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FY 1985 Regional Development Strategy Review

Bureau For Africa

Office of Regional Affairs

(AFR/RA)

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I. Strategy Approach

AFR/RA's strategy for the period FY 83-88 is based on the role of the Regional Office within the Africa Bureau and the types of projects needed to carry out this role. The functions of the Regional Office are:

A) to help develop the level of regional cooperation and institutional capability necessary to achieve AID's overall, and the Bureau's more specific, goals in Africa.

B) to encourage the adoption of new policy initiatives and program directions by the host governments through the provision of limited support for new country-specific activities.

Because regional projects are designed to strengthen regional cooperation and support AID's bilateral programs, these projects must be flexible enough to function within multiple cultural, political and physical environments.

This requires the regional strategy, and the projects that evolve from it, to be broader in scope and more flexible than a strategy or projects developed under a bilateral program.

These differences from the bilateral programs create a unique environment to which the Regional Office has responded with a strategy defining a process for project identification, design and implementation rather than one targeted at a specific development goal. Given the size, complexity and number of problems with which the Regional program deals there can be no meaningful single measure of achievement for AFR/RA's strategy. Consideration of this strategy must include an assessment of the projects being carried out under it. The degree of success, or failure, of these

projects is the most accurate reflection of the validity of AFR/RA's strategy. The following is an outline of that strategy.

A) Identify, within the scope of AID's overall goals, problems common to the development of a number of African states and whose resolution can be assisted by, or requires, a regional approach.

B) Within the problems identified above, define the critical constraints to their resolution and the most effective mix of regional and bilateral assistance required to resolve these constraints.

C) Develop projects that will focus the level and type of resources needed to overcome these constraints.

D) Select sector goals and project purposes consistent with the strategy statement of a significant number of missions in the region and/or directly supportive of A.I.D. policy/program initiatives not yet fully incorporated into country strategies. This latter category includes such major initiatives as private sector development and alternative energy/resource development.

E) Select sector programs which transcend national boundaries both in terms of impact and resource requirements. Inter-country resource sharing, management, research and surveillance systems are essential to maximize benefits in any single country. Disease control and agricultural research programs, for example, fall into this category.

F) Select projects aimed at strengthening the institutional capacity of regional organizations to help achieve AFR/RA's responsibilities referred to above. ECOWAS, PAID and the AFDB are examples of such regional organizations receiving institution-building assistance.

G) Engage in programs which facilitate AID collaboration with other donors primarily through the Cooperation for Development in Africa (CDA) mechanism, to address priority development problems common to a number of countries in sub-Sahara Africa. The CCCD program and the Strengthening African Agricultural Research project fall into this category.

Management Considerations

A) Structure regional projects so that management responsibilites are clearly defined and understood and carried out at the most effective level or levels. Appropriate level(s) may be AFR/RA, a field mission or a defined mixture of AFR/RA and the field.

B) Maintain effective communications with Bureau management and USAID field missions in the identification, definition and design of regional projects.

C) Conduct regional activities only with the support of the host country and/or the concerned regional institution located there, and with the support of the USAID in that country.

D) Where active USAID participation is required, conduct regional activities only in cooperation with USAIDs that have the capacity to assume this responsibility.

II. AFR/RA's Current Program and AID's Priority Areas

A review of RA's ongoing program indicates regional projects are used in support of the Agency's priorities as follows.

TABLE I

Percentage of Project Resources Devoted to or Affecting Four Priority Areas a/

Project Title/No.	Policy Dialogue	Private Sector	Technology Transfer	Institutional Development
African Labor Development (698-0363)	10%	50%	20%	100%
Environmental Training and Management (698-0427)	25%	-0-	100%	50%
Onchocerciasis Control (698-0399)	10%	50%	25%	10%
Regional Remote Sensing (698-0414 & 698-0420)	-0-	-0-	100%	100%
	-0-	-0-	100%	100%
Regional Rural Development (698-0388)	20%	10%	30%	60%
African Manpower Development (698-0433)	10%	10%	100%	40%
Support to Regional Organizations (698-0413)	20%	15%	10%	100%
Combating Childhood Communicable Diseases (698-0421)	10%	5%	100%	100%
Strengthening Health Delivery Systems (698-0398)	-0-	-0-	40%	60%
Farming Systems Research (CIMMYT) (698-0444)	15%	10%	70%	30%
Strengthening Management of Agricultural Research (ISNAR) (698-0445)	5%	10%	50%	70%
Strengthening African Agricultural Research (SAAR) (698-0435)	20%	10%	60%	60%
Semi-Arid Food Grains Research and Development (698-0393)	10%	0%	70%	50%
West African Rice Development Association (698-0429)	-0-	-0-	90%	50%
African Development Bank (698-0434)	-0-	25%	25%	80%
Energy Initiatives for Africa (698-0424)	60%	40%	50%	30%
Health Constraints to Rural Development (698-0408)	20%	10%	40%	30%
Average percentages	14%	12%	58%	60%

a/ Percentages in Tables I and II may exceed 100% since the same resources may serve multiple purposes; e.g., technical assistance and training may simultaneously transfer technology and help build an institution.

The assessments included in Table I were made by the project officer responsible for each project. Because these assessments are somewhat subjective no precise statistical significance can be drawn from Table I. However, the relatively small percentage of resources the project managers felt were targeted at Policy Dialogue and the Private Sector is significant.

This reflects AID's priorities, and conception of the development process, at the time the projects were designed and authorized. The validity of these projects has been tested and proven through evaluations, and by their acceptance by the regional organizations, host governments and bilateral missions. The challenge AFR/RA now faces is to adjust its portfolio to reflect more fully the Agency's current priorities.

To meet the challenge, two new elements will be added to the evaluation of AFR/RA projects. These are their contribution to the private sector and the development of appropriate government policies. AFR/RA's ongoing projects will be revised whenever an evaluation illustrates both the opportunity and desirability of shifting the focus of a project more towards these priority areas.

By design this will be a gradual process that will permit the ongoing projects to retain and even expand their support in the host institutions and countries while shifting their focus to meet AID's priority concerns. This will avoid the dangers inherent in a radical redirection of AFR/RA's current projects which could result in a loss of host institution or mission support and consequent loss of program momentum.

AFR/RA Project Selection during FY 83-88. New projects proposed or being considered for the planning period will be designed to take full account of the Agency's priorities.

TABLE II

New projects proposed for development in FY 83-88.

Project Title/No.	Policy Dialogue	Private Sector	Technology Transfer	Institutional Development
Private Entrepreneurship Promotion (698-0438)	50%	100%	30%	70%
ECOWAS (Economic Community of West African States) (698-0439)	60%	45%	30%	60%
Primary Health Care Development (698-0446)	10%	10%	70%	65%
Population Planning & Development (698-0437)	45%	30%	50%	70%
Average percentages	41%	46%	45%	66%

Table II indicates an expansion in the scope of AFR/RA's portfolio to include the private sector and policy dialogue as greater concerns. Table II also indicates that institutional development will receive even greater attention in AFR/RA's projects than in the past and that the importance of technology transfer will be somewhat reduced. The latter reduction is due to the nature of the projects being developed rather than to a reduced need or interest in the transfer of appropriate technology. The portfolio as a whole will maintain a strong focus on technology transfer.

III. AFR/RA Responses to the Administrator's Questions in State 305746 on the Four Priority Areas

1. AFR/RA programs and the development of an increased policy dialogue. To date, AFR/RA's programs have impacted on the policy dialogue between AID and the host institutions and governments in two ways. These are project specific, i.e., related to policies affecting the implementation of an individual project, or indirectly by the choice of projects that AFR/RA supported.

The West African Rice Development Association (WARDA) offers a good example of project-related policy dialogue. Under this project a series of studies were conducted that led to a continuing review of rice investment policies in several of WARDA's member countries. In some of these countries this has effected the way rice production projects are evaluated and financed.

AFR/RA projects now being developed are designed to achieve a greater degree of policy dialogue. The proposed Private Entrepreneurship Promotion project has the following as one of its two purposes:

> "To assist selected African nations create and/or improve the legal, regulatory, and policy framework and business climate necessary to promote an expansion of the indigenous private sector".

Other new projects, i.e., ECOWAS and Population Planning Development, have obvious policy implications and will exploit the opportunities they offer to expand the policy dialogue. The proposed Primary Health Care project will function in an environment in which the recipient countries have already agreed to general policy guidelines

emphasizing primary health care; nevertheless, policy dialogue can occur on vital subsidiary issues such as the proper balance between fee-for-service and government financing to ensure program continuity.

AFR/RA's current program offers considerable opportunity for expanding the policy dialogue between the United States and Africa. Such projects as Environmental Training and Management and Strengthening African Agricultural Research will support an expanded dialogue on such questions as resource management and research-small farmers linkages. The dialogue expansion, as described earlier, will be a gradual process that when completed will strengthen the ability of AFR/RA to use its projects to bring about policy changes crucial to the development process.

2. <u>AFR/RA's Programs and the Private Sector</u>

AFR/RA's ongoing projects reflect the priorities of the Agency and the African nations at the time they were designed. These earlier priorities placed greater stress on public sector development. The critical role of the private sector in the development process was often acknowledged but not considered a priority target for AID assistance.

This concept of development has changed and AFR/RA's programming is changing to take advantage of the development opportunities created by the importance now being given to the role of the private sector. The most visible and immediate indication of this change is the development of the Private Entrepreneurship Promotion project. The purpose of this project is to promote a better business climate in selected African countries and assist in the development of an African training network capable of improving the skills of indigenous businessmen and entrepreneurs. This project is scheduled for authorization in FY 83. Also focused on the expansion of

Africa's private sector are AFR/RA's projects in support of the African Development Bank, the Economic Community of West African States (ECOWAS) and the African Cooperative Savings and Credit Association. These projects, and others, constitute a major, direct investment in the expansion of Africa's private sector.

The second part of AFR/RA's approach to the private sector is potentially as, or even more significant than, the direct investment program. This is the adjustment of AFR/RA's current projects to expand the role of the private sector during project implementation. As described above this will be a gradual process, but given the range and scope of these projects, opening them up to the private sector may create more opportunities for private businesses than do the projects targeted directly at expanding private economic activity.

AFR/RA's direct and indirect approach to the expansion of the private sector are complementary. The failure of one part of this approach will limit the success of the other part and lessen the potential impact of AFR/RA's overall program in support of the private sector. For example, failure to improve the business climate in a country will limit the impact the restructuring of ongoing programs can have on the expansion of that country's private sector.

3. <u>AFR/RA and Increased Technology Transfer and Research</u>

Training has been, and will continue to be, the major means through which AFR/RA projects transfer technology for African development. As shown in the AFR/RA response to the Administrator's question concerning participant training, over 50% of the total funding for regional projects is directed towards training in key technical areas as well as in administration and management skills.

Generally the commodities provided under regional projects are for demonstrations or to install new technologies within local institutions. The CCCD project is using these methods to introduce new technologies, i.e., oral rehydration, presumptive treatment of malaria and expanded immunization programs into national health care systems to help host governments provide better services to the under-5-year-old population.

AFR/RA's projects frequently contain funds to support project-related research, e.g., CCCD, Energy Initiatives for Africa, and Health Constraints to Rural Development, but AFR/RA's priority research area is agriculture. Currently AFR/RA is implementing five projects focused on the expansion of Africa's agricultural research capacity and on development of improved agricultural practices. The five projects are being consolidated into two. Their projected combined life-of-project funding exceeds 80 million dollars. This represents an unprecedented commitment to African agricultural research.

4. <u>The Regional Program's Support for Indigenous Institutions</u>.

One of AFR/RA's primary functions is to help establish the level of African cooperation and institutional capability necessary to support development programs common to both African and American interests. Because of this responsibility AFR/RA has traditionally focused a major portion of its resources on the development of African institutions. A quick review of Table I indicates that in 12 of AFR/RA's 17 projects, institution-building is considered a priority. (Projects targeting 50% or more of their effort in this area are considered as major institution-building projects). Another four projects target about one third of their effort on strengthening institutional capability. Having this emphasis in 16 of AFR/RA's 17 ongoing projects, and in all of the projects proposed for the planning period, represents a significant attempt to assist in the fulfillment of Africa's institutional needs.

The means chosen to assist in Africa's institutional development are tailored to the individual institution and are as varied as the institutions themselves. For example, AFR/RA provides core support (grants to meet operating costs) to some institutions until they are able to meet their own needs. Examples of core support grants are AID's financial assistance to the Pan African Institute for Development (PAID) and the African Cooperative Savings and Credit Association (ACOSCA). Another form of AFR/RA support provides African institutions with the funds necessary to carry out specific mutually agreed-upon projects. Examples of this type of support are the AID grants to the African Development Bank and to the Eastern and Southern African Management Institute. A third means of promoting institutional development now being employed by AFR/RA is the provision of technical assistance directly to selected institutions, e.g., SAFGRAD, Remote Sensing and ACOSCA (which also receives core support per above).

5. <u>AFR/RA Programming and Participant Training</u>.

Over 50 percent of the total funding for regional projects is directed towards participant training and support for training activities in Africa. This emphasis on human resources development will continue in the future, with particular attention being given to increasing the capacity of national and regional training institutions to meet Africa's critical manpower needs.

Most regional projects provide participant training to augment staff development at various regional institutions. The major participant training activity, however, is the African Manpower Development project (AMDP) which is devoted entirely to training. AMDP enables missions to train personnel needed to staff institutions that support bilateral projects or objectives. AMDP also funds the African Graduate Fellowship (AFGRAD) program which has trained some 1,400 teachers, researchers, managers,

engineers and other senior personnel from African countries at U.S. graduate schools.

Several regional projects support training programs in management and planning at regional African institutions, such as the Pan African Institute for Development, the Eastern and Southern African Management Institute, and the ECA-sponsored Institute for Economic Development and Planning. The regional program intends to collaborate with some of these same institutions to increase training activities for the private sector in Africa. The regional office also intends to expand training programs for project design, implementation and evaluation by assisting the African Development Bank to enlarge and improve the program of the Bank's training center in Abidjan. Regional projects have also helped establish training programs in technical areas at the two Remote Sensing Centers and the West African Rice Development Association. Technical training of health workers has been the predominant activity of the Strengthening Health Delivery Systems project. Most of the health training has been carried out in Africa and this will continue to be the case for training under the Combating Childhood Communicable Diseases project. Regional and in-country training in technical and managerial skills for health workers will be an important element of the latter project.

Numerous training programs for various levels of personnel have been carried out in African countries in the areas of environmental protection, management of cooperatives and credit unions, and labor organization. The regional program will continue to support training programs of this nature in Africa in the future, with special emphasis to be given to training related to energy concerns and private sector manpower training requirements.

6. Coordination of AFR/RA and Other Donor Programs

AFR/RA has been a prime channel through which the Africa Bureau has coordinated AID programs with the efforts of other donors. The principal current means for such coordination is the informal Cooperation for Development in Africa (CDA) mechanism. AID through AFR/RA is playing a lead organizing and assessment role in CDA health delivery and agricultural research programs. In other cases, AFR/RA represents AID as a cooperating but not leading donor, as in the Onchocerciasis Control and Remote Sensing projects. This coordination takes place both within and outside of Africa. Another level at which AFR/RA programs are coordinated with the other donors is at the organization being assisted. Such coordination takes place, for example, in the ECOWAS and African Development Bank projects.

In each case AFR/RA agrees with other donors on the role each will assume and the means through which their assistance will be coordinated. This coordination may be achieved through formal agreements, as with the Onchocerciasis Control program, or through less formal means such as the daily contact that takes place among advisory personnel in the institution being assisted, e.g., ECOWAS, ACOSCA, and the AFDB. This multilevel and flexible approach has permitted AFR/RA to assume the degree of leadership best able to develop the coordination needed for a successful program in accordance with the sector and project objectives sought by AID.

7. AFR/RA's Strategy and AID's Priority Areas

The identification and definition of AID's four priority areas has caused AFR/RA to expand and revise its current strategy. As shown in Table I, the policy dialogue and private sector aspects of development, while not overlooked, formerly were not given particular importance in AFR/RA planning or programming. The two-pronged strategy adopted to meet this problem is a) the expansion of the scope of new regional projects to include promotion of the private sector and a policy dialogue, and b) the gradual revision of ongoing projects to give these areas greater emphasis. The incorporation of these revisions into AFR/RA's previous strategy ensures its continued validity.

The Regional AAPL and AID's priority areas: Adjustment to AID's present areas of concern places little stress on AFR/RA's approved assistance planning level. The four priority areas can be accommodated within the projected dollar levels for the regional program.

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COUNTRY DEVELOPMENT STRATEGY STATEMENT