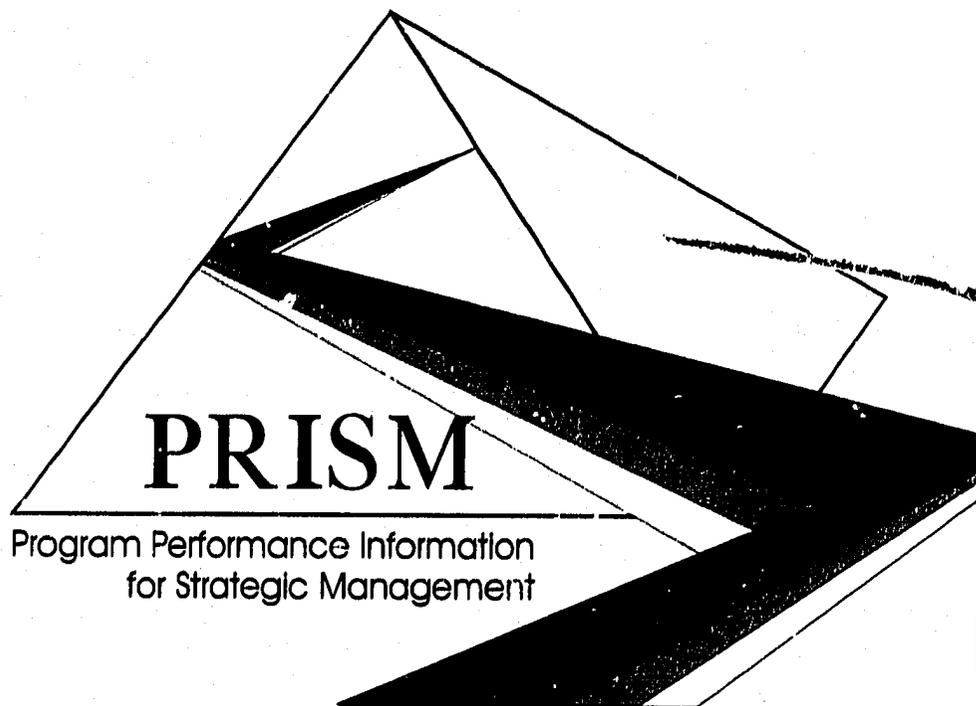


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USAID Managing for Results
Working Paper No. 5



The 1993 PRISM Analytical Frameworks: A User's Guide



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***The 1993 PRISM
Analytical Frameworks:
A User's Guide***

**Center for Development Information and Evaluation (CDIE)
Bureau for Program and Policy Coordination
U.S. Agency for International Development**

July 1994

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Glossary

ACTIVITY: An USAID-funded assistance effort organized to contribute to a clearly defined program outcome.

ANALYTICAL FRAMEWORK: A framework that logically links different levels of results or outcomes according to a causal theory.

ASSUMPTION: A statement that is presumed to be true, often temporarily or for a specific purpose.

PERFORMANCE INDICATOR: A measure to track progress toward achieving program outcomes or strategic objectives.

PROGRAM: A collection of USAID-funded activities which share a common set of program outcomes, usually within one sector, and, together, contribute toward achievement of a higher-order strategic objective.

PROGRAM OUTCOME: a measurable outcome of one or more activities which, in turn, contributes to achieving a higher-order strategic objective; the intermediate level in the hierarchy of objectives linking specific activities to strategic objectives.

STRATEGIC OBJECTIVE: A significant development result which can be achieved or toward which substantial progress can be made and for which the operational unit is held accountable in an approved strategic plan. Typically, the time-frame of a strategic objective is 5-8 years for sustainable development programs, but may be shorter for programs operating under conditions of uncertainty.

STRATEGIC PLAN: A delimitation of the strategic-level objectives an operational unit plans to pursue and description of how it plans to deploy resources to accomplish them; a strategic plan is prepared for each portfolio, whether it is managed at the country level, regionally, or centrally.

STRATEGY STATEMENT: A summary statement of broad strategic direction and program goals at the Agency or operational Bureau level; a strategy statement provides a framework for the development of strategic plans by individual operating units and may set parameters on the selection of strategic objectives and/or programmatic approaches.

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SECTION 1: INTRODUCTION

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1. Introduction

Purpose of the User's Guide

The purpose of this user's guide is to provide managers with a reference for developing strategic plans for their Missions. The guide is a compilation of USAID/Washington, Regional Bureau and Mission actions to develop strategic plans and the results of these plans. Materials in this guide represent the status of strategic planning and performance measurement in USAID in June, 1993.

The user's guide describes the approaches used to develop analytical frameworks and performance indicators. The reader must be aware, however, that strategic planning and performance measurement methodology at USAID is still evolving. We anticipate that future versions of the guide will contain significant improvements as the Agency accumulates more experience in managing for results.

This user's guide is not a "how-to" document, although it provides managers and program planners with information useful for developing their strategic plans. Users must go through the entire strategic planning process to set objectives, develop strategies or activities to meet those objectives, and identify appropriate performance measures for their programs.

Using the Guide for Strategic Planning

The contents of the User's Guide can assist planners in a number of ways. Some of the potential uses of the guide are described below.

- **As a Reference.** Program planners can use the Guide as a reference document, to help them through the strategic planning process or to review strategic plans they have developed. The guide provides examples of strategic objectives and program outcomes, along with their definitions and rationales.
- **As a Resource.** The Guide can be used as a source of strategic objectives, program outcomes and performance indicators for developing strategic plans for Missions or Regional Bureaus. In some cases, these could be used exactly as they appear in the Guide. In most instances they will have to be adapted to specific needs.
- **As a Comparison with Other Missions.** Missions can check the analytical frameworks to see how many missions have adopted

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specific strategic objectives and program outcomes. They could then compare their own performance in strategic planning against what other Missions are doing.

- **To Formulate Assumptions.** The analytical frameworks include all the program outcomes theoretically required to attain a specific strategic objective. At the Mission level, some of the program outcomes may already exist or are being undertaken by other donors or host countries. In such cases, Mission planners may be able to assume that it not need to undertake that outcome and place its resources elsewhere.

Background

Strategic planning was recently codified in the Government Performance and Reporting Act (GPRA) of 1993. GPRA requires federal departments and agencies to develop strategic plans and to measure performance in meeting the goals and objectives of these plans. The legislation is prescriptive in how the plans and objectives should be developed and how performance should be measured. Unlike previous attempts at strategic planning, the current emphasis is on results rather than on inputs and processes.

The National Performance Review (NPR) articulated the Administration's position on strategic planning, results and accountability. Managers will have greater authority in getting their jobs done. But with this will come accountability for results they achieve when they exercise their authority.

Four years ago, the Center for Development Information and Evaluation (CDIE) initiated work on the Program Performance Information System for Strategic Management (PRISM). Although much of PRISM is based on early work done by the Africa Bureau, CDIE also incorporated experiences of other federal agencies in its development.

CDIE and its contractors, Management Systems International (MSI), Labat-Anderson, Inc. (LAI) and the Research Triangle Institute (RTI) provide technical assistance, training, guidance, and analytic support to enhance the Agency's ability to clarify objectives, measure performance, and supply performance information for decision-making at all levels. PRISM's first application is in helping Missions articulate focused strategic plans, establish corresponding performance indicators, and routinely assess program progress. The PRISM process already affects Mission strategic planning and management and increases attention to program

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results.

2. Analytical Frameworks: CDIE'S Tool for Describing USAID'S Program Performance

Developing the analytical frameworks

In the summer of 1993 CDIE completed four analytical frameworks to analyze and describe what USAID's 85 Missions and offices are doing. These analytical frameworks represent an improvement on CDIE's earlier "clustering" of Missions' strategic objectives by similar characteristics.

In developing the analytical frameworks, CDIE saw its task as constructing a generic causal model for objectives which are similar across USAID Missions. The process included identifying common objectives and the range of possible strategies and sub-strategies required to achieve them. Because the frameworks contained in this guide are generic in nature, they serve as models for missions, rather than actual mission frameworks.

CDIE formed working groups drawn from the Agency's technical staff to assist in developing the analytical frameworks. The working groups met on a regular basis to review, discuss and improve the frameworks as well as to incorporate Mission objectives and outcomes into the final product. While the groups' contributions to their development were invaluable, the responsibility for the frameworks rested with CDIE.

The Analytical Frameworks

An analytical framework links different levels of results or outcomes according to a causal theory. It assumes that a certain set of activities will result in certain program outcomes that will achieve a strategic objective.

The analytical framework approach requires developers to consider higher order objectives or impacts before defining lower level objectives and activities required to achieve the objectives. The approach requires developers to:

- define or set strategic objectives
- specify indicators of successful performance

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- define program outcomes
- specify activities
- identify critical assumptions underlying programs

The terms used above are defined in the Glossary.

Analytical frameworks can be used for a variety of purposes, including program implementation, monitoring and evaluation. As an implementation tool, the framework can be used to summarize major program components, which can be broken down into smaller more manageable element. Because the framework provides an overall picture of what a country strategy should look like when completed, it is useful for monitoring and evaluation. Finally, the framework is useful in communicating program objectives and achievements to senior management, Congress and other stakeholders.

The analytical framework methodology has several limitations. First, it is a simplified representation of complex causal relationships. As such, it may not take into account the effects of all external conditions that may affect program outcomes. Second, the framework cannot easily represent the integrated nature of USAID's programs, particularly those which cross different sectors. The frameworks can be used to link field activities to goals and objectives which the Agency (and host countries) are trying to achieve.

Although they are developing, the analytical frameworks remain imperfect. Their major limitation is that they assume a linear causal relationship among their various components. The frameworks often fail to take into account the myriad social, environmental, political, economic and institutional factors which may impinge on development plans and activities. At the present stage of development, each sector has been developed in isolation from the others, thereby not taking into account the integrated nature of development.

The four analytical frameworks, Economic Growth; Environment and Natural Resource Management; Population and Health; and Democracy were each developed on the basis of theory and/or USAID experience in the field. Economic Growth and Population and Health are grounded in extensive empirical data and program experience while Environment and Democracy do not. The causal linkages between objectives and strategies for the two former themes are much more developed and demonstrated than for the latter two. The assumptions made in developing the frameworks for Environment and Democracy were much more

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tenuous than those for the former two areas.

There are two directional relationships among the framework components: up and down. The "up" relationship answers the question of "why" a particular component is included. For example, "expanding retraining of displaced workers" is included in order to "improve access to employment opportunities, "a higher order component. Conversely, the "down" relationship addresses the "how" question. How can administration of justice be improved? One way is to increase access to the judicial system. Another is to improve the quality of judicial services, and so on.

Definitions of and rationales for strategic objectives, program outcomes and program strategies are presented in tables which accompany each analytical framework. These tables provide succinct arguments for including a particular objective or program strategy into the framework. Some tables also identify sources from which the rationales are derived.

A table showing selected performance indicators for each strategic objective and program outcome is included for each sector. Each indicator is linked to its strategic objective or program outcome, as appropriate. As one moves up in the framework hierarchy the indicators become less specific. In some cases performance indicators remain to be identified and/or developed. Much remains to be done in developing performance indicators or measures. Many are still vague or incomplete. Ideally, one indicator should be required for each strategic objective or program outcome. However, because of the complexity of the objectives and the limitations of the measures, more frequently than not, several indicators have been developed for each objective.

CDIE is working on improving the analytical frameworks to make them more realistic in terms of current USAID development strategy. As the external environment changes and/or when additional evidence becomes available from Missions or other sources, it may be necessary to modify the analytical frameworks. The new USAID strategies for sustainable development will certainly affect framework revisions as will the availability of resources. Because the frameworks are static representations of dynamic programs, at least some changes seem almost inevitable. Many of these changes have already been made and will appear in a future version of this guide.

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Development Themes and Program Objectives

The next three pages, excerpted from CDIE's Second Annual Report contain a discussion of USAID's development themes and the distribution of Missions across the themes. They are included in this Guide to summarize the status of strategic planning in the Agency at the end of June 1993. The numbers in the boxes shown in Figure 2.1 indicate the number of Missions which have objectives in each theme and how many Missions have specific program objectives.

2. Development Themes and Program Objectives

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A. Distribution of Missions Across Agency Development Themes

Note: The programs discussed in this report were developed and implemented prior to the publication of the Agency's new strategic guidance in January 1994. The implications of the new guidance for the strategic directions of the Agency's programs are discussed briefly at the end of the chapters on each development theme.

The programs that USAID's Missions were implementing or planning to implement in June 1993 were developed under guidance issued from Washington during the previous decade. CDIE developed analytical frameworks from the Agency's experiences and development theory. These thematic frameworks coincide with the principal foci of USAID's programs over the past 5 years. CDIE then categorized Mission strategic objectives and program outcomes into 15 Agencywide program objectives. The themes and program objectives are presented in Figure 2.1, page 7.

An analysis of Missions across these four themes shows that

- Seventy-eight percent of Missions have strategic objectives in economic growth;
- Sixty-three percent of Missions have strategic objectives in human development;
- Forty-three percent of Missions have strategic objectives in democracy; and
- Thirty-nine percent of Missions have strategic objectives in environment and natural resources.

The Agency has a long history of assisting host countries' economic and human development programs. Well over half of our Missions have strategic objectives in each of these areas. In contrast, fewer than half of the Missions have strategic objectives and program outcomes in the fields of democracy and environment and natural resources.

Missions may also have a limited number of projects and activities that are not linked to their strategic objectives and program outcomes. These activities may address country specific "targets of opportunity" (TOs) not related to a Mission's primary objectives. They may also be activities in which USAID has already made a substantial investment but which do not contribute to a Mission's strategic objectives and will probably not be extended beyond their planned completion.

B. Distribution of Missions Within Each Development Theme

1. Economic Growth

Of the 73 Missions working in this area, 60 were helping countries increase their trade and competitiveness. Nearly half of the Missions were trying to increase economic participation by, for example, increasing employment opportunities and/or strengthening microenterprises. One-quarter of the Missions supported improving the enabling macroeconomic policy environment.

2. Human Development

Fifty-nine Missions had human development objectives. Forty-two of them had objectives focusing on fertility decrease and 32 on improved maternal and child health. Improved basic education was a strategic objec-

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tive of 23 Missions. Only 11 Missions cited reduced HIV transmission as a strategic objective.

3. Democracy

Thirty-nine Missions were working in democracy. Improving processes to resolve conflicts and strengthening fundamental rights were the most frequent objectives, with 24 and 22 Missions, respectively. Nine Missions had established objectives to improve the enabling environment for democracy.

4. Environment

Thirty-six Missions had environmental objectives, though several Missions have "targets of opportunity" (TOs) in this area. Half of these Missions supported slowing biodiversity loss, and nearly half supported maintaining a viable natural resource base. Eight Missions were working to curb degra-

dition of coastal and water resources, seven planned to reduce urban and industrial pollution, and four planned to increase environmentally sound energy production.

C. Regional Distributions of Missions by Theme

(Table 2.1, page 8)

The information in Table 2.1 should be interpreted carefully. The number of strategic objectives contained in a Mission's strategic plan reflected a variety of conditions. These conditions included the specific country situation, the financial and staff resources available, and guidance from USAID/Washington, which was not standard across all regional bureaus.

Figure 2.1 Themes and Program Objectives

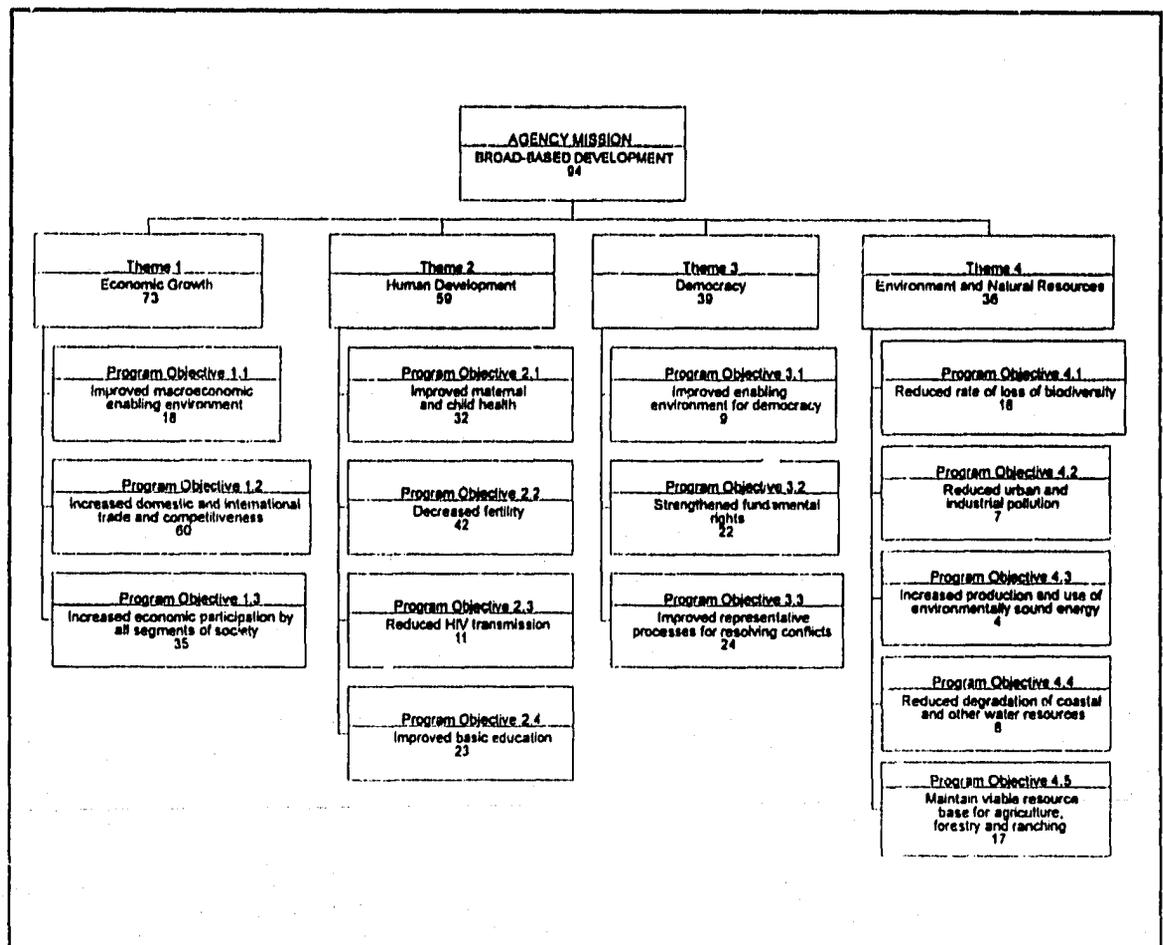


Table 2.1: Number and Proportion of Missions in Each Region by Development Theme

Development Theme	Africa (n=45)	Asia (n=14)	Latin America (n=23)	Near East (n=10)	Total (n=93*)
Economic Growth	32 (70%)	10 (71%)	21 (91%)	9 (90%)	72 (78%)
Human Development	30 (65%)	9 (64%)	14 (61%)	6 (60%)	59 (63%)
Democracy	13 (28%)	8 (57%)	17 (74%)	1 (10%)	39 (43%)
Environment	9 (20%)	8 (57%)	16 (70%)	3 (30%)	36 (39%)

NOTE: * Poland is not included in this table.

In the Near East and Latin American regions, 9 out of 10 Missions had economic growth strategic objectives, while in Asia and Africa about two out of every three Missions had such an objective.

There was little variation across regions in the proportion of Missions with human development objectives.

The incidence of democracy objectives, however, varied considerably by region. In

the Latin America and the Caribbean region, almost three of every four Missions had a strategic objective in this area, compared with the Africa Bureau where only a little over a quarter of the Missions had explicit democracy objectives.

Twenty percent of the African Missions had an explicit environmental strategic objective in contrast to Latin America, where 70 percent of the Missions have one.

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SECTION 2: ECONOMIC DEVELOPMENT

Introduction to the Economic Development Analytical Framework

Economic Development Objective Tree

Economic Development Definitions and Rationales

Illustrative Performance Indicators

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INTRODUCTION TO THE ECONOMIC DEVELOPMENT ANALYTICAL FRAMEWORK

This analytical framework is constructed using the objective tree methodology to represent the Agency's and USAID/Missions' program objectives and strategies in the area of *economic development*. This thematic area is extremely complex and there is no single correct construct.¹ However, the framework presented here we believe is comprehensive and can be used to represent USAID's strategic objectives and program strategies.

The Agency's and Missions' long range goal is to promote broad-based sustainable economic growth in client countries. Three strategic objectives are identified as necessary for this goal to be achieved over the long term. Strategic Objective No. 1, "*Improved macroeconomic enabling environment*", deals with establishing stable macroeconomic environment to safeguard the purchasing power of citizens and to provide an atmosphere where markets function efficiently and businesses can thrive. This objective is directed at managing aggregate demand and supply through appropriate monetary and fiscal and expenditure policies. It is also concerned with the strengthening of the financial sector to enhance the efficient allocation of resources.

Stable prices, stable foreign exchange and interest rates, government budgetary balance, and external credit balance, are essential for sustaining economic growth. Inflation inhibits savings and distorts investment. High rates of inflation adversely affect private investment by increasing the riskiness of longer term projects. Significant and unpredictable fluctuation in foreign exchange rates also increases foreign exchange risk and it can have a negative impact on investment and trade. Persistent and high government budget deficits can be detrimental to private sector investment and trade. Government domestic borrowing to finance the budget deficit can crowd out private sector investors. In addition, the tax burden associate with the future debt service reduces the anticipated return on investment. Thus in order to sustain economic growth macroeconomic stability has to be established and maintained by controlling the public sector budgetary deficit and managing the money supply.

Sound monetary and fiscal policies along with a well-developed financial sector can create an enabling environment conducive to a broad-based sustainable economic

¹ The objective tree methodology is a somewhat inadequate tool for representing the inter-relationships and dependencies among the various strategies. The strategies identified in the framework are not all mutually exclusive. There is a high degree of complementarity. In addition, some strategies may not be positioned at the appropriate levels. For example, improved macroeconomic environment (Strategic Objective No.1) is a precondition for improved competitiveness and increased trade. However, since it is a significant determinant of sustained economic growth we have reflected it as a separate strategic objective.

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growth. Assistance in the area of the management of aggregate demand and supply through appropriate macroeconomic policy reforms and structural adjustment programs is in the realm of the World Bank and the International Monetary Fund (IMF). USAID/Missions will continue to support and reinforce these programs by conditioning their support with meeting IMF targets and through direct transfer of structural adjustment funds to cushion the shock of structural adjustment.

In many countries, USAID provided direct assistance for establishing policy analysis, formulation and implementation capacity. The Agency also provided technical assistance to strengthen the financial sector. It directed technical assistance at widening and deepening the financial sector, including development of brokerage services, development of stock market operations, and bank management and supervision.

Strategic Objective No. 2, "*Increased domestic and international trade and competitiveness*" is critical to achieving economic growth. Economic growth is mainly achieved through increased production and trade. Without trade there cannot be any significant economic growth. For example, sub-Saharan African countries that are mainly based on subsistence farming have not been able to grow their economies by a significant amount. Trade is critical for increasing production and investment. In the global economic setting, there cannot be significant increases in a nation's trade without a sustained improvement in product and service quality and price competitiveness.

Experience of the last three decades demonstrates that competitiveness can be achieved by improving productivity (producing more with less), and by creating comparative advantage. Comparative advantage can be created by identifying consumer needs and responding to them efficiently, effectively and in a timely manner. In many developing countries, trade expansion can be stimulated by reorienting government trade and commercial policies and regulations to be outward-looking and market-driven.

Many developing countries can expand their international trade and competitiveness by producing at commercial levels. Production scales in many sub-Saharan African countries are very low to realize economies of scale and to sustain growth in international trade. In order to enhance productivity and achieve accelerated economic growth private investment has to be stimulated. Private investment can be complemented by increased public investment in economic, physical and social infrastructure -- rail and road transport systems, telecommunication, energy, refrigeration and storage facilities, adequate health

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facilities and basic education. In addition, public officials and the civil service can be reoriented to be more supportive of private sector initiatives. Cooperation and collaboration between public officials and the private sector in crafting appropriate trade and investment policies is essential for accelerating private investment and for expanding trade. In this respect the priority areas for donor activities are (1) enhancing factor productivity, (2) improving the commercial and trade policy and institutional framework, (3) enhancing the level of production, and improving the quality of marketed products and services, and (4) forging cooperation and partnership between the private and public sector.

