via the commercial sector, particularly tuberculosis (TB) treatment, are a key thrust of the program.

USAID funds will provide:

- technical assistance at the local level to reduce micronutrient deficiencies and integrate micronutrient supplementation into all immunization programs;
- technical assistance to the Department of Health (DOH) and the private sector to implement the Philippine Food Fortification Strategy;
- technical assistance at the local level to increase their capacity to implement and manage health programs, with focus on micronutrient deficiency and breastfeeding, TB and HIV/AIDS;
- technical assistance at the local level to improve capacity for implementing family planning;
- technical assistance to generate increased private sector financing and participation in the provision of family planning services;
- technical assistance to build local capacity to train health providers in the development and utilization of management and information systems, for improved service delivery;
- a communications campaign and advocacy to increase social acceptance of and political support for family planning; and
- contraceptive commodities and supplies.

Inputs, Outputs, and Activities: *FY 2002 Program:* Major activities will focus on the following:

- Vitamin A. micronutrient fortification of selected commodities and administration of micronutrient supplements to reduce Vitamin A deficiency among children; mobilization of health workers and volunteers for distribution of Vitamin A capsules; communication campaigns to increase Vitamin A awareness; and engaging partners and other donors to assist with awareness-raising and service implementation.
- Breastfeeding. Education to increase the rates and lengthen the duration of breastfeeding.
- Tuberculosis. Development of public sector policies and guidelines for private sector involvement in diagnosis and treatment of TB; training (including workshops) of private practitioners on proper implementation method, to improve coverage, enhance sustainability and prevent drug resistance from incorrect case management.
- HIV/AIDS. Engage local governments as participants in the program; establish additional HIV Sentinel and Behavioral Surveillance Systems; conduct information, education and communication (IEC) activities for groups practicing high-risk behaviors; finance start-up costs of selected activities for local governments to begin building local support and NGO capacities.

* Previously notified as Reduced Fertility Rate and Improved Maternal and Child Health

USAID will also strengthen the public sector's capacity to provide quality and affordable family planning (FP) and maternal and child health (MCH) services targeted at the poor, and support expansion of the private sector in the provision of FP services. USAID aims to reduce the unmet need for contraceptives of women of reproductive age, increase social acceptability of FP in the Philippines, and improve service delivery. Major activities will include the following:

- strengthening local level capacity to plan, manage and implement FP programs;
- national and local IEC campaigns to increase awareness of FP methods, dispel the myths surrounding these methods, and encourage the behavior and attitude changes that allow married couples, particularly women of reproductive age, to recognize and accept FP;
- advocacy efforts to generate stronger government and private support for FP;
- strengthening service delivery by increasing the number of private clinics nationwide (including midwife clinics) that provide affordable, quality FP services; training health workers to provide FP counseling and deliver FP services; and procuring contraceptives to ensure ready availability;
- assisting the Department of Health and PhilHealth, the national health insurance agency, in developing and implementing health sector reforms which will create the enabling environment necessary for the provision of FP/MCH services, correct inefficiencies and inequalities in the delivery and financing of health care, and improve performance of the Philippines health sector.

Planned FY 2003 Program: USAID will continue its support for Vitamin A supplementation, food fortification, and increased immunization coverage. For HIV/AIDS activities, USAID will work towards sustaining the efforts of the local governments and civil society and will provide technical assistance for local governments interested in joining the program. USAID efforts to address TB will include implementation of the DOTS in selected areas, by private practitioners previously trained under the program, with the ultimate aim of achieving 100% DOTS coverage for the country.

FY 2003 funds will also be used to implement FP and MCH activities already underway in FY 2002. Efforts will continue to improve FP service delivery through private sector practitioners (doctors and midwives), to expand the network of private sector clinics, and to increase access to contraceptives through the commercial private sector. USAID will intensify IEC and advocacy efforts aimed at increasing the social acceptability of FP. USAID will also continue procurement of contraceptives.

All contracts and grants funded under this program will incorporate clauses that implement the President's directive reinstating the Mexico City Policy.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL RENOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: USAID is seeing a continued decrease proportion of births in high risk category; decreased TB mortality; and have maintained HIV/AIDS prevalence at less than 2% among the groups practicing high-risk behavior. Tentative CY 2001 results indicate a continuing decrease in the total fertility rate from 3.7 in 1998 and an increase in contraceptive prevalence rate from 47% in 2000 to 49.9%. Achievement of family planning targets requires changing ingrained social attitudes that are particularly challenging in the Philippines. The pace of progress can vary, depending on whether or not the Administration in power is supportive of family planning efforts.

Principal Contractors, Grantees, or Agencies: USAID will implement activities through the Department of Health, selected local public and commercial entities, and the Philippine Commission on Population. Additional contractors and grantees will be identified in FY 2002.

US Financing in Thousands of Dollars

Philippines

492-003 Reduced Fertility Rate and Improved Maternal and Child Health	CSD	CSH	DA	ESF	MAI
Through September 30, 2000					
Obligations	9,054	0	135,292	0	1,800
Expenditures	4,782	0	110,390	0	71
Unliquidated	4,272	0	24,902	0	1,729
Fiscal Year 2001					
Obligations	4,500	0	17,865	0	0
Expenditures	3,012	0	23,074	0	1,075
Through September 30, 2001					
Obligations	13,554	0	153,157	0	1,800
Expenditures	7,794	0	133,464	0	1,146
Unliquidated	5,760	0	19,693	0	654
Prior Year Unobligated Funds					
Obligations	0	0	0	0	0
Planned Fiscal Year 2002 NOA					
Obligations	0	25,599	0	2,000	0
Total Planned Fiscal Year 2002					
Obligations	0	25,599	0	2,000	0
Proposed Fiscal Year 2003 NOA					
Obligations	0	0	24,050	0	0
Future Obligations	0	0	25,000	0	0
Est. Total Cost	13,554	25,599	202,207	2,000	1,800

PROGRAM DATA SHEET

USAID MISSION: Philippines
PROGRAM TITLE: Environment and Energy (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Environmental Management Improved, 492-004
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $13,667,000 DA
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $13,667,000 DA
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: This program has two components, Environmental Governance (previously titled Integrated Resources Management) and Energy (previously titled Global Climate Change), and emphasizes assistance to conflict-affected areas of Western, Southern, and Central Mindanao.

The Environmental Governance (EcoGov) Program—

- strengthens the ability of the national and local governments and communities to address threats to the Philippines' tropical forests and coral reefs;
- encourages recycling and composting; and builds local government capacity for obtaining solid waste-management service; and
- promotes transparency and accountability and the enforcement of environmental laws.

Improved monitoring of coastal resources also supports Philippine government efforts to control smuggling, trafficking, and terrorism.

USAID's Energy Program promotes an open, competitive market for generating and distributing electricity; reduces vehicle emissions; and electrifies remote areas. Electrification promotes peace by facilitating growth and demonstrating government interest in conflict-affected areas.

Inputs, Outputs, and Activities: Inputs include technical assistance and training at the national and local levels, and supplies and equipment for renewable energy projects.

FY 2002 Program: Major activities under the EcoGov Program include—

- improving environmental policies. Key national and local organizations will be supported in their efforts to identify, analyze, and improve priority policies and legislation
- building institutions. Training and follow-on technical assistance will be provided to local governments and communities to improve management of coral reefs, forests, and solid waste. The judicial sector and provincial and local government staff will receive training in the enforcement of environmental laws.
- supporting environmental advocacy. Activities will inform the public on key policy issues, and build the political will to improve environmental management and enforcement.

Major activities under the Energy Program include—

- lowering electricity rates. USAID-funded technical assistance for policy changes will promote competition in energy generation and distribution; strengthen the ability of a new independent Energy Regulatory Commission to handle rate cases and avoid market abuses; and aid consumer interest groups monitoring energy sector restructuring;
- expanding the use of renewable energy. In partnership with the private sector under a Philippines government-sponsored social initiative, USAID will electrify over 160 remote communities in conflict-affected areas of Mindanao. USAID and the private sector will fund procurement and installation of equipment, while USAID will organize community participation to ensure community ownership and ability to collect income and maintain systems;
- helping to create a national regulatory framework for development of natural gas resources; and

- reducing vehicle emissions. Technical assistance will support a public awareness campaign and a nationwide vehicle emission testing system; a phase out of importation of secondhand, polluting engines; and apprehension of smoke-belching vehicles..

Activities lend themselves to partnerships under USAID's new Global Development Alliance to leverage private-sector resources to develop renewable energy sources in remote areas of the country.

Planned FY 2003 Program: The FY 2003 request will continue implementation of the activities summarized above. USAID's program to protect productive, life-sustaining natural resources is covered by the country development strategy through FY 2004. It is anticipated that, when the strategy is revised, this program will be extended though FY 2009.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL RENOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: The goal of protecting productive, life-sustaining resources was advanced in several ways in FY 2001. First, 1,649 kms of shoreline (500 kms in Mindanao) were placed under improved management, for a total of 3,000 kms to date. Forty-eight local governments (seven in Mindanao) were certified as demonstrating best coastal resource-management practices, for a total of 96—a 700% increase from the 1995 baseline. Finally, landmark legislation to restructure the Philippine energy sector for competitiveness passed as a result of USAID efforts to develop policies, craft legislation, educate legislators, and engage public support.

Principal Contractors, Grantees, or Agencies: USAID's major implementing partners include Development Alternatives, Inc. (prime); PA Consulting (prime); Winrock (prime); the U.S. Department of Energy (sub); and the U.S. Peace Corps. A new implementing partner for policy-reform activities will be selected in 2002.

US Financing in Thousands of Dollars

Philippines

492-004 Environmental Management Improved	DA	MAI
Through September 30, 2000		
Obligations	10,858	116,995
Expenditures	3,592	116,995
Unliquidated	7,266	0
Fiscal Year 2001		
Obligations	4,364	0
Expenditures	4,978	0
Through September 30, 2001		
Obligations	15,222	116,995
Expenditures	8,570	116,995
Unliquidated	6,652	0
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2002 NOA		
Obligations	13,667	0
Total Planned Fiscal Year 2002		
Obligations	13,667	0
Proposed Fiscal Year 2003 NOA		
Obligations	13,667	0
Future Obligations	0	0
Est. Total Cost	42,556	116,995

PROGRAM DATA SHEET

USAID MISSION: Philippines
PROGRAM TITLE: Conflict Resolution in Mindanao (Pillar: Democracy, Conflict, and Humanitarian Assistance)
STRATEGIC OBJECTIVE AND NUMBER: Prospects for Peace in Mindanao Strengthened, 492-010
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $5,200,000 DA; $12,300,000 ESF
UNOBLIGATED PRIOR YEAR FUNDS AND FUNDING SOURCE: $3,211,000 ESF
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $3,750,000 DA; $15,000,000 ESF
INITIAL OBLIGATION: FY 2001 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: This program is the principal means through which USAID is assisting the Government of the Philippines to consolidate the still fragile peace in Mindanao, and to ensure that Mindanao does not become a source of recruits for terrorist organizations. USAID addresses threats to U.S. and global interests posed by the separatist conflict in Mindanao through targeted assistance for individuals and communities in conflict-affected areas, and helping to bring about a general and equitable expansion of economic opportunity for the people of Mindanao. Experience in Mindanao has shown that broad social, political and economic development is critical to the success of efforts to undercut groups seeking to continue the conflict, promote destabilization, or engage in terrorism.

Activities under this program are grouped into four components:

- assistance for former combatants and their communities;
- strengthening of a decentralized, transparent governance framework in conflict-affected areas;
- expansion of availability of sustainable financial services for microenterprises; and
- development of economic infrastructure in conflict-affected areas.

Activities will mitigate potential conflicts by helping individuals and organizations in conflict-affected areas become financially self-sufficient and helping government be more responsive to the needs of the people.

Inputs, Outputs, and Activities: USAID provides technical assistance and training, equipment to ex-combatants and communities for start-up farming and seaweed culture, and equipment for small infrastructure projects.

FY 2002 Program: Major activities include—

- assisting approximately 8,000 former combatants of the Moro National Liberation Front (MNLF) to develop the capability of making a living for themselves and their families. USAID will provide the former combatants all inputs to initiate commercial-level production of corn, rice, or seaweed, as well as training, technical support, and marketing assistance. This assistance will bring the total number of former MNLF combatants assisted since 1997 to 21,000, or approximately 75% of all former MNLF combatants in need of livelihood assistance. USAID will provide post-harvest facilities to 300 MNLF communities. If the Government of the Philippines and the Moro Islamic Liberation Front (MILF) make sufficient progress in peace talks, USAID could provide assistance to up to 700 former MILF combatants;
- assisting local governments in Mindanao to improve public services, ensure transparency, and reduce corruption, by developing their capacity to exercise authorities delegated to them by recent amendments to the "Organic Act" that established the Autonomous Region of Muslim Mindanao;
- assisting 25 rural banks in Mindanao to profitably provide loan and deposit services to microenterprises on a continuing basis. This will bring the total number of rural banks assisted since 1998 to 85. These institutions will provide microloans to 22,000 additional microenterprises. Particular attention will be paid to rural banks that are located in conflict-

affected areas, or which provide services to members of religious and cultural minorities. The program will develop a new bank management software program to facilitate proper management of microenterprise clients. Microenterprise assistance may be extended under this program to include credit unions in Mindanao; and

- assisting 30 MNLF communities to build small infrastructure facilities such as water systems, jetty improvements, bridges, and culverts. The program strengthen seven business support organizations that help to sustain economic progress in conflict-affected areas—the Muslim Business Forum, the Seaweed Producers' Association, the Tawi-Tawi Chamber of Commerce, the Cotabato City Chamber of Commerce, and the Mindanao Business Council.

Planned FY 2003 Program: In FY 2003, USAID's activities will increase the number of rural banks and credit unions offering services to microenterprises; increase the number of former MNLF and MILF combatants receiving livelihood assistance by 8,000; provide community infrastructure projects to 500 communities in the conflict areas; and establish an additional five business-support organizations that will provide services in conflict-affected areas. A strategy review planned for 2002 will identify other areas of assistance for social reconciliation and conflict mitigation such as land, education, and women's issues.

The planned FY 2003 program includes funds from USAID's conflict prevention initiative.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL RENOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: FY 2001 assistance enabled 7,000 former MNLF combatants to make the transition from guerilla fighter to productive farmer--bringing the total number of former MNLF combatants provided with the capability to make a reasonable living to 13,000. An assessment carried out by an independent organization determined that almost 95% of USAID's program "graduates" were still carrying out the production activities in which they had been trained. The assessment also determined that USAID's program had been a key factor in dissuading these former combatants from again taking up arms against the government, or joining the Abu Sayyaf terrorist group. USAID assisted 30 rural banks to develop the capability of profitably servicing microenterprises, with these banks providing microloans to 10,000 borrowers. By the end of the program, an estimated 29,000 former combatants in conflict-affected areas will have been assisted in becoming productive members of the economy; about 100 rural banking institutions will be providing services to 50,000 microenterprises; 50 community infrastructure projects are projected to have been completed; 12 business support organizations will have been established or assisted; and approximately 50 local governments will have adopted practices that improve local governance.

Principal Contractors, Grantees, or Agencies: Program activities are implemented under contracts with Louis Berger International Inc., and Chemonics Inc., and through grants to The Asia Foundation and local non-government organizations. The private sector, local governments, and the national government match much of the funding provided by USAID. Principal Philippine Government agencies working with USAID include the Office of the Presidential Advisor for Regional Development, the Mindanao Economic Development Council, the Southern Philippines Council for Peace and Development, the Department of Agriculture, and the National Economic and Development Authority. The Rural Bankers' Association of the Philippines is USAID's principal microfinance partner; the World Council of Credit Unions may participate in the future.

US Financing in Thousands of Dollars

Philippines

492-010 Prospect for Peace in Mindanao Strengthened	DA	ESF
Through September 30, 2000		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
Fiscal Year 2001		
Obligations	1,500	0
Expenditures	0	0
Through September 30, 2001		
Obligations	1,500	0
Expenditures	0	0
Unliquidated	1,500	0
Prior Year Unobligated Funds		
Obligations	0	3,211
Planned Fiscal Year 2002 NOA		
Obligations	5,200	12,300
Total Planned Fiscal Year 2002		
Obligations	5,200	15,511
Proposed Fiscal Year 2003 NOA		
Obligations	3,750	15,000
Future Obligations	0	0
Est. Total Cost	10,450	30,511

THAILAND

THE DEVELOPMENT CHALLENGE: The United States and Thailand have a long history of cooperation on economic and social development issues. USAID formally ended its bilateral assistance program in September 1995 and closed its Regional Support Mission in Bangkok in September 1996. Since then USAID has managed discrete activities through three regional programs: HIV/AIDS, democracy and governance, and environment. The regional mission in Phnom Penh, Cambodia is responsible for management oversight for USAID's Thailand program.

The 1997-1998 Asian financial crisis exposed the weaknesses of Southeast Asia's economic systems, and almost totally collapsed the region's financial and capital markets, forcing thousands of companies to close, throwing millions out of work, and creating massive drops in government revenues. Devaluation of country currencies stimulated exports in 1999 and 2000, enabling countries to contain inflation and restore some jobs, but also delay needed fundamental economic governance reforms. Reliance on exports for growth also made Thailand more vulnerable to the worldwide economic slowdowns now being experienced in the U.S., Europe and Japan.

After being the epicenter of the HIV/AIDS epidemic in Asia for many years, Thailand's aggressive campaign to address the disease has resulted in a stabilizing of epidemic in recent years. However, the national adult prevalence rate of 2% remains among the highest in Asia and about 750,000 Thai people are currently infected with HIV. In addition, the 1997-1998 Asian financial crisis resulted in decreased spending on public health in Thailand and also contributed to migration and population displacement in the region. As a result, poor and mobile populations experienced decreased access to healthcare services and education while behaviors favoring HIV transmission (e.g., sex work) increased. These events not only affected the HIV/AIDS epidemic in Thailand, but also the people who visited from Burma, Cambodia, China, Laos, and Vietnam. Since HIV/AIDS predominately affects the core part of the labor force (i.e., 15-45 age group), this disease has a direct impact on economic and social development.

USAID regional programs provide Thailand with the technical assistance it needs to promote economic governance reforms, improve environmental management of Thai municipalities and industries, and halt the spread of infectious diseases such as HIV/AIDS, drug resistant malaria, and tuberculosis. With migrant laborers playing a significant role in the economic development of Southeast Asia, their health and well-being is critical to the development process in the region.

THE USAID PROGRAM: USAID plans to use $750,000 in Development Assistance (DA) and $1,000,000 CSH in FY 2002 for activities benefiting Thailand. USAID is requesting $3,250,000 in DA in FY 2003. Because there is no USAID Mission in Thailand, all Thailand activities are implemented through USAID's regional programs. USAID will use FYs 2002 and 2003 funds to provide technical assistance to protect vulnerable populations along its borders from infectious diseases and improve the environmental regulatory framework.

ONGOING PROGRAMS FOR WHICH NO FY 2002 OR FY 2003 FUNDING IS REQUESTED: None.

OTHER PROGRAM ELEMENTS: None.

OTHER DONORS: World Bank, The Asian Development Bank, Japan International Cooperation Agency, the World Health Organization, and the European Union.

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Thailand

PROGRAM SUMMARY

(in thousands of dollars)

Accounts	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Child Survival and Health Programs Fund	0	0	1,000	0
Development Assistance	0	0	750	3,250
Total Program Funds	0	0	1,750	3,250

STRATEGIC OBJECTIVE SUMMARY				
493-002 Selected Foreign Policy Concerns Addressed in Thailand				
CSH	0	0	1,000	0
DA	0	0	750	3,250

Total Transfers

PROGRAM DATA SHEET

USAID PROGRAM: Thailand
PROGRAM TITLE: Promote Regional Stability (Pillars: Economic Growth, Agriculture, and Trade; Global Health; Democracy, Conflict and Humanitarian Assistance)
STRATEGIC OBJECTIVE AND NUMBER: Selected Foreign Policy Concerns Addressed in Thailand, 493-002
STATUS: New
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $750,000 DA; $1,000,000 CSH
PROPOSED FY 2003 OBLIGTION AND FUNDING SOURCE: $3,250,000 DA
INITIAL OBLIGATION: FY 2002 **ESTIMATED COMPLETION DATE:** Continuing

Summary: The overall goal of regional program assistance in Thailand is to support stability in the Mekong Delta in the following ways:

- prevent and treat HIV/AIDS and related infectious diseases;
- promote behavior change and improve communication and education abilities;
- improve environmental management in Thai municipalities and industries;
- demonstrate to decision-makers involved in Thailand's industrialization and urbanization that improved environmental performance is consistent with economic growth;
- promote public policy and environmental regulation; urban environmental management; industrial environmental management; and the export of U.S. environmental technology and practices to Asia; and
- engage the private sector—the primary engine of economic growth—to make the activities of Asian businesses cleaner and more efficient.

Inputs, Outputs, and Activities: *FY 2002 Program*: The U.S.-Asia Environmental Partnership (USAEP) is a regional program that links Asians not only with the United States but with other Asian countries, finding that an effective way to promote development in less developed countries is to partner them with more prosperous developing countries in Asia. For example, USAEP arranged for Thailand to share its experience with Vietnam, leading Vietnam to accelerate by several years the phase out of leaded gasoline. In Mainland Southeast Asia, USAEP and the U.S. Environmental Protection Agency work together to help improve environmental regulatory frameworks in Thailand and Vietnam. For example, USAEP is working with Thailand regulatory authorities to help implement a series of environmental reforms recommended by a Thai Senate advisory committee. On the policy and regulatory side, USAEP is helping Thailand reform its environmental laws and policies by bringing together Supreme Court justices from several Asian countries to share their experiences on how the judiciary can improve environmental protection. As a result, the ability of Thailand's judiciary to make environmental rulings has been greatly enhanced.

In FY 2002, USAID funding will help address the spread of HIV/AIDS in Thailand. Funds will be used to improve HIV and behavioral surveillance and expand prevention activities to at-risk populations by strengthening training, education, policy, and advocacy.

Planned FY 2003 Program: USAEP will continue to help create networks and associations in Thailand that will work over the long-term to help Thai industries operate more cleanly, and USAEP will continue to help firms adopt programs for voluntary, transparent reporting of their pollution releases. USAEP will help cities implement new or improved environmental practices and policies in FY 2003. The regional program expects to leverage from outside sources an amount equal to at least half of our USAID budget, and to help American firms export $25 million in goods and services to Asia.

An assessment of the HIV/AIDS situation in Thailand will be conducted during FY 2002 and opportunities for USAID investment will be explored. This information will be used to develop an

HIV program framework for Thailand that will guide FY 2003 funding. Multicountry and cross-border activities and support for international and multilateral organizations will be transferred to the Bureau for Global Health after FY 2002.

USAID will add a democracy and governance component to complement ongoing Thai activities.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL NOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 FUNDS FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: Information, education, and communications materials and condoms have been delivered to mobile populations that travel cross border. Training sessions were conducted with the Thai Network of People Living with HIV/AIDS to strengthen their capacities in group management, human rights, treatment of infections, behavior change and communications skills. These efforts have resulted in significant progress in understanding the extent of the HIV/AIDS epidemic in the region and beginning to expand services to reach more people at risk.

In FY 2001, USAEP's partnership with Chulahongkorn University in Thailand provided the foundation to establish the Greening of Industry Network in Asia. The Network allows information on clean production and supply chain environmental management to be shared with public and private decision-makers throughout Asia. Facing deteriorating air quality, the City of Chiang Mai turned to USAEP for help in understanding the scope of its pollution problems and to search for possible solutions. Central to the effort was improving the ability of local environmental officials to monitor and enforce regulations. The Maryland Department of Environment (MDE) built a long-lasting partnership with officials in Thailand as a result of a US-AEP grant through the Council of State Governments. MDE staff members worked with the Thai Pollution Control Department and Chiang Mai officials to develop a strategic plan and an Emissions Inventory, held workshops on the sources of emissions, and developed public awareness campaigns on the need for improved air quality in the city. On the federal level, Maryland Secretary of the Environment Jane Nishida worked with the Thai central government and the World Bank on a plan to reorganize the agencies responsible for enforcing environmental protection. The cooperative effort of US-AEP, Maryland and the City of Chiang Mai has created a model for other projects aimed at improving air quality in other Thai cities.

Principal Contractors, Grantees, or Agencies: Family Health International, U.S. Departments of Commerce and Agriculture, U.S. Environmental Protection Agency, Institute for International Education, The Asia Foundation, the Kenan Institute, Louis Berger Group, Alliance to Save Energy, International HIV/AIDS Alliance, the Futures Group International, and the World Health Organization.

US Financing in Thousands of Dollars

Thailand

493-002 Selected Foreign Policy Concerns Addressed in Thailand	CSH	DA
Through September 30, 2000		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
Fiscal Year 2001		
Obligations	0	0
Expenditures	0	0
Through September 30, 2001		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2002 NOA		
Obligations	1,000	750
Total Planned Fiscal Year 2002		
Obligations	1,000	750
Proposed Fiscal Year 2003 NOA		
Obligations	0	3,250
Future Obligations	0	0
Est. Total Cost	1,000	4,000

Vietnam ranks 101st (out of 162) in terms of the Human Development Index. GDP per capita is less than $400. Ninety percent of the poor live in rural areas. Under-five children mortality is 42 per 1,000; 34% of the children under-five are

THE DEVELOPMENT CHALLENGE: U.S. national interests in Vietnam are to gain Vietnamese cooperation on POW/MIA accounting and freedom of emigration; encourage compliance with international standards of human rights and the rule of law; support economic reform and opportunities for U.S. companies; and promote regional stability. Economic and social development will help create a more prosperous and confident Vietnam that is prepared to play an increasing role in the regional and international community.

Vietnam is now undergoing its transition from a centrally planned to a market oriented economy. Since beginning a reform and adjustment initiative in 1986, Vietnam has made remarkable progress across a broad range of socioeconomic development measures. Life expectancy has increased to nearly 68 years and adult literacy has been maintained at over 90%. Vietnam ranks 101 out of 163 countries in the Human Development Index. Its current level of gross domestic product (GDP) per capita is less that $400.

Though poverty was reduced by 33% over the past 10 years, poverty reduction is still at the forefront of the Government of Vietnam's (GOV's) agenda for the coming decade. The gap between urban and rural areas has been increasing; so has the differentiation between the rich and the poor. Nearly 90% of the poor live in rural areas, are often farmers with low levels of education, and have limited access to land, capital, technology, information, and basic social services. They are also particularly vulnerable to natural disasters, which frequently occur in Vietnam. Malnutrition and micronutrition deficiencies are serious problems and significant causes of maternal, child, and infant mortality. HIV is found in all 61 provinces, and the conditions exist for the expansion of the epidemic.

THE USAID PROGRAM: USAID will spend $11,056,000 in Vietnam in FY 2002 and requests $12,456,000 for FY 2003. USAID provides assistance to Vietnam to enhance the environment for trade and investment. The objectives of this program are to strengthen the Vietnamese private sector, and to help the GOV to deepen trade and investment related reforms consistent with its commitments in the Bilateral Trade Agreement. Successful implementation of these reforms will also help Vietnam meet some of the requirements for accession into the World Trade Organization (WTO).

ONGOING PROGRAMS FOR WHICH NO FY 2002 OR FY 2003 FUNDING IS REQUESTED: None.

OTHER PROGRAM ELEMENTS: USAID's Bureau for Global Health provides assistance to improve access to services for vulnerable groups through the Leahy War Victims Fund and the Displaced Children and Orphan Fund. The HIV/AIDS program helps Vietnam control the spread of HIV/AIDS by improving surveillance capacity and prevention interventions, and assisting people living with AIDS. The Office of Foreign Disaster Assistance helps Vietnam improve its disaster preparedness capacity, focusing on flood forecasting and mitigation. The United States-Asia Environmental Partnership (US-AEP) improves Vietnam's overall environmental financing and regulatory framework and develops decentralized approaches to urban and natural resource management through partnerships between U.S. and Vietnamese cities. Finally, USAID provides assistance to women and children rescued from trafficking.

OTHER DONORS: Japan, the largest donor to Vietnam, is investing in large-scale infrastructure projects, technology training, transportation, and health. The Asian Development Bank and the World Bank focus on modernizing the banking system and reform of state-owned enterprises. The United Nations Children's Fund (UNICEF), United Nations Development Programme (UNDP), United

From 1993 - 2000, cumulative donor pledges amounted to some $17.5 billion.

Nations Fund for Population Activities (UNFPA), and the World Health Organization (WHO) support health activities, disaster preparedness, institutional development, education, and rural development. Other major bilateral donors include France, Denmark, Sweden, the Netherlands, Australia, Canada, and Germany. Major donors involved in the health sector include UNAIDS, the Asian Development Bank, Glaxo Wellcome, Ford Foundation, Germany, the European Union, Australia, and the Netherlands.

Vietnam
PROGRAM SUMMARY
(in thousands of dollars)

Accounts	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Child Survival and Disease Programs Fund	1,500	2,494	0	0
Child Survival and Health Programs Fund	0	0	4,106	0
Development Assistance	1,250	2,999	6,950	12,456
Total Program Funds	**2,750**	**5,493**	**11,056**	**12,456**

STRATEGIC OBJECTIVE SUMMARY				
440-006 Enhanced Environment for Trade and Investment				
DA	1,250	2,999	5,450	6,950
440-007 Improved Access to Services for Selected Vulnerable Groups				
CSD	1,500	2,494	0	0
CSH	0	0	4,106	0
DA	0	0	1,500	5,506

Total Transfers

PROGRAM DATA SHEET

USAID PROGRAM: Vietnam
PROGRAM TITLE: Trade and Investment (Pillar: Economic Growth, Environment, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Enhanced Environment for Trade and Investment, 440-006
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $5,450,000 DA
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $6,950,000 DA
INITIAL OBLIGATION: FY 1997 **ESTIMATED COMPLETION DATE:** FY 2005

Summary: Under this Strategic Objective, USAID provides assistance to the Government of Vietnam (GOV) to meet its commitments under the recently ratified (December 2001) U.S.-Vietnam Bilateral Trade Agreement (BTA) and to strengthen the Vietnamese private sector. USAID's trade and investment activities include—

- technical assistance in identifying, sequencing, implementing, and monitoring necessary trade and investment reforms to meet the GOV's commitments in the BTA;
- technical assistance in international commercial law and trade policies to both the public and private sectors to promote Vietnam's integration to the global economy;
- support for the newly-established Business School of the National Economics University (NEU) to advocate trade and investment reform in Vietnam.

Inputs, Outputs, and Activities: *FY 2002 Program:* USAID provides funding for the newly launched "Support for Trade Adjustment and Reform" (STAR) program. Successful implementation of this U.S. Government program will require reforms in trade policy, law, and procedures, as well as capacity building to improve implementation of the new laws on a sustained basis. The technical assistance will focus on Vietnam's commitments to the Bilateral Trade Agreement, which covers trade in goods and services, intellectual property, investment relations, business facilitation, and transparency. Specifically, the funds will be used to develop a project strategy and a work plan for year one, which proposes a set of specific technical assistance activities. Experts will be hired on long- and short-term bases to initiate legal and procedural reforms that help the GOV meet the extensive compliance requirements for the BTA. Initial activities will include legal analysis to identify laws and regulations inconsistent with the BTA; drafting new legal documents; training and policy seminars; and other public outreach activities.

USAID anticipates continuing activities with the U.S.-Vietnam Trade Forum that will a) mobilize U.S. private sector concerns, issues, and recommendations regarding specific laws and regulations being modified under the BTA; b) support study tours of Vietnamese officials being sponsored by other U.S. Government agencies to learn how the United States implements specific legal and regulatory policies under the BTA; c) sponsor partnership between U.S. private sector and nongovernmental organizations and similar Vietnamese organizations that will support BTA implementation; and d) mobilize assistance available through U.S. private organizations that supports BTA implementation.

USAID will continue to undertake planned activities to strengthen capacity of National Economic University's Business School, through a grant to Boise State University (BSU). BSU will build academic and applied research capacities of the Business School by developing a strategic direction that will ensure the School's ability to offer high quality, competitive education, training, and research in the context of BTA implementation and WTO accession requirements. Specific activities include development of new training courses on trade and investment; completion of the MBA course and Ph.D. curriculum; and preparation of a strategy to build linkages between the NEU Business School and the business community, potential donors, regional and U.S universities, and government organizations.

Planned FY 2003 Program: As the STAR program proceeds, USAID plans to direct technical assistance to advance reforms that require more time to phase-in. USAID may place greater emphasis on a) policy advice and impact analysis of the cost and benefits of policy changes; b) institutional capacity building and training both at national and provincial levels; and c) support for reform, including development of a monitoring and evaluation plan. USAID will continue its partnership with the U.S Vietnamese Trade Forum. USAID will also provide assistance in the areas of private sector development, such as microfinance, finance-sector development, competitiveness, and business incubators.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL RENOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: USAID assistance will help the GOV obtain full compliance with the terms of the BTA by producing three key results: a) adapting GOV laws and policies to comply to BTA terms; b) building institutional and skill capacities in Vietnam to implement and enforce the new laws and policies effectively; and c) enhancing broad government and public understanding and support for the trade and investment reforms related to the BTA. USAID expects that the program will fundamentally change the business environment in Vietnam and help Vietnam conduct business in compliance with international trade norms and procedures. Since the BTA was signed in July 2000, Vietnam has identified necessary laws and regulations to ensure compliance, and assigned a primary Vietnamese government body responsible for each commitment in the BTA.

USAID has assisted in identifying changes in laws, regulations and practices necessary for Vietnam to comply with the BTA.

Principal Contractors, Grantees, or Agencies: USAID's activities are implemented through the U.S Vietnam Trade Forum, Boise State University, and PricewaterhouseCoopers (prime), with Baker and McKenzie (sub); Development Alternatives, Inc. (sub); and The Service Group, Inc. (sub).

US Financing in Thousands of Dollars

Vietnam

440-006 Enhanced Environment for Trade and Investment	DA	ESF
Through September 30, 2000		
Obligations	835	1,239
Expenditures	717	1,239
Unliquidated	118	0
Fiscal Year 2001		
Obligations	5,982	0
Expenditures	462	0
Through September 30, 2001		
Obligations	6,817	1,239
Expenditures	1,179	1,239
Unliquidated	5,638	0
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2002 NOA		
Obligations	5,450	0
Total Planned Fiscal Year 2002		
Obligations	5,450	0
Proposed Fiscal Year 2003 NOA		
Obligations	6,950	0
Future Obligations	0	0
Est. Total Cost	19,217	1,239

PROGRAM DATA SHEET

USAID PROGRAM: Vietnam
PROGRAM TITLE: Assistance to Vulnerable Groups (Pillars: Global Health; Democracy, Conflict, and Humanitarian Assistance)
STRATEGIC OBJECTIVE AND NUMBER: Improved Access to Services for Selected Vulnerable Groups, 440-007
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $1,500,000 DA; $4,106,000 CSH
UNOBLIGATED PRIOR YEAR FUNDS AND FUNDING SOURCE: $86,000 DA; $2,241,000 CSD
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $5,506,000 DA
INITIAL OBLIGATION: *FY 1991* ***ESTIMATED COMPLETION DATE:*** *FY 2005*

Summary: The overall goals of family health program assistance in Vietnam are to—

- prevent the spread of HIV/AIDS;
- assist in the development of opportunities for displaced children and orphans; and
- initiate safe motherhood programs to reduce maternal and infant mortality.

Inputs, Outputs, and Activities: USAID has focused on improving maternal and child health in Vietnam through its cooperating agency, NGO Networks for Health. In response to HIV infections in Vietnam, Family Health International established a country office in Hanoi in 1999 and began implementing activities in December of that year, funded by the Asia and Near East Bureau's Regional HIV program. The program has begun work in four provinces. In 1992, the Displaced Children and Orphans Fund (DCOF) began providing support for Vietnam's vulnerable children. In 1997, the DCOF launched a new initiative to address the visible gap in non-institutional services for children with disabilities. Coupled with USAID's Leahy War Victims Fund support in Vietnam, DCOF assists children with disabilities to function more independently.

FY 2002 Program: Maternal and Child Health: USAID will support the maternal health program to increase utilization of safe motherhood services. Training of district health personnel in prenatal and postpartum care, essential obstetric care, as well as supervision and management will improve skills and quality of care. Gender equity and improving women's role in decision-making will be a part of the behavior change program; and community mobilization will aim to increase utilization of tetanus toxoid immunization and of skilled birth attendants.

HIV/AIDS: USAID will help address the spread of HIV/AIDS in Vietnam. Funds will be used to improve HIV surveillance and expand prevention activities to additional at-risk populations by strengthening training, education, policy, and advocacy and condom social marketing for the prevention of HIV/AIDS and related sexually transmitted diseases. Behavioral surveillance will monitor behavioral trends among populations at risk of HIV/AIDS, especially among high-risk groups and among mobile and migrant populations. To assess the risk of HIV/AIDS expansion to the general population, studies will investigate links between persons who do not engage in high-risk behavior and men having sex with other men (MSM), MSM who are also having sex with women, and injecting drug users.

Displaced Children and Orphans: FY 2003 funding will be used to support partnership grants initiated in 1998 to comprehensive array of services to children and adolescents with disabilities, including education and vocational training, and the training of parents in appropriate interventions.

Planned FY 2003 Program: HIV/AIDS: In FY 2002, an assessment of the HIV/AIDS situation in Vietnam will be conducted and opportunities for USAID investment will be explored. This information will be used to develop an HIV program framework for Vietnam that will guide FY 2003 funding. Displaced Children and Orphans: DCOF funding will be used to support partnership grants

initiated in 1998. Maternal and Child Health: At this time, USAID does not plan on funding maternal and child health activities in Vietnam in FY 2003.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL RENOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: Maternal and Child Health: USAID has implemented safe motherhood training programs; established learning resource centers; implemented behavior change and communication programs to promote safe motherhood practices among women; established the White Ribbon Alliance, a network that advocates safe motherhood; and carried out a study to determine ways to improve postpartum care.

HIV/AIDS: In support of objectives to improve disease monitoring and expand prevention services, past HIV activities in Vietnam have resulted in increased condom sales, increased HIV/AIDS awareness through mass media communications, and completion of a behavioral surveillance survey that included high-risk populations. These efforts have resulted in significant progress in educating and providing prevention options for specific populations who are at risk from HIV infection while visiting neighboring countries.

Displaced Children and Orphans: An initial pilot project in inclusive education, in addition to showing social and academic gains, clearly illustrated that mainstreaming children with disabilities provided the Vietnamese government with a cost savings of nearly 86%: $58 per annum versus $400 in institutional-based settings. As result of this pilot, as well as DCOF-supported development of local infrastructures for inclusive education and improved quality of teaching for all students, the Vietnamese Ministry of Education has adopted inclusive education as part of its national education strategy. Over 413,000 children have been screened for hearing and assessed for hearing and deafness impairments. Over 850 teachers and officials have been trained to assist hearing impaired and deaf children and their families. Vietnams first unified sign language dictionary will be completed shortly. Ninety percent of adolescents with disabilities who have completed an informal vocational rehabilitation program remain gainfully employed.

Principal Contractors, Grantees, or Agencies: Maternal and Child Health: Save the Children, CARE, ADRA, Childreach/Plan International, PATH. HIV/AIDS: Family Health International, Population Services International, DKT, The Futures Group International. Displaced Children and Orphans: Catholic Relief Services, Pearl S. Buck Foundation, World Concern Development Organization, and World Vision.

US Financing in Thousands of Dollars

Vietnam

440-007 Improved Access to Services for Selected Vulnerable Groups	CSD	CSH	DA
Through September 30, 2000			
Obligations	3,831	0	18,674
Expenditures	3,406	0	18,674
Unliquidated	425	0	0
Fiscal Year 2001			
Obligations	1,281	0	1,414
Expenditures	345	0	0
Through September 30, 2001			
Obligations	5,112	0	20,088
Expenditures	3,751	0	18,674
Unliquidated	1,361	0	1,414
Prior Year Unobligated Funds			
Obligations	2,241	0	86
Planned Fiscal Year 2002 NOA			
Obligations	0	4,106	1,500
Total Planned Fiscal Year 2002			
Obligations	2,241	4,106	1,586
Proposed Fiscal Year 2003 NOA			
Obligations	0	0	5,506
Future Obligations	0	0	0
Est. Total Cost	7,353	4,106	27,180

South Asia PROGRAM SUMMARY (in thousands of dollars)				
Accounts	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Child Survival and Disease Programs Fund	45,286	49,643	0	0
Child Survival and Health Programs Fund	0	0	108,928	0
Development Assistance	73,313	86,412	83,817	220,151
Economic Support Fund	0	4,989	42,750	242,000
PL 480 Title II	154,749	176,871	148,215	136,370
Total Program Funds	**273,348**	**317,915**	**383,710**	**598,521**

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AFGHANISTAN

THE DEVELOPMENT CHALLENGE: The terrorist attacks on September 11th and U.S. military actions in Afghanistan have placed that country at or near the top of the U.S. foreign policy agenda. Decades of conflict, years of severe drought, governmental mismanagement, and the related loss of livelihoods and educational opportunities for the Afghan people, especially women and girls, have created a humanitarian and development crisis in Afghanistan. Estimates suggest that over 50% of the population live in absolute poverty, with average life expectancy only 46 years. Afghans experience exceptionally high levels of malnutrition and maternal and child mortality, and up to 7.5 million Afghans are estimated to be dependent on external food aid. Unemployment is 50% or higher, and the illiteracy rate is as high as 70%. With virtually all key institutions destroyed, the recovery and reconstruction of Afghanistan will require a concerted and financially significant, multiyear, national and multidonor effort.

Speaking at the January 21 donors' conference in Tokyo, Secretary Powell outlined U.S. development goals for Afghanistan, emphasizing "high-impact projects that quickly create jobs, generate income, get money flowing through the economy again, rebuild critical infrastructure, and encourage the successful return of the millions of refugees and internally displaced persons." Turning to the longer term, he said, "key among the U.S. goals are helping to restore the agricultural sector, the heart of the Afghan economy. There must be agricultural alternatives to poppy cultivation in order to prevent drug processing and trafficking. We have to rebuild the education and health systems, both of which are devastated from decades of war and oppression. We must provide rehabilitative care and vocational training for Afghanistan's millions of disabled citizens."

Other pressing development needs in Afghanistan include rebuilding food security—both the availability of food and people's access to it; meeting basic health needs; renewing educational opportunities, especially for girls, the disabled, and demobilized combatants; and bolstering the creation of institutions of political and economic governance.

Grain production is Afghanistan's traditional agricultural mainstay. Wheat, dried fruit, nuts, and livestock products are the traditional exports of this mainly rural country. Overall agricultural production declined dramatically following three years of drought as well as the sustained fighting, instability in rural areas, and deteriorated infrastructure. Soviet efforts to disrupt production in resistance-dominated areas also contributed to this decline, as did the disruption to transportation resulting from ongoing conflict. The war against the Soviet Union in the 1980s and the ensuing civil war in the 1990s also led to migration to the cities and refugee flight to Pakistan and Iran, further disrupting normal agricultural production. Recent studies indicate that agricultural production and livestock are only sufficient to feed about half of Afghanistan's population. Urban shortages are exacerbated by the deterioration of the already limited road network, resulting from war and the absence of government-financed maintenance. Afghanistan has the capacity to recover its agricultural productivity, provided that the drought breaks and market structures emerge. Despite 20 years of conflict, the remains of an agricultural extension service exist; technical specialists are available; and private sector-led marketing of inputs and crops has been carried out.

THE USAID PROGRAM: USAID plans to spend $12,000,000 DA and $17,250,000 ESF in FY 2002, and is requesting an amount yet to be determined in FY 2003. Over the last year, the United States has provided over $300 million in emergency food and humanitarian assistance. It is now time to move quickly to create jobs and start rebuilding Afghanistan's agricultural sector, its healthcare system, and its educational system. As part of these efforts, the United States has begun immediately to print and distribute nearly ten million textbooks in Dari and Pashtu and to work with UNICEF to vaccinate 2.2 million Afghan children against measles.

USAID has developed a program designed both to make a quick impact and to lay the foundation for continued assistance. The program will permit the United States to move beyond the immediate

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needs for relief assistance by introducing reconstruction programs in the key development sectors of agriculture, education, health, and democracy. By focusing the program on these key areas, USAID can ensure funds are spent on their most productive uses rather than being spread too thinly.

Education and health are closely related problems in Afghanistan. The human development statistics are staggering: Afghans rank among the least healthy people in the world. Life expectancy is 44 years for women and 43 years for men. Women in Afghanistan are more than 200 times more likely to die in childbirth than women in the United States. In fact, last year far more women died in childbirth than men, women, and children died as a result of war and conflict. Severe malnutrition makes people more vulnerable to disease and death. Underlying causes include war and conflict, and the low status of women. Food insecurity contributes to the wide prevalence of infectious disease as well, due to limited potable water and poor sanitation.

International attention has already been drawn to the dire state of education in Afghanistan. The symbolic and physical importance of formal schooling is important. Given the paucity of available textbooks and supplies, and the lack of trained personnel, International Disaster Assistance has already been directed for the printing and dissemination of materials to government, home, and community schools, the provision of essential classroom supplies, and the recruitment and training of teachers. Educational texts and supplies need to be available at the start of the new school year.

Women are key to successful reconstruction in Afghanistan. USAID will prioritize the participation of women in the health and education sectors. Carefully designed and implemented programs can draw women into civil society and employment through the healthcare and school systems. In the longer run, this will promote local involvement to identify and respond to community needs. Both the health situation of Afghans and the capacity for response have been profoundly affected by a history of severe and systematic discrimination against women. Over time, this has produced a generation with limited education, widespread poverty, and high fertility, with which the rudimentary health system is poorly equipped to deal.

OTHER PROGRAM ELEMENTS: In FY 2002, USAID has budgeted $50 million in International Disaster Assistance (IDA) funds for agriculture rehabilitation, livelihoods and income generation, improving health and creating incentives for stability. Approximately $6 million in OTI funds will be used for media activity grants and counter-narcotics activities. The amount of $77 million in P.L. 480 Title II food is being used to address immediate food shortages and areas of chronic hunger. It will also be used to re-establish the shattered lives of Afghans through the rebuilding of critical systems: agriculture, education, health & welfare, infrastructure, and employment. All these activities have the broader effect of stabilizing the country through close collaboration with national, district and community authorities. Roughly $52.6 million in Migration and Refugee Assistance funds will be used to support the repatriation of Afghan refugees currently in Pakistan and Iran and to support large numbers of returning refugees and internally displaced persons through community-based health, education, shelter and water and sanitation projects. The amount of $17.25 million in Economic Support Funds will be used for short-term, high-impact projects in the political or security sectors. Approximately $15 million in INL funds will be applied to counter-narcotics programs, law enforcement training, development of a criminal code, and de-mining. USDA will provide $44.9 million of 416(b) food for relief and recovery activities.

OTHER DONORS: At the January 2002 Donors' conference in Japan, 61 countries pledged over $1.8 billion in development aid for immediate Afghan reconstruction. In addition to the United States, the biggest donors will be Japan, Saudi Arabia, the 12 European Union (EU) member states and the EU commission, the United Kingdom, Germany, Australia, Turkey, Iran, China, India, and Pakistan.

Afghanistan
PROGRAM SUMMARY
(in thousands of dollars)

Accounts	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Child Survival and Health Programs Fund	0	0	2,000	TBD
Development Assistance	0	0	10,000	TBD
Emergency Response Fund	0	0	168,200	TBD
Economic Support Fund	0	0	17,250	TBD
PL 480 Title II	13,905	29,294	40,005	0
Total Program Funds	**13,905**	**29,294**	**237,455**	**0**

STRATEGIC OBJECTIVE SUMMARY				
306-001 Reestablish Food Security				
DA	0	0	10,000	TBD
306-002 Create Conditions for Stability				
CSH	0	0	2,000	TBD
306-003 Rehabilitate Afghanistan as a Nation-State				
ERF	0	0	168,200	TBD
ESF	0	0	17,250	TBD

Total Transfers

PROGRAM DATA SHEET

USAID PROGRAM: Afghanistan
PROGRAM TITLE: Agriculture (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Reestablish Food Security, 306-001
STATUS: New
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $10,000,000 DA
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: TBD
INITIAL OBLIGATION: FY 2002 **ESTIMATED COMPLETION DATE:** FY 2005

Summary: USAID's first priority is to reinvigorate the Afghan economy through job creation, training, and technical assistance. Most of these efforts will focus on restoring agricultural productivity, particularly in the country's high potential irrigated areas. USAID plans to address the twin goals of rebuilding the Afghan economy through creating employment, and restoring the country's capacity to feed itself.

Inputs, Outputs, and Activities: *FY 2002 Program:* To restore food security in the short and long run, USAID will focus on three goals, beginning in FY 2002—

- *revitalizing agricultural production.* USAID will identify and supply critical agricultural inputs, including seeds, tools, and fertilizer for the 2002 spring planting season.
- restoring livelihoods to create economic capacity to purchase food and other basic needs. USAID will fund community service programs that generate employment and income.
- alternative crops. USAID will provide agricultural inputs and technical assistance to give farmers the opportunity to grow and market alternative crops to poppy. If crop substitution does not begin immediately it will be much harder to achieve later.

FY 2003 Program: USAID will use FY 2003 funds to build on the work begun in the first year of the program, focusing on longer-term efforts like improving the quantity and quality of water available for households and agriculture. Technical assistance will work through the Ministry of Irrigation and NGOs, to establish a quick extension program of on-farm water management, including water harvesting and conservation. Efforts will focus on developing Afghan capacity for community-level irrigation management.

Limited and targeted credit will be extended to farmers for agricultural inputs. Credit is key to the agricultural production and counternarcotics efforts: by expanding farmers' access to credit, USAID will establish programs to resolve the issue of indebtedness, to create incentives for farmers to produce crops other than poppy. In the longer run, it will be advisable to rehabilitate the horticultural sector as an avenue for exports.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL NOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 FUNDS FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: Using food-for-work and other resources, extensive employment programs will rehabilitate key agricultural infrastructure such as irrigation systems and rural feeder roads beginning in FY 2002. Other coordinated programs will rebuild basic infrastructure, such as shelter, local roads, water supply and sanitation systems, power systems, schools, and health clinics. Poppy production is now at its lowest historical levels; programs will use the narrow window before the spring planting season to create alternative means of generating income. U.S. programs will begin with funds pledged to help Afghanistan develop a drug enforcement capability; to help the UN assess the size of the current opium crop; and to develop policy options to discourage resumption of opium poppy cultivation and drug trafficking. USAID will support

alternative agricultural development, labor-absorbing activities and programs to offer credit alternatives to poppy farmers.

Principal Contractors, Grantees, or Agencies: To be determined: international and Afghan NGOs; private contractors; U.S. universities; the Afghan Interim Authority.

US Financing in Thousands of Dollars

Afghanistan

306-001 Reestablish Food Security	DA
Through September 30, 2000	
Obligations	0
Expenditures	0
Unliquidated	0
Fiscal Year 2001	
Obligations	0
Expenditures	0
Through September 30, 2001	
Obligations	0
Expenditures	0
Unliquidated	0
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2002 NOA	
Obligations	10,000
Total Planned Fiscal Year 2002	
Obligations	10,000
Proposed Fiscal Year 2003 NOA	
Obligations	0
Future Obligations	0
Est. Total Cost	10,000

PROGRAM DATA SHEET

USAID PROGRAM: Afghanistan
PROGRAM TITLE: Basic Education and Health (Pillar: Global Health)
STRATEGIC OBJECTIVE AND NUMBER: Create Conditions for Stability, 306-002
STATUS: New
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $2,000,000 CSH
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: TBD
INITIAL OBLIGATION: FY 2002 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: The goal of the education and health program is to save lives and empower the Afghan people to be productive participants in economic recovery.

Inputs, Outputs, and Activities: In the longer term, the United States will assist Afghanistan to strengthen its public health system to deliver life-saving services to all Afghan people, through the prevention and treatment of tuberculosis and malaria; assistance to war victims, including prosthetic and rehabilitation services; local well and latrine construction; and strengthening the healthcare systems to improve and extend quality services.

FY 2002 Program: USAID will fund the publication and distribution of basic textbooks for two million children returning to grades K-12. Refresher training for teachers and targeted vocational education materials also will be delivered early in the recovery period. Funds will be used to support basic education reintegration for diverse populations—for home-schooled girls, out of school children, illiterate adults, ex-child soldiers, students from madrassas (religious schools) and public schools, internally displaced people, and reintegrated refugees. The program will focus on education quality, by recruiting and training teachers, focusing on improving the number and quality of available teachers, with a special focus on female teachers, utilizing a variety of training strategies such as hands-on workshops, training institutes, and interactive radio instruction.

USAID will coordinate with the Afghan government, multi-lateral agencies, and other donors to quickly increase basic health services throughout the country, through international private voluntary organizations in partnership with Afghan NGOs. USAID's focus will be to promote domestic capacity to deliver basic services through the public and private commercial and social (NGO) sectors. Initial assistance will support programs that have immediate impact on the health of women and children. These include women's health; antenatal and post-natal care; birth spacing; nutrition; infant and child feeding; and nutritional support for women and children (Vitamin A and Iron). Complementing these child health interventions will be immunizations and the treatment of diarrhea and acute respiratory infections.

Planned FY 2003 Program: USAID will expand its education activities in FY 2003. The United States will continue to improve the health of women and children through the activities commenced in FY 2002 in partnership with GOA, international PVOs and Afghan NGOs. The FY 2003 program will also support basic data collection for health planning, including epidemiological surveillance, evaluation of the existing health workforce and infrastructure and a determination of the needs for pharmaceutical products and for improved distribution of drugs and other healthcare commodities. This approach will build Afghan capacity at the national level for health planning, management, and health sector leadership. Program options for FY 2003 could be expanded to include prevention and treatment of tuberculosis, assistance to war victims, including prosthetic and rehabilitation services; improved environmental health conditions through local well and latrine construction; and strengthening the healthcare system to improve and extend quality services.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL NOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 FUNDS FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: This is a new program in a very difficult context. To support the education system, USAID will provide textbooks, classroom supplies, teacher kits and training, and limited support for infrastructure. Other USAID activities will support vocational and technical training for youth and adults; and public non-formal education. Initial results in health will include the establishment of effective partnerships with international PVOs that will begin to provide services to improve women's health; antenatal and post-natal care; birth spacing; nutrition; infant and child feeding; and nutritional support for women and children (vitamin A and iron) and the commencement of immunizations and the treatment of diarrhea and acute respiratory infections. During the first year a needs and feasibility assessment will be conducted in consultation with the GOA to identify longer-term activities and to establish program targets.

Principal Contractors, Grantees, or Agencies: International PVOs and Afghan NGOs; University of Nebraska (UNO); private contractors.

US Financing in Thousands of Dollars

Afghanistan

306-002 Create Conditions for Stability	CSH
Through September 30, 2000	
Obligations	0
Expenditures	0
Unliquidated	0
Fiscal Year 2001	
Obligations	0
Expenditures	0
Through September 30, 2001	
Obligations	0
Expenditures	0
Unliquidated	0
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2002 NOA	
Obligations	2,000
Total Planned Fiscal Year 2002	
Obligations	2,000
Proposed Fiscal Year 2003 NOA	
Obligations	0
Future Obligations	0
Est. Total Cost	2,000

PROGRAM DATA SHEET

USAID PROGRAM: Afghanistan
PROGRAM TITLE: Democracy and Governance (Pillar: Democracy, Conflict, and Humanitarian Assistance)
STRATEGIC OBJECTIVE AND NUMBER: Rehabilitate Afghanistan as a Nation-State, 306-003
STATUS: New
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $168,200,000 ERF; $17,250,000 ESF
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: TBD
INITIAL OBLIGATION: FY 2002 **ESTIMATED COMPLETION DATE:** FY 2008

Summary: USAID support to the Democracy and Governance sector is designed to equip the Afghan people to develop a stable multiethnic and representative government that can provide a national unifying force to the fractious conditions in Afghanistan. Funds will support rule of law, civil society and judicial activities, with a special emphasis on the rights of women.

Inputs, Outputs, and Activities: The key to success in the governance sector is to ensure the full participation of civil society in the construction of the new Afghan government. USAID can assist in this effort to promote the overall goal of good governance, by continuing to provide technical assistance and training to local political institutions to increase transparency, accountability, and participation. These themes will be stressed in social services provision, economic and financial administration, and dissemination of information through the media. Lessons learned from other reconstruction efforts show that early involvement in these critical processes is essential for their longer-term success. The U.S. Government will assist with some or all of these processes, and prioritization will be based on events on the ground, Afghan government needs, and other donor inputs. Such involvement can demonstrate immediate, tangible support for the Interim Authority.

The Bonn Agreement lays out an extremely ambitious agenda for the Interim Authority, including establishment (with U.N. assistance) of: a Supreme Court," as well as other courts as may be established by the Interim Administration"; a Judicial Commission "to rebuild the domestic justice system"; an independent Human Rights Commission; and an independent Civil Service Commission.

FY 2002 Program: Funds will be strategically directed to strengthen civil society organizations that promote human rights and support human rights monitoring. Other efforts will support the effective administration of justice at local and national level. The United States has set as an overarching goal to encourage the participation of women and minorities in government at the local and national levels. Targeted assistance to national level institutions, such as key sectoral ministries, may also be appropriate. Such efforts will strengthen civil society to play an advocacy role for good governance.

Planned FY 2003 Program: USAID will continue funding similar activities that strengthen democracy in Afghanistan.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL NOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 FUNDS FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: To support the provisions of the Bonn Agreement, USAID will provide assistance as requested to support the administration and logistics of the Loya Jirga, the deliberative process for the selection and ratification of the transitional government. Technical assistance for drafting and ratifying a new constitution also may be appropriate.

In addition, USAID-funded governance efforts will be closely linked to USAID-supported education programs. As curriculum reform is undertaken in the education sector, USAID will encourage a curriculum that incorporates relevant context-specific messages, such as land mine awareness, human-rights awareness, civic education, and/or education for democracy. Public non-formal education can promote conflict reconciliation and trauma alleviation; radio also can provide a means for reconciliation and amelioration of differences and serve a critical distance-learning function for literacy and education interventions.

Principal Contractors, Grantees, or Agencies: To be determined; likely to include International Development Law Institute; U.S. NGOs and private contractors.

US Financing in Thousands of Dollars

Afghanistan

306-003 Rehabilitate Afghanistan as a Nation-State	ERF	ESF
Through September 30, 2000		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
Fiscal Year 2001		
Obligations	0	0
Expenditures	0	0
Through September 30, 2001		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2002 NOA		
Obligations	168,200	17,250
Total Planned Fiscal Year 2002		
Obligations	168,200	17,250
Proposed Fiscal Year 2003 NOA		
Obligations	0	0
Future Obligations	0	0
Est. Total Cost	168,200	17,250

BANGLADESH

THE DEVELOPMENT CHALLENGE: Key U.S. national interests in Bangladesh include encouraging stable democratic governance and respect for human rights, promoting market-oriented growth and economic prosperity to help raise living standards and reduce the large bilateral trade imbalance, and advancing national security. USAID's program also serves U.S. global interests in stabilizing world population, eliminating hunger and food insecurity, protecting human health, promoting environmentally responsible growth and providing humanitarian assistance in times of disaster.

While Bangladesh is recognized for its progress in family planning, agriculture, food security, girls' education, rural electrification and disaster response, the country remains one of the poorest, most populous and disaster-prone in the world. Bangladesh, a moderate Islamic democracy, supports the international coalition against terrorism.

> Four out of 10 Bangladeshis live in poverty; half the country's children are malnourished and 61% are illiterate. The annual gross national product (GNP) per capita is $360.

The country's endowments include its human resource base, rich agricultural land, relatively abundant water and—more recently discovered—substantial reserves of natural gas. Nevertheless, a set of immediate and longer-term constraints must be addressed for more rapid improvement in incomes and living standards for Bangladesh's population.

The labor services of Bangladesh's people, whether employed in garment factories or as guest workers abroad, are the country's main export. The recent global economic slowdown has severely affected export earnings, exacerbating an already high fiscal deficit and contributing to a precarious balance-of-payments situation. Moreover, sustainable poverty reduction will only be realized with improvements to public health and education systems, and with a vibrant, diversified job-creating economy.

Public health shortfalls encompass not only basic maternal and child healthcare, but also newer threats of HIV/AIDS and groundwater arsenic contamination. Even with continued reductions in fertility rates, the population will surpass 200 million in the next 25 years. The weak education system at all levels places limits on skills acquisition for the work force. Economic growth rates over the last decade have been insufficient to create the number of jobs and incomes that, in turn, can underwrite improved education and basic health services for Bangladesh's 133 million people.

At present, agriculture contributes only 25% of gross domestic product (GDP) but must absorb 60% of the labor force. Bangladesh must diversify and upgrade its productive base and increase trade in a way that carefully manages its resource endowments. Recently discovered rich natural gas reserves are not yet exploited and many rural zones do not have access to electricity. Remaining wetlands and forest reserves are under intense and increasing pressure.

Both environmental and economic pressures sow the seeds of potential conflict, challenging political systems and stability. Bangladesh is internationally recognized for holding the most free and fair elections in its history in October 2001. The country must now consolidate key national and local democratic structures and tackle urgent public administration issues, particularly corruption. Despite impressive strides in opening education to women relative to its neighbors, there is much work yet ahead, especially to bolster protection of human rights in issues such as trafficking in humans. In overcoming these daunting challenges, Bangladesh will elevate its influence within the Islamic world as a voice for moderation, and as a positive force for peace and stability in South Asia.

THE USAID PROGRAM: USAID plans to spend $61,820,000 in DA, $3,000,000 in ESF, and $19,176,000 in PL. 480 funds in FY 2002. USAID is requesting $57,220,000 in DA, $7,000,000 in ESF, and $45,082,000 in P.L. 480 funds in FY 2003. USAID's health objective is to further

reduce population growth and fertility while continuing to improve children's health and to stop the spread of infectious diseases, including HIV/AIDS. The small enterprise/agribusiness objective seeks to reduce poverty by encouraging more broad-based economic growth, expanding the formal economy through agribusiness and small business development, increasing the role of the private sector, and promoting higher value exports. Important regional and national environmental problems are addressed under the environmental objective to improve the management of water resources and conservation of tropical forests. USAID's energy objective supports privatization and efficient development of Bangladesh's energy sector. With the food security and disaster preparedness objective, USAID helps to ensure that the ultra-poor can benefit from economic growth. USAID pursues its democracy and governance objective to build internal demand for good governance by concentrating on local government, parliamentary efficacy and human rights, and by emphasizing, in particular, trafficking and abuses against women and children. New initiatives planned for FY 2002 will help expand Bangladesh's role in the global economy through improvements in basic education, information technology and enhanced enterprise development assistance. Additional FY 2002 economic support funds (ESF) resources will support new programs to provide key analytical information concerning arsenic contamination of groundwater, and to help jumpstart privatization of the power sector. New programs planned for FY 2003 include a labor initiative to protect the rights of female workers, additional technical assistance in the financial and energy sectors with ESF resources, and enhanced assistance in forestry and wetland conservation with development assistance (DA) resources.

ONGOING PROGRAMS FOR WHICH NO FY 2002 OR FY 2003 FUNDING IS REQUESTED: The USAID program in Bangladesh includes the following objective for which USAID is not requesting new funds but is continuing to spend funds previously appropriated.

Number	Title	Last Notified	Planned Completion
388-003	Broadened Participation in Local Congressional Decision-Making And More Equitable Justice	FY 01 CBJ, p. 34	FY 2002

OTHER PROGRAM ELEMENTS: Support from the Global Health Bureau is integral to implementing health activities, and providing key support in contraceptive procurement. A Democracy, Conflict and Humanitarian Assistance Bureau matching grant contributes to child survival in rural areas. A two-year agreement with the U.S. Department of Energy provides analytical support to energy sector development through the U.S. Geological Survey and the Minerals and Mining Service of the Department of the Interior. Participation in the South Asian Regional Initiative (SARI) includes SARI/Energy training and technical assistance to promote regional energy cooperation and SARI/Equity to prevent the trafficking of women and children. P.L. 480 resources support a range of development and disaster-related activities for the poor. With monetized P.L. 480 Title II food aid resources, USAID manages local currency development projects that complement program dollar financed programs, including projects in child labor and research in wheat and horticulture.

OTHER DONORS: The five largest donors to Bangladesh are the World Bank, the Asian Development Bank, Japan, the European Union and USAID. USAID coordinates with multilateral banks in agriculture, water resources, energy, and in health. Multilateral cooperation includes United Nations Family Planning Agency and United Nations Children's Fund (population, health, education, and children's rights); the International Labor Organization (child labor); the World Food Program (food security); and United Nations Development Program (democracy and disaster). Bilateral donors include Japan (energy, agriculture, rural development, health, and disaster relief); the European Commission (poverty reduction, food security, health and education); United Kingdom (enterprise development, fisheries, education, democracy and health); Germany and Switzerland (enterprise development); the Netherlands (water resources); Norway (energy and education); Canada (energy); and Denmark (poverty reduction, local government and private sector support).

Bangladesh
PROGRAM SUMMARY
(In thousands of dollars)

Accounts	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Child Survival and Disease Programs Fund	14,836	15,500	0	0
Child Survival and Health Programs Fund	0	0	39,950	0
Development Assistance	31,063	42,050	21,870	57,220
Economic Support Fund	0	0	3,000	7,000
PL 480 Title II	23,525	67,658	19,176	45,082
Total Program Funds	69,424	125,208	83,996	109,302

STRATEGIC OBJECTIVE SUMMARY				
388-001 Fertility Reduced and Family Health Improved				
CSD	14,836	14,000	0	0
CSH	0	0	39,950	0
DA	18,975	26,000	0	32,500
388-003 Improved Representation of Interests of Women and the Rural Poor				
DA	920	0	0	0
388-005 Growth of Agribusiness and Small Business				
DA	6,585	5,700	5,000	5,600
ESF	0	0	0	3,500
388-006 Improved Management of Open Water and Tropical Forest Resources				
DA	0	1,800	2,900	2,700
ESF	0	0	0	500
388-007 Improved Performance of the Energy Sector				
DA	2,196	2,500	4,770	5,470
ESF	0	0	1,500	1,500
388-008 Improved Food Security for Vulnerable Groups				
DA	1,300	3,050	3,700	2,600
ESF	0	0	1,500	1,500
388-009 Strengthened Institutions of Democracy				
CSD	0	1,500	0	0
DA	1,087	3,000	5,500	8,350

Total Transfers

PROGRAM DATA SHEET

USAID MISSION: Bangladesh
PROGRAM TITLE: Integrated Family Planning and Health (Pillar: Global Health)
STRATEGIC OBJECTIVE AND NUMBER: Fertility Reduced and Family Health Improved, 388-001
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $39,950,000 CSH
UNOBLIGATED PRIOR YEAR FUNDS AND FUNDING SOURCE: $1,221,746 DA; $300,000 CSD
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $32,500,000 DA
INITIAL OBLIGATION: FY 1997 **ESTIMATED COMPLETION DATE:** FY 2006

Summary: USAID's National Integrated Population and Health Program (NIPHP) provides—

- technical assistance to expand and improve the package of health and family-planning services available from non-governmental organizations (NGOs), especially to the poor;
- behavior change communication related to high-priority health problems and treatments including immunization, treatment of childhood diseases, antenatal and postnatal care, family planning, HIV/AIDS, harm mitigation, and curative care;
- technical assistance to increase national contraceptive prevalence and contraceptive security; and
- ready supplies of contraceptive commodities.

Children and women are the key beneficiaries of these activities.

Inputs, Outputs, and Activities: *FY 2002 Program:* USAID will continue to build upon the non-government organization (NGO) program begun in 1997. USAID will support 42 local NGOs that provide integrated maternal and child health services and family planning in areas with a population of approximately 22 million. USAID also will maintain its active involvement in the provision of Population-funded contraceptives for the social marketing program; assistance to improve the logistics in contraceptives and health commodities; immunization, including polio eradication; disease surveillance; and mass-media health-communications programs. HIV-prevention activities targeting high-risk groups, including adolescents, will encourage delayed marriage and pregnancy.

Planned FY 2003 Program: USAID plans to enhance and institutionalize its NGO program. USAID expects that quality NGO data will be used to improve management, training, supervision and strategic planning. USAID, the Government of Bangladesh (GOB) and other donors are developing and funding a policy initiative that encourages the use of NGO-supplied health services and will promote a model NGO program that expands the basic services being provided by the private sector. Coordination with the GOB in establishing contraceptive requirements, procurement and distribution is expected to continue, as is support to strengthen voluntary surgical contraception services in private, public and NGO sectors.

All contracts and grants funded with resources from the NIPHP will incorporate clauses that implement the President's directive reinstating the Mexico City Policy.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL RENOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: During the fourth full year of the program, results exceeded expectations. The program expanded access to high impact services, including immunization; treatment of diarrheal diseases, lower-respiratory infections and sexually transmitted diseases; family planning;

vitamin A; and antenatal care. This has been done primarily through (1) 353 community clinics and more than 165,000 associated clinic satellite sessions, all managed by NGOs; (2) technical assistance to the government health sector; and (3) support for the Social Marketing Company (SMC).

A FY 2000 communication and marketing strategy boosted clinic utilization and health-seeking behavior. Clinic usage increased by 37.4% to 19 million contacts. Distribution of oral contraceptives, injectables and condoms increased by 18.5%, 22.8% and 32.6%, respectively. A new clinical contraception initiative increased Norplant and IUD use by 75.4% and 31.2%, respectively. Cases of voluntary surgical contraception, while still low, increased by 140%; an initiative begun in FY 2000 promises to increase access to and demand for long-term family planning. The 1999 MC initiative to market injectable contraceptives and over-the-counter sales of oral contraceptives resulted in FY 2001 increases in sales of 279% and 30.1%, respectively. Sales of condoms and oral rehydration salts rose by 4% and 13%, respectively.

> Total couple years of contraceptive protection grew to 3.8 million, up 22% from FY 2000.

Child-health service performance included increases in treatment of childhood diarrhea, acute respiratory infection, and measles vaccination of 46.7%, 63.2%, and 28%, respectively. Antenatal and postnatal care increased by 43.9% and 113%, respectively, while tetanus immunizations for mothers grew by nearly 52.7%. Polio-surveillance facilitators helped document continued effective surveillance. No cases of wild polio were recorded in the past 15 months. USAID supported the National Immunization Day campaign, which achieved full polio protection coverage of 93%, up from 89.5%.

A pilot safe-motherhood program was initiated. Results are imminent from the USAID-funded maternal mortality survey; related collaboration with UNICEF on reducing maternal mortality will continue. Quality-assurance data analysis demonstrated that 71% of NGO clinics were compliant with an index of quality indicators early this fiscal year, up from 25% in 1998-1999.

USAID's revised HIV/AIDS strategy concentrated on high-risk groups while the HIV/AIDS infection rate held steady at 0.2%. USAID assisted in the unification of the health ministry's previously separate health and family-planning logistics systems. Contraceptives and health commodity procurement issues related to World Bank funds and guidelines were reviewed, operations manuals developed and training carried out to improve the process.

By the end of FY 2003, USAID will have substantially expanded the breadth and quality of NGO health service. These improvements will encourage more clients, particularly the poor and underserved, to seek family planning and health care, thus improving family health and wellbeing.

Principal Contractors, Grantees, or Agencies: USAID activities are carried out through Pathfinder International; John Snow International; Research and Training Institute, Inc.; SMC; International Centre for Diarrhoeal Disease Research, Bangladesh; EngenderHealth; Management Sciences for Health; the University of North Carolina; Bangladesh Centre for Communication Programs; Family Health International; and Helen Keller International.

US Financing in Thousands of Dollars

Bangladesh

388-001 Fertility Reduced and Family Health Improved	CSD	CSH	DA
Through September 30, 2000			
Obligations	52,873	0	94,643
Expenditures	31,546	0	66,896
Unliquidated	21,327	0	27,747
Fiscal Year 2001			
Obligations	13,700	0	24,778
Expenditures	20,629	0	24,567
Through September 30, 2001			
Obligations	66,573	0	119,421
Expenditures	52,175	0	91,463
Unliquidated	14,398	0	27,958
Prior Year Unobligated Funds			
Obligations	300	0	1,222
Planned Fiscal Year 2002 NOA			
Obligations	0	39,950	0
Total Planned Fiscal Year 2002			
Obligations	300	39,950	1,222
Proposed Fiscal Year 2003 NOA			
Obligations	0	0	32,500
Future Obligations	0	0	81,525
Est. Total Cost	66,873	39,950	234,668

PROGRAM DATA SHEET

USAID MISSION: Bangladesh
PROGRAM TITLE: Private Enterprise Development (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Growth of Agribusiness and Small Business, 388-005
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $ 5,000,000 DA
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $ 5,600,000 DA; $3,500,000 ESF
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2006

Summary: USAID's program for enterprise development, primarily funded by DA resources, includes—

- technical assistance to develop and promote the implementation of more market-oriented policies, laws and regulations;
- training to strengthen key business support organizations; and
- technical assistance for enterprises in targeted sectors to become more competitive.

Direct beneficiaries include rural households, small private firms and agribusiness.

Inputs, Outputs, and Activities: FY *2002 Program:* USAID will continue technical assistance and training to support enterprise development activities in agribusiness, pond aquaculture and small business development. In addition, a new enterprise development project will be designed that combines appropriate policy with institutional and enterprise-level interventions aimed at facilitating private-sector growth in a competitive market environment. In addition, modest new pilot initiatives will be funded to assist the Government of Bangladesh (GOB) with its reform initiatives and policy priorities. These initiatives will include information and communications technology (ICT) strategy, policy reforms in the telecommunications sector, financial sector, bank regulation, business market development constraints analysis, and other areas affecting economic growth.

Planned FY 2003 Program: USAID intends to use FY 2003 resources to continue support for ongoing projects in agribusiness, aquaculture and enterprise development. Pending the findings of an Enterprise Development Assessment, an Information Technology-Enabled Service Sector study in FY 2003, and the outcome of the FY 2002 pilot activities described in the previous paragraph, longer-term projects to promote development of the nascent ICT sector will be established. Targeted policy reforms or market development efforts will also be designed. ESF funds will be used to support key reform opportunities in the financial sector as well as GOB privatization initiatives.

Performance and Results: Sales growth of assisted firms increased by $23.8 million in 2001, including $5.1 million in exports—bringing cumulative facilitated sales to over $95 million. USAID continues to be seen as a leader in bringing modern information technology (IT) to Bangladesh, as evidenced by sponsorship of a major conference on e-commerce. The successful conference stimulated the development of a GOB policy agenda, establishment of the country's first e-commerce website, and work to develop a comprehensive IT Act. In FY 2002 USAID will respond to a GOB request to carry out an IT-enabled service sector study that will provide a framework for an overall IT sector strategy. Innovative approaches to developing market linkages are showing promising results. Small-scale pineapple and milk producers belonging to informal, USAID-organized commodity-based business associations are receiving higher prices for their products and are expanding their markets and access to commercial lines of credit. In the leather footwear industry, USAID is leading the way in developing export markets, for example, helping to increase Bangladesh's penetration into the Japanese footwear market by over 100% in the past two years. These increased footwear exports are supported by creating backward linkages in the production and marketing chain to small and medium-sized firms and newly-formed microentrepreneurial

clusters whose employees are learning technical skills that are in sync with world market footwear product demand. USAID expects that by 2006, enterprises that have been assisted under its program will have generated over $300 million in additional sales and will have created significant employment opportunities in both rural and urban areas of Bangladesh.

USAID's program also directly improves the livelihoods of at least 200,000 poor rural households every year through its fishpond and home gardening activities. The former helps rural families throughout Bangladesh to increase fish production in small ponds with environmentally sound, low-cost fish-farming technologies. It has realized dramatic impacts on household income and employment, and also has improved nutrition of participating families. Fish production from ponds of participating farmers has increased fourfold, and net income has tripled. Last year, the project helped 11,600 households produce 2,200 MT of fish worth $1.76 million, and created employment for 6,800 persons (51% women). Since its inception, the home gardening project has worked with over 870,000 rural households around the country, promoting household vegetable and fruit production as a means to improve nutrition and also raise incomes through sale of surplus crop produce. There is evidence that the program has improved the Vitamin A status of its primary beneficiaries, poor rural women and their young children. Opportunities for small nursery businesses are also being created, as over 10,000 village nurseries have been started. Home gardening has also stimulated positive social change for women by providing opportunities for micro-enterprise development, training, and involvement in local support networks. Ninety-five percent of the beneficiaries are women. In 2001, the home gardening program stimulated $4.68 million in new sales growth and tens of thousands of job-equivalents (75% female).

By FY 2006, USAID assistance will have increased opportunities for more people to fully participate in Bangladesh's economy—from rural households starting small businesses to private businesses expanding within a more competitive market environment.

Principal Contractors, Grantees, or Agencies: USAID's activities are currently implemented through the University of Maryland's Institutional Reform and the Informal Sector Center (IRIS) (prime), the Louis Berger Group (prime), Cargill (sub), Land O'Lakes (sub), the International Center for Living Aquatic Resources Management (prime), and Helen Keller, International (prime). New implementing partners will be selected for the new activities as they are designed.

US Financing in Thousands of Dollars

Bangladesh

388-005 Growth of Agribusiness and Small Business	CSD	DA	ESF
Through September 30, 2000			
Obligations	1,000	11,359	0
Expenditures	739	4,050	0
Unliquidated	261	7,309	0
Fiscal Year 2001			
Obligations	0	5,700	0
Expenditures	261	4,873	0
Through September 30, 2001			
Obligations	1,000	17,059	0
Expenditures	1,000	8,923	0
Unliquidated	0	8,136	0
Prior Year Unobligated Funds			
Obligations	0	0	0
Planned Fiscal Year 2002 NOA			
Obligations	0	5,000	0
Total Planned Fiscal Year 2002			
Obligations	0	5,000	0
Proposed Fiscal Year 2003 NOA			
Obligations	0	5,600	3,500
Future Obligations	0	14,729	0
Est. Total Cost	1,000	42,388	3,500

PROGRAM DATA SHEET

USAID MISSION: Bangladesh
PROGRAM TITLE: Environment (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Improved Management of Open Water and Tropical Forest Resources, 388-006
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $2,900,000 DA
UNOBLIGATED PRIOR YEAR FUNDS AND FUNDING SOURCE: $86,095 DA
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $2,700,000 DA; $500,000 ESF
INITIAL OBLIGATION: FY 2001 **ESTIMATED COMPLETION DATE:** FY 2006

Summary: USAID's program to improve the management of open water and tropical forest resources, funded by DA resources, includes—

- technical assistance to establish community-based resource management systems;
- technical assistance to restore selected aquatic and tropical forest habitats and ecosystems;
- assistance to implement selected policies at the local level and to create awareness among the stakeholders, local government and the national level policy-makers;
- training for public awareness campaigns on the management of natural resources; and
- training to build local capacity that will improve natural resources management by government and concerned non-government organizations (NGOs).

Direct beneficiaries include target communities of poor fisher folk whose lives depend upon open water resources; indirect beneficiaries are found in surrounding communities where 80% of families are dependent on these resources on a seasonal basis.

Inputs, Outputs, and Activities: *FY 2002 Program:* USAID will use DA resources for the environment sector to fund ongoing activities. USAID will strengthen and expand 36 existing community resource management organizations and form additional groups. Another 10 community fish sanctuaries and three Government of Bangladesh (GOB)-approved permanent sanctuaries will be established bringing the total to sixty-one. Actions such as re-establishing aquatic linkages, permanent water bodies and riparian corridors to restore and maintain aquatic ecosystem functions will be expanded with local currency resources, as available. Awareness and communications activities to publicize best practices and to enhance transparency in natural resource-related decision-making at all levels will be stepped up. A management plan covering an entire watershed will be completed. USAID will also participate in a multi donor-assisted fisheries sector review that will establish the strategy for future development programs in fisheries and aquatic biodiversity conservation and management.

In forestry, USAID will help to establish the Arannyak Foundation (The Bangladesh Tropical Forest Conservation Foundation) under the Tropical Forest Conservation Act, which will make funds available through a debt relief mechanism to implement tropical forest conservation activities, mostly by NGOs. Assistance will be provided to help the Foundation develop a long-term strategy, to aid in preliminary site selection and a biodiversity inventory, to develop a curriculum for NGO capacity-building training and to develop a communication strategy.

FY 2003 Program: USAID intends to continue to build the capacity and sustainability of local resource management groups, to strengthen links with local government, and to further policy dialogue at the national level. USAID plans to continue with awareness raising activities as well as physical interventions to restore aquatic ecosystems. Opportunities for synergies with other local level-projects will be explored and future directions will be examined. USAID will look at ways to more closely integrate its work in open water and forestry to enhance synergies and sustainability, including initiating a new, integrated resource management activity. USAID intends to provide

technical assistance emphasizing capacity building in order to launch the Arannyak Foundation and help it initiate programming.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL RENOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: A total of 16 local Resource Management Organizations (RMOs) have been formed to "self-regulate" presently unsustainable fishing practices. Watershed restoration activities in four streams at one of the three project sites have begun and will continue over the next two years. Over 484 awareness-raising meetings and rallies have been held, attended by more than 62,000 concerned community members since the inception of the effort. The RMOs continue to promote and implement restrictions on fishing in an effort to reduce the catch of both brood and juvenile fish and thus help replenish dwindling fish stocks.

In FY 2001 efforts to assist fisher folk make up for lost income due to better-controlled fishing resulted in the introduction of supplemental income-generating activities and the formation of 54 new community credit groups, bringing the total to 159 groups made up of 3,180 members. Through partner NGOs, a total of 550 individuals are now receiving credit and technological support. Ongoing efforts in floodplain management include, participatory community resource planning, sanctuary development tied to physical interventions, watershed and riverbanks restoration and protection, and policy guideline development.

The signing of the Debt Exchange and the Tropical Forest Conservation Agreements on September 12, 2000, set the stage for the tropical forest component of USAID's program. Subsequently legal, institutional, fiscal, and administrative options for implementing the agreements have been developed for the Arannyak Foundation. This work will prepare the Foundation to implement a small grants program for conservation and management of tropical forest biodiversity.

By FY 2006, USAID expects that its pioneering work in local community resource management will educate and empower local communities and provide them with knowledge and skills to manage environmental resources sustainably while serving as a model throughout the country. Biodiversity will be maintained and possibly increased. USAID support will establish Bangladesh's first debt exchange agreement and help direct critically needed resources to the conservation of badly depleted forest resources.

Principal Contractors, Grantees, or Agencies: USAID's open water resource activities are implemented through Winrock International (prime) with subcontracts to the Bangladesh Center for Advanced Studies, the Center for Natural Resources Studies, Caritas, and a separate agreement with Chemonics International (prime) for forestry research.

US Financing in Thousands of Dollars

Bangladesh

388-006 Improved Management of Open Water and Tropical Forest Resources	CSD	DA	ESF
Through September 30, 2000			
Obligations	2,066	1,000	0
Expenditures	329	421	0
Unliquidated	1,737	579	0
Fiscal Year 2001			
Obligations	0	1,714	0
Expenditures	1,356	230	0
Through September 30, 2001			
Obligations	2,066	2,714	0
Expenditures	1,685	651	0
Unliquidated	381	2,063	0
Prior Year Unobligated Funds			
Obligations	0	86	0
Planned Fiscal Year 2002 NOA			
Obligations	0	2,900	0
Total Planned Fiscal Year 2002			
Obligations	0	2,986	0
Proposed Fiscal Year 2003 NOA			
Obligations	0	2,700	500
Future Obligations	0	7,500	0
Est. Total Cost	2,066	15,900	500

PROGRAM DATA SHEET

USAID MISSION: Bangladesh
PROGRAM TITLE: Bilateral Energy (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Improved Performance of the Energy Sector, 388-007
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $4,770,000 DA; $1,500,000 ESF
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $5,470,000 DA; $1,500,000 ESF
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2006

Summary: USAID's program to improve performance of key institutions in the energy sector, funded by DA and ESF resources, includes—

- technical assistance to increase institutional capacity through reforms in the gas and power sectors;
- technical support to create an improved enabling environment to help attract foreign investment; and
- technical assistance and training to improve rural power sector performance to help alleviate poverty in rural areas.

Beneficiaries include rural villages without access to electricity and nation-wide energy consumers who will benefit from access to more reliable power and rationalized pricing in a more competitive power market. Ultimately, energy sector reform will contribute to overall to economic growth.

Inputs, Outputs, and Activities: *FY 2002 Program:* USAID will support technical assistance to restructure and reform the inefficient, state-dominated Bangladesh power and gas sector. This support will build financial, management and regulatory capacity in restructured power and gas sector entities. In the gas sector, USAID will help create a regulatory model, develop internal guidelines for the operation of gas entities, conduct a commercial needs survey and an environmental standards needs survey, and provide capacity-building assistance in Production Sharing Contracts implementation. In the power sector, USAID assistance will promote continued "unbundling" and separation of policy, regulatory and commercial functions; improved performance of distribution companies; and assistance to the government in anticipating the social impacts of market reforms. Under the multi-year training program, selected courses to build skills and capacity and to help implement regulatory reform will be provided to professionals in the power and gas sectors.

Technical assistance to the rural power sector will consolidate the successes of Bangladesh's Rural Power for Poverty Reduction Project that continues to bring electricity to remote areas through rural power distribution cooperatives. A second two-year Participating Agency Services Agreement with the Department of Energy will provide technical support to examine policy options that will further develop the energy sector. ESF resources will be used to support specific energy sector privatization and deregulation initiatives.

Planned FY 2003 Program: USAID plans to use FY 2003 funds for further implementation of the gas and power sector reform assistance provided by the Department of Energy and to implement the final stage of the rural electrification program. A key component would be assistance to establish a regulatory body and ESF support to respond to opportunities to advance restructuring and privatization as the government's reform program proceeds. Special efforts are anticipated to assist the government to address natural gas export issues should it elect to permit such exports. USAID intends to build institutional management capacity and strengthen efficient systems operation to ensure sustainability in rural electrification. In addition, USAID expects to offer support for any serious efforts to encourage the use of environmentally friendly, compressed natural gas in the transportation sector.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL RENOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: Results in power sector unbundling far exceeded expectations, with 1251.5 kilometers of transmission line transferred to the newly established Power Grid Company. Further restructuring of the power sector through the transfer of transmission and distribution assets to the respective utilities will help move the power sector away from its existing, inefficient, vertically integrated structure. USAID's efforts to improve the enabling environment have seen some progress in the proposed natural gas and power sector legislation. Passage of the new law, which will set the stage for necessary institutional reforms, is expected in 2003. The FY 2001 United States Geological Survey (USGS) study of Bangladesh's undiscovered natural gas resources provided impetus for the new Bangladesh government to further consider export of its abundant natural gas reserves.

> A joint USGS-Petrobangla study of undiscovered natural gas estimates that Bangladesh possesses 32.1 trillion cubic feet of unexploited reserves.

Assistance in rural electrification has further strengthened the capacity of the Rural Electrification Board and the rural power co-operatives. The number of electrical connections in rural areas has increased significantly, and the total number of legal power connections is expected to increase from 5.3 million in FY 2001 to 5.6 million in FY 2002, and again to 6.7 million by FY 2006.

USAID support for energy sector reform through FY 2006 will result in increased power generation and substantial progress in system loss and collection rates. Institutions in both the gas and power sectors will be strengthened and the new regulatory body will be in place.

Principal Contractors, Grantees, and Agencies: USAID activities are carried out through the National Rural Electric Cooperative Association (prime) and PA Government Services Inc. (prime) with its subcontractor, the Institute of International Education. The Participating Agency Service Agreement with U.S. Department of Energy provides access to the U.S. Geological Survey and the Mineral and Mining Service of the U.S. Department of Interior.

US Financing in Thousands of Dollars

Bangladesh

388-007 Improved Performance of the Energy Sector	DA	ESF
Through September 30, 2000		
Obligations	9,757	0
Expenditures	2,440	0
Unliquidated	7,317	0
Fiscal Year 2001		
Obligations	2,500	0
Expenditures	3,249	0
Through September 30, 2001		
Obligations	12,257	0
Expenditures	5,689	0
Unliquidated	6,568	0
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2002 NOA		
Obligations	4,770	1,500
Total Planned Fiscal Year 2002		
Obligations	4,770	1,500
Proposed Fiscal Year 2003 NOA		
Obligations	5,470	1,500
Future Obligations	14,508	0
Est. Total Cost	37,005	3,000

PROGRAM DATA SHEET

USAID MISSION: Bangladesh
PROGRAM TITLE: Food Security and Disaster Management (Pillar: Democracy, Conflict, and Humanitarian Assistance)
STRATEGIC OBJECTIVE AND NUMBER: Improved Food Security for Vulnerable Groups, 388-008
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $3,700,000 DA; $1,500,000 ESF
UNOBLIGATED PRIOR YEAR FUNDS AND FUNDING SOURCE: $1,118,611 DA
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $2,600,000 DA; $1,500,000 ESF
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2006

Summary: USAID's program to improve food security for vulnerable groups and to mitigate effects of disaster, funded by DA, ESF and Title II resources, includes—

- technical assistance to improve food security policy;
- technical assistance and training to construct environmentally-sound infrastructure;
- training and technical assistance to enhance disaster preparedness; and
- technical assistance to increase diversity in agriculture production.

Beneficiaries include the rural and urban poor, especially vulnerable children and women.

Inputs, Outputs, and Activities: *FY 2002 Program:* USAID will use P.L. 480 and bilateral DA resources to achieve dual purposes in food security and disaster mitigation. Humanitarian and development activities will improve food security of the most vulnerable, particularly women and children. Food security policy assistance will encourage the Government of Bangladesh (GOB) to adopt measures to target the most needy. Research and training to promote agricultural diversification will help reduce vulnerability to major crop failure.

USAID will use FY 2002 resources to implement three major program activities: environmentally sound community infrastructure, disaster management, and diversification of agricultural production. Community infrastructure improvements will include low cost, hard surface, farm-to-market roads, earthen village roads, water and sanitation, school rehabilitation, and urban slum rehabilitation. Disaster management activities will strengthen community-level disaster preparedness and response/mitigation mechanisms, such as building multi-purpose community flood and cyclone shelters and water and sanitation facilities, and include USAID's Office of Foreign Disaster Assistance (OFDA)-supported flood forecasting and urban disaster mitigation efforts. Agricultural diversification efforts will emphasize training in wheat and maize research, promoting improved technologies and training farm families, and facilitating farm mechanization. ESF and DA funds will support impact studies of arsenic contamination, including plant health and agricultural sustainability, food chain uptake and food safety issues, and new deep aquifer mapping.

Planned FY 2003 Program: USAID plans to use the FY 2003 Title II-generated local currency proceeds and DA resources to continue and expand activities in sustainable community infrastructure, disaster management and agricultural diversification. USAID intends to provide technical assistance to support the GOB's new "Comprehensive Food Security Policy." USAID will assist the GOB to identify and implement more appropriate access-to-food and nutrition-focused policies and programs. ESF-funded arsenic research and mitigation will continue for an additional year.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL RENOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: The GOB has redirected its large Public Food Distribution System (PFDS) away from mass distribution in favor of a targeted food "safety net" program for the poor. The GOB is now committed to maintain a standard whereby 85% of PFDS food is directed to the poor and vulnerable. The PFDS has also been reoriented from entirely public sector administration to allow the private sector to play a key food security role that enhances the GOB's ability to deal with adverse food situations. Private foodgrain imports now constitute 100% of total commercial imports and the result has been a savings of about $185 million in government expenditures.

During fiscal years 2000 and 2001, CARE managed Title II programs that constructed 582 kilometers of farm-to-market, low-cost, hard-surface roads. In FY 2001, the World Vision Title II program rehabilitated 141 km of earthen village roads. Title II programs combined created 3.3 million person-days of seasonal employment. During fiscal years (FYs) 2000 and 2001, over 900,000 trees were planted alongside the roads, helping to save the road slope from erosion and providing over 50,000 person-months of employment for destitute women tree caretakers. Better roads help reduce transport cost, create jobs, and improve access to markets and services. Title II programs also contribute to healthy sanitation and provision of safe drinking water. During FYs 2000 and 2001, 17,383 sanitary latrines and 5,616 arsenic-free drinking water facilities were constructed. Title II activities are also helping local governments acquire the capacity to plan and implement small local development projects in open and transparent ways.

Under the community-based disaster management component of USAID's program, contingency plans seek to ensure that 19 million vulnerable people in 190 high disaster prone areas have access to emergency relief supplies within 72 hours of a disaster. During FYs 2000 and 2001, 50,106 persons were trained in community-based disaster management practices, 30% of whom were women. In the same period, the Flood Proofing program covered nearly 125,000 people in 195 villages and built multi-purpose community flood shelters, developed social/community places, and provided water and sanitation facilities which help reduce property damage, lower incidence of diarrhea, and increase access to potable water during floods. Nearly half of the beneficiaries of the flood proofing activities are women. USAID will continue its leadership role in humanitarian assistance, working with CARE, World Vision, and USAID/OFDA, as they enhance their community-based disaster management efforts.

USAID's support through FY 2006 will consolidate the improvements made in the GOB's food security policy in targeting the most vulnerable and promoting agricultural diversification. USAID's NGO partners will be effective in building local capacity in disaster mitigation and relief so that suffering and loss will be minimized at the same time as local villagers and poor women benefit from participation in local humanitarian and development activities. The GOB will be provided with more accurate information about arsenic and about options to mitigate its adverse effects.

Principal Contractors, Grantees, or Agencies: USAID activities are conducted in partnership with the International Maize and Wheat Improvement Center (CIMMYT – prime); Cornell and Texas A&M Universities (subs); CARE; World Vision; Helen Keller, International; and local non-governmental organizations.

US Financing in Thousands of Dollars

Bangladesh

388-008 Improved Food Security for Vulnerable Groups	CSD	DA	ESF
Through September 30, 2000			
Obligations	100	5,980	0
Expenditures	100	2,555	0
Unliquidated	0	3,425	0
Fiscal Year 2001			
Obligations	0	1,931	0
Expenditures	0	2,115	0
Through September 30, 2001			
Obligations	100	7,911	0
Expenditures	100	4,670	0
Unliquidated	0	3,241	0
Prior Year Unobligated Funds			
Obligations	0	1,119	0
Planned Fiscal Year 2002 NOA			
Obligations	0	3,700	1,500
Total Planned Fiscal Year 2002			
Obligations	0	4,819	1,500
Proposed Fiscal Year 2003 NOA			
Obligations	0	2,600	1,500
Future Obligations	0	450	0
Est. Total Cost	100	15,780	3,000

PROGRAM DATA SHEET

USAID MISSION: Bangladesh
PROGRAM TITLE: Democracy and Governance Strengthened (Pillar: Democracy, Conflict, and Humanitarian Assistance)
STRATEGIC OBJECTIVE AND NUMBER: Strengthened Institutions of Democracy, 388-009
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $5,500,000 DA
UNOBLIGATED PRIOR YEAR FUNDS AND FUNDING SOURCE: $200,000 DA; $1,004,931 CSD
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $8,350,000 DA
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2006

Summary: USAID's program is designed to strengthen institutions of democracy. Funded by DA, CSD and ESF resources, it includes:

- grants, technical assistance and training to promote strong local government;
- technical assistance to civil society and parliamentary committees to increase citizen input in the lawmaking process; and
- grants, technical assistance and training to civil society organizations advocating for human rights.

Beneficiaries include under-represented and vulnerable people, especially women and children. Civil society groups are direct beneficiaries of the human rights program. Education activities will target under served children, in particular girls.

Inputs, Outputs and Activities: *FY 2002 Program:* USAID will fund democracy and governance programs to support local government development, human rights, parliament and efforts to combat trafficking of women and children. The local government program will stimulate national level public debate and analysis of policy alternatives for strong local government. Parliamentary programs will support: (1) civil society input into parliamentary deliberations; (2) expansion of political party development efforts; and (3) an effort to improve media coverage of parliament. Grants and training will support advocacy of human rights by Bangladeshi civil society organizations on such issues as trafficking of women and children, violence against women, garment workers' rights, and child labor. New grants will be made to non-government organizations (NGOs) for innovative basic education projects contributing to improvements in the quality of education and access for underserved children. A basic education assessment will be conducted to help direct USAID's future basic education resources to have the greatest impact while complementing the efforts of the government and other donors.

Planned FY 2003 Program: USAID plans to use FY 2003 resources for ongoing support to local government development, parliamentary strengthening and human rights programs initiated in the FY 2002, and for expanding grants to NGOs working in the above areas. USAID intends to fund a new initiative to improve the accessibility and quality of basic education for underserved children. ESF funds will be used to protect the labor rights of women workers in export industries, and for public opinion polling and media work.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL RENOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: Two major agreements were recently concluded to initiate new grant-making, technical assistance and training activities for Bangladeshi NGOs in FY 2002. This

assistance will build support for stronger local government and build capacity for the advocacy of human rights.

During FY 2001, the USAID program provided assistance for the October 2001 parliamentary elections, support for the civil society watchdog and voter education, political party poll watchers, international observers, and a UN coordination office. USAID and the U.S. Embassy were major contributors to free and fair elections, in close coordination with other donors. Over 150,000 domestic observers were deployed; 630,000 manuals were printed, distributed and used in training over 450,000 political party poll watchers. The outcome of USAID's support in coordination with other donors and civil society organizations was the freest and most transparent election in Bangladesh's history.

USAID's anti-trafficking in humans program began to produce some of the first systematic, periodic data this year. One USAID-supported NGO has effected the return of 44 women and children from India, Pakistan and the United Arab Emirates, released six women and 24 children who were victims of internal trafficking, and has helped the police to arrest 108 traffickers over a fifteen-month period, three of whom were convicted. USAID-funded anthropological research has already begun to uncover aspects of international trafficking that had not been recognized before.

A USAID-supported center for women working in the garment industry was established this year. Demand has been high for its nightly training program on human rights, health and labor issues, and several human rights organizations have stepped in to assist in training and advocating for issues affecting women garment workers. A small fire-safety program was funded by the U.S. Department of Labor and endorsed by the garment manufacturers association, based on the existing USAID-supported program.

The USAID-supported Bangladesh chapter of Transparency International (TIB) took a higher profile role this year. A major analysis of corruption in the education sector, a fact-finding exercise on the Bangladesh Bureau of Anti-Corruption, and the TI (Berlin) corruption perception survey (placing Bangladesh at the bottom) received wide press attention and became an important national political discussion. USAID's funding has allowed TIB to test its grassroots organizational model by establishing and monitoring six local civil society watchdog groups.

USAID anticipates that its support through FY 2006 will result in a substantive public debate on the devolution of power to local government, a parliament that is increasingly responsive to its citizenry, and improved civil society advocacy of human rights.

Principal Contractors, Grantees, or Agencies: USAID's democracy program is implemented through Associates in Rural Development, Transparency International Bangladesh, The Asia Foundation, Academy for Educational Development, National Democratic Institute, American Center for International Labor Solidarity, The International Foundation for Election Systems, Creative Associates International, and local organizations such as the Bangladeshi National Women Lawyers' Association and Action Against Trafficking and Sexual Exploitation of Children.

US Financing in Thousands of Dollars

Bangladesh

388-009 Strengthened Institutions of Democracy	CSD	DA
Through September 30, 2000		
Obligations	0	389
Expenditures	0	111
Unliquidated	0	278
Fiscal Year 2001		
Obligations	495	4,493
Expenditures	0	472
Through September 30, 2001		
Obligations	495	4,882
Expenditures	0	583
Unliquidated	495	4,299
Prior Year Unobligated Funds		
Obligations	1,005	200
Planned Fiscal Year 2002 NOA		
Obligations	0	5,500
Total Planned Fiscal Year 2002		
Obligations	1,005	5,700
Proposed Fiscal Year 2003 NOA		
Obligations	0	8,350
Future Obligations	0	3,218
Est. Total Cost	1,500	22,150

THE DEVELOPMENT CHALLENGE: The USAID program advances the transformation of the U.S.-India relationship by addressing four of the nine U.S. national interests identified in the U.S. Mission Performance Plan: (1) economic prosperity achieved through opening markets; (2) global issues of population growth, infectious diseases, and climate change; (3) development and democracy concerns of alleviating poverty, reducing malnutrition, and improving the status of women; and (4) humanitarian response by saving lives and reducing suffering associated with disasters. India has the potential to be a catalyst for economic growth and development in an unstable region, and is a key U.S. ally in the war on terrorism.

India faces daunting challenges. Economic reforms of the 1990s lifted more than 100 million people out of abject poverty, but economic growth is now faltering. More than 300 million people are still poor. Six critical issues must be addressed to continue India's impressive gains in poverty alleviation—

> One-sixth of the world's people and one-third of the world's poor live in India. It has 30% of the world's births, 20% of the world's maternal deaths and 25% of the world's child deaths. More than half of India's children are malnourished. Two-thirds of city dwellers lack sewerage and one-third lack potable water. About four million people are infected with HIV and more than two million develop active tuberculosis each year. Only 54% of women are literate, compared with 76% of males.

(1) Population Stabilization and Child Survival: Good health is still an elusive goal for hundreds of millions. With more than a billion people, India accounts for more than one sixth of global population growth (17 million additional people a year). One of every 11 children dies before reaching the age of five. More than 125,000 women die every year from pregnancy and child birth-related causes.

(2) HIV/AIDS and Infectious Diseases: India has nearly four million HIV infected people. Other infectious diseases, such as tuberculosis and polio, are rife. Over 420,000 Indians die annually from tuberculosis. India is one of the world's last reservoirs of polio.

(3) Infrastructure: India is rapidly urbanizing, with an increased need for better quality services that are both economically and environmentally sustainable. Power and clean water are particularly important. The growing demand for power, fueled largely by high-ash coal, makes India a major global polluter, with significant health consequences. The inability to fully reform the power sector has dramatically increased India's fiscal deficit.

(4) Equity: Girls' enrollment in school lags behind that of boys. Estimates indicate that 100 million children are "out of school," with over 44 million of these children employed in industries.

(5) Economic Reform: Economic reforms led to stronger growth, higher investment flows and a growth in trade. However, real gross domestic product (GDP) growth is decelerating. An inefficient financial system, a growing fiscal deficit, inadequate infrastructure and inefficient power sector management are the principal constraints.

(6) Humanitarian Assistance: India is prone to natural disasters. In the past year it has suffered from a devastating earthquake, widespread drought, and severe flooding.

The September 2001 Presidential determination to waive the Glenn Amendment sanctions on India permits USAID support for new economic and social investments. These investments will accelerate India's growth, provide new opportunities for U.S. business, and mitigate critical social constraints.

THE USAID PROGRAM: USAID will devote $70,878,000 in DA, $7,000,000 in ESF, and $86,431,000 in P.L. 480 funds in FY 2002. USAID is requesting $75,185,000 in DA, $25,000,000 in ESF, and $91,288,000 in P.L. 480 funds in FY 2003 for India's seven strategic objectives. These objectives focus on improving the quality of and access to reproductive health services; providing supplementary food and health services to the poor; fostering energy efficiency, improving environmental conditions in urban areas; reducing transmission of infectious diseases; expanding service delivery networks for women; improving capacity of financial markets and government to accelerate economic growth; and reducing suffering associated with natural disasters and establishing conditions for rehabilitation. FY 2002 funds will be used to implement the program as currently planned and previously described in the FY 2002 Congressional Budget Justification. USAID also intends to use FY 2002 funds to carry out certain new activities in response to changing circumstances. The specific activities to be funded by FY 2002 appropriations are described in more detail in the following Program Data Sheets. USAID is currently developing a new Country Strategic Plan for FY 2003–FY 2007. USAID will use the FY 2003 request to fund new strategic objectives to respond to India's pressing needs by focusing on economic growth, health, energy/environment, humanitarian assistance, and education programs.

ONGOING PROGRAMS FOR WHICH NO FY 2002 OR FY 2003 FUNDING IS REQUESTED: None.

OTHER PROGRAM ELEMENTS: In addition to the bilateral program, the Asia and Near East Bureau's (ANE) South Asia Regional Initiative/Energy (SARI/Energy) program encourages regional cooperation in energy development and the eventual trade in clean energy resources among South Asian countries. ANE's Improved South Asia Regional Stability through Democracy and Human Rights objective funds programs to combat abusive child labor practices and improve women's microfinance services. The United States-Asia Environmental Partnership promotes a clean environmental revolution in India. The Bureau for Global Health has an activity in India to reduce fertility through voluntary practices. The Bureau for Economic Growth, Agriculture, and Trade has a Regional Urban Development Office in India, which frames the policy and provides strategic direction to USAID's shelter and urban programs in the South and Central Asia region. USAID's Bureau for Democracy, Conflict, and Humanitarian Assistance activities in India promote child survival, reduce the spread of HIV, treat victims of torture and violence, help electric cooperatives meet growing electrical services needs, increase food quality and quantity, and demonstrate U.S. educational and medical technologies and practices in India.

South Asian development challenges—poor governance, tenuous civil liberties and individual rights, adult illiteracy, and poor economic growth—threaten the region's prospects for longterm development and stability. USAID plans a new initiative in South Asia to improve the region's social and economic conditions, and thereby reduce the risk of regional and global instability. India will be a key beneficiary of the new initiative.

OTHER DONORS: The United States is the third largest bilateral donor to India, after Japan and the United Kingdom. Six multilateral and 13 bilateral donors provide economic assistance to India. USAID collaborates with other donors on reproductive health, HIV/AIDS and other infectious diseases, air pollution control, urban environmental infrastructure, and women's empowerment.

India

PROGRAM SUMMARY

(in thousands of dollars)

Accounts	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Child Survival and Disease Programs Fund	22,750	24,593	0	0
Child Survival and Health Programs Fund	0	0	41,678	0
Development Assistance	28,700	28,805	29,200	75,185
Economic Support Fund	0	4,989	7,000	25,000
PL 480 Title II	116,782	78,064	86,431	91,288
Total Program Funds	168,232	136,451	164,309	191,473

STRATEGIC OBJECTIVE SUMMARY				
386-002 Reduced Fertility and Improved Reproductive Health in North India				
CSD	3,500	0	0	0
CSH	0	0	11,900	0
DA	14,500	15,905	0	12,000
386-003 Improved Child Survival and Nutrition in Selected Areas of India				
CSD	3,000	4,300	0	0
CSH	0	0	8,000	0
DA	0	0	0	5,650
PL 480	116,782	78,064	86,431	91,288
386-004 Increased Environmental Protection in Energy, Industry and Cities				
DA	8,900	8,288	13,650	16,700
ESF	0	0	3,000	10,000
386-007 Reduced Transmission and Mitigated Impact of Infectious Diseases, Especially STD/HIV/AIDS in India				
CSD	15,000	17,593	0	0
CSH	0	0	21,778	0
DA	0	0	0	23,135
386-009 Expanded Advocacy and Service Delivery Networks for Women and Girls				
CSD	1,250	700	0	0
DA	1,800	0	3,308	7,508
ESF	0	0	0	8,000
386-011 Increased Capacity of Financial Markets and Government to Transparently and Efficiently Mobilize Resources				
DA	3,500	3,616	12,242	10,192
ESF	0	4,989	2,500	5,000
386-012 Recovery, Reconstruction and Rehabilitation Needs Met for Targeted Vulnerable Groups				
CSD	0	2,000	0	0
DA	0	996	0	0
ESF	0	0	1,500	2,000

Total Transfers

PROGRAM DATA SHEET

USAID MISSION: India
PROGRAM TITLE: Reproductive Health (Pillar: Global Health)
STRATEGIC OBJECTIVE AND NUMBER: Reduced Fertility and Improved Reproductive Health in North India, 386-002
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $11,900,000 CSH
PRIOR YEAR UNOBLIGATED FUNDS AND FUNDING SOURCE: $3,645,000 DA
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $12,000,000 DA
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: The USAID reproductive health program focuses on the following—

- increasing use of reproductive health services;
- increasing use and quality of family planning services;
- stimulating private sector participation and commercial partnerships for the development, promotion, and availability of reproductive and child health technologies;
- improving data-based decision making; and
- technical assistance in all areas listed above.

Inputs, Outputs, and Activities: *FY 2002 Program:* FY 2002 funds for this objective will be used for the following activities:

(a) The Innovations in Family Planning Services (IFPS) activity assists the states of Uttar Pradesh (UP) and Uttaranchal to reduce their high rates of population growth. The major focus of USAID's reproductive health activity is in UP—India's most populous state with 166 million people—and the newly created state of Uttaranchal with 9 million people. The activity will reach its objectives through improved management, access, quality, and promotion of family planning and reproductive services. The IFPS activity aims to reach a total fertility rate of 4.3% and a contraceptive prevalence rate of 35% by 2004 in the 28 target districts of UP and Uttaranchal. In FY 2002, USAID plans to expand the IFPS activity to cover the entire state of UP, Uttaranchal, and another north Indian state.

(b) The Program for the Advancement of Commercial Technology/Child and Reproductive Health (PACT/CRH) activity complements IFPS and stimulates private sector participation and commercial partnerships for the development, promotion, and availability of reproductive health technologies.

(c) Technical assistance from U.S. cooperating agencies in support of the IFPS activity.

Planned FY 2003 Program: USAID plans to use FY 2003 resources to fund a new health strategic objective, which will be submitted for approval in early 2002 under the new India Country Strategic Plan for FY 2003–FY 2007. The new health strategic objective is expected to include support for ongoing reproductive health activities and expand activities in UP, Uttaranchal, and another Indian state.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL RENOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: According to a January 2001 survey, the percentage of births attended by a trained provider increased substantially, from 29.9% to 36.3%, while the coverage of pregnant women receiving two doses of tetanus toxoid increased from 59% to 62.8% in the 28 districts of UP. The use of modern methods of family planning in 15 priority districts was 28.3%, compared to 21.7%

in the 13 other IFPS districts. In order to improve the access to quality reproductive health services, an integrated public-private sector-programming approach, the District Action Plan (DAP) approach was initially tried in 6 districts of UP then extended to four new districts in 2000. By March 2002, DAP will be expanded to cover all 25 districts of UP serving as the model for the entire state. USAID provided technical assistance to the government of UP to develop a comprehensive population policy focusing on volunteerism and informed choice; while steering away from provider or acceptor incentives and disincentives.

The Program for the Advancement of Communications Technology's (PACT) division of child and reproductive health, funded a four-state generic campaign that continues to promote acceptance and use of oral contraceptives in urban areas of North India. Since 1998, the sale of pills in the campaign areas increased by 23%. In UP, a statewide contraceptive social marketing project has been initiated for the promotion and distribution of condoms and oral contraceptives in rural areas. In the past year, the sale of condoms in rural UP increased by nearly 20%, while sales of the pill registered a 13% increase.

Principal Contractors, Grantees, or Agencies: The principal agencies are the State Innovations in Family Planning Services Agency and ICICI Limited. Technical cooperating agencies include the following: AVSC International (prime); CARE (prime); the Center for Development and Population Activities (prime); Johns Hopkins University (prime); the University of North Carolina (sub); The Futures Group International (prime); ORC-MACRO (prime); Program for Appropriate Technologies in Health (prime); the Population Reference Bureau (prime); the Population Council (prime); John Snow, Inc. (prime); Community Systems Foundation (sub); the Contraceptive Research and Development Program (prime); and the U.S. Bureau of Census (prime).

US Financing in Thousands of Dollars

India

386-002 Reduced Fertility and Improved Reproductive Health in North India	CSD	CSH	DA
Through September 30, 2000			
Obligations	9,193	0	185,456
Expenditures	1,825	0	144,086
Unliquidated	7,368	0	41,370
Fiscal Year 2001			
Obligations	0	0	12,260
Expenditures	2,998	0	14,275
Through September 30, 2001			
Obligations	9,193	0	197,716
Expenditures	4,823	0	158,361
Unliquidated	4,370	0	39,355
Prior Year Unobligated Funds			
Obligations	0	0	3,645
Planned Fiscal Year 2002 NOA			
Obligations	0	11,900	0
Total Planned Fiscal Year 2002			
Obligations	0	11,900	3,645
Proposed Fiscal Year 2003 NOA			
Obligations	0	0	12,000
Future Obligations	0	0	102,196
Est. Total Cost	9,193	11,900	315,557

PROGRAM DATA SHEET

USAID MISSION: India
PROGRAM TITLE: Child Survival (Pillar: Global Health)
STRATEGIC OBJECTIVE AND NUMBER: Improved Child Survival and Nutrition in Selected Areas of India, 386-003
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $8,000,000 CSH; $86,431,100 P.L. 480 Title II
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $5,650,000 DA; $91,287,700 P.L. 480 Title II
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2006

Summary: Two activities directly contribute to this objective:

- The India P.L. 480 Title II program integrates food aid with Government of India (GOI) and non-government resources to improve key child survival interventions, such as immunization, antenatal care, and infant feeding practices. The program, implemented by CARE and Catholic Relief Services (CRS), reaches about 7.5 million poor women and children. A majority of these are from Scheduled Castes/Scheduled Tribes and others at the greatest risk to mortality, morbidity, and malnutrition. CARE works with the GOI's Integrated Child Development Services (ICDS) program, the largest outreach child survival program in the world. CRS works with social service organizations and partners to promote maternal and child health. It also supports agriculture, basic education, and humanitarian assistance programs managed by Mother Teresa's and the Dalai Lama's organizations. The previous five-year CARE and CRS programs ended in FY 2001. New five-year programs (FY 2002-2006) were recently approved. During FY 2002, USAID will augment the Title II program food resource with Child Survival funds to strengthen its child survival impact, which has demonstrated promising potential.

- The Program for Advancement of Commercial Technologies/Child and Reproductive Health (PACT/CRH) activity complements the Title II program. It provides support at the national level for child survival technologies, such as oral rehydration salts (ORS) and vaccines, aimed at increasing commercial marketing and distribution of quality child survival products and services.

Inputs, Outputs, and Activities: *FY 2002 Program:* Over 90% of the Title II food resources will be distributed directly to provide a nutritious supplement to 7.5 million pregnant and nursing mothers and children under six years of age in over 102,000 villages. The Title II food will continue to be a powerful draw to enroll women and children in the program where ancillary healthcare is provided through GOI health providers. Local currency (generated by monetizing about 7% of Title II commodities), section 202(e) Farm Bill funds, and child survival funds will support activities for capacity building of staff, NGOs and communities; systems strengthening, including supply chain management; demonstration and replication of successful strategies and models, such as monthly nutrition and health days; the use of village nutrition centers as depots for health supplies like ORS packets, iron-folate supplements, and contraceptives; promoting behavior change like exclusive breast feeding, timely complementary feeding of infants, full infant immunization; community disaster preparedness and mitigation; and technical assistance. These activities will improve the quality and coverage of key maternal and child survival interventions, e.g., immunization, antenatal care, vitamin A distribution, and appropriate infant feeding practices.

> In Bihar, the CARE Title II program helped implement a low-cost group health insurance scheme for about 1,100 tribal families. For as little as $1.50 per year, a family of five can now access curative, preventive, antenatal and maternal care from identified health facilities.

PACT/CRH will continue to support promotion campaigns that position oral-rehydration solution (ORS) as the scientifically proven, doctor-recommended, first-line product for all cases of childhood diarrhea in India. The program will expand ongoing work with Indian commercial manufacturers to make the World Health Organization (WHO) composition ORS widely available in retail outlets in select states, as well as support the Indian Academy of Pediatrics to encourage doctors to actively endorse and recommend this product.

Planned FY 2003 Program: USAID, under its proposed new strategy for India, will continue to invest in improving the child survival impact of its Title II, reproductive health, and the PACT/CRH programs. USAID also will develop an innovative child survival program model for urban slums. Under the proposed strategy, USAID may emphasize policy reform and policy dialogue with the Government of India. This discussion will encourage informed public advocacy to promote needed policy reforms, which unleash growth potential in the agricultural sector. This collaboration would help re-establish and strengthen the links between USAID and Indian agricultural policy-makers, and between other dynamic public and private sector policy research specialists and institutions in both countries. Positive changes in policies will eventually lead to reduced poverty and food insecurity by decreasing consumer prices (through more effective and efficient marketing), better targeting of public distribution, and increasing productivity and farm incomes.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL RENOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: Performance of the P.L. 480 Title II program during FY 2001 met expectations, reaching 97% of the planned beneficiaries villages with about 205,000 metric tons of Title II commodities in over 100,000 villages. Nutrition and Health days, organized in the villages by CARE to directly contribute to increased immunization, iron-folate supplementation coverage, and improved nutrition practices, were regularly implemented in about 19,300 villages and continue to be scaled-up. Over 25,000 counterparts and community members under the CARE and CRS programs were reached with capacity-building training which is critical for improving demand, quality, and coverage of services and to promoting positive nutrition and health behaviors. CARE and CRS expanded and strengthened their partnerships with the government, NGOs, and community-based organizations.

In three Indian states, CARE has developed program models where women's groups supply locally processed food for supplementary feeding in the ICDS program. These models promote community ownership, improved livelihood, and food security, and demonstrate possible government-local cost-sharing mechanisms.

Under the Program for the Advancement of Communications Technologies (PACT), ICICI Limited, a leading Indian bank, supported promotion campaigns that increased access to ORS. Three Indian commercial firms were engaged to market the WHO composition ORS more widely in retail outlets in selected states.

Principal Contractors, Grantees, or Agencies: P.L. 480 Title II program partners are the U.S. PVOs CARE and Catholic Relief Services. Other implementers include the Academy for Educational Development and the Food and Nutrition Technical Assistance (FANTA) and LINKAGES projects. PACT/CRH is implemented through ICICI Limited, with U.S. technical assistance from Programs for Appropriate Technology in Health (PATH) and the Commercial Marketing Strategies (CMS) project.

US Financing in Thousands of Dollars

India

386-003 Improved Child Survival and Nutrition in Selected Areas of India	CSD	CSH	DA
Through September 30, 2000			
Obligations	6,925	0	2,650
Expenditures	2,225	0	1,152
Unliquidated	4,700	0	1,498
Fiscal Year 2001			
Obligations	4,300	0	0
Expenditures	2,900	0	0
Through September 30, 2001			
Obligations	11,225	0	2,650
Expenditures	5,125	0	1,152
Unliquidated	6,100	0	1,498
Prior Year Unobligated Funds			
Obligations	0	0	0
Planned Fiscal Year 2002 NOA			
Obligations	0	8,000	0
Total Planned Fiscal Year 2002			
Obligations	0	8,000	0
Proposed Fiscal Year 2003 NOA			
Obligations	0	0	5,650
Future Obligations	0	0	24,693
Est. Total Cost	11,225	8,000	32,993

PROGRAM DATA SHEET

USAID MISSION: India
PROGRAM TITLE: Environmental Protection (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Increased Environmental Protection in Energy, Industry, and Cities, 386-004
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $13,650,000 DA; $3,000,000 ESF
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $16,700,000 DA; $10,000,000 ESF
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2007

Summary: USAID's program to increase environmental protection includes the following three components—

- increase efficiency in electricity generation and promote non-conventional energy sources;
- promote widespread commercialization of energy-efficient technologies and services; and
- develop, package, and implement urban environmental infrastructure projects that improve access to basic services by the poor.

Inputs, Outputs, and Activities: USAID's environmental protection portfolio includes three major activities—

(1) The Energy Conservation and Commercialization (ECO) activity aims to reduce greenhouse gas (GHG) emissions through widespread commercialization of end-use energy efficiency technologies and services in India, and through technical assistance, training, and financial interventions on energy-efficiency policy and markets.

(2) The Greenhouse Gas Pollution Prevention (GEP) activity addresses the growing concern of global climate change due to increasing greenhouse gas emissions. This activity tackles the issue of greenhouse gas emissions in India by improving the efficiency of energy production, working with India's largest coal-based electricity producing company, the National Thermal Power Corporation. The activity promotes year-round generation of power from renewable sources, such as biomass, by providing technical and financial support to selected sugar mills.

(3) The Financial Institutions Reform and Expansion (FIRE) activity works with local and state governments to develop, package, and implement urban environmental infrastructure projects that improve access to basic services by the urban poor.

FY 2002 Program: USAID will use FY 2002 funds for the following: (a) to develop the Energy Service Company (ESCO) industry, develop energy efficiency and ESCO projects in various end-use sectors, implement demand-side management and distribution loss reduction in electric utilities in Rajasthan, Andhra Pradesh, and Uttar Pradesh, build capacity and provide policy support to the Bureau of Energy Efficiency, and develop non-sugar cogeneration projects; (b) to assist the ECO Loan Fund to provide financial incentives to implement demand-side management and other energy efficiency projects; (c) to provide technical assistance and training to improve power plant operation to reduce greenhouse gas emissions and disseminate the results across the country; (d) to build the capacity of local stakeholders to develop policies and provide incentives to encourage clean technology projects; (e) to increase collaboration between Indian and U.S. academic and research institutions to study the impact of global climate change on India's social and economic conditions; and (f) to institutionalize the delivery of commercially viable urban environmental infrastructure and services to the urban poor.

Planned FY 2003 Program: FY 2003 resources will be used for a planned new energy/environment strategic objective under the new India Country Strategic Plan for FY 2003–FY 2007. In addition to

the ongoing activities, this new objective is expected to include a major focus on energy distribution reform as well as a new energy/water nexus program.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL RENOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: By March 2002, USAID expects to have assisted in preventing the release of 5.28 million tons of carbon dioxide equivalents of greenhouse gas emissions. USAID assistance strengthens incentives for the adoption of energy efficient technologies; certified environment management systems; and capacity enhancement to incorporate such technologies and practices into private sector operations. As of September 2001, 33 firms had received ISO 14001 certification.

With USAID's technical assistance, the City of Kohlapur has awarded a Build-Operate-Transfer contract for the city's solid waste management to a U.S. engineering firm, demonstrating private sector participation in city infrastructure service delivery. As of September 2001, 13 local governments/authorities were utilizing one or more of the urban environmental management tools. Under the Sustainable Cities Initiative, USAID is supporting the municipalities of Pune and Indore to institutionalize energy savings in their water supply and sewerage disposal systems. USAID, in collaboration with the International Council for Local Environmental Initiatives, has launched the 'Cities for Climate Protection' program to help six cities develop an inventory of greenhouse gas emissions and then a strategy to reduce their emissions. Through the Development Credit Authority (DCA) mechanism, USAID is working to facilitate the flow of investment into small and medium municipalities in Tamil Nadu for water and sanitation projects. The DCA guarantee will provide credit enhancement for the issuance of municipal bonds through a pooling facility.

As of March 2001, USAID had helped prevent the release of 4.6 million tons of carbon dioxide equivalents of greenhouse gas emissions.

Principal Contractors, Grantees, or Agencies: The National Energy Technology Laboratory (prime); the United States Energy Association (prime); Louis Berger International (prime); TetraTech International (prime); Nexant LLC (prime); Industrial Development Bank of India Limited; ICICI Limited; the National Thermal Power Corporation; the Federation of Indian Chambers of Commerce and Industry (sub); Winrock International (sub); Winrock International India (prime); the Environment Protection Training the Research Institute (sub); the Consumer Education Research Center (sub); the Communities Group Inc. (prime); the National Institute of Urban Affairs (prime); and the Housing and Urban Development Corporation of India.

US Financing in Thousands of Dollars

India

386-004 Increased Environmental Protection in Energy, Industry and Cities	DA	ESF
Through September 30, 2000		
Obligations	92,290	0
Expenditures	63,480	0
Unliquidated	28,810	0
Fiscal Year 2001		
Obligations	8,288	0
Expenditures	12,447	0
Through September 30, 2001		
Obligations	100,578	0
Expenditures	75,927	0
Unliquidated	24,651	0
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2002 NOA		
Obligations	13,650	3,000
Total Planned Fiscal Year 2002		
Obligations	13,650	3,000
Proposed Fiscal Year 2003 NOA		
Obligations	16,700	10,000
Future Obligations	65,945	37,000
Est. Total Cost	196,873	50,000

PROGRAM DATA SHEET

USAID MISSION: India
PROGRAM TITLE: Infectious Diseases (Pillar: Global Health)
STRATEGIC OBJECTIVE AND NUMBER: Reduced Transmission and Mitigated Impact of Infectious Diseases, especially STD/HIV/AIDS, in India, 386-007
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $21,778,000 CSH
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $23,135,000 DA
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2006

Summary: USAID's program to help expand and improve the treatment and prevention of infectious disease, especially HIV/AIDS, includes the following components—

- using proven strategies for behavior change;
- increasing access to and utilization of high quality condoms;
- expanding access to and utilization of quality treatment for sexually-transmitted diseases (STDs);
- strengthening the capacity of NGOs to respond to the HIV/AIDS epidemic;
- public-private sector partnership programs for high-risk groups;
- strengthening the private sector to improve access to and use of quality health products and services;
- helping the Government of India to implement efforts to eradicate polio;
- providing technical assistance for tuberculosis (TB) treatment, antimicrobial resistance and other vaccine preventable diseases; and
- improving surveillance of infectious diseases.

Inputs, Outputs, and Activities: USAID began to tackle the HIV/AIDS issue in India in 1992 by developing the AIDS Prevention and Control (APAC) activity in the south Indian state of Tamil Nadu, one of India's three recognized HIV epicenters. In FY 1999, USAID expanded its program to include the state of Maharashtra, where antenatal HIV prevalence approaches 2%. The seven year, $41.5 million AVERT activity funds comprehensive prevention and care programs throughout the state of Maharashtra. It particularly addresses issues of women and children affected by AIDS. The Government of India (GOI) has requested USAID to consider an extension and expansion of the APAC activity.

FY 2002 Program: In FY 2002, USAID will develop a proposed five-year extension of APAC, to March 2007, with an additional life-of-activity funding of $15.25 million. Besides increasing the number of grants to NGOs, new issues that will be addressed include care and support for HIV affected persons, voluntary counseling and testing, interventions with industrial workers, and geographic expansion of the APAC activity to include Pondicherry, an adjacent and culturally similar area to the present activity area of Tamil Nadu. The rate of HIV infection in Pondicherry is increasing rapidly, and the HIV/AIDS epidemic in Tamil Nadu and Pondicherry are mutually reinforcing. The new initiatives will provide the GOI with cost-effective models based on cutting edge technologies on HIV/AIDS prevention and control. Other USAID activities encompass tuberculosis (TB) treatment, antimicrobial resistance, eradication of polio and other vaccine-preventable diseases, help for children affected by HIV/AIDS, and improved surveillance of infectious diseases.

Planned FY 2003 Program: USAID plans to use FY 2003 resources to fund a new health strategic objective under the proposed new India Country Strategic Plan for FY 2003-FY 2007. The new health strategic objective is expected to include support for ongoing and expanded HIV/AIDS, tuberculosis, and polio activities.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL RENOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: Reports from high-risk groups show condom use in recent sexual encounters has increased from 37% in 1996 to 60% in 2000. After a slow start, an AVERT Society has now been formed and independently registered in Maharashtra to implement activities. A statewide HIV/AIDS prevention/destigmatization campaign has been launched. Efforts are underway to build the capacity of the NGO sector to manage and implement HIV/AIDS activities. By 2002, AVERT will be fully functional.

Polio eradication from urban slums and hard-to-reach populations will be an arduous and expensive task. The cases have declined from 1,126 in 1999 to 193 through December 2001. The number of new polio cases is more than anticipated this year, though the number of districts has decreased drastically. USAID will continue to work with the World Health Organization (WHO) to institutionalize Directly Observed Treatment System (DOTS) therapy for TB control. DOTS data indicates a doubling of treatment success over the last 18 months. Over 100,000 people have been tested for TB in Tamil Nadu. With USAID and World Bank support, more than 50% of Tamil Nadu has been covered by DOTS. More than 1,400 health providers have completed in-depth training at the Tuberculosis Research Center during the life span of the project.

Principal Contractors, Grantees, or Agencies: USAID anticipates the continued involvement of key partners, including the World Health Organization (prime); the United Nations Children's Fund (prime); Rotary International (sub); the Centers for Disease Control (prime); International Clinical Epidemiology Network (prime); Voluntary Health Services (prime); Hindustan Latex Family Planning Promotion Trust; Family Health International (prime); and ICICI Limited (sub).

US Financing in Thousands of Dollars

India

386-007 Reduced Transmission and Mitigated Impact of Infectious Diseases, Especially STD/HIV/AIDS in India	CSD	CSH	DA
Through September 30, 2000			
Obligations	48,569	0	5,920
Expenditures	26,158	0	5,920
Unliquidated	22,411	0	0
Fiscal Year 2001			
Obligations	17,593	0	0
Expenditures	13,329	0	0
Through September 30, 2001			
Obligations	66,162	0	5,920
Expenditures	39,487	0	5,920
Unliquidated	26,675	0	0
Prior Year Unobligated Funds			
Obligations	0	0	0
Planned Fiscal Year 2002 NOA			
Obligations	0	21,778	0
Total Planned Fiscal Year 2002			
Obligations	0	21,778	0
Proposed Fiscal Year 2003 NOA			
Obligations	0	0	23,135
Future Obligations	0	0	45,709
Est. Total Cost	66,162	21,778	74,764

PROGRAM DATA SHEET

USAID MISSION: India
PROGRAM TITLE: Equity (Pillars: Democracy, Conflict, and Humanitarian Assistance; Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Expanded Advocacy and Service Delivery Networks for Women and Girls, 386-009
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $3,308,000 DA
PRIOR YEAR UNOBLIGATED FUNDS AND FUNDING SOURCE: $700,000 CSD
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $7,508,000 DA; $8,000,000 ESF
INITIAL OBLIGATION: FY 1996 **ESTIMATED COMPLETION DATE:** FY 2005

Summary: USAID's current program to expand advocacy and service delivery networks has three components—

- expanding sustainable financial services for women;
- increasing informed advocacy for reducing violence against women; and
- reducing child labor through quality education.

Inputs, Outputs, and Activities: *FY 2002 Program*: USAID will use FY 2002 funds for the following—

(a) Technical assistance and training to prevent violence against women. These interventions will help change community norms on the acceptability of violence, and will sensitize local leaders on the social and economic costs of such violence. Target audiences will include the Indian corporate sector, government, and other donors. These interventions will also fund awareness campaigns to help eliminate domestic violence and services to assist victims. USAID financing will translate 'advertorials'/public service announcements about the issue into regional languages. Working with local bodies and regional networks, USAID will help raise the awareness of advocates and judges regarding the new domestic violence legislation.

(b) Evaluation of nongovernmental organizations (NGOs) that work on anti-trafficking. The operations research activity on prevention of trafficking in women and children will be carried out in collaboration with the Population Council to evaluate the performance and impact of selected NGOs working on trafficking issues.

(c) Expanded bridge school efforts in selected cities to educate out-of-school children in the 6-14 age group. Illustrative activities include courses for out-of-school children, teacher training, and strengthening the management capacity of urban local bodies. USAID will finance an external comparative assessment of child labor elimination through educational models to explore scale-up options.

(d) An examination of formal and customary systems of justice to define options for improving access to justice for disadvantaged groups. Illustrative activities include legal aid, better case-flow management and alternative dispute resolution mechanisms. Targeted vulnerable groups include the disabled, migrant workers, women, children, and senior citizens.

Planned FY 2003 Program: USAID plans to use FY 2003 resources for a proposed new strategic objective under the new India Country Strategic Plan for FY 2003-FY 2007. The proposed new objective will help improve access to other services, including education and social justice, for vulnerable groups. In addition to ongoing activities, new activities will be launched on issues such as quality education for out-of-school children, prevention of trafficking, and access to justice.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL RENOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: New legislation against domestic violence has been passed by the Government of India. Research studies, funded by USAID through the International Center for Research on Women (ICRW), explores notions of masculinity in relation to violence and community-based responses, e.g., zero-violence zones, to stem domestic violence. These studies, carried out in seven Indian states, are nearing completion. Television spots aimed at creating public awareness will air in the first quarter of calendar year 2002 on the Indian national television network. ICRW has started to build a nationwide network of NGOs that can provide effective counseling, medical and legal support to victims of violence. USAID support to Catholic Relief Services and the United Nations Development Program (UNDP) for pilot child labor elimination activities has been used to enroll out-of-school children into bridge school programs. Additionally, in 2001, these programs enrolled and retained 500 dropouts; formed over 850 community-level committees/groups; and trained over 300 teachers. A new five-year micro-finance activity with Friends of World Women's Banking/India (FWWB/India) has been initiated that will build on the success of earlier efforts.

> In 2001, USAID partners helped to enroll over 10,000 out-of-school children into bridge school programs.

Principal Contractors, Grantees, or Agencies: International Center for Research on Women (prime) for the violence against women activity; Friends of Women's World Banking/India (prime) for the micro-finance activity; United Nations Development Fund for Women (prime) and CEDPA for the anti-trafficking and violence against women activities; United Nations Development Program (prime), Catholic Relief Services (prime), United Nations Children's Fund, and selected municipal authorities for education activities for out-of-school children.

US Financing in Thousands of Dollars

India

386-009 Expanded Advocacy and Service Delivery Networks for Women and Girls	CSD	DA	ESF
Through September 30, 2000			
Obligations	400	3,497	0
Expenditures	400	3,497	0
Unliquidated	0	0	0
Fiscal Year 2001			
Obligations	0	0	0
Expenditures	0	0	0
Through September 30, 2001			
Obligations	400	3,497	0
Expenditures	400	3,497	0
Unliquidated	0	0	0
Prior Year Unobligated Funds			
Obligations	700	0	0
Planned Fiscal Year 2002 NOA			
Obligations	0	3,308	0
Total Planned Fiscal Year 2002			
Obligations	700	3,308	0
Proposed Fiscal Year 2003 NOA			
Obligations	0	7,508	8,000
Future Obligations	0	1,195	42,000
Est. Total Cost	1,100	15,508	50,000

PROGRAM DATA SHEET

USAID MISSION: India
PROGRAM TITLE: Economic Growth (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Increased Capacity of Financial Markets and Government to Transparently and Efficiently Mobilize Resources; 386-011
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $12,242,000 DA; $2,500,000 ESF
PRIOR YEAR UNOBLIGATED FUNDS AND FUNDING SOURCE: $1,300,000 DA; $6,000 ESF
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $10,192,000 DA; $5,000,000 ESF
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2006

Summary: USAID's economic growth program is designed to encourage the efficient mobilization and allocation of the resources needed for development. To do so, technical assistance and training to improve the regulatory environment will be provided to—

- the securities market regulator, self-regulatory organizations (SROs), and key market support institutions to build institutional capacity in oversight, self-regulation, and implementation;
- the insurance and pension regulator(s) and the industry SROs to enhance their technical competence to formulate, issue, and implement supervisory and market practices;
- state-level finance departments to build competence in financial planning, and to strengthen fiscal discipline; and
- key institutions in India's fledgling microfinance sector to create an enabling policy and regulatory framework for microfinance growth.

Inputs, Outputs, and Activities: *FY 2002 Program:* USAID will use FY 2002 resources to provide technical assistance and training through the following programs:

- The Financial Institutions Reform and Expansion-Regulatory (FIRE-R) program, which will—

(a) build the institutional capacity of the Securities and Exchange Board of India (SEBI) in the area of market practice supervision, the examination of self-regulatory organizations and other market intermediaries, and enforcement; develop a long-term bond market; improve disclosure standards and corporate governance practices; and promote financial literacy and alternate dispute resolution;

(b) implement activities aimed at strengthening the capacity of the Insurance Regulatory and Development Authority (IRDA) in the area of solvency supervision and the development of a risk-sensitive early warning system; promote awareness about the issues of health insurance and managed care; and promote self-regulatory principles and enhancement of consumer protection; and

(c) implement activities to assist the Ministry of Finance Pension Reform Task Force establish a suitable administrative authority for regulating, managing, and supervising a funded pension program; and encourage and enhance the development of sound employee benefit programs through objective research.

- A new state fiscal management activity, which will focus on two or more Indian states to improve tax collection methods and treasury operations; upgrade management information systems; improve debt management, budget planning, and execution; and develop in-house analytical capability.

- A microfinance activity, which will develop prudential regulatory and performance standards for the microfinance institutions (MFIs); strengthen the capacity of training institutions to design and deliver targeted training programs; promote best practices and policy advocacy through

research and dissemination, and international networking; and promote linkages between the microfinance subsector with the mainstream financial sector.

Planned FY 2003 Program: FY 2003 resources will be used for a proposed new economic growth strategic objective under the new India Country Strategic Plan for FY 2003-FY 2007. The new economic growth strategic objective is expected to include support for the further expansion of financial services, fiscal reform, and resource mobilization activities.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL RENOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: Capital-market training and technical assistance activities were carried out in the second half of 2001. Efforts to strengthen capital market regulation, oversight, and enforcement will continue in 2002, and will likely be broadened to address India's debt markets as well as reforms relating to the pension, insurance, and state fiscal sectors.

Principal Contractors, Grantees, or Agencies: USAID anticipates the continued involvement of key partners, including the U.S. Securities and Exchange Commission (prime), the Securities and Exchange Board of India (sub), PricewaterhouseCoopers (prime), the Insurance Regulatory and Development Authority (sub), and the Ministry of Finance, Government of India (prime).

US Financing in Thousands of Dollars

India

386-011 Increased Capacity of Financial Markets and Government to Transparently and Efficiently Mobilize Resources	DA	ESF
Through September 30, 2000		
Obligations	3,500	0
Expenditures	0	0
Unliquidated	3,500	0
Fiscal Year 2001		
Obligations	2,316	4,983
Expenditures	497	0
Through September 30, 2001		
Obligations	5,816	4,983
Expenditures	497	0
Unliquidated	5,319	4,983
Prior Year Unobligated Funds		
Obligations	1,300	6
Planned Fiscal Year 2002 NOA		
Obligations	12,242	2,500
Total Planned Fiscal Year 2002		
Obligations	13,542	2,506
Proposed Fiscal Year 2003 NOA		
Obligations	10,192	5,000
Future Obligations	17,051	10,011
Est. Total Cost	46,601	22,500

PROGRAM DATA SHEET

USAID MISSION: India
PROGRAM TITLE: Humanitarian Assistance (Pillar: Democracy, Conflict, and Humanitarian Assistance)
STRATEGIC OBJECTIVE AND NUMBER: Recovery, Reconstruction, and Rehabilitation Needs Met for Targeted Vulnerable Groups, 386-012
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $1,500,000 ESF
PRIOR YEAR UNOBLIGATED FUNDS AND FUNDING SOURCE: $1,372,000 DA; $9,000 CSD
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $2,000,000 ESF
INITIAL OBLIGATION: FY 2001 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: The USAID humanitarian assistance program includes the following components—

- restoring the capacity of communities affected by disasters to recover and rebuild;
- improving the capacity of governments and NGOs to carry out postdisaster damage and needs assessments; and
- enhancing the capacity of national and state governments and NGOs to respond to and manage disaster events.

Inputs, Outputs, and Activities: *FY 2002 Program:* FY 2002 funds will support activities that reduce the vulnerability of communities to disasters and strengthen the capacities of the public and private (including non-profit) sectors to manage and respond to disasters. The USAID Office of Foreign Disaster Assistance (OFDA) Program for the Enhancement of Emergency Response (PEER) will be expanded to reach a larger number of first responders in India with trainer-of-trainer programs for Red Cross volunteers, NGO personnel, and hospital staffers. U.S. technical experts will design weather and flood forecasting models to improve short- and long-term forecasting.

A midterm evaluation is planned to record achievements and capture "lessons learned" in promoting community-driven reconstruction activities. The evaluation will review progress in housing reconstruction, multipurpose building construction, and training of construction persons financed under USAID grants awarded in summer 2001 (to CARE, World Vision/Habitat for Humanity International, and Catholic Relief Services). The evaluation will examine the effectiveness of the community information-sharing model being supported under the USAID grant program with the United Nations Development Program.

USAID will fund the Asian Disaster Preparedness Center in Bangkok to train and work with partner NGOs in India to strengthen community preparedness and plan community-level activities. Other training and partner review workshops will be supported to document and promote effective strategies for drought-mitigation activities and building disaster-resistant housing and shelter. A senior-level Humanitarian Assistance expert will design and oversee investments in emergency response and disaster management in the public and NGO sectors.

Planned FY 2003 Program: USAID plans to use FY 2003 resources to fund a new humanitarian assistance strategic objective, which will be submitted for approval in early 2002, under the new India Country Strategic Plan for FY 2003–FY 2007. USAID expects to provide direct technical support to India's central and state governments to assist with the establishment of more responsive disaster management systems, including support in areas such as flood forecasting and geographic information systems (GIS).

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL RENOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: Under the Gujarat Earthquake Relief Initiative, USAID grants to CARE, Catholic Relief Services, and World Vision/Habitat for Humanity International are providing the materials and funding the building contracts and engineering surveys to build and/or rebuild between 3,700-3,800 family shelters. Seven multipurpose community structures are under construction. The work will provide nearly 18,000 cash-for-work days for poor men and women. PVO partners and United Nations Development Program (UNDP) have trained local workers in quake-resistant construction techniques. Catholic Relief Services has trained over 300 villagers in block making; UNDP has trained about 400 master masons. The UNDP program has installed a village-level information system that provides villagers with readily accessible information on financial or in-kind benefits that they are eligible to receive in Government of India and/or NGO reconstruction packages.

> With USAID assistance, 2,400 home sites have been cleared of earthquake debris.

Principal Contractors, Grantees, or Agencies: CARE (prime); Catholic Relief Services (prime); the United Nations Development Program (prime); World Vision Incorporated with Habitat for Humanity International (prime); and the Asian Disaster Preparedness Center.

US Financing in Thousands of Dollars

India

386-012 Recovery, Reconstruction and Rehabilitation Needs Met for Targeted Vulnerable Groups	CSD	DA	ESF
Through September 30, 2000			
Obligations	0	0	0
Expenditures	0	0	0
Unliquidated	0	0	0
Fiscal Year 2001			
Obligations	1,991	6,628	0
Expenditures	0	144	0
Through September 30, 2001			
Obligations	1,991	6,628	0
Expenditures	0	144	0
Unliquidated	1,991	6,484	0
Prior Year Unobligated Funds			
Obligations	9	1,372	0
Planned Fiscal Year 2002 NOA			
Obligations	0	0	1,500
Total Planned Fiscal Year 2002			
Obligations	9	1,372	1,500
Proposed Fiscal Year 2003 NOA			
Obligations	0	0	2,000
Future Obligations	0	0	0
Est. Total Cost	2,000	8,000	3,500

NEPAL

THE DEVELOPMENT CHALLENGE: Landlocked between India and China with some of the most rugged topography on earth, Nepal was never colonized and remained totally isolated from outside influence until 1951. Since opening its doors, Nepal has made a remarkable transition from an isolated medieval kingdom without the most rudimentary infrastructure to a modern nation state. In 1990, Nepal made a dramatic political transition from a traditional Kingdom to a modern constitutional monarchy.

However, Nepal's transformation has yet to reach many of its citizens in inaccessible mountain villages. Although its per capita income is $244, 42% of the population earns less than $100 per year. Poverty reduction is Nepal's overriding development challenge. Many of its social indicators are among the lowest worldwide. Nearly 40% of its population lack access to basic healthcare and education. Eighty percent of its citizens rely on subsistence agriculture, but only 20% of Nepal's rugged terrain is arable. Agricultural production can be expanded only through increasing irrigation and introducing improved technologies and seed varieties. Additionally, Nepal has abundant hydropower resources but has been unable to exploit it. As a result of its internal insurgency, the tourist industry and the manufacturing sector have suffered major setbacks, leading to rising unemployment Over the past 40 years, wars between Nepal's largest neighbors—China, India, and Pakistan—have led to a steady influx of refugees on its northern and eastern borders.

> More than half of Nepal's 23 million people live on less than a dollar a day.

Nepal's relationship with India is complex. Nepal benefits from Nepali workers remittances from India and the cheap goods and services that flow freely across its borders. However, the border is Nepal's only real conduit for the movement of goods and services and, on occasion, India has unilaterally restricted the free movement of goods.

The transition to democracy produced an array of leftist political parties. In 1994, one communist party faction withdrew from the political process. Vowing a Maoist revolution modeled on Peru's Shining Path, it pledged to end parliamentary democracy and bring down the economic system. The Government of Nepal (GON) retaliated with a police campaign that resulted in a number of human rights abuses. Starting in a remote rural section and employing classic Marxist strategy, the Maoists gained increasing control over rural areas, eventually establishing Maoist governments in five of Nepal's 75 districts, and then expanded their operations over much of the rural countryside. Maoist-affiliated unions and student groups shut down schools, exhorted money under the guise of "taxation," and successfully called nationwide strikes. Since 1994, over 2,000 people have been killed.

The GON has taken several bold steps to fight corruption, decentralize services, re-establish security, and win hearts and minds in conflict areas. These efforts have been thwarted by insufficient human and financial resources and by Maoist determination to drive out all GON presence in rural areas. Most recently, in November 2001, the Maoists unilaterally ended peace talks with the GON and immediately launched attacks across Nepal and in Kathmandu on the military, local and national police officials, and businesses. In response, the GON declared an official state of emergency, designated the Maoists as "terrorists," and authorized the deployment of the army.

U.S. national interests are well served with a developed, economically stable Nepal. The country is strategically important as a buffer zone between the two most populous nations—China and India—in a volatile region of the world. By supporting Nepal's struggle to eliminate the underlying causes of its homegrown insurrection, the United States is making important contributions to regional stability and the global war on terrorism. USAID's proposed activities will provide timely and strategic assistance to help end this conflict and restore public confidence in government.

THE USAID PROGRAM: USAID will devote $27,597,000 in DA, $3,000,000 ESF, and $2,603,000 in P.L. 480 funds in FY 2002, and requests $31,696,000 DA and $6,000,000 ESF in FY 2003 for the four objectives described in the following Program Data Sheets. USAID provides affordable health and family planning services, promoting private sector development of hydropower, and strengthening democratic processes through selected government institutions, and ensuring the wise use and equitable distribution of natural resources. In addition, FY 2002 funds will be used to implement a new Special Objective for a program to mitigate the underlying causes of the growing Maoist insurrection.

ONGOING PROGRAMS FOR WHICH NO NEW FY 2002 OR FY 2003 FUNDING IS REQUESTED: The USAID program includes the following objective for which USAID is not requesting new funds, but is continuing to expend funds already appropriated.

Number	Title	Last Notified	Planned Completion
367-001	Agriculture and Forestry	FY 2002 CBJ, p. 303	FY 2002

OTHER PROGRAM ELEMENTS: USAID's South Asian Regional Initiative (SARI) addresses regional issues, such as energy pricing and distribution (SARI/E) and trafficking of women and children (SARI/Q). Based in New Delhi, the Regional Urban Development Office (RUDO) provides funding to Kathmandu Metropolitan City to carry out a program on domestic and medical waste management. The USAID mission in Nepal will assist RUDO in the monitoring and coordinating the project. Another USAID-financed program in Nepal, is the Bureau for Economic Growth, Agriculture, and Trade's Farmer-to-Farmer program, which provides experienced U.S. professionals to work on short-term specific agribusiness assignments with farmers.

OTHER DONORS: Bilateral donor assistance to Nepal amounts to approximately $450 million, and multilateral grant assistance is nearly $280 million annually. Japan and United States are the first and second largest bilateral partners, respectively. Other major bilateral donors include Denmark (energy, natural resources); United Kingdom (governance, rural infrastructure); Germany (rural development, health); Switzerland (rural development, infrastructure); Norway (energy, urban water supply); Netherlands (rural development); Finland (mapping, governance); and Canada (civil society). Major multilateral donors include the United Nations Development Program (agriculture, development administration, and industry); the World Bank; the Asian Development Bank; European Union; and World Food Program.

Nepal

PROGRAM SUMMARY

(In thousands of dollars)

Accounts	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Child Survival and Disease Programs Fund	7,000	9,250	0	0
Child Survival and Health Programs Fund	0	0	20,000	0
Development Assistance	9,900	12,158	7,597	31,696
Economic Support Fund	0	0	3,000	6,000
PL 480 Title II	0	0	2,603	0
Total Program Funds	**16,900**	**21,408**	**33,200**	**37,696**

STRATEGIC OBJECTIVE SUMMARY				
367-001 Increased Sustainable Production and Sales of Forest and High-Value Agricultural Products				
DA	300	0	0	0
367-002 Reduced Fertility and Protected Health of Nepalese Families				
CSD	7,000	9,250	0	0
CSH	0	0	20,000	0
DA	6,500	6,500	0	20,449
367-003 Increased Women's Empowerment				
DA	1,900	0	0	0
367-004 Increased Private Sector Participation and Investment in Environmentally and Socially Sound Hydropower				
DA	1,200	185	0	0
367-006 Increased Private Sector Participation and Investment in Environmentally and Socially Sustainable Hydropower Development				
DA	0	2,318	2,200	2,447
367-007 Strengthened Governance of Natural Resources and Selected Institutions				
DA	0	2,855	3,647	5,800
367-008 Restoring Political Stability and Expanding Confidence in Democracy				
DA	0	300	1,750	3,000
ESF	0	0	3,000	6,000

Total Transfers

PROGRAM DATA SHEET

USAID MISSION: Nepal
PROGRAM TITLE: Health and Family Planning (Pillar: Global Health)
STRATEGIC OBJECTIVE AND NUMBER: Reduced Fertility and Protected Health of Nepalese Families, 367-002
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $20,000,000 CSH
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $20,449,000 DA
INITIAL OBLIGATION: FY 1996 **ESTIMATED COMPLETION DATE:** FY 2005

Summary: To reduce fertility and protect the health of Nepalese families, the program aims to—

- expand access to and increase the use of quality voluntary family planning services;
- expand access to and increase the use of quality maternal and child health services;
- prevent the spread of HIV/AIDS by increasing prevention among high-risk groups; and
- control infectious diseases by strengthening surveillance and minimizing antimicrobial resistance.

Inputs, Outputs, and Activities: USAID is one of the lead donors in Nepal in the areas of reproductive health, maternal and child health, HIV prevention, and infectious disease control. Nationally, USAID supports five Government of Nepal (GON) programs: Family Planning; Vitamin A; Community-Based Integrated Management of Childhood Illness; Safe Motherhood; and Female Community Health Volunteers. USAID also supports district-level activities to strengthen the delivery of essential health services, including HIV prevention among high-risk groups.

> The health and family planning program reaches more than 11 million men and women and 3.5 million children.

FY 2002 Program: USAID will provide technical assistance, training, Vitamin A supplements, contraceptives, and essential drugs. USAID programs will improve health service delivery; increase the number of skilled family planning providers; expand the delivery of community-based treatment of diarrheal disease and pneumonia; expand delivery of vitamin A supplements for children; and ensure national-level availability of contraceptives and essential drugs. In addition, funds will be used to increase national-level advocacy and awareness of maternal health; improve skills in emergency obstetrics; and develop innovative community-level tools to assist families in better preparing for pregnancies. Prevention activities will increase HIV/AIDS awareness and condom-use among high-risk groups in the Kathmandu Valley, along the southern border with India, and migrant-worker communities in the mid- and far-western regions on Nepal. In addition, further support will be provided to the GON's development of a National HIV Prevention Strategy. Finally, USAID's activities will strengthen the effectiveness of Nepal's Vector-Borne Disease Research and Training Center to report routinely and accurately on outbreaks of infectious diseases by improving the Early Warning Reporting System. A community-based program will be implemented to test prevention and control interventions for malaria, Kala-azar and Japanese encephalitis. Finally, USAID is supporting GON efforts to monitor trends in antimicrobial resistance, including national-level training.

Planned FY 2003 Program: USAID plans to use FY 2003 funding to continue these activities and provide technical assistance, training, vitamin A supplements, contraceptives, and essential drugs. USAID will integrate the maternal health and birth-planning activities at a community level; expand HIV prevention activities to include testing, counseling, and treatment activities; and enhance the private-sector delivery of healthcare services, particularly family planning services and HIV prevention.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL RENOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: Since 1996, child mortality has decreased by 24%. The voluntary use of modern contraception has increased by 36%, resulting in an 11% decline in fertility. USAID's goals are to further reduce the number of children a woman will have in her reproductive lifetime from 4.1 children in 2001 to 3.6 by 2006; decrease the number of deaths of children under five years from 91 deaths per 1,000 live births in 2001 to 70 in 2006; and reduce HIV/AIDS transmission by increasing condom use in all intervention sites to 90%. Targets for total fertility rate and HIV prevention may need to be adjusted downward depending on future resource levels.

The program met or exceeded all FY 2001 annual performance targets. Couple-years of protection (CYP), which is the best annual proxy for contraceptive use and reduced fertility, increased by 8% nationally. Key child health services also continued to multiply. Vitamin A supplementation now covers 72 of Nepal's 75 districts and community-based treatment of child pneumonia expanded from 13 to 14 districts. HIV/AIDS prevention efforts have maintained consistently high condom use, slightly less than 90%. Also, the routine reporting of vector borne diseases under the Early Warning Reporting System has improved the timely submission of reports from five percent in FY 2000 to 90% in FY 2001. In the area of maternal health, a national Safe Motherhood Newsletter developed last year is reaching more than 10,000 maternal health providers, with information on national policies and aimed at raising the awareness of maternal mortality issues. The GON has made maternal health a sector priority in its Tenth Health Plan. A strategy for nationwide safe motherhood training was developed and training initiated. A model Birth Preparedness Package including a financial planning tool for families to prepare for pregnancy is being pilot-tested at the community-level.

Principal Contractors, Grantees, or Agencies: Prime partners include John Snow, Inc; World Education, Inc.; Save the Children/U.S.; EngenderHealth; The Asia Foundation; CARE; Plan International; The Adventist Development and Relief Agency; Family Health International; U.S. Centers for Disease Control and Prevention; Environmental Health Project (Camp Dresser & McKee International); Commercial Market Strategies Project (Deloitte Touche Tohmatsu); International Center for Diarrheal Disease Research, Bangladesh; Rational Pharmaceutical Management Plus (Management Sciences for Health); United States Pharmacopeial Convention; Center for Development and Population Activities; and Johns Hopkins University.

US Financing in Thousands of Dollars

Nepal

367-002 Reduced Fertility and Protected Health of Nepalese Families	CSD	CSH	DA
Through September 30, 2000			
Obligations	32,097	0	46,015
Expenditures	21,474	0	37,601
Unliquidated	10,623	0	8,414
Fiscal Year 2001			
Obligations	9,250	0	6,500
Expenditures	8,006	0	6,533
Through September 30, 2001			
Obligations	41,347	0	52,515
Expenditures	29,480	0	44,134
Unliquidated	11,867	0	8,381
Prior Year Unobligated Funds			
Obligations	0	0	0
Planned Fiscal Year 2002 NOA			
Obligations	0	20,000	0
Total Planned Fiscal Year 2002			
Obligations	0	20,000	0
Proposed Fiscal Year 2003 NOA			
Obligations	0	0	20,449
Future Obligations	0	0	30,000
Est. Total Cost	41,347	20,000	102,964

PROGRAM DATA SHEET

USAID MISSION: Nepal
PROGRAM TITLE: *Hydropower Development (Pillar: Economic Growth, Agriculture, and Trade)*
STRATEGIC OBJECTIVE AND NUMBER: Increased Private Sector Participation and Investment in Environmentally and Socially Sustainable Hydropower Development, 367-006
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $2,200,000 DA
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $2,447,000 DA
INITIAL OBLIGATION: FY 2001 **ESTIMATED COMPLETION DATE:** FY 2005

Summary: USAID's program for increased private-sector participation in hydropower development has four components—

- technical assistance and training to improve the policy, legal, and regulatory framework;
- technical assistance and training to build local capacity for environmental and social assessments;
- energy partnerships between Nepal and U.S. utilities and regulators; and
- technical assistance to local investors for the development of small hydropower projects.

Inputs, Outputs, and Activities: *FY 2002 Program:* USAID will provide technical assistance and training to improve the policy and regulatory environment to attract private sector investment in hydropower development. Activities include developing the capacity of the Government of Nepal's (GON) regulatory body in the areas of procurement; legal policies and procedures; licensing and regulatory procedures; information technology; financial and tariff analysis; export promotion; and public outreach. To support environmental and social soundness of hydropower investment, USAID's training and technical assistance will strengthen local capability to conduct social and environmental impact assessments, with increased public participation and involvement. Program funds also will be used to support four partnerships between Nepali and U.S. utilities and regulators. These partnerships and exchanges will provide an opportunity for GON decision makers and energy professionals to meet with their peers in the United States to share ideas and lessons learned and view first-hand the results of energy-sector reform and regulation. Technical assistance will be provided to domestic entrepreneurs for completion of feasibility studies and securing loans from local banks for the development of small hydropower projects.

Planned FY 2003 Program: USAID intends to continue technical assistance and training to the GON to assist its efforts to boost private sector investment in hydropower. Planned activities include the establishment of a public relations office at the Department of Electricity Development, the GON's regulatory body, and training of journalists, the media and civil society in order to promote a greater flow of information on energy sector reform and benefit sharing. Another activity will be the development of procedures and training to bolster public awareness and participation in hydropower-development issues and to improve transparency of the distribution of revenue.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL RENOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: This program is continuing USAID's support to the GON's efforts to attract private sector investment in hydropower development. Continued progress in hydropower development to meet domestic demand and for export will help Nepal earn valuable foreign exchange and boost its economic development. It will also reduce the global warming threat by replacing

polluting energy supplies elsewhere in the region with a clean, renewable, and environmentally-friendly energy source.

Principal Contractors, Grantees, or Agencies: USAID's program activities are implemented by: International Resources Group (prime); Black and Veatch (sub); local contractors (sub); and the United States Energy Association (prime). USAID will enter into an agreement with a U.S. non-governmental organization for activities related to the development of small hydropower projects by local investors.

US Financing in Thousands of Dollars

Nepal

367-006 Increased Private Sector Participation and Investment in Environmentally and Socially Sustainable Hydropower Development	DA
Through September 30, 2000	
Obligations	0
Expenditures	0
Unliquidated	0
Fiscal Year 2001	
Obligations	2,315
Expenditures	0
Through September 30, 2001	
Obligations	2,315
Expenditures	0
Unliquidated	2,315
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2002 NOA	
Obligations	2,200
Total Planned Fiscal Year 2002	
Obligations	2,200
Proposed Fiscal Year 2003 NOA	
Obligations	2,447
Future Obligations	3,038
Est. Total Cost	10,000

PROGRAM DATA SHEET

USAID MISSION: Nepal
PROGRAM TITLE: Governance (Pillar: Democracy, Conflict, and Humanitarian Assistance)
STRATEGIC OBJECTIVE AND NUMBER: Strengthened Governance of Natural Resources and Selected Institutions, 367-007
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $3,647,000 DA
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $5,800,000 DA
INITIAL OBLIGATION: FY 2001 **ESTIMATED COMPLETION DATE:** FY 2005

Summary: USAID's program to strengthen local governance of natural resources and selected institutions includes—

- training and technical assistance to community-based natural resource management groups to improve the democratic functioning of their organizations, their awareness of their rights and responsibilities; and their technical management of their resources;
- training and technical advice to strengthen advocacy by civil society groups;
- literacy and leadership training for women leaders of community groups and local production and dissemination of materials to raise awareness and prevent human rights abuses such as the trafficking of women and children; and
- training and technical assistance to build the capacity of government and nongovernmental organizations that play critical roles in safeguarding and advancing democracy.

Inputs, Outputs, and Activities: *FY 2002 Program*: USAID will fund programs to strengthen the ability of more than 400 community-based natural resource management groups in 12 districts to manage forest and water resources effectively and democratically. These programs include training in advocacy skills for community groups and national federations that support them, workshops where community groups can provide input to local government officials on budget allocations, and training on democratic decision-making and accountability within the group. Technical assistance also will be provided to natural resource groups to revise their constitutions and update their resource management plans. More than 4,000 women candidates for local office in ten districts will be trained in the functions of local government, how to develop campaign strategies, and how to reach their constituencies. Basic literacy and post-literacy materials for women will be developed to support women in elected government office and in natural resource management groups. Four Nepali nongovernmental organizations (NGOs) in five districts will be supported in efforts to raise awareness about the problem of trafficking of women and girls for sexual exploitation or forced labor, and to assist with the rehabilitation of victims of trafficking. Government agencies and NGOs will be assisted to expand citizens' awareness of their rights and responsibilities in a democracy, and government employees will be trained in ethics and good governance.

Planned FY 2003 Program: USAID will continue to fund capacity-building for community-based natural resources management groups initiated in FY 2002 and, in particular, to increase the revenues communities gain from sustainable management. Anti-trafficking activities will be expanded to include working with employment agencies on information packages for safe migration and to provide alternative job options for vulnerable women. A total of 3,500 women elected to local office in the 2002 elections will be trained to enable them to perform effectively, particularly in understanding the budget process, identifying and executing projects, and representing their constituents. District governments will be assisted in planning to use revenues generated from natural resources development, including revenues from hydropower projects. Literacy training and materials will be provided to 15,000 women, and post-literacy materials made available to nongovernmental organizations for use countrywide.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL RENOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: The first activities under this program were initiated in September 2001. Results to date include the development of voter education materials; training of election officials and community leaders in five districts on the conduct of elections; development of materials to train women candidates; and planning for candidate training in 10 districts. Some anticipated results of the program include 1) increased advocacy capacity of selected civil society groups at community and national levels; 2) strengthened democratic functioning of community-based natural resource management groups; 3) increased numbers of women in elected government office and in leadership positions in community groups; and 4) improved performance of selected government institutions, including district anti-trafficking task forces.

USAID has worked extensively with natural resource user groups and women's groups in Nepal under previous programs, and will use these groups as an entry point for improving governance at the local level. In its natural resources program, USAID has advocated ensuring adequate benefits to local communities from the development and conservation of water and forest resources, and has worked with women's groups on awareness raising to prevent trafficking. This experience provides a solid foundation on which to build the new programs proposed here.

Principal Contractors, Grantees, or Agencies: USAID expects to work primarily with and through U.S. and local NGOs using grants or cooperative agreements. Initial agreements have been signed with The Asia Foundation for natural resource advocacy and antitrafficking activities and with the National Democratic Institute for voter education and training of women candidates for local elections. A cooperative agreement will also be signed with CARE for natural resources advocacy and women's literacy programs. Other expected partners are the Ministries of Forests and Soil Conservation; Water Resources; and Women, Children, and Social Welfare.

US Financing in Thousands of Dollars

Nepal

367-007 Strengthened Governance of Natural Resources and Selected Institutions	DA
Through September 30, 2000	
Obligations	0
Expenditures	0
Unliquidated	0
Fiscal Year 2001	
Obligations	2,800
Expenditures	0
Through September 30, 2001	
Obligations	2,800
Expenditures	0
Unliquidated	2,800
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2002 NOA	
Obligations	3,647
Total Planned Fiscal Year 2002	
Obligations	3,647
Proposed Fiscal Year 2003 NOA	
Obligations	5,800
Future Obligations	0
Est. Total Cost	12,247

PROGRAM DATA SHEET

USAID MISSION: Nepal
PROGRAM TITLE: Ending Conflict and Expanding Democracy (Pillar: Democracy, Conflict, and Humanitarian Assistance)
STRATEGIC OBJECTIVE AND NUMBER: Restoring Political Stability and Expanding Confidence in Democracy, 367-008
STATUS: New
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $1,750,000 DA; $3,000,000 ESF
UNOBLIGATED PRIOR YEAR FUNDS AND FUNDING SOURCE: $300,000 DA
PLANNED FY 2003 OBLIGATION AND FUNDING SOURCE: $3,000,000 DA; $6,000,000 ESF
INITIAL OBLIGATION: FY 2002 **ESTIMATED COMPLETION DATE:** FY 2006

Summary: This new objective has four goals—

- development of improved policies and streamlined government economic and health service-delivery mechanisms to address the root causes of the present conflict;
- establishment of economic stability and democratic social institutions in conflict-affected communities;
- construction of small, labor-intensive infrastructure projects employing local labor in conflict-vulnerable rural communities; and
- production and distribution of supplementary materials that promote civic awareness and foster open, pluralistic democracy and free-market economy.

Inputs, Outputs, and Activities: *FY 2002 Program*: USAID will fund labor-intensive, small infrastructure projects that maximize employment for rural communities in conflict affected areas and expand tangible development at the grassroots level. To provide transparency at the local level and enhance citizens' confidence in democratic governance, local communities and local elected governments will identify, plan implement infrastructure repair and construction activities. Projects such as secondary roads, footpaths, footbridges, gravity irrigation schemes, and rehabilitation of schools and health clinics will be undertaken. These efforts will be in closely coordinated with the GON and other major donors.

> Nepal's Maoist insurgency has resulted in over 2,000 deaths in the last six years, and has disrupted the national economy and development programs. The Government of Nepal (GON) has taken bold steps to address the root causes of the insurrection (poverty, corruption, and lack of development impact at the local level) but does not have the resources to carry out its programs without donor support. Stopping the violence, and addressing the grievances Maoists use to justify the violence are important to stability, both in Nepal and in the region.

USAID will provide technical assistance and training to the GON in allocating human and financial resources, and developing human-rights policies. This assistance will help the GON in its efforts to address the root causes of the conflict.

To raise awareness and create attitudes conducive to democratic governance and a free-market economy, especially among disaffected youth, USAID will provide technical assistance for developing and distributing literature that highlights the benefits and responsibilities of democratic governance. To promote economic and social stability in conflict affected rural areas, USAID will provide services and inputs such as tools, seeds, micro-credit and micro-enterprise programs, and technical advice to returned combatants and conflict victims. Victims of Torture directive resources will be used to support the Nepali nongovernmental organization (NGO) Center for Victims of Torture in treating individuals who have suffered physical and psychological torture and rape as an act of torture.

Planned FY 2003 Program: USAID plans to use FY 2003 resources to expand program activities to cover two districts. The planned FY 2003 program includes funds from USAID's conflict prevention initiative.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL NOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: This program will begin in 2002. It will generate immediate short-term employment as well as medium to long-term income generation opportunities for the poorest members of conflict affected communities. Immediate results, in the forms of basic infrastructure, improved policies, and economic and health service-delivery mechanisms, will enhance its citizens' confidence in the GON's concern for its rural populations. Appropriate educational materials and curricula will engender attitudes and knowledge necessary for a peaceful democratic society.

Principal Contractors, Grantees, or Agencies: To be determined.

US Financing in Thousands of Dollars

Nepal

367-008 Restoring Political Stability and Expanding Confidence in Democracy	DA	ESF
Through September 30, 2000		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
Fiscal Year 2001		
Obligations	0	0
Expenditures	0	0
Through September 30, 2001		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
Prior Year Unobligated Funds		
Obligations	300	0
Planned Fiscal Year 2002 NOA		
Obligations	1,750	3,000
Total Planned Fiscal Year 2002		
Obligations	2,050	3,000
Proposed Fiscal Year 2003 NOA		
Obligations	3,000	6,000
Future Obligations	0	0
Est. Total Cost	5,050	9,000

PAKISTAN

THE DEVELOPMENT CHALLENGE: Since September 11th, Pakistan has become a critical frontline state in the war against terrorism. In the expectation of instability in Pakistan and the region, commerce is shrinking, the rupee is declining in value, and the Government of Pakistan has and will continue to incur costs associated with an influx of refugees and additional internal security expenses. Loss of export markets has caused many manufacturers to drastically cut back or stop production and lay off thousands of workers, further exacerbating the country's economic crisis. The U.S. national interest centers on helping to maintain political stability in Pakistan and assisting the Pakistan Government with the international campaign against terrorism.

> Nationwide, literacy rates are approximately 59% for males and 35%for females. Males attend school for an average of 1.9 years while females attend for an average of 0.7 years.

Pakistan is a nation struggling to emerge from civil and economic crisis. During the past decade, the standard of living has deteriorated, poverty has increased, public institutions have decayed, resulting in inadequate provision of essential services of any quality; and political and legal institutions lack the public's trust due to corruption and cycles of political turmoil. Pakistan's return to a path toward democratic and economic reform is in the U.S. strategic interest.

Since independence, Pakistan has shifted among various forms of parliamentary, military, and presidential governments in pursuit of political stability. The Pakistani people have often looked to the military, during times of political crisis, to serve as the government of last resort. This has resulted in alternating cycles of military and civilian rule, a type of praetorian civil-military relationship that has perpetuated the military's involvement in political process and arrested the development of a sustainable democracy. As a result, the country has experienced considerable difficulty developing stable, cohesive political and civil-society organizations.

Civil society in Pakistan is generally weak and has only recently begun to address macropolitical issues. Nonetheless, there are some potentially promising results beginning to emerge from the efforts of coalitions and networks of NGOs and community-based organizations (CBOs) to educate citizens about the meanings of democracy, representation, and the role of the voter. This effort was conducted within the context of the local government elections that concluded in August 2001. These networks of NGOs and CBOs have focused on strengthening the content, rather than the form, of the democratic process, and now provide a potential opportunity for the United States to promote sustainable democracy in the run up to the anticipated return to civilian rule.

Pakistan faces the twin challenges of reviving growth and reducing poverty. This will require rapid economic growth in agriculture, which represents 26% of GDP and employs 44% of the labor force. GDP growth hinges on crop performance. Pakistan's agriculture depends on irrigation, yet over the past two decades the productivity of the sub-sector has declined steadily due to the deterioration of the physical infrastructure and the institutional capacity to manage water at all levels. The country also faces the challenge of land degradation.

Pakistan's major health indicators demonstrate large unmet needs. The total fertility rate is 4.8, contraceptive prevalence is only 28%, and the population growth rate is 2.2% per year (compared with India's 1.7%). Estimated infant mortality is 85 per 1000 live births, under five mortality is 103 per 1000 live births, and maternal mortality is 533 per 100,000. Immunization rates are low with less than 60% of one-year olds fully immunized. Twenty-six percent of children under five are moderately to severely underweight; only 1% of young children receive vitamin A supplementation; and only 19% of households use iodized salt.

The education sector, in particular, is in a critical state of disarray. While substantial investments have been made in building schools, access is not uniform and the overall quality of education

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remains very poor. Teachers are poorly qualified, frequently hired through political patronage, and receive little in-service training. Indicators for literacy, enrollment, and retention demonstrate the dire need for systemic reform. Nationwide, literacy rates are approximately 59% for men and 35% for women. The average years of schooling for a male are 1.9 years while that of females is only 0.7 years. Thirty-seven percent of boys and 55% of girls never enter school; of those who do, 50% drop out within the first five years. Only 29% of children make it to the secondary school level. This systemic failure of the education system stems from issues of both access and quality, seriously hindering Pakistan's future development prospects.

THE USAID PROGRAM: USAID plans to spend $624,500,000 in Pakistan in FY 2002 and requests $250,000,000 in FY 2003. USAID is establishing a field mission in Pakistan. Until now, USAID has provided modest assistance under U.S. legal provisions that allow assistance to, and through, nongovernmental organizations (NGOs) for humanitarian purposes. USAID's Pakistan NGO Initiative (PNI) was launched in September 1994, extended in November 1997, and will terminate in 2002. PNI has implemented activities related to economic development, girls' education, women's and children's health, child labor, and microenterprise development.

USAID launched a new education program in Pakistan during 2001. The U.S. Congress granted legislative authority for this program in response to the grave state of the public education system and the belief that a poorly educated populace impedes economic development and more readily supports extremist actions. The initial phase of this program aimed to increase girls' access to primary education. In 2002, the USAID education program will be significantly expanded to include assistance to the Government of Pakistan. This assistance will target educational policy, administration, teacher training, and curriculum development. USAID will also support activities that strengthen civil society organizations and political parties, and improve the health of the Pakistani people. In FY 2003. USAID plans fund activities that support economic growth through the agriculture sector.

ONGOING PROGRAMS FOR WHICH NO FY 2002 FUNDING IS REQUESTED: The USAID program in Pakistan includes the following objective for which USAID is not requesting new funds, but is continuing to expend funds already appropriated:

Number	Title	Last Notified	Planned Completion
391-004	Pakistan NGO Initiative	FY 02 CBJ, p. 331	FY 2002

OTHER PROGRAM ELEMENTS: In addition to its programs in basic education, democracy, agriculture, and health, USAID provided a cash transfer of $600,000,000 in FY 2002 to the Government of Pakistan from funds made available under the Emergency Supplemental Appropriations Act (P.L. 107-38). USAID plans to make a $200,000,000 cash transfer to the Government of Pakistan in FY 2003. The Government of Pakistan has committed to use the rupee equivalent of these funds for education, health, and job creation programs.

OTHER DONORS: World Bank (poverty reduction, fiscal reform and decentralization, financial sector, education, agriculture and natural resources, civil service reform, water and sanitation, health, energy, telecommunications and transportation); Asian Development Bank (governance, judiciary, agriculture and natural resources, education, health, water, infrastructure, energy, trade, financial sector); United Kingdom (education, health, trade, poverty, democracy and governance); Germany (education and training, health, rural development, energy, environment and natural resources); Japan (health, education); Canada (education, civil society, health, environment, energy, private-sector development); European Union (education, health, trade, environment and natural resources management); United Nations Children's Fund (nutrition, health, education); United Nations Development Program (governance, gender, environment and natural resources, agriculture, poverty reduction).

Pakistan
PROGRAM SUMMARY
(In thousands of dollars)

Accounts	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Child Survival and Health Programs Fund	0	0	5,000	0
Development Assistance	0	0	10,000	50,000
Emergency Response Fund	0	0	600,000	0
Economic Support Fund	0	0	9,500	200,000
PL 480 Title II	537	1,855	0	0
Total Program Funds	**537**	**1,855**	**624,500**	**250,000**

STRATEGIC OBJECTIVE SUMMARY				
391-003 Pakistan Primary Education and Literacy Program				
DA	0	0	10,000	21,500
ESF	0	0	5,000	0
391-004 Pakistan Democracy and Governance Program				
DA	0	0	0	6,000
ESF	0	0	2,000	0
391-005 Emergency Economic Assistance to Pakistan				
ERF	0	0	600,000	0
ESF	0	0	2,500	200,000
391-XXX Agricultural Growth and Employment				
DA	0	0	0	10,000
391-YYY Improved Basic Health Services				
CSH	0	0	5,000	0
DA	0	0	0	12,500

Total Transfers

PROGRAM DATA SHEET

USAID PROGRAM: Pakistan
PROGRAM TITLE: Primary Education and Literacy (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Pakistan Primary Education and Literacy Program, 391-003
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $10,000,000 DA; $5,000,000 ESF
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $21,500,000 DA
INITIAL OBLIGATION: FY 2001 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: This program proposes to—

- assist the Government of Pakistan to improve education policy-planning and training;
- train teachers and develop curriculum;
- foster girls education; and
- develop community and private partnerships.

Inputs, Outputs, and Activities: *FY 2002 Program:* The U.S. will support the Government of Pakistan to implement its National Education Policy. The USAID program will be nationwide, although areas bordering Afghanistan are expected to get a disproportionate share of help. Program focus will be on primary education and literacy. Components will include the following:

Education Policy, Planning, and Administration: Improve the content and implementation of government basic education policies, working with district, provincial, and central government authorities and institutions. This will be accomplished by providing technical assistance and support district, provincial, and national education authorities and institutions. In-country and U.S. training will be provided for key administrators, with particular emphasis on girls' education, adult literacy (especially women) and out-of-school youth.

Teacher Training and Curriculum: The U.S. program will expand teacher training and curriculum materials to improve the quality of public sector basic education, and as by-product offer an alternative to the *madrassas*. There are roughly 350,000 government primary school teachers and 75,000 private primary school teachers in Pakistan. The training program will operate in every province using the 123 teacher training institutions.

Fostering Girls' Education: The program will implement activities that remove barriers to girls' education and help attract and retain girls in school, including classroom modifications and improvements, and technical assistance to help implement appropriate policies.

Community and Private Partnerships: The program will develop public-private partnerships and strengthen community involvement to increase the level of resources available for education and adult and youth literacy programs, and improve the quality of education. USAID has already started this effort through a grant with the Aga Khan Foundation that is working with 50-60 public, private and NGO schools in Sindh and Baluchistan Provinces.

Planned FY 2003 Program: USAID will use FY 2003 funds to build on the work begun in the first two years of the program. The FY 2003 program will help the Government of Pakistan and its Ministry of Education to undertake teacher training, improved planning and administration of schools at the provincial level, and to help remove obstacles to achieving universal access to education in five years.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL RENOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 FUNDS FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: To be determined.

Principal Contractors, Grantees, or Agencies: Aga Khan Foundation, The Asia Foundation, Education Development Center, and others to be determined.

US Financing in Thousands of Dollars

Pakistan

391-003 Pakistan Primary Education and Literacy Program	DA	ESF
Through September 30, 2000		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
Fiscal Year 2001		
Obligations	0	0
Expenditures	0	0
Through September 30, 2001		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2002 NOA		
Obligations	10,000	5,000
Total Planned Fiscal Year 2002		
Obligations	10,000	5,000
Proposed Fiscal Year 2003 NOA		
Obligations	21,500	0
Future Obligations	0	0
Est. Total Cost	31,500	5,000

PROGRAM DATA SHEET

USAID PROGRAM: Pakistan
PROGRAM TITLE: Democracy and Good Governance (Pillar: Democracy, Conflict, and Humanitarian Assistance)
STRATEGIC OBJECTIVE AND NUMBER: Pakistan Democracy and Governance Program, 391-004
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $2,000,000 ESF
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $6,000,000 DA
INITIAL OBLIGATION: FY 2001 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: USAID's democracy program in Pakistan will work with civil society organizations and political parties, and will focus on three activities to strengthen these institutions—

- fostering new leadership within issue-based civil society organizations and political parties;
- fostering the creation of new fora in which civil society, political leaders, and local civil administration authorities can discuss and reach consensus on priority development issues; and
- improving the capacity to carry out research and analyses designed to inform decision-makers, lawmakers and civil society leaders on the state of political change in Pakistan.

Inputs, Outputs, and Activities: USAID proposes first to improve and sharpen civil society's analyses of the political economy of Pakistan and second, to use that analysis to target more strategically the programs proposed and implemented by the primary civil society actors, including NGOs, civic organizations, think tanks, polling companies, universities, and the press.

USAID proposes to strengthen the political party process by identifying midlevel party officials who desire to reform their organization's direction and policies to foster greater accountability. Assuming that such potential reformers exist, USAID would provide assistance aimed at re-shaping the parties to make them, and the governments they form, more accountable, working directly with them on party organization, message development, and constituency building. Assistance would be available to all parties and to all members of parties, but the program would encourage particularly those who want reform.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL RENOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 FUNDS FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: This program is just beginning; results are not yet available.

Principal Contractors, Grantees, or Agencies: The Asia Foundation, National Democratic Institute, and International Republican Institute.

US Financing in Thousands of Dollars

Pakistan

391-004 Pakistan Democracy and Governance Program	DA	ESF
Through September 30, 2000		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
Fiscal Year 2001		
Obligations	0	0
Expenditures	0	0
Through September 30, 2001		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2002 NOA		
Obligations	0	2,000
Total Planned Fiscal Year 2002		
Obligations	0	2,000
Proposed Fiscal Year 2003 NOA		
Obligations	6,000	0
Future Obligations	0	0
Est. Total Cost	6,000	2,000

PROGRAM DATA SHEET

USAID PROGRAM: Pakistan
PROGRAM TITLE: Cash Transfer (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Emergency Economic Assistance to Pakistan, 391-005
STATUS: New
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $600,000,000 ERF; $2,500,000 ESF
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $200,000,000 ESF
INITIAL OBLIGATION: FY 2002 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: The overall goal of U.S. assistance to Pakistan is to support peace in South Asia. The Government of Pakistan's political and economic stability continues to be important to U.S. foreign policy objectives in the South Asia.

Inputs, Outputs, and Activities: *FY 2002 Program:* In FY 2002, USAID provided a total grant of $600,000,000 to the Government of Pakistan as balance of payments and budget support under PL 107-38, the Emergency Supplemental Appropriations Act for Recovery from and Response to Terrorist Attacks on the United States.

The overall goal of U.S. assistance is to support the Government of Pakistan during this time of economic hardship that has resulted from its support to the international war on terrorism. The budget support was provided through a cash transfer agreement, and will help the Government of Pakistan sustain robust social spending for specific education, health, and employment-creation programs.

The aftermath of the September 11, 2001 events in the United States and the Government of Pakistan's overt support to the United States in its efforts to destroy the Al Qaeda international terrorist network have had a tremendous economic impact on Pakistan. Based on recent projections from the International Monetary Fund, Pakistan will face a reduction in foreign exchange earnings by approximately $2.5 billion this year alone. This drop in revenue has severely impacted the Government of Pakistan's budget, particularly its ability to sustain spending in key social development areas like health, education, and the construction of critical local infrastructure (rural farm-to-market roads, small-scale irrigation, and potable water systems).

FY 2003 Program: In FY 2003, USAID plans to provide $200,000,000 to the Government of Pakistan.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL RENOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 FUNDS FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: The FY 2002 funds were provided as a cash transfer. These funds were used by the Government of Pakistan to meet critical foreign exchange needs, either for debt repayment or for the importation of acceptable U.S. goods and services. The availability of U.S. dollars to meet these costs enabled the Government of Pakistan to reallocate domestic resources within its budget to specific poverty reduction and social development activities.

Principal Contractors, Grantees, or Agencies: None.

US Financing in Thousands of Dollars

Pakistan

391-005 Emergency Economic Assistance to Pakistan	ESF	ERF
Through September 30, 2000		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
Fiscal Year 2001		
Obligations	0	0
Expenditures	0	0
Through September 30, 2001		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2002 NOA		
Obligations	2,500	600,000
Total Planned Fiscal Year 2002		
Obligations	2,500	600,000
Proposed Fiscal Year 2003 NOA		
Obligations	200,000	0
Future Obligations	0	0
Est. Total Cost	202,500	600,000

PROGRAM DATA SHEET

USAID PROGRAM: Pakistan
PROGRAM TITLE: Agriculture (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Agricultural Growth and Employment, 391-XXX
STATUS: New
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: None
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $10,000,000 DA
INITIAL OBLIGATION: FY 2003 **ESTIMATED COMPLETION DATE:** FY 2005

Summary: The overall goal of the program is to increase economic growth in the agriculture sector through—

- improved watershed management; and
- support for community-based organizations.

Inputs, Outputs, and Activities: *FY 2002 Program:* Activities will begin in FY 2003.

FY 2003 Program: USAID programs in FY 2003 will help revitalize agricultural production by increasing the productivity of water used in agriculture. Through technical assistance and training, USAID will strengthen the capacity of provincial irrigation and drainage authorities, area water boards, basin level agencies, water-user groups, and other farmers' organizations to enhance, maintain and manage irrigation, drainage, and on-farm water management systems in targeted areas. Following the principles of integrated water resources management, USAID will enhance the necessary capacity to improve the reliability and dependability of irrigation water deliveries, and manage the supply and demand for water including the use of weather/climate data for forecasting.

FY 2003 funding will also support activities that increase productivity and income generation through community-based development. USAID will support Khushal Pakistan Program (Poverty Alleviation Program) in their efforts to assist communities with improving the management of land and water resources; the quality of their products; and their access to markets and microcredit. This assistance would be provided through agricultural extension services and the strengthening of farmer associations and water user groups. Women will be key members and implementers of development.

Performance and Results: To be determined.

Principal Contractors, Grantees, or Agencies: To be determined.

US Financing in Thousands of Dollars

Pakistan

391-XXX Agricultural Growth and Employment	DA
Through September 30, 2000	
Obligations	0
Expenditures	0
Unliquidated	0
Fiscal Year 2001	
Obligations	0
Expenditures	0
Through September 30, 2001	
Obligations	0
Expenditures	0
Unliquidated	0
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2002 NOA	
Obligations	0
Total Planned Fiscal Year 2002	
Obligations	0
Proposed Fiscal Year 2003 NOA	
Obligations	10,000
Future Obligations	0
Est. Total Cost	10,000

PROGRAM DATA SHEET

USAID PROGRAM: Pakistan
PROGRAM TITLE: Health (Pillar: Global Health)
STRATEGIC OBJECTIVE AND NUMBER: Improved Basic Health Services, 391-YYY
STATUS: New
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $5,000,000 CSH
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $12,500,000 DA
INITIAL OBLIGATION: FY 2002 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: USAID's goal is to promote the health of the Pakistani people through interventions that can be sustained over the long term at the local and national levels, especially through targeted programs to—

- promote voluntary family planning, and
- reduce morbidity and mortality in young children and women.

Inputs, Outputs, and Activities: USAID was Pakistan's largest donor in the health sector until the USAID program closed in 1995. Assistance from 1985-1995 totaled $165 million for child survival activities to reduce child morbidity and mortality due to diarrheal diseases, measles, neonatal tetanus, and acute respiratory infections. Approximately $72 million (1982-1994) was obligated for the Population Welfare Planning project. Since 1995, when USAID's bilateral development program was closed, modest assistance in health has been provided under the Pakistan NGO Initiative (PNI), emphasizing the rights of women and girls to health services. Past assessments of PNI's performance and future prospects have been favorable, building a stronger civil society and improving the quality of NGOs to deliver community-based health services.

FY 2002 Program: Eight years after closing its USAID Mission in Pakistan, in January 2002 the United States announced its reopening. A draft strategic framework for developing a program was developed to address the needs of the health sector. The goal is to promote the health of the Pakistani people through interventions that can be sustained over the long-term at the local and national levels, especially through targeted programs to promote voluntary family planning, and reduce morbidity and mortality in young children and women. A central part of this effort will be supporting reform across the health sector, with the aim of improving the coverage, responsiveness, quality, and efficiency of health services. USAID's efforts will take advantage of the Government's willingness to work in partnership with the NGO and commercial sectors to meet its health objectives. Target populations include children, pregnant women, youth and newly married couples, underserved populations, and persons at risk of HIV/AIDS.

USAID programs will deliver an integrated package of services including family planning and reproductive health services, maternal healthcare, newborn care and child survival, polio eradication, HIV/AIDS surveillance and prevention program, and health systems strengthening, including drugs and commodities. USAID support will aim both to be consistent with Pakistani cultural and religious norms and to advance gender equity and the status and role of women in Pakistan's development. To be effective and sustainable, health programs will build on needs as perceived by communities, building on lessons learned from the current and recent programs. Immediate activities will include coordination with the Government of Pakistan and Ministry of Health to assess needs; donor mapping and coordination; identification of partners/NGOs; detailed program planning; and possible scale-up of selected existing programs such as support to the WHO polio eradication program, social marketing of contraceptives and health products, NGO capacity-building, service delivery, health systems strengthening, and public-private partnerships.

FY 2003 Program: USAID will use FY 2003 funds to build upon the work begun in the first year of the program.

Performance and Results: To be determined.

Principal Contractors, Grantees, or Agencies: To be determined.

US Financing in Thousands of Dollars

Pakistan

391-YYY Improved Basic Health Services	CSH	DA
Through September 30, 2000		
Obligations	0	
Expenditures	0	
Unliquidated	0	
Fiscal Year 2001		
Obligations	0	
Expenditures	0	
Through September 30, 2001		
Obligations	0	
Expenditures	0	
Unliquidated	0	
Prior Year Unobligated Funds		
Obligations	0	
Planned Fiscal Year 2002 NOA		
Obligations	5,000	
Total Planned Fiscal Year 2002		
Obligations	5,000	
Proposed Fiscal Year 2003 NOA		
Obligations	0	12,500
Future Obligations	0	0
Est. Total Cost	5,000	12,500

SRI LANKA

THE DEVELOPMENT CHALLENGE: Key U.S. national interests in Sri Lanka include supporting democratic institutions and processes, including curbing terrorism and finding a peaceful solution to the 18-year war. The new government is one of the friendliest to the United States in Sri Lankan history and was very supportive of the United States in the aftermath of the events of September 11, 2001. By helping to resolve Sri Lanka's internal war, the United States is making an important contribution to regional stability and the global war on terrorism. In addition, the U.S. national interest is served by further promoting free markets, transparency, rule of law and respect for workers' rights, in order to integrate fully Sri Lanka into the global economy and provide greater opportunities for U.S. goods, services, and capital.

Sri Lanka weathered a year of internal political and economic stress. The fighting intensified in its 18-year war in the north and east, and included an attack on the international airport by the Liberation Tigers of Tamil Eelam (LTTE). Political instability led to the postponement of its parliament for two months; and two of the most violent parliamentary elections in history occurred over a 14-month period. Exports declined by over 8%; the budget deficit rose to nearly 10% of gross domestic product; exchange reserves dropped from $2.6 billion to $2.1 billion, and gross national product growth plunged from an annual average rate of 5.5% in the 1990's to minus 0.6%. Adding to the country's economic woes, as a result of the previous government's failure to meet budget expenditure terms, the International Monetary Fund postponed further drawdown of its Standby Agreement Facility after Sri Lanka had withdrawn only $131 million of the agreement's $253 million total.

Despite all the negative events over the past year, the December 2001 change in government has injected optimism into the populace that a peaceful solution to the war can be found and that the economy will recover from the recent downturn. In one of its first moves, the new government requested Norway to restart the talks that could lead to a peace agreement with the LTTE. In response, the LTTE unilaterally declared a one-month cease-fire "to give peace a chance" and the government reciprocated.

The new government has a critical mass of highly respected private sector individuals in key cabinet positions. Many of these individuals have been active in USAID's competitiveness activity. They understand the need and have the ability to create an environment that facilitates private sector led growth and employment generation.

Compared with its neighbors, social indicators for Sri Lanka remain high, although they do not include data from the conflict zone. Sri Lanka ranks 81st of 162 countries on the UNDP's Human Development Index. Per capita income is $826. Life expectancy is 69.3 years for men and 75.0 years for women. Infant mortality is 17 per 1,000 live births; the literacy rate is 88.6% for females and 94.3% for males. While respectable, these indicators are at risk of eroding if the social, political, and economic constraints are not effectively addressed.

THE USAID PROGRAM: USAID plans to spend $5,450,000 in DA funds and $3,000,000 in ESF funds in FY 2002, and is requesting $6,050,000 DA and $4,000,000 ESF in FY 2003. The three USAID objectives focus on increasing Sri Lanka's competitiveness in the global marketplace; creating and enhancing economic and social opportunities for disabled and disadvantaged groups; and promoting peace, good governance, human rights awareness and enforcement, and providing psychological counseling to communities in the northern and eastern conflict zones. FY 2002 funds will be used to implement ongoing activities that assist industry and government to develop and implement strategies and for appropriate policies and programs to address barriers to competitive trade and investment. USAID will support the provision of improved prosthetic and orthotic devices for the disabled; develop capacity of organizations to advocate on behalf of the disabled; and implement social programs for families and children affected by the war. Beginning in FY 2003, a

new USAID program will promote peace and good governance and will assist in the promotion of Sri Lankan citizens' rights, as well as providing counseling and other support to victims of torture in the conflict zones in the North and East.

ONGOING PROGRAMS FOR WHICH NO FY 2002 OR FY 2003 FUNDING IS REQUESTED: The USAID program in Sri Lanka includes the following objective for which USAID is not requesting new resources but is continuing to expend funds already appropriated.

Number	Title	Last Notified	Planned Completion
383-001	Improved Framework for Trade and Investment	FY 2002 CBJ, page 344	FY 2005

OTHER PROGRAM ELEMENTS: USAID implements its democracy program with Economic Support Funds provided through the South Asia Regional Democracy Fund. This program supports activities in the areas of election administration, human rights, peace-building, and rule of law. USAID participates in the South Asia Regional Initiative that supports activities in the areas of energy and equity. Finally, the United States—Asia Environmental Partnership (USAEP) program supports the introduction of environmentally friendly technologies into Sri Lanka.

OTHER DONORS: The United States is the sixth largest donor. The leading donors are Japan, the Asian Development Bank (ADB), the World Bank, the United Nations Development Program (UNDP), Germany, and China.

Norway is the lead donor in the Peace Talks. In the economic growth area, Norway, the U.S., and Germany work in the private sector, while Japan, the United States, the ADB and the World Bank work with the government of Sri Lanka. The United States, United Kingdom, Norway, European Union, World Bank, UNDP, Germany, and Australia support democracy and human rights programs. Many donors have funded local and foreign election observers and monitors. The Government of Sri Lanka allows NGOs to work in the war-affected areas of the north and east. USAID complements the efforts of the United Nations Children's Fund, the World Health Organization, the United Nations High Commission on Refugees and international voluntary organizations in providing health care, rations, and shelter to displaced populations.

Sri Lanka
PROGRAM SUMMARY
(in thousands of dollars)

Accounts	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Child Survival and Disease Programs Fund	700	300	0	0
Child Survival and Health Programs Fund	0	0	300	0
Development Assistance	3,650	3,399	5,150	6,050
Economic Support Fund	0	0	3,000	4,000
Total Program Funds	**4,350**	**3,699**	**8,450**	**10,050**

STRATEGIC OBJECTIVE SUMMARY				
383-001 Improved Framework for Trade and Investment				
DA	500	0	0	0
383-003 Enhanced Economic and Social Opportunities for Disadvantaged Groups				
CSD	700	300	0	0
CSH	0	0	300	0
DA	700	400	400	800
383-004 Increased Sri Lankan Competitiveness in the Global Marketplace				
DA	2,450	2,999	3,250	3,250
383-005 Peace, Good Governance, and Respect for Citizen's Rights Promoted				
DA	0	0	1,500	2,000
ESF	0	0	3,000	4,000

Total Transfers

PROGRAM DATA SHEET

USAID MISSION: Sri Lanka
PROGRAM TITLE: Humanitarian Assistance (Pillar: Democracy, Conflict, and Humanitarian Assistance)
STRATEGIC OBJECTIVE AND NUMBER: Enhanced Economic and Social Opportunities for Disadvantaged Groups, 383-003
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $300,000 CSH; $400,000 DA
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $800,000 DA
INITIAL OBLIGATION: FY 1998 **ESTIMATED COMPLETION DATE:** FY 2005

Summary: USAID's program enhances economic and social opportunities for disadvantaged groups by—

- providing prosthetics and orthotics to 1,500 individuals;
- introducing improved technologies and methodologies that offer a greater variety of devices for the disabled;
- supporting psychosocial needs of children and families affected by the war;
- promoting conflict resolution;
- addressing the economic needs of young people affected by conflict by preparing them for better employment opportunities; and
- implementing programs that protect children from the sex trade and create alternative social and economic opportunities.

Inputs, Outputs, and Activities: *FY 2002 Program:* USAID will contract with two new "umbrella" grant organizations that will in turn make subgrants to a number of local organizations. USAID will continue to fund the prosthetic and orthotic devices and physical therapy. USAID also will fund the introduction of new technologies and methodologies, while developing advocacy skills for the disabled within these organizations through technical assistance and training. Programs for 'at risk' youth and those children most deeply affected by conflict will continue. USAID programs in the government controlled and border areas create zones of peace for children. The programs will promote the children's psychosocial well-being through pre-schools, playgroups, and supervised play including theater, 'edu-tainment' programs and weekend camps that involve children of all ethnicities. Programs also will promote conflict resolution through children's programs that encourage interethnic dialogue and interaction, and address the economic needs of young people affected by conflict by preparing them for better employment opportunities. Children involved in or at risk of being involved in the sex trade will be provided health education, recreational activities and a secure residential environment that offers alternative social and economic opportunities.

Planned FY 2003 Program: The program will build upon the new ideas, technologies, and methodologies introduced in the previous year. Funds will be used to procure and supply new technologies and improved methodologies for providing prosthetics and orthotics. Pre- and after-school activities for at risk children will be provided, as well as programs that improve employment opportunities for the target group.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL RENOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 FUNDS FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: Over the past several years, all eligible amputees who requested limbs have received them. However, USAID convinced the local provider to offer the much improved and technologically advanced International Committee of the Red Cross (ICRC) limbs to its clients. The

partner also will upgrade its physical and occupational therapy programs and will adopt new practices and procedures. By upgrading their rehabilitation, recipients will have more employment or income generating options available to them, and improved quality of life that facilitates better integration into the society.

Programs addressing the psychosocial needs of children will be expanded into districts in the heart of the conflict zone and will include a greater number of minority Tamil and Muslim villages. These children will be targeted and encouraged to stay in school. Training materials for schools and local organizations will be designed and disseminated to reduce the recruitment of child soldiers.

Principal Contractors, Grantees, or Agencies: Terre Des Hommes; The Salesian Missions; The Friend in Need Society; Sarvodaya; and The United Nations Children's Fund. Grants will be made to two new umbrella grantees in FY 2002.

US Financing in Thousands of Dollars

Sri Lanka

383-003 Enhanced Economic and Social Opportunities for Disadvantaged Groups	CSD	CSH	DA	ESF
Through September 30, 2000				
Obligations	1,700	0	2,095	500
Expenditures	300	0	1,274	460
Unliquidated	1,400	0	821	40
Fiscal Year 2001				
Obligations	285	0	77	0
Expenditures	80	0	170	20
Through September 30, 2001				
Obligations	1,985	0	2,172	500
Expenditures	380	0	1,444	480
Unliquidated	1,605	0	728	20
Prior Year Unobligated Funds				
Obligations	0	0	0	0
Planned Fiscal Year 2002 NOA				
Obligations	0	300	400	0
Total Planned Fiscal Year 2002				
Obligations	0	300	400	0
Proposed Fiscal Year 2003 NOA				
Obligations	0	0	800	0
Future Obligations	0	0	0	0
Est. Total Cost	1,985	300	3,372	500

PROGRAM DATA SHEET

USAID MISSION: Sri Lanka
PROGRAM TITLE: Competitiveness (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Increased Sri Lankan Competitiveness in the Global Marketplace, 383-004
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $3,250,000 DA
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $3,250,000 DA
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2005

Summary: *USAID's program to increase Sri Lanka's competitiveness in the global marketplace* includes—

- analyzing Sri Lanka's industries in relation to their global competitors;
- preparation of competitiveness strategies for eight industry clusters;
- technical assistance to the industry clusters to reduce the operational and policy barriers that will inhibit competitiveness; and
- technical assistance and training to facilitate government policy and an operational framework for competitiveness.

Inputs, Outputs, and Activities: *FY 2002 Program:* USAID will complete, publish and publicize the eight industry strategies. These strategies provide a framework to plan and implement programs that promote the development of appropriate policy, institutional and industry level initiatives aimed at private sector growth within a global competitive market environment. USAID will also develop limited targeted technical assistance to address both the operational and policy barriers identified by the strategies, including addressing certain issues related to the environment. Finally, USAID will assist the new government in developing reform initiatives and policy priorities to facilitate private-sector led growth and employment generation, including establishing a broadly representative National Competitiveness Council.

Planned FY 2003 Program: Funds will be used to expand and support implementation of the eight industry strategies and to develop strategies for additional business sectors, as appropriate. Technical assistance to implement industry strategies and address specific barriers will continue, including a focus on environmental issues. Long-term technical assistance for key government ministries and departments will be considered. USAID expects to broaden the competitiveness initiative to more fully incorporate small and medium enterprises, additional chambers of commerce, labor, female-owned businesses, and the financial sector. Particular attention will be given to establishing linkages between U.S. and Sri Lankan industries.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL RENOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 FUNDS FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: Sri Lanka's macro-economic policies are generally supportive of private-sector-led growth, but many microlevel problems still exist. For the first time, members of the same industry and government are coming together to identify, discuss and address common problems and issues. The process of working together to develop the industry strategies has been invaluable. Benchmarking successful industries in other countries also has led to a better understanding of what is necessary to be competitive. By improving processes and enhancing products and services, Sri Lanka can opportunities for economic growth so that everyone gains. Greater competitiveness will lead not only to increased employment, but also to the availability of more high skilled jobs. USAID expects this will raise the standard of living and improve income distribution.

Principal Contractors, Grantees, or Agencies: Nathan Associates/MSI, Inc. joint venture with J.E. Austin Associates.

US Financing in Thousands of Dollars

Sri Lanka

383-004 Increased Sri Lankan Competitiveness in the Global Marketplace	DA
Through September 30, 2000	
Obligations	4,583
Expenditures	1,282
Unliquidated	3,301
Fiscal Year 2001	
Obligations	2,696
Expenditures	0
Through September 30, 2001	
Obligations	7,279
Expenditures	1,282
Unliquidated	5,997
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2002 NOA	
Obligations	3,250
Total Planned Fiscal Year 2002	
Obligations	3,250
Proposed Fiscal Year 2003 NOA	
Obligations	3,250
Future Obligations	0
Est. Total Cost	13,779

PROGRAM DATA SHEET

USAID MISSION: Sri Lanka
PROGRAM TITLE: Democracy and Governance (Pillar: Democracy, Conflict, and Humanitarian Assistance)
STRATEGIC OBJECTIVE AND NUMBER: Peace, Good Governance, and Respect for Citizens' Rights Promoted, 383-005
STATUS: New
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $1,500,000 DA; $3,000,000 ESF
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $2,000,000 DA; $4,000,000 ESF
INITIAL OBLIGATION: FY2002 **ESTIMATED COMPLETION DATE:** FY2005

Summary: USAID's program to facilitate enhanced democracy and governance and assist the victims of torture will—

- support the Government of Sri Lanka (GSL) as it seeks to enhance its ability to govern effectively and support the GSL's efforts to facilitate a peaceful resolution of the conflict;
- support civic education and enhance the ability of individuals and groups to constructively advocate for the full range of human, legal, and civil rights;
- support capacity development at the local government level;
- support free and fair electoral processes;
- address the immediate medical and mental health needs of individuals, particularly women and children, affected by systematic violence;
- expand the community-based capacity to respond to incidents of terror and meet the affected individuals' needs;
- provide legal advice and representation to victims of torture and their families;
- support the development and implementation of training programs on humanitarian law and human rights for government employees;
- assist to the Government of Sri Lanka improve case management systems and investigative techniques; and
- promote rights awareness amongst minority groups in the conflict zone.

Inputs, Outputs, and Activities: *FY 2002 Program:* USAID will use FY 2002 funds provided for its core democracy and governance program to support the new government's resolve and efforts to find a peaceful solution to Sri Lanka's 18-year ethnic conflict. Local organizations will be assisted as they seek to support GSL efforts by building consensus on the need for peace and the societal changes necessitated by a peace agreement. USAID will also provide technical assistance and training to enhance the ability of legal-aid providers to work effectively in communities to support groups and individuals in protecting their rights. Civic education will be supported in elementary and secondary schools through technical assistance, teacher training, and provision of classroom materials. This support will enhance the ability of citizens to understand their rights, effectively carry out their responsibilities, and respect the rights of other citizens.

As devolution of power is expected to be part of a negotiated peace agreement, it is important that the local governments be prepared to undertake their responsibilities. USAID will provide support that will enhance local governments' ability to deliver services and govern effectively. Recent elections demonstrated the need to increase confidence in the political process. Technical assistance and training will be provided to local voter education and monitoring groups, and perhaps to the election commission, to support improved election processes. The recently elected government seeks to undertake a number of reforms, including civil service, labor, electoral, and police reforms. FY 2002 funding will provide technical assistance and training to support selected reforms to enhance the government's capacity to govern effectively. Generally, prospects for progress under the democracy and governance program are good.

Planned FY 2003 Program: The core democracy and governance program will continue funding activities in FY 2003. The Victims of Torture program will assist victims, their families, and the communities within the conflict zone. The Government of Sri Lanka (GSL), with third-party mediation provided by the Government of Norway (GON), has entered into a constructive dialogue with the Liberation Tigers of Tamil Eelam (LTTE). As part of the GSL's engagement with the LTTE, the parties to the conflict have implemented a cease-fire as one of the steps to peace talks. Travel restrictions to and from the conflict zone and the economic embargo have been eased. The new climate has created an opportunity for addressing the needs of victims of torture and their families. Broader programs will be implemented with the minority communities of the North and the East. In order to prevent future torture, programs will be implemented to promote behavioral change.

The program will assist in providing adequate redress to victims of human rights violations and provide protection from future violations. GSL and PVO initiatives to train government employees in human rights and humanitarian law, investigative techniques, and case management of complaints will be supported. The program also will promote awareness among the most vulnerable communities to ensure knowledge of legal rights as well as provision of counseling, legal and other support services. The program will support civic education in the schools; will strengthen citizen, community and public and private institutional knowledge of human rights and the law; and develop community-based advocacy to prevent human rights violations.

The program will target the provision of specialized psychological and counseling services for victims and survivors of torture and systematic violence. It will recruit and train individuals from communities in the North and East to respond to incidents of terror and systematic violence in their own communities. Assessment of long-term community needs for medical and counseling services and logistical support will be conducted. The program will include community-based awareness campaigns to promote knowledge of depression, trauma, and psychological stress. Support groups for survivors facilitated by trained counselors and community resource persons will be established.

The planned FY 2003 program includes funds from USAID's conflict prevention initiative.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL NOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 FUNDS FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: The election of the new government provides a significant opportunity to support activities that will facilitate the peace process and enhance governance. The new government has thus far demonstrated its intent to find a peaceful solution to the conflict, as well as to undertake numerous reforms that will strengthen its ability to govern effectively. As a result, USAID's democracy and governance programs can now seek to address some of the most critical issues facing Sri Lanka. Past results have been mixed due to lack of government will and resolve on the part of the populace. The recent election results indicate citizens want constructive changes of the type advocated by the new government.

Principal Contractors, Grantees, or Agencies: To be determined.

US Financing in Thousands of Dollars

Sri Lanka

383-005 Peace, Good Governance, and Respect for Citizen's Rights Promoted	DA	ESF
Through September 30, 2000		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
Fiscal Year 2001		
Obligations	0	0
Expenditures	0	0
Through September 30, 2001		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2002 NOA		
Obligations	1,500	3,000
Total Planned Fiscal Year 2002		
Obligations	1,500	3,000
Proposed Fiscal Year 2003 NOA		
Obligations	2,000	4,000
Future Obligations	0	0
Est. Total Cost	3,500	7,000

Middle East and North Africa PROGRAM SUMMARY (in thousands of dollars)				
Accounts	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Child Survival and Disease Programs Fund	3,000	4,902	0	0
Child Survival and Health Programs Fund	0	0	4,600	0
Development Assistance	7,250	6,285	6,313	7,213
Economic Support Fund	2,375,823	1,805,020	1,637,000	1,582,000
PL 480 Title II	2,425	914	776	0
Total Program Funds	**2,388,498**	**1,817,121**	**1,648,689**	**1,589,213**

EGYPT

THE DEVELOPMENT CHALLENGE: Egypt, a strong moderating force in the Middle East, has long been an important ally of the United States. Egypt and the United States share multifaceted strategic interests that include the achievement of stability and peace in the region. In the post-September 11th era, Egypt was one of the first Arab countries to publicly condemn the attacks and support the United States in the war against terrorism. The historic and continuing bilateral relationship that the U.S. has with Egypt serves the national security interests of both countries. It also promotes economic prosperity in Egypt through further developing the country's market-based economy that is transitioning from 40 years of state control. A key U.S. goal is for Egypt to become a fully integrated and competitive participant in the global economy.

Egypt made significant economic progress in the 1990s with major reforms that strengthened macroeconomic discipline, reined in inflation, and privatized many state-owned enterprises. Real economic growth averaged more than 4.6% over the decade and per capita Gross Domestic Product (GDP) has climbed above $1,500. Formidable challenges remain, however. Recurrent liquidity problems began in 1998 and, while successive devaluations totaling more than 25% have redressed some foreign exchange imbalances, hard currency shortages have persisted, especially after September 11th. Partly as a result, economic growth has slowed, the private sector faces increasing uncertainties, and the earlier growth of foreign direct investment has stalled. Privatization has slowed—with a still-sizable public enterprise sector—and despite general economic improvements, the gap between newly created jobs and the rising numbers of labor force entrants may actually be widening. Thus, for both the Government of Egypt (GOE) and USAID, accelerating job creation has emerged as an overriding goal. The GOE is aware the reform program needs renewed attention, but domestic and international circumstances facing Egypt create political obstacles.

USAID is working with the GOE to advance the reform process. More investment—both domestic and foreign—is necessary if higher growth rates are to be sustained and more new jobs created. This requires improving the legal infrastructure, easing the heavy burden of tariffs and other trade barriers, rationalizing the foreign exchange regime, removing market constraints for labor and capital, and restructuring the tax system while increasing transparency. Recent actions show the GOE's willingness to make difficult economic decisions. For example, a free-trade agreement with the European Union has been signed and is now awaiting ratification, despite opposition of local interests fearing increased competition. Budget reporting has become more transparent, plans are underway for the central bank to become more autonomous, and, as mentioned above, the long-fixed exchange rate has been devalued. Job creation must match labor-force entrant numbers, and the proficiencies of these entrants must correspond closely with the needs of the market, both in relatively sophisticated areas like management and information technology and in the more fundamental skills imparted by basic education.

The positive effects of past family planning and mother/child health programs are clearly discernible, but greater efforts will be needed if the demand for and supply of new labor force entrants are to be balanced. Further health improvements for all Egyptians not only bolster living standards, but also support gains in labor productivity. As USAID begins to phase out its activities in infrastructure, millions of Egyptians enjoy greatly expanded access to utility services. Egypt continues to put in place the vital underpinnings for its continued economic growth, including the foundation for increased private investment. Further advances in the management of Egypt's unique natural resource base are needed. Specifically, quality of life can be improved for the country's citizens by meeting higher standards for water and air quality. Also, Egypt and the rest of the world will benefit from protecting irreplaceable historic and natural monuments upon which the crucial tourism sector depends.

THE USAID PROGRAM: USAID plans to spend $655 million in ESF in Egypt in FY 2002 and is requesting $615 million in ESF in FY 2003. The Mission Performance Plan stresses accelerating

economic growth—essential to strengthening Egypt as a stable and prosperous U.S. ally. The overall goal of USAID's strategy is a globally competitive economy that benefits Egyptians equitably. Three strategic objectives aim at creating private sector jobs: (1) bolster the trade and investment environment; (2) develop competitiveness skills; and (3) increase access to sustainable utility services. Four strategic objectives target the enhancement of the human and natural resource base: (1) upgrade natural resource management; (2) provide health services; (3) strengthen governance and participation; and (4) improve basic education to meet market demand.

For these Agency priorities in FY 2002, USAID plans to spend the following amounts of economic support funds: $502.5 million—economic growth and agriculture; $39.4 million—human capacity development; $43.1 million—population and health; $45 million—environment and $25 million—democracy. USAID will request funding for similar priorities in FY 2003 as explained in the following Program Data Sheets.

OTHER PROGRAM ELEMENTS: Supplementary USAID-funded programs contribute to the achievement of the overall development goal specified in USAID's Egypt strategy. For example, through the Middle East Regional Cooperation Program (MERC), Egypt and other Arab countries have the opportunity to collaborate with Israel in developing and improving the quality of life in the subregion. Egypt also benefits from the U.S.-Israel Cooperative Development and Research Program (CDR). These programs administer collaborative research grants between Arab countries and Israel (MERC), and between developing countries, including Egypt and Israel (CDR). Some of the recent MERC and CDR activities that have benefited Egypt have included investigation of infectious poultry diseases found in Egypt; development of sensitive and accurate methods to detect Middle Eastern agricultural plant viruses; initiation of a registry of human cancer incidence by the Middle East Cancer Consortium to share information between different countries in the Middle East; analysis of maximum sustained yield of freshwater fisheries in Egypt, resulting in the recommendation to establish a hatchery for Tilapia fish; establishment of a regional information service on the safe and effective use of pesticides in Egypt; and improved coastal monitoring of coral reef areas in the Red Sea. The U.S.-Egypt Science and Technology Agreement that grants intended to positively influence development in Egypt.

ONGOING PROGRAMS FOR WHICH NO FY 2002 OR FY 2003 FUNDING IS REQUESTED:

Number	Title	Last Notified	Completion
263-018	Infrastructure	FY 2002 CBJ, page 375	FY 2005

OTHER DONORS: Egypt is a major recipient of bilateral and multilateral aid from at least 38 official and institutional donors. On a per capita basis, net official development assistance flows to Egypt since 1990 have been among the highest in the world. The United States is the largest single donor with the widest-ranging program. Other major donors include the European Union, with major programs in education enhancement, health sector reform, industrial modernization, and support to the government's Social Fund for Development; Germany, with programs in environment, water supply and water management, agriculture, and solid waste management; Japan, with programs in environment, technology, small and medium enterprises, transportation planning, water management, and improved management of the Suez Canal; and various Arab organizations (the Abu Dhabi Fund for Development, the Arab Fund for Economic and Social Development, The Kuwait Fund for Development, the Saudi Fund for Development, and the Islamic Development Bank), with programs in industry, infrastructure, housing, and support for the Social Fund for Development. Other donors include Canada, Denmark, Finland, Italy, the Netherlands, Spain, Sweden, Switzerland, and the United Kingdom.

Egypt
PROGRAM SUMMARY
(In thousands of dollars)

Accounts	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Economic Support Fund	727,267	693,471	655,000	615,000
PL 480 Title II	714	323	0	0
Total Program Funds	727,981	693,794	655,000	615,000

STRATEGIC OBJECTIVE SUMMARY				
263-016 Environment for Trade and Investment Strengthened				
ESF	495,743	440,796	510,800	501,000
263-017 Skills for Competitiveness Developed				
ESF	10,000	65,000	19,010	33,323
263-018 Access to Sustainable Utility Service in Selected Areas Increased				
ESF	109,846	53,803	0	0
263-019 Improved Management of the Environment and Natural Resources in Targeted Sectors				
ESF	36,481	40,780	48,480	11,000
263-020 Healthier, Planned Families				
ESF	52,422	58,100	46,490	38,900
263-021 Egyptian Initiatives in Governance and Participation Strengthened				
ESF	8,775	11,092	9,420	17,877
263-022 Basic Education Improved to Meet Market Demands				
ESF	14,000	23,900	20,800	12,900

Total Transfers

PROGRAM DATA SHEET

USAID MISSION: Egypt
PROGRAM TITLE: Creating Jobs through Trade and Investment (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Environment for Trade and Investment Strengthened, 263-016
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $510,800,000 ESF
UNOBLIGATED PRIOR YEAR FUNDS AND FUNDING SOURCE: $90,795,000 ESF
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $501,000,000 ESF
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2009

Summary: Creating jobs through trade and investment includes the following components—

- trade and investment financing, cash transfers, and related technical assistance;
- trade, business support, and agriculture;
- financial reform and privatization;
- technology; and
- design, evaluation, and training.

Inputs, Outputs, and Activities: *FY 2002 Program:* USAID will continue financing for trade and investment transactions through the Commodity Import Program with no substantive program changes. USAID also will continue to support Government of Egypt (GOE) policy reform through the cash transfer program and the Development Support Program II (DSP II). *Specific reforms* include privatization of public enterprises, power and telecommunication facilities, public banks, and insurance companies; passage of a new labor law; formulation and implementation of trade policy reforms; decrease of tariff rates and fees on imports; strengthening patent and trademark regulations; implementation of trade-related intellectual property rights; World Trade Organization (WTO) compliance measures; and the implementation of health-sector policies to improve the efficiency of health service delivery. Funds will also be programmed for technical assistance to support the annual $200 million cash transfer program in areas such as trade capacity building and reform; intellectual property rights enforcement; and legal, regulatory, and policy framework reform. Support for small and microenterprise development will continue.

USAID will provide technical assistance, training, and other support to Egyptian businesses and business associations to increase Egyptian exports in high-potential sectors such as fresh produce, processed foods, livestock, furniture, textiles, leather, and software. A new activity in support of agricultural policy, business, and technical changes to support agricultural trade and increase rural incomes will start in FY 2002. This activity will provide technical assistance and training to implement a new policy agenda in agriculture and to identify strategic investments in agricultural trade, which will increase income and jobs in rural areas. USAID will continue technical assistance and training to the GOE privatization program. This activity will also provide assistance in planning and initial implementation of actions related to state-owned banks and insurance companies, supporting an expanded impact on financial-sector reform. In capital markets development, USAID funds will help develop new financial instruments such as securitized mortgages, and strengthen human resource and organizational capabilities of partner institutions to issue, trade, and regulate these instruments in both debt and equity markets.

Finally, USAID will continue to support the development of information technology. USAID's activities will facilitate changes in the legal and regulatory framework, in human capacity development, and in technology transfer. USAID will also continue to fund the U.S.-Egypt Science and Technology Agreement, which seeks to promote cooperative scientific research with private-

sector applications in mutually agreed upon areas. Priority areas are biotechnology, measurement standards, environmental technologies, manufacturing technologies, and information technology.

Planned FY 2003 Program: The Commodity Import Program will continue with no substantive program changes. This will support U.S. exports, Egyptian investment, greater productivity for Egyptian firms, and more jobs in the Egyptian economy. The policy reform/cash transfer program will also continue, with the FY 2003 reform agenda dependent both on reforms implemented during FY 2002 and on decisions made about new reforms necessary for continued growth and development. Other policy reforms may be included, including those for the health and environment sectors. Funds will be programmed for technical assistance to support the policy reform program. The small-and microenterprise development program will continue, with greater focus on expanding services through increased use of banks as intermediaries and through greater provision of support services.

USAID also will support the adoption of better technology for production and better market information, and will strengthen Egyptian firms' capacity to market goods abroad. A new five-year effort will help create the next generation of policies and improvements in the business environment. Technical assistance and training will improve the competitive environment through changes in areas such as business law, corporate governance, civil service reform, and competition policies. Another new activity will focus on financial regulatory reform and capacity building in banking, insurance and non-banking financial institutions, building on the experience of earlier efforts. Finally, USAID will continue its support for the development of information technology and for the U.S.-Egypt Science and Technology Agreement.

Performance and Results: Economic growth slowed significantly in the past year as a result of tight credit conditions. The unfavorable macroeconomic conditions turned considerably worse following the September 11th attacks on the United States, which had a severe impact on Egypt's tourism and trade. The government's revenue position and Egypt's balance of payments are under considerable pressure as a result. USAID programs, such as the Commodity Import Program and the cash transfer program, provide invaluable support during this period, helping both the GOE and the private sector cope with difficult economic conditions. USAID provides the expertise and tools needed to continue economic reforms. These reforms will enable Egypt to emerge from the crisis with a stronger economy that is poised to respond to shocks as well as opportunities. For example, recent success with the Central Bank in creating new financial instruments and the legal framework for the development of a secondary market will provide the bond markets with a new resilience. USAID support and leverage of WTO compliant laws and regulations on intellectual property, telecommunications, and information technology not only create a level playing field for international businesses, but also provide Egypt new opportunities for increased investment.

Principal Contractors, Grantees, or Agencies: Over 50 grantees and contractors provide the technical assistance, training, and expertise needed for successful implementation of USAID's far-reaching economic growth program. USAID has built local capacity in recent years so that a growing part of the program is implemented by local firms and NGOs. U.S.-based prime contractors and grantees include the following: Abt Associates; ACDI/VOCA; Barents; Booz Allen; Carana Corporation; CARE; Chemonics; Development Alternatives, Inc.; International Executive Service Corps; International Resources Groups; Michigan State University; Nathan Associates; National Cooperative Business Association/Cooperative League of the USA; PricewaterhouseCoopers; and RONCO. U.S.-based subgrantees include Cargill; Management Systems International; Purdue University; Training Resources Group; and Winrock, International.

US Financing in Thousands of Dollars

Egypt

263-016 Environment for Trade and Investment Strengthened	ESF
Through September 30, 2000	
Obligations	1,456,181
Expenditures	458,082
Unliquidated	998,099
Fiscal Year 2001	
Obligations	347,123
Expenditures	504,803
Through September 30, 2001	
Obligations	1,803,304
Expenditures	962,885
Unliquidated	840,419
Prior Year Unobligated Funds	
Obligations	90,795
Planned Fiscal Year 2002 NOA	
Obligations	510,800
Total Planned Fiscal Year 2002	
Obligations	601,595
Proposed Fiscal Year 2003 NOA	
Obligations	501,000
Future Obligations	2,641,840
Est. Total Cost	5,547,739

PROGRAM DATA SHEET

USAID MISSION: Egypt
PROGRAM TITLE: Workforce Development (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Skills for Competitiveness Developed, 263-017
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $19,010,000 ESF
UNOBLIGATED PRIOR YEAR FUNDS AND FUNDING SOURCE: $65,000,000 ESF
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $33,323,000 ESF
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2009

Summary: The USAID workforce development program includes the following components—

- improving management skills through the provision of in-country and off-shore business training programs at various levels;
- certified information technology (IT) training for university graduates;
- increasing Egyptian institutional capacity for providing market responsive, private-sector-driven education and training by supporting the establishment of a world-class business school and an Egyptian Technology University focusing on information technology;
- a Smart School program which introduces IT in K-12 education in nongovernmental schools and establishes school-based adult learning centers;
- establishment of a leadership education endowment that will provide Egyptians with demonstrated leadership potential and opportunities to develop advanced skills through study at U.S. universities; and
- IT and tourism sector training to improve the match between training supply and demand.

Inputs, Outputs, and Activities: *FY 2002 Program:* USAID will provide training in management and IT and support Egyptian efforts for the establishment of a market-responsive, private Egyptian Technical University focusing on IT education. These funds will support an MBA program in the United States for approximately 40 participants; executive and mini-MBA training, management workshops, and short-courses on topics constraining Egyptian competitiveness for approximately 200 other private-sector participants; a leadership training program for approximately 50 participants; and a basic business skills acquisition course for approximately 600 recent university graduates, equipping them with employment skills. The support for the establishment of the Egyptian Technical University will provide technical assistance for the design and launching of this university, and procure IT and networking equipment for use in its educational and market linkage activities. The funding will also support technical assistance and computers for the Smart School program for 100 participating private schools that introduces IT in grades K-12 and establishes school-based community access centers for adult learning and continuing education programs. The program will also finance development activities in the tourism and IT areas, and provide a grant to a U.S. university to assist the Alexandria Institute of Technology establish a continuing education program in marketing and e-commerce.

Planned FY 2003 Program: USAID will support activities begun with FY 2002 obligations, and expand this objective by adding a grant or contract that will assist in the establishment of a world-class business school. The Certified IT training component will be expanded to cover more technical areas, such as data communications, wireless technologies, and network security. Additional components will include the start of a school-to-work program and an IT distance-learning initiative.

Performance and Results: Unemployed beneficiaries participating in this program will have better opportunity for employment. Those already employed will use their newly acquired skills to contribute to the productivity and competitiveness of their firms. Firms participating in the program will adopt modern management and human resource development practices, and as a result increase

their global competitiveness. Egyptian institutions benefiting from the program will increase their institutional capacity for providing market responsive education and training in critical areas such as business education, IT, and tourism.

> 1,500 young graduates received industry-standard, certified IT training.

To date, 1,500 university graduates have completed IT training, leading to certification in various software areas including database development and administration, web development, e-commerce, and Microsoft certified engineer training. Sixty-two candidates from the private sector began MBA and Master's in IT programs in the United States. The Prime Minister authorized the establishment of the Egyptian Technical University as a private, autonomous, non-profit university and approved the allocation of the requested 300 acres for the Egyptian Technical University campus. This process will culminate in the issuance of a presidential decree formalizing the establishment of the university. A grant made to the World Bank will assist the Regional Information and Software Engineering Center establish a distance-learning center. The center will be completed in March 2002, enabling participation in the World Bank Global Distance Learning Network. Egyptian graduates will then have opportunities for distance learning in management and IT. A follow-on to the earlier tourism-sector development component is in progress, and will provide the industry with market-responsive training (identified in the phase one) for approximately 6,000 workers.

Principal Contractors, Grantees, or Agencies: USAID activities are being implemented by PALTech; PricewaterhouseCoopers; the Institute for International Education; and Mendez England and Associates. A new contractor will be selected in January 2002 to provide technical assistance, training; and commodity procurement training, establishment of the Egyptian Technical University and the Smart School Program; and development of the IT cluster.

US Financing in Thousands of Dollars

Egypt

263-017 Skills for Competitiveness Developed	ESF
Through September 30, 2000	
Obligations	19,260
Expenditures	4,657
Unliquidated	14,603
Fiscal Year 2001	
Obligations	0
Expenditures	2,656
Through September 30, 2001	
Obligations	19,260
Expenditures	7,313
Unliquidated	11,947
Prior Year Unobligated Funds	
Obligations	65,000
Planned Fiscal Year 2002 NOA	
Obligations	19,010
Total Planned Fiscal Year 2002	
Obligations	84,010
Proposed Fiscal Year 2003 NOA	
Obligations	33,323
Future Obligations	100,397
Est. Total Cost	236,990

PROGRAM DATA SHEET

USAID MISSION: Egypt
PROGRAM TITLE: Infrastructure (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Access to Sustainable Utility Service in Selected Areas Increased, 263-018
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: None.
UNOBLIGATED PRIOR YEAR FUNDS AND FUNDING SOURCE: $73,143,000 ESF
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: None.
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE:** FY 2005

Summary: The USAID infrastructure program in Egypt is made up of three components—

- construction activities to enhance utility services and coverage;
- assistance to help utilities operate efficiently, improve services, and recover costs; and
- capacity building in regulating utility performance and increasing private-sector participation.

Inputs, Outputs, and Activities: *FY 2002 Program:* USAID will provide funding under the Secondary Cities and Egypt Utilities Management grant agreements to complete funding programmed for water and wastewater construction and to expand support for related legal and regulatory reform. The last three large-scale waste and wastewater construction contracts will be awarded in FY 2002. This includes construction of sewerage improvements in Mansoura to treat additional flows created by the recently completed, USAID-financed water treatment plant to serve 1.3 million people; construction of major waste and wastewater facilities in the three governorates of Beni Suef, Fayoum, and Minia to benefit about 1.6 million consumers; and expansion of the water treatment and distribution system in Alexandria to benefit about 5.7 million people. In FY 2002, a new three-year contract will be awarded to support the proposed waste and wastewater regulatory agency. Concurrently, institutional development efforts will continue in the nine USAID-assisted waste and wastewater utilities.

In the telecommunications sector, FY 2002 funding will initiate Telecom Egypt leadership development training of 25 middle-level managers per year for three years, while the last two construction contracts will be awarded to expand the capacity of the Network Operations Center in Cairo to monitor and re-route telephone and digital messages. In electric power, no new obligations are planned in FY 2002, but the three remaining construction contracts will be awarded: upgrading the controls in the Ataka power plant in Suez; constructing three high-voltage substations; and building a high-voltage equipment short-circuit testing laboratory. Efficiency gains from the upgrade of the Ataka power plant will be passed on to about 4 million consumers. USAID's capital assistance has shifted emphasis from building new capacity to helping improve the efficiency of existing plants and for control centers that manage the electric power grids. Completion of two regional control centers in Cairo and Alexandria will improve system efficiency for about 20 million beneficiaries. The planned upgrade of the National Energy (Electric Power) Control Center will

> Over the past 25 years, about 20% of the $25 billion in USAID assistance to Egypt has been invested in infrastructure. By 2005, USAID will have concluded its $5 billion, 30-year infrastructure program, including—
>
> - $2.5 billion in water/wastewater: About 21 million people will have benefited directly from USAID investments in new or improved services.
> - $1.8 billion in electric power: In the past 25 years, USAID has financed 35% of Egypt's electric power-generating capacity, benefiting more than 20 million people.
> - $700 million in telecommunications: Telephone services have been extended or improved for eight million people.

improve system reliability, benefiting customers nationwide through reduced power outages and surges. Ongoing activities in the power sector include assistance to the Electricity Regulatory Agency in developing operating procedures and guidance; support to the Egyptian Electricity Holding Company to begin implementation of power pooling, involving a system of measuring power flows, billing transfers, and settlement of payments; and support to re-engineer the Alexandria distribution and West Delta power generation companies.

Planned FY 2003 Program: In 2004, USAID will conclude a $700 million telecommunications program and its $1.8 billion power program. In 2005, the $2.5 billion waste and wastewater program will be completed. In concluding its infrastructure program, USAID is phasing out of financing infrastructure construction. It is placing increased emphasis on supporting legal and regulatory reform related to these sectors to create an environment for private-sector participation and improved services to customers. In FY 2003, USAID plans to provide funding to strengthen the financial management systems for electricity companies, and funding for training to assist local waste and wastewater utilities adapt to an improved regulatory environment.

Performance and Results: USAID is currently managing a waste and wastewater portfolio valued at about $743 million. About 10 million people have directly benefited from past USAID investments in water and sanitation. The target for new beneficiaries with new or improved waste and wastewater services from the ongoing construction portfolio is an additional 10.9 million people by 2005. USAID policy dialogue has led to the development of enabling legislation for creating a waste and wastewater regulatory agency and repealing restrictions on private investment. If enacted, the law would sanction the transition to a regulatory framework. USAID support for tariff rate analyses and private transactions is guiding waste and wastewater-sector policy reform and institutional development. Working in the electric power sector since 1975, USAID has supported construction, equipment acquisition, technical assistance, policy reform, institutional strengthening, and training. These investments have contributed to transformation of a formerly disconnected and unreliable system into a modern, centrally managed electric grid. In the last 12 months, the GOE has restructured the electric power sector, from seven combined generation and distribution companies into a transmission company, five generation companies, and seven distribution companies, a further move toward decentralization and increased private-sector participation. This new structure, when combined with power pooling, will greatly enhance competition in the supply of electricity. Also, the establishment of the regulatory board is likely to lead to improved system reliability and cost recovery in the medium term. USAID capital assistance for telecommunications shifted emphasis from increasing the number of telephone lines to introduction of new technology such as digital switching exchanges and a network operations center to make it possible to re-route calls when particular exchanges are overloaded. By 2003, digital switching will expand telephone service to about 1.5 million people.

Principal Contractors, Grantees, or Agencies: USAID works closely with the Ministry of Housing, Utilities and Urban Communities; the Ministry of Communications and Information Technology; the Ministry of Electricity and Energy; and a number of local utilities to implement the program. A large number of U.S. firms are under contract to implement the programs, including ABB SUSA; Washington Group International; Morganti, Metcalf & Eddy; Planning and Development Collaborative (PADCO); PA Consultants (formerly Hagler Bailly); Montgomery Watson Harza (MWH); Chemonics International; Advanced Engineering Associates; Deloitte Touche Tohmatsu; General Dynamics; Duke Engineering Services; Pennsylvania Power and Light; Gilbert Commonwealth International; Nortel Networks; Raytheon; Hewlett-Packard; Macro Corporation; Kuljian; and K&M Engineering.

US Financing in Thousands of Dollars

Egypt

263-018 Access to Sustainable Utility Service in Selected Areas Increased	ESF
Through September 30, 2000	
Obligations	1,034,053
Expenditures	220,641
Unliquidated	813,412
Fiscal Year 2001	
Obligations	0
Expenditures	141,440
Through September 30, 2001	
Obligations	1,034,053
Expenditures	362,081
Unliquidated	671,972
Prior Year Unobligated Funds	
Obligations	73,143
Planned Fiscal Year 2002 NOA	
Obligations	0
Total Planned Fiscal Year 2002	
Obligations	73,143
Proposed Fiscal Year 2003 NOA	
Obligations	0
Future Obligations	16,666
Est. Total Cost	1,123,862

PROGRAM DATA SHEET

USAID MISSION: Egypt
PROGRAM TITLE: Environment and Natural Resources Management (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Improved Management of the Environment and Natural Resources in Targeted Sectors, 263-019
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $48,480,000 ESF
UNOBLIGATED PRIOR YEAR FUNDS AND FUNDING SOURCE: $40,780,000 ESF
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $11,000,000 ESF
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2009

Summary: Under USAID's program in environment and natural resources, the following components receive technical assistance, training and cash transfer support for policy reform—

- solid waste management;
- air quality management;
- Red Sea coastal resources management and biodiversity conservation;
- water resources management;
- energy efficiency; and
- environmental management systems, environmental awareness, and education.

Inputs, Outputs, and Activities: *FY 2002 Program*: In FY 2002 USAID will provide technical assistance to support a number of high-priority policy and institutional reforms including improving air quality, conservation and sustainable use of the Red Sea land and marine resources, promotion of economic instruments for improved environmental management, solid and hazardous waste-materials management, decentralization of environmental management responsibilities, inspection and voluntary compliance, strategic environmental planning, environmental disaster preparedness, energy efficiency, and promotion of domestic natural gas use. An interim disbursement of cash transfer resources to reward progress on achievement of the above-mentioned policy reforms is expected at the end of FY 2002. In addition, the Cairo Air Improvement Project is fully obligated and will continue to provide technical assistance in support of air quality management activities until the project completion date of December 31, 2002.

Planned FY 2003 Program: USAID will continue to provide training, technical assistance and cash transfer funding in support of policy reforms in the many areas mentioned above, including air quality improvement, land and marine resource conservation, and waste management. A final disbursement of current cash transfer resources is expected by the end FY 2003.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL RENOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: As a result of USAID-provided training and technical assistance, the Government of Egypt achieved 85% of the policy and institutional reforms agreed to during the first tranche of the Egyptian Environmental Policy Program. This resulted in total cash transfer disbursement of $37.60 million under tranche I.

Along the Red Sea coast, USAID provides support to the Tourist Development Authority to establish a zoning policy and strengthen administration of the environmental impact assessment process, as well as promoting environmental best practices among tourism facilities. In 2003, at least 65% of these facilities should receive approval through the environmental impact assessment process before

initiating construction, compared to 50% in 2002. The Egyptian Environmental Affairs Agency's Red Sea marine park is now staffed with a total of 32 park rangers, an increase of 10 rangers since 2000. A total of 50 qualified rangers are expected to be on board by 2003.

The first governorate privatization of a municipal solid-waste management system occurred in Alexandria upon issuance of a multimillion-dollar contract. Service delivery began in October 2001. Solid-waste management privatization assistance is also being provided to the Governorates of Cairo (southern zone) and Qaluybia. These privatizations will be completed when contracts are issued in spring 2002. Up to five additional Governorates are expected to privatize their solid-waste management systems over the next year. USAID also provided assistance to the Egyptian Environmental Affairs Agency to finalize and publish a national strategy for managing municipal solid waste.

Egypt's Energy Efficiency Council, with USAID assistance, developed a National Energy Efficiency Strategy Framework. The framework was approved this year and provides a strategy to meet the energy requirements for future economic development. The framework includes recommendations for policy reforms and market transformation initiatives to increase the efficiency of energy use, reduce greenhouse gas emissions, and promote a private-sector energy efficiency service industry. The number of private companies providing energy efficiency services grew from nine to 15 this year and is expected to reach 21 in 2003.

> Due to USAID's efforts in support of relocation and technological upgrading of one of Egypt's largest lead smelters, the nearly 800,000 residents of Cairo's Shoubra El Kheima industrial district, one of the world's worst polluted urban areas, are benefiting from improved air quality, including a 30% decrease in airborne lead concentrations over the past two years.

USAID technical assistance for air quality management supports handing over the Cairo Air Improvement Project-financed Greater Cairo ambient air-quality monitoring network to the GOE. Environmental benefits of using compressed natural gas (CNG) for public transportation are being demonstrated through the incorporation of 50 CNG buses into municipal fleets. Furthermore, the GOE continues to promote greater CNG use by collaborating with the private sector on converting passenger vehicles to CNG and by increasing the number of CNG fueling stations. The estimated CNG consumption for 2001 is expected to reach 33,114 gallons of gasoline equivalent, a 15% increase over consumption in 2000. USAID activities to abate lead pollution resulted in the relocation of lead smelters from a densely populated urban area to a new industrial zone outside Cairo. The new smelters are using state of the art pollution-control technology, thus lowering public health impacts.

USAID supports GOE efforts to improve efficiency in the use of water resources. A policy promoting the reuse of agricultural drainage water for agriculture was completed and approved by the concerned ministry. The mismatch of water deliveries and demand was reduced in five pilot districts.

Principal Contractors, Grantees, or Agencies: USAID implements environmental and natural resource activities through prime contracts with the International Resources Group; PA Consulting; Nexant; the Academy for Educational Development; Abt Associates; Chemonics International; and the U.S. Environmental Protection Agency.

US Financing In Thousands of Dollars

Egypt

263-019 Improved Management of the Environment and Natural Resources in Targeted Sectors	ESF
Through September 30, 2000	
Obligations	131,254
Expenditures	47,278
Unliquidated	83,976
Fiscal Year 2001	
Obligations	0
Expenditures	28,102
Through September 30, 2001	
Obligations	131,254
Expenditures	75,380
Unliquidated	55,874
Prior Year Unobligated Funds	
Obligations	40,780
Planned Fiscal Year 2002 NOA	
Obligations	48,480
Total Planned Fiscal Year 2002	
Obligations	89,260
Proposed Fiscal Year 2003 NOA	
Obligations	11,000
Future Obligations	43,647
Est. Total Cost	275,161

PROGRAM DATA SHEET

USAID MISSION: Egypt
PROGRAM TITLE: Healthier, Planned Families (Pillar: Global Health)
STRATEGIC OBJECTIVE AND NUMBER: Healthier, Planned Families, 263-020
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $46,490,000 ESF
UNOBLIGATED PRIOR YEAR FUNDS AND FUNDING SOURCE: $1,800,000 ESF
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $38,900,000 ESF
INITIAL OBLIGATION: FY 2002 **ESTIMATED COMPLETION DATE:** FY 2009

Summary: Major categories of assistance under the SO include—

- population management/family planning, including fertility reduction and enhanced reproductive health;
- institutionalized, and sustained maternal and child health services;
- infectious disease surveillance and response; and
- health-policy reform.

Inputs, Outputs, and Activities: *FY 2002 Program:* Through this portfolio, USAID provides technical assistance, commodities, training, and upgrades of family planning and reproductive health services offered at public and NGO facilities. This will result in upgraded reproductive health services in over 4,200 public and 200 NGO clinics. The Communications for Healthy Living (CHL) activity supports communication campaigns focuses on promoting seat belt use and safe birthing practices and will improve the flow of information to communities and clinics served by health workers. Population funds in CHL will contribute to public education efforts aimed at groups (especially young couples) with little knowledge of reproductive health. The Healthy Mother/Healthy Child Project provides technical assistance, commodities, local support, and training to improve maternal and child health services in 12 health districts of Upper Egypt. Support to community outreach, education and local NGOs will strengthen public health and public education among disadvantaged communities, help to maintain high immunization coverage rates, and eradicate the polio virus.

The Health Workforce Development activity provides technical assistance to re-engineer medical and nursing education in reproductive and neonatal care, and community health partnerships will be initiated between selected Egyptian medical universities and counterparts in the United States. In-country and offshore training will be provided to medical and nursing staff members. The Health Policy and Information Project supports policy reform objectives in the health sector. Technical assistance and local organizational support will refine quality assurance, financial payment, and allocation systems needed to switch from a state-monopoly to a managed-care model for health services. The Infectious Disease Surveillance and Response project provides local cost support, laboratory and computer equipment, and technical assistance to strengthen disease surveillance capacity in 83 (of 265) districts, and carries out field research on infectious diseases. The Health Policy Cash Transfer program, notified under the Development Support Program, will support reform in the health sector. The policy changes focus on reforming the public insurance system, making public financing of healthcare more efficient and improving quality of providers and facilities.

> Over the five-year period from 1995 to 2000, Egypt had a substantial decline in the infant mortality rate—from 63 per 1000 live births to 44 per 1000—and an increase in immunization coverage from 79% to 92%.

Planned FY 2003 Program: Grants under this program will fund 15 or more local NGOs that operate over 100 reproductive health clinics. Technical assistance, training, and local support will continue to improve technical and management systems focused on achieving client-responsive, quality services. CHL will program health funds to run media campaigns that

target, among others, oral rehydration therapy use and unsafe birthing practices. Population funds will disseminate messages on women's health and family planning and strengthen NGOs in health advocacy.

The Healthy Mother/Healthy Child project will extend its maternal and neo-natal care activities to additional districts. It will extend its newborn and safe childbirth care to 15 more districts, and child healthcare in 30 more districts. Training of clinicians and district health officers will increase capacity to manage public funds and mobilize community participation. Through Health Workforce Development medical and nursing schools will receive audio-visual, information technology, and related education materials to complement the technical assistance and training provided to improve medical and nursing education. The Health Policy and Information project will develop the new payment and management systems required extending the managed care mode of family healthcare through technical assistance, training, and local support. It will also help to develop and promote policy reforms that lead to institutionalized quality assurance and a strengthened private-sector role. The Infectious Disease Surveillance and Response Program will further extend a package of training, technical assistance, and laboratory upgrades to surveillance capacity in 68 districts, enhance research capacity, and increase awareness among health providers and the public of ways to prevent communicable disease. The Health Policy Cash Transfer program will continue to pursue policy reform in support of a more efficient, cost-effective, and accountable health system.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL RENOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: Building upon Egypt's strong health infrastructure, the activities of "Healthier Planned Families" will work to make the health system more responsive to client needs, more efficient, and sustainable. By the end of USAID's ten-year strategy, Egyptians will have more choice in regard to contraceptive method and source of care, quality will be monitored and measured according to established standards, and the poor and vulnerable will have better access to basic healthcare. These changes will lead to better performance of the health system, leading to lower infant, child, and maternal mortality (and morbidity) and reduced fertility levels. Also expected are increasing resistance to traditional practices, such as female genital cutting and early marriage. Infant mortality is expected to decline from 63 in 1995 to 38 by 2009, and total fertility rates from the baseline level of 3.6 to 3.0 by the end of USAID's assistance in 2009.

Principal Contractors, Grantees, or Agencies: Abt Associates and Tulane University; John Snow International; Center for Population and Development Activities (CEDPA); Profamilia/Columbia and Pathfinder International; Naval Medical Research Unit III (Cairo) (NAMRU-III); Department of Health and Human Services and others to be determined.

US Financing in Thousands of Dollars

Egypt

263-020 Healthier, Planned Families	ESF
Through September 30, 2000	
Obligations	169,934
Expenditures	58,093
Unliquidated	111,841
Fiscal Year 2001	
Obligations	55,650
Expenditures	63,867
Through September 30, 2001	
Obligations	225,584
Expenditures	121,960
Unliquidated	103,624
Prior Year Unobligated Funds	
Obligations	1,800
Planned Fiscal Year 2002 NOA	
Obligations	46,490
Total Planned Fiscal Year 2002	
Obligations	48,290
Proposed Fiscal Year 2003 NOA	
Obligations	38,900
Future Obligations	109,207
Est. Total Cost	421,981

PROGRAM DATA SHEET

USAID MISSION: Egypt
PROGRAM TITLE: Democracy and Governance (Pillar: Democracy, Conflict, and Humanitarian Assistance)
STRATEGIC OBJECTIVE AND NUMBER: Egyptian Initiatives in Governance and Participation Strengthened, 263-021
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $9,420,000 ESF
UNOBLIGATED PRIOR YEAR FUNDS AND FUNDING SOURCE: $11,092,000 ESF
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $17,877,000 ESF
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2009

Summary: Major program components under USAID's Democracy and Governance program provides technical assistance and training to—

- build the institutional and technical capacity of nongovernmental organizations (NGOs) to be more efficient development partners;
- promote the application of innovative participatory models for the management of community services in targeted communities; and
- improve selected areas of administration of justice in pilot courts.

Inputs, Outputs, and Activities: *FY 2002 Program:* The USAID-funded NGO Service Center and its associated activities will strengthen the technical and institutional capacities of individual NGOs and allow them to engage in civic action activities. Funds will be used to provide operational support as well as to provide opportunities for networking and information exchange among NGOs, other private-sector organizations, and government. Training will reach 800 NGO representatives in areas of internal governance, advocacy, organizational management, financial systems management, leadership and networking, and information exchange. In addition, 50 sub-grants, with necessary technical assistance, will be provided to NGOs to support their developmental civic programs and activities.

The Collaboration for Community Level Services activity will provide a mix of training, technical assistance, and limited commodities to governing bodies, which include citizens and local executive organizations. The purpose of this assistance is to develop models to strengthen local-national linkages, improve the capacities of local bodies to formulate policies in a more participatory and informed fashion, and to elicit the interest of key central government actors in institutionalizing the transfer of authority and resources to local communities. During this period, two activity sites will be selected (one in Upper Egypt), and communication to build solidarity among the pilot sites will be fostered.

The Administration of Justice Support activity will end in late 2002. During the year, funds will be used to consolidate efforts carried out in the two participating pilot courts to ensure their sustainability. These efforts include developing a plan for the nationwide replication of the project's automated systems, institutionalizing the automated court management systems, and completing the training of the Judicial Information Center staff and court staff to ensure that they can sustain and monitor the automated systems. Funds will also be used to design a follow-on activity aimed at strengthening the counterparts' capacity to replicate current successes in civil and commercial courts nationwide.

Planned FY 2003 Program: USAID's NGO strengthening will continue to focus on providing capacity building training and technical assistance and grants. It is planned that the NGO Service Center will be registered as a permanent Egyptian entity, a step toward sustainability. The Collaboration for Community Level Services activity will be approaching the completion of phase

one. During this year, USAID intends to complete its support to the pilot communities, amass lessons learned and assess the viability and validity of replicating the developed model(s) through an expansion of the activity more broadly. In addition, a small grants program is underway to provide seed money for emerging NGOs involved in the delivery of local services. Training in fiscal decentralization is planned for a core group of central and local government and non-governmental officials to improve resource mobilization at the local level. The new Administration of Justice program will begin during FY 2003. The new activity will provide technical assistance, training, and limited commodities to the Judicial Information Center and the National Center of Judicial Studies. The expeditious, fair, and predictable administration of justice will provide an environment that is more supportive to domestic and foreign investment.

Performance and Results: All targeted NGOs demonstrated their improved capacity building skills and designed and executed effective plans for advocacy and service delivery. For example, a number of grantees held public meetings and fora attended by decision-makers to elicit their commitment to local problems. One NGO carried out 12 health caravans in a number of villages in lower Egypt, extending services to their constituencies and at the same time petitioning a member of the Parliament to establish a health clinic at the local level. Another NGO held a local conference on the role of civil society development that was attended by 1,500 activists and decision-makers to raise awareness among these groups and improve linkages. Informal networks were established among a number of NGOs with the intent of promoting public-private dialogue.

Continued progress in the Administration of Justice activity yielded a 50% reduction in case processing time in the two pilot courts, with judges now able to review a larger number of cases and accurately apply Egyptian law by having greater access to legal references. An improved cadre of judges trained to use modern legal tools and strategies is now equipped to better serve businesses and individual clients. As a result of the improved efficiency and fair handling of cases in the pilot courts, private businesses can now look to the Egyptian courts as a real option for resolving commercial disputes. In the area of local governance, progress is being achieved. For example, activities in one of the pilot communities have demonstrated improved governance through the initiation of a web site that is designed to improve domestic/foreign investment and generate local employment opportunities.

Principal Contractors, Grantees, or Agencies: USAID implements democracy and governance activities through prime contracts and grants with Save the Children Federation; Development Associates and America-Mideast Educational and Training Services, Inc.; and subcontracts with America's Development Foundation and Infonex Corporation.

US Financing in Thousands of Dollars

Egypt

263-021 Egyptian Initiatives in Governance and Participation Strengthened	ESF
Through September 30, 2000	
Obligations	35,874
Expenditures	9,965
Unliquidated	25,909
Fiscal Year 2001	
Obligations	0
Expenditures	9,669
Through September 30, 2001	
Obligations	35,874
Expenditures	19,634
Unliquidated	16,240
Prior Year Unobligated Funds	
Obligations	11,092
Planned Fiscal Year 2002 NOA	
Obligations	9,420
Total Planned Fiscal Year 2002	
Obligations	20,512
Proposed Fiscal Year 2003 NOA	
Obligations	17,877
Future Obligations	97,820
Est. Total Cost	172,083

PROGRAM DATA SHEET

USAID MISSION: Egypt
PROGRAM TITLE: Basic Education Improved (with emphasis on girls) (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Basic Education Improved to Meet Market Demands, 263-022
STATUS: New
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $20,800,000 ESF
UNOBLIGATED PRIOR YEAR FUNDS AND FUNDING SOURCE: $23,900,000 ESF
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $12,900,000 ESF
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2007

Summary: USAID aims to increase girls' enrollments in targeted areas, improve the quality of teaching and learning, and improve the efficiency of basic education. Major program categories of assistance include—

- school construction in Upper Egypt to expand girls' primary school enrollments;
- community mobilization to increase parental participation and local school management;
- teacher training to build teaching skills and promote learners' critical-thinking skills;
- training to build pre- and in-service English language teaching skills;
- management training for headmasters, supervisors, and Faculty of Education reform;
- scholarships to enroll girls from poor communities in primary and preparatory education;
- non-formal life-skills education on health, rights, and literacy for young men and women;
- preschool education through an Egyptian "Sesame Street" to promote literacy/numeracy;
- parental education programs to help disadvantaged parents prepare children for school;
- U.S.-Egypt teaching exchanges to build a cadre of Master Teachers for cascade training; and
- piloted education reform efforts to decentralize administration and school management.

Inputs, Outputs, and Activities: *FY 2002 Program:* USAID plans to finance the construction of 40 schools under the New Schools Program in rural, Upper Egypt, where girls' enrollment is lowest. Training will be provided to mobilize communities for local school management to increase democratic, parental participation. Training will also be provided to thousands of teachers. Management skills of headmasters and administrators will be strengthened. NGO programs to expand non-formal education and life skills training will be provided for thousands of young men and women. Scholarships will be provided to nearly 5,000 girls who could not otherwise enroll in school. The program will support a new education reform pilot in Alexandria Governorate that demonstrates decentralized methods of school management, improved administration, and improved teaching practices. This strong public/private partnership pilot includes an unprecedented delegation of authority by the Ministry of Education for key management, curriculum, and administrative changes. Efforts will begin for the development of mid-level management training, Faculty of Education reforms and continued English language training in the private and public sector. Technical assistance, training contracts, and NGO grants will support these efforts. Together, they are intended to increase student enrollment, retention and achievement rates, as well as promote teaching quality, management efficiencies, and local public/private partnerships.

Planned FY 2003 Program: Construction under the "New Schools Program" (NSP) in rural Upper Egypt will be completed and construction of the 20 new schools in Alexandria Governorate will begin. Thirty existing schools in Alexandria will receive technical assistance for administrative management reforms and teacher training. Training and technical assistance, including capacity building for the Ministry of Education, Faculties of Education, mid-level management, English language training, and formation of a Board for a Leadership Endowment, will continue. NGO

programs expanding non-formal life skills for young women and men may be supported. Other personnel, technical assistance, monitoring, and evaluation efforts are also planned.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL RENOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: USAID currently manages an education portfolio of nearly $112 million. The goal is to expand enrollments and improve quality, benefiting more than 90 communities, 60,000 learners and more than 7,000 teachers, administrators, and Ministry staff. According to the 2000 Egyptian Demographic and Health Survey, girls' primary school enrollment rates in rural Upper Egypt rose nearly 20%--to 74%--over the past five years. More than 20,000 girls benefited this year from USAID support, primarily in rural Upper Egypt, including 10,600 children enrolled in school for the first time in NSP schools. More than 7,000 teachers, supervisors, principals, facilitators, and private-sector English language providers were trained to promote child-centered teaching methodologies and to build English language teaching skills. More than 7,600 young women received non-formal, life-skills training and/or literacy classes. Scholarships helped 5,000 girls enroll in primary and preparatory schools. More than 3.5 million children under age eight regularly viewed the Egyptian "Sesame Street" series, building literacy and numeracy skills.

Under the New Schools Program, 10,600 children enrolled in 137 new temporary and 160 new multigrade primary schools. Six schools were constructed; five more are nearly completed. Seventy-three Community Education Teams were mobilized to promote democratic participation in local school management. Communities donated 61 plots of land for school construction.

Principal Contractors, Grantees, or Agencies: USAID activities are implemented by CARE International (NSP, prime); World Learning (NSP, sub); Education Development Center (NSP, sub); Save the Children (scholarships); Center for Population and Development Activities (CEDPA) (adolescent life skills, scholarships); Academy for Educational Development (English language teacher training) and Sesame Workshop (Egyptian "Sesame Street"; prime), Karma Productions (sub).

US Financing in Thousands of Dollars

Egypt

263-022 Basic Education Improved to Meet Market Demands	ESF
Through September 30, 2000	
Obligations	62,242
Expenditures	11,482
Unliquidated	50,760
Fiscal Year 2001	
Obligations	-,240
Expenditures	25,160
Through September 30, 2001	
Obligations	62,002
Expenditures	36,642
Unliquidated	25,360
Prior Year Unobligated Funds	
Obligations	23,900
Planned Fiscal Year 2002 NOA	
Obligations	20,800
Total Planned Fiscal Year 2002	
Obligations	44,700
Proposed Fiscal Year 2003 NOA	
Obligations	12,900
Future Obligations	36,540
Est. Total Cost	156,142

THE DEVELOPMENT CHALLENGE: Israel has long been a strong ally of the United States. Israel strongly condemned the September 11th attacks on the United States, and the close bilateral relationship that the United States has with Israel serves the national security interests of both countries. USAID assistance provides Israel the funds it needs to promote economic reforms.

A fundamental U.S. Government objective in Israel is to reduce Israel's balance-of-payment pressures as it continues to pursue the economic reforms required for financial stability and structural adjustments needed for rapid, sustainable growth. Since 1993, export competitiveness has improved, and inflation has been reduced. Expanding business investment and governmental infrastructure investment, coupled with sustained export growth, are helping Israel reach its gross domestic product growth rate potential of about five percent.

Israel's economy has responded favorably in recent years to the restructuring imposed after the crises and hyperinflation of the mid-80s. Since 1990 the economy has become increasingly sophisticated and technologically advanced. In FY 1999, Congress began a reduction of the economic assistance earmark in recognition of this progress. The government still faces economic challenges associated with absorbing nearly 900,000 immigrants since 1989 in a country of only six million. Israel's economy slowed down considerably in 2001 from the strong growth levels of 2000. The Israeli economy grew by six percent in 2000, with zero inflation. Foreign investment, mostly in the high-tech sector, soared, reaching a record $9 billion. Growth in 2000 would have been even greater had it not been for a sharp downturn at the end of the year. Growth plunged 10% (annualized basis) in the fourth quarter of the year from third quarter levels.

The end of the year downturn was caused by a combination of factors. The violence in Israel and the West Bank and Gaza led to a steep drop in the number of foreign tourists. Construction and agriculture were hurt by the sudden loss of Palestinian workers, unable to travel to jobs in Israel because of closures imposed by the Israeli military. A drop in economic growth in the United States led to a lower level of exports. Finally, the steep drop on the stock exchange resulted in a decrease in the rate of new foreign investment in Israel. Many Israeli high-tech firms list on U.S. stock exchanges (nearly 100 Israeli firms are listed, more than from any country outside North America).

The U.S. Government strongly supports Israel's reform measures and underscores its support at the U.S.-Israel Joint Economic Development Group (JEDG), which traditionally meets annually. These high-level policy discussions also help to reinforce Israel's commitment to the reform process. Beyond maintaining a stable macroeconomic environment, the reduction of unemployment will require reform of the financial sector, the reduction in labor market inflexibility, the continuation of trade liberalization, and an acceleration of the privatization program. The United States intends to promote Israel's economic and political stability through continued support of its economy.

THE USAID PROGRAM: The United States, acting through the USAID, will provide $720,000,000 in FY 2002 funds to Israel as a cash transfer. These funds will be used by Israel primarily for repayment of debt to the United States, including re-financed Foreign Military Sales debt, and purchases of goods and services from the United States. The U.S. State Department will continue to encourage Israeli reform to reduce government spending and deficits, to improve tax and public wage structures, to increase privatization, to reform labor markets, and to continue to liberalize its trade regime.

In FY 2003, the anticipated cash transfer will be $600,000,000.

ONGOING PROGRAMS FOR WHICH NO FY 2002 OR FY 2003 FUNDING IS REQUESTED: None.

OTHER PROGRAM ELEMENTS: In addition to the cash transfer to Israel, USAID's Global Bureau for Economic Growth, Agriculture and Trade manages a number of regional programs that involve Israel.

The Middle East Regional Cooperation (MERC) Program promotes technical cooperation between Israel and its Arab neighbors, with particular attention to the development needs of those countries. The Cooperative Development Research (CDR) Program brings Israeli and developing country scientists together to collaborate in solving problems relevant to the developing countries. The Cooperative Development Program (CDP) provides funding for the State of Israel's own general development assistance program, which is implemented by the Center for International Cooperation (known as MASHAV), a part of Israel's Ministry of Foreign Affairs.

OTHER DONORS: The United States is the largest bilateral donor to Israel.

Israel
PROGRAM SUMMARY
(In thousands of dollars)

Accounts	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Economic Support Fund	949,056	838,152	720,000	600,000
Total Program Funds	949,056	838,152	720,000	600,000

STRATEGIC OBJECTIVE SUMMARY				
271-001 Support Policy Reform for Financial Stability				
ESF	949,056	838,152	720,000	600,000

Total Transfers

PROGRAM DATA SHEET

USAID PROGRAM: Israel
PROGRAM TITLE: Israel Cash Transfer (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Support Policy Reform for Financial Stability, 271-001 (271-K-641)
STATUS: New
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $720,000,000 ESF
PROPOSED FY 2003 OBLIGTION AND FUNDING SOURCE: $600,000,000 ESF
INITIAL OBLIGATION: FY 2002 **ESTIMATED COMPLETION DATE:** FY 2002

Summary: The overall goal of U.S. assistance to Israel is to support peace in the Middle East. The Government of Israel's political and economic stability continues to be important to U.S. foreign policy objectives in the Middle East.

Inputs, Outputs, and Activities: *FY 2002 Program*: USAID will provide FY 2002 funds as a cash transfer to Israel that will be used mainly for debt repayment to the United States, including re-financed Foreign Military Sales debt, and purchases of U.S. goods and services.

The fundamental USAID objective in Israel is to reduce Israel's balance-of-payment pressures as it continues to pursue the economic reforms required for financial stability and structural adjustments needed for rapid sustainable growth. Though the U.S. cash transfer is not conditioned on economic policy reform, the U.S. continues to encourage Israeli efforts to reduce government spending and deficits, improve tax and public wage structures, increase privatization, reform labor markets, and continue to liberalize its trade.

On December 31, 2001 the U.S. Government obligated a partial cash transfer in the amount of $149,917,000, given the absence of a full ESF appropriation for FY 2002. On February 8, 2002, the Government of Israel received the outstanding balance, for a total amount of $720,000,000 in economic assistance.

FY 2003 Program: USAID anticipates a cash transfer of $600,000,000.

Performance and Results: From a macroeconomic perspective, the grant results in increased importing capacity simply because Israel has greater economic wealth. Between 1984 and 2000, imports of U.S. non-military goods showed impressive gains, increasing 378% from $1,756,200,000 to $6,645,500,000. While economic assistance to Israel has declined since 1999, nonmilitary imports from the U.S. continue to increase, reaching $3,926,600,000 in the first half of 2001. On an annual basis, this represents a 59% increase over the 2000 level of $6,645,500,000, and exceeds Israel's commitment under the FY 2001 Cash Transfer Agreement.

Principal Contractors, Grantees, or Agencies: The Israel Cash Transfer is accomplished by a direct grant to the Government of Israel.

US Financing in Thousands of Dollars

Israel

271-001 Support Policy Reform for Financial Stability	ESF
Through September 30, 2000	
Obligations	3,229,056
Expenditures	3,229,056
Unliquidated	0
Fiscal Year 2001	
Obligations	838,152
Expenditures	838,152
Through September 30, 2001	
Obligations	4,067,208
Expenditures	4,067,208
Unliquidated	0
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2002 NOA	
Obligations	720,000
Total Planned Fiscal Year 2002	
Obligations	720,000
Proposed Fiscal Year 2003 NOA	
Obligations	600,000
Future Obligations	1,200,000
Est. Total Cost	6,587,208

JORDAN

THE DEVELOPMENT CHALLENGE: In addition to the pivotal role it plays in Middle East regional stability, combating terrorism, and serving as a model of reform, a critical domestic challenge this year is spreading the benefits of economic reform and growth more broadly within the society. The Jordanian economy is highly vulnerable to regional and global political and economic shocks. The closure of traditional markets and the effects of the September 11th terrorist acts in the United States have negatively affected Jordan's ability to overcome the many development challenges it faces.

The Government of Jordan (GOJ), led by King Abdullah II, has embarked on a program of far-reaching economic and social-sector reforms. A multi-faceted plan to accelerate the national social and economic transformation in Jordan is based on an aggressive growth budget over the next four years. This process is designed to maintain Jordan's macroeconomic stability and strengthen its credibility with the international financial community. USAID/Jordan is well positioned to assist in this ambitious undertaking and to support Jordan as a key ally and development partner through efforts in population and family health, water resources, and economic opportunities for Jordanians.

The population of Jordan is 5.1 million. This is over nine times the population in 1952 when the United States began providing economic assistance. While the total fertility rate has declined from 7.3 children per family in 1976 to 3.5 in 2001, the current natural rate of increase is 2.3%, with a total population growth rate of 2.8%. This will lead to a doubling of the population by about the year 2027. This high population growth rate places severe demands on Jordan's limited water resources and is a key factor in the current high rates of unemployment and under-employment.

Jordan is one of the ten most water-deprived countries on earth. Jordan needs to do whatever it can to use its water resources efficiently. Ninety percent of Jordan receives less than eight inches of rain annually. Of that, 90% is lost to evaporation. As a result of three years of drought, reservoirs which should contain 178 mcm of water contain only 37 mcm. Water is scarce in the entire region and will continue to be a critical issue for peace and economic development for decades to come.

In 2002, there will be 37,000 new entrants to the work force. With unemployment currently at 14.9% and rising since September 11th, and with "under-employment" adding perhaps another 5%, there will be few employment opportunities for these new entrants without faster economic growth and labor market reforms. In addition, the "safety valve" of employment in the Arabian Gulf is disappearing, placing a burden on the domestic economy. With 50.5% of Jordan's population currently under age 20, and almost 40% below the age of 15, the situation will only get worse.

THE USAID PROGRAM: USAID will devote $150 million in ESF in FY 2002 to Jordan and is requesting $250 million in ESF in FY 2003. USAID's program focuses on three strategic objectives (SOs): Improved Water Resources Management; Improved Access to and Quality of Reproductive and Primary HealthCare; and Increased Economic Opportunities for Jordanians. At the higher funding level, USAID/Jordan does not plan to add any new strategic objectives. However, it will expand the scope of activities to include social sector issues related to education, population, and family health. Additionally, one Intermediate Result indicator each will be added to the water resources and economic opportunities objectives to track rural development and poverty statistics under these strategic objectives. USAID will work with the State Department and the Jordanians to put in place the appropriate mechanisms to program and manage the increased funding level. The proposed activities and mechanisms are outlined in the Program Data Sheets below.

ONGOING PROGRAMS FOR WHICH NO 2002 OR FY 2003 FUNDING IS REQUESTED: None.

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OTHER PROGRAM ELEMENTS: There are three USAID programs not managed by USAID's field mission. The first is the Middle East Regional Cooperation (MERC) initiative funded and managed by USAID's Bureau for Economic Growth, Agriculture, and Trade (EGAT). Most of the MERC projects in Jordan are in environmental protection, health, water and agriculture. Examples include the Aqaba Regional Peace Park (protecting the coral reefs), the Middle East Cancer Consortium, Eradication of the Mediterranean Fruit Fly, and Education for Peace. To date, approximately 35 projects have involved both Jordanian and Israeli partners, with a total funding level (all partners included) of almost $28 million. Three projects involving environmental protection and agriculture were approved in FY2001. The life of project ranges from three to five years. Jordan's portion is approximately $514,000.

Second, the USAID field mission reviewed and approved two U.S.-Israel Cooperative Development Research (CDR) Projects for a total of approximately $400,000. The two three-year projects are collaborative research between Israel, Jordan, and the United States on the use of bees in agriculture.

Third, the USAID field mission assisted the U.S. Embassy in programming the equivalent of $25.78 million in local currency proceeds from the sale of 200,000 tons of Section 416(b) wheat. USAID provided information to the Embassy on the GOJ's National Assistance Fund (NAF) for the poor, which was included in USG negotiations with the GOJ. Approximately $3 million will be allocated to the NAF from these resources.

OTHER DONORS: During FY 2001, Jordan received a total of $216,345,335 in grant assistance and $216,028,354 in loan assistance from thirty-five foreign governments and multilateral agencies. USAID (including USDA Section 416(b) assistance) provided 77% of total grant aid and was the single largest donor for the fourth year in a row. Japan was the second largest donor, with 10% of the total, followed by Italy (4%), the United Kingdom (3%), and Canada (1.5%). The World Bank, Islamic Development Bank, Arab Fund, European Union, United Nations Development Program, and the Governments of Spain, Germany, and Norway together provided the remaining 4.5% of grant aid. Of total loans, the World Bank was the largest creditor at 55%, followed by Spain (15%), Switzerland (9%), Italy (6%), Abu Dhabi Development Fund (4.6%), Denmark (3.3%), France (1%), and Norway (0.7%).

Jordan

PROGRAM SUMMARY

(In thousands of dollars)

Accounts	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Economic Support Fund	199,500	149,670	150,000	250,000
Total Program Funds	199,500	149,670	150,000	250,000

STRATEGIC OBJECTIVE SUMMARY				
278-002 Improved Water Resources Management				
ESF	83,000	43,845	45,000	75,000
278-003 Improved Access to and Quality of Reproductive and Primary Health Care				
ESF	20,000	17,938	18,000	41,500
278-005 Increased Economic Opportunities for Jordanians				
ESF	96,500	87,887	87,000	133,500

Total Transfers

PROGRAM DATA SHEET

USAID MISSION: Jordan
PROGRAM TITLE AND NUMBER: Water Resources Management (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Improved Water Resources Management, 278-002
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $45,000,000 ESF
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $75,000,000 ESF
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** 2004

Summary: USAID's water resources management program includes three components:

- stronger water sector institutions;
- increased efficiency in use of water resources; and
- improved quality of wastewater.

All Jordanians benefit from improvements in the water sector.

Inputs, Outputs, and Activities: *FY 2002 Program:* USAID will obligate $33.5 million for the construction of the Ma'in Water Supply Project which will augment the water resources of the city of Amman by 40% as well as provide much needed water to the tourist facilities along the Dead Sea. Technical assistance will be aimed at increasing the water use efficiency of the agricultural sector, designing the rehabilitation of the water networks for Irbid and Jerash to reduce water losses, implementing the wastewater reuse scheme for Aqaba, and watershed management. FY 2002 funding also includes contingency funds to cover any unexpected, emergency requirements and potential increases in construction costs.

Planned FY 2003 Program: USAID plans to use FY 2003 resources requested in this Budget Justification to fully fund the Ma'in Water Supply project, fund the Aqaba Water Supply project, rehabilitate the Irbid and Jerash water networks, construct the Mafraq wastewater treatment plant that will benefit 60,000 inhabitants, construct two small-scale wastewater treatment plants for small rural communities and provide technical support to further strengthen the institutions managing Jordan's water resources.

Performance and Results: Technical studies and action plans for groundwater protection and wastewater reuse for the Amman-Zarqa Basin have been completed. Reuse implementation has started in two locations. Implementation of the Policies and Procedures Manual developed by the Host Country Contracting project is ongoing and has resulted in a 20-60% reduction in time required for awarding a contract. A cost recovery model for the Water Authority of Jordan was developed, which opened a dialogue within the Government of Jordan on the issue of cost recovery and future government subsidies to the sector.

The Financial Accounting System for the Jordan Valley Authority (JVA) is in the final stages of implementation, making it the first government entity in Jordan that has instituted a system operating on a commercial basis and providing cost/revenue information according to internationally accepted standards. The strategic planning effort for the JVA finalized a document identifying 19 strategic issues facing the authority. Development of a five-year strategic plan is underway to assist the JVA with its newly assigned water/land mandate. Furthermore, an assessment of the water sector in Jordan and USAID support to the sector was completed along with recommendations for future support.

During 2001, the water education program continued to exceed expectations, with the government adopting a revised construction code requiring water conservation and water saving technologies

and the Prime Ministry issuing a regulation requiring all government buildings to conform to the new codes. Research carried out by the project indicated that national knowledge on water issues has increased from 30% at the start of the program to 90% currently. This program's activities actively involve youth, women, grassroots organizations and religious leaders. Under the Washington State University Cooperative Agreement, about 180 people were trained on a variety of technical issues including analysis of physical, chemical and biological parameters of drinking water and wastewater; Geographic Information System-based water resources management; wastewater treatment and reuse; and water-related environmental health planning and management.

USAID signed a contract for its portion of the multi-donor program to rehabilitate the entire water network of Amman to reduce losses due to physical leaks. Rehabilitation work on the Wadi Sir, Qairawan, Qantara, Deek and Salt springs was completed, and work on the three Kafrein springs was completed. This effort will provide proper drinking water to 292,000 Jordanians. In addition, the renovation of the Ministry of Health Environmental Health Lab, which tests water and wastewater throughout the country, was completed.

Preliminary technical and financial feasibility work and preliminary design were completed for the Ma'in Water Supply Project that will draw on several water sources near the Dead Sea, channel the water to a desalination plant and then pipe the water to Amman for municipal use. Results of the Irrigation Advisory Service in the Jordan Valley for the past two cropping seasons show significant reductions in water use with no reduction in yield and, in some cases, increases in yields.

Construction of the new wastewater treatment plant and conveyance system in Wadi Mousa was completed and turned over to the Water Authority of Jordan. The plant serves an estimated 40,000 residents and approximately half a million visitors to Petra each year. Technical assistance to train Water Authority of Jordan staff on plant operation and maintenance will be provided for two years. The Ministry of Water and Irrigation implemented a 12% wastewater tariff increase in Greater Amman needed to cover operating costs for the As-Samra wastewater plant. Contract award is slated for February 2002 on the build-operate-transfer As-Samra wastewater project. A reuse feasibility study and conceptual design for the Mafraq wastewater treatment facilities was completed. The aim of this project is to seek maximum effluent reuse for agriculture and introduce more cost-efficient wastewater technology to Jordan. In addition, an assessment for the expansion of the Aqaba wastewater facilities was carried out, recommending two treatment streams, one treating wastewater to tertiary standards for use in the city's landscaping and the other treating the wastewater to secondary standards for reuse in agriculture. When implemented this will be the first plant in Jordan treating the wastewater according to its designated use. Finally, the design for the North Shouneh wastewater treatment plant was completed.

Principal Contractors, Grantees, or Agencies: Major U.S. contractors for engineering and construction work include Camp, Dresser & McKee, Inc.; Morganti Group; Hazen & Sawyer; Metcalf & Eddy; Montgomery Watson; Harza; and CH2MHill. Abt & Associates; Associates in Rural Development; Development Alternatives, Incorporated; Chemonics; and the Academy for Educational Development provide technical assistance on privatization, policy implementation, cost recovery and strategic planning, host country contracting, and water education. Washington State University, in consortium with Purdue University, the University of South Carolina and several Jordanian universities, is conducting a training and research program. Major Jordanian counterparts include the Ministry of Water and Irrigation, WAJ, JVA and local NGOs and universities.

US Financing in Thousands of Dollars

Jordan

278-002 Improved Water Resources Management	ESF
Through September 30, 2000	
Obligations	307,498
Expenditures	74,175
Unliquidated	233,323
Fiscal Year 2001	
Obligations	43,845
Expenditures	23,247
Through September 30, 2001	
Obligations	351,343
Expenditures	97,422
Unliquidated	253,921
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2002 NOA	
Obligations	45,000
Total Planned Fiscal Year 2002	
Obligations	45,000
Proposed Fiscal Year 2003 NOA	
Obligations	75,000
Future Obligations	78,657
Est. Total Cost	550,000

PROGRAM DATA SHEET

USAID MISSION: Jordan
PROGRAM TITLE: Reproductive and Primary Health Care (Pillar: Global Health)
STRATEGIC OBJECTIVE AND NUMBER: Improved Access to and Quality of Reproductive and Primary Health Care, 278-003
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $18,000,000 ESF
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $41,500,000 ESF
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: USAID's program of reproductive and primary health care includes:

- Improved knowledge of contraceptives;
- Increase availability of reproductive and primary health care services in the public sector;
- The private sector family planning initiative;
- Increased rationalization of the health financing system.

Jordanian families throughout the kingdom, mothers and children under five in particular, and users of primary healthcare clinics are the beneficiaries of the programs.

Inputs, Outputs, and Activities: FY *2002 Program:* In FY 2002, USAID's program with the Primary Health Care Initiatives (PHCI) will focus on training, service provision, logistics and management systems for primary and reproductive health. The PHCI activity aims to improve quality, management and efficiency of reproductive and PHC services at all 380 Ministry of Health (MOH) PHC centers. It includes extensive training programs and technical assistance to upgrade 200 primary health centers selected to serve as models for high quality primary, reproductive, and basic health services, while the remaining centers will benefit from a basic support package. The 200 focal centers will receive intensive improvements, including clinical training, quality assurance systems, upgrades in health management information systems, management improvements, renovations and equipment. USAID will provide technical assistance and training to the major Jordanian institution involved in reproductive health, the Jordanian Association for Family Planning (JAFPP). JAFPP, which focuses on service delivery, embarked on an institutional plan aimed at achieving sustainability. The program will increase efficiency in health financing and management and provide specialized technical support. Specific activities envisaged include a program on HIV/AIDS management and impact; support for demographic and health surveys; infectious disease surveillance; efforts to introduce new family planning methods and improve the quality of services offered by public and private providers; and support for the National Population Council and other organizations on communication strategies, policy development and other issues.

Planned FY 2003 Program: USAID plans to use FY 2003 resources to continue providing technical assistance and training to PHCI, JAFPP, health financing and management programs, and programs through USAID's pillar bureaus. In addition, USAID anticipates the possible design and launch of a national-level poverty alleviation program that will focus on low-income communities, including support for community-based activities focusing on quality of life issues, a "Girls and Young Women's Education Project" ($7 million), and a follow-on for PHCI.

All contracts and grants funded with resources from the Jordan Program will incorporate clauses that implement the President's directive reinstating the Mexico City Policy.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL RENOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: USAID continues to be the major donor of family planning services, supplies, information and training for physicians, nurses, midwives and pharmacists. USAID-funded programs have contributed to a continuing decline in the total fertility rate from 5.6 children in 1990 to 3.5 in 2001. Seventy percent of the decline in fertility resulted from changes in marital fertility, while 30% resulted from a delayed age of marriage. The rate of increase in the modern Couple Protection Rate (CPR), while meeting the 2001 target, seems to be slowing down in the last five years. However, the continuing decline in fertility rates in the rate of natural increase is encouraging. The seeming contradiction between the slowing down of CPR annual increases and the continuing decline in the total fertility rate is likely the result of further counseling and expanded availability, resulting in more effective use of contraceptives. The later age of marriage is also a factor.

Progress in reducing infant deaths has been significant. The Infant Mortality Rate (IMR) has been reduced from 70 deaths per 1,000 live births in 1972 to 29 in the last survey. These reductions are due mainly to child survival programs and family planning. While infant and child mortality rates continue their downward trend, there are differentials among subgroups. IMR is a good indicator of overall socioeconomic status of a population or community. In Jordan there is considerable variation among regions—the south has an IMR 41% higher than the north. This underscores the validity of the strategy to focus more resources on the south and rural areas.

PHCI activities during 2001 included extensive training programs for health provider teams throughout the kingdom, and quality improvement systems functioning in 34 focal centers. Capacity of managers at the governorate level has been strengthened to ensure sustainability of primary health improvements.

With USAID assistance, the Ministry of Health completed the second annual compilation of national health accounts, a national health expenditures and facility utilization survey. The findings from these surveys are being used to plan and monitor the Government of Jordan's new health policy reforms to address such issues as cost recovery, health insurance schemes, financing options, performance-based incentives for primary health care staff, and decentralization. Through the Centers for Disease Control, the U.S. Government has provided support for strengthening the national epidemiological surveillance system.

USAID successfully launched a new five-year cost recovery and sustainability activity to support the JAFPP, a successful NGO that provides 25% of family planning services in Jordan but still relies on donor assistance. The goal of this activity is to assist JAFPP to increase its recovery of overall costs from the current 44% to at least 75%, while maintaining its 25% share of family planning services in a highly competitive market. Finally, a small new HIV/AIDS program was launched aimed at high-risk groups as a means of addressing a problem that so far has had only a modest impact in the kingdom. An HIV/AIDS hotline and voluntary testing and counseling center have been established for the first time in Jordan.

Principal Contractors, Grantees, or Agencies: Abt Associates; Tulane University; Futures Group; Deloitte Touche Tohmatsu; John Snow International; Johns Hopkins University; U.S. Bureau of Census; Academy for Educational Development; Centers for Disease Control and Prevention; Engender Health; and Family Health International; University of Colorado; Initiatives, Inc; and TransCentury Associates. Major host country partners include the Ministry of Health; Jordan University Hospital; Royal Medical Services; Department of Statistics; and Jordanian non-governmental organizations.

US Financing in Thousands of Dollars

Jordan

278-003 Improved Access to and Quality of Reproductive and Primary Health Care	DA	ESF
Through September 30, 2000		
Obligations	10,718	50,882
Expenditures	9,154	31,226
Unliquidated	1,564	19,656
Fiscal Year 2001		
Obligations	0	17,938
Expenditures	1,292	17,012
Through September 30, 2001		
Obligations	10,718	68,820
Expenditures	10,446	48,238
Unliquidated	272	20,582
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2002 NOA		
Obligations	0	18,000
Total Planned Fiscal Year 2002		
Obligations	0	18,000
Proposed Fiscal Year 2003 NOA		
Obligations	0	41,500
Future Obligations	0	71,680
Est. Total Cost	10,718	200,000

PROGRAM DATA SHEET

USAID MISSION: Jordan
PROGRAM TITLE: Broad-Based Economic Growth (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Increased Economic Opportunities for Jordanians, 278-005
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $87,000,000 ESF
UNOBLIGATED PRIOR YEAR FUNDS AND FUNDING SOURCE: $187,000 ESF
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $133,500,000 ESF
INITIAL OBLIGATION: FY 1997 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: The ultimate goal of USAID's economic opportunities program is to support broad-based economic growth and an improved quality of life for all Jordanians. The program consists of three major components:

- Increased access to business services;
- More effective identification and implementation of policy reform;
- Improved environment for sustained policy reform.

Inputs, Outputs, and Activities: FY *2002 Program:* As in previous years, USAID will obligate funds for direct project activities and a policy-based cash transfer program. A total of $37 million will be utilized for technical assistance, training, commodities and grants that support a range of broad-based economic growth project activities under the business services and policy components. These funds will be used primarily to: 1) provide micro, small and medium enterprises with improved access to finance, technology, management training and marketing information, as well as to support "new" industries such as the information and communications technology sector; 2) increase private-sector trade and investment by supporting innovative schemes (e.g., Aqaba Special Economic Zone) to facilitate new market access agreements and promote increased private sector investment; 3) ensure people-oriented impact through the implementation of a poverty alleviation strategy, youth entrepreneurship training (i.e., Junior Achievement) activities and a nature-based socioeconomic program implemented by Jordan's leading environmental NGO; and 4) expand and strengthen private markets, including privatization activities, and public-sector reform activities focused on trade, investment policy including Free Trade Agreement implementation, customs modernization, and capital markets development. In addition, a $50 million policy-conditioned cash transfer will be obligated to ensure sustained support for Jordan's impressive economic restructuring program. As in previous years, disbursement will be conditioned on the achievement of a set of economic policy-related reforms. Cash transfer-associated local currency is used to help support U.S.-Jordan mutually programmed development priorities, with an emphasis on poverty alleviation, water and health programs.

Planned FY 2003 Program: USAID plans to use FY 2003 resources to provide continued funding for ongoing project activities, as well as for the implementation of follow-on projects such as the Jordan-U.S. Business Partnership, with a specific emphasis on the Free Trade Agreement. A total of $43.5 million will be utilized for technical assistance, training, commodities and grants that support a range of broad-based economic growth project activities under the business services and policy components in support of the King's Economic and Social Reform goals. In addition, a $90 million policy-conditioned cash transfer will be obligated to ensure sustained support for Jordan's impressive economic restructuring program.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL RENOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: The program is at the forefront in addressing key economic growth challenges in Jordan. Important outcomes of the program by the end of the strategy will be improved private-sector performance and public-sector efficiency, leading to more robust and sustained economic growth. USAID believes that Jordan's economy can be transformed by a combination of enterprise- and industry-level activities, along with an ambitious economic and business policy reform agenda and deliberate efforts to broaden participation in the economy.

Jordan's economic transformation efforts, coupled with significant USAID support, are beginning to yield benefits. After several years of slow growth, GDP growth rates are nearly 4%, the highest since 1995. Exports rose nearly 20% in 2001.

Remarkable progress has been achieved in supporting microenterprise development through USAID lending programs. From a base of only a few hundred active clients four years ago, USAID-supported sustainable microfinance programs served 16,518 active clients during 2001. Eighty percent of the borrowers are women.

Firm- and industry-level efforts through the Jordan-U.S. Business Partnership have helped Jordan's small and medium firms become more competitive and take advantage of new business opportunities, both domestic and international. As a result of the project assistance over the past three years, clients have increased their exports by $11.7 million and domestic sales by $3.5 million, exceeding USAID's expectations.

During the last year, Jordan effected a series of wide-ranging measures designed to open markets, overcome structural economic obstacles and integrate the country more closely in the wider global economy. USAID's economic opportunities program was especially well positioned to take advantage of King Abdullah's energetic leadership in promoting a world-class economic and business environment and private sector trade and investment. Building on the World Trade Organization-related reforms enacted in 2000, Jordan and the U.S. Government began implementation of the Free Trade Agreement in December 2001, positioning Jordan as the fourth country (after Canada, Mexico, and Israel) to enjoy such a relationship with the United States.

Jordan officially opened the Aqaba Special Economic Zone in May 2001, setting the stage for its emergence as a model for streamlined investment procedures. USAID played a critical role in providing extensive advisory services for this initiative. This assistance is scheduled to continue as the zone is established and efforts are made to expand trade and attract new investment. Already, the zone has attracted $422 million in private investment, far exceeding USAID's 2001 target of $100 million. USAID also initiated the construction of a light industrial estate in Aqaba in September 2001, which is anticipated to generate over 5,000 new light industrial jobs within five years. With respect to economic policy reform and implementation, a number of important milestones are anticipated in 2002, such as the enactment of investment related legal and regulatory reforms, and a continuation of Jordan's impressive privatization program, the most successful in the Middle East. To date, $936 million in state-owned enterprise assets have been transferred to private-sector control, exceeding the target of $900 million.

Principal Contractors, Grantees, or Agencies: Principal contractors and grantees include Chemonics; Save the Children; the Cooperative Housing Foundation; International Executive Service Corps; the United Nations Development Program; Wilbur Smith Associates; Consolidated Consultants; Gensler; PricewaterhouseCoopers; The Services Group; ABB SUSA; Nathan Associates; and the World Bank. USAID's primary Government of Jordan counterpart is the Ministry of Planning, as well a number of other key economic-related ministries and institutions. In addition, numerous local business associations, private sector firms and NGOs benefit from USAID's assistance in the economic opportunity area. USAID anticipates selecting new implementing entities for the potential FY 2003 poverty alleviation activities and follow-on to the Jordan-U.S. Business Partnership.

US Financing in Thousands of Dollars

Jordan

278-005 Increased Economic Opportunities for Jordanians	ESF
Through September 30, 2000	
Obligations	346,052
Expenditures	293,327
Unliquidated	52,725
Fiscal Year 2001	
Obligations	87,700
Expenditures	99,090
Through September 30, 2001	
Obligations	433,752
Expenditures	392,417
Unliquidated	41,335
Prior Year Unobligated Funds	
Obligations	187
Planned Fiscal Year 2002 NOA	
Obligations	87,000
Total Planned Fiscal Year 2002	
Obligations	87,187
Proposed Fiscal Year 2003 NOA	
Obligations	133,500
Future Obligations	75,000
Est. Total Cost	729,439

LEBANON

THE DEVELOPMENT CHALLENGE: Lebanon continues to face challenges as formidable as those following the May 2000 withdrawal of Israeli forces from South Lebanon, when all eyes focused on re-establishing sovereignty, stability, and security; now it must revitalize its economy in a country emerging from two decades of occupation and a devastating civil war. The withdrawal presented a newly elected and reform-minded government with an historic opportunity to rebuild and redefine Lebanon—as a nation intent on liberalizing its economy; a people dedicated to advancing democratic institutions, human rights, and the rule of law; and a partner wedded to achieving regional peace and global prosperity. These remain core priorities for the Lebanese leadership, along with the new, post-September 11th challenge of combating terrorism. They also form the crux of U.S. national and foreign policy interests in Lebanon.

Lebanon made progress this past year in meeting these challenges. For example, the Government of Lebanon's (GOL) recent signing of the long-awaited Euro-Mediterranean Partnership, in tandem with upcoming negotiations on World Trade Organization (WTO) membership, are key steps in Lebanon's bid for an increased share of regional and global trade. A new value-added tax, along with actions favorable to privatization, budget belt-tightening, and administrative streamlining, could add much-needed efficiencies and revenues to the public sector. Elections in formerly-occupied municipalities not only signaled the GOL's commitment to extend its sovereignty southward, but, for the first time in nearly 40 years, formally activated local government and grassroots decision-making nationwide. Safety and security were also enhanced when Lebanese Armed Forces, working closely with troops from the United Nations Interim Forces in Lebanon (UNIFIL), began de-mining operations and mine awareness campaigns in the south's most heavily mined areas. Since September 11th, the GOL has also actively supported U.N.-originated counter-terrorism measures.

Nonetheless, the pace of economic and administrative reform is slow, as are the reintegration and recovery measures in the south. The GOL is broke, and the economy is in crisis. Public debt, rising 20% per year, is at an alarming $28 billion, equaling 170% of GDP. Servicing this debt consumes 90% of public revenues, leaving little for investment. Unemployment and underemployment are believed to exceed 25%, with rural areas particularly hard-hit. Investment law, judicial recourse, intellectual property rights, and business ethics are major challenges, dampening investor confidence and pushing much of Lebanon's highly talented workforce to the Gulf States and beyond. Remittances from abroad, estimated conservatively at 25% of GDP, are a safety net and at times a lifeline for what many families see as a no-growth economy with few opportunities. There is an increasing reliance on external donor funding for financial and budgetary support, and even basic services.

Complicating this situation are the many religious, regional, political, and cultural differences embedded in Lebanese society—historic, deep-rooted cleavages that fuel gridlock, impede good governance, undercut collective action for the common good, and make "political will" hard to define. Syria's presence, symbolized by some 20,000 troops, influences all major government decisions and effectively limits Lebanon's sovereignty. Lebanon's border with Israel remains contested; entrenched Hizballah forces and Israeli overflights are a constant reminder of the South's volatility, curbing resettlement, dampening investment, and weakening development efforts. This issue took a new twist when the United States reiterated Hizballah's place on its Foreign Terrorist Organizations list, requesting the GOL to freeze Hizballah assets. The GOL disagreed, launching a debate with the United States, and with other western and regional partners, on Hizballah's status as a terrorist or resistance organization. The outcome could have far-reaching effects on Lebanon's security, stability, and economy, as well as on USAID's program.

THE USAID PROGRAM: USAID's FY 2002 program will devote $35,000,000 in Economic Support Funds (ESF) and $600,000 in Development Assistance (DA) funds. USAID is requesting $32,000,000 ESF and $500,000 DA for FY 2003. The program will focus on expanding and

adding value to existing activities, as detailed in the Program Data Sheets below and as previously described in the FY 2002 CBJ. Funds will (1) expand small-scale NGO-based income-generating and infrastructure activities in poor rural areas through investments in key productive and service sectors, notably agriculture, agribusiness, tourism, water, dairy, and microenterprises; (2) strengthen the policy, regulatory, and legal environment for Lebanon's upcoming membership in the World Trade Organization (WTO); (3) promote democracy, good governance, and program sustainability by supporting key institutions, particularly municipalities, Parliament, oversight agencies, the media, and civil society organizations; and (4) improve the health, safety, security, and overall economic well-being of rural residents through appropriate environmental technologies and de-mining activities. Geographic emphasis will continue focusing on areas of high need and good economic potential, recognizing that real recovery, revitalization, and reintegration can only take place with the active support of local and national players. USAID will also promote strategic alliances, particularly in the "Internet for development" arena, to capitalize on Lebanon's strengths in information and communication technology, and to bring together the best talent and ideas in the private, NGO, university, and host country communities. The FY 2003 program will continue along the above lines, pending the outcome of an upcoming strategy review aimed at defining USAID investments for the FY 2003-2005 period.

> The USAID program—known for its balanced, responsive, targeted, community-oriented approach to development—is well positioned to address many of Lebanon's economic, institutional, governance, environmental, safety, and security challenges.

ONGOING PROGRAMS FOR WHICH NO FY 2002 OR FY 2003 FUNDING IS REQUESTED: None.

OTHER PROGRAM ELEMENTS: Lebanon benefits from the Leahy War Victims Fund for a number of mine action activities, chief of which is a Resource Cooperative aimed at creating economic opportunities for mine-injured survivors and their families in the district of Jezzine, Lebanon's most heavily mined and casualty-afflicted area (see SO 268-005 below). USAID will continue to receive War Victims Funds. USAID is also benefiting from FY 2001 FORWARD (Fostering Resolution of Water Resources Disputes) funds for water management activities in South Lebanon.

OTHER DONORS: Donor coordination in Lebanon is active. The most recent United Nations Development Program (UNDP) reports list Arab countries as the main source of Lebanon's external funding, led by the Kuwait Fund for Arab Economic Development (transport infrastructure); the Arab Fund for Economic and Social Development (human resource development, energy); the United Arab Emirates (de-mining); Saudi Arabia (infrastructure, social services); and the Islamic Development Bank (infrastructure). Also active are the World Bank (broad-based development); the European Union (EU--training, development administration, rural development, trade); France (technical cooperation, training); United Nations organizations (broad-based development); Italy (agriculture, infrastructure, water); Canada (development administration, economic management); and Norway (technical cooperation, social services). Bilateral assistance accounts for 55% of disbursements; multilaterals account for 38% and NGOs for 7%. USAID, while approximately 10th in resource levels, is consistently among the top three in actual spending. USAID's main donor partners are the World Bank, EU and UNDP for rural development and environmental activities; the EU and UNDP for administrative reform and municipal development; the EU for trade (Euro-Med and WTO agreements); and France for water resource management.

Lebanon
PROGRAM SUMMARY
(In thousands of dollars)

Accounts	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Development Assistance	0	600	600	500
Economic Support Fund	15,000	34,923	35,000	32,000
Total Program Funds	15,000	35,523	35,600	32,500

STRATEGIC OBJECTIVE SUMMARY				
268-001 Reconstruction and Expanded Economic Opportunity				
ESF	14,100	22,964	23,000	20,000
268-002 Increased Effectiveness of Selected Institutions Which Support Democracy				
ESF	900	5,481	7,000	7,000
268-005 Improved Environmental Practices				
DA	0	600	600	500
ESF	0	6,478	5,000	5,000

Total Transfers

PROGRAM DATA SHEET

USAID MISSION: Lebanon
PROGRAM TITLE: Economic Development (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Reconstruction and Expanded Economic Opportunity, 268-001
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $23,000,000 ESF
UNOBLIGATED PRIOR YEAR FUNDS AND FUNDING SOURCE: $1,000,000 ESF
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $20,000,000 ESF
INITIAL OBLIGATION: FY 1997 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: USAID's program to revitalize and expand economic opportunities is helping:

- Rural communities implement key infrastructure, environment, and income-generating activities;
- Needy entrepreneurs, primarily women, obtain microenterprise loans and business services;
- Small-scale dairy farmers improve their herds, milk production, and marketing channels;
- Lebanon join the World Trade Organization (WTO);
- The private sector identify and promote productive sectors for investment; and
- American Educational Institutions (AEI) finance scholarships and core programs.

Inputs, Outputs, and Activities: *FY 2002 Program:* USAID will intensify its micro-macro economic strategy by expanding small-scale, NGO-based income-generating and infrastructure activities in poor rural areas, while pursuing a sound policy, legal, and regulatory environment for increased trade and investment in key productive sectors. Some 3,000 entrepreneurs, mainly Rural Community Development Cluster (RCDC) beneficiaries, will receive small loans and business advice through innovative, NGO-commercial bank partnerships. Dairy farmers, individually and in cooperatives, will buy 1,900 U.S. heifers through a USDA credit guarantee program, with USAID providing the technical assistance and training in management, marketing, and new technologies (fodder crops, mechanization, artificial insemination) for increased farm productivity, milk production, and incomes. Technical support to the GOL's multi-ministerial WTO Unit will help prepare Lebanon for 2002 WTO negotiations in Geneva, much of which consists of drafting new laws on intellectual property, international trade, standards, competition policy, and foreign investment. These steps for WTO membership are closely linked to USAID's ongoing technical assistance to the business community to improve the investment climate in priority growth areas, i.e., tourism, agri-business, business services, and information and communication technology (ICT).

> About 400 new activities under the flagship Rural Community Development Cluster program will help 45,000 poor families nationwide improve their living standards and increase their incomes.

Planned FY 2003 Program: Pending a strategy review, and assuming continued political will to enact a comprehensive economic reform agenda and integrate southern Lebanon into the mainstream of development investments, USAID will continue expanding the RCDC program to cover approximately 600 communities and 80% of Lebanon's rural poor. Activities will focus less on basic infrastructure and more on value-added, income-generating investments targeting profitable niche markets in agribusiness and tourism. Public-private partnerships, particularly in the ICT sector, will enable USAID to expand its "Internet for development" activities nationwide. Microenterprise loans will diversify as commercial banks expand to more village cluster areas, creating potential for small and medium enterprise loans linked to the dairy industry and other productive sectors. WTO assistance will concentrate on completing negotiations with WTO/Geneva; drafting remaining laws on agriculture and trade remedies; and working with Parliament and advocacy groups to enact all legislation for WTO membership, now slated for the end of 2003.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL RENOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: USAID's RCDC program, now in its fifth year, is recognized as a comprehensive, responsive, and solid-performing program in Lebanon. Nationwide in scope, it was also the first, and remains the largest and most active, donor-funded program in South Lebanon. While this first phase (1997-2001) focused primarily on post-war reconstruction and developing cost-effective agricultural and environmental technologies, new economic activity is also taking off. Annual income from women's cottage industries, for example, now averages $1,500 per family. Dairy farmers are averaging $800 of new income for each heifer, helping reduce reliance on imported dairy products from 80% to 60% in only three years. Fifteen thousand microenterprise loans, worth $10 million, are now financing over 3000 businesses. These initial successes, backed by strong community and municipal support for and ownership of these activities, along with $60 million of complementary EU and World Bank financing, should benefit 90% of the most impoverished rural areas by 2004 and be self-sustaining in the next five years. At the national level, membership in the WTO, coupled with the new Euro-Med agreement, should enable Lebanon to enter the mainstream of the regional and global economies, with immediate benefits to the productive and service sectors now under reform.

> In just four years over 150,000 families, roughly 70% of rural Lebanon and 30% of South Lebanon, have benefited from 1,260 small-scale income-generating, infrastructure and agricultural activities. Communities and municipalities have shared 40% of the $35 million cost, far exceeding the 25% target.

Principal Contractors, Grantees, or Agencies: For FY 2002 USAID will continue carrying out the above activities through both U.S. and local organizations. The RCDC activity is implemented through five U.S. NGOs: Catholic Near East Welfare Agency, Cooperative Housing Foundation (CHF), Creative Associates International, Mercy Corps International, and the Young Men's Christian Organization (all prime), with support from the USDA 416(b) surplus commodity program; microfinance activities through Save the Children/*Al Majmoua*, CHF/AMEEN, and the Makhzoumi Foundation (all prime); dairy sector improvement activities through the American University of Beirut (AUB), with support from the USDA GSM-102/103 credit guarantee programs and the Ministry of Agriculture; WTO accession activities through PricewaterhouseCoopers (PwC-prime) and The Services Group (sub), in collaboration with the Ministry of Economy and Trade; and productive sector investment activities through PwC (prime) and the Stanford Research Institute (sub). American Educational Institutions include AUB, the Lebanese American University (LAU), the American Community School (ACS), and the International College (IC). USAID expects several of these partners to continue under a new or updated strategy, beginning FY 2003.

US Financing in Thousands of Dollars

Lebanon

268-001 Reconstruction and Expanded Economic Opportunity	DA	ESF
Through September 30, 2000		
Obligations	500	36,952
Expenditures	500	20,422
Unliquidated	0	16,530
Fiscal Year 2001		
Obligations	300	21,945
Expenditures	300	15,879
Through September 30, 2001		
Obligations	800	58,897
Expenditures	800	36,301
Unliquidated	0	22,596
Prior Year Unobligated Funds		
Obligations	0	1,000
Planned Fiscal Year 2002 NOA		
Obligations	0	23,000
Total Planned Fiscal Year 2002		
Obligations	0	24,000
Proposed Fiscal Year 2003 NOA		
Obligations	0	20,000
Future Obligations	0	0
Est. Total Cost	800	102,897

PROGRAM DATA SHEET

USAID MISSION: Lebanon
PROGRAM TITLE: Promoting Democracy and Good Governance (Pillar: Democracy, Conflict, and Humanitarian Assistance)
STRATEGIC OBJECTIVE AND NUMBER: Increased Effectiveness of Selected Institutions that Support Democracy, 268-002
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $7,000,000 ESF
UNOBLIGATED PRIOR YEAR FUNDS AND FUNDING SOURCE: $3,000,000 ESF
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $7,000,000 ESF
INITIAL OBLIGATION: FY 1994 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: USAID's program to promote democracy and good governance is helping:

- Municipalities improve planning and management, and services to constituents;
- Parliamentarians conduct sound, independent budget, policy, and legal analyses;
- Journalists and editors promote and strengthen investigative journalism; and
- Independent advocacy groups combat corruption and advocate transparency.

Inputs, Outputs, and Activities: *FY 2002 Program:* Efficient local government, progressive legislation, and responsible journalism dominate USAID's FY 2002 democracy and governance agenda. In August 2001 a ground-breaking agreement with the Ministry of Interior and Municipal Affairs gave USAID the mandate to expand its pioneering municipal capacity-building program from 82 to all 712 municipalities nationwide during the ensuing three years. FY 2002 technical assistance to 440 municipalities, 15 districts, four governorates, and three oversight agencies will simplify municipal procedures; improve service delivery; standardize budget, revenue, and personnel systems; enhance coordination among central, regional, and local authorities; provide citizens with timely information on rights and responsibilities through user-friendly Citizen Reception Offices and web pages; and ensure sustainability of Rural Community Development Cluster (RCDC) activities in affected municipalities (see SO 268-001).

Technical support to Parliament will focus on formulating and passing revised municipal and new decentralization laws; analyzing and proposing viable budget options for 2002 and 2003; and working with NGO leaders on public policy issues. In-country training for 30 Arabic-language newspaper reporters and editors in investigative journalism—the only program of its kind in the Arab world—and linking them to 40 previous participants on an interactive electronic "listserv" will strengthen professionalism in the print media and expose it to American-style journalism. About 20 grants to civil society and advocacy groups will build on anticorruption activities started by USAID's Office of Transition Initiatives (OTI) in 2001.

Planned FY 2003 Program: Pending a strategy review, USAID does not anticipate any major change in this objective for FY 2003. Passage of the new municipal and decentralization laws, coupled with continued economic development and political stability in South Lebanon, will facilitate the planned expansion of the local government program to the remaining 190 municipalities, 11 districts, and two governorates. Further integration of RCDC activities into municipal planning and budgeting will build ownership for financing future operations and maintenance costs. Assuming the Lebanese economy will be in an austerity—if not an adjustment—mode, assistance to Parliament will focus mainly on analyzing the social, economic, and environmental effects of budget trade-offs for 2003 and 2004. USAID plans to reinstate a 2-3-month U.S.-based training program for journalists to gain first-hand experience with American newspapers and investigative reporting standards. Anticorruption grants, while encouraging innovation and new-starts, will begin targeting experienced groups with broad-based interests, constituencies, and networks.

Performance and Results: USAID has emerged as the leader in strengthening municipal government nationwide—the lynchpin for local development in Lebanon. *Customized, automated management* information systems now help elected officials and civil servants in over 100 municipalities plan and manage their resources more efficiently, with effective oversight of funds and staff, and reliable information they can share electronically with other local, regional and central government units. Tax records, for example, can now be accessed in 10 *minutes, not six weeks; tax refunds* can be processed in three steps, not 13. Licenses and permits that once required several desk-to-desk stops and multiple bribes can now be acquired at one-stop Customer Service Counters in minutes, with set fees published on *websites and in Citizen Guides. This new capacity* is also enabling municipalities to take over operations and maintenance costs of hundreds of infrastructure projects in RCDC clusters (see SO 268-001). Continued progress will enable at least 80% of municipalities to have effective, transparent, and accountable planning and management systems, responsive to citizen needs and capable of sustaining development projects by the end of 2004. Parliament will have the analytic capacity to pass rational budgets and craft progressive legislation. Citizens will be more informed of controversial issues by an unbiased, unfettered, and *truth-seeking press.* Watchdog organizations, fully anchored in civil society, will identify corrupt practices openly and publicly, without fear of reprisal or concern for judicial indifference.

> USAID's *Municipal* Revenue and Budget Systems have increased revenues in 40 municipalities from $26 million in 2000 to $39 million in 2001, resulting in more local investment and better constituent services.

Principal Contractors, Grantees, or Agencies: For FY 2002, the Municipal and Parliamentary capacity-building activities *will continue to be implemented through the* State University of New York at Albany's Center for Legislative Development. This will be done in collaboration with the five NGOs supporting the RCDC program (see SO 268-001); the Ministries of Interior and Municipal Affairs, and Administrative Development; and selected oversight agencies, i.e., the Central Inspection Board, the Civil Service Board, and Court of Audit. Anti-corruption grants will be implemented through the America-Mideast Educational and Training Services, and investigative journalism training will be implemented through the International Center for Journalists. USAID expects several of these partners to continue under a new or updated strategy beginning in FY 2003.

US Financing in Thousands of Dollars

Lebanon

268-002 Increased Effectiveness of Selected Institutions Which Support Democracy	ESF
Through September 30, 2000	
Obligations	3,080
Expenditures	1,586
Unliquidated	1,494
Fiscal Year 2001	
Obligations	2,500
Expenditures	1,274
Through September 30, 2001	
Obligations	5,580
Expenditures	2,860
Unliquidated	2,720
Prior Year Unobligated Funds	
Obligations	3,000
Planned Fiscal Year 2002 NOA	
Obligations	7,000
Total Planned Fiscal Year 2002	
Obligations	10,000
Proposed Fiscal Year 2003 NOA	
Obligations	7,000
Future Obligations	0
Est. Total Cost	22,580

PROGRAM DATA SHEET

USAID MISSION: Lebanon
PROGRAM TITLE: Improving the Environment and Preventing Landmine Injuries (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Improved Environmental Practices, 268-005
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $5,000,000 ESF; $600,000 DA
UNOBLIGATED PRIOR YEAR FUNDS AND FUNDING SOURCE: $6,000,000 ESF
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $5,000,000 ESF, $500,000 DA
INITIAL OBLIGATION: FY 1998 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: USAID's program to improve environmental practices and prevent mine injuries is helping:

- Rural communities create healthier, environmentally-friendly living conditions;
- The private sector and the Government of Lebanon (GOL) assess and manage water resources more efficiently;
- The American University of Beirut (AUB) creates an integrated environmental program supporting development and policy initiatives;
- Landmine survivors become active and productive members of their communities; and
- All Lebanese become more aware of landmine fields and mine clearance operations.

Inputs, Outputs, and Activities: *FY 2002 Program:* Improving the health, safety, and economic well-being of rural residents through appropriate environmental technology and mine action activities is the main thrust for FY 2002 investments. Ninety waste management, potable water, sewage treatment, and drainage activities will be built by NGOs, communities and municipalities in about 20 Rural Community Development Clusters (RCDC) (see SO 268-001); 40 reforestation, environmental protection, and land reclamation activities geared toward value-added agriculture will also be established. Support to the American University of Beirut will expand the Core Environmental Lab's (CEL) air, soil, and water testing program from 300 to 400 tests per month and begin integrating a multi-disciplinary group of faculty into 10-15 of USAID's rural sustainable agriculture and water management activities. Initiatives in the water sector, aimed at better management of water resources, will provide technical assistance and training to strengthen field-level water management, local participation, and collaborative planning among water users; broaden private-sector participation in Lebanon's water authorities; develop water pricing policies; and boost cost recovery. Mine action will continue nationwide support for the Landmine Awareness Campaign, focusing primarily on South Lebanon and the West Bekaa and information exchanges among NGOs, donors, UNIFIL, and the GOL on mine fields, victims, and priority areas for mine clearance. Leahy War Victims funds will enable USAID to expand economic opportunities for some 2,000 survivors of landmines and their families through an innovative "Resource Cooperative" in the district of Jezzine, the northernmost point of the formerly occupied security zone and home to Lebanon's largest number of landmine deaths and injuries.

> Constructing an additional 26 solid waste and wastewater management facilities, using effective, affordable, and low-maintenance technologies well-adapted to rural areas, will enable 14,000 families to live in cleaner, healthier, safer surroundings.

Planned FY 2003 Program: Pending a strategy review, USAID will continue expanding environmental activities across the RCDC program, replicating the most appropriate and sustainable technologies, and providing technical assistance and training. To the extent possible, USAID will work with central authorities and non-RCDC municipalities to integrate these technologies more extensively into their environmental planning and management. Field-level water management activity will focus on domestic water-sharing issues in South Lebanon and the West Bekaa, recognizing that the more contentious transboundary ones will likely remain off-bounds. Further action on pricing policy

and cost recovery will depend on FY 2002 progress and GOL political will to revamp the water utility. USAID plans to assist the American University of Beirut's environmental program to expand its analytic, consulting, and RCDC-support services nationwide. Mine action will intensify its job-and-income-oriented victim assistance within and beyond Jezzine, given the extent of heavily mined areas, the slow pace of de-mining, and the growing number of mine accidents.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL RENOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: USAID's innovative RCDC environmental activities, now benefiting some 70,000 families in rural Lebanon, are emerging as a viable alternative to large-scale infrastructure schemes that are too costly, time-consuming, and technically inappropriate for most rural communities. Increasing local participation in environmental health and water management activities, coupled with new NGO-the American University of Beirut "technical excellence" partnerships, are changes that will ultimately enhance the capability of communities to manage their environmental resources effectively. The American University of Beirut's Core Environmental Lab is now attracting a wide range of clients from the public and private sectors—a record 101 private clients during the first-half of 2001—with plans to expand its and the Water Resource Center's air, soil, and water pollution analytic services regionally by 2004. New policies and legislation on water pricing should also be in place by 2004, which would enable newly privatized water authorities to recoup their costs (estimated in the tens of millions of dollars), upgrade service delivery, and operate independently. On mine action, the Resource Cooperative in Jezzine—the first of its kind worldwide—should create jobs and income (i.e., $300-500 monthly per adherent) by the end of 2003. USAID's pioneering 1999-2001 surveys on landmine victims and mined areas—the only comprehensive nationwide survey in Lebanon—is now fully integrated into Lebanon's U.N.-certified Information Management System for Mine Action and will be used to support both military and civilian de-mining efforts. The ultimate and collective GOL-Donor goal: nationwide elimination of all landmines and unexploded ordnance by 2007.

> USAID's mine awareness campaigns have reached over a million people—a third of Lebanon—for whom landmines pose a daily threat. Authorities believe the current monthly average of eight injuries and one death from landmines would be far greater without these campaigns.

Principal Contractors, Grantees, or Agencies: For FY 2002, rural community-based environmental activities will continue to be implemented through the five NGO RCDC partners (see SO 268-001), with support from the American University of Beirut Core Environmental Lab and Water Resources Center, and in coordination with the Ministry of Environment. A new partner under the USAID Water Indefinite Quantity Contract, previously contracted through ANE's FORWARD project, will implement the water resource management activities, coordinating closely with the Ministries of Water and Energy, Environment, Agriculture, and Interior and Municipal Affairs, as well as with local municipalities. Humanitarian de-mining activities, specifically landmine awareness, information, and victims assistance, will be carried out by the World Rehabilitation Fund (prime), in collaboration with Balamand University (sub), the Ministry of Defense's National De-mining Office, the Ministry of Health, and a consortium of local NGOs and community-based organizations. USAID expects several of these partners to continue under a new or updated strategy beginning in FY 2003.

US Financing in Thousands of Dollars

Lebanon

268-005 Improved Environmental Practices	DA	ESF
Through September 30, 2000		
Obligations	800	3,676
Expenditures	115	2,106
Unliquidated	685	1,570
Fiscal Year 2001		
Obligations	600	478
Expenditures	493	1,376
Through September 30, 2001		
Obligations	1,400	4,154
Expenditures	608	3,482
Unliquidated	792	672
Prior Year Unobligated Funds		
Obligations	0	6,000
Planned Fiscal Year 2002 NOA		
Obligations	600	5,000
Total Planned Fiscal Year 2002		
Obligations	600	11,000
Proposed Fiscal Year 2003 NOA		
Obligations	500	5,000
Future Obligations	0	0
Est. Total Cost	2,500	20,154

MOROCCO

THE DEVELOPMENT CHALLENGE: It is in the United States' national interest to foster a long-term, strong relationship with this moderate, stable, Arab and Islamic country. Morocco was among the very first Arab countries to publicly condemn the attacks of September 11 and voice its support to the American people. Since then, Morocco, and in particular King Mohammed VI, has continued to support the United States in the war against terrorism. Morocco has proven to be a reliable ally over the years, providing troops for Desert Storm, Bosnia, and Kosovo. And over the years, Morocco has provided important low-key intermediations in efforts to find peace in the Middle East.

Morocco has embarked on a program of political, social, and economic reform unique to the Middle East and North African region. With former King Hassan II's appointment of a former opposition exile as Prime Minister in 1998, followed by the ascension to the throne of King Mohamed VI in 1999, Morocco's leaders have clearly signaled their commitment to transparency and democracy, as well as social and economic development. The government has pursued policy choices for more economic liberalization and openness. Decentralization has given new authorities to local officials and civil society has blossomed. Education is a high priority for the King, and a national education charter is in place, which mirrors many of the elements targeted under USAID's current program; 1999-2009 has been declared by the King as "the education decade." The King and the Government have also pledged open and fair parliamentary elections in September 2002.

At the same time, the country faces formidable development challenges. Poverty is increasing because of the lack of economic opportunities and productive resources: more than 5.3 million Moroccans (19% of the total population) live on less than one dollar per day and another 30% are at risk. Repetitive droughts further jeopardize Morocco's economic base and drive impoverished farmers and families to urban slums. They swell the ranks of the unemployed, as urban unemployment passed 20% in 2000. The September 11 events added to Morocco's woes, as its tourism sector was hard-hit. Even so, Moroccans place high hopes on tourism for their economic future. Morocco's per capita income in 2000 was estimated at $1,180, which qualifies it as a middle-income country. However, its social indicators are closer to those found in a low-income country. For example, 53% of the population (66% of females) is illiterate, compared to 11% (17% of females) in Jordan, a country similar in terms of per capita income; the gross primary enrollment rate is only 86%; maternal mortality reached 230 per 100,000 live births (vs. 41 in Jordan). Overall, Morocco ranks 124th on the United Nations Development Program's Human Development Index, well behind its North African neighbors and Jordan, which ranked 92nd.

> Illiteracy affects over half of the total population and about two-thirds of the women. For every 100,000 live births, 230 mothers die. In 2000, Morocco's UNDP Human Development Index rank was 124 (out of 174).

THE USAID PROGRAM: USAID plans to devote $10.313 million in FY 2002 and requests $6.713 million for FY 2003. USAID's program targets one key economic region of Morocco in order to maximize impact. A two-pronged approach uses demonstration projects to introduce new technologies or approaches, paralleled by policy dialogue at the national and regional levels to encourage sustainability and replication of USAID's interventions. USAID's two key strategic objectives for which funding is being requested are linked and focus on the two fundamental resource issues for Morocco's economy: 1) increasing opportunities for domestic and foreign investment, and 2) improving water resources management. Two special objectives address key long-term issues of health and education: 1) promoting sustainable population, health and nutrition programs, and 2) increasing basic education attainment for girls in rural areas. USAID gives particular attention to gender and public-private partnerships to maximize synergies across sectors. USAID does not intend to use FY 2002 funds to carry out new activities. In addition to supporting ongoing activities, FY 2003 funds will be used for a new activity in basic education, to complement the current education program and further support Morocco's education reform effort.

ONGOING PROGRAMS FOR WHICH NO FY 2002 OR FY 2003 FUNDING IS REQUESTED: None.

OTHER PROGRAM ELEMENTS: The U.S. North African Economic Partnership aims to improve trade and investment within the region and with the United States. The Middle East Democracy Fund supports efforts to improve the capacity and participation of civil society in support of citizens' rights. In addition, USAID manages local currency generated from the Section 416(b) monetization program. These funds support microcredit programs in rural areas and demonstration projects in the water sector, particularly methods to combat soil and wind erosion. The Regional Urban Development Office for the Near East and North Africa (RUDO/MENA) provides valuable management and technical services to the USAID field office. It currently manages two activities that focus on decentralization and community development. RUDO also provides assistance on urban-related issues. RUDO will further support USAID's bilateral program by cost-sharing technical staff and technical assistance for two new Development Credit Authority agreements (wastewater treatment systems and slum upgrading); a partnership with the Cities Alliance to develop City Development Strategies; and one regional activity (partnership with the Middle East North Africa Urban Forum).

OTHER DONORS: In 1999, official donor assistance to Morocco totaled about $678 million in loans and grants. The largest multilateral donor programs are those of the World Bank, followed by the European Union and the African Development Bank. Regarding bilateral grant programs, U.S. assistance ranked third (8%) after France (61%), and Germany (20%). USAID and other donor strategies focus primarily on community development; decentralization; small and medium enterprises; and policy reforms to improve the investment environment, the telecommunications sector, and agriculture. Donors work increasingly with local communities and NGOs. France focuses primarily on rural development and potable water, with strong emphasis on participatory community development. German aid has shifted from loans to exclusively grants, mainly in potable water and environmental management. The United Nations Development Program has completely shifted from sectoral initiatives to crosscutting themes integrated into the environmental management, governance, poverty, and social sectors. Gender considerations are emphasized across all activities. The World Bank and African Development Bank loans essentially finance infrastructure and macroeconomic structural reforms.

USAID continues to play a far more significant role than its program size indicates. USAID is perceived as the leading donor in investment climate, microenterprise development, maternal and child healthcare, and water resources management. USAID also partners with other donors and in particular with Moroccan foundations and nongovernmental organizations (NGOs) to create complementary programs. In recent years, two Moroccan social development institutions also became significant supporters of local development programs and USAID was successful in leveraging more than $5 million in additional resources for microcredit and soil erosion prevention.

Morocco
PROGRAM SUMMARY
(In thousands of dollars)

Accounts	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Child Survival and Disease Programs Fund	3,000	4,902	0	0
Child Survival and Health Programs Fund	0	0	4,600	0
Development Assistance	7,250	5,685	5,713	6,713
PL 480 Title II	0	591	0	0
Total Program Funds	**10,250**	**11,178**	**10,313**	**6,713**

STRATEGIC OBJECTIVE SUMMARY				
608-005 Increased Opportunities for Domestic and Foreign Investment				
DA	2,750	2,685	1,985	2,185
608-006 Improved Water Resources Management in the Souss-Massa River Basin				
DA	1,500	1,000	2,300	3,000
608-007 Key Interventions Promote Sustainability of Population, Health and Nutrition Programs in Morocco				
CSD	1,500	3,414	0	0
CSH	0	0	4,600	0
DA	3,000	2,000	0	0
608-008 Increased Attainment of Basic Education among Girls in Selected Rural Provinces				
CSD	1,500	1,488	0	0
DA	0	0	1,428	1,528

Total Transfers

PROGRAM DATA SHEET

USAID MISSION: Morocco
PROGRAM TITLE: Increase Income Through Expanded Business Opportunities (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE NAME AND NUMBER: Increased Opportunities for Domestic and Foreign Investment, 608-005
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $1,985,000 DA
PROPOSED FY 2003 OBLIGATION AND FUNDINC SOURCE: $2,185,000 DA
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE:** FY 2005

Summary: USAID's program to increase opportunities for investment in Morocco includes two components—

- improved policy, legal, and regulatory framework for private-sector expansion; and
- strengthened institutional capacity to foster private enterprise.

Inputs, Outputs, and Activities: *FY 2002 Program:* USAID will use the requested funds to provide technical assistance in judicial reform, investment promotion, and tourism development.

- Judicial Reform: Funds will be used to train judges and clerks assigned to the recently created commercial courts and the appellate courts to which they are attached, and to install improved management information systems, such as caseload management software. In addition, legal expertise will be made available to update commercial laws and regulations. Assistance will reduce court backlogs and improve the quality of court decisions.

- Investment Climate Reform: Funds will be made available for the expertise and systems needed to establish Regional Investment Centers (RICs) in collaboration with regional governors. The RICs will help to decentralize government decision-making related to investments; reduce the bureaucratic obstacles to business creation, start-up, and operation; develop public-private partnerships in areas like technology and human resource development; and create a more business-friendly environment in the 16 regions that make up Morocco.

- Tourism Development: Using technical expertise, training, and limited amounts of start-up capital for pilot projects, USAID will assist public and private actors in the tourism industry to improve the attractiveness of existing rural and/or ecology-tourism sites, link them with other major Moroccan tourist destinations like Fez, Marrakech, and Agadir, and market the sites to international customers. Expected impacts include a rise in the number of foreign visitors, and increased jobs and incomes, especially in rural areas.

Planned FY 2003 Program: The program will build on activities funded in FY 2002. The judicial reform program will update commercial laws and regulations and continue with the institutional strengthening of the regional commercial courts and related appellate courts. The investment climate reform program will include additional technical assistance, and training will be made available to the Regional Investment Centers. The program will also involve the expansion of pilot activities to other regions and support for public-private partnerships. Tourism development assistance will focus on continued upgrading of rural and ecological tourism sites, the development of improved marketing techniques, and improvements in operations through human-resource development.

Performance and Results: Since its inception in FY 1999, this program has made significant progress in instituting reforms in policies, laws, and regulations at the national level, as well as strengthening a variety of public and private institutions that support business development.

In the area of policy and legal reform, the program has completed an exhaustive analysis of the existing constraints to increased investment and business expansion, and obtained a consensus of business and government leaders on priority follow-up actions. It has initiated activities in two priority areas: land reform and business-registration simplification. In the area of land reform, the development of user guides, the installation of a modern Geographic Information System, and the devolution of authority to the regional level has made it easier for both foreign and local investors to purchase land by significantly increasing the transparency of the process and simplifying the business registration process.

In the area of institutional strengthening, the program has improved the capacity of the commercial court of Agadir, several business associations in the Agadir region, and two microcredit associations that serve the rural poor. Computerized management information systems have been installed at the commercial court and at two business associations, and personnel have been trained in their use. USAID also developed business strategies for the two associations, one of which represents the tourism industry and the other the agribusiness sector, to help the associations and their members to better compete in the international marketplace. The two microcredit associations have succeeded in expanding their operations outside of their traditional urban customer base to previously under-served rural areas. The program has contributed to the integrated development of dozens of villages, their civic and business associations, and decisions to keep girls in school, all of which will ultimately lead to improved economic opportunity.

Program objectives include the following: reductions in the time to do business with the government; time savings to litigants in commercial courts; enhanced revenues for business associations; an expansion of microcredits to rural enterprises; and commercial laws that reflect best international practice. Over the longer term the program should result in an increase in the ratio of investment to gross domestic product.

Principal Contractors, Grantees, or Agencies: Chemonics (prime contractor), The Services Group (subcontractor to PricewaterhouseCoopers), and two local nongovernmental organizations: Zakoura and INMAA (grantees).

US Financing in Thousands of Dollars

Morocco

608-005 Increased Opportunities for Domestic and Foreign Investment	DA
Through September 30, 2000	
Obligations	3,552
Expenditures	287
Unliquidated	3,265
Fiscal Year 2001	
Obligations	3,304
Expenditures	2,058
Through September 30, 2001	
Obligations	6,856
Expenditures	2,345
Unliquidated	4,511
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2002 NOA	
Obligations	1,985
Total Planned Fiscal Year 2002	
Obligations	1,985
Proposed Fiscal Year 2003 NOA	
Obligations	2,185
Future Obligations	2,400
Est. Total Cost	13,426

PROGRAM DATA SHEET

USAID MISSION: Morocco
PROGRAM TITLE: Protecting Morocco's Environment for Sustainable Development (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Improved Water Resources Management in the Souss-Massa River Basin, 608-006
STATUS: *Continuing*
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $2,300,000 DA
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $3,000,000 DA
INITIAL OBLIGATION: 1999 **ESTIMATED COMPLETION DATE:** 2005

Summary: USAID's program to improve water resources management in the Souss-Massa region of southern Morocco includes—

- technical assistance and training to improve planning and decision-making;
- funding for pilot projects to demonstrate improved water management technologies for agriculture, industry, and homes;
- technical assistance to develop policies that encourage efficient water use; and
- technical assistance and training to increase decentralization and private-sector involvement in water management.

Inputs, Outputs, and Activities: *FY 2002 Program:* FY 2002 funds will be used to strengthen institutional and decentralization activities already underway, as well as to initiate pilot projects that demonstrate improved water savings and protection of water quality. USAID will continue developing information technology (IT) networks to improve communication, data sharing, and confidence building among government and private-sector partners. Under the Souss-Massa Integrated Water Management activity, USAID will design and install an IT network for water users associations as well as for up to six government agencies involved in water management. USAID will launch a web site targeting different economic and social sectors of the economy, such as industry, local governments, and NGOs. USAID will also provide training for the Director and Board of Directors of the newly created Souss-Massa River Basin Agency. These activities will improve planning and decision making to protect the region's water resources.

Also in FY 2002, USAID will launch five pilot projects consisting of the purchase and installation of equipment to transmit real-time data on water availability; an inventory of wells and aquifers; electronic notification to farmers of when to irrigate; the use of drip irrigation by water user associations; and protection of coastal aquifers from salt water contamination. USAID will also develop a Geographic Information System, including the procurement of equipment for better planning and decision-making. To improve the role of civil society in water management in the region, USAID will select and train NGO water-users associations to participate on the River Basin Agency and to improve their advocacy and institutional development skills.

Planned FY 2003 Program: FY 2003 funds will be used to operationalize the Souss-Massa River Basin Agency. USAID will focus on staff training, installing administrative and financial controls, and financing technical assistance to develop operational policies and procedures. A policy-focused study tour to the United States will be organized for key staff of the River Basin Agency to observe integrated water management as practiced in the United States. Also, USAID will help develop a Water Master Plan for the Souss-Massa that will address the long-term needs of the river basin area.

FY 2003 funds will further develop the five pilot projects begun in FY 2002, and initiate a new, sixth pilot project on coastal zone protection. A major element of the new pilot project will be the development of legislation to reduce the amount of untreated municipal and industrial sewage

discharged into the ocean and rivers. The drip irrigation pilot project will be ready for replication to additional water users associations, a development that will greatly reduce the amount of water used by farms in the region.

FY 2003 funding will also fund studies and technical assistance to address policy shortfalls that discourage water savings. USAID proposes to support a policy advisor in the Ministry of Agriculture—the largest water-consuming sector in Morocco—to develop policy incentives to economize and use water on crops with higher economic returns. USAID will also help develop simulation models to determine optimal water allocation among sectors. In FY 2003, USAID plans to intensify drought-mitigation efforts by helping to install a regional drought reporting and monitoring system.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL RENOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: The end-state of "Improved Water Resources Management in the Souss-Massa River Basin" will be achieved when 1) decision-making on water management is decentralized to the region; 2) all government agencies involved in water management are working collaboratively with each other and with the private sector; and 3) water is being conserved, nontraditional sources are being tapped, and water quality is protected.

USAID assistance to date has resulted in the issuance of a decree creating the Souss-Massa River Basin Agency, which consists of government agencies and urban and rural NGOs working together to share data for decision-making. These public- and private-sector agencies have developed proposals for six pilot projects involving data harmonization, water inventories, drip irrigation, protection of the aquifer from municipal and industrial pollution, and the use of IT for water management.

USAID has helped construct a cost-effective and environmentally appropriate wastewater treatment plant for communities of up to 30,000 persons. USAID technical assistance is helping prepare feasibility studies to replicate this technology in up to four more municipalities. USAID is also helping to replicate successful soil erosion techniques from earlier projects to protect reservoirs from siltation. USAID has drafted norms and standards for industrial water pollution control and wastewater reuse so that improved policies can be developed. All of the results and those yet to be achieved are helping to improve water resources management in the Souss-Massa—one of the most water-stressed regions in Morocco. Further, the resulting improved institutions, policies, and technologies in the Souss-Massa are a model for dissemination to other river basins in Morocco.

Principal Contractors, Grantees, or Agencies: USAID uses two large prime contractors to implement its water program in Morocco. Development Alternatives, Inc., is the prime contractor for the SIWM activity, and Chemonics International is the prime contractor for the Watershed Protection and Management activity. In addition to these two prime contractors, numerous U.S. and Moroccan companies, universities, and NGOs are providing short-term assistance or work as subcontractors.

US Financing in Thousands of Dollars

Morocco

608-006 Improved Water Resources Management in the Souss-Massa River Basin	DA
Through September 30, 2000	
Obligations	3,459
Expenditures	553
Unliquidated	2,906
Fiscal Year 2001	
Obligations	1,750
Expenditures	1,076
Through September 30, 2001	
Obligations	5,209
Expenditures	1,629
Unliquidated	3,580
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2002 NOA	
Obligations	2,300
Total Planned Fiscal Year 2002	
Obligations	2,300
Proposed Fiscal Year 2003 NOA	
Obligations	3,000
Future Obligations	3,300
Est. Total Cost	13,809

PROGRAM DATA SHEET

USAID MISSION: Morocco
PROGRAM TITLE: Sustaining Health Improvements for Women and Children (Pillar: Global Health)
SPECIAL OBJECTIVE NAME AND NUMBER: Key Interventions Promote Sustainability of Population, Health and Nutrition Programs, 608-007
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $4,600,000 CSH
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $0
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: Morocco has had great success in reducing fertility, maternal deaths, and child deaths with USAID assistance over the past several decades. The goal of this Special Objective is to maintain high levels of family planning, immunizations, and other priority public health services while phasing out USAID support to the sector over a five-year period. USAID is working to—

- promote effective, localized management of public health services;
- foster collaboration among public health officials, NGOs, community associations, and the private sector in the delivery of quality maternal and child health services;
- increase access to reproductive and child health products and services in the private sector;
- reduce micronutrient deficiencies (iron, iodine, and Vitamin A); and
- assist the Ministry of Health to adapt its organization and better serve the Moroccan people.

Inputs, Outputs, and Activities: *FY 2002 Program:* Funds will be used to improve public health management and quality of care in two regions of Morocco. USAID activities will reinforce regional health management systems; provide training to doctors, midwives, and nurses for obstetric emergencies; install equipment for obstetric care in hospitals, and upgrade maternity wards; expand the use of quality assurance in public health clinics and hospitals; introduce new techniques for managing childhood illnesses into health clinics; and foster partnerships between public health managers and other community leaders for health projects by working through three U.S. nongovernmental organizations.

To shift clients of the public health system who are able to pay for health services to the private sector, USAID activities will help promote affordable contraceptives and oral rehydration salts and ensure they are available in pharmacies; develop models for group family medicine practice in the private sector; and develop training programs and provide other support to private physicians to expand their reproductive health services.

USAID will help reduce micronutrient deficiencies that directly affect maternal and child health. Activities will promote a national logo for fortified foods including iron-fortified flour and iodine-enriched salt, through mass media, educational materials, and training of health workers; introduce mandatory fortification of wheat flour with iron and B vitamins; and determine the feasibility of Vitamin-A fortification of vegetable oil in Morocco.

USAID will provide technical assistance in development of a draft National Health Charter.

Planned FY 2003 Program: In FY 2003, USAID will improve public health management and quality of care in the two focus regions. Activities will include completing regional health management systems; ensuring systematic use of quality assurance in public health clinics and hospitals; and promoting additional joint projects between public health agents and other community leaders.

To help shift clients of the public health system to the private sector, USAID will develop a strategy to continue social marketing of contraceptives and oral rehydration salts beyond the end of USAID assistance, through partnerships with private distributors. Activities in FY 2003 will also introduce

group family medicine practice in the private sector, and work with medical schools to train private physicians in family medicine.

USAID will reduce micronutrient deficiencies and introduce vegetable oil fortified with Vitamin A in Morocco. Activities will help the Ministry of Health achieve consensus on a National Health Charter that reflects appropriate priorities for the health of Moroccan citizens.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL RENOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: To ensure that health improvements in Morocco are durable, and will not depend on continued USAID assistance, USAID supports innovations to increase the availability and effectiveness of healthcare while steadily reducing direct financial support. The year 2001 was the first year of implementation. In the two focus regions, USAID formed regional health teams and developed structures and mechanisms for planning and carrying out a large volume of activities. Training of personnel and upgrading of clinics for obstetric care are underway. By the end of FY 2002, USAID will have upgraded obstetric care in two regions, thus reducing the risk of maternal and newborn deaths. Regional health officials will be using more effective management practices and will have increased the number and types of partnerships for health with different local partners. Through these partnerships, USAID will use local resources to improve health services, and local communities will gain more understanding and "ownership" of these services.

The Ministry of Health considers USAID to be an exemplary partner, despite greatly reduced levels of funding. This appreciation is due to the responsiveness, commitment and technical leadership USAID has provided through previous and current programs. Other donors, including Germany (GTZ), Japan (JICA) and the United Nations (UNFPA) have been asked by the Moroccan government to replicate activities and approaches developed with USAID assistance.

In 2001 USAID studied the feasibility of different private-sector models to increase the performance of private doctors, and held forums to increase collaboration and understanding among actors in the sector. Also in 2001, USAID funded a promotional campaign for the launch of micronutrient-enriched foods and provided technical support to introduce the fortification of wheat flour with iron and B vitamins. By the end of 2002, models for affordable, high-quality private-sector reproductive and child healthcare will be established; sales of socially marketed products will be increasing; and all of the packaged wheat flour in the country will be iron fortified. By the end of FY 2004, USAID expects the overall quality of healthcare to improve in the two regions, with increasing use of family planning and maternity services. Many of the pilot approaches through this program will be used in other regions of the country, without direct USAID assistance. The private sector is expected to serve a larger share of the reproductive health needs of Moroccans, with micronutrient-enriched foods available throughout the country. A national health charter will promote sustainability of key health services.

Principal Contractors, Grantees, or Agencies: Principal contractors include John Snow, Inc.; Deloitte Touche and Tomatsu; International Science and Technology Institute; and CEDPA. Subcontractors funded through these programs include University Research Corporation; the Harvard School of Public Health; Abt Associates; Population Services International; Meridian; and Helen Keller International. U.S. nongovernmental agency grantees under this program include Catholic Relief Services; Helen Keller International; and the Near East Foundation. The principal grantee is the Ministry of Health.

US Financing in Thousands of Dollars

Morocco

608-007 Key Interventions Promote Sustainability of Population, Health and Nutrition Programs in Morocco	CSD	CSH	DA
Through September 30, 2000			
Obligations	1,880	0	4,620
Expenditures	400	0	1,720
Unliquidated	1,480	0	2,900
Fiscal Year 2001			
Obligations	3,509	0	2,000
Expenditures	630	0	2,399
Through September 30, 2001			
Obligations	5,389	0	6,620
Expenditures	1,030	0	4,119
Unliquidated	4,359	0	2,501
Prior Year Unobligated Funds			
Obligations	0	0	0
Planned Fiscal Year 2002 NOA			
Obligations	0	4,600	0
Total Planned Fiscal Year 2002			
Obligations	0	4,600	0
Proposed Fiscal Year 2003 NOA[1]			
Obligations	0	0	0
Future Obligations	0	0	500
Est. Total Cost	5,389	4,600	7,120

PROGRAM DATA SHEET

USAID MISSION: Morocco
PROGRAM TITLE: Keeping Rural Girls in School (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE NAME AND NUMBER: Increased Attainment of Basic Education among Girls in Selected Rural Provinces, 608-008
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $1,428,000 DA
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $1,528,000 DA
INITIAL OBLIGATION: FY 1996 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: In support of the Administration's call for increasing USAID's commitment to basic education, USAID's objective is to increase the attainment of basic education for girls in selected provinces in rural Morocco. This is achieved through integrated activities that address education supply and demand issues by—

- improving the teaching skills of rural teachers by introducing gender-sensitive and student-centered teaching methodologies to the teacher training system;
- increasing community involvement, including mothers, in their children's schooling; and
- improving the managerial skills of the provincial staff of the Ministry of National Education (MNE).

Inputs, Outputs, and Activities: *FY 2002 Program:* During FY 2002, USAID will use its funding to provide technical assistance to the Ministry of Education at both the national and provincial levels to develop national teacher training guides, to improve performance-monitoring techniques and create a testing and evaluation system for Ministry staff, and to assist in the integration of successful piloted materials and approaches at the national level. Funds will also be used to adapt selected traditional teacher training guides to a computer-based format for use in multimedia centers located in training colleges. These will also be made available through the USAID-funded web site for the Moroccan education community. Funds will also be used to carry out—using local radio—a primary education communications campaign in the Souss-Massa-Draa region. The impact will be to create a school environment that makes children want to learn and wins the support of the community to keep girls in school.

> In Morocco, where only 8% of rural girls enter middle school, King Mohammed VI has declared education a national priority. The Ministry of National Education values USAID's leadership in improving the quality of education to keep rural girls in school.

Planned FY 2003 Program: During FY 2003, USAID will continue to replicate various training guides for nationwide use by the Ministry of National Education. In addition, USAID will continue integrated community development work in the Souss-Massa-Draa pilot sites through its grantees. FY 2003 funds will also be used to assist the Ministry of National Education with decentralization efforts. In particular, USAID will strengthen the newly created regional academies that will operate as autonomous education entities in their respective regions by providing technical assistance to improve strategic planning, data collection and analysis, performance monitoring, and team and partnership building. Funds will also be used to promote the endorsement and use of materials and approaches developed by the Moroccan Education for Girls program by the regional academies.

Performance and Results: In FY 2001, USAID organized a national two-day Forum on "Education Technology and Teacher Training," to share lessons learned in the use of information technology (IT) in teacher training and education. USAID also provided IT equipment and training to the newly created Regional Academy for Education and Training in the Souss-Massa-Draa to enhance its capability to carry out education reform.

By the end of FY 2002 USAID will have completed the first year of Phase II of the Morocco Education for Girls Activity, which is dedicated to promoting wide usage of the training guides and processes developed in eight pilot provinces at the school, community, and provincial levels. The guides address the quality of teaching, community involvement in schools, and decentralized management of the education system. Validation of the guides by the Ministry of National Education for use at the national level will require their intensive and active participation in the testing of the materials and training methodologies throughout Phase II. By the end of FY 2002, USAID expects that at least two of nine USAID-produced guides will be introduced by the Ministry of National Education at the national level, i.e., used at all of Morocco's 34 teacher training colleges. At that time, the remaining seven will be in various stages of final testing and usage. By the end of Phase II (the end of FY 2003), USAID expects all guides to be ready for use at the national level. Important outcomes of this program will be the national utilization of new teaching-learning methodologies, introduced through USAID-produced training guides on themes that include: (1) equity in the school environment, (2) school management from a partnership perspective, (3) student-centered teaching methodologies, thus better preparing all future primary school teachers for their assignments in rural Morocco. Newly graduated teachers will be able to provide boys and girls in rural Morocco with a better quality education, as they themselves have the tools to better understand the context and the challenges of their assignment and the community they are to serve. In the current positive political climate in Morocco, USAID has reason to expect successful nationwide utilization of the training products and methodologies.

Major Contractors, Grantees, or Agencies: The primary contractors for the activities include Creative Associates International, Inc., with its subcontractors Management Systems International (MSI) and Save the Children. Limited support is being provided to Catholic Relief Services and the Near East Foundation in the Souss-Massa-Draa region. The principal grantee is the Ministry of National Education.

US Financing in Thousands of Dollars

Morocco

608-008 Increased Attainment of Basic Education among Girls in Selected Rural Provinces	CSD	DA
Through September 30, 2000		
Obligations	9,155	0
Expenditures	4,238	0
Unliquidated	4,917	0
Fiscal Year 2001		
Obligations	1,739	0
Expenditures	3,131	0
Through September 30, 2001		
Obligations	10,894	0
Expenditures	7,369	0
Unliquidated	3,525	0
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2002 NOA		
Obligations	0	1,428
Total Planned Fiscal Year 2002		
Obligations	0	1,428
Proposed Fiscal Year 2003 NOA		
Obligations	0	1,528
Future Obligations	0	0
Est. Total Cost	10,894	2,956

WEST BANK AND GAZA

THE DEVELOPMENT CHALLENGE: Since the Al Aqsa Intifada (uprising) began in September 2000, the social and economic situation of Palestinians in the West Bank and Gaza has dramatically declined. The most direct economic hardship is the loss of an estimated 75,000 Palestinian jobs in Israel; including family members, this loss has affected some 750,000 Palestinians. Unemployment has jumped from 10% to 38% and the estimated percentage of the population living under the poverty rate of $2 per person per day has jumped to 46%. Total income losses arising from Israeli-imposed border closures amount to around $2.4 billion, in addition to over $300 million in infrastructure damage. Estimated losses include decreased domestic output and income, lost labor income from Israel, damage to property and structures, costs of additional burdens on health and social services, and decreased revenue transfers from Israel.

These losses are catastrophic to an economy with an annual gross domestic product (GDP) of approximately $4.75 billion before September 2000. The massive disruption in the Palestinian economy has directly affected the ability of the Palestinian Authority (PA) to pay civil service salaries and deliver basic services. USAID believes that the projected 19% further decline in Gross National Income per capita coupled with sustained and further tightening of the closures will lead to a much greater scale of human hardship.

The development problem that has confronted USAID since September 2000 is how to relieve the increasing suffering of ordinary Palestinians through appropriate "emergency" projects while maintaining a longer-term developmental approach. USAID has reprogrammed significant funds for emergency response activities that address urgent and critical needs. USAID has obligated more than $54 million for this purpose and has plans to obligate an additional $83 million during fiscal year 2002, for a total of $137 million. These emergency response projects include employment generation, microenterprise financial services, emergency health services, improved service delivery through nongovernmental organizations (NGOs), increased support for the United Nations Relief Works Agency (UNRWA), and expansion of small infrastructure projects. USAID has also maintained programs that address other basic needs, i.e., water and health that contribute to the development of institutions necessary to sustain essential services.

THE USAID PROGRAM: USAID plans to use $323,445,569 from prior year funds and $72,000,000 in ESF in FY 2002 funding. USAID requests $75,000,000 in ESF in FY 2003. USAID will use FY 2002 funds to implement projects to ensure efficient development of the private sector; develop new water resources; improve democracy, governance, and the rule of law; increase access for mothers and children to higher-quality healthcare; provide basic community services; and ensure access to higher education and training for a broad range of Palestinians.

Despite the violence and other challenges associated with the situation, USAID has achieved meaningful results during the past 15 months, has helped avoid a more serious crisis from emerging, and has laid the basis for the advancement of important US foreign policy goals. While USAID has altered the manner in which it does business in the West Bank and Gaza, a strategic focus has been maintained and oversight responsibilities are uncompromised.

ONGOING PROGRAMS FOR WHICH NO FY 2002 OR FY 2003 FUNDING IS REQUESTED: None.

OTHER PROGRAM ELEMENTS: In FY 2000, USAID received Wye Supplemental Funds in addition to its annual operating year program budget. Wye funds are being used to develop new water resources in Gaza and the West Bank, principally through construction of a Gaza Desalination Plant and Regional Water Carrier. Combined, these two projects will provide a regular supply of fresh water to approximately one million people in Gaza for the first time. Wye also funds community services projects, which provide villagers throughout the West Bank and Gaza with new and improved infrastructure, including new agricultural roads, water cisterns and new small water wells,

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school playgrounds, and other village level projects. Wye funds also have contributed to emergency response activities, including major employment generation projects and UNRWA activities that respond to the most pressing needs of the poorest Palestinians. Wye funds are used to pay for higher education and training programs, which offer Palestinians the opportunity to receive further training and education in the United States and within the West Bank and Gaza. The Wye funds also pay for a significant maternal and child healthcare project, which includes training, health clinic upgrades, and healthcare system design and implementation. Finally, Wye funds rule of law projects that aim to train Palestinian lawyers and judges to ensure that the rule of law is observed throughout the judicial system.

OTHER DONORS: From March through December 2001, Arab League members, through the Islamic Development Bank, provided $405 million and the European Union provided $115 million in direct budgetary support to the Palestinian Authority. USAID's traditional donor partners are the World Bank (emergency employment, NGO development, and village level improvements), Norway (small-scale infrastructure), Japan (small-scale infrastructure), the United Nations (employment generation, refugee assistance, and grass roots development), and Germany (water infrastructure). In conversations with USAID, all the traditional donors indicate that they intend to sustain long-term programs at or above current levels despite project implementation problems due to the uprising.

Donor coordination in the West Bank and Gaza is highly organized, with several layers of donor coordination mechanisms. A Task Force on Project Implementation, which includes representatives from USAID, the European Union, the United Nations, and the World Bank, works closely with Israeli government officials to facilitate donor project implementation. The Joint Liaison Committee (JLC) includes the leading donors, and Israeli and Palestinian counterparts. Since the uprising started, the JLC donors have met on a regular, albeit informal basis. The Ad Hoc Liaison Committee (AHLC) consists of high-level decision-makers from capitals that discuss broad policy issues concerning donor work in the West Bank and Gaza in the company of Israeli and Palestinian representatives. To respond to the unfolding humanitarian crisis, the donors formed the Humanitarian Task Force for Emergency Needs (HFTEN), which provides continual analysis of the situation to all donors, the Palestinians, and the Israelis.

West Bank and Gaza
PROGRAM SUMMARY
(In thousands of dollars)

Accounts	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Economic Support Fund	485,000	84,813	72,000	75,000
Total Program Funds	485,000	84,813	72,000	75,000

STRATEGIC OBJECTIVE SUMMARY				
294-001 Expanded Economic Opportunities				
ESF	34,348	3,752	9,601	11,034
294-002 Greater Access to and More Effective Use of Scarce Water Resources				
ESF	265,552	60,384	52,450	44,806
294-003 More Responsive and Accountable Governance				
ESF	25,100	10,580	5,375	10,500
294-005 Selected Development Needs Addressed				
ESF	58,713	5,007	3,205	1,800
294-007 Healthier Palestinian Families				
ESF	31,287	5,090	1,369	6,110
294-008 Improved Community Services				
ESF	70,000	0	0	750

Total Transfers

PROGRAM DATA SHEET

USAID MISSION: West Bank & Gaza
PROGRAM TITLE: Private Sector (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Expanded Economic Opportunities, 294-001
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $9,601,000 ESF
PRIOR YEAR UNOBLIGATED FUNDS AND FUNDING SOURCE: $3,650,000 ESF; $5,000,000 ESF (Wye Supplemental Funds)
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $11,034,076 ESF
INITIAL OBLIGATION: FY 1996 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: USAID's West Bank/Gaza Private Sector program combines emergency relief objectives with longer-term development goals by focusing on—

- emergency lending and sustainable microfinance through banks and NGOs;
- improved access to credit through the leasing and mortgage finance markets;
- technical assistance for sectors (information technology and construction) with trade and investment potential;
- institutional support for industrial estates, and trade and investment advocacy organizations;
- business facilitation and policy reform through self-regulatory organizations; and
- emergency business recovery, credit facilitation, and technical assistance for mid-sized firms.

Beneficiaries of this strategic objective include members of the private sector, disadvantaged women, the banking sector, business associations, members of the accounting and auditing professions, and industrial estates.

Inputs, Outputs, and Activities: *FY 2002 Program:* USAID will use prior year unobligated ESF funds, Wye Supplemental Funds, and FY 2002 ESF funds to fund three cooperative agreements with microfinance providers to increase the value and types of financial services available to the poor. Technical assistance will be provided to ensure the sustainability of the microfinance industry and further expand the range of financial services available. The development of the non-bank financial sector, through the leasing, mortgage finance, and insurance sectors should mobilize capital quickly for cash-starved businesses. The two key sectors for the growth of the Palestinian economy, construction services and information technology, will be supported with a technical assistance program aimed at stimulating exports, investment, and employment. USAID will also provide the design work and off-site infrastructure, including improving road access to the site, upgrading the water supply, providing a wastewater management system, and installing electricity for a local industrial estate near Gaza City. To enhance crossborder trade, design and construction work is proceeding for a General Logistics Facility to house a common bonded warehouse at the Qarni border crossing. USAID will continue to support the apex trade organization, Paltrade, to guide its emerging leadership as a moderate voice and advocate for the private sector. The emergency Palestinian Enterprise Revitalization Program will provide firm-level technical assistance and financial facilitation services to help businesses recover from the current economic crisis. Further, as part of the global war on terrorism, USAID will provide technical assistance to strengthen the capacity of the Palestinian Monetary Authority to better detect, investigate, and deter money-laundering activities.

Planned FY 2003 Program: USAID plans to use the FY 2003 ESF resources requested in this Budget Justification to expand or complete the following activities: 1) the Palestinian Enterprise Revitalization Program; 2) the Market Access Program, providing technical support to the construction services and information technology sectors; 3) an Annual Program Statement/Global Development Alliance for a new activity in the Information Technology Sector, which would help improve private sector IT capability through training, internships, and technical assistance; 4)

construction support for the development of local industrial estates and the Gaza Logistics Facility; 5) support for Paltrade and other business and trade associations; 6) the non-bank financial institutions activity to improve access to finance through the mortgage finance, leasing and insurance markets; 7) the emergency response cooperative agreements aimed at providing immediate capital for small and microenterprises and for the repair of shelters and homes; and 8) the three-year activity to enhance the growth of micro lending and establish a sustainable microfinance industry, which is slated for completion in FY 2003.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL RENOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: The strong performance of Palestinian information technology companies at a recent exhibition in Dubai led to an invitation to the Palestinian Information Technology Association to open a representative office at Dubai Internet City. This is evidence of the resilience of the Palestinian private sector and its receptivity to USAID assistance. USAID will continue to pioneer support for the Palestinian private sector, while delivering much-needed financial services to the poor through its emergency financial services program. USAID will continue to successfully champion the important role of Palestinian business associations as links to global economies and political moderation.

The groundbreaking work being done in the leasing and mortgage finance sectors are expected to unleash previously untapped sources of private capital. In addition, USAID aims to deliver increased and broader access to micro financial services, including new savings, credit, and insurance instruments to benefit emerging microbusinesses. The private sector will be supported, and new jobs created, through the development of border and local industrial estates aimed at both the export and local markets. The known potential of the information technology and construction services sectors, as engines of employment creation and as platforms for exports to the Gulf and elsewhere, will be exploited. USAID will continue its support for economic regulatory and self-regulatory institutions, including the Palestinian Industrial Estate and Free Zone Authority, the Palestinian Investment Promotion Association and the accounting and auditing associations. Support for the Palestinian Monetary Authority will strengthen the capacity to identify, detect, and investigate money-laundering schemes. Other important outputs will be the passage of accounting, banking, capital markets, and securities industry laws. All of this will contribute to the laying of a solid framework for commercial activities, one that is transparent and on a par with global standards and which can attract global investment into the Palestinian territories.

Principal Contractors, Grantees, or Agencies: Principal contractors include Arab Bank; Bank of Jordan; Chemonics International, Inc.; Development Alternatives, Inc.; PALTRADE; Barents Group; Deloitte Touche Tohmatsu; The Services Group; U.S. Department of Agriculture; and Financial Markets International.

US Financing in Thousands of Dollars

West Bank and Gaza

294-001 Expanded Economic Opportunities	ESF
Through September 30, 2000	
Obligations	53,869
Expenditures	32,120
Unliquidated	21,749
Fiscal Year 2001	
Obligations	8,039
Expenditures	9,109
Through September 30, 2001	
Obligations	61,908
Expenditures	41,229
Unliquidated	20,679
Prior Year Unobligated Funds	
Obligations	8,650
Planned Fiscal Year 2002 NOA	
Obligations	9,601
Total Planned Fiscal Year 2002	
Obligations	18,251
Proposed Fiscal Year 2003 NOA	
Obligations	11,034
Future Obligations	11,034
Est. Total Cost	102,227

PROGRAM DATA SHEET

USAID MISSION: West Bank and Gaza
PROGRAM TITLE: Improved Water Resources (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Greater Access to and More Effective Use of Scarce Water Resources, 294-002
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $52,450,000 ESF
PRIOR YEAR UNOBLIGATED FUNDS AND FUNDING SOURCE: $46,124,424 ESF; $130,000,000 ESF (Wye Supplemental Funds)
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $44,805,924 ESF
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE:** FY 2005

Summary: USAID's program to improve water resources in the West Bank and Gaza includes—

- construction of wells, pipelines, and village water systems in the West Bank and Gaza;
- construction of a desalination plant in Gaza;
- construction of a wastewater treatment plant in Hebron in the West Bank; and
- training and technical assistance in water-system management, including planning, operations and maintenance, especially at the village level.

Beneficiaries include the more than 1,000,000 residents of Gaza and over 500,000 residents of the West Bank.

Inputs, Outputs, and Activities: FY *2002 Program:* USAID will use FY 2002 Economic Support Funds, including Wye Supplemental Funds, to continue to support the drilling of wells in the Bethlehem area, the construction of a regional water carrier and a desalination plant in the Gaza Strip, the construction of a wastewater treatment plant near the West Bank city of Hebron, and the construction of wells and a water supply network for 23 villages in the southern West Bank. This will result in potable water being available for the first time ever in these villages. USAID's water projects are fully vetted with both the Palestinians and the Israelis. Israel supports the projects and its help is needed to make sure that equipment and materials can arrive at project sites. Before beginning construction, USAID ensures that projects will be sustainable and will pay for themselves through implementation of workable user fees and tariff structures. The village water project continues USAID's innovative approach, begun in Jenin, involving village councils in decisions on how to pay for and maintain the distribution system.

Planned FY 2003 Program: USAID plans to use FY 2003 resources requested in this Budget Justification to expand this objective to incrementally fund ongoing well-drilling activities in the West Bank and construction management services for the desalination and water carrier projects in Gaza, as well as the wastewater treatment plant in Hebron. Incremental funding will also be available for the village water project and will include sewage collection system construction in the Hebron area, construction for the Hebron wastewater treatment facility, and additional wells in the Rujeib area that will feed into the village water distribution system.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL RENOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: Access to safe water represents one of the most important basic human needs of the Palestinian people and is vital to a growing economy and a healthy population. Better management of available water resources also critical to promoting stability. Phase I of the West Bank Water Resources program put four major production wells in service, yielding approximately

nine million cubic meters of water per year. The Phase I program also constructed a 32-kilometer water transmission line connecting Hebron and Bethlehem, with two huge reservoirs at either end, serving approximately 360,000 Palestinians living in the southern West Bank. A USAID-funded village water system is in the Jenin area (northern West Bank), and serves another 35,000 Palestinians. USAID's FY 2002 and FY 2003 funding will result in eight new production wells that will bring water to 500,000 people in the West Bank.

Since September 2000, border closings have brought logistics problems to the water resources portfolio. While USAID continues to achieve results, it is at times difficult to move personnel and equipment from Israel to the West Bank and Gaza. However, USAID has regular meetings with the Israeli military that support its programs, and special efforts continue to be made to ensure minimal disruption to water infrastructure construction. For example, through the village water program, 23 villages will be connected to water networks for the first time ever, and, through the work of NGOs, local residents will take responsibility for management of this resource. USAID will also provide assistance to construct a regional water carrier system for Gaza. This will result in potable water for all of the residents of the Gaza Strip—over one million people—and free-up marginal water sources for agricultural uses. Near Hebron, wastewater reuse will be introduced. Water from the USAID-funded wastewater treatment plant will be used for agricultural purposes, thus providing water to farmers in a drought-prone area.

Principal Contractors, Grantees, or Agencies: USAID anticipates the continued involvement of key partners in the water sector, including U.S. firms (prime contractors) CH2MHILL; Metcalf and Eddy; General Contracting Group; and Contrack, Int.; American Near East Refugee Aid (ANERA); and Equipment Sales & Service Company (ESSCO). USAID will fully compete its upcoming large infrastructure projects among qualified U.S. contractors.

US Financing in Thousands of Dollars

West Bank and Gaza

294-002 Greater Access to and More Effective Use of Scarce Water Resources	ESF
Through September 30, 2000	
Obligations	218,150
Expenditures	165,971
Unliquidated	52,179
Fiscal Year 2001	
Obligations	26,939
Expenditures	22,294
Through September 30, 2001	
Obligations	245,089
Expenditures	188,265
Unliquidated	56,824
Prior Year Unobligated Funds	
Obligations	176,124
Planned Fiscal Year 2002 NOA	
Obligations	52,450
Total Planned Fiscal Year 2002	
Obligations	228,574
Proposed Fiscal Year 2003 NOA	
Obligations	44,806
Future Obligations	44,806
Est. Total Cost	563,275

PROGRAM DATA SHEET

USAID MISSION: West Bank and Gaza
PROGRAM TITLE: Democracy and Governance (Pillar: Democracy, Conflict, and Humanitarian Assistance)
STRATEGIC OBJECTIVE AND NUMBER: More Responsive and Accountable Governance, 294-003
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $5,374,694 ESF
PRIOR YEAR UNOBLIGATED FUNDS AND FUNDING SOURCE: $10,579,507 ESF; $700,000 ESF (Wye Supplemental Funds)
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $10,500,000 ESF
INITIAL OBLIGATION: FY 1996 **ESTIMATED COMPLETION DATE:** FY 2006

Summary: The USAID Democracy and Governance program in West Bank and Gaza includes—

- support to strengthen Palestinian civil society organizations;
- technical and limited material assistance to the Palestinian Legislative Council; and
- support for improved rule of law: more efficient Palestinian courts, a strengthened prosecutorial capacity, a more independent Palestinian Bar Association, and more modern Palestinian law schools.

Beneficiaries include Palestinian citizens in all areas of society who are better served by the legal system and the Palestinian Council.

Inputs, Outputs, and Activities: *FY 2002 Program:* USAID will use FY 2002 Economic Support Funds to continue activities that have shown results under ongoing USAID programs.

In FY 2002, USAID will provide Economic Support Funds to assist more than 70 local civil society organizations (CSOs) with capacity building, training in policy analysis, communication and leadership skills, strategic planning, management and conflict resolution, and upgrading CSOs financial systems and internal governance structures. This work will bolster independent oversight of the Palestinian Authority decision-making process and enhance local CSO internal management systems to ensure professionalism and sustainability.

USAID will also provide limited support to improve the rule of law by building management and administrative capacity within the judicial system, increasing professionalism of the legal community, and making the Palestinian Bar Association more responsive to the needs of its members. Illustrative activities include upgrading lawyers' access to legal resources; technical assistance with new bar admittance standards; ethics codes; and strengthening court administration.

USAID will also provide assistance to improve the responsiveness of the elected Palestinian Council in 2002 by improving constituent-response services in district offices and improving the way committees review critical legislation. Ongoing training and limited equipment procurement in the area of information and communication technology will help the Council better conduct meetings and share information with the public.

USAID may provide limited assistance to strengthen the management capacity of local governments in 2002 through training and workshops and other programs to further decentralize local government decision-making.

Planned FY 2003 Program: USAID is requesting FY 2003 resources for this program to continue the programs mentioned above, as well as to expand programming in the area of local governance and the rule of law, e.g., training of lawyers and judges, improving curricula and availability of resources

at law libraries and schools, and assisting the administration of the court system. USAID is in the initial stages of evaluating support to these areas and ensuring that support provided meets expected needs in this very fluid environment.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL RENOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: Key to the development of a democratic culture and society are rule of law, strengthening of civil society, and improving legislative processes and structure in the Palestinian Council. Even after the uprising began in September 2000, USAID West Bank and Gaza has been able to continue to make an impact in this important sector.

Improved Rule of Law: Activities are focused on improving the law schools, the judicial system and legal profession. Despite the yearlong border closures, assistance to Palestinian courts has resulted in the development of an automated case-tracking system for use in the four pilot courts in the West Bank and Gaza. The system gives law students and professors access to a specialized database on Palestinian law, as well as outside legal resources. Computer training has been provided to scores of Palestinian lawyers in the West Bank and Gaza, which will contribute to the lawyers' ability to conduct legal research. A new database of the Palestinian Bar Association membership was begun to help the Bar become more responsive to its members' professional development needs. Also, computer and electronic communication training was provided to judges. Plans for the establishment of two alternative dispute resolution centers in the West Bank and Gaza are in progress and will support and complement judicial reform.

Strengthened Civil Society: USAID has provided 70 grants to Palestinian NGOs which enhanced their ability to provide much-needed services, and an orientation to democratic principles. Examples include job skills for deaf women, attention to elementary students with communicative disorders, outreach to marginalized citizens, and education on children's rights. Activities have included introduction of civic education in the Palestinian curriculum, and conflict resolution skills for youth or university students. These activities also emphasized the importance of NGOs as conduits of communication between citizens and government. Activities focused on improving the internal governance, financial management, and strategic planning of NGOs, which will contribute to a more transparent, responsive, and accountable civil society sector.

A More Responsive Palestinian Council: The Palestinian Council convened two plenary sessions and a number of committee meetings despite the situation in-country. Legislative activity was facilitated through the use of video conferencing. USAID supported Council constituent offices throughout the West Bank and Gaza that conducted about 40 town meetings. The Parliamentary Research Unit produced 11 draft laws, which were reviewed by the Council. USAID assistance helped develop the Council website, which is now functioning as a public information resource. To improve the transparency of the Council's internal administration, a number of legislative and administrative manuals were completed on overall administrative policy, hiring procedures, and procedures for conducting public hearings.

Principal Contractors, Grantees, or Agencies: USAID activities will be implemented by Chemonics International as the prime contractor, working with CARE International and AMIDEAST as subcontractors; the International Republican Institute working with the Health, Development, Information and Policy Institute and Birzeit University Development Studies Programme; World Learning working with Birzeit University; America's Development Foundation; DPK Consulting, Inc., AMIDEAST, and a significant number of Palestinian NGOs.

US Financing in Thousands of Dollars

West Bank and Gaza

294-003 More Responsive and Accountable Governance	ESF
Through September 30, 2000	
Obligations	57,337
Expenditures	34,599
Unliquidated	22,738
Fiscal Year 2001	
Obligations	11,714
Expenditures	10,373
Through September 30, 2001	
Obligations	69,051
Expenditures	44,972
Unliquidated	24,079
Prior Year Unobligated Funds	
Obligations	11,279
Planned Fiscal Year 2002 NOA	
Obligations	5,375
Total Planned Fiscal Year 2002	
Obligations	16,654
Proposed Fiscal Year 2003 NOA	
Obligations	10,500
Future Obligations	10,500
Est. Total Cost	106,705

PROGRAM DATA SHEET

USAID MISSION: West Bank and Gaza
PROGRAM TITLE: Selected Development Needs (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Selected Development Needs Addressed, 294-005
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $3,205,306 ESF
PRIOR YEAR UNOBLIGATED FUNDS AND FUNDING SOURCE: $5,113,493 ESF; $29,032,686 ESF (Wye Supplemental Funds)
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $1,800,000 ESF
INITIAL OBLIGATION: FY 2001 **ESTIMATED COMPLETION DATE:** FY 2005

Summary: The biggest part of this strategic objective is USAID's program in higher education and training, which aims to increase Palestinian access to quality education and training. Other funds in this strategic objective are used for program development and support, which includes studies, analyses, evaluations, staff salaries, and other Mission-wide program-related activities. The Higher Education and Training Program includes—

- the Scholarship Program, which provides scholarships for Palestinian students to study for masters' degrees at U.S. universities;
- the Higher Education Endowment, which will provide funding in perpetuity for scholarships in the United States;
- the short-term training program which provides Palestinians with targeted training experiences in the United States, the West Bank and Gaza, and third countries;
- technical assistance to help establish a College of Agricultural Sciences at the Arab American University in Jenin;
- seed funds to create and strengthen linkages between U.S. and Palestinian universities; and
- support for institutional development of Palestinian higher education.

The beneficiaries of this strategic objective include Palestinian students, information technology professionals, and universities.

Inputs, Outputs, and Activities: *FY 2002 Program:* USAID will use FY 2001 carryover and FY 2002 Economic Support Funds to support a two-year follow-on program for master's degree scholarships, setting a goal of sending up to 100 Palestinians to study a wide range of subjects at U.S. universities. Funding will also help USAID expand its short-term training efforts. This activity targets specialized training to Palestinian business people and members of the public sector. Part of this activity also funds business internships for Palestinians in the United States. To support moderate groups, USAID will transfer $1.5 million to the State Department's Public Diplomacy Office at the Consulate General in Jerusalem for the International Visitor program to fund small grants for workshops by local Palestinian organizations; to support women's organizations and improve civic education; to pay for speakers and conference attendance; and to support subscriptions for libraries. Further, USAID will provide $25 million to fund an endowment for higher education. The goal of the endowment is to provide opportunities for Palestinians to receive masters' degrees in the United States after USAID programming ends. Funds will be used for evaluations that will help USAID's program and strategy.

> By August 2002, USAID will have sent 95 Palestinians to the United States to earn their master's degrees in subjects including business administration, water resources management, urban planning, information technology, and public health.

Planned FY 2003 Program: Currently, no FY 2003 obligations are planned for the higher education and training program. USAID plans to program $1,800,000 through the ANE Bureau's Program

Development and Learning objective to study economic and social conditions and to develop new projects.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL RENOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: Despite border closures and other implementation problems resulting from the violence that began in September 2000, USAID continues to see results in this strategic objective. Important results of the higher education and training program include sending up to 100 Palestinians to the United States to study for masters' degrees in US universities. Students are now studying at Tulane University, Colorado State University, American University, University of Connecticut, Harvard University, University of Buffalo, University of Indianapolis, Monterey Institute of International Studies, University of Florida, Western Michigan University, University of Arizona, University of North Texas, Butler University, Southern Illinois University, Claremont Graduate University, University of Pittsburgh, Utah State University, Illinois State University, Syracuse University, Southern California University, Indiana State University, Rensselaer Polytechnical Institute, Duquesne University, Claremont University, Illinois Institute of Technology, Cleveland State University, and Morgan State University.

Principal Contractors, Grantees, or Agencies: Academy for Educational Development, Washington, D.C.; AMIDEAST, Washington, D.C.; Utah State University; and 7 other U.S. and Palestinian universities. The participating U.S. universities are Calvin College, Georgia State University, Johns Hopkins University, Purdue University, University of Georgia School of Law, University of Maryland Eastern Shore, and the University of Oklahoma.

US Financing in Thousands of Dollars

West Bank and Gaza

294-005 Selected Development Needs Addressed	ESF
Through September 30, 2000	
Obligations	102,928
Expenditures	87,287
Unliquidated	15,641
Fiscal Year 2001	
Obligations	5,301
Expenditures	8,237
Through September 30, 2001	
Obligations	108,229
Expenditures	95,524
Unliquidated	12,705
Prior Year Unobligated Funds	
Obligations	34,146
Planned Fiscal Year 2002 NOA	
Obligations	3,205
Total Planned Fiscal Year 2002	
Obligations	37,351
Proposed Fiscal Year 2003 NOA	
Obligations	1,800
Future Obligations	1,800
Est. Total Cost	149,180

PROGRAM DATA SHEET

USAID MISSION: West Bank and Gaza
PROGRAM TITLE: Family Health (Pillar: Global Health)
STRATEGIC OBJECTIVE AND NUMBER: Healthier Palestinian Families, 294-007
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $1,369,000 ESF
PRIOR YEAR UNOBLIGATED FUNDS AND FUNDING SOURCE: $5,090,000 ESF; $19,770,000 ESF (Wye Supplemental Funds)
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $6,110,000 ESF
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE:** FY 2005

Summary: Economic Support Funds are supporting an integrated women's and children's health program that includes—

- clinical training of healthcare providers to incorporate best practices, improve performance and quality of care for women's and children's health and nutrition-related services;
- upgrading and equipping village and community-based primary and secondary healthcare facilities;
- designing a model health information system for timely and accurate data gathering and decision making;
- individual and community awareness programming with a focus on health promotion, disease prevention, nutritional status, and accident prevention;
- procurement of contraceptive technologies supplemented with counseling for family-planning choice; and
- emergency health programming, including community psychosocial support initiatives, the procurement of emergency medical supplies and equipment, and training in first response and emergency case management practices.

Women, adolescents, and children are the key beneficiaries of this program.

Inputs, Outputs, and Activities: *FY 2002 Program:* USAID will significantly upgrade the clinical competencies and quality of service provision to over 400 primary and secondary healthcare providers and will introduce internationally recognized clinical protocols as they relate to women's and children's health and nutrition practices. Healthcare providers will also receive training in contraceptive counseling and technologies, thus allowing women to make informed choices concerning family size and birth intervals. Approximately 100 village and community-based health clinics, as well as six referral centers, focusing on problem births throughout the West Bank and Gaza will be identified for physical renovation. USAID will fund a fully representative rapid nutritional assessment to identify the nutritional status, food consumption, and nutritional habits of the approximately 975,000 non-refugee Palestinian women and children as social and economic indicators deteriorate due to the uprising and border closures. In addition, market surveys will be undertaken to better understand food availability and accessibility to non-refugee Palestinian families. Data obtained from this baseline assessment will be utilized by USAID to make informed programmatic decisions with respect to nutrition-related implementation in FY 2002.

Also in FY 2002, USAID will improve the quality of emergency case-management through trauma training, resulting in better treatment to approximately 500,000 acutely ill or trauma victims, and the procurement of supplies and equipment to local and regional health facilities to meet increased demands for emergency services. Through financial support to up to 10 rehabilitation facilities, approximately 1,000 people with disabilities will receive rehabilitative services resulting in their reintegration into communities. An early warning system to include critical health and nutrition indicators will be designed and introduced in order to identify new trends in the health of the population and guide development interventions. Approximately 2,000 teachers and social workers

will be trained in counseling techniques to ensure their implementation of appropriate, quality, and consistent psychosocial programming for approximately 27,000 children and youth detrimentally affected by the current violence.

Planned FY 2003 Program: USAID plans to use FY 2003 resources to further address the health, nutrition, and psychosocial needs of women, adolescents, and children. For example, additional training, hardware, and software will be provided to improve the quality of antenatal and postpartum care for mothers and children, and to upgrade the research capabilities of Palestinian research institutions. Social support providers will be trained; pilot social outreach campaigns and training will be provided to assist individuals affected by the uprising; and a national level social database will be designed.

All contracts and grants funded with resources from the West Bank and Gaza Program will incorporate clauses that implement the President's directive reinstating the Mexico City Policy.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL RENOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: USAID has modified its healthcare programs to respond to the violence that began in September 2000. It is funding more local training of emergency healthcare workers, supplying critical emergency medical supplies, and strengthening the ability of the Palestinian healthcare system to respond to the emergency situation in the West Bank and Gaza. In three target cities, USAID technical assistance worked directly with health nongovernmental organizations to introduce a basic package of quality antenatal and postpartum care services through the training of 56 primary health care providers. In addition, 27 primary health care clinics were physically upgraded and equipped. The new health care project will result in improved ante- and post-natal care, better health information systems, improved health clinics, and better trained doctors and other healthcare workers.

Principal Contractors, Grantees, or Agencies: USAID's activities are implemented through contractors PricewaterhouseCoopers (prime), Save the Children (prime), and CARE International (prime). Sub-contractors include the Academy for International Development, Pal-Tech, the University of North Carolina's International Reproductive Health Association, University Research Corporation, American Near East Refugee Aid, and the Johns Hopkins School of Public Health.

US Financing in Thousands of Dollars

West Bank and Gaza

294-007 Healthier Palestinian Families	ESF
Through September 30, 2000	
Obligations	402
Expenditures	0
Unliquidated	402
Fiscal Year 2001	
Obligations	9,975
Expenditures	253
Through September 30, 2001	
Obligations	10,377
Expenditures	253
Unliquidated	10,124
Prior Year Unobligated Funds	
Obligations	24,860
Planned Fiscal Year 2002 NOA	
Obligations	1,369
Total Planned Fiscal Year 2002	
Obligations	26,229
Proposed Fiscal Year 2003 NOA	
Obligations	6,110
Future Obligations	6,110
Est. Total Cost	48,826

PROGRAM DATA SHEET

USAID MISSION: West Bank & Gaza
PROGRAM TITLE: Improved Community Services (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Improved Community Services, 294-008
STATUS: *Continuing*
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $0
PRIOR YEAR UNOBLIGATED FUNDS AND FUNDING SOURCE: $71,385,459 ESF (Wye Supplemental Funds)
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $750,000 ESF
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE:** FY 2005

Summary: USAID's Community Services Program includes—

- improvement in physical and economic infrastructure;
- enhancement of local government services;
- strengthening of local-level institutional capacity for increased participatory governance;
- training to improve service provision, job skills, and computer-based information technology; and
- emergency employment generation.

Beneficiaries of this strategic objective are residents of the West Bank and Gaza. The project has provided new agricultural roads, better schools, water catchment systems, and other improved local and small infrastructure for over 1,200,000 Palestinians.

Inputs, Outputs, and Activities: *FY 2002 Program:* In FY 2002, USAID will expand several ongoing Community Service Program activities to increase the level of services, infrastructure development, capacity building, and training. For example, funds will be used for water supply and conservation reservoirs; improved sewage and waste management; village and agricultural access roads; and upgrading and expansion of school buildings. USAID also will introduce new activities that will focus on urgent needs such as emergency employment generation. Finally, USAID will also fund a number of new initiatives, mainly in the areas of school construction and rehabilitation, urban rehabilitation, and support for local nongovernmental organizations (NGOs) in the provision of services to disadvantaged and needy groups.

Planned FY 2003 Program: USAID plans to use FY 2003 resources for staffing, evaluations, and assessments for ongoing community services activities, including improved educational activities, agricultural access roads, increased access to water and sanitation, road construction, improved health facilities, and increased capacity of local councils. No funds are currently planned for additional community services programs, although if the situation on the ground deteriorates further, USAID may consider additional support, especially to United Nations Relief and Works Agency for emergency youth programs, employment generation, and shelter-rehabilitation activities.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL RENOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 RESOURCES FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: In FY 2000 and FY 2001, USAID's Community Services activities benefited more than 1,200,000 Palestinians in the West Bank and Gaza. Over 3,800,000 square meters of youth facilities were constructed or renovated; 45,000 students benefited from new or improved educational facilities; about 100 kilometers of agricultural roads have been built, mostly over rough terrain; water systems accommodating an additional supply of over 1,000,000 cubic meters of water were built or rehabilitated; clinics and other health facilities benefiting nearly 200,000 people were built or rehabilitated; over 50,000 Palestinians have been trained in quality

management, service delivery, and basic job skills; 10 vocational centers were built or rehabilitated; and 31 local councils were assisted. USAID believes that the kind of services reflected in these accomplishments will bring good jobs, better government services, and improved lives to the Palestinians throughout the West Bank and Gaza, thus enhancing prospects for regional stability.

> Since FY 2000, USAID's Community Services Program has worked in over 240 villages and helped over 1,200,000 people improve their quality of life.

Principal Contractors, Grantees, or Agencies: Eight U.S. private voluntary organizations and two public international organizations are direct grantees under this SO: CARE, International Youth Foundation, Catholic Relief Services, the YMCA, Cooperative Housing Foundation, Save the Children, American Near East Refugee Aid, World Vision, the United Nations Development Program, and the United Nations Relief and Works Agency. Each of these organizations is working in partnership with one or more Palestinian NGOs.

US Financing in Thousands of Dollars

West Bank and Gaza

294-008 Improved Community Services	ESF
Through September 30, 2000	
Obligations	48,506
Expenditures	3,790
Unliquidated	44,716
Fiscal Year 2001	
Obligations	52,324
Expenditures	2,641
Through September 30, 2001	
Obligations	100,830
Expenditures	6,431
Unliquidated	94,399
Prior Year Unobligated Funds	
Obligations	71,385
Planned Fiscal Year 2002 NOA	
Obligations	0
Total Planned Fiscal Year 2002	
Obligations	71,385
Proposed Fiscal Year 2003 NOA	
Obligations	750
Future Obligations	750
Est. Total Cost	173,715

> Persistent poverty has contributed to Yemen having illiteracy, fertility, and infant mortality rates that are among the highest in the world. Nearly 75 percent of females and 44 percent of males are illiterate. The fertility rate is 6.4 children per mother, resulting in a population growth rate of three percent per year.

THE DEVELOPMENT CHALLENGE: Yemen's economic and political development is essential for achieving the key U.S. goal of stability in the Gulf region. Threatened by multiple and severe development challenges, Yemen requires targeted interventions and reforms in order to achieve political and economic stability. Yemen is critical to U.S. counterterrorism interests in the post-September 11th environment, and the United States will work with the Government of Yemen to deal with terrorists on Yemeni soil and to deter terrorists from seeking refuge in or transiting through Yemen.

The maturation of Yemen's democratic government and free-market economy are also in the U.S. interest. As indicated in the State Department's FY 2003 Mission Performance Plan for Yemen, the success of Yemen's democracy will directly influence political development throughout the Middle East. This success relies in large part on a commitment by the U.S. to support Yemen in this transition. USAID will contribute to these efforts by helping with basic healthcare, family planning services, and improved access to education at all levels, particularly for Yemeni women.

In 1995, the Government of Yemen (GOY) began to implement ambitious macroeconomic stabilization and structural adjustment programs with primary support and guidance provided by the World Bank and International Monetary Fund, and assisted by a broad range of international donors. The objectives of these programs were to reduce fiscal imbalances and resulting inflation while promoting a basis for economic growth. In 1997, the GOY began to implement medium-term economic reform programs. The objectives of these programs were to establish a permanent basis for accelerated and sustainable non-oil sector growth, reduce unemployment, improve the country's social indicators, strengthen the social safety net, maintain financial stability, and achieve external stability. The reform measures helped improve economic performance. The annual real Gross Domestic Product (GDP) growth rate averaged 4.4% from 1995 to 1999 and rose to 6.5% in 2000. The fiscal deficit declined to an average of 3.3% of GDP for 1995-1999 despite the wide-ranging fluctuations in world oil prices, and in 2000 Yemen posted a substantial budget surplus of 9.4% of GDP. This large surplus resulted from a surge in revenue stemming from a 60% rise in world oil prices. Inflation (consumer price index) declined to single digit levels at 6% by 1997 and 8% in 1999, but reached 10.9% in 2000. Considerable improvements have been seen in the current account. The exchange rate stabilized after October 1995 in the range of Yemen Rials (YR) 124-128 to the dollar, but increased to YR 162 in 2000.

Despite the success that the GOY is achieving with its stabilization program, major economic and development challenges remain. The Republic of Yemen is among the 25 poorest and least developed countries in the world. Poverty in Yemen doubled between 1992 and 1998, with the number of households below the "food poverty line" rising from 9% to 17%. By including a broader range of minimum human requirements in the poverty line measurement, the percentage of households living in poverty rose from 19% to 33% over the same period. Poverty is becoming more widespread among Yemen's 18.3 million people. Yemen's real GDP per capita is around US$300, and illiteracy and infant mortality rates are among the highest in the world. Illiteracy is particularly high among women and girls—with 74% of females and 44% of males illiterate—although Yemeni women benefit from universal suffrage. Average life expectancy is 53 years. Persistent poverty in Yemen has contributed to its fertility rate of 6.4 children per mother, one of the highest in the world, and a resulting population growth rate of 3% per year. Extremely weak social and economic services and institutions have left Yemen's population underserved in these areas.

THE USAID PROGRAM: USAID intends to devote $5 million in FY 2002 and is requesting $10 million in FY 2003. USAID completed the preliminary design of its new Yemen program in FY 2001 that encompasses health and education activities, in support of integrated community development at the district level. In FY 2001, $3.991 million was allocated for Yemen. Of this amount, $1.995 million was

budgeted for this new program, with the remaining $1.996 million budgeted for a scholarship program administered by the U.S. Department of State's Bureau for Educational and Cultural Affairs. The funds appropriated in FY 2001 were made available to USAID in December 2001. USAID is now requesting proposals from international nongovernmental organizations to implement the new health and education programs.

In FY 2003, USAID intends to continue and expand its health and education activities to serve a greater number of communities in Yemen. Resources may also be used to fund program monitors.

ONGOING PROGRAMS FOR WHICH NO FY 2002 OR FY 2003 FUNDING IS REQUESTED: None.

OTHER PROGRAM ELEMENTS: In addition to the Asia and Near East Bureau's program, USAID's Bureaus for Global Health and Democracy, Conflict and Humanitarian Assistance implement several activities in Yemen:

- support for the electoral process in Yemen through assistance to the Supreme Electoral Commission;
- women's rights advocacy and legal rights;
- parliamentary strengthening/political party development; and
- support to improve the family planning and maternal health performance of female primary providers (also known as community midwives) in two governorates.

Through the 416(b) food aid program, the United States provided approximately 160,000 tons of surplus agricultural commodities in FY 2001 with the monetary equivalent of approximately $34.4 million.

OTHER DONORS: The overwhelming majority of donor support goes to water management and social sector programs. All major donors recognize the importance of water management, health, and education (particularly girls' education). The World Bank is the largest donor, focusing on 1) public sector management, including civil service reform, budget reform and privatization; 2) attracting diversified private investment; 3) water management; and 4) poverty-oriented social sector improvements, particularly basic education for girls. Other donors with large programs are Japan (democracy, debt relief, agriculture, education, health, rural water, and fisheries); the Netherlands (water, health, agriculture, environment, gender, and cultural heritage); and Germany (water, sanitation and solid waste management, health, education and training, microenterprise, and good governance). USAID will coordinate its new program with other donors through the Yemen Social Development Fund.

Yemen
PROGRAM SUMMARY
(In thousands of dollars)

Accounts	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Economic Support Fund	0	3,991	5,000	10,000
PL 480 Title II	1,711	0	0	0
Total Program Funds	1,711	3,991	5,000	10,000

STRATEGIC OBJECTIVE SUMMARY				
279-004 Broad-Based Economic Growth				
ESF	0	3,991	5,000	10,000

Total Transfers

PROGRAM DATA SHEET

USAID PROGRAM: Yemen
PROGRAM TITLE: Community-Based Health and Education (Pillar: Global Health)
STRATEGIC OBJECTIVE NAME AND NUMBER: Broad-Based Economic Growth, 279-004
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $5,000,000 ESF
UNOBLIGATED PRIOR YEAR FUNDS AND FUNDING SOURCE: $3, 991,000 ESF
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $10,000,000 ESF
INITIAL OBLIGATION: FY 2001 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: USAID recently completed the preliminary design of a new Yemen program that will fund health and education activities to support integrated community development at the district level. The program includes—

- training of community midwives to increase access to women's health services;
- training and technical assistance to promote health outreach and awareness activities;
- mobilization and training of community organizations addressing women's health issues;
- technical assistance and training of teachers and education officers; and
- community mobilization to support basic education for girls

Inputs, Outputs, and Activities: *FY 2002*: USAID does not have a field mission in Yemen; programs in Yemen will be managed by USAID's Asia and Near East Bureau.

USAID's new health initiative will work with local communities to recruit and train community midwives in order to increase access to trained health providers, thereby reducing maternal mortality. Training midwives will also open a communication channel to deliver health messages and empower women. USAID will complement this training and professional development component with activities that strengthen the delivery of community health services though the promotion of more effective outreach services, mobilizing and training community women's organizations addressing women's health issues, and promoting increased community and national awareness and acceptance of family planning and other reproductive health services.

This new program will also promote increased enrollment of girls in primary schools by improving educational quality and relevance, and increasing local support for schools and female education. The first component of the education program will provide support for teacher training, especially in strengthening teacher understanding of methodologies and ideas in new curriculum texts and workbooks. The focus of this component will be at the district administration and school levels, but the program may also work with education officials at other levels. The second component of the program will focus on mobilizing and strengthening community participation and parental involvement in basic education.

Planned FY 2003 Program: USAID plans to use FY 2003 resources to continue and expand these health and education activities to a greater number of communities in Yemen.

Performance and Results: To be determined. Funds appropriated in FY 2001 were only made available to USAID in December 2001.

Principal Contractors, Grantees, or Agencies: To be determined. USAID is requesting proposals from international nongovernmental organizations.

US Financing in Thousands of Dollars

Yemen

279-004 Broad-Based Economic Growth	ESF
Through September 30, 2000	
Obligations	0
Expenditures	0
Unliquidated	0
Fiscal Year 2001	
Obligations	0
Expenditures	0
Through September 30, 2001	
Obligations	0
Expenditures	0
Unliquidated	0
Prior Year Unobligated Funds	
Obligations	3,991
Planned Fiscal Year 2002 NOA	
Obligations	5,000
Total Planned Fiscal Year 2002	
Obligations	8,991
Proposed Fiscal Year 2003 NOA	
Obligations	10,000
Future Obligations	0
Est. Total Cost	18,991

ASIA AND THE NEAR EAST REGIONAL PROGRAMS

THE DEVELOPMENT CHALLENGE: The Asia and Near East (ANE) subregions present some of the greatest development challenges in the world, including—

- encouraging and maintaining peace and security, particularly in the Middle East, but increasingly in East and South Asia;
- fostering and restoring market-oriented economic growth;
- promoting democracy and rule of law, and improving the rights of disadvantaged groups; and
- combating problems that affect global security, stability, and economic development, i.e., environmental degradation, growing water scarcity, greenhouse gas emissions, HIV/AIDS and infectious diseases, population growth, and food insecurity.

THE USAID PROGRAM: USAID plans to use $65,334,000 in DA and $72,250,000 in ESF funds in FY 2002. USAID's FY 2003 request is for $74,547,000 in DA and $71,250,000 in ESF funds. USAID has seven regional strategic objectives that respond to the above challenges and one regional program that supports diverse analyses, innovation, and testing.

The Bureau's Program Development and Learning (PD&L) strategic objective provides a flexible vehicle for responding quickly, with short-term activities, to changing events and situations in the region. The PD&L program supports program planning, analysis, program assessments and evaluations, as well as Agency compliance with reporting and public information needs.

The United States-Asia Environmental Partnership (USAEP) engages the strengths of the U.S. Government and U.S. academic, business, and professional communities to address the environmental challenges of rapid industrial and urban growth in Asia. USAEP has demonstrated to U.S. and Asian partners that resource efficiency and environmental rigor are compatible with long-term economic growth and advanced prosperity. In addition to continuing the introduction of U.S.-developed technologies to Asian public and private entities, USAEP supports Asian countries' efforts to reduce air pollution and invest in cleaner fuels and technologies. Through USAEP, Asian decision-makers will become more receptive to the idea that enhancing competitiveness and access to global markets requires improved environmental performance. This receptivity will bring increasing investment in cleaner production, policy and regulatory reforms, and increasing benefits to U.S. business.

The Stabilize Population Growth and Protect Human Health objective responds to the growing threats of HIV/AIDS and other infectious diseases like tuberculosis and malaria. HIV/AIDS priorities are to slow the spread of the disease among high-risk groups, especially in mobile populations, and to minimize HIV rates in the general population. Infectious disease priorities are to expand subregional coordination of surveillance, monitor drug resistance, and prevent and treat tuberculosis and malaria. Through the regional strategic objective, USAID fosters partnerships with other donors, private sector organizations, and foundations. The HIV/AIDS and Infectious Diseases objective complements USAID's bilateral HIV and infectious disease activities, strengthens linkages among existing country-level programs, and expands local expertise through capacity building.

USAID's Encourage Economic Growth strategic objective focuses on improving the policy, legal, and regulatory environment for improved trade and investment. The South Asia Regional Initiative's energy program works to improve the regulatory, legal, policy and organizational changes needed to stimulate cross-border investment in energy infrastructure in South Asia, while the North Africa Regional Trade and Investment program addresses the legal, policy, and regulatory constraints to increased trade and investment among Morocco, Tunisia, and Algeria.

The Bureau's objective to Manage the Environment for Sustainability and Prosperity helps East Asian governments address national and regional environmental problems.

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Finally, the ANE Bureau has three established objectives, one directed at each subregion, that support improved regional stability through democracy and human rights. Through these objectives, USAID and the Department of State coordinate the programming and management of regional democracy activities that promote the rule of law, strengthen democratic practices through more open political systems and more representative and accountable government, and improve respect for human rights.

ONGOING PROGRAMS FOR WHICH NO FY 2002 OR FY 2003 FUNDING IS REQUESTED: The ANE regional program includes the following objectives for which USAID is not requesting new funds but is continuing to spend funds previously appropriated.

Number	Title	Last Notified	Planned Completion
498-001	Accelerating Economic Recovery in Asia	FY 02 CBJ, pp. 532-534	FY 2002
498-002	Fostering Resolution of Water Resources Disputes	FY 02 CBJ pp. 535-538	FY 2002

OTHER PROGRAM ELEMENTS: None.

OTHER DONORS: USAID works with many multilateral and bilateral donors to ensure close coordination of efforts across the region. Principal donors include the World Bank, the Asian Development Bank, the European Union, Japan, and several UN agencies. Programs and activities are coordinated with other donors at both the country and regional levels.

ANE Regional
PROGRAM SUMMARY
(In thousands of dollars)

Accounts	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
Child Survival and Disease Programs Fund	7,494	13,044	0	0
Child Survival and Health Programs Fund	0	0	16,227	0
Development Assistance	46,798	44,301	49,107	74,547
Economic Support Fund	73,250	114,079	72,250	71,250
Total Program Funds	**127,542**	**171,424**	**137,584**	**145,797**

STRATEGIC OBJECTIVE SUMMARY				
498-001 Accelerating Economic Recovery in Asia				
CSD	1,000	0	0	0
DA	11,750	0	0	0
ESF	5,000	0	0	0
498-002 Fostering Resolution of Water Resources Disputes				
DA	770	0	0	0
498-003 North Africa Regional Trade and Investment Initiative				
DA	1,000	0	0	0
ESF	5,000	0	0	0
498-007 Program Development and Learning				
CSD	1,494	1,535	0	0
CSH	0	0	8,450	0
DA	9,678	12,376	28,135	42,722
498-009 United States-Asia Environmental Partnership				
DA	15,000	14,878	10,000	8,000
498-012 Middle East Regional Democracy Fund				
ESF	6,000	3,991	5,000	5,000
498-014 South Asia Democracy				
ESF	8,000	0	0	0
498-015 East Asia and Pacific Environmental Initiative				
ESF	3,500	0	0	0
498-016 East Asia Regional Democracy Fund				
ESF	2,250	0	0	0
498-022 Stabilize Population Growth and Protect Human Health				
CSD	0	11,237	0	0
CSH	0	0	7,777	0
DA	0	0	0	13,303
498-023 Encourage Economic Growth				
DA	0	14,547	9,600	9,600
ESF	0	10,620	4,000	4,000
498-024 Manage the Environment for Sustainability and Prosperity				
DA	0	500	0	0
ESF	0	4,680	3,500	0
498-029 Asia & the Near East Regional HIV/AIDS and Infectious Disease Program				
CSD	5,000	0	0	0

	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
498-031 South Asia Regional Initiative/Energy Program (SARI/Energy)				
DA	8,600	0	0	0
ESF	3,000	0	0	0
498-036 Improve East Asia Regional Stability Through Democracy and Human Rights				
DA	0	0	100	0
ESF	2,500	6,341	9,000	9,000
498-037 Improve South Asia Regional Stability Through Democracy and Human Rights				
CSD	0	272	0	0
DA	0	2,000	1,272	922
ESF	0	10,477	3,500	2,000
498-xxx Department of State Programs				
ESF	38,000	77,970	47,250	51,250

PROGRAM DATA SHEET

USAID PROGRAM: Asia and the Near East Regional
PROGRAM TITLE: Analysis and Development of New Strategy Areas (Pillars: Economic Growth, *Agriculture, and Trade; Global Health; Democracy, Conflict, and Humanitarian Assistance)*
TITLE AND NUMBER: Program Development and Learning (PD&L), 498-007
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $28,135,000 DA; $8,450,000 CSH
UNOBLIGATED PRIOR YEAR FUNDS AND FUNDING SOURCE: $1,996,000 DA; $2,000 CSD
PROPOSED FY 2003 OBLIGTION AND FUNDING SOURCE: $42,722,000 DA
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** Continuing

Summary: The Program Development and Learning (PD&L) strategic objective is funded with both ANE regional and bilateral mission funds to finance short-term activities. Needs are determined on an annual basis to address current priorities and demands. *PD&L funds finance activities and* advisors that support the following functions:

- the development and refinement of new strategies for country and regional programs;
- the development of forward looking analyses that identify emerging development problems and opportunities in the region;
- the review of the implementation and coordination of programs in specific sectors (health, environment, economic growth, and democracy and governance) across the region to identify trends or common challenges;
- the evaluation and assessment of bilateral and regional development programs; and
- compliance with the Agency's and U.S. Government's reporting and public information needs.

Child Survival and Health (CSH) funds will be used for technical analyses, data collection and dissemination to guide and refine future population, health, and nutrition (PHN) programming in the ANE region. PD&L activities undertaken by missions with their funds will be notified under separate Congressional Notifications (CN).

Inputs, Outputs, and Activities: *FY 2002 Program:* The ANE Bureau plans to use PD&L resources to finance the analyses, technical assistance and training that will support the development and implementation of new programs and activities. The following represent examples of possible PD&L-supported activities: use development tools to address complex conflict issues as in Nepal; improve access to credit and financing; accelerate the spread and application of internet technology to development challenges; encourage and support transitions to more democratic and pluralistic societies in several countries in the region; reduce public sector corruption through improved governance, transparency and oversight; reduce the ability of criminal and terrorist organizations to launder illicit funds through the commercial banking systems in the region; respond to the growing number of conflicts over water resources in the region; improve agriculture productivity through the use of modern technology; improve human capacity development; support the design and initial implementation of new initiatives following the Global Development Alliance (GDA) business model; and improve the delivery of HIV/AIDS, maternal/child health, nutrition and family planning services.

FY 2003 Program: USAID plans to use FY 2003 PD&L resources to continue to develop new programs in the areas identified above. In addition, USAID will expand support of the design and implementation of public-private partnerships in the agriculture and environment sectors under the GDA business model. Child Survival and Health (CSH) funds will be combined with Development Assistance (DA) funds in FY 2003.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL RENOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 FUNDS FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: In FY 2001, PD&L funds were used for the following: to increase cooperation with the Japanese International Cooperation Agency (JICA) and the World Bank in the development of new programs that promote the expanded use of internet communication technology; to develop plans with several missions for programs to accelerate the application of internet technology to development challenges; to support the planning and design of new basic education programs in Afghanistan, Pakistan, Yemen, and Egypt; to assist in the analyses of the ongoing Maoist insurgency in Nepal and the roots of this conflict in order to aid the development of new program activities that will counter this growing threat to the country; to provide expertise jointly with State Department bureaus in democracy and governance to bilateral programs in order to maximize the effectiveness of available democracy/governance funding, particularly to include anti-corruption and conflict prevention in strategy designs; to assess USAID's urban management programs in light of the urbanization trends in India, Bangladesh, Philippines, Egypt and Morocco; to initiate the development of a new agricultural strategy for the region following an analysis of agriculture-related policy and food security issues; to provide technical assistance in aquatic resource management and analyze agriculture-related policy and food security issues in ANE; to analyze and identify current exploitation practices in forests of high conservation value in Asia; to assist USAID/India to plan the development a new strategy for the microfinance sector; to present an integrated gender strategy to increase women's opportunities in economic empowerment into ongoing and planned programs; to design new education programs in the ANE region, especially the Middle East; and to provide training on environmental regulations to strengthen environmental monitoring in the Middle East, South Asia, and East Asia.

Principal Contractors, Grantees, or Agencies: Key contractors or partners include the U.S. Department of Agriculture, Management Systems International, PricewaterhouseCoopers, DevTech, Academy for Educational Development, Johns Hopkins University, the University of Michigan, the Jorge Scientific Corporation, Abt Associates, Inc., John Snow, Inc., and Western Kentucky University.

US Financing in Thousands of Dollars

ANE-SPOTS

498-007 Program Development and Learning	CSD	CSH	DA	ESF
Through September 30, 2000				
Obligations	11,449	0	82,590	10,517
Expenditures	3,219	0	60,585	6,986
Unliquidated	8,230	0	22,005	3,531
Fiscal Year 2001				
Obligations	1,539	0	10,034	0
Expenditures	1,537	0	8,037	0
Through September 30, 2001				
Obligations	12,988	0	92,624	10,517
Expenditures	4,756	0	68,622	6,986
Unliquidated	8,232	0	24,002	3,531
Prior Year Unobligated Funds				
Obligations	2	0	1,996	0
Planned Fiscal Year 2002 NOA				
Obligations	0	8,450	28,135	0
Total Planned Fiscal Year 2002				
Obligations	2	8,450	30,131	0
Proposed Fiscal Year 2003 NOA				
Obligations	0	0	42,722	0
Future Obligations	0	0	0	0
Est. Total Cost	12,990	8,450	165,477	10,517

PROGRAM DATA SHEET

USAID PROGRAM: Asia and the Near East Regional
PROGRAM TITLE: Promote a Clean Environmental Revolution in Asia (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: United States-Asia Environmental Partnership (USAEP), 498-009
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $10,000,000 DA
UNOBLIGATED PRIOR YEAR FUNDS AND FUNDING SOURCE: $1,571,737 DA
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $8,000,000 DA
INITIAL OBLIGATION: FY 1992 **ESTIMATED COMPLETION DATE:** Continuing

Summary: USAEP will—

- demonstrate to decision-makers involved in Asia's industrialization and urbanization that improved environmental performance is consistent with economic growth;
- focus on four activity areas: public policy and environmental regulation; urban environmental management; industrial environmental management; and the export of U.S. environmental technology, expertise and practices to Asia; and
- actively engage the private sector—the primary engine of economic growth—to make the activities of Asian businesses cleaner and more efficient.

Inputs, Outputs, and Activities: *FY 2002 Program:* USAEP fosters partnerships that carry on outside the scope and duration of development agencies, mobilizing private initiative and resources that multiply the work of USAEP many times over. For example, it helps large firms put programs in place requiring environmental management standards for their extensive network of small- and medium-sized Asian suppliers, numbering in the thousands. In FY 2002, USAEP plans to help two more firms institutionalize such programs. USAEP is a regional program which not only links Asians with the United States but with other Asian countries, finding that an effective way to promote development in lesser developed countries is to partner them with more prosperous countries in Asia. For example, USAEP arranged for Thailand to share its experience with Vietnam, leading Vietnam to accelerate the phase-out of leaded gasoline by several years. This regional approach complements the core functions of USAID Missions. In FY 2002, USAEP will broker a partnership between Singapore and Indonesia to improve solid waste management in Indonesia. Another important benefit of USAEP's approach is that it is able to tap into resources from outside the U.S. Government. Since the program began in 1992, USAEP has leveraged over one dollar for every USAID dollar. In FY 2002, USAEP expects to leverage an amount equal to at least half the USAID budget from outside sources. USAEP plans to create at least 50 new partnerships to promote cleaner growth in Asia in FY 2002 and continue at least 120 existing partnerships. The purpose of these partnerships is to strengthen environmental laws and regulatory compliance, improve environmental management in cities and industries, and enhance the flow of knowledge and technologies from the United States to Asia that promote growth while protecting the environment. In FY 2002, USAEP expects its activities to create or improve at least 10 environmental laws and regulations, and improve compliance with at least 10 laws.

Aside from regulations, the other side of the environmental equation is voluntary private-sector incentives to reduce pollution, use resources more efficiently, and thereby reduce operating costs. USAEP will continue to help create networks and associations in Asia that will work to help Asian industries operate more cleanly. USAEP will continue to help firms adopt programs for voluntary reporting on their environmental performance. To address the strain caused by Asia's burgeoning cities, USAEP will help implement over 100 new or improved environmental practices and policies. Technology transfer helps Asia put cleaner growth into practice. USAEP assistance has resulted in $1.4 billion in exports from U.S firms to Asia for environmentally beneficial goods and services, in

addition to numerous licensing agreements and joint ventures. Since about two-thirds of these sales were to USAEP's five advanced developing economies (Malaysia, South Korea, Singapore, Hong Kong, and Taiwan), the phase-out of USAEP presence in four of these countries will significantly reduce USAEP-assisted exports, to an estimated $25 million in FY 2002. The hallmark partnership approach of USAEP embodies USAID's Global Development Alliance model to mobilize expertise and resources from state agencies, businesses, professional associations, NGOs, and universities. USAEP supports the Economic Growth, Agriculture, and Trade pillar by promoting clean economic growth and technology transfer.

FY 2003 Program: USAEP will support similar activities in FY 2003.

Performance and Results: In FY 2001, USAEP made great strides in enabling the public sector to better protect the environment. USAEP provided assistance to develop a national Clean Water Act in the Philippines and to develop policies promoting the use of waste biomass to make energy and products. In Thailand, USAEP enhanced the ability of the judiciary to make environmental rulings; and USAEP helped accelerate the phase-out of leaded gasoline in Vietnam, and revise regulations in Vietnam's Environmental Law. USAEP benefits health as well as the environment. Clean water kept flowing to Indonesia's urban poor through USAEP and Mission work with the Association of Indonesian Water Enterprises to train new directors for local "water enterprises." So far 36 out of 54 assisted enterprises have implemented recommendations to keep their operations viable and add new water connections. In India medical waste has long posed serious public health risks. To help Indian hospitals and nursing homes meet new Supreme Court rulings on medical waste, USAEP has been working both with medical facilities and government and public health officials. To ensure that the momentum supplied by the Supreme Court becomes institutionalized, USAEP is helping the Government of India put a regulatory framework in place, and brokered the transfer of U.S. technologies to help the situation.

USAEP has two programs to access the expertise of U.S. states and businesses located there. The partnership with the National Association of State Development Agencies provides matching grants to small- and medium-sized U.S. firms to help them market their environmental goods and services in Asia, usually via demonstrations and training for Asians. The program has engaged 46 states, generating over $400 million in export revenues and more than 850 new U.S. jobs. Independent research found that this program was the reason that 90% of recipients were able to make their first trip to Asia to introduce U.S. technologies there. USAEP's partnership with the Council of State Governments has matched $5.4 million in grants with over $8.3 million. Several dozen NGOs, 105 U.S. firms, 116 state agencies, and 38 universities have participated. More important to the participants than the grants is help from USAEP field personnel linking them with key Asian officials and businesses.

Other Donor Programs: USAEP collaborates with the Asian Development Bank (ADB) and the World Bank. According to the manager of ADB's Environment Division, USAEP played a noteworthy role "in the direction taken by ADB for the *Asian Environmental Outlook*, which has served as the basis for ADB's new Environmental Policy." USAEP also influences World Bank loans. For example, USAEP launched a Resource City partnership between the cities of Seattle and Haiphong, Vietnam. Seattle and the Bank will build upon USAEP's initial work with $500,000 and the project will ultimately facilitate more than $100 million in Bank loans for Haiphong urban development projects.

Principal Contractors, Grantees, or Agencies: USAEP is an interagency partnership of USAID with the Department of Commerce and the Environmental Protection Agency. USAEP's two major contractors are the Institute for International Education and the Louis Berger Group. USAEP also has cost-sharing arrangements with the National Association of State Development Agencies, Council of State Governments, The Asia Foundation, and Kenan Institute. Other partners are the U.S. Dept. of Agriculture, Alliance to Save Energy, and various Asian and U.S. professional associations and NGOs.

US Financing in Thousands of Dollars

ANE-SPOTS

498-009 United States-Asia Environmental Partnership	DA
Through September 30, 2000	
Obligations	152,949
Expenditures	148,442
Unliquidated	4,507
Fiscal Year 2001	
Obligations	19,222
Expenditures	5,234
Through September 30, 2001	
Obligations	172,171
Expenditures	153,676
Unliquidated	18,495
Prior Year Unobligated Funds	
Obligations	1,572
Planned Fiscal Year 2002 NOA	
Obligations	10,000
Total Planned Fiscal Year 2002	
Obligations	11,572
Proposed Fiscal Year 2003 NOA	
Obligations	8,000
Future Obligations	0
Est. Total Cost	191,743

PROGRAM DATA SHEET

USAID PROGRAM: Asia and Near East Regional
PROGRAM TITLE: Middle East Regional Democracy Fund (Pillar: Democracy, Conflict, and Humanitarian Assistance)
STRATEGIC OBJECTIVE AND NUMBER: Middle East Regional Democracy Fund, 498-012
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $5,000,000 ESF
UNOBLIGATED PRIOR YEAR FUNDS AND FUNDING SOURCE: $3,991,000 ESF
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $5,000,000 ESF
INITIAL OBLIGTATION: FY 1998 **ESTIMATED COMPLETION DATE:** Continuing

Summary: The development of a democratic culture in the Near East, based on representative government, strong civil society institutions, and respect for individual human rights, directly supports the U.S. goal of fostering democracy worldwide and enhances U.S. interests in peace and stability in the region. More democratic countries in the region that respect the rule of law and embrace civil society are likely to transfer power peacefully, resist the spread of extremism, promote investment by increasing confidence in the business sectors, and enhance the stability of the Near East region as a whole.

The countries of the Middle East are often characterized by autocratic rule, the absence of political and civil rights, cumbersome bureaucracies, corruption, and failure to deliver basic services. These factors, combined with fundamentalist Islam, pose serious challenges to the region's democratic development. However, some positive democratic momentum in the Middle East has been generated in recent years. Public participation in political life in many states is increasing through the growth of active nongovernmental organizations and the expanded role of elected legislatures/advisory councils. Morocco and Yemen have demonstrated a willingness to implement judicial reforms, as well as provide additional degrees of freedom to civil society organizations. While still nascent, potential openings for civil society, court reform, and legislative strengthening exist in Oman and Algeria.

Inputs, Outputs, and Activities: *FY 2002 Program:* This activity has defined a core program that directs resources to Morocco, Yemen, Oman, and Algeria in areas that have been identified as most likely to generate results over a short period of time. In FY 2002 the program will support activities focused on (but not limited to)—

- Algeria: parliamentary and civil society training;
- Morocco: civil society advocacy, human rights monitoring, anticorruption and ethics programs, women's rights advocacy, pre-election political party training;
- Oman: judicial reform; and
- Yemen: political party and parliamentary training, electoral assistance, judicial reform.

A Persian Gulf Regional Democratization Project will begin in 2002. The program will support establishment of a regional "democracy center" devoted to civic education; the development of a parliamentary training center to educate current and future legislators; and a series of targeted international visits and exchanges

This activity also supports a small grants program administered by the Department of State.

FY 2003 Program: USAID will conduct similar activities in FY 2003.

Performance and Results: An analysis of issues and opportunities to promote democracy and governance in the Middle East indicates the likelihood of achieving positive results in three important areas:

- commitment to the rule of law, including respect for human rights and particularly women's rights; a strong legal system; and an independent judiciary, as evidenced by improvements in the administration of justice and increased independence of judicial officials making fair decisions;

- a strong and participatory civil sector, including nongovernmental organizations and the media; and

- representative and accountable government, as evidenced by free and fair elections, more independent legislatures and improved constituency outreach.

Principal Contractors, Grantees, or Agencies: U.S. partner organizations for democracy and governance activities include the National Democratic Institute, the International Republican Institute, the International Foundation for Election Systems, the American Bar Association, Freedom House, and others to be determined.

US Financing in Thousands of Dollars

ANE-SPOTS

498-012 Middle East Regional Democracy Fund	ESF
Through September 30, 2000	
Obligations	10,580
Expenditures	3,597
Unliquidated	6,983
Fiscal Year 2001	
Obligations	0
Expenditures	5,700
Through September 30, 2001	
Obligations	10,580
Expenditures	9,297
Unliquidated	1,283
Prior Year Unobligated Funds	
Obligations	3,991
Planned Fiscal Year 2002 NOA	
Obligations	5,000
Total Planned Fiscal Year 2002	
Obligations	8,991
Proposed Fiscal Year 2003 NOA	
Obligations	5,000
Future Obligations	0
Est. Total Cost	24,571

PROGRAM DATA SHEET

USAID PROGRAM: Asia and the Near East Regional
PROGRAM TITLE: Regional HIV/AIDS and Infectious Diseases (Pillar: Global Health)
STRATEGIC OBJECTIVE AND NUMBER: Stabilize Population Growth and Protect Human Health, 498-022
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $7,777,000 CSH
UNOBLIGATED PRIOR YEAR FUNDS AND FUNDING SOURCE: $400,000 CSD
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $13,303,000 DA
INITIAL OBLIGATION: FY 2001 **ESTIMATED COMPLETION DATE:** FY 2006

Summary: The regional program strengthens capacity to address diseases such as HIV/AIDS, tuberculosis, and malaria in the following ways:

- disease surveillance;
- behavior change and communications;
- training;
- research; and
- community-based care and support.

The regional program supports HIV/AIDS and infectious disease activities: in countries where USAID does not have a mission ("nonpresence" countries); occasionally in countries where USAID has a mission but where lessons can be learned that will inform other country programs; by multilateral organizations implementing HIV/AIDS and/or infectious disease activities where our objectives are compatible, but USAID capacity is limited; and across borders where no mission has primary responsibility. The regional program also funds consultants to investigate significant issues in HIV/AIDS and infectious disease that will inform missions as they develop strategies and program activities, and to assist missions to design and monitor activities. Finally, until FY 2002, the regional program has funded senior advisors in HIV/AIDS and infectious disease working on contract with USAID.

Inputs, Outputs, and Activities: *FY 2002 Program:* In FY 2002 the program will support: (1) activities in nonpresence countries such as Laos, Thailand, and Vietnam; (2) multi-country and cross-border activities in South and Southeast Asia; (3) international and multilateral health organizations; (4) short-term HIV/AIDS and infectious disease consultants assisting missions and the ANE Bureau. FY 2002 activities mainly focus on HIV/AIDS, tuberculosis, and malaria in high-risk populations. USAID provides technical assistance through these activities that will strengthen training, policy, advocacy, and surveillance systems, while developing and applying new interventions.

Planned FY 2003 Program: During FY 2002 USAID plans to transfer cross-border activities and support for international and multilateral organizations from ANE to the Bureau for Global Health. These revised administrative structures should be completed by mid-FY 2002. However, because transfer arrangements are not finalized, the proposed plan and budget level for FY 2003 are included in this program data sheet. In FY 2003 and beyond, ANE's SO 22 will continue to fund HIV/AIDS and infectious disease activities in non-presence countries such as Laos, Thailand, and Vietnam; short-term consultants to assist missions and the ANE Bureau; and activities in selected countries that will provide broader lessons learned.

Performance and Results: With support from USAID, disease monitoring has been improved and access to key services has been expanded in the region. Specific examples include—

- Completion of the first HIV/AIDS behavioral surveillance survey in Laos to identify populations at risk and behaviors contributing to disease spread. The survey information will be used to assist in improving the targeting of interventions such as condom promotion, education, and behavior change in specific populations and geographic areas.

- Completion of five-year plans and budgets for tuberculosis control programs in Cambodia, Mongolia, Philippines, and Papua-New Guinea and development of a draft regional plan to address the problem of overlapping HIV/AIDS and tuberculosis epidemics. These activities are essential for responding to the significant tuberculosis burden in the region at a time when HIV/AIDS infections are steadily increasing.

- Establishment of a regional surveillance network for monitoring the effectiveness of anti-malarial drugs and completion of standardized surveillance training for malaria staff in Cambodia, Laos, Thailand, and Vietnam. Through these efforts, drug-resistant malaria will be monitored in the region so that (1) treatment regimens for malaria can be updated if cure rates begin to drop and (2) interventions can be targeted at populations and geographic areas where drug resistance is emerging.

These efforts have resulted in significant progress in understanding the extent of the HIV/AIDS epidemic in the region and are beginning to expand services to reach more people at risk. In response to tuberculosis and malaria, USAID support has enabled national and regional partners to rapidly scale up monitoring and effective treatment of these diseases. As a result, more people in the region can protect themselves against these debilitating diseases and participate in the development of their countries.

Principal Contractors, Grantees, or Agencies: Key partners for USAID include Family Health International, the International HIV/AIDS Alliance, the Futures Group International, the World Health Organization, and the Kenan Institute of Asia.

US Financing in Thousands of Dollars

ANE-SPOTS

498-022 Stabilize Population Growth and Protect Human Health	CSD	CSH	ESF	DA
Through September 30, 2000				
Obligations	0	0	0	
Expenditures	0	0	0	
Unliquidated	0	0	0	
Fiscal Year 2001				
Obligations	11,237	0	997	
Expenditures	0	0	0	
Through September 30, 2001				
Obligations	11,237	0	997	
Expenditures	0	0	0	
Unliquidated	11,237	0	997	
Prior Year Unobligated Funds				
Obligations	400	0	0	
Planned Fiscal Year 2002 NOA				
Obligations	0	7,777	0	
Total Planned Fiscal Year 2002				
Obligations	400	7,777	0	
Proposed Fiscal Year 2003 NOA				
Obligations	0	0	0	13,303
Future Obligations	0	0	0	30,000
Est. Total Cost	11,637	7,777	997	43,303

PROGRAM DATA SHEET

PROGRAM: *Asia and the Near East Regional*
PROGRAM TITLE: Increased Energy and Trade Development (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Encourage Economic Growth, 498-023
STATUS: *Continuing*
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $9,600,000 DA; $4,000,000 ESF
PRIOR YEAR UNOBLIGATED AND FUNDING SOURCE: $3,464,000 DA; $11,284,000 ESF
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $9,600,000 DA; $4,000,000 ESF
INITIAL OBLIGATION: FY 2001 **ESTIMATED COMPLETION DATE:** Continuing

Summary: The ANE economic growth program consists of—

- technical assistance and training in a number of countries in South Asia and North Africa through contractors, NGOs, U.S. Government agencies, and the private sector;
- legal, policy, and regulatory reform to increase trade and investment in North Africa and South Asia; and
- promotion of regional cooperation in energy development and the eventual trade in clean energy resources among six South Asian countries.

Inputs, Outputs, and Activities: *FY 2002 Program:* U.S.-North Africa Trade and Investment Initiative (USNATII) assistance will provide short-term expert consulting and workshops for public and private sector entities in North Africa—primarily Morocco, Tunisia, and Algeria (the Maghreb). The expected results of this activity are the reform of regulations, procedures, and policies to improve the trade and investment climate in North Africa; establishment of an internet-based network to match business opportunities in North Africa with businesses in the United States called the Global Technology Network (GTN); and facilitation of internet/e-commerce-related activities in the region. The beneficiaries will be local industries and industry associations, foreign investors, and the host country.

USAID will use FY 2002 South Asia Regional Initiative/Energy (SARI/E) funds to continue technical assistance, capacity-building, and partnership activities addressing the following five priorities in five South Asian countries:

- establish the framework for regional energy trade and exchange;
- harmonize and reform regulatory and tariff policies;
- increase private sector investment in energy development and supply;
- expand cost-effective rural energy supplies and services; and
- improve energy efficiency.

The use of these funds will double the 2001 achievement of reaching out to over 450 technical leaders, policymakers, and energy utility practitioners through training courses, workshops, exchange programs, and technical assistance opportunities.

The program will: 1) transfer best practices from the USAID-funded Bangladesh co-operative rural electrification model; 2) support increased participation of women in rural energy supply (RES) decision-making; 3) share the best features of power purchase agreements for RES; 4) design and implement effective and targeted subsidies for RES; 5) harmonize energy efficiency standards and labels for at least two appliances in the region; and 6) support the transfer of business development strategies and energy audit skills between at least three private-sector energy firms in the region.

Planned FY 2003 Program: USAID plans to use FY 2003 resources to launch a second three-year phase of SARI/Energy. Phase II will build on opportunities emerging from Phase I activities, based

on priorities identified by leaders from South Asian countries. USAID anticipates that ESF funding for USNATII will continue in FY 2003 at approximately the same level as in previous years. Activities will continue to focus on improving the climate for trade and investment in the Maghreb. Funding for GTN will continue.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL RENOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 FUNDS FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: SARI/Energy is expected to (1) double power trade between countries from 150 MW to 300 MW; (2) stimulate the development of clean and efficient generating capacity to be traded across borders; (3) expand rural communities access to cost-effective and efficient energy services; and (4) harmonize regional standards of energy efficiency to rationalize cross border trade. More importantly, working through priority policy and regulatory issues in neutral forums and securing national commitments to cross-border energy agreements and trade builds trust and confidence, essential precursors to the investments in the cross-border physical infrastructure the region now lacks.

USNATII addresses the legal, policy, and regulatory constraints to increased trade and investment in North Africa. To date it has (1) helped liberalize the insurance sector and land markets in Morocco; (2) reformed commercial law in both Tunisia and Algeria related to World Trade Organization standards; and, (3) improved competition policies. Finally, in both Morocco and Tunisia, an electronic network has been established that connects local business people with potential U.S. suppliers.

Principal Contractors, Grantees, or Agencies: SARI/Energy: USAID activities will be implemented by the U.S. Chamber of Commerce; U.S. Energy Association; Nexant Consulting (a Bechtel subsidiary); Academy for Educational Development; Core International Inc.; Institute for International Education; the U.S. Department of Energy's Energy Information Administration; Advanced Engineering Associates International; and the National Association of State Development Agencies. USNATII: USAID activities will be implemented by the U.S. Departments of Commerce and Treasury and by the Academy for Educational Development.

US Financing in Thousands of Dollars

ANE-SPOTS

498-023 Encourage Economic Growth	DA	ESF
Through September 30, 2000		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
Fiscal Year 2001		
Obligations	10,641	0
Expenditures	0	0
Through September 30, 2001		
Obligations	10,641	0
Expenditures	0	0
Unliquidated	10,641	0
Prior Year Unobligated Funds		
Obligations	3,464	11,284
Planned Fiscal Year 2002 NOA		
Obligations	9,600	4,000
Total Planned Fiscal Year 2002		
Obligations	13,064	15,284
Proposed Fiscal Year 2003 NOA		
Obligations	9,600	4,000
Future Obligations	0	0
Est. Total Cost	33,305	19,284

PROGRAM DATA SHEET

USAID PROGRAM: Asia and the Near East Regional
PROGRAM TITLE: Environmental Management (Pillar: Economic Growth, Agriculture, and Trade)
STRATEGIC OBJECTIVE AND NUMBER: Manage the Environment for Sustainability and Prosperity, 498-024
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $3,500,000 ESF
PRIOR YEAR UNOBLIGATED FUNDS AND FUNDING SOURCE: $500,000 DA, $4,680,000 ESF
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: None.
INITIAL OBLIGATION: FY 2001 **ESTIMATED COMPLETION DATE:** Continuing

Summary: The ANE environment program focuses on implementation of the East Asia and Pacific Environmental Initiative (EAPEI). The goal of EAPEI is to promote environmental quality in the East Asia and the Pacific by increasing environmental capacity and knowledge through joint Department of State-USAID and partner efforts in areas such as—

- improved forestry management;
- forest fire detection, suppression, and management; and
- halting destructive fishing practices.

Inputs, Outputs, and Activities: *FY 2002 Program:* EAPEI will continue to provide technical assistance to support the reform management policies and management systems that enable communities to play a more formal role in the management of coastal and forest lands. For example, through assistance to Community Forestry International/Asia Forest Network, EAPEI will facilitate exchange of information on innovative community forestry policies, development strategies and best practices; and link community forestry activities around Southeast Asia. The goal of this activity is to accelerate the development and implementation of national and local policies and operational procedures that enable local communities to engage formally in management of forests under governmental jurisdiction. EAPEI will focus on assisting governments and civil society in effectively managing the decentralization of the management of natural resources, both marine and terrestrial. Activities will focus on increasing knowledge and building capacity through technical assistance.

FY 2003 Program: No funding is requested in FY 2003.

Performance and Results: EAPEI activities have improved understanding of the root causes and impacts of fires in Indonesia; improved local, national, and regional fire detection, suppression, and management activities; improved environmental planning and management; and helped combat destructive fishing and coral harvest practices in Southeast Asia and the Pacific.

The program has supported improvements in fire management and response in Indonesia. Technical assistance from the U.S. Department of Agriculture Forest Service has raised the technical quality of the work of the ASEAN Haze Coordination and Support Unit and helped to maintain information flows about other donors' fire suppression activities. Other forest policy activities supported under EAPEI, particularly in analyzing the sources and impacts of fires and identification of alternatives to slash-and-burn agriculture, have proven valuable in identifying policy reform opportunities and promoting decentralization, governance, and equity objectives of the new Indonesian government.

EAPEI supported work by the International Marine Life Alliance and the World Resources Institute in Southeast Asia, and the Nature Conservancy in the Pacific to halt destructive fishing practices such as cyanide and dynamite fishing and over harvesting. Notable progress was made documenting and combating the spread of these practices in the region.

Principal Contractors, Grantees, or Agencies: Implementing partners include 1) U.S. Government agencies, including the Environmental Protection Agency, National Oceanic and Atmospheric Administration, USDA Forest Service, Department of Interior, Office of Surface Mining and the National Park Service; 2) U.S. nongovernmental organizations such as Conservation International, The Nature Conservancy, World Wildlife Fund, and the World Resources Institute; 3) international agricultural research centers such as the International Center for Research on Agroforestry and the Center for International Forestry Research; 4) the University of Rhode Island's Coastal Resources Center; and 5) international organizations such as the South Pacific Regional Environmental Program.

US Financing in Thousands of Dollars

ANE-SPOTS

498-024 Manage the Environment for Sustainability and Prosperity	DA	ESF
Through September 30, 2000		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
Fiscal Year 2001		
Obligations	0	0
Expenditures	0	0
Through September 30, 2001		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
Prior Year Unobligated Funds		
Obligations	500	4,680
Planned Fiscal Year 2002 NOA		
Obligations	0	3,500
Total Planned Fiscal Year 2002		
Obligations	500	8,180
Proposed Fiscal Year 2003 NOA		
Obligations	0	0
Future Obligations	0	0
Est. Total Cost	500	8,180

PROGRAM DATA SHEET

USAID PROGRAM: Asia and the Near East Regional
PROGRAM TITLE: East Asia Regional Democracy Fund (Pillar: Democracy, Conflict, and Humanitarian Assistance)
STRATEGIC OBJECTIVE AND NUMBER: Improve East Asia Regional Stability Through Democracy and Human Rights, 498-036*
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $100,000 DA and $9,000,000 ESF
PRIOR YEAR UNOBLIGATED FUNDS AND FUNDING SOURCE: $3,206,000 ESF
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $9,000,000 ESF
INITIAL OBLIGATION: FY 2001 **ESTIMATED COMPLETION DATE:** Continuing

Summary: The trend in the East Asia and Pacific region has been a transition from autocratic governments toward democracies and democratic institutions. However, this transition has been, at best, uneven. This objective supports the U.S. goal of increasing democracy, civil society, rule of law, and adherence to human rights. Also, it will promote democracy and human rights through the advancement of women throughout East Asia. Improvement in the status of women will lead to full enfranchisement of a nation's citizens, higher educational levels, more skilled labor forces, and reduced population growth. All of these goals are in the U.S. national interest.

Inputs, Outputs, and Activities: *FY 2002 Program:* This objective supports democracy, governance, and human rights projects in key countries in East Asia and the Pacific. The projects will:

- enhance civil societies that can advocate on behalf of human rights, the rule of law, and freedom of the press and assembly;
- build democratic institutions and set standards for good governance and transparency;
- promote regional dialogue focused on strengthening intra-regional networks of human rights NGOs and on heightening the attention paid to human rights by Asian governments;
- increase women's participation in the political process;
- seek to eliminate violence against women in all its forms; and
- reduce the trafficking of women and children within and from the East Asian and Pacific region.

In FY 2002, this program will focus on regional priorities evolving from the events of September 11th. The programs could include, but are not limited to, support for cooperative regional efforts on counter-terrorism; support for moderate, mass-based Islamic organizations; civic education efforts in faith-based and secular schools; support for Muslim women's organizations to promote messages of peace; support for anticorruption initiatives; strengthening democratic institutions and civil society efforts to promote a law-based society and religious tolerance.

FY 2003 Program: USAID will conduct similar activities in FY 2003.

Performance and Results: Region-wide programs and projects promote democratic reform and good governance; address terrorism; empower women to participate fully in democracy-building efforts; combat violence against women; and deter trafficking of women and children. The activities are aimed at the following:

- strengthening democratic institutions in key East Asian countries;

* In FYs 2000-2002, ESF resources for this program have been allocated from "East Asia and the Pacific Regional Democracy" and/or "East Asia and the Pacific Regional Women's Issues" in accordance with the Department of State's Congressional Presentation.

- increasing the effectiveness of government efforts to address terrorism, including fighting corruption, improving governance, and deepening development of the foundations of law-based and civil society;
- increasing women's leadership in decision-making bodies, particularly at the local level;
- strengthening the advocacy capacity of women's organizations to shape policy processes and outcomes;
- raising societal awareness of, and commitment to, the basic notion of women's rights;
- improving effective community support and enforcement mechanisms through which women can seek protection and redress; and
- increasing awareness of trafficking to at-risk individuals, advancing protection of trafficking victims' legal rights and access to justice, and promoting coordination and collaboration between NGOs and government agencies within and across borders.

Principal Contractors, Grantees, or Agencies: The Asia Foundation and others to be determined.

US Financing in Thousands of Dollars

ANE-SPOTS

493-036 Improve East Asia Regional Stability Through Democracy and Human Rights	DA	ESF
Through September 30, 2000		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
Fiscal Year 2001		
Obligations	0	5,682
Expenditures	0	3,700
Through September 30, 2001		
Obligations	0	5,682
Expenditures	0	3,700
Unliquidated	0	1,982
Prior Year Unobligated Funds		
Obligations	0	3,206
Planned Fiscal Year 2002 NOA		
Obligations	100	9,000
Total Planned Fiscal Year 2002		
Obligations	100	12,206
Proposed Fiscal Year 2003 NOA		
Obligations	0	9,000
Future Obligations	0	0
Est. Total Cost	100	26,888

PROGRAM DATA SHEET

USAID PROGRAM: Asia and the Near East Regional
PROGRAM TITLE: South Asia Regional Democracy Fund (Pillar: Democracy, Conflict, and Humanitarian Assistance)
STRATEGIC OBJECTIVE AND NUMBER: Improve South Asia Regional Stability through Democracy and Human Rights, 498-037*
STATUS: Continuing
PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE: $1,272,000 DA and $3,500,000 ESF
UNOBLIGATED PRIOR YEAR FUNDS AND FUNDING SOURCE: $6,439,000 ESF
PROPOSED FY 2003 OBLIGATION AND FUNDING SOURCE: $922,000 DA and $2,000,000 ESF
INITIAL OBLIGATION: FY 2001 **ESTIMATED COMPLETION DATE:** Continuing

Summary: The United States has a vital interest in maintaining stability and strengthening the democratic form of government in South Asia. In addition to the challenges of Afghanistan reconstruction and the India/Pakistan nuclear threat, several countries in South Asia face armed insurgencies. The development of democratic institutions is incomplete across the region. Government accountability is poor and corruption is high, undermining investment potential and public confidence in government institutions. Human rights abuses abound, demonstrated by the low status of women, the trafficking of women and children, and widespread exploitation of child labor.

The fund supports two components:

- The anti-trafficking program supports regional advocacy efforts; pilots new activities and documents and disseminates best practices; supports local efforts to improve the status of women and children who are trafficked by improving their education levels, negotiating/bargaining power, and social and economic status; and addresses the dearth of reliable studies on the demography of trafficking.

- The strengthening of democratic institutions program includes public advocacy training, electoral reform, training for newly elected women leaders, legal aid and human rights assistance, and electoral reform.

Inputs, Outputs, and Activities: *FY 2002 Program:* The objective will support efforts to improve the status of women and address human rights abuses, particularly related to women and children. In FY 2001, approximately $3.8 million DA, $272,000 CSD, and $964,000 ESF will be obligated for the following:

- Bangladesh—anti-violence programs targeting women;
- Sri Lanka—programs for at-risk youth, including child soldier rehabilitation;
- Nepal—literacy training for women; and
- India—combating abusive child labor practices, and supporting women's microfinance programs.

In FY 2002, USAID will explore activities to support India-Pakistan reconciliation and other conflict resolution efforts in the region.

FY 2003 Program: USAID will conduct similar activities in FY 2003.

*In FY 2001, ESF resources for this program, including Pakistan, were allocated from "South Asia Democracy" and/or "South Asia Women and Children Support Funds" and/or "South Asia Regional Stability" in accordance with the Department of State Congressional Presentation. In FY 2002, ESF resources are budgeted from resources allocated for the "South Asia Regional Fund" in accordance with the Department of State Congressional Presentation.

SUBMISSION OF THIS PROGRAM DATA SHEET CONSTITUTES FORMAL RENOTIFICATION OF USAID'S INTENT TO OBLIGATE FY 2002 FUNDS FOR THE ACTIVITIES DESCRIBED ABOVE.

Performance and Results: The following activities are illustrative.

- Elements of democratic systems strengthened: While elections do take place in South Asia, and the basic institutions of democracy do exist—parliaments, judiciaries, and executive agencies—these institutions are often weak and ineffective. This activity will be oriented to address the substance of needed democratic reforms.

- Promotion of women and children's equity: The low status of women and girls, combined with persistent poverty, contributes to high rates of trafficking in women and children, domestic violence, and child labor. This activity will be designed to encourage implementation of laws and practices that reduce human rights violations against women and children and to support greater opportunities for the equitable participation of women and children in social, political, educational, and economic life.

- Confidence building: There are compelling economic and global issues that are galvanizing certain groups in the region to advocate for the difficult but necessary tasks of national reconciliation and regional cooperation. These groups are making inroads on important issues, such as water sharing, free trade and joint ventures, anti-corruption, and cooperation in the energy sector. This activity will support these efforts as an essential step toward building the basic level of confidence within and among countries in the region.

Note: This objective also will support a small grants program managed by the Department of State. In FY 2001, $1.4 million is planned (not included in the above funding amounts). The small grants program will be the subject of a separate notification by the Department of State.

Principal Contractors, Grantees, or Agencies: Partners for democracy and governance activities include: The Asia Foundation, Agha Khan Foundation, International Foundation for Election Systems, National Democratic Institute, International Republican Institute, and other contractors and grantees to be determined. UNIFEM is implementing a three to five year regional anti-trafficking program, complemented by bilaterally-funded NGO activities. In India, the child labor program includes grant support to UNDP, CARE, and Catholic Relief Services that in turn provide sub-grant assistance to leading local NGOs. The micro-finance activity will be implemented by a local NGO, Friends of Women's World Banking.

US Financing In Thousands of Dollars

ANE-SPOTS

498-037 Improve South Asia Regional Stability Through Democracy and Human Rights	CSD	DA	ESF
Through September 30, 2000			
Obligations	0	0	0
Expenditures	0	0	0
Unliquidated	0	0	0
Fiscal Year 2001			
Obligations	272	12,179	4,538
Expenditures	0	0	0
Through September 30, 2001			
Obligations	272	12,179	4,538
Expenditures	0	0	0
Unliquidated	272	12,179	4,538
Prior Year Unobligated Funds			
Obligations	0	0	6,439
Planned Fiscal Year 2002 NOA			
Obligations	0	1,272	3,500
Total Planned Fiscal Year 2002			
Obligations	0	1,272	9,939
Proposed Fiscal Year 2003 NOA			
Obligations	0	922	2,000
Future Obligations	0	0	0
Est. Total Cost	272	14,373	16,477

ABBREVIATIONS AND ACRONYMS

AAFLI	Asian-American Free Labor Institute
AAUJ	Arab American University in Jenin
ABEL	Advancing Basic Education and Literacy
ACDI	Agriculture Cooperation Development International
ACILS	American Center for International Labor Solidarity
ACLEDA	Association of Cambodian Local Economic Development
ADB	Asian Development Bank
ADR	Alternative Dispute Resolution
ADRA	Adventist Development and Relief Agency
AED	Academy for Educational Development
AERA	Accelerating Economic Recovery in Asia
AGILE	Accelerated Growth, Investment, and Liberalization with Equity
ALGAS	Asia Least Cost Greenhouse Gas Abatement Strategy
ALO	Association Liaison Office
AMC	Ahmedabad Municipal Corporation
AMIR	Access to Micro-Finance and Implementation of Policy Reform
ANE	Asia and Near East
ANERA	American Near East Refugee Aid
AOJS	Administration of Justice Support
APAC	AIDS Prevention and Control
APEC	Asia-Pacific Economic Cooperation
APEDA	Agricultural Products Export Development Authority
APR	Agricultural Policy Reform
AREP	Accelerated Reform for Enterprise Promotion
APRP	Agricultural Policy Reform Program
ASEAN	Association of Southeast Asian Nations
ATFL	American Task Force in Lebanon
AUB	American University of Beirut
AUSAID	Australia Agency for International Development
AVRDC	Asian Vegetable Research & Development Center
AVSC	Access for Voluntary Surgical Contraceptive
BAPPENAS	Indonesia National Planning Agency
BARC	Bangladesh Agricultural Research Council
BBSA	Basic Business Skill Acquisition
BHR	Bureau for Humanitarian Relief
BIGUF	Bangladesh Independent Garment Workers Union Federation
BOD	Biochemical Oxygen Demand
BOOT	Build-Own-Operate Transfer
BOT	Build-Operate-Transfer
BRAC	Bangladesh Rural Advancement Committee
CAC	Community Access Center
CAI	Creative Associate Incorporated
CAIP	Cairo Air Improvement Project
CAMP	Coastal Aquifer Management Program
CARE	Cooperative for Assistance & Relief Everywhere
CBFRM	Community-based Forest Resource Management
CBSL	Central Bank of Sri Lanka
CCP	Second Prime Minister Hun Sen
CCT	Cooperative Coffee Timor

CDC	Centers for Disease Control and Prevention
CDP	Cambodian Defenders Project
CECI	Canadian Center for International Studies & Cooperation
CEDPA	Center for Development and Population Activities
CEP	Community Empowerment Program
CEPPS	Consortium for Elections and Political Process
CFET	Consolidated Fund for East Timor
CG	Consultative Group
CIMMY	International Maize & Wheat Improvement Center
CITES	Convention of International Trade in Endangered Species
CIP	Commodity Import Program
CLDP	Commercial Law Development Program
CLD/SUNY	Center for Legislative Development at the State University of New York/Albany
CMS	Commercial Markets Strategy
CNG	Compressed Natural Gas
CO2	Carbon Dioxide
CPP	Comprehensive Post Partum Center
CPR	Contraceptive Prevalence Rate
CRM	Coastal Resources Management
CRS	Catholic Relief Services
CRSP	Cornell Universities - Collaboration Research Support
CSD	Child Survival and Disease
CSD	Commission on Sustainable Development
CSE	Colombo Stock Exchange
CSG	Council of State Governments
CSO	Civil Society Organization
CSW	Commercial Sex Workers
CT	Cash Transfer
CWS	Church World Services
CY	Calendar Year
CYP	Couple-Years' Protection
DA	Development Assistance
DAI	Development Alternatives Incorporated
DAVIS	Universities of Florida and California
DBO	Design-Build-Operate
DCA	Development Credit Authority
DEVTA	Deworming and Enhanced Vitamin A
DFID	British Department for International Development
DG	Democracy and Governance
DIET	District Institute of Education and Training
DOE	Department of Energy
DOH	Department of Health
DOP	Declaration of Principles on Interim Self-Governing Arrangement
DP	Democracy Partnership
DPEP	District Primary Education Program
DSP	Development Support Program
EAPEI	East Asia and Pacific Environmental Initiative
EBRD	European Bank for Regional Development
ECEP	Energy Conservation and Environment Project
EEAA	Egyptian Environmental Affairs Agency
EEHC	Electricity Holding Company
EEPP	Egypt Environmental Policy Program

EIA	Environmental Impact Assessment
EMPS	Environment Managed for Prosperity and Sustainability
ENR	Environment and Natural Resources
EPA	Environmental Protection Agency
EPSP	Economic Policy Support Project
ESEG	Energy Security for Economic Growth
ESF	Economic Support Fund
ETU	Egyptian Technology University
EU	European Union
FIAS	Foreign Investment Advisory Service
FICCI	Federation of Indian Chambers of Commerce and Industry
FORWARD	Fostering Resolution of Water Resources Disputes
FP	Family Planning
FP/MCH	Family Planning/Maternal and Child Health
FRM	Forest Resources Management
FTA	Federal Trade Agreement
FTF	Farmer to Farmer
FWWB	Friends of Women's World Banking
FY	Fiscal Year
GATT	General Agreement on Tariffs and Trade
GCC	Global Climate Change
GDA	Global Development Alliance
GDP	Gross Domestic Product
GEF	Global Environment Facility
GESAMP	Group of Experts on the Scientific Aspects of Marine Environmental Protection
GESI	Global Environmental Sanitation Initiative
GHG	Greenhouse Gas
GIE	Gaza Industrial Estate
GIN	Greening of Industry Network
GNP	Gross National Produce
GOB	Government of Bangladesh
GOE	Government of Egypt
GOI	Government of India
GOI	Government of Indonesia
GOI	Government of Israel
GOJ	Government of Jordan
GOL	Government of Lebanon
GOM	Government of Mongolia
GOM	Government of Morocco
GON	Government of Nepal
GOP	Government of the Philippines
GOY	Government of Yemen
GPA	Global Programme of Action for the Protection of the Marine Environment from Landing-based Activities
GREGI	Gobi Regional Growth Initiative
GSL	Government of Sri Lanka
GTN	Global Technology Network
GTZ	German Technical Aid
HBCUs	Historically Black Colleges and Universities
HIV/AIDS	Human Immuno Virus/Acquired Immunodeficiency Syndrome
HKI	Helen Keller International

HMHC	Health Maintenance and Health Care
HPSP	Health Policy Support Program
HRC	Human Rights Commission
IACCC	Inter-Agency Climate Change Committee
IBRA	Indonesian Bank Restructuring Agency
IBRD	International Bank for Reconstruction and Development (World Bank)
ICDDR	International Center for Diarrheal Disease Research
ICDS	Integrated Child Development Services
ICICI	Industrial Credit and Investment Corporation of India
ICLARM	International Center for Living Aquatic Resources Mgmt
ICRC	International Committee of the Red Cross
ICZM	Integrated Coastal Zone Management
ID	Infectious Diseases
IDE	International Development Enterprises
IEC	Information, Education and Communication
IESC	International Executive Service Corps
IFAD	International Fund for Agricultural Development
IFC	International Finance Corp
IFDC	International Fertilizer Development Center
IFES	International Foundation for Election Systems
IFI	International Financial Institution
IFPRI	International Food Policy Research Institute
IFPS	Innovations in Family Planning Services
IHE-Delft	International Institute for Infrastructural, Hydraulic, and Environmental Engineering
IHRIG	International Human Rights Law Group
ILO	International Labor Organization
IMET	International Military Education and Training
IMF	International Monetary Fund
IMR	Infant Mortality Rate
IMT	Irrigation Management Transfer
INAS	Morocco's School of Public Health
INCLEN	International Clinical Epidemiology Network
INDRA	Indonesia Debt Restructuring Agency
IOM	International Organization for Migration
IPEC	International Program on the Elimination of Child Labor
IPR	Intellectual Property Rights
IRI	International Republican Institute
IRIS	Institutional Reform & The Informal Sector
ISBO	Institutional Strengthening for Business Opportunities
ISO	International Export Standard
IT	Information Technology
IUD	Inter-uterine Device
IVCHS	Improved Village and Community Health Service Program
IVS	International Voluntary Services
JAFPP	Jordan Association of Family Planning
JICA	Japanese International Cooperation Agency
JSI	John Snow Incorporation
JUSBP	Jordan U.S. Business Partnership
JVA	Jordan Valley Authority
JWC	Joint Water Committee

KHANA	Khmer HIV/AIDS Alliance
LAF	Lebanese Armed Forces
LAU	Lebanese American University
LC	Local Currency
LE	Egyptian Pound
LEB	Locally Elected Body
LGU	Local Government Unit
LMI	Lower-Middle-Income
LTTE	Liberation Tigers of Tamil Elam
MAFF	Ministry of Agriculture Forestry and Fisheries
MAI	Multilateral Assistance Initiative
MAP	Market Access Program
MAP	Morocco Agribusiness Promotion
MBA	Masters of Business Administration
MBIT	Masters of Business in Information Technology
MCEI	Municipal Coastal Environmental Initiative
MCH/FP	Maternal and child health/family planning
MCH	Maternal and Child Health
MCM	Million Cubic Meters
ME&A	Mendez-England and Associates
MEA	Middle East and North Africa
MEG	Morocco Education for Girls
MERC	Middle East Regional Cooperation
MES	Mongolian Energy Sector Project
MFA	Microenterprise Finance
MFI	Microfinance Institutions
MNE	Ministry of National Education
MNLF	Moro National Liberation Front
MOE	Ministry of Environment
MOEYS	Ministry of Education, Youth and Sports
MOH	Ministry of Health
MOHHC	Ministry of Health and Health Care
MOHP	Ministry of Health and Population
MOJ	Ministry of Justice
MOLG	Ministry of Local Government
MOMRA	Municipal and Rural Affairs
MOPH	Ministry of Public health
MOST	Micronutrient Operational Strategies and Technologies
MPF	Multiproject Financing Facility
MPP	Mission Performance Plan
MP	Members of Parliament
MPRP	Mongolian People's Revolutionary Party
MSI	Management Education for Girls
MT	Metric Tons
MVCS	Most Valuable Companies
MW	Megawatts
MWI	Ministry of Water and Irrigation
NA	Not applicable or not available
NACP	National AIDS Control Program

NAMRU-3	Naval Medical Research Unit
NASDA	National Association of State Development Agencies
NCBA	National Cooperative Business Association
NCJS	National Center for Judicial Studies
NDI	National Democratic Institute
NEAP	National Environmental Action Plan
NED	New Enterprise Development
NFALP	Non-Formal & Adult Literacy Program
NGO	Non-Governmental Organization
NORAD	Norwegian Aid
NRECA	National Rural Electric Cooperative Administration
NRM	Natural Resources Management
NWI	Ministry of Water and Irrigation
ODA	Official Development Assistance
OE	Operation Expenses
OECD	Organization for Economic Cooperation and Development
OFDA	Office of Foreign Disaster Assistance
OPEC	Organization of Petroleum Exporting Countries
OPIC	Overseas Private Investment Corporation
ORS	Oral Rehydration Salts
OTI	Office of Transition Initiatives
PA	Palestinian Authority
Pact	Private Agencies Collaborating Together
PACT/CRH	Program for the Advancement of Commercial Technology/ Child and Reproductive Health
PATH	Program for Appropriate Technologies in Health
PC	Palestinian Council
PDF	Power Development Fund
PEDS	Provincial Environment Departments
PERPP	Public Enterprise Reform & Privatization Program
PHCI	Primary Health Care Initiative
PIEFZA	Palestinian Industrial and Free Zone Authority
PIL	Public Interest Litigation
PIPA	Palestinian Investment and Promotion Agency
PK-3	Third generation Labor Intensive Works
PKSF	Palli Karma Sahayak Foundation
P.L.	Public Law
PLC	Palestinian Legislative Council
PLO	Palestinian Liberation Organization
PLN	Perusahaan Listrik Negara (Indonesian National Electric Company)
PMA	Palestinian Monetary Authority
PMC	Pune Municipal Corporation
PNFPP	Philippine National Family Planning Program
POP	Persistent Organic Pollutant
PRIME	Primary Providers' Training & Education in Reproductive
PVO	Private Voluntary Organization
PVC	Private Voluntary Cooperation
PWA	Palestinian Water Authority
PWC	Price Waterhouse Coopers
QCHT	Quality Control of Health Technologies
QIZ	Qualifying Industrial Zones

RACHA	Reproductive and Child Health Alliance
RCSP	*Rural Civil Society Program*
RDS	Regional Development and Support
RGC	Royal Government of Cambodia
RH/PHC	Reproductive and Primary Health Care
ROT	Rehabilitate-Operate-Transfer
RRB	Regional Rural Banks
RTI	Research Triangle Institute
RTII	Regional Trade and Investment Initiative
SAARC	South Asian Association for Regional Cooperation
SARI	South Asia Regional Initiative
SCA	Supreme Council for Antiquities
SEBI	Securities and Exchange Board of India
SEI	State Environmental Initiative
SEP	Senior Executive Program
SIWM	Souss-Massa Integrated Water Resources
SME	Small and Medium-sized Enterprises
SME	Small-and Micro-enterprises
SO	Strategic Objective
SOE	State-owned Enterprises
SPO	Special Objective
SPR	Sector Policy Reform
STD	Sexually Transmitted Disease
STI	Sexually Transmitted Infections
STII	Standard Research Institute International
TAACS	Technical Advisors for AIDS and Child Survival
TAF	The Asia Foundation
TB	Tuberculosis
TDA	Tourism Development Authority
TFCA	Tropical Forest Conservation Act
TFET	Trust Fund for East Timor
TFR	Total Fertility Rate
TIFA	Trade and Investment Framework
TISS	Tata Institute of Social Sciences
TN	Tamil Nadu
TRA	Telecommunications Regulatory Agency
TRM	Tadla Resources Management
TSG	The Services Group
UC	Union Council
UECP	Urban Environmental Credit Program
UES	Urban Environmental Services
ULP	University Linkages Project
UN	United Nations
UNAIDS	United Nations Joint Programme on HIV/AIDS
UNCHS	United Nations Centre for Human Settlements (Habitat)
UNDB	United Nations Development Bank
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Fund for Population Activities

UNGA	United Nations General Assembly
UNHCR	United Nations High Commission for Refugees
UNICEF	United Nations Children's Fund
UNRWA	United Nations Refuge Works Agency
UNRWA	United Nations Relief and Works Agency
UNTAET	United Nations Transitional Authority for East Timor
UP	Uttar Pradesh
U.S.	United States
USAEP	U.S.-Asia Environmental Partnership
USAID	United States Agency for International Development
USDA	United States Department of the Agriculture
USEA	United States Energy Association
USF	University of San Francisco
USIA	United States Information Agency
USIS	United States Information Services
USG	United States Government
USTR	United States Department of Treasury
UTC	United Technologies Corporation
UZP	Upazila Parishad
VHS	Voluntary Health Services
VITA	Volunteers in Technical Assistance
VOCA	Volunteers in Overseas Cooperative Assistance
VSC	Voluntary Surgical Contraceptive
WAJ	Water Authority of Jordan
WB	World Bank
WCC	World Coast Conference
WFP	World Food Program
WHO	World Health Organization
WMO	World Meteorological Organization
WRS	Water Resource Sustainability
WSSCC	Water Supply and Sanitation Collaborative Council
WTO	World Trade Organization
YMCA	Young Men's Christian Association