Strategic Objective No. 3, "*Increased economic participation by all segments of society*" is critical to broadening and sustaining economic growth. Broadening of the participation of all segment of society will accelerate economic growth. In many economies small and micro-enterprises contribute a significant amount to the gross national product. This sector can be a significant source of income and employment opportunities both for rural and urban communities. The strategies that increase participation complement those strategies that promote enabling environment for increased trade and investment.

On the other hand, significant income disparities resulting from differential access to productive resources could in the long run result in civil strife and could increase the risk and cost of doing business. The priority areas for donor activities are (1) improving access to employment opportunities; (2) increasing access to productive assets by small and micro-enterprises; (3) improving access to market information and skills and managerial training opportunities; and (4) expanding support services to small businesses and micro-enterprises.

The economic development objectives and program priority areas and strategies are graphically represented in the objective trees. Although there are other possible configurations, however, the proposed objective trees capture a substantial portion of USAID's economic development assistance objectives and strategies in a logical hierarchy.

Pattern of USAID Objectives and Strategies

USAID provides assistance in all three economic development thematic areas. Under Program Objective No. 1, Improved, Macroeconomic Enabling Environment, sixteen countries are working on developing the financial sector, while three countries are working on improving the monetary policy mechanism and another three countries are working on improving the government budgetary balance.

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Under Program Objective No.2, Increased Domestic and International Trade and Competitiveness, forty-two countries are working on improving factor productivity and forty-three countries are working on increasing marketed production of agricultural and industrial products and service. Twenty- seven countries are working on policy reform to open up markets, while eleven countries are working on forging cooperation and partnerships between the public and private sectors.

With regard to Program Objective No. 3, Increased Economic Participation by all Segments of Society, twenty countries are working on mechanisms to improve access to productive resources by small and micro-enterprises while eleven countries are working on access to employment opportunities. Ten countries are working on strengthening support services to small and micro-enterprises while six countries are working on improving the dissemination of information and entrepreneurial training.

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Pattern of USAID/Missions' Assistance

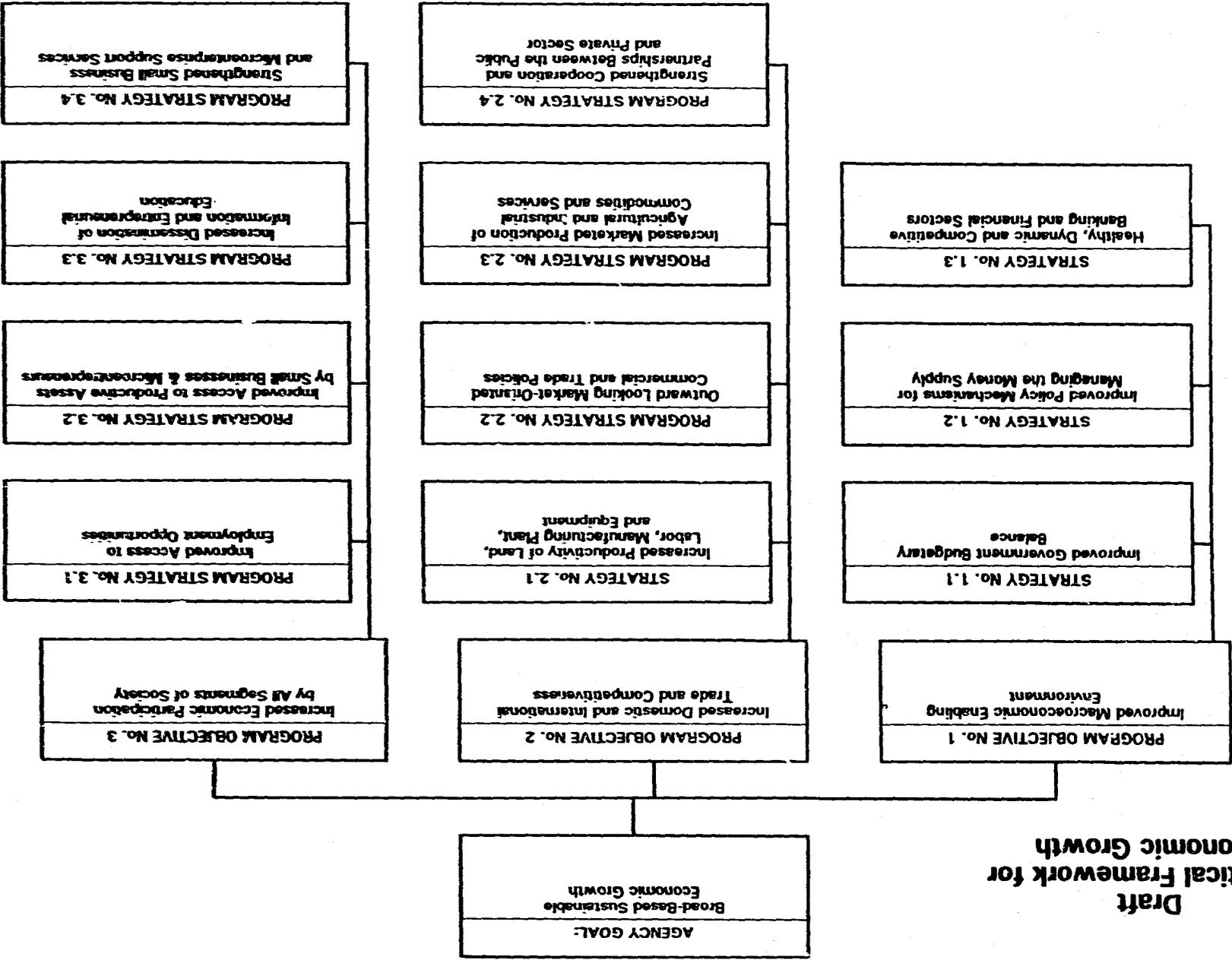
PROGRAM OBJECTIVE No.1	PROGRAM STRATEGY No.1.1	PROGRAM STRATEGY No. 1.2	PROGRAM STRATEGY No. 1.3	
Improved Macroeconomic Enabling Environment	Improved Government Budgetary Balance	Improved Policy Mechanism for Managing the Money Supply	Healthy, Dynamic and Competitive Banking and Financial Sector	
Latin America & Caribbean				
El Salvador Nicaragua	Belize	Costa Rica Dominican Republic	Bolivia Costa Rica Dominican Republic Ecuador Nicaragua	
Asia				
Sri Lanka	Philippines		Bangladesh India Nepal Sri Lanka	
Near East & North Africa				
Egypt		Egypt	Egypt Morocco Tunisia	
Sub-Sahara Africa				
Gambia Seychelles Djibouti Rwanda	Mali Rwanda		Gambia Ghana Guinea Lesotho Madagascar Rwanda South Africa	

PROGRAM OBJECTIVE No. 2	PROGRAM STRATEGY No. 2.1	PROGRAM STRATEGY No. 2.2	PROGRAM STRATEGY No. 2.3	PROGRAM STRATEGY No. 2.4
Increased Domestic and International Trade and Competitiveness	Increased Productivity of Land, Labor, Manufacturing Plant and Equipment	Outward Looking Market-Oriented Commercial and Trade Policies	Increased Marketed Production of Agricultural and Industrial Commodities and Services	Strengthened Cooperation and Partnership Between the Public and Private Sector
Latin America & Caribbean				
Argentina Bolivia Colombia Costa Rica Dominican Republic Ecuador El Salvador Guyana Honduras Jamaica Mexico Nicaragua Panama	Argentina Bolivia Colombia Dominican Republic Ecuador El Salvador Guatemala Guyana Honduras Jamaica Nicaragua Panama Paraguay Peru Uruguay	Colombia Costa Rica Dominican Republic Ecuador Guatemala Guyana Honduras Mexico Nicaragua Panama Paraguay Peru	Argentina Bolivia Colombia Dominican Republic Ecuador El Salvador Guatemala Guyana Honduras Jamaica Nicaragua Panama Paraguay Peru Uruguay	Belize Dominican Republic Uruguay
Asia				
Bangladesh Indonesia Nepal South Pacific	India Indonesia Pakistan Philippines Sri Lanka	Nepal Philippines Sri Lanka	India Nepal Philippines Sri Lanka	Nepal Philippines
Near East & North Africa				
Egypt Jordan Morocco	Egypt Jordan Morocco Tunisia West Bank/Gaza	Egypt Tunisia	Egypt Morocco Tunisia West Bank/Gaza	Oman

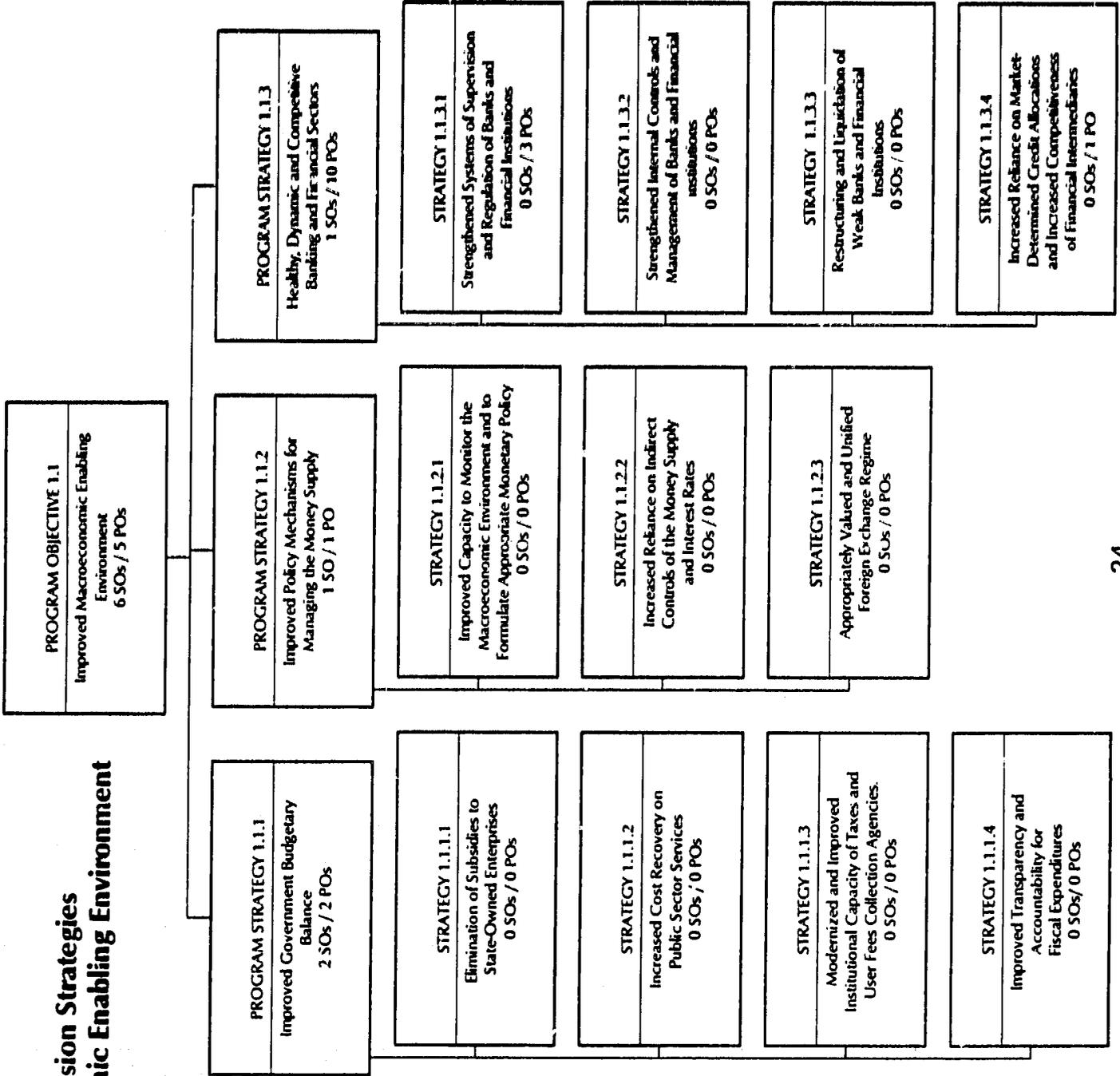
Sub-Saharan Africa				
Cameroon Cape Verde Gambia Guinea-Bissau Madagascar Mauritius	Cameroon Cape Verde Chad Ethiopia Gambia Ghana Guinea Guinea-Bissau Kenya Lesotho Madagascar Mali Niger Rwanda Senegal Sao Tome/Principe South Africa Swaziland Zambia Zimbabwe	Cameroon Chad Ethiopia Ghana Guinea Lesotho Madagascar Malawi Mali Rwanda Senegal Zambia	Burkina Faso Burundi Cameroon Chad Ethiopia Gambia Ghana Guinea Kenya Lesotho Madagascar Malawi Mali Niger Rwanda Sao Tome/Principe Swaziland Tanzania Uganda Zambia Zimbabwe	Chad Ethiopia Guinea-Bissau Kenya Rwanda Swaziland

PROGRAM OBJECTIVE No. 3	PROGRAM STRATEGY No. 3.1	PROGRAM STRATEGY No. 3.2	PROGRAM STRATEGY No. 3.3	PROGRAM STRATEGY No. 3.4
Increased Economic participation by All Segments of Society	Improved Access to Employment Opportunities	Improved Access to Productive Assets by Small Businesses and Micro-entrepreneurs	Increased Dissemination of Information and Entrepreneurial Education	Strengthened Small Business and Micro-enterprise Support Services
Latin America & Caribbean				
Bolivia Dominican Republic Ecuador El Salvador Guyana Nicaragua	Colombia Dominican Republic El Salvador Jamaica	Ecuador El Salvador Guatemala Honduras Nicaragua Paraguay Uruguay	Argentina Bolivia Dominican Republic Ecuador	Dominican Republic Ecuador Nicaragua Paraguay
Asia				
Bangladesh Philippines	Philippines	Philippines	Philippines	India Philippines
Near East & North Africa				
Morocco Yemen	Yemen	Egypt Morocco Yemen		Yemen
Sub-Saharan Africa				
Chad Kenya Malawi Rwanda South Africa Swaziland Zimbabwe	Kenya Mali Swaziland Tanzania Zimbabwe	Cameroon Guinea-Bissau Kenya Mali Niger Sierra Leone South Africa Swaziland Zimbabwe	Cameroon	Ethiopia Rwanda Swaziland Zimbabwe

Draft Analytical Framework for Economic Growth



Mission Strategies Macroeconomic Enabling Environment



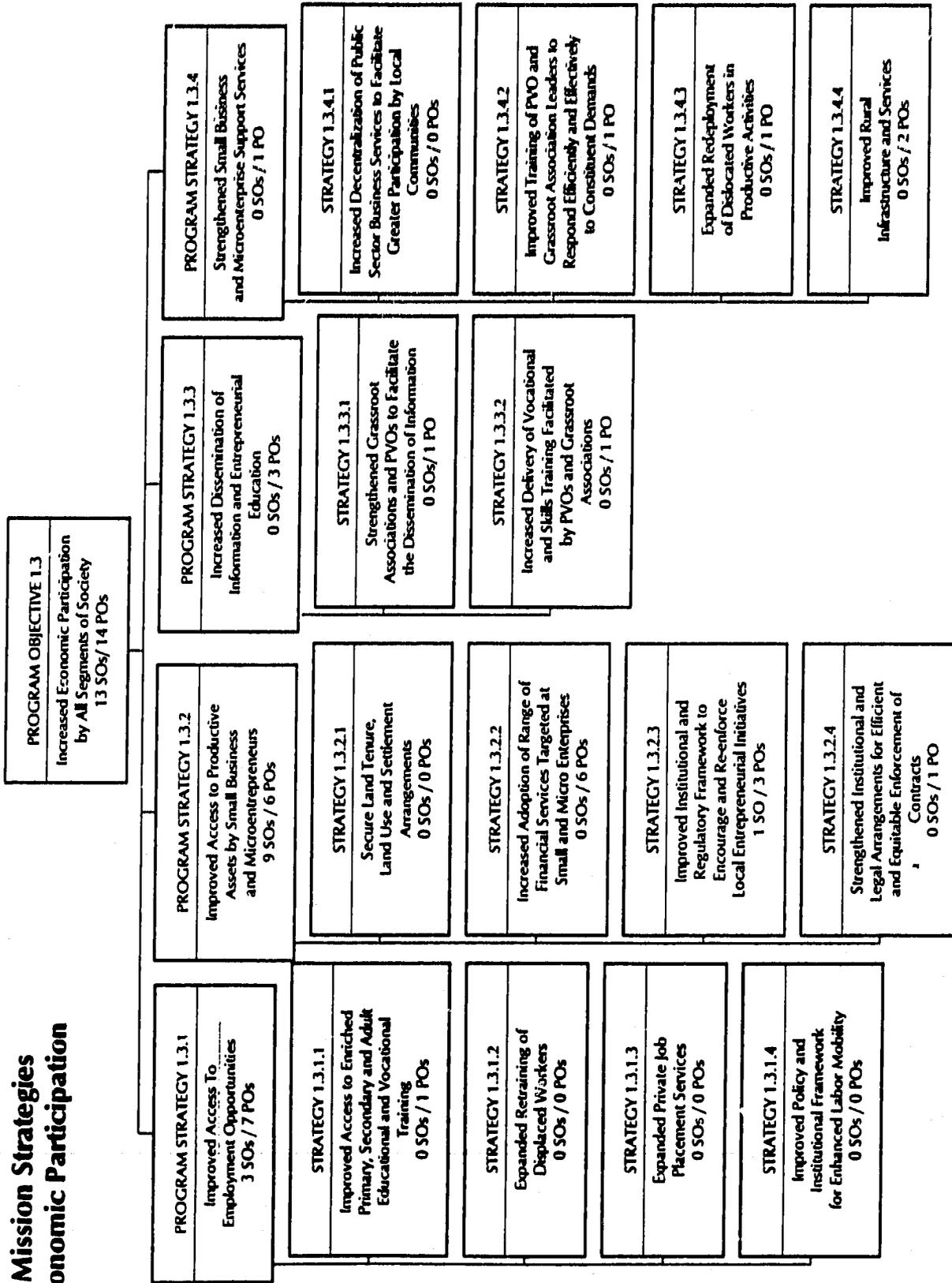
Mission Strategies Domestic and International Trade and Competitiveness.

11/19/93

PROGRAM OBJECTIVE 1.2
Increased Domestic and International
Trade and Competitiveness
24 SOs / 10 POs

<p>PROGRAM STRATEGY 1.2.1 Increased Productivity of Land, Labor, Manufacturing Plant, and Equipment 4 SOs / 7 POs</p>	<p>PROGRAM STRATEGY 1.2.2 Outward Looking Market-Oriented Commercial and Trade Policies 10 SOs / 15 POs</p>	<p>PROGRAM STRATEGY No. 1.2.3 Increased Marketed Production of Agricultural and Industrial Commodities and Services 9 SOs / 15 POs</p>	<p>PROGRAM STRATEGY No. 1.2.4 Strengthened Cooperation and Partnerships Between the Public and Private Sector 0 SOs / 0 POs</p>
<p>STRATEGY 1.2.1.1 Increased Private Sector Investment in Productive Assets 10 SOs / 12 POs</p>	<p>STRATEGY 1.2.2.1 Reduction of Tariff and Non-Tariff Barriers to Agricultural and Industrial Trade and Investment 0 SOs / 6 POs</p>	<p>STRATEGY 1.2.3.1 Improved Access to Agricultural and Industrial Inputs and Market Information 2 SOs / 12 POs</p>	<p>STRATEGY 1.2.4.1 Improved Public Institutions' Organizational, Managerial and Technical Capacity to Analyze, Formulate and Implement Reforms 2 SOs / 6 POs</p>
<p>STRATEGY 1.2.1.2 Increased Investment in Human Capital - Formal Education and On the Job Training 2 SOs / 6 POs</p>	<p>STRATEGY 1.2.2.2 Enhanced Competitive Market Structure for the Production, Processing, Marketing and Trading of Commodities and Services 0 SOs / 7 POs</p>	<p>STRATEGY 1.2.3.2 Increased Production of Staple Food Crops and Non-Traditional Agricultural Export Commodities 9 SOs / 11 POs</p>	<p>STRATEGY 1.2.4.2 Improved Capacity of the Private Sector to Formulate and Present its Interests 0 SOs / 2 POs</p>
<p>STRATEGY 1.2.1.3 Increased Infrastructure Investment - Transportation, Telecommunication, Energy, etc. 2 SOs / 12 POs</p>	<p>STRATEGY No. 1.2.2.3 Elimination of Market Distorting Subsidies and Price Controls 0 SOs / 1 POs</p>	<p>STRATEGY No. 1.2.3.3 Increased Processing, Packaging and Marketing of Agricultural and Non-Agricultural Primary Commodities 0 SOs / 7 POs</p>	<p>STRATEGY 1.2.4.3 Improved Mechanism for Public and Private Sector Dialogue 0 SOs / 0 POs</p>
<p>STRATEGY 1.2.1.4 Improved Legal, Regulatory and Structural Framework for Enhanced Market Efficiency 0 SOs / 14 POs</p>	<p>STRATEGY No. 1.2.2.4 Improved Institutional and Policy Framework for Increased Agricultural Production, Processing and Marketing 1 SOs / 7 POs</p>	<p>STRATEGY No. 1.2.3.4 Increased Access to Export Processing and Marketing and Business Support Services and Infrastructure 1 SOs / 14 POs</p>	<p>STRATEGY 1.2.4.4 Improved Social and Economic Infrastructure 0 SOs / 1 POs</p>
<p>STRATEGY 1.2.1.5 Increased Assimilation of Efficiency Enhancing Managerial and Operational Techniques and Know-How 0 SOs / 6 POs</p>	<p>STRATEGY No. 1.2.2.5 Improved Private Sector Investment and Trade Enabling Environment 0 SOs / 5 POs</p>	<p>STRATEGY 1.2.3.5 Accelerated Adoption of Technologies that Increase Output; and Improve Product and Service Quality 0 SOs / 12 POs</p>	<p>STRATEGY 1.2.4.5 Improved Social Safety Net for Dejected Persons and the Needy 0 SOs / 0 POs</p>

Mission Strategies Economic Participation



DEFINITIONS AND RATIONALES:
Analytical Framework - PRISM Economic Development Theme

OBJECTIVES & PROGRAM STRATEGIES	DEFINITION & RATIONALE
<p>PROGRAM GOAL:</p> <p>Broad-Based Sustainable Economic Growth</p>	<p>Economic growth is said to be broad-based and sustainable when all segments of society, ethnic groups and women have access and genuinely participate in productive and income-generating activities.</p>
<p>PROGRAM STRATEGY No. 1</p> <p>Improved macroeconomic enabling environment.</p>	<p>Macroeconomic stability is a prerequisite for international competitiveness and economic growth. A stable economic climate can stimulate investments, production and trade. The objectives of macroeconomic policies, both fiscal and monetary policies, are, in general, to keep the economy on a stable and sustainable growth path. These policies are designed to stabilize prices, to decrease unemployment and to maintain the country's external credit and the international value of its currency. Inflation inhibits savings and distorts investment, and it lessens the confidence of savers. High rates of inflation adversely affect private investment by increasing the riskiness of longer-term investment projects, reducing the average maturity of commercial loans, and distorting the information conveyed by prices in the economy. In addition, high inflation rates and prolonged and wide swings in foreign exchange rates are often considered a sign of macroeconomic instability and failure of the government to control macroeconomic policy, both of which contribute to an adverse trade and investment climate. Attractive economic incentives for capital formation are a necessary, but not sufficient, condition for the resumption of private investment and growth. Unless investors view an adjustment program as internally consistent and are at the same time convinced that the government will carry it out despite the implied social costs, the possibility of reversal could become a crucial determinant of the investment response.²</p>

² Many developing countries that have in the past attempted at restoring macroeconomic stability were disappointed at the low level of private sector investment responses despite the provision of attractive economic incentives. A stable macroeconomic framework, policy predictability, and clear rules of the game are key ingredients for private investment to thrive. For detailed discussion of the response of private investment to economic incentives and macroeconomic conditions and the empirical evidence see Luis Servén and Andris Solimána, "Economic Adjustment and Private Investment," *Finance & Development*, September 1992

DEFINITION & RATIONALE	OBJECTIVES & PROGRAM STRATEGIES	
<p>Government budgetary balance can have a decisive influence on the nation's inflation and unemployment rates through aggregate demand. The financing of the budget deficit, either to subsidize selected sectors of the economy, state-owned enterprises or to pay salaries and wages of the civil service, through money creation or financial repression can increase inflationary pressures on the economy and can dry-up credit to the private sector. When there is a persistent budget deficit, many developing countries governments have often resorted to domestic borrowing. Government domestic borrowing can crowd-out private investors by pushing up interest rates and reducing the availability of credit. Government domestic borrowing can thus slow the momentum of private investment and usher in a period of economic stagnation and deterioration. Excessive external borrowing can also hamper private investment. The "tax" associated with future debt service reduces the anticipated return on investment and thus can slow private investment.</p>	<p>1.1 Improved government budgetary balance.</p>	
<p>1.1.1 Elimination of subsidies to State-Owned Enterprises (SOEs)</p> <p>In developing countries many state-owned enterprises are plagued by waste and inefficiencies often requiring significant amount of cash infusion from government coffers to keep them afloat. The liquidation of potentially unprofitable SOEs and the restructuring and privatization of potentially profitable SOEs could significantly reduce the government budget deficit. Allowing SOEs to survive or fail on their own will enhance the added benefit of improving the resource allocation process. It could also enhance SOEs productivity and profitability.</p>	<p>1.1.1 Increased cost recovery on public sector services</p>	<p>Many developing countries subsidize education, health services and basic consumer goods through direct subsidy and price controls. Spending can be cut and offset by user fees by targeting benefits on the really needy, while those who can afford to pay can be charged a fare price for services delivered.</p>
	<p>1.1.2 Increased cost recovery on public sector services</p>	

OBJECTIVES & PROGRAM STRATEGIES	DEFINITION & RATIONALE
<p>1.1.3 Modernized and improved institutional capacity of taxes and user fees collection agencies</p>	<p>Many developing countries can improve their budgetary balance by improving the management and supervision of their tax and user fees collection agencies. Weak management and inadequate supervision of taxes and user fees collection agencies can cost developing countries the equivalent of millions of dollars in uncollected revenues. In addition, it can fostered corruption and malfeasance. The simplification of the tax base and tariff structure, the reduction of tax and tariff exemptions, making custom duties responsive to price changes as well as the restructuring and modernization of revenue collection agencies could minimize rent-seeking behavior while maximizing the amount of revenue collected.⁴ Better training, competitive salaries, and conditions of services of revenue collection personnel will minimize malfeasance and attract better qualified, disciplined, and dedicated personnel. An efficient tax and user fees collection system could significantly increase the revenue collection rate while at the same time it reducing tax evasion.</p>
<p>1.1.4 Improved transparency and accountability for fiscal expenditures</p>	<p>Developing countries can decrease the government budget deficit (1) by using sound budgeting and expenditure procedures for all projects and programs; and (2) by making public institutions and decision-makers more directly accountable for fiscal expenditures. In many developing countries fiscal policies can be reformed and their bureaucracies can be made more accountable. Many developing countries can generate additional tax revenue by widening the tax base while spreading the tax burden more equitably. Many countries can reduce and control expenditures by using a more rigorous and rational budgeting and expenditure criteria. Such rational criteria will favor investments with the highest rates of economic and social returns.</p> <p>Establishing a credible system for correcting bureaucratic abuses and inefficiencies can make public institutions and decision-makers can be made more accountable . The Public sector can be more open and transparent. Openness is crucial for accountability. Public accounts and audit reports could be made readily available for public scrutiny. Rigorous systems of financial management, procurement and expenditures, with swift and tough penalties for malfeasance may be needed; and sound methods of accounting and independent auditing could be applied more consistently across all bureaucracies.</p>

⁴ For detailed discussion of the influence of fiscal policies on investment productivity and competitiveness see Sanjeev Gupta and Karin: Nashashibi, "The Fiscal Dimension of Adjustment," Finance and Development, September 1992

OBJECTIVES & PROGRAM STRATEGIES	DEFINITION & RATIONALE
<p>1.2 Improved policy mechanism for managing the money supply</p>	<p>Many developing countries can improve the macroeconomic climate by using improved monetary policy tools for managing the money supply. Careful management of the money supply may be critical to controlling inflation without choking off the availability of credit. Monetary authorities could use a combination of tools to fine-tune the supply of money including (1) prudential reserve requirements on bank deposits, (2) the discount rate -- the rate charged by the central bank on commercial bank borrowing, and (3) open market operation -- selling and purchasing securities to increase and decrease the amount of money held by the public.</p>
<p>1.2.1 Improved capacity to monitor the macroeconomic environment and to formulate appropriate monetary policy</p>	<p>Many developing countries could improve upon the macroeconomic data they use for monetary policy analysis and decision-making. Up-to-date data on the money supply, inflation, unemployment, interest rates, credit, trade and investments, government expenditures and tax revenues need to be collected on sound principals and in a consistent and timely manner. Monetary policy based on good data and sound analysis has a better chance of improving the macroeconomic environment. This could enhance the authorities capacity to analyze thoroughly and to react to rapidly changing economic conditions.</p>
<p>1.2.2 Increased reliance on indirect controls of the money supply and interest rates</p>	<p>Many developing countries can improve their monetary policy tools. There are several tools available to monetary policy-makers including reserve requirements, discount rates, interest rate ceilings, and direct credit and foreign exchange allocations. In many countries indirect mechanisms have provided better tools for fine tuning the money supply. In general, the efficient operation of monetary policy depends on the existence of free and competitive markets for interest-bearing financial instruments. The deepening and broadening of the financial market will efficiently facilitate transactions in the conduct of monetary, fiscal, and exchange rate policies.⁵ Without the development of money and credit markets, and the proper regulation of financial institutions (including commercial banks), appropriate monetary policy instruments are missing, and stabilization policies are less efficient. It seems then that development of the financial sector is essential for improving the conduct of monetary policy.</p>
<p>1.2.3 Appropriately valued and unified foreign exchange regime</p>	<p>Overvalued and multiple foreign exchange rates could retard exports and create inefficient use of productive resources.</p>

⁵ Financial deepening refers to the number and types of financial assets such as saving deposits, certificate of deposits, treasury bills, commercial papers, mutual funds, insurance etc. available to investors and depositors. Financial assets with attractive yield, liquidity and risk characteristics encourage saving in financial form. Access to a variety of financial instruments enables economic agents to pool, price and exchange risk. Broadening of the market refers to the size and the number of institutional and individual investors and savers. Financial broadening requires giving access to the financial sector to all segments of society - to large and small investors.

OBJECTIVES & PROGRAM STRATEGIES	DEFINITION & RATIONALE
<p>1.3 Healthy, dynamic and competitive banking and financial sector</p>	<p>A healthy and dynamic financial sector can greatly improve the macroeconomic environment in many developing countries. According to a World Bank survey, financial institutions in many developing countries are in extremely unsound conditions.⁶ Excessive controls over interest rates and credit allocation may have been responsible for repressing the financial system. A general loss of confidence in the banking system can result in bank failures which in turn can cause contraction in the money supply, failure of the payment systems and large and unexpected government obligations. The strengthening of the financial sector may require the development of money markets, the streamlining of selective credit controls, the integration into the formal systems of unregulated financial institutions, improving the supervision of financial institutions, the introduction of deposit insurance, the development of term finance and capital markets, and creating new financial institutions and instruments.⁷</p> <p>The efficiency with which financial resources are distributed within an economy determine economic growth. In this context, a financial system's contribution to the economy depends on the quantity and quality of its services and the efficiency with which it provides them. Domestic financial deepening is key for mobilizing domestic savings efficiently and to optimally allocate credit to productive activities. Without a deepened financial system national savings will be low, slowing investment and increasing dependence on foreign capital. In many developing countries, the financial sector is shallow and financial systems are dominated by deposit money banks indicating that institution building is needed to expand and enrich the range of services which the financial sector can provide.</p>
<p>1.3.1 Strengthened systems of supervision and regulation of banks and financial institutions</p>	<p>In many developing countries a healthy, competitive and dynamic financial system could be achieved through the institution of a strong system of bank supervision and regulation. Prudently set reserve requirements can insure the liquidity of banks without taxing them excessively. Concentration of assets and unsound banking practices could be monitored more vigorously and deterred in a timely manner in order to improve the soundness of the banking system. Deposit insurance partly financed by the financial system can be established to protect depositors.</p>

⁶ See World Bank, Development Report 1989

⁷ The state of the financial sector in developing country is discussed in some depth in the World Bank 1989 World Development Report.

OBJECTIVES & PROGRAM STRATEGIES	DEFINITION & RATIONALE
<p>1.3.2 Strengthened internal controls and management of banks and financial institutions</p>	<p>Many developing countries could improve the soundness and viability of the financial sector by improving the management of financial institutions. According to the World Bank, 1989 World Development Report, financial institutions in many developing countries often lack good management and adequate internal controls and are plagued with fraud and waste. Fraud and waste can be prevented by improving the training of management and by establishing a strong system of internal controls and frequent external audits. Better management requires new lending policies, better loan recovery procedures, more sophisticated information system, and better-trained staff.</p>
<p>1.3.3 Restructuring and liquidation of weak banks and financial institutions</p>	<p>The soundness and viability of the financial system can be enhanced by liquidating weak banks in the system or by restructuring and absorbing them into healthy banks. Keeping weak banks afloat will increase the cost of money and put pressure on the fiscal deficit as well as lower public confidence.</p>
<p>1.3.4 Increased reliance on market-determined credit allocations and increased competitiveness of financial intermediaries</p>	<p>Increased reliance on the market to determine interest rates and to allocate credit can promote competition in the financial sector and can improve the productivity of financial institutions. It can also improve the quality of services and financial assets. The allocation of financial resources in accordance with the laws of supply and demand will channel scarce resources to the most profitable and productive activities. The administrative control of interest rates can result in negative real interests and result in low levels of domestic savings. In addition, it can cause capital flight and depress the rate of private capital formation. Competition among financial intermediaries could increase the range of financial services available and could at the same time reduce the cost of credit to borrowers.</p>

OBJECTIVES & PROGRAM STRATEGIES	DEFINITION & RATIONALE
<p>PROGRAM OBJECTIVE No.2:</p> <p>Increased Domestic and International Trade and Competitiveness</p>	<p>Trade expansion is critical to sustained economic growth. Increased trade generates increased employment, income and investment leading to a further economic expansion. Competitiveness reflects firms' ability to produce and market goods and services in domestic and international markets profitably while generating increased income to workers and investors. International trade generates the foreign currency earnings necessary for the purchase of essential industrial and agricultural inputs and services, and consumer goods from international markets. In addition, free trade (i.e., trade based on competitiveness) can lower prices, offer greater choices and higher quality to consumers and generate new jobs.⁸ Free trade and increased trade have the highest potential for job creation in developing countries. Domestic and international competitions have very often spurred innovation, the diffusion of technology and efficient use of resources.</p>
<p>2.1 Increased productivity of land, labor, manufacturing plants and equipment</p>	<p>Economic growth through expanded production and trade critically depends on a country's productivity. Productivity measures an economy's capacity to produce, over and above the portion attributed to the expansion of input quantities. It is the story of 2 plus 2 equals 5. Productivity is the primary source of trade competitiveness. The efficiency with which land, labor and capital are used in producing goods and services enhance a country's international competitiveness. In addition, productivity growth is the only sources of extra resources to pay for improvements without reducing wages and living standards.</p>
<p>2.1.1 Increased private sector investment in productive assets</p>	<p>Economic growth and productivity improvements require investment in plant and equipment and in people. Private investment plays a crucial role both in long run development and in the design of short term stabilization programs. Other things being equal, the more resources a society devotes to investment, the faster its economy can grow. The more tools and better tools labor is equipped with the more productive it can become. Increases in public and private investment rates offer the promise of increasing productivity. The rate of new investments determines the speed at which a country is adopting new and improved technologies. New technologies enhance productivity and improve product quality.</p>

⁸ Since World War II, jobs connected to exports have grown at a rate three times faster than jobs in the general US economy, and these are higher-wage jobs paying 17% more per hour, see Mortimer B. Zuckerman, *It's the Global Economy, Stupid*, U.S. News and World Report, August 9, 1993.

<p>2.1.2 Increased investment in human capital</p>	<p>Nations compete on the quality of their human capital. Formal schooling and workplace training decisively affect labor productivity and income. The average length of schooling and the quality of schooling are important determinants of labor productivity as evidenced by the income differentials of primary, secondary and university graduates.⁹ Workers with formal schooling can be trained quickly and easily.</p>
<p>2.1.3 Increased infrastructure investment - transportation, telecommunication, energy, etc.</p>	<p>A strategy for accelerated economic growth calls for increased infrastructure investment. Public sector investment in rail and road networks, communication systems, electricity generation and distribution systems, sewer and water facilities, research and extension, as well as operations and maintenance of the existing physical infrastructure promotes private sector productivity and facilitates economic expansion.</p>
<p>2.1.4 Improved legal, regulatory and structural framework for enhanced market efficiency.</p>	<p>Legal, regulatory and institutional reforms can stimulate further productivity gains by lowering the cost of market entry and by promoting the efficient allocation of productive resources. Complex systems of industrial licensing, labor laws, restrictions on entry and exit of firms, inappropriate legal codes concerning bankruptcy and employment, inadequate property rights, and price controls can weaken the forces of competition and hold back technological change and the growth of productivity. In many developing countries, business licensing requirements and industrial regulations can be made more transparent and simple to administrate. Because labor costs are an important factor in determining the competitiveness of exports, wage bargaining could be linked closely to labor productivity. The establishment of a well-functioning legal system and judiciary, and secure property rights, can foster sustained economic growth. Minimizing state intervention in the affairs of business can be critical for stemming out corruption which has plagued many developing countries. Corruption keeps money out of the hands of producers and causes the comparative advantage that is derived from free trade to go unrealized.</p>

⁹ The intellectual, nonmaterial elements of our production system - the combined effects of increased education of the work force and advances in knowledge - are overwhelmingly the main sources of growth in productivity and living standards. According to recent estimates, improvements in education and knowledge account for 50 to 70 percent of the economic growth of the United States. See Edward F. Denison, *Trends in American Economic Growth, 1929-82*, Brookings, 1985; also see Robert M. Solow, "Technical Change and the Aggregate Production Function," *Review of Economic and Statistics*, Vol. 39 (August 1957).

OBJECTIVES & PROGRAM STRATEGIES	DEFINITION & RATIONALE
<p>2.1.5 Increased assimilation of efficiency enhancing managerial and operational techniques and know-how.</p>	<p>In addition, to increased investment in physical assets, the know-how and the capacity to put into practice selected techniques of production, marketing, and business administration are key determinants of productivity gains. The international flow of technology has taken many forms: foreign direct investment; foreign education; technical assistance; the licensing of patented processes; the transmission of knowledge through labor flows and exposure to foreign goods markets; and technology embodied in imports of capital, equipment, and intermediate inputs. The ability to absorb and use these technologies may make a difference in a country's competitiveness.</p>
<p>2.2 Outward looking market-oriented commercial and trade policies</p>	<p>Export orientation and efficient import substitution of a dynamic private sector will stimulate and expand economic growth. Trade restrictions, on the other hand, can increase the cost of doing business, lower productivity and could make a country internationally less competitive. Openness to trade, investment, and ideas can be critical in encouraging domestic producers to cut costs by introducing new technologies and to develop new and better products.</p>
<p>2.2.1 Reduction of tariff and non-tariff barriers to agricultural and industrial trade and investment.</p>	<p>Many developing countries have in the past erected high tariff and import quotas to protect domestic industries. In many cases, this can stifle foreign investment, increase the cost of production and retard the expansion of exports. Import liberalization could lead to greater reduction in the anti-export bias.</p>
<p>2.2.2 Enhanced competitive market structure for the production, marketing and trading of commodities and services.</p>	<p>In many developing countries state-owned enterprises, marketing boards and trading monopolies are dominant in their respective sectors effectively curtailing private sector initiative through their monopolistic powers and special privileges accorded to them by their governments. For example, in Zambia the Maize Marketing Board has effectively prevented the development of private brokerage and wholesale services in maize marketing. Even after privatization, some of these enterprises have remained dominant. In general, monopolies have less incentive to be efficient. In order to enhance productivity and competitiveness, concentration of markets and monopolies should be monitored and prevented. In addition, in many developing countries these monopolies have proven to be unprofitable and least productive. Reducing the role and the monopoly power of these unproductive public monopolies can be critical to accelerating private sector investment and economic growth.</p>
<p>2.2.3 Elimination of market distorting subsidies and price controls</p>	<p>Price controls and subsidies can distort the allocation of scarce productive resources and retard investment, productivity, trade and economic expansion. Furthermore, elimination of subsidies and price controls and the targeting of subsidies to the needy can alleviate the pressure on the budget deficit. Reducing uneconomic subsidies on water, electricity, and transport could enhance the productivity of the private sector.</p>

OBJECTIVES & PROGRAM STRATEGIES	DEFINITION & RATIONALE
<p>2.2.4 Improved institutional policy framework for increased agricultural production, processing and marketing.</p>	<p>In many developing countries the agricultural sector employs over 70 percent of the population. However, in many of these developing countries the performance of the agricultural sector has been inadequate (e.g. sub-Saharan Africa). Contributing factor in addition to drought are: (1) overvaluation of foreign exchange rates; (2) heavy taxation (directly through low producer prices and indirectly through overvaluation of the currency); and (3) inefficiency of the state monopolies entrusted with marketing agricultural products. Price incentives and liberalization of marketing systems could help improve performance. Higher producer prices help to maintain and/or increase export shares for agricultural products and increase rural incomes. Improvements in rural infrastructure can also enhance agricultural sector performance.</p>
<p>2.2.5 Improved private sector investment and trade enabling environment</p>	<p>In many developing countries appropriate economic incentives, such as tax holidays, duty-free importation of capital goods, etc. could accelerate the rate of private investment in new capital assets and technologies.</p>
<p>2.3 Increased marketed production of agricultural and industrial commodities and services</p>	<p>Sustained expansion of trade requires an ability to adopting new technologies and skills to produce goods and services at commercial scale. Economies of scale are important determinants of productivity and hence competitiveness.¹⁰ In order to maintain market share and competitive position it is absolutely essential to realize economies of scale and to respond to customer demands and to provide after-sales services through increased production and marketing.</p>
<p>2.3.1 Improved access to agricultural and industrial inputs and market information.</p>	<p>Access to credit and inputs can enable farmers to adopt improved technologies and increase their production and productivity. Access to information can significantly enhance marketing capabilities of the private sector. On the other hand, widespread discretionary licensing of imports and restricted foreign exchange controls can limit access to inputs by the private sector. In addition, such protectionism can increase the cost of exports by bidding the price of domestic resources making the country internationally less competitive.</p>
<p>2.3.2 Increased production of staple food crops and non-traditional agricultural export commodities</p>	<p>Increased agricultural production including food crops can expand both domestic and export trade. For example, between 1971 and 1984, agricultural exports grew at 4.6 percent a year while manufactured exports grew at 4.8 percent. The growth of trade in food has been most rapid – 5.3 percent a year.¹¹</p>

¹⁰ Some markets are too small to realize economies of scale. For these markets regional trade and investment holds the promise of generating significant trade increases to realize economies of scale.

¹¹ World Bank, World Development Report

OBJECTIVES & PROGRAM STRATEGIES	DEFINITION & RATIONALE
<p>2.3.3 Increased processing, packaging and marketing of agricultural and non-agricultural primary commodities.</p>	<p>In many developing countries increased processing, packaging and marketing of primary agricultural and non-agricultural commodities can significantly improve the terms of trade and thereby enhance their competitiveness. It can also increase the range of traded goods and commodities thus adding to the further expansion of the economy.</p>
<p>2.3.4 Increased access to export processing and marketing and business support services and infrastructure</p>	<p>In many developing countries the construction of storage facilities, roads and improvements in telecommunication, energy production and distribution, and transportation can promote increased trade and investment. The development of brokerage, freight forwarding, financial planning, advertising and promotion, and marketing services can boost trade and investment.</p>
<p>2.3.5 Accelerated adoption of technologies that increase output; and improve product and service quality.</p>	<p>Adoption of improved production technologies such as the use of high-yield, disease resistant, drought resistant seed varieties can increase the level of agricultural production. Use of quality control and packaging technologies can improve the quality and increase the quantity of marketed products and services.</p>

OBJECTIVES & PROGRAM STRATEGIES	DEFINITION & RATIONALE
<p>2.4 Strengthened cooperation and partnerships between the public and private sectors.</p>	<p>A modernized, efficient, and supportive public sector can be the key to the success of a market-orientated and private sector driven economic growth. In many developing countries the functions of the government may need to be reoriented to the designing, monitoring and implementation of a consistent set of macroeconomic and sectoral policies; and the provision of an enabling environment for the functioning of competitive markets. A responsive and accountable government with a balanced budget and transparent regulation and supervision, support for private sector initiatives, and a government with minimum interference with the efficient allocation of resources can enhance the productivity of the private sector and provide the momentum for increased trade and competitiveness.</p> <p>In many developing countries regulatory agencies may need to be streamlined and made more efficient. Administrative procedures can be simplified and red tape eliminated in order to promote private enterprise. Self-regulation by the private sector, with sufficiently high ethical and internal standards, could be supported and encouraged. Government decision-making processes can be made more open. The decision-making process could include beneficiaries ("customers") at all levels. Procedures that permit prior comment by all affected individuals and groups, not just those with vested interests, on regulations and policy changes can be adopted... Such procedures can be made more transparent to minimize the risk of confusion and could inform the public about decisions in a language that ordinary people can understand. When this happens, private individuals and firms will be willing to take risk and respond by increasing their investment, in part, because they are reasonably assured that the State will act in a predictable, open and systematic fashion, treat them fairly, give them a voice and inform them of results.</p>
<p>2.4.1 Improved public institutions' organizational, managerial and technical capacity to analyze, formulate and implement reforms</p>	<p>A reoriented and private sector-supportive government requires different kind of civil servants and a changed set of incentives for public sector employees. The staff should have sufficient professional stature and integrity not only to conduct a dialogue with the private sector but also to withstand its pressure. They should also be able to speak effectively with politicians. Many developing countries have been unable to retain this kind of professional staff because of very low government pay and rigid civil service promotion policies that emphasize seniority in the service rather than performance.</p>
<p>2.4.2 Improved capacity of the private sector to formulate and present its interests.</p>	<p>In many developing countries clearly defined responsibilities, duties and performance measurement systems could be put in place. The public sector is over-staffed (i.e., the government has been the main provider of employment) and often responsibilities and duties are not clearly defined. Since civil service promotions are based on seniority, accountability is also lacking.</p>

OBJECTIVES & PROGRAM STRATEGIES	DEFINITION & RATIONALE
<p>2.4.3 Improved mechanism for public and private sector dialogue</p>	<p>In many developing countries there are no channels of communications between public policy makers and small and medium size enterprises. Trade associations such as the Chambers of Commerce and Labor Unions are under government influence and do not necessarily represent the interests of the private sector or workers. Encouragement of the formation of independent trade associations, labor unions and the provisioning of improved training to trade association and labor union leaders could enhance the capacity of the private sector to prioritize its concerns and to dialogue with public policy makers.</p>
<p>2.4.4 Improved social and economic infrastructure</p>	<p>An efficient domestic economy requires public goods of correspondingly high quality. These include, improved regulatory framework to ensure competition and legal and property rights that are both clearly defined and conscientiously protected. In addition, increased infrastructure investment in energy, telecommunications, transportation and education may be required to stimulate and accelerate private sector investment and to increase productivity and trade. Government investment in infrastructure and the provision of public goods is complementary to private investment. It enhances the profitability of private investment and raises the productivity of capital. In addition, it can increase the demand for private output through increased demand for inputs and ancillary services, and augment the total amount of resources available to the private sector by expanding aggregate output and savings.¹² Most successful economies have achieved near universal literacy and high expenditures on primary health care and family planning as a precondition to economic growth.</p>
<p>2.4.5 Improved social safety net for dislocated persons and the needy</p>	<p>Privatization of State-owned enterprises and the streamlining of the public sector could create redundancies in the labor market. Likewise, removal of subsidies can cause suffering, particularly, on the most needy by increasing the price of basic necessities and food. In this context, the implementation of appropriate safety nets can be used to strengthen the support for and the commitment to economic reforms. Implementing actions to protect the most vulnerable can reduce the resistance to economic reforms and could build consensus.</p>

¹² For detailed discussion of the connection between public and private investment see Mario I. Blejer and Mohsin S. Khan, *Private Investment in Developing Countries*, Finance & Development, June 1984

OBJECTIVES & PROGRAM STRATEGIES	DEFINITION & RATIONALE
<p>PROGRAM STRATEGY No. 3</p> <p>Increased economic participation by all segments of society.</p>	<p>Economic growth cannot be sustained when a significant segment of society is unable to participate in the fruits of economic expansion. Some economies, particularly those that depend on export of primary commodities and lack a diversified economic base are unable to reduce poverty. Countries can diversify their economic base in part by creating an environment whereby all segments of society actively participate in the economic process and their entrepreneurial initiatives are supported by government in the form of an enabling legal and regulatory environment. The down-side risk of the concentration of wealth in the hands of a few privileged individuals and the exclusion of large segments of societies will be civil strife as in the case of Peru and Nicaragua, and is detrimental to economic growth and development.</p>
<p>3.1 Improved access to employment opportunities</p>	<p>Well-functioning labor markets are crucial in allowing income increases to spread throughout the economy. In Malaysia, Indonesia and Thailand, the development of labor-intensive manufacturing sector, an open trade and price regime, and a flexible labor market enabled the poor to expand into all branches of economic activity.¹³</p>
<p>3.1.1 Improved access to enriched primary, secondary and adult education and vocational training</p>	<p>Improvements in skills and the quality of the labor force enable the poor to seize the opportunity provided by economic growth. Formal education and vocational training empower the poor with the human capital necessary to benefit from new employment opportunities and participate in the economic growth. Broad-based public expenditures on basic education, health, family planning and raising the enrollment of girls could be essential for improving access to employment by a large segment of the population. Currently, in many developing countries, public spending is considerably biased toward urban areas and against primary education and health care. The decentralization of the primary and secondary educational systems could increase access to a large segment of society. While there is a gap in enrollment rates, education in many countries is inadequate; many children who complete primary schooling fail to acquire basic literacy and numeracy skills or scientific understanding. This could be improved upon.</p>
<p>3.1.2 Expanded retraining of displaced workers</p>	<p>Retraining of displaced workers in relevant skills may enhance their access to new employment opportunities created by an expanding economy.</p>

¹³ Ajay Chhibber and Ched Leechor, "Ghana: 2000 and Beyond," Finance and Development, September, 1993

OBJECTIVES & PROGRAM STRATEGIES	DEFINITION & RATIONALE
<p>3.1.3 Expanded private job placement services</p>	<p>Private job-placement services could be key to the provisioning of access to a wide variety of employment opportunities to a vast majority of people entering the labor market. Private job-placement services could serve as a buffer to protect job applicants against employment discrimination while at the same time saving time and cost to employers.</p>
<p>3.1.4 Improved policy and institutional framework for enhanced labor mobility</p>	<p>Flexible labor laws that (1) foster mobility of labor, (2) allow firms to tie compensation to performance and to fire workers with low performance, and (3) remove the restrictions on the number of hours of work, are essential to stimulating labor-intensive private investment.</p>
<p>3.2 Improved access to productive assets by small businesses and micro-entrepreneurs</p>	<p>In many developing countries small and micro-enterprise related activities are the primary source of income and livelihood for a large segment of society. Indeed, the small and macro-enterprise sectors could comprise a key generator of increased income and employment opportunities for both urban and rural communities. In many developing countries small and micro-enterprises contribute up to 30 percent to their nation's GDP. However, many of these small and micro-enterprises do not have adequate access to productive assets and credit. Improving the legal, institutional, and regulatory environment for business licensing and regulation; and the provision of access to productive resources through improved land tenure, land titling and the creation of a range of collateral arrangements targeted at small and micro-enterprises could enhance the profitability and growth of this sector.</p>
<p>3.2.1 Secure land tenure, land use and settlement arrangements.</p>	<p>In many socialist countries and traditional communities private ownership of land is limited. In others countries, large tracts of the most productive land are owned by privileged absentee landlords. In many of these countries, land reform, secure land tenure, land use and settlement arrangements may be necessary in order to provide improved access to productive assets to a large segment of the population. When secure land tenure is available and the legal mechanism to enforce contracts is operational and effective, land can be mortgaged, sold or purchased. As the secondary market for land expands more and more people can have access to land and other productive resources.</p>

OBJECTIVES & PROGRAM STRATEGIES	DEFINITION & RATIONALE
<p>3.2.2 Increased adoption of range of financial services targeted at small and micro enterprises.</p>	<p>Access to credit is and has been a critical constraint to the expansion of small and micro-enterprises. Because of economies of scale and lack of adequate collateral many financial institutions are reluctant to lend to small and micro-enterprises. In addition, from the borrowers point of view, the process for obtaining formal sector credit appears to be cumbersome and time consuming. As a result, many small and micro-enterprises depend on family savings and on loans obtained from the informal sector often at extremely high interest rates. Alleviation of this constraint could accelerate the expansion of small and micro-enterprises by lowering the cost of credit. From the lender's point of view risk and cost of credit application processing seem to be key determinants of willingness to lend. Lenders have to evaluate credit applications and assess the credit worthiness of borrowers. The cost of processing each credit application is the same regardless of the size of the credit. As a result lenders tend to prefer large over smaller borrowers. In addition, lenders prefer to have tangible and more liquid collateral for offsetting their losses from unperforming loans. In general, large borrowers have more valuable and liquid collateral than many small borrowers. In many cases small borrowers do not have tangible collateral to put in the hands of lenders. In order to improve access to credit by small and micro-enterprises, financial institutions could develop and accept a range of tangible and non-tangible collateral targeted at small and micro-enterprises.</p>
<p>3.2.3 Improved institutional and regulatory framework to encourage and re-enforce local entrepreneurial initiatives</p>	<p>In Latin America and other countries small and micro-enterprises operate outside the system because of restrictive business regulations and rent-seeking behavior of public officials. In order to expand the participation of small and micro-enterprises it may be necessary to reform business licensing requirements and the taxation of income.</p>
<p>3.2.4 Strengthened institutional and legal arrangements for efficient and equitable enforcement of contracts.</p>	<p>In the likelihood of default, lenders must have a legal recourse to recover loans made to borrowers regardless of the size of the borrowers. At the same time, borrowers need to be protected from unscrupulous lenders. In many developing countries, an equitable and enforceable legal code could enhance the availability of credit to small and micro-enterprises.</p>
<p>3.3 Increased dissemination of information and entrepreneurial education.</p>	<p>In many developing countries access to information and entrepreneurial educational opportunities could be improved. Market information including sources and prices of tools and equipment, inputs, commodity prices and buyers can accelerate the expansion of the small and micro-enterprise sector. Information and improvements in basic skills can increase incomes of micro-entrepreneurs.</p>

OBJECTIVES & PROGRAM STRATEGIES	DEFINITION & RATIONALE
<p>3.3.1 Strengthened grassroots associations and PVOs to facilitate the dissemination of information.</p>	<p>In many developing countries, encouragement of the formation of grassroots associations and private voluntary organizations (PVOs) to gather and disseminate information can accelerate the transmission of information to a large segment of the population. Many of these associations and organizations could benefit from technical assistance that will provide them with the tools and skills needed for gathering and disseminating information.</p>
<p>3.3.2 Increased delivery of vocational and skills training facilitated by PVOs and grassroots organizations.</p>	<p>In many developing countries, small and micro-enterprises can increase their revenues and income by improving the quality of their products and services and also by increasing the volume of their marketed output. Information on product quality, consumer preferences and the skill for improving product quality and services can be imparted at an accelerated rate to a large segment of society through grassroots associations and PVOs.</p>
<p>3.4 Strengthened small business and micro-enterprise support services.</p>	<p>In many developing countries small and micro-enterprises can effectively use support services such as preparation of business plans, applications for business licenses and credit; accounting and financial planning; packaging and forwarding; backward linkages to large firms including exporters; and contact with purchasers. In addition, technical assistance in production processes and quality control can be used effectively to expand marketed output.</p>
<p>3.4.1 Increased decentralization of public sector business services to facilitate greater participation by local communities.</p>	<p>In many countries, the public sector provides various types of services to entrepreneurs through chambers of commerce, trade unions, ministry of commerce and trade, ministry of finance and so on. These services could be made available to a large segment of society by decentralizing public sector services.</p>
<p>3.4.2 Improved training of PVO and grassroots association leaders to respond efficiently and effectively to constituent demands.</p>	<p>In general PVOs and grassroots associations with trained leadership can anticipate and respond to the needs of their constituents. Trained leaders can better represent the interests of their constituents and negotiate and conduct a dialogue with public officials and policy makers without being intimidated.</p>
<p>3.4.3 Expanded re-deployment of dislocated workers in productive activities</p>	<p>Displaced workers can be retrained and deployed alternative productive activities. Many can be trained and organized to work in carpentry, handy crafts, construction or as black smith. Some can be resettled as productive farmers.</p>
<p>3.4.4 Improved rural infrastructure and services</p>	<p>Broad-based public expenditures on basic education, health, family planning and other social and economic infrastructure can be important in translating high economic growth into effective poverty reduction. Expanded growth in labor-intensive sectors of the economy generates demand for factors of production owned by the poor -- their labor.</p>

Performance Indicators - PRISM Economic Development Theme

OBJECTIVES & PROGRAM STRATEGIES	ILLUSTRATIVE PERFORMANCE INDICATORS
<p>PROGRAM GOAL:</p> <p>Broad-Based Sustainable Economic Growth</p>	<ul style="list-style-type: none"> ● per capita GDP ● Average annual growth rate of per capita GDP ● Gini Coefficient
<p>PROGRAM STRATEGY No. 1</p> <p>Improved macroeconomic enabling environment</p>	<ul style="list-style-type: none"> ● GDP inflation rate ● Unemployment rate (by gender) ● Real interest rates ● Real foreign exchange rates
<p>1.1 Improved government budgetary balance.</p>	<ul style="list-style-type: none"> ● Government budget deficit (surplus) as percent of GDP ● Average annual growth rate of budget deficit (surplus) ● Government domestic borrowing as percent of Gross domestic savings
<p>1.1.1 Elimination of subsidies to State-owned enterprises</p>	<ul style="list-style-type: none"> ● Subsidies to SOEs as a percent total government expenditures
<p>1.1.2 Increased cost recovery on public sector services</p>	<ul style="list-style-type: none"> ● User fees as a percent of total social sector expenditures
<p>1.1.3 Modernized and improved institutional capacity of taxes and user fees collection agencies</p>	<ul style="list-style-type: none"> ● Tax and service revenue as a percent of GDP ● Average annual growth rate of tax and service revenue
<p>1.1.4 Improved transparency and accountability for fiscal expenditures</p>	<ul style="list-style-type: none"> ● Regular publication of externally (independent auditors) audited government finance ● Programs/projects and expenditures approved following a formal review process (score 1 - 10) ● Number of unannounced external audits per year of government institutions ● Formal procurement procedures followed
<p>1.2 Improved policy mechanism for managing the money supply</p>	<ul style="list-style-type: none"> ● Average annual growth of the money supply (M1 = currency + demand deposit)
<p>1.2.1 Improved capacity to monitor the macroeconomic environment and to formulate appropriate monetary policy</p>	<ul style="list-style-type: none"> ● Macroeconomic policy research and analysis capability in place ● Number of policy studies published and disseminated to public and private sector entities ● Annual and quarterly publication of up to date macroeconomic data

Performance Indicators - PRISM Economic Development Theme

OBJECTIVES & PROGRAM STRATEGIES	ILLUSTRATIVE PERFORMANCE INDICATORS
1.2.2 Increased reliance on indirect controls of the money supply and interest rates	<ul style="list-style-type: none"> ● Size of central bank money market operation ● Absence of administrative control of interest rates and foreign exchange rates ● Spread between official and parallel market rates
1.2.3 Appropriately valued and Unified Foreign Exchange Regime	<ul style="list-style-type: none"> ● Spread between official and parallel market rates ● Number of exchange rates
1.3 Healthy, dynamic and competitive banking and financial sector	<ul style="list-style-type: none"> ● M2 (currency + demand deposit + saving deposit) as a percent of GDP ● Spread between commercial bank lending and deposit rates ● Value of assets of weak banks as a percent of total banking assets
1.3.1 Strengthened systems of supervision and regulation of banks and financial institutions	<ul style="list-style-type: none"> ● Sound bank examination procedure established and implemented (score 1 to 10) ● Percent of trained bank and financial institutions supervisors and examiners
1.3.2 Strengthened internal controls and management of banks and financial institutions	<ul style="list-style-type: none"> ● Sound procurement and disbursement procedures established and implemented (score 1 to 10) ● Percentage of trained bank and financial institutions managers
1.3.3 Restructuring and liquidation of weak banks and financial institutions	<ul style="list-style-type: none"> ● Percent of banks restructured and liquidated ● Percent of failed banks
1.3.4 Increased reliance on market-determined credit allocations and increased competitiveness of financial intermediaries	<ul style="list-style-type: none"> ● Directed credit as a percent of total financial institution assets
<p>PROGRAM OBJECTIVE No.2:</p> <p>Increased Domestic and International Trade and Competitiveness</p>	<ul style="list-style-type: none"> ● Total merchandise trade (imports + exports) as a percent of GDP ● Merchandise trade balance as a percent of GDP ● Annual average growth rate of merchandise trade balance ● Terms of trade ● Domestic market concentration ratio
2.1 Increased productivity of land, labor, manufacturing plants and equipment	<ul style="list-style-type: none"> ● GDP per labor ● Annual average growth rate of GDP per labor ● GDP as a ratio of Gross Domestic Investment (GDI) ● Annual average growth rate of GDP per unit of GDI

Performance Indicators - PRISM Economic Development Theme

OBJECTIVES & PROGRAM STRATEGIES	ILLUSTRATIVE PERFORMANCE INDICATORS
2.1.1 Increased private sector investment in productive assets	<ul style="list-style-type: none"> ● GDI as a percent of GDP ● Private sector investment as a percent of GDI ● Incremental Capital-to-Output Ratio (ICOR) calculated as $\{(GDI/GDP) + (\Delta GDP/GDP)\}$
2.1.2 Increased investment in human capital - formal education and on-the-job training	<ul style="list-style-type: none"> ● Percent of labor force with secondary and higher education by gender ● Percent of labor force with primary, secondary and higher education by gender ● Percent of labor receiving on the job training per year annum ● Expenditure on education and on the job-training as a percent of GDP
2.1.3 Increased infrastructure investment - transportation, telecommunication, energy, etc.	<ul style="list-style-type: none"> ● Infrastructure investment as a percent of GDP
2.1.4 Improved legal, regulatory and structural framework for enhanced market efficiency.	<ul style="list-style-type: none"> ● Policy reform score (1 to 10)
2.1.5 Increased assimilation of efficiency enhancing managerial and operational techniques and know-how.	<ul style="list-style-type: none"> ● Percent of foreign trained public and private sector managers
2.2 Outward looking market-oriented commercial and trade policies	<ul style="list-style-type: none"> ● Degree of openness of market (score of 1 to 10) ● Total trade as a percent of GDP
2.2.1 Reduction of tariff and non-tariff barriers to agricultural and industrial trade and investment.	<ul style="list-style-type: none"> ● Number and range of tariffs on imports ● Number of import items under quantitative restriction ● Foreign direct investment as a percent of GDI
2.2.2 Enhanced competitive market structure for the production, marketing and trading of commodities and services	<ul style="list-style-type: none"> ● Market concentration ratio
2.2.3 Elimination of market distorting subsidies and price controls	<ul style="list-style-type: none"> ● Number of basic commodities and services under price control
2.2.4 Improved institutional and policy framework for increased agricultural production, processing and marketing	<ul style="list-style-type: none"> ● Policy reform score (1 to 10)
2.2.5 Improved private sector investment and trade enabling environment	<ul style="list-style-type: none"> ● Policy reform score (1 to 10)
2.3 Increased marketed production of agricultural and industrial commodities and services	<ul style="list-style-type: none"> ● Marketed agricultural commodities as a percent of GDP ● Annual average growth rate of marketed agricultural commodities ● Marketed industrial commodities as a percent of GDP ● Annual average growth rate of marketed industrial commodities

Performance Indicators - PRISM Economic Development Theme

OBJECTIVES & PROGRAM STRATEGIES	ILLUSTRATIVE PERFORMANCE INDICATORS
2.3.1 Improved access to agricultural and industrial inputs and market information.	<ul style="list-style-type: none"> ● Membership of chambers of commerce and trade associations ● Number and frequency of trade information publications
2.3.2 Increased production of staple food crops and non-traditional agricultural export commodities	<ul style="list-style-type: none"> ● Value of food crops as a percent of total value agricultural production ● Value of non-traditional ag exports as a % of total exports
2.3.3 Increased processing, packaging and marketing of agricultural and non-agricultural primary commodities.	<ul style="list-style-type: none"> ● Percent of agricultural and non-agricultural primary commodities processed for marketing ●
2.3.4 Increased access to export processing and marketing, and business support services and infrastructure	<ul style="list-style-type: none"> ●
2.3.5 Accelerated adoption of technologies that increase output; and improve product and service quality.	<ul style="list-style-type: none"> ● Adoption rates of agricultural technology packages ● Number of manufacturing/processing patents licensed or owned
2.4 Strengthened cooperation and partnerships between the public and private sectors.	<ul style="list-style-type: none"> ● Number of formal dialogues between public officials and representatives of the private sector ●
2.4.1 Improved public institutions' organizational, managerial and technical capacity to analyze, formulate and implement reforms	<ul style="list-style-type: none"> ● Average professional salaries and wage differential between public and private sector ● Percent of trained (high school and above) public sector employees
2.4.2 Improved capacity of the private sector to formulate and present its interests	<ul style="list-style-type: none"> ● Independent chambers of commerce, trade associations and labor unions ● Number of policy reforms initiated by the private sector
2.4.3 Improved mechanism for public and private sector dialogue	<ul style="list-style-type: none"> ● Establishment of formal and informal committees/commissions for policy dialogue ● Number of formal and informal meetings between private sector and public policy makers
2.4.4 Improved social and economic infrastructure	<ul style="list-style-type: none"> ● Government expenditures on education, health, energy, transport infrastructure, and telecommunication as a percent of GDP ● Annual average growth rate of expenditures on education, health, energy, transport infrastructure, and telecommunication
2.4.5 Improved social safety net for dislocated persons and the needy	

Performance Indicators - PRISM Economic Development Theme

OBJECTIVES & PROGRAM STRATEGIES	ILLUSTRATIVE PERFORMANCE INDICATORS
<p>PROGRAM STRATEGY No. 3</p> <p>Increased economic participation by all segments of society.</p>	<ul style="list-style-type: none"> ● Labor participation rate (ratios of the total economically active population to the total population of all ages) by gender and ethnic groups ●
<p>3.1 Improved access to employment opportunities</p>	
<p>3.1.1 Improved access to enriched primary, secondary and adult education and vocational training</p>	<ul style="list-style-type: none"> ● Percentage of small and micro-entrepreneurs with primary and higher education ● Percentage of primary and secondary schools offering enriched curriculum
<p>3.1.2 Expanded retraining of displaced workers</p>	
<p>3.1.3 Expanded private job placement services</p>	
<p>3.1.4 Improved policy and institutional framework for enhanced labor mobility</p>	
<p>3.2 Improved access to productive assets by small businesses and micro-entrepreneurs</p>	<ul style="list-style-type: none"> ● Percent contribution of small and micro-enterprises to GDP ● Value of assets owned by small and micro-enterprises as a percent of gross domestic investment
<p>3.2.1 Secure land tenure, land use and settlement arrangements</p>	<ul style="list-style-type: none"> ● Average annual growth rate of new land titles issued and recorded
<p>3.2.2 Increased adoption of range of financial services targeted at small and micro enterprises.</p>	<ul style="list-style-type: none"> ● Value of small and micro-enterprise loans as a percent of financial institutions loan portfolio ● Interest rate differential between large borrowers and small and micro-enterprises ● Average size and number of loans extended to small and micro-enterprises ● Average annual growth rate of number of loans extended to small and micro-enterprises
<p>3.2.3 Improved institutional and regulatory framework to encourage and re-enforce local entrepreneurial initiatives</p>	<ul style="list-style-type: none"> ● Average number of days required to acquire business license ●
<p>3.2.4 Strengthened institutional and legal arrangements for efficient and equitable enforcement of contracts.</p>	<ul style="list-style-type: none"> ● Average number of months required to foreclose un-performing loans ● Percentage of foreclosed loans recovered ● Loan repayment rates
<p>3.3 Increased dissemination of information and entrepreneurial education.</p>	<ul style="list-style-type: none"> ● Percentage of small and micro-enterprises accessing information through grassroots associations and PVOs (by gender) ● Percentage of small and micro-enterprises receiving entrepreneurial training through grassroots associations and PVOS (by gender)

ILLUSTRATIVE PERFORMANCE INDICATORS	OBJECTIVES & PROGRAM STRATEGIES
<ul style="list-style-type: none"> ● Total number of active members in grassroots associations and PVOs (by gender) ● Average annual growth rate of memberships (by gender) 	<p>3.3.1 Strengthened grassroots associations and PVOs to facilitate the dissemination of information.</p>
<ul style="list-style-type: none"> ● percentage of grassroots associations and PVOs providing vocational and skills training ● percentage of small and micro-enterprises receiving vocational and skills training from grassroots associations and PVOs 	<p>3.3.2 Increased delivery of vocational and skills training facilitated by PVOs and grassroots organizations.</p>
<ul style="list-style-type: none"> ● Number of support service providers ● Average annual growth rate of support service providers ● Number, type and diversity of support services 	<p>3.4 Strengthened small business and micro-enterprise support services.</p>
<ul style="list-style-type: none"> ● Number of public institutions/services decentralized ● Degree of local control of public services (scored 1 to 10) 	<p>3.4.1 Increased decentralization of public sector business services to facilitate greater participation by local communities.</p>
<ul style="list-style-type: none"> ● Percentage of grassroots organizations and PVOs with trained leadership ● Percentage of grassroots and PVO leadership trained 	<p>3.4.2 Improved training of PVO and grassroots association leaders to respond efficiently and effectively to constituent demands.</p>
<ul style="list-style-type: none"> ● Percent of redundant labor redeployed 	<p>3.4.3 Expanded re-deployment of displaced workers in productive activities</p>
<ul style="list-style-type: none"> ● Percent of redundant labor redeployed in productive activities 	<p>3.4.4 Improved rural infrastructure and services</p>

Performance Indicators - PAISM Economic Development Theme

OBJECTIVES & PROGRAM STRATEGIES	ILLUSTRATIVE PERFORMANCE INDICATORS
<p>PROGRAM GOAL:</p> <p>Broad-Based Sustainable Economic Growth</p>	<ul style="list-style-type: none"> ● per capita GDP ● Average annual growth rate of per capita GDP ● Gini Coefficient
<p>PROGRAM STRATEGY No. 1</p> <p>Improved macroeconomic enabling environment</p>	<ul style="list-style-type: none"> ● GDP inflation rate ● Unemployment rate (by gender) ● Real interest rates ● Real foreign exchange rates
<p>1.1 Improved government budgetary balance.</p>	<ul style="list-style-type: none"> ● Government budget deficit (surplus) as percent of GDP ● Average annual growth rate of budget deficit (surplus) ● Government domestic borrowing as percent of Gross domestic savings
<p>1.1.1 Elimination of subsidies to State-owned enterprises</p>	<ul style="list-style-type: none"> ● Subsidies to SOEs as a percent total government expenditures
<p>1.1.2 Increased cost recovery on public sector services</p>	<ul style="list-style-type: none"> ● User fees as a percent of total social sector expenditures
<p>1.1.3 Modernized and improved institutional capacity of taxes and user fees collection agencies</p>	<ul style="list-style-type: none"> ● Tax and service revenue as a percent of GDP ● Average annual growth rate of tax and service revenue
<p>1.1.4 Improved transparency and accountability for fiscal expenditures</p>	<ul style="list-style-type: none"> ● Regular publication of externally (independent auditors) audited government finance ● Programs/projects and expenditures approved following a formal review process (score 1 - 10) ● Number of unannounced external audits per year of government institutions ● Formal procurement procedures followed
<p>1.2 Improved policy mechanism for managing the money supply</p>	<ul style="list-style-type: none"> ● Average annual growth of the money supply (M1 = currency + demand deposit)
<p>1.2.1 Improved capacity to monitor the macroeconomic environment and to formulate appropriate monetary policy</p>	<ul style="list-style-type: none"> ● Macroeconomic policy research and analysis capability in place ● Number of policy studies published and disseminated to public and private sector entities ● Annual and quarterly publication of up to date macroeconomic data

ILLUSTRATIVE PERFORMANCE INDICATORS	OBJECTIVES & PROGRAM STRATEGIES	
<ul style="list-style-type: none"> ● Size of central bank money market operation ● Absence of administrative control of interest rates and foreign exchange rates ● Spread between official and parallel market rates 	<p>1.2.2 Increased reliance on indirect controls of the money supply and interest rates</p>	
<ul style="list-style-type: none"> ● Spread between official and parallel market rates ● Number of exchange rates 	<p>1.2.3 Appropriately valued and Unified Foreign Exchange Regime</p>	
<ul style="list-style-type: none"> ● M2 (currency + demand deposit + saving deposits) as a percent of GDP ● Spread between commercial bank lending and deposit rates ● Value of assets of weak banks as a percent of total banking assets 	<p>1.3 Healthy, dynamic and competitive banking and financial sector</p>	
<ul style="list-style-type: none"> ● Sound bank examination procedure established and implemented (score 1 to 10) ● Percent of trained bank and financial institutions supervisors and examiners 	<p>1.3.1 Strengthened systems of supervision and regulation of banks and financial institutions</p>	
<ul style="list-style-type: none"> ● Sound procurement and disbursement procedures established and implemented (score 1 to 10) ● Percentage of trained bank and financial institutions managers 	<p>1.3.2 Strengthened internal controls and management of banks and financial institutions</p>	
<ul style="list-style-type: none"> ● Percent of banks restructured and liquidated ● Percent of failed banks 	<p>1.3.3 Restructuring and liquidation of weak banks and financial institutions</p>	
<ul style="list-style-type: none"> ● Directed credit as a percent of total financial institution assets 	<p>1.3.4 Increased reliance on market-determined credit allocations and increased competitiveness of financial intermediaries</p>	
	<p>PROGRAM OBJECTIVE No.2: Increased Domestic and International Trade and Competitiveness</p>	
<ul style="list-style-type: none"> ● Total merchandise trade (imports + exports) as a percent of GDP ● Merchandise trade balance as a percent of GDP ● Annual average growth rate of merchandise trade balance ● Terms of trade ● Domestic market concentration ratio 	<p>2.1 Increased productivity of land, labor, manufacturing plants and equipment</p>	<ul style="list-style-type: none"> ● GDP per labor ● Annual average growth rate of GDP per labor (GDI) ● Annual average growth rate of GDP per unit of GDI

Performance Indicators - PRISM Economic Development Theme

OBJECTIVES & PROGRAM STRATEGIES	ILLUSTRATIVE PERFORMANCE INDICATORS
2.1.1 Increased private sector investment in productive assets	<ul style="list-style-type: none"> ● GDI as a percent of GDP ● Private sector investment as a percent of GDI ● Incremental Capital-to-Output Ratio (ICOR) calculated as $\{(GDI/GDP) + (\Delta GDP/GDP)\}$
2.1.2 Increased investment in human capital - formal education and on-the-job training	<ul style="list-style-type: none"> ● Percent of labor force with secondary and higher education by gender ● Percent of labor force with primary, secondary and higher education by gender ● Percent of labor receiving on the job training per year annum ● Expenditure on education and on the job-training as a percent of GDP
2.1.3 Increased infrastructure investment - transportation, telecommunication, energy, etc.	<ul style="list-style-type: none"> ● Infrastructure investment as a percent of GDP
2.1.4 Improved legal, regulatory and structural framework for enhanced market efficiency.	<ul style="list-style-type: none"> ● Policy reform score (1 to 10)
2.1.5 Increased assimilation of efficiency enhancing managerial and operational techniques and know-how.	<ul style="list-style-type: none"> ● Percent of foreign trained public and private sector managers
2.2 Outward looking market-oriented commercial and trade policies	<ul style="list-style-type: none"> ● Degree of openness of market (score of 1 to 10) ● Total trade as a percent of GDP
2.2.1 Reduction of tariff and non-tariff barriers to agricultural and industrial trade and investment.	<ul style="list-style-type: none"> ● Number and range of tariffs on imports ● Number of import items under quantitative restriction ● Foreign direct investment as a percent of GDI
2.2.2 Enhanced competitive market structure for the production, marketing and trading of commodities and services	<ul style="list-style-type: none"> ● Market concentration ratio
2.2.3 Elimination of market distorting subsidies and price controls	<ul style="list-style-type: none"> ● Number of basic commodities and services under price control
2.2.4 Improved institutional and policy framework for increased agricultural production, processing and marketing	<ul style="list-style-type: none"> ● Policy reform score (1 to 10)
2.2.5 Improved private sector investment and trade enabling environment	<ul style="list-style-type: none"> ● Policy reform score (1 to 10)
2.3 Increased marketed production of agricultural and industrial commodities and services	<ul style="list-style-type: none"> ● Marketed agricultural commodities as a percent of GDI ● Annual average growth rate of marketed agricultural commodities ● Marketed industrial commodities as a percent of GDI ● Annual average growth rate of marketed industrial commodities

Performance Indicators - PRISM Economic Development Theme

OBJECTIVES & PROGRAM STRATEGIES	ILLUSTRATIVE PERFORMANCE INDICATORS
2.3.1 Improved access to agricultural and industrial inputs and market information.	<ul style="list-style-type: none"> ● Membership of chambers of commerce and trade associations ● Number and frequency of trade information publications
2.3.2 Increased production of staple food crops and non-traditional agricultural export commodities	<ul style="list-style-type: none"> ● Value of food crops as a percent of total value agricultural production ● Value of non-traditional ag exports as a % of total exports
2.3.3 Increased processing, packaging and marketing of agricultural and non-agricultural primary commodities.	<ul style="list-style-type: none"> ● Percent of agricultural and non-agricultural primary commodities processed for marketing ●
2.3.4 Increased access to export processing and marketing, and business support services and infrastructure	<ul style="list-style-type: none"> ●
2.3.5 Accelerated adoption of technologies that increase output; and improve product and service quality.	<ul style="list-style-type: none"> ● Adoption rates of agricultural technology packages ● Number of manufacturing/processing patents licensed or owned
2.4 Strengthened cooperation and partnerships between the public and private sectors.	<ul style="list-style-type: none"> ● Number of formal dialogues between public officials and representatives of the private sector ●
2.4.1 Improved public institutions' organizational, managerial and technical capacity to analyze, formulate and implement reforms	<ul style="list-style-type: none"> ● Average professional salaries and wage differential between public and private sector ● Percent of trained (high school and above) public sector employees
2.4.2 Improved capacity of the private sector to formulate and present its interests	<ul style="list-style-type: none"> ● Independent chambers of commerce, trade associations and labor unions ● Number of policy reforms initiated by the private sector
2.4.3 Improved mechanism for public and private sector dialogue	<ul style="list-style-type: none"> ● Establishment of formal and informal committees/commissions for policy dialogue ● Number of formal and informal meetings between private sector and public policy makers
2.4.4 Improved social and economic infrastructure	<ul style="list-style-type: none"> ● Government expenditures on education, health, energy, transport infrastructure, and telecommunication as a percent of GDP ● Annual average growth rate of expenditures on education, health, energy, transport infrastructure, and telecommunication
2.4.5 Improved social safety net for dislocated persons and the needy	

Performance Indicators - PRISM Economic Development Theme

OBJECTIVES & PROGRAM STRATEGIES	ILLUSTRATIVE PERFORMANCE INDICATORS
<p>PROGRAM STRATEGY No. 3</p> <p>Increased economic participation by all segments of society.</p>	<ul style="list-style-type: none"> ● Labor participation rate (ratios of the total economically active population to the total population of all ages) by gender and ethnic groups ●
<p>3.1 Improved access to employment opportunities</p>	
<p>3.1.1 Improved access to enriched primary, secondary and adult education and vocational training</p>	<ul style="list-style-type: none"> ● Percentage of small and micro-entrepreneurs with primary and higher education ● Percentage of primary and secondary schools offering enriched curriculum
<p>3.1.2 Expanded retraining of displaced workers</p>	
<p>3.1.3 Expanded private job placement services</p>	
<p>3.1.4 Improved policy and institutional framework for enhanced labor mobility</p>	
<p>3.2 Improved access to productive assets by small businesses and micro-entrepreneurs</p>	<ul style="list-style-type: none"> ● Percent contribution of small and micro-enterprises to GDP ● Value of assets owned by small and micro-enterprises as a percent of gross domestic investment
<p>3.2.1 Secure land tenure, land use and settlement arrangements</p>	<ul style="list-style-type: none"> ● Average annual growth rate of new land titles issued and recorded
<p>3.2.2 Increased adoption of range of financial services targeted at small and micro enterprises.</p>	<ul style="list-style-type: none"> ● Value of small and micro-enterprise loans as a percent of financial institutions loan portfolio ● Interest rate differential between large borrowers and small and micro-enterprises ● Average size and number of loans extended to small and micro-enterprises ● Average annual growth rate of number of loans extended to small and micro-enterprises
<p>3.2.3 Improved institutional and regulatory framework to encourage and re-enforce local entrepreneurial initiatives</p>	<ul style="list-style-type: none"> ● Average number of days required to acquire business license ●
<p>3.2.4 Strengthened institutional and legal arrangements for efficient and equitable enforcement of contracts.</p>	<ul style="list-style-type: none"> ● Average number of months required to foreclose un-performing loans ● Percentage of foreclosed loans recovered ● Loan repayment rates
<p>3.3 Increased dissemination of information and entrepreneurial education.</p>	<ul style="list-style-type: none"> ● Percentage of small and micro-enterprises accessing information through grassroots associations and PVOs (by gender) ● Percentage of small and micro-enterprises receiving entrepreneurial training through grassroots associations and PVOs (by gender)

Performance Indicators - PRISM Economic Development Theme

OBJECTIVES & PROGRAM STRATEGIES	ILLUSTRATIVE PERFORMANCE INDICATORS
<p>3.3.1 Strengthened grassroots associations and PVOs to facilitate the dissemination of information.</p>	<ul style="list-style-type: none"> ● Total number of active members in grassroots associations and PVOs (by gender) ● Average annual growth rate of memberships (by gender)
<p>3.3.2 Increased delivery of vocational and skills training facilitated by PVOs and grassroots organizations.</p>	<ul style="list-style-type: none"> ● percentage of grassroots associations and PVOs providing vocational and skills training ● percentage of small and micro-enterprises receiving vocational and skills training from grassroots associations and PVOs
<p>3.4 Strengthened small business and micro-enterprise support services.</p>	<ul style="list-style-type: none"> ● Number of support service providers ● Average annual growth rate of support service providers ● Number, type and diversity of support services
<p>3.4.1 Increased decentralization of public sector business services to facilitate greater participation by local communities.</p>	<ul style="list-style-type: none"> ● Number of public institutions/services decentralized ● Degree of local control of public services (scored 1 to 10)
<p>3.4.2 Improved training of PVO and grassroots association leaders to respond efficiently and effectively to constituent demands.</p>	<ul style="list-style-type: none"> ● Percentage of grassroots organizations and PVOs with trained leadership ● Percentage of grassroots and PVO leadership trained
<p>3.4.3 Expanded re-deployment of dislocated workers in productive activities</p>	<ul style="list-style-type: none"> ● Percent of redundant labor redeployed
<p>3.4.4 Improved rural infrastructure and services</p>	<ul style="list-style-type: none"> ● Percent of redundant labor redeployed in productive activities ● ●

SECTION 3: HUMAN DEVELOPMENT

**INTRODUCTION TO THE HUMAN DEVELOPMENT
ANALYTICAL FRAMEWORK**

HUMAN DEVELOPMENT OBJECTIVE TREE

HUMAN DEVELOPMENT DEFINITIONS AND RATIONALES

ILLUSTRATIVE PERFORMANCE INDICATORS

INTRODUCTION TO THE HUMAN DEVELOPMENT ANALYTICAL FRAMEWORK

The long-term economic growth and political, social, and environmental stability of nations is dependent upon a population which is healthy, productive and literate. These aspects of the 'human side' of development are inherent to any integrated, long-term development program.

USAID has been and continues to be, significantly involved in the areas of child survival, family planning, and basic education. The Agency has been the primary donor worldwide for family planning services and has promoted advances in child survival and basic education. It has also addressed new challenges that threaten the well-being of individuals and nations: the AIDS pandemic and the long-term sustainability of human service institutions. USAID's bilateral programs, as presented in field mission strategic plans, represent four major human program objectives:

1. Improved maternal and child health
2. Decreased fertility
3. Reduced HIV transmission
4. Improved basic education

The range of strategies necessary to achieve each objective are defined and graphically depicted in the analytical frameworks. To a large extent, the strategies have been presented in two categories: those related to the direct delivery of services and those more directly addressing the sustainability of service delivery systems. This was purposefully constructed to present and recognize the efforts of USAID to strengthen and improve indigenous service delivery and administer institutions and expand financing mechanisms. These strategies relate to those conditions which must be in place to ensure that service delivery continues after donors have left.

The first program objective in the human development area, "Improved maternal and child health", focuses on USAID's activities to reduce the mortality of women, infants, and children. CDIE has identified 18 different strategies for achieving improved maternal and child health and they fall into five categories: disease prevention and treatment, nutrition, maternal health, institutional sustainability, and financial sustainability. For each of these areas of strategies, CDIE has identified some illustrative performance indicators.

The second program objective, "Reduced fertility" has one primary strategy in CDIE's analytical framework: increased use of modern contraception. To increase the use of modern contraception, CDIE identified six common strategies focusing on both the direct delivery of contraception and the sustainability of family planning delivery systems. CDIE also identified some illustrative performance indicators for this program objective, and its related strategies.

Three primary strategies have been identified for the achievement of the third program objective "Reduced HIV transmission". Each of these has another level of strategies which contribute to their accomplishment. Some tentative indicators have been identified for this program objective and its related strategies. It should be noted, however, that since the magnitude of the HIV pandemic is only now beginning to be understood and, in many countries, an accurate assessment of HIV prevalence and its rate of growth is still unknown. For this reason, the indicator generally used for this, HIV seroprevalence rate, should be used with caution.

Two primary program strategies have been identified for the achievement of the fourth program objective "Improved basic education." Three strategies have been identified for the achievement of the program strategy focusing on efficiency of primary education systems.

In the case of child survival and basic education, the objective is presented with one 'level' of strategies. In the family planning and HIV/AIDS objective, there is an additional layer of strategies. The reason for this is that there are significant differences in the objectives identified in terms of 'manageable interest'. In the family planning area, for example, as many missions identify 'fertility rate decreases' as their objectives as identify 'increased contraceptive use' objectives. It is a question of what a particular mission views as within its 'manageable interest'. The same holds true in the HIV/AIDS and basic education objectives.

**Draft
Analytical
Framework
Child Survival**

PROGRAM OBJECTIVE 1
Sustainable Improvements in Maternal and Child Health
27/0

UTILIZATION OF MCH SERVICES

SUSTAINABLE
HEALTH
SYSTEMS

DISEASE PREVENTION
AND TREATMENT

NUTRITION

MATERNAL
HEALTH SERVICES

INSTITUTIONAL
SUSTAINABILITY

FINANCIAL
SUSTAINABILITY

PROGRAM STRATEGY 1.1
Increased/improved immunization
2/14

PROGRAM STRATEGY 1.2
Increased/improved diarrheal
disease control
0/11

PROGRAM STRATEGY 1.3
Improved access to potable
water & proper sanitation
0/4

PROGRAM STRATEGY 1.4
Control of HIV/AIDS
0/0

PROGRAM STRATEGY 1.5
Improved case management of ARI
0/4

PROGRAM STRATEGY 1.6
Improved malaria control
0/5

PROGRAM STRATEGY 1.7
Country-specific disease interventions
0/2

PROGRAM STRATEGY 1.8
Increased/improved
breast-feeding
0/5

PROGRAM STRATEGY 1.9
Reduced micronutrient
deficiency
0/1

PROGRAM STRATEGY 1.10
Improved infant and
child-feeding practices
0/1

PROGRAM STRATEGY 1.11
Improved direct feeding
programs
0/1

PROGRAM STRATEGY 1.12
Reduced high-risk births
0/0

PROGRAM STRATEGY 1.13
Increased/improved
maternal health services
0/9

PROGRAM STRATEGY 1.14
Improved policy/regulatory
environment & institutional
capacity for long-term
sustainability of
0/6

PROGRAM STRATEGY 1.15
Integration of MCHFP
interventions with
PHC programs
0/2

PROGRAM STRATEGY 1.15
Improved and expanded
health care financing
mechanisms
1/13

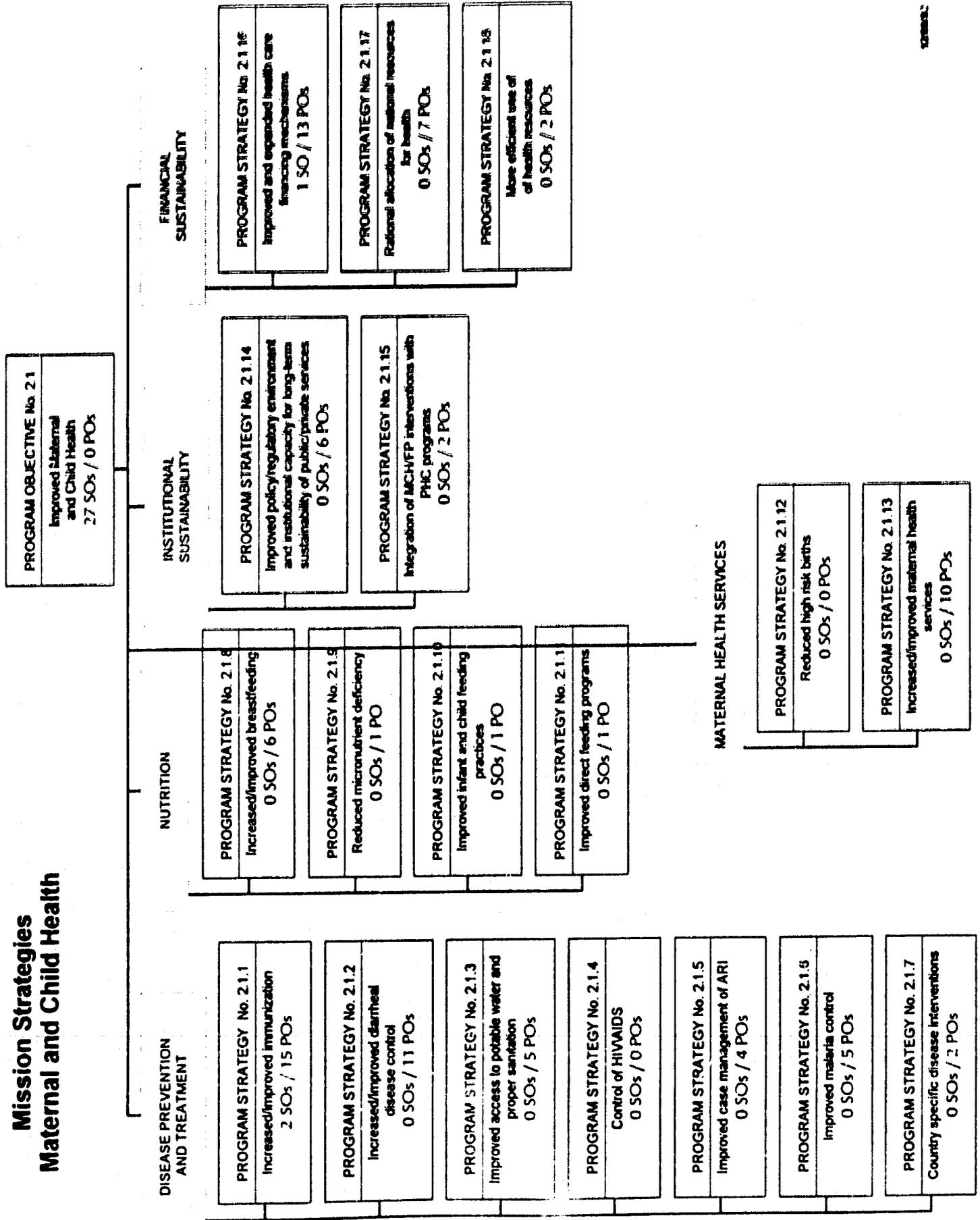
PROGRAM STRATEGY 1.17
Rational allocation of
national resources for health
0/7

PROGRAM STRATEGY 1.18
More efficient use of
of health resources
0/2

Bottom numbers refer to
count of mission strategic objectives
followed by the count of
mission program outcomes

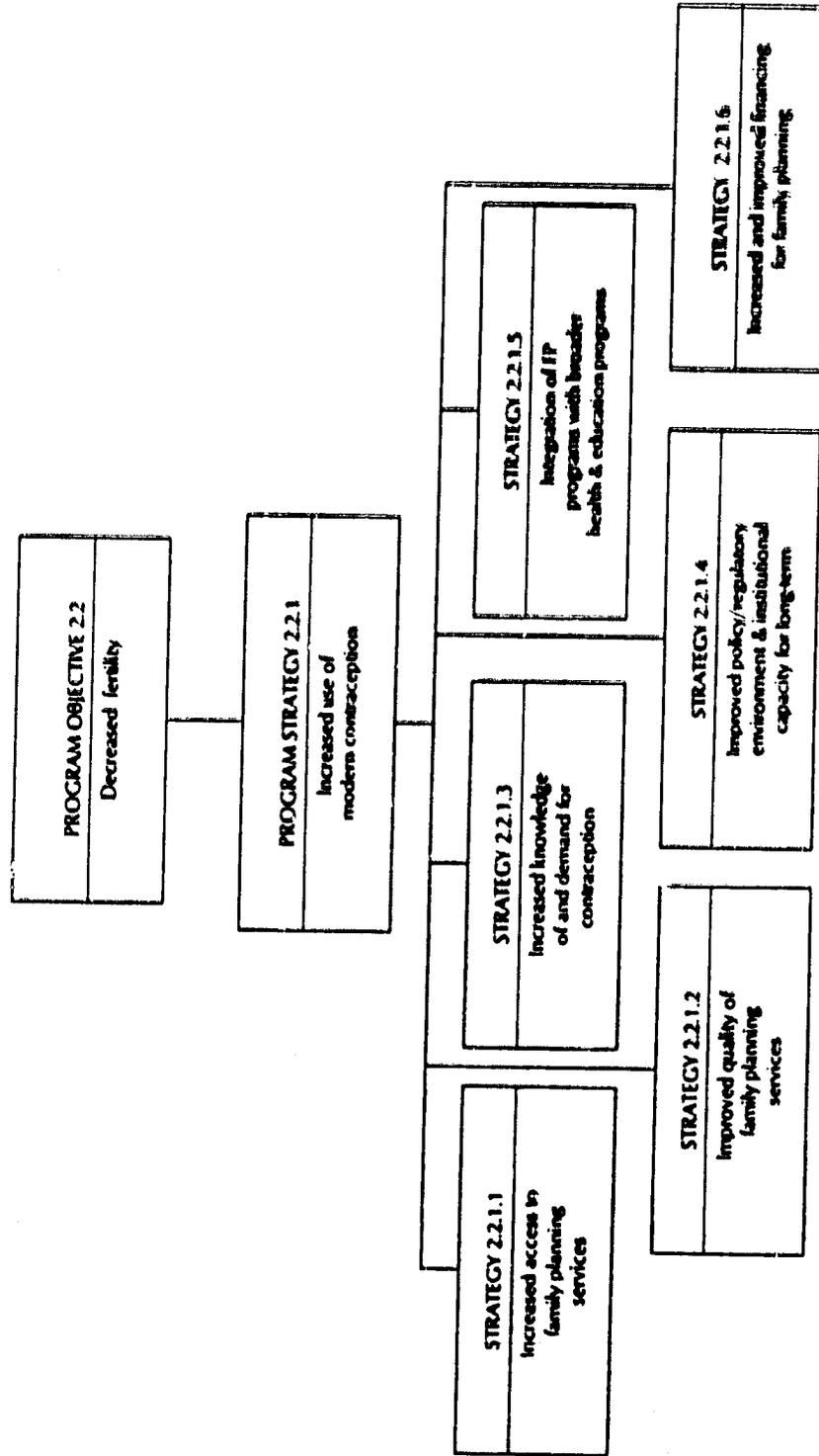
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Mission Strategies Maternal and Child Health

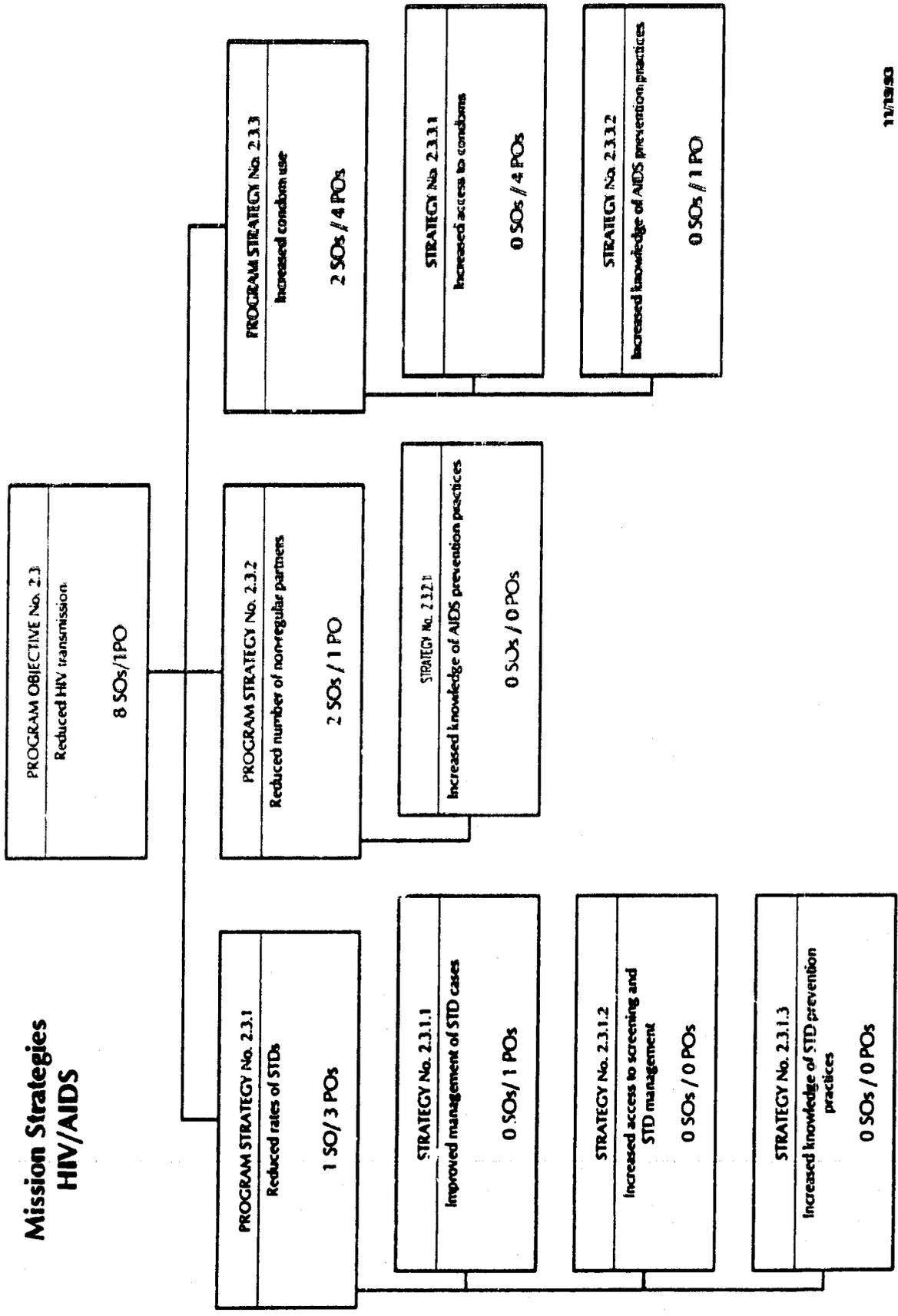


Source:

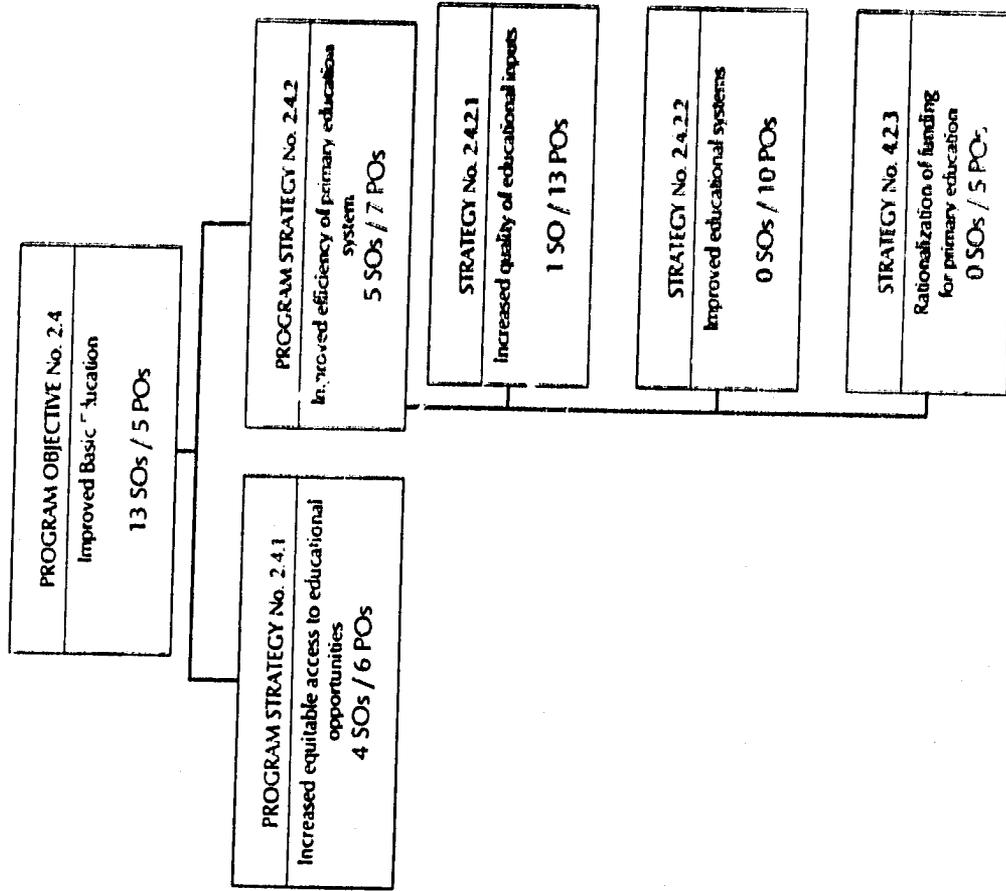
Mission Strategies Family Planning



Mission Strategies HIV/AIDS



Mission Strategies Basic Education



11/19/93

PROGRAM AREA: MATERNAL AND CHILD HEALTH

OBJECTIVE AND PROGRAM STRATEGIES	DEFINITION AND RATIONALE
<p>PROGRAM OBJECTIVE #1 Improved maternal and child health</p>	<p>The long-term development of any nation is dependent upon a population which is healthy and productive. Poor nutrition, disease, and high fertility rates all serve to prevent productive and healthy populations in developing countries. This objective focuses on improving the health of women, infants and children and ensuring the continued ability of nations to address child and maternal health problems. Thus, the strategies articulate the achievement for this objective focus on two aspects: the utilization of child and maternal health services and the strengthening of indigenous institutions and the enhancement of financing mechanisms to ensure long-term delivery of these services.</p>
<p>DISEASE PREVENTION AND TREATMENT</p>	
<p>STRATEGY #1.1 Increased/improved immunization</p>	<p>The six common diseases of childhood - measles, diphtheria, pertussis, tetanus, poliomyelitis and tuberculosis - cause over 3.5 million infant and child deaths annually. Immunization is one of the most powerful interventions for reducing childhood morbidity yet in many countries, vaccination coverage still remains low or vaccines are not as effective as they could be. This strategy focuses on increasing the number of those protected from vaccine-preventable diseases. To this end, USAID is undertaking activities which increase access to vaccines (especially to harder-to-reach populations); increase knowledge of and demand for vaccination; and improve vaccine effectiveness.</p>
<p>STRATEGY #1.2 Increased/improved diarrheal disease control</p>	<p>Diarrheal disease is the second leading cause of infant and child death in the world today; it is also a major contributor to childhood illness and malnutrition. Oral Rehydration Therapy (ORT) is a simple, cost effective intervention to control diarrheal disease. This strategy focuses on controlling diarrheal disease episodes. USAID is undertaking activities which increase the early recognition of diarrheal episodes and improve access (especially for harder-to-reach populations) to quality ORT remedies.</p>
<p>STRATEGY #1.3 Improved access to potable water and proper sanitation</p>	<p>Unsanitary water and sewerage system, contribute to diarrheal and other childhood diseases. This strategy focuses on increasing access to water and sanitation, especially in rural areas where access remains very low. Activities contributing to this strategy include the construction of facilities, public education in the correct utilization of facilities, and the development of administrative, maintenance and financing systems.</p>
<p>STRATEGY #1.4 Control of HIV/AIDS</p>	<p>HIV/AIDS is becoming a significant threat to the health of women and children in the developing world. Infection rates among children born of infected mothers approaches 30%; HIV/AIDS is associated with premature and low birth weight babies, even for those infants born uninfected. This strategy focuses on controlling the rate of HIV transmission. USAID is undertaking activities which reduce the rate of Sexually-Transmitted Diseases and which promote safer sexual practices.</p>

Analytic Framework: PRISM Human Development Theme

<p>STRATEGY #1.5 Improved case management of ARI</p>	<p>Acute Respiratory Infections (ARI) account for one third of all deaths of children under five in the developing world. Improved case management of ARI, the focus of this strategy, requires early recognition and appropriate treatment of respiratory infections. USAID's activities focus on expanding access to facilities and health workers who can diagnose and treat ARI and educating people to recognize the early stages of ARI and seek treatment.</p>
<p>STRATEGY #1.6 Improved malaria control</p>	<p>The incidence of malaria in the world is again increasing. This resurgence is especially dramatic in sub-Saharan Africa where approximately one million children under age five die of the disease each year. This strategy focuses on improving the detection and treatment of malaria. To this end, AID is undertaking activities which increase access to antimalarial drugs and promote early identification of malaria.</p>
<p>STRATEGY #1.7 Country specific disease interventions</p>	<p>In addition to the major childhood diseases presented in the other strategies, there are country or region specific diseases which afflict the populations with which AID works. Activities contributing to reduction in the incidence of these diseases vary.</p>
<p>NUTRITION</p>	
<p>STRATEGY #1.8 Increased/improved breast-feeding</p>	<p>Breast-feeding provides dramatic protection from diarrhea and other childhood diseases, has a significant impact on infant nutrition, and is an important determinant of birth spacing. This strategy focuses on increasing both the number of women breast-feeding and the amount of time (duration) breast-feeding continues. AID's activities in this area focus on promotion of breast-feeding by educating mothers, nutritionists and health care workers and promoting 'baby friendly' hospitals which encourage breast-feeding from the moment of birth.</p>
<p>STRATEGY #1.9 Reduced micronutrient deficiency</p>	<p>Many children in the developing world suffer from micronutrient deficiency - vitamin A, iron and iodine. Micronutrient deficiencies are linked to mental development, blindness, anemia and goiter. This strategy focuses on reducing the deficiency of those nutrients in children. In this area, AID's activities include direct supplementation, food fortification, and promotion of dietary diversification.</p>
<p>STRATEGY #1.10 Improved infant and child feeding practices</p>	<p>Approximately one child in three suffers from malnutrition, an affliction which impacts on mental and physical development. This strategy focuses on improving the nature of feeding practices. Activities included in this are increasing access to weaning foods and supplements; increasing awareness and use of weaning foods; and improving diets to provide the nutrients needed for infant and child growth.</p>
<p>STRATEGY #1.11 Improved direct feeding programs</p>	<p>In many in developing countries, access to food remains a problem. This strategy focuses on increasing the access of pregnant women, mothers and infants and small children to food commodities. The activities contributing to this strategy are primarily the direct provision of food through feeding programs carried out by PVOs/INGOs through USAID grants.</p>

Analytic Framework: PRISM Human Development Theme

<p>STRATEGY #1.12 Reduced high risk births</p>	<p>Many infant and maternal deaths result when pregnancies occur too closely spaced together or when the mother is too young, too old or has had too many prior pregnancies. This strategy focuses on reducing reproductive risk. The activities contributing to this strategy include increasing access to quality contraceptives; increasing knowledge of and demand for contraception and birth-spacing; and improving the quality of family planning services.</p>
<p>STRATEGY #1.13 Increased/improved maternal health services</p>	<p>More than 500,000 women die annually of pregnancy and childbirth-related complications; countless infant deaths are also associated with the prenatal and birthing processes. This strategy is aimed at increasing women's use of quality prenatal, delivery and antenatal services. AID's activities focus on increasing access to maternal health services, improving the quality of and demand for such services.</p>
<p>INSTITUTIONAL SUSTAINABILITY</p>	
<p>STRATEGY #1.14 Improved policy/regulatory environment and institutional capacity for long-term sustainability of public/private services</p>	<p>The continuing supply of quality MCH services after donors are disengaged depends upon indigenous institutions. This strategy focuses on the improvement of such institutions, both public and private. These institutions and the constraints they face vary largely by country situation. USAID's programs in this area include, but are not limited to, improving the ability to: gather, store and analyze health information (information systems); conduct research, design and evaluate programs; and manage and administer programs; to plan for and train necessary workers.</p>
<p>STRATEGY #1.15 Integration of MCH/FP interventions with PHC programs</p>	<p>Many studies have shown that services which are provided together through the same delivery outlet are more likely to be continuously available, permanently institutionalized and are more likely to be sustained. This strategy focuses on the integration of MCH/FP interventions not only with one another but within the entire primary health care delivery system.</p>
<p>FINANCIAL SUSTAINABILITY</p>	
<p>STRATEGY #1.16 Improved and expanded health care financing mechanisms</p>	<p>Long-term sustainability of services is dependent upon adequate financial resources. This strategy focuses on the introduction, pilot testing and ultimate expansion of health care financing mechanisms. These mechanisms include user fees, insurance schemes, and commercial sales. Activities USAID is undertaking include research, analysis and testing of financing options.</p>
<p>STRATEGY #1.17 Rational allocation of national resources for health</p>	<p>The long-term financial future of MCH services also depends on appropriate allocation of public resources to and within the health sector. The rational allocation of these resources is the focus of this strategy. To this end, USAID provides technical assistance and analysis of policy options.</p>
<p>STRATEGY #1.18 More efficient use of health resources</p>	<p>The long-term future of MCH service delivery is also dependent upon utilization of health resources in order to maximize their return. This strategy focuses on the development of innovative approaches to lower the cost and expand the coverage of basic health services.</p>

PROGRAM AREA: FAMILY PLANNING

DEFINITION AND RATIONALE	OBJECTIVE AND PROGRAM STRATEGIES
<p>High population growth rates are one of the most significant constraints to economic growth and individual well-being. This objective focuses on reducing total fertility rates.</p>	<p>OBJECTIVE #2 Decreased fertility</p>
<p>Increasing the use of contraception is one of the most direct means of reducing fertility rates. Other determinants of fertility include breast-feeding, age at marriage and induced abortion. For missions which have identified a reduction in total fertility rates as their strategic objective, the use of contraception is the strategy they most often identify to achieve this. Many missions, however, find that reduction in total fertility rates is outside their 'manageable interest' and have chosen to identify the increased use of contraception as their strategic objective. The strategies articulated for achieving this address two aspects: the direct delivery of contraceptive services and the sustainability of family planning delivery systems.</p>	<p>STRATEGY #2.1 Increased use of modern contraception</p>
<p>Research worldwide shows that greater availability of family planning methods leads to increased contraceptive use. This strategy focuses on increasing physical access to contraception. Elements to this strategy include expanding the delivery base to include the public and private sectors (especially NGOs and FVOS) and developing innovative ways to deliver services to different types of clients.</p>	<p>STRATEGY #2.1.1 Increased access to family planning services</p>
<p>The quality of family planning services is critical to increased and continued use of contraception and, ultimately, the sustainability of a family planning program. To have a significant impact, family planning programs must deliver highly effective methods and address the needs and interests of clients. This strategy focuses on improving the quality of family planning services. USAID is undertaking efforts to improve the competence of family planning workers and increase the range of contraceptive methods available.</p>	<p>STRATEGY #2.1.2 Improved quality of family planning services</p>
<p>The demand for children, and thereby for contraception, is influenced by societal, economic and individual factors. It is also influenced by changes in the availability of and knowledge about family planning services. This strategy focuses on increasing knowledge of and demand for contraception. USAID is undertaking information, education and communication activities which provide accurate and widespread information about family planning.</p>	<p>STRATEGY #2.1.3 Increased knowledge of and demand for contraception</p>

Analytic Framework: PRISM Human Development Theme

OBJECTIVE AND PROGRAM STRATEGIES	DEFINITION AND RATIONALE
<p>STRATEGY #2.1.4 Improved policy/regulatory environment and institutional capacity for long-term delivery of public/private services</p>	<p>The long-term success of family planning programs depends upon the support shown family planning in political, religious and social circles and the capacity of indigenous institutions to deliver services. This strategy focuses on creating a favorable environment for family planning and strengthening institutions, both public and private, which direct and deliver services. The areas in which USAID works to achieve this vary by country and can include: formulation and implementation of a national family planning policy; reduction in regulations which affect the import, distribution and sale of contraception and/or private sector involvement in delivery of contraception; functioning systems including logistics; research/evaluation; and administrative and managerial.</p>
<p>STRATEGY #2.1.5 Integration of FP programs with broader health and education programs</p>	<p>Many studies have shown that multiple services which are provided together through the same delivery outlet are more likely to be continuously available, permanently institutionalized and are more likely to be sustained. This strategy focuses on integrating the delivery of family planning services with other health and education programs.</p>
<p>STRATEGY #2.1.6 Increased and improved financing for family planning</p>	<p>The long-term future of family planning service delivery depends upon sufficient financing to address family planning needs. This strategy focuses on increasing the funding for family planning. Aspects to improved financing include the establishment of financing mechanisms such as cost recovery; the allocation of national resources for family planning services; and increased efficiency in service delivery.</p>

PROGRAM AREA: HIV/AIDS PREVENTION

OBJECTIVE AND PROGRAM STRATEGIES	DEFINITION AND RATIONALE
<p>OBJECTIVE #3: Reduced HIV transmission</p>	<p>The prevalence of HIV/AIDS has reached pandemic proportions and affects not only individuals but entire economies and public health systems. An increasing number of USAID missions have identified strategic objectives focusing on the reduction of HIV/AIDS transmission. It is important to note that the magnitude of the HIV/AIDS pandemic is only now beginning to be understood and, in many countries, an accurate assessment of HIV prevalence and its rate of growth are still unknown. For this reason, the indicator generally used for this objective, HIV Seroprevalence Rate, should be used with caution. It is not considered to be a very sensitive measure, is difficult to project, and is best used for long-term monitoring (i.e., beyond 10 years). There are three primary strategies USAID is pursuing to achieve an objective of reduced HIV transmission.</p>
<p>STRATEGY #3.1 Reduced rates of sexually-transmitted diseases (STDs)</p>	<p>STDs increase the chances of HIV transmission through intercourse significantly. This strategy focuses on reducing the incidence of STDs. Three sub-strategies have been identified to achieve this.</p>
<p>STRATEGY #3.1.1 Improved management of STD cases</p>	<p>Correct case management for STDs is critical for preventing transmission of these diseases. This strategy focuses on improving the diagnosis and treatment of STD cases.</p>
<p>STRATEGY #3.1.2 Increased access to screening and STD management</p>	<p>In many parts of the developing world, access to STD screening and treatment facilities is extremely limited. Thus, A.I.D. is pursuing a strategy of increasing the access of a variety of individuals to facilities which screen and treat STD cases in order to reduce the incidence of STDs.</p>
<p>STRATEGY #3.2.3 Increased knowledge of STD prevention practices</p>	<p>Another strategy to reduce the incidence of STDs is to increase knowledge about how to prevent their transmission. Increasing the number of individuals who know about and act in an informed and responsible manner in their sexual relations is the focus of this strategy.</p>

Analytic Framework: PRISM Human Development Theme

OBJECTIVE AND PROGRAM STRATEGIES	DEFINITION AND RATIONALE
<p>STRATEGY #3.2 Reduced number of non-regular partners</p>	<p>At present, the only way to ensure prevention of HIV transmission is to promote behaviors which reduce the risk of infection. The focus of this strategy and of #3.3 is on encouraging informed and responsible behaviors by those most at risk of HIV infection. - those who have frequent unprotected sex with a number of different partners. This strategy focuses on reducing the number of casual sexual partners.</p>
<p>STRATEGY #3.2.1 Increased knowledge of AIDS prevention practices</p>	<p>The strategy undertaken to promote a reduction in the number of non-regular sexual partners is to increase knowledge about the link between many sexual partners and AIDS transmission.</p>
<p>STRATEGY #3.3 Increased condom use</p>	<p>Another strategy for decreasing the transmission of HIV/AIDS is to encourage the use of condoms, the most effective protection against transmission of HIV.</p>
<p>STRATEGY #3.3.1 Increased access to condoms</p>	<p>Increasing access to condoms by a variety of people is an important strategy to increasing condom use.</p>
<p>STRATEGY #3.3.1 Increased knowledge of AIDS prevention practices</p>	<p>This strategy focuses on increasing knowledge about protection against HIV infection through condom use. By increasing the knowledge about how to prevent transmission of HIV, it is expected that demand for condoms and condom use will increase.</p>

PROGRAM AREA: BASIC EDUCATION

OBJECTIVE AND PROGRAM STRATEGIES	DEFINITION AND RATIONALE
<p>OBJECTIVE #4 Improved basic education</p>	<p>The link between education and national development is, intuitively and empirically, a strong one. Education level is strongly associated with increases in income and economic productivity, receptivity to new ideas and innovation, social mobility and participation. The education of women is closely related to decreases in fertility rates, improved child health and nutrition, and the improved status of women, both in the household and in society. This objective articulates USAID's work to ensure that people in the developing world have the basic skills necessary to participate actively in the economy and society. Recognizing that these improvements result from a number of different human resource development strategies, those articulated here focus only on basic education. The strategies address access, equity and efficiency of primary education.</p>
<p>STRATEGY #4.1 Increased equitable access to educational opportunities</p>	<p>One of the most significant constraints to greater educational attainment in the developing world is the lack of educational opportunities, particularly for disadvantaged populations (girls, for example). This strategy focuses both on increasing enrollment levels in an equitable fashion - among boys and girls, ethnic groups, and regional sub-populations.</p>
<p>STRATEGY #4.2 Improved efficiency of the primary education system</p>	<p>Inefficiencies in an education system constrain a nation's ability to improve its human resource base. Poor quality education, insufficient funding for education, and inadequate systems of educational oversight and management all contribute to an education system which yields fewer students who learn less and take more time to complete their primary schooling. This strategy focuses on reducing the inefficiencies of the primary education system through improvements in the quality of education, and in the management, administration, and financing of education.</p>

Analytic Framework: FRISM Human Development Theme

OBJECTIVE AND PROGRAM STRATEGIES	DEFINITION AND RATIONALE
<p>STRATEGY #4.2.1 Increased quality of educational inputs</p>	<p>Poor quality of educational instruction increases student drop out rates and the amount of time students must spend in school to learn basic skills. This strategy focuses on improving and expanding the inputs necessary for a quality education. USAID is undertaking activities which increase the number of teachers with appropriate certification and/or in-service training and which make available to more students improved curricula, textbooks and other instructional materials.</p>
<p>STRATEGY #4.2.2 Improved educational systems</p>	<p>The continued functioning of a quality education system requires that educational institutions are viable. This strategy focuses on improving the ability of those institutions responsible for education (at central, regional and local levels) to design, manage and evaluate educational programs. The activities undertaken to improve education systems vary by country but can include the establishment of a teacher development program; a student testing system; management information system; a merit-based personnel system; proper procurement procedures and modern accounting systems.</p>
<p>STRATEGY #4.2.3 Rationalization of funding for primary education</p>	<p>This strategy focuses on building financially sustainable education systems by both increasing resource allocations to basic education and by diversifying sources to include both local and federal contributions. Increasing the amount of public resources allocated to primary education and improving how they are spent.</p>

MATERNAL HEALTH AND CHILD SURVIVAL

OBJECTIVE AND PROGRAM STRATEGIES	ILLUSTRATIVE PERFORMANCE INDICATORS
OBJECTIVE #1 Improved maternal and child health	<ul style="list-style-type: none"> ● infant mortality rate ● under five mortality rate ● adequate nutritional status
PROGRAM STRATEGY #1.1 Increased/improved immunization services	<ul style="list-style-type: none"> ● vaccination coverage rates
PROGRAM STRATEGY #1.2 Increased/improved diarrheal disease control	<ul style="list-style-type: none"> ● ORT use rate ● women correctly able to prepare ORS
PROGRAM STRATEGY #1.3 Improved access to potable water and proper sanitation	<ul style="list-style-type: none"> ● population with access to potable water ● population with access to sanitation
PROGRAM STRATEGY #1.4 Control of HIV/AIDS	<ul style="list-style-type: none"> ● condom use
PROGRAM STRATEGY #1.5 Improved case management of ARI	<ul style="list-style-type: none"> ● ARI case management
PROGRAM STRATEGY #1.6 Country specific disease interventions	<ul style="list-style-type: none"> ● country specific indicators
PROGRAM STRATEGY #1.7 Increased/improved breast-feeding	<ul style="list-style-type: none"> ● women exclusively breast-feeding ● mean duration of breast-feeding ● continued breast-feeding
PROGRAM STRATEGY #1.8 Reduced Vitamin A deficiency	<ul style="list-style-type: none"> ● children with Vit. A deficiency
PROGRAM STRATEGY #1.9 Improved growth monitoring	TBD
PROGRAM STRATEGY #1.10 Improved direct feeding programs	<ul style="list-style-type: none"> ● proportion of targeted population reached by food program
PROGRAM STRATEGY #1.11 Increased/improved child spacing	<ul style="list-style-type: none"> ● age specific birth rates ● birth rates for high risk women ● CPR (modern) ● CPR (by age, number of children)
PROGRAM STRATEGY #1.12 Increased/improved maternal health services	<ul style="list-style-type: none"> ● women receiving prenatal care ● assisted deliveries
PROGRAM STRATEGY #1.13 Improved policy/regulatory environment and institutional capability for long-term delivery of services	<ul style="list-style-type: none"> ● systems in place (MIS, supply, logistics) OTHERS TBD
PROGRAM STRATEGY #1.14 Integration of MCH programs with PHC facilities	<ul style="list-style-type: none"> ● PHC\FP facilities providing a full range of MCH services ● PHC\FP facilities providing (ORT, vaccination...)

Performance Indicators: PAISM Human Development Theme

OBJECTIVE AND PROGRAM STRATEGIES	ILLUSTRATIVE PERFORMANCE INDICATORS
PROGRAM STRATEGY #1.16 Improved and expanded health care financing mechanisms	<ul style="list-style-type: none"> • institutions with cost recovery • private sector delivery of services <p>OTHERS TBD</p>
PROGRAM STRATEGY #1.16 Rationalization of national resources for health	<ul style="list-style-type: none"> • government budget for health • MOH budget for selected services
PROGRAM STRATEGY #1.17 Increased efficiency in delivery of MCH services	<ul style="list-style-type: none"> • MCH services per dollar

* where appropriate, indicators should be disaggregated (by sex, ethnicity, geographic region, etc.)

FAMILY PLANNING

OBJECTIVE AND PROGRAM STRATEGIES	ILLUSTRATIVE PERFORMANCE INDICATORS
OBJECTIVE #2 Decreased fertility	<ul style="list-style-type: none"> • total fertility rate
PROGRAM STRATEGY #2.1 Increased use of modern contraception	<ul style="list-style-type: none"> • modern contraceptive prevalence rate
STRATEGY #2.1.1 Increased access to family planning services	<ul style="list-style-type: none"> • physical access to contraception
STRATEGY #2.1.2 Improved quality of family planning services	<ul style="list-style-type: none"> • method mix • continuation rates • client management\counseling
STRATEGY #2.1.3 Increased knowledge of and demand for contraception	<ul style="list-style-type: none"> • mean desired family size • people favorable to family planning
STRATEGY #2.1.4 Improved policy\regulatory environment and institutional capacity for long-term delivery of public\private services	<ul style="list-style-type: none"> -Policies\regulations <ul style="list-style-type: none"> • existence of a formal population policy • existence of duties\taxes on contraceptives -Public Support <ul style="list-style-type: none"> • statements of high-level government officials and other leaders in support of family planning -Institutions <ul style="list-style-type: none"> • systems in place (MIS, supply, logistics) • research\evaluation capacity • extent of private sector participation
STRATEGY #2.1.5 Integration of FP programs with broader health and education programs	<ul style="list-style-type: none"> • MCH\PHC programs providing FP services
STRATEGY #2.1.6 Increased and improved financing for family planning	<ul style="list-style-type: none"> • public sector resources devoted to family planning (as a percent of GDP) • cost per CYP • percent of PVO\NGO funds not provided by donors

Performance Indicators: PRISM Human Development Theme

*where appropriate, indicators should be disaggregated (by sex, ethnicity, geographic region, etc.)

HIV/AIDS

OBJECTIVE AND PROGRAM STRATEGIES	ILLUSTRATIVE PERFORMANCE INDICATORS
<p>OBJECTIVE #3 Reduced HIV Transmission</p>	<ul style="list-style-type: none"> ● HIV-Seroprevalence rate (this indicator should be used with caution. The magnitude of the HIV/AIDS pandemic is only beginning to be understood and, in many countries, an accurate assessment of HIV prevalence and its rate of growth are still unknown. HIV seroprevalence rate is not considered a sensitive measure, is difficult to project and is best used for long-term (10+ years) monitoring.)
<p>PROGRAM STRATEGY #3.1 Reduced rates of STDs</p>	<ul style="list-style-type: none"> ● STD prevalence rate
<p>STRATEGY #3.1.1 Improved management of STD cases</p>	<ul style="list-style-type: none"> ● STD case management
<p>STRATEGY #3.1.2 Increased access to screening and STD management</p>	<ul style="list-style-type: none"> ● access to STD screening
<p>STRATEGY #3.1.3 Increased knowledge of STD prevention practices</p>	<ul style="list-style-type: none"> ● people with knowledge of STD prevention practices
<p>PROGRAM STRATEGY #3.2 Reduced number of non-regular partners</p>	<ul style="list-style-type: none"> ● reported non-regular sexual partners
<p>STRATEGY #3.2.1 Increased knowledge of AIDS prevention practices</p>	<ul style="list-style-type: none"> ● people with knowledge of AIDS prevention practices
<p>PROGRAM STRATEGY #3.3 Increased condom use</p>	<ul style="list-style-type: none"> ● condom use in relationships of risk
<p>STRATEGY #3.2.1 Increased access to condoms</p>	<ul style="list-style-type: none"> ● condom access ● condom availability
<p>STRATEGY #3.2.2 Increased knowledge of AIDS prevention practices</p>	<ul style="list-style-type: none"> ● people with knowledge of AIDS prevention practices

Performance Indicators: PRISM Human Development Theme

BASIC EDUCATION

OBJECTIVE AND PROGRAM STRATEGIES	ILLUSTRATIVE PERFORMANCE INDICATORS
OBJECTIVE 4 Improved basic education	<ul style="list-style-type: none"> ● national literacy\numeracy rates ● achievement test scores ● sixth grade completers with minimum competencies in language and math
PROGRAM STRATEGY #4.1 Increased equitable access to educational opportunities	<ul style="list-style-type: none"> ● (net\gross) enrollment rates ● first grade entrance rate
PROGRAM STRATEGY #4.2 Improved efficiency of primary education System	<ul style="list-style-type: none"> ● primary school completion rate ● years to complete primary school
STRATEGY #4.2.1 Increased quality of educational inputs	<ul style="list-style-type: none"> ● textbooks\student ratio ● certified teachers\total teachers ratio ● teachers receiving in-service training\total teachers ratio ● teacher\student ratio
STRATEGY #4.2.2 Improved educational systems	<ul style="list-style-type: none"> ● teacher training program operational (% of total) ● information systems in place (% of total) ● personnel system functioning (% of total) ● testing system established (% of total)
STRATEGY #4.2.3 Rationalization of funding for primary education	<ul style="list-style-type: none"> ● per pupil expenditures (% of national budget; % of GDP) (salary; non-salary) ● percent of primary education budget from non-federal sources

*where appropriate, indicators should be disaggregated; the type of disaggregation depends upon the intent of the program and can be male/female, rural/urban or by ethnic group(s).

SECTION 4: DEMOCRACY

**INTRODUCTION TO THE DEMOCRACY
ANALYTICAL FRAMEWORK**

DEMOCRACY OBJECTIVE TREE

DEMOCRACY DEFINITIONS AND RATIONALES

ILLUSTRATIVE PERFORMANCE INDICATORS

INTRODUCTION TO THE DEMOCRACY ANALYTICAL FRAMEWORK

USAID's strategic objective is the transition to and consolidation of democratic regimes throughout the world -- as an end in itself and because it is a critical element in promoting sustainable development. The objective is achieved through the establishment of democratic institutions, free and open markets, an informed and educated populace, a vibrant civic society, and a relationship between state and society that encourages pluralism, inclusion, and peaceful conflict resolution. The Promotion of democracy is a long-term process that will require sustained commitment and timely and politically adept interventions.

Our understanding of how sustainable democracies develop and how democratic development might best be supported is at this point very incomplete. We know something about the process of democratic development in the older, fuller democracies, but it is still difficult to disentangle the independent and dependent variables supporting that development. We know very little about staging, and which investments would most profitable at what stage of democratic development. Because democracy is a complex phenomenon, involving many different institutions, mechanisms, channels and processes, and USAID resources are finite, we need to learn more about the trade-offs between investments. If funds are limited, for example, can we expect a bigger "pay-off" from strengthening the judiciary or improving the effectiveness of the legislature?

More research is also needed in the area of how to construct viable democratic arrangements in societies with deep-seated and keenly felt divisions between groups. Electoral arrangements and how votes are counted and aggregated may be key to the broad acceptance of election results. Crafting such arrangements in societies with sharp cleavages may require more expertise than can currently be commanded. Because we know relatively little about the cause-and-effect relationships in democracy development, the analytical framework, or objective tree, which follows this introduction should, at this point, be considered tentative. As our understanding improves, so should the analytical framework change.

Questions about the relative merit of various investments lead to thorny issues of measuring the effect of interventions. Democracy is not a discrete phenomenon, and there is no single measure for it. Even the achievement of lower-level supporting objectives, such as a more effective and impartial judiciary, is not easy to measure. We tend to rely heavily on pattern indicators, or indicators "pulled up" from even lower-level objectives, that taken together help form a picture of whether an institution or a process is more effective and more responsive to its clients. Increasingly, Missions seem to rely on public opinion indicators to measure the improved performance of democratic institutions and processes. While these measures may have merit as sustainability indicators, when the goods and services being delivered and the processes being reviewed are not easily quantified, the correlation with changes in institutional performance is unclear and merits additional study. The Agency made considerable investment in developing indicators for U.S. administration of justice programs, which resulted in some measures that are more concrete than "public opinion." The coming years should see a greater effort to examine and perhaps resolve the many problematic measurement issues in the area of democratic development.

PROGRAM OBJECTIVES

There are three Program Objectives underpinning the achievement of sustainable democracy. The first concerns aspects of the enabling environment; the second, the establishment of individual and group rights; and the third, the processes, channels and institutions through which conflicting interests are mediated and policies made and implemented. Program Objective 1 deals with improving or creating the enabling environment so that work in the other two Program Objectives might bear fruit and prove to be of more than ephemeral benefit. Only a few of the possible strategies under "improvements in the enabling environment" appear on the accompanying objective tree. Other potential strategies might include better educated citizens and the establishment of an open market economy. These strategies or at least some of them may be preconditions to the establishment of lasting democracies, while others certainly seem to favor democratic development. They are not, however, an intrinsic part of democracy.

The "heart" of democracy lies in Program Objectives 2 and 3. It seems to make some sense analytically to separate rights and the articulation and protection of rights (Program Objective 2) from the processes for representing and mediating between conflicting interests (Program Objective 3).

Program Objective 2 addresses the increased respect for or observance of the fundamental rights of security of person and property, equality of groups in society (women, minorities, the disadvantaged), and the right to represent one's interests by participating in the political process. Rights establish the "level playing field" that allows all citizens who are affected by government decisions to articulate their interests and have them weighed equally in the policy formulation process. Even authoritarian polities recognize some rights. The full panoply of rights, however, gives individuals the greatest possible freedom to develop their capacities and use their initiative, creativity and industry to meet their needs and promote their interests. Many believe that such freedoms are intrinsically important to human productivity. Much of the theoretical literature speaks of at least individual rights (freedom of speech, association, movement, religion; security of person); as "prior rights" or existing apart from and superior to the democratic process. In the U.S., we speak of these rights as "inalienable." In fact, the democratic process, which is treated in Program Objective 3, can be used or abused to compromise rights for groups or the population as a whole, when these rights are not entrenched and when there are not adequate mechanisms for protecting them.

Rights must exist beyond a certain threshold for efforts in Program Objective 3 to proceed. Particularly key are individual rights and political participation rights. In this sense, rights beyond this threshold are probably a precondition for democratic forms of government to take hold. However, the level at which rights are granted and observed in most countries in which USAID works permit efforts to be directed toward strengthening democratic institutions, at the same time that work proceeds on strengthening rights. This is not to suggest that human rights violations do not take place, and that disadvantaged groups do not feel themselves excluded from the policy formulation process and structurally unable to obtain consideration of their interests. Efforts to extend rights (changes in the law and in how rights are perceived) and strengthen the mechanisms for protecting them (the judiciary, watchdog entities) are being undertaken by a number of Missions, with the judicial system being the most common focus of interventions. Changing perceptions of rights can be extremely difficult and contentious, particularly in extending rights enjoyed by some members of the population to those practically

or legally excluded from enjoying such rights. This is because deeply entrenched cultural beliefs may be at stake. Societies may not simply "lack" our perception of rights but may have conflicting notions of "rights" and who is entitled to enjoy them. The position of women in many developing (and developed) societies is perhaps the clearest case in point. In addition, many cultures stress group rights and do not easily understand individual rights. Changing such beliefs is a long term proposition.

There is, of course, a synergistic effect between the objectives of increased respect for fundamental guarantees (Program Objective 2) and more effective and pervasive democratic processes and institutions through which citizens represent their interests (Program Objective 3). If the institutions and channels are strong enough, and citizens see a reason for participating, then the disadvantaged will organize to use these processes to establish their right to equal consideration with other citizens. Program Objective 3 represents the process by which rights are determined and new rights may be won. Over the longer term, the use of democratic processes can contribute to changing deep-seated values about rights.

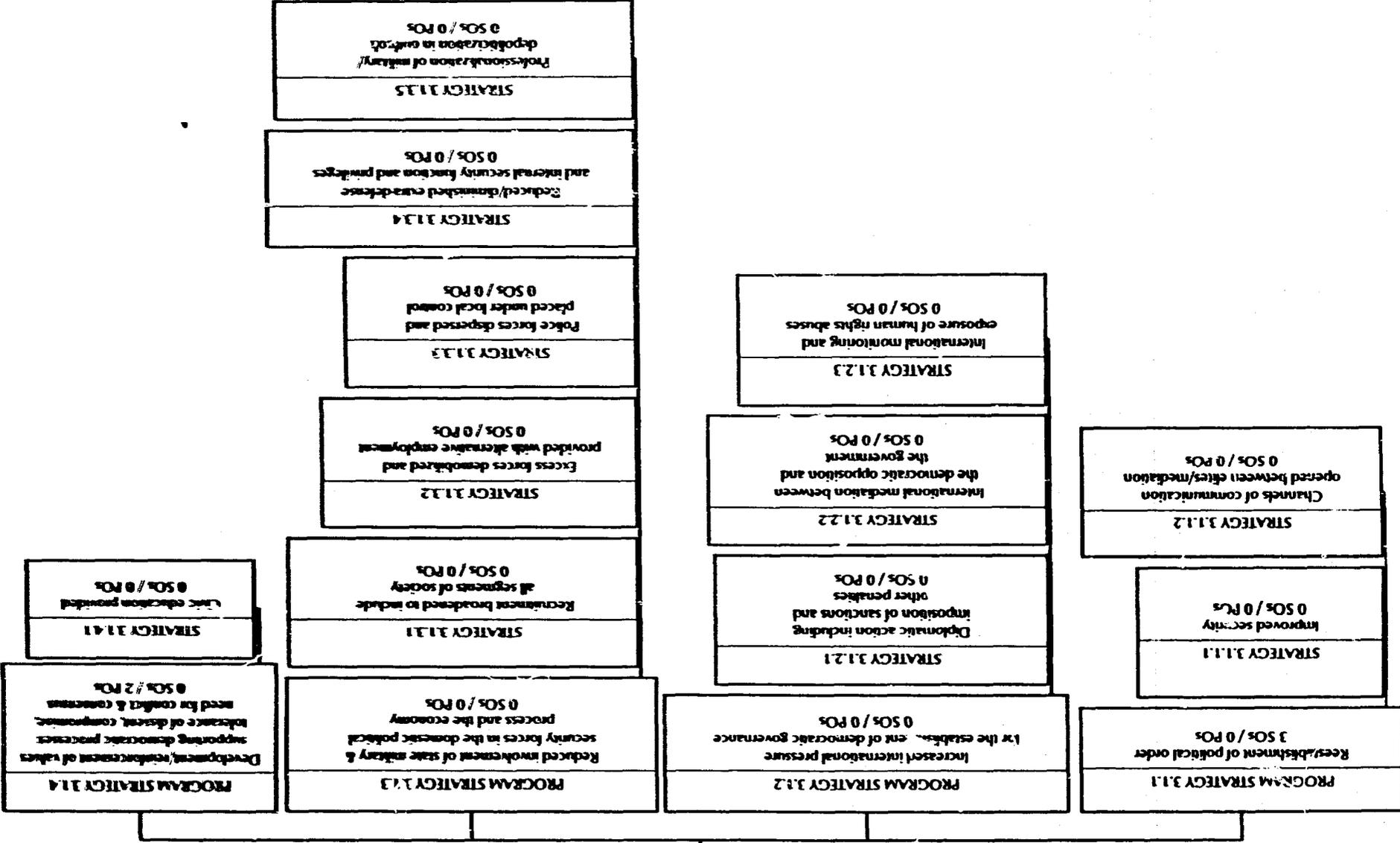
Program Objective 3 targets the establishment of peaceful and more effective processes and fora through which citizens can represent their interests and resolve their differences. We are talking here about a dense web of relationships between the executive branch of government, the legislative branch, civil society, and the media and other sources of information. Citizens first need access to a variety of information and opinion, in order to develop an understanding of what their true interests (self-interest rightly understood, in de Tocqueville's phrase) are. They then, in the large polities of the last several centuries, need access to mediating entities (advocacy groups, elected councils and legislatures) through which they can present their interests for consideration and participate in the decision making process. There needs to be a system of checks and balances so that the principal of equal consideration of citizen interests is adhered to reasonably closely. Corruption can be devastating to new and partial democracies and an important strategy is to try to disperse resources and decentralize control to diminish the possibilities for corruption, reduce the stakes for gaining political power so that competition becomes something other than a zero-sum game, and increase citizen participation. Citizen participation in the policy formulation process will increase if citizens know that they have a meaningful say, and that their vote or their articulation of interests matters and will count in the decision making.

ANALYTICAL FRAMEWORK

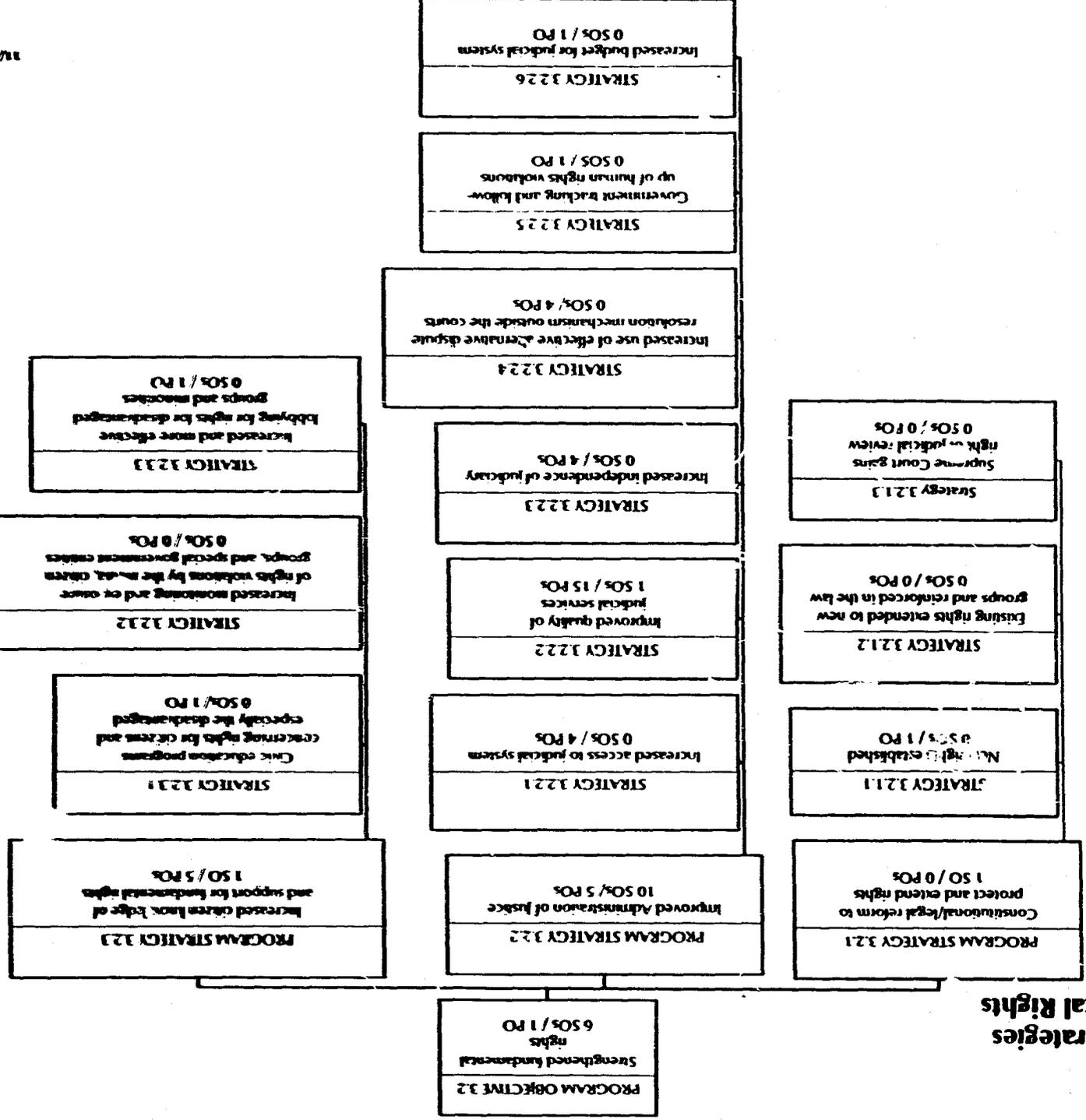
The "objective tree" which follows presents a hierarchy of relationships for achieving sustainable democracy. It attempts to distill what we think we know about how democratic development happens. A more detailed explanation of the linkage between lower level and higher order objectives can be found in the "Definitions and Rationale" table which follows the objective tree.

**Mission Strategies
Improved Enabling
Environment for Democracy**

PROGRAM OBJECTIVE 3.1
Improved enabling environment
for democracy
1 SO / 4 POs



Mission Strategies Fundamental Rights



PROGRAM OBJECTIVE 3.2
Strengthened fundamental rights
6 SOs / 1 PO

PROGRAM STRATEGY 3.21
Constitutional/legal reform to protect and extend rights
1 SO / 0 POs

STRATEGY 3.21.1
Natl. rights established
2 SOs / 1 PO

STRATEGY 3.21.2
Existing rights extended to new groups and reinforced in the law
0 SOs / 0 POs

Strategy 3.21.3
Supreme Court gains right on judicial review
0 SOs / 0 POs

PROGRAM STRATEGY 3.22
Improved Administration of Justice
10 SOs / 5 POs

STRATEGY 3.22.1
Increased access to judicial system
0 SOs / 4 POs

STRATEGY 3.22.2
Improved quality of judicial services
1 SOs / 15 POs

STRATEGY 3.22.3
Increased independence of judiciary
0 SOs / 4 POs

STRATEGY 3.22.4
Increased use of effective alternative dispute resolution mechanisms outside the courts
0 SOs / 4 POs

STRATEGY 3.22.5
Government backing and follow-up of human rights violations
0 SOs / 1 PO

STRATEGY 3.22.6
Increased budget for judicial system
0 SOs / 1 PO

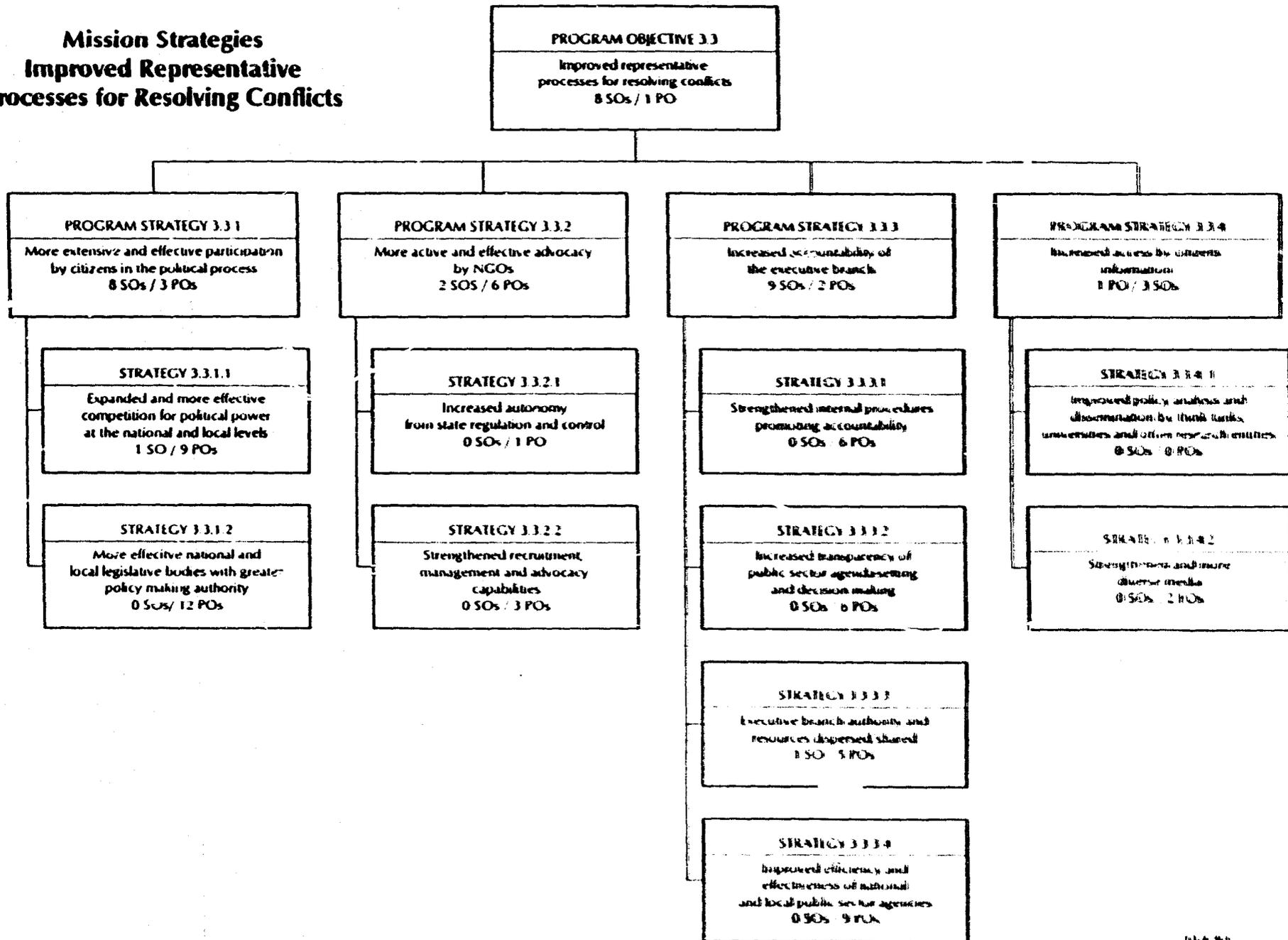
PROGRAM STRATEGY 3.23
Increased citizen know ledge of and support for fundamental rights
1 SO / 5 POs

STRATEGY 3.23.1
Civic education programs concerning rights for citizens and especially the disadvantaged
0 SOs / 1 PO

STRATEGY 3.23.2
Increased monitoring and ex-ante of rights violations by the media, citizens groups, and special government entities
0 SOs / 0 POs

STRATEGY 3.23.3
Increased and more effective lobbying for rights for disadvantaged groups and minorities
0 SOs / 1 PO

Mission Strategies Improved Representative Processes for Resolving Conflicts



DEFINITIONS AND RATIONALES:
Analytical Framework - PRISM Democracy Theme
Definitions of Objectives

OBJECTIVES AND PROGRAM STRATEGIES	DEFINITION AND RATIONALES
THEME: Sustainable Democracy	
PROGRAM OBJECTIVE #1 Improved Enabling Environment for Democracy	Strategies through which improvements in the enabling environment can be obtained may be either preconditions for democratic development (political order) or conditions that favor it (better educated citizens, economic growth with equity). Not all possible strategies for improving the enabling environment are defined here.
1.1 Reestablishment of political order	Serious breakdowns in political order, including civil war, violate all rights, including the most basic right of all, security of person. Political order must be reestablished and violence quelled in order to protect rights and begin the work of democratic development. Once a peace accord is in place, various systems can be put in place to monitor and create pressure for compliance.
1.1.1 Improved Security	Breakdowns in political order are generally accompanied by a concomitant rise in violence that is both politically and criminally motivated. Strategies to reduce violence and improve security include sending international peace-keeping forces (there currently are UN peace-keeping forces operating in 14 countries at this writing), establishment of citizens' action groups, and strengthening of any internal security forces that seem to be apolitical.
1.1.1 Channels of communication opened between elites	When political order has collapsed, opposing groups are not communicating and trying to resolve differences peacefully. Through the establishment of neutral channels for communication, along with mediation services and international pressure to resolve conflicts, elites may be able to negotiate a peace accord.

DEFINITION AND RATIONALES	OBJECTIVES AND PROGRAM STRATEGIES		
<p>International pressure in favor of instituting or strengthening democratic forms of government can provide valuable support to domestic pro-democracy forces. Increasingly, the international community is placing a greater value on human rights and the rule of law than on the previously preeminent principle of national sovereignty.</p>	<p>1.2 Increased International Pressure for the Establishment of Democratic Governance</p>		
<p>Diplomatic expressions of concern and warning did play an important role in the "third wave" of democratization in the 1970s and 1980s. Penalties, which can take a variety of economic and political forms, can be a vital tool in maintaining pressure for opening up the polity. Particularly in the immediate aftermath of the overthrow of a democratic system (e.g., Haiti), penalties can strengthen the country's democratic opposition.</p>	<p>1.2.1 Diplomatic action including imposition of sanctions and other penalties</p>		
<p>The international community can promote democratic government by opening the channels of communication between rulers and their opponents and helping the parties negotiate an agreement that all can abide by.</p>	<p>1.2.2 International Mediation between the democratic opposition and the government</p>		
<p>If the international community and citizens are to respond appropriately, they must have information about the activities of rulers. Exposure of the degree and the pervasiveness of human rights violations by neutral monitors can shame a government into improving its record.</p>	<p>1.2.3 International Monitoring and Exposure of Human Rights Abuses</p>		

OBJECTIVES AND PROGRAM STRATEGIES	DEFINITION AND RATIONALES
<p>1.3 Reduced Involvement of State Military and Security Forces in the Domestic Political Process and the Economy</p>	<p>The military has overturned or compromised democratic rule in many developing countries. In some cases they have done so when civilian governments have become completely discredited, and chaos and corruption abound. State security forces are in many countries powerful players in the domestic political process and in control of substantial financial resources and productive assets, which give them an added ability to exercise power independently of civilian authorities. In addition, authoritarian rules can and do use state security forces to control the population. Sophisticated military and bureaucratic technologies have increased the possibilities of coercion. The lack of accountability or effective controls on the behavior of the military, police and secret police has led in many countries to pervasive violations of human rights. It can be very difficult to reverse an expanding role for the military. Reducing their role diminishes their resources, giving them less power to intervene.</p>
<p>1.3.1 Recruitment Broadened to include all segments of society</p>	<p>Drawing military and police recruits from all classes, regions and ethnic groups diminishes the likelihood that state security forces will be used to benefit the interests of one group to the detriment of the rights and interests of others.</p>
<p>1.3.2 Excess Forces Demobilized and provided with alternative employment</p>	<p>State security forces may be overly large, particularly in the wake of civil conflict. Reducing their numbers, along with finding alternate employment so that demobilized forces don't turn to criminal behavior, diminishes the power base of these forces. In two extreme examples of this strategy, Japan abolished its military after World War II, as did Costa Rica in the 1940s.</p>
<p>1.3.3 Police Forces Dispersed and Under Local Control</p>	<p>Reducing the central government's access to the means of violence by dispersing control over the police minimizes the possibilities that they can be used to subvert or overturn the democratic process through centralized coercion.</p>
<p>1.3.4 Reduced Extra-Defense and Internal Security Functions and Privileges</p>	<p>Reorienting the role of the military to external defense and limiting and tightly controlling their involvement in internal security matters helps take them out of the political process. Reducing military involvement in the economy diminishes their resources.</p>

OBJECTIVES AND PROGRAM STRATEGIES	DEFINITION AND RATIONALES
<p>1.3.5 Professionalization of the Military/Depoliticization in Outlook</p>	<p>Civil education programs can help change perceptions, both within and outside the state security forces, of what an appropriate role for these forces is. Improving skills, promoting according to merit, and changes in leadership can help mold the military into a professional corps that takes pride in its defense role.</p>
<p>1.4 Development/Reinforcement of Values Supporting Democratic Processes: Tolerance of Dissent, Compromise, Acceptance of Need for Consensus and Conflict</p>	<p>Certain broad cultural values that are not inherently part of democracy can ease the transition to democracy and support its consolidation. The values that might be important will depend on the predominant values in a given society. In Confucian societies, it could be useful to promote tolerance of dissent and conflict, in societies where conflict seems pervasive, it could be more useful to promote tolerance, consensus and compromise.</p>
<p>1.4.1 Civic Education Provided</p>	<p>Values change slowly over time through practice but can be promoted through civic education programs.</p>
<p>PROGRAM OBJECTIVE #2 Strengthened Fundamental Rights</p>	<p>see if you can borrow from the strategy paper</p> <p>Rights protect citizens against the arbitrary use of state authority and against the lawless acts of other citizens. Rights provide the groundwork for citizens to interact with each other and with the state. Without rights, citizens will not have an equal opportunity to defend their interests and have them weighed in public policy formulation. These fundamental guarantees are considered by some theorists to be superior to the democratic process and at some times in some places, they may be in need of protection from it. These rights include security of person and property, freedom of speech, assembly, movement and religion, right of due process, freedom to work at a job of one's choosing for a salary one is able to negotiate, and equality for marginalized groups. In addition, the right to participate in the political process and have one's interests weighed along with those of other citizens is critical to protecting the other rights.</p>

OBJECTIVES AND PROGRAM STRATEGIES	DEFINITION AND RATIONALES
<p>2.1 Constitutional and Legal Reform to Extend and Protect Rights</p>	<p>Establishing guarantees in the law furnishes the basis for their protection. The strategies here can include the establishment of new rights (i.e., freedom of religious practice), the extension of existing rights to new groups (i.e., the vote for women; equality for minorities), and the establishment of the right of judicial review for a supreme court. The latter increases the power of the judicial branch by giving it the prerogative to review laws for their constitutionality. This can help prevent even a democratic legislature from undermining or violating rights.</p>
<p>2.2 Improved Administration of Justice</p>	<p>The fairness and effectiveness of the systems in place for rendering justice are critical to the protection of fundamental guarantees. Without these, rights may be compromised on a daily basis and there is little recourse for the victims. The judicial branch, particularly if it is independent, can be a powerful constituency for protecting rights. It ensures that society is governed by law and not individual whim, and that no one or no segment of society is above the law.</p>
<p>2.2.1 Increased access to judicial systems</p>	<p>For all persons to be equal before the law and for all the laws of a country to be fairly applied to all persons, regardless of politics, social standing, economics, or other factors, all persons must have access to the judicial system. Strategies here include establishing more courts and hiring additional justice officials, making court costs more affordable for lower income groups, and establishing legal representation for the disadvantaged. The right to legal counsel is widely recognized as an important aspect of access to justice. In many countries most defendants have no opportunity to retain legal counsel. Therefore, access can be greatly increased by supporting the development of public defender or legal advisor programs for the poor.</p>

OBJECTIVES AND PROGRAM STRATEGIES	DEFINITION AND RATIONALES
<p>2.2.2 Improved quality of judicial services</p>	<p>At the core of improving the administration of justice is improving the quality of judicial services or the process in which criminal and civil cases are adjudicated. One aspect of quality is to establish and enforce "rules of the game" for the conduct of the judicial process, including its investigative, prosecutorial, and court components. Improvements in investigative capacity include the establishment of an effective process and its specific procedures for the execution of the inquisitorial model. There is a growing recognition that the inquisitorial model lead by a judge that directs the investigative and prosecutorial components of the criminal justice process needs to be reformed. As a consequence, many countries are moving in the direction of instituting an adversarial model with the creation of an independent institution responsible for fulfilling the prosecutorial role. Improvements in court procedural and administrative capacity, including the improved management of a case management and tracking system can be critical to improving quality. Procedures play a vital role in the guarantee of basic rights.</p>
	<p>Court systems that seek to provide some level of equal protection require a uniform set of legal procedures. The establishment of these uniform procedures are important indicators of the quality of justice. The establishment of administrative capacity to manage financial, personnel, information, and planning issues is a critical institutional undertaking to improve the quality of that dimension of the judicial process concerned with the operations of court. Another strategy for improving quality involves the formal review of verdicts and sentences. This may be in the form of a higher court of appeal, a peer committee within the formal court system, or an entity outside of the formal court system designed to periodically perform this review. Disciplinary action should follow when verdicts and sentences seem inappropriate.</p>

OBJECTIVES AND PROGRAM STRATEGIES	DEFINITION AND RATIONALES
<p>2.2.3 Increased independence of the judiciary</p>	<p>An important dimension of insuring the integrity and impartiality of the judicial process is to promote the independence of judicial power from other institutions concerned with governance. Civil service reform which places personnel matters under the exclusive purview of the Judicial Branch is one strategy. Security of tenure for prosecutors and judges is another. Prosecutors and judges must be sufficiently secure in their positions to be free of outside influences be they from the public or private sectors. Greater judiciary control of budget and improved financial planning also contributes to independence. If the Judicial Branch is to be independent, it must control financial matters within its branch. This may require the establishment of a capability to manage budgets and engage in financial planning. Judicial personnel may also require protection from threats in order to prosecute criminal behavior.</p>
<p>2.2.4 Increased use of effective alternate dispute resolution mechanisms outside the courts</p>	<p>Even with significant improvements in the judicial process to adjudicate civil and criminal cases, the potential work load might exceed improvements that can be made in the capacity of the judicial system. ADR can relieve the burden on the court. It can also be a useful mechanism for ensuring greater fairness for disadvantaged groups when the possibilities for court reform seem remote. ADR can also permit greater access for the poor because it is less expensive to operate.</p>
<p>2.2.5 Government Tracking and Follow Up of Human Rights Violations</p>	<p>While other AOJ strategies discussed above may improve the performance and fairness of the judiciary, it may still be difficult for that institution to prosecute human rights violations by state officials, and particularly by military and security forces. The establishment of a separate government office for tracking and ensuring follow up of rights violations is one strategy for protecting rights.</p>
<p>2.2.6 Increased Budget for the Judiciary</p>	<p>Improvements in judicial performance are greatly hampered by inadequate budgets.</p>

OBJECTIVES AND PROGRAM STRATEGIES	DEFINITION AND RATIONALES
<p>2.3 Increased Citizen Knowledge of and Support for Fundamental Rights</p>	<p>Particularly in newer democracies, citizens may not have a firm grasp of what their rights are and why they are important. This may be most true of the least advantaged groups in society. Believing in the value of these guarantees will lead citizens to demand their extension to the marginalized and their protection. Developing a consensus on rights will also protect democratic processes and institutions.</p>
<p>2.3.1 Civic Education Programs Concerning Rights for Citizens and Especially the Disadvantaged</p>	<p>Civic education programs can play a vital role in informing citizens about their rights and how to exercise and protect them.</p>
<p>2.3.2 Increased Monitoring and Exposure of Rights Violations by the Media and Disadvantaged Groups</p>	<p>The monitoring and exposure of violations give citizens and international groups the information that they require to put pressure on the government to improve its rights record. It can also help disadvantaged groups whose rights are being consistently violated to coalesce and organize to gain those rights.</p>
<p>PROGRAM OBJECTIVE #3</p> <p>Improved representative Processes for Resolving Conflicts</p>	<p>This "branch" of the objective tree addresses the development of peaceful channels through which citizens can come to understand their interests, lobby for them, and negotiate a compromise with other citizens who express conflicting interests. People will not participate if they cannot influence decisions. Strategies in support of this program priority area include strengthening representative entities, supporting free and fair elections, dispersing the resources and authority of the executive branch, and expanding access to diverse information and opinion.</p>

OBJECTIVES AND PROGRAM STRATEGIES

3.1 More Extensive and Effective Participation in the Political Process

DEFINITION AND RATIONALES

Representative institutions exist in many countries but they often do not reflect the spread of citizen interests due to the lack of competition for seats and they also often lack any ability to initiate legislation. Citizens do not really have a say in choosing their leaders because elections are manipulated - some may not be allowed to compete and others will be deprived of power due to electoral fraud and manipulation. Biased legislatures and councils cannot serve as real fora for resolving differences in citizen interests. Some interest will be ignored. Participation is meaningless without real competition and without effective legislative bodies that have some autonomy from the executive branch. Dispersing some authority to local councils often increases participation, makes the legislative branch more responsive to citizens and more effective, and reduces the stakes for control of the national legislature.

OBJECTIVES AND PROGRAM STRATEGIES	DEFINITION AND RATIONALES
<p>3.1.2 More Effective National and Local Legislative Bodies with Greater Policy Making Authority</p>	<p>Legislative bodies are fora where competing interests can be discussed and negotiated. By strengthening them, citizens are given greater access to the policy process and more control over the behavior of the executive branch. Strategies include increasing the control of legislative bodies over both the policy agenda and decision-making; improving the ability of legislative bodies to formulate, debate and decide on legislation; and delegating greater decision-making authority to local councils, so that decisions are made at the place where they have greatest impact. Decentralizing power also helps reduce the stakes for control of the center and helps make political competition less of a zero-sum game. It can also give more diverse interests opportunities to compete for and acquire political power. In addition, placing controls on the use of state resource for patronage by legislators improves the performance of legislative bodies.</p>
<p>3.2 More Active and Effective Advocacy by NGOs</p>	<p>Citizens organizing collectively to accomplish objectives constitute a vital channel for the formulation and representation of interests. They provide channels to express new interests that have emerged and enhance the vitality and density of democracy. Their collective nature helps ensure that specific interests get a hearing and are weighed by policy making bodies. They reinforce accountability by monitoring government performance.</p>
<p>3.2.1 Increased Autonomy from State Regulation and Control</p>	<p>NGOs are often heavily regulated and controlled by the state, hampering their ability to represent their constituents and the public more generally. When they are unable to do an adequate job of representing client interests, participation will decline, perhaps to the point of threatening their existence.</p>
<p>3.2.2 Strengthened Recruitment, Management and Advocacy Capabilities</p>	<p>Once freed from state control, efforts to improve NGO management (including their fund-raising capabilities) and their ability to formulate and lobby for specific policies and interests increases the contribution they can make to representing interests effectively. Efforts to increase membership also increase their influence on policy makers. More successful representation in turn attracts greater participation.</p>

OBJECTIVES AND PROGRAM STRATEGIES	DEFINITION AND RATIONALES
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<p>3.3 Increased Accountability of the Executive Branch</p>	<p>When checks and balances are lacking and authority is concentrated in the executive branch, the possibilities for and the resources that can be devoted to corruption and patronage are enormous. Decision-making will be distorted, with potentially unhappy consequences for both the polity and the economy. In addition, the greater the concentration of power and the more limited the checks, the more attractive control of the executive branch becomes and the more politics come to resemble a zero-sum game - those who win, win hugely, and those who lose, lose everything. Poor managerial and technical abilities can also limit responsiveness to citizen interests and needs.</p>
<p>3.3.1 Strengthened Internal Procedures Promoting Accountability</p>	<p>Mechanisms for establishing internal checks within the bureaucracy include civil service reform (i.e., restructured incentives and punishments), establishing limits on civil servants' discretion, and strengthening audit and investigative functions.</p>

DEFINITION AND RATIONALES	OBJECTIVES AND PROGRAM STRATEGIES
<p>Making more transparent for citizens the process of putting policy issues on the agenda and making decisions about those issues, give citizens more of an opportunity to intervene to express their interests at the appropriate point and in a relevant way. Transparency creates pressure for accountability because those in the executive branch know that their activities can and are being monitored.</p>	<p>3.3.2 Increased Transparency of Public Sector Agenda Setting and Decision Making</p>
<p>Dispersing authority and resources to local levels can increase the competence of public agencies by lightening their burden and allowing those most knowledgeable about an issue to make the decision about it. It enables citizens who are most concerned about an issue to influence the decision making by putting the source of the decision closer to them. Dispersing power also reduces the political stakes, and minimizes or at least scatters opportunities for corruption and patronage.</p>	<p>3.3.3 Executive Branch Authority and Resources Dispersed</p>
<p>If democratic forms of government are to be sustainable, they must be able to perform. Local level public sector institutions in the developing world are often extremely weak because their authority and resources have been sharply circumscribed. If a strategy encouraging greater local decision making is encouraged, efforts are probably also needed to improve the ability of local agencies to deliver goods and services.</p>	<p>3.3.4 Improved Efficiency and Effectiveness of National and Local Public Sector Agencies</p>
<p>To determine their interests and to participate effectively in policy debates, citizens must have access to a wide range of information and opinion not only on policy issues but on how to participate in the decision-making process.</p>	<p>3.4 Increased Access by Citizens to Information</p>
<p>One strategy for increasing access to information is to improve the capabilities of research bodies not only to analyze complex policy issues but to formulate and disseminate their findings in ways that permit them to reach a large readership.</p>	<p>3.4.1 Improved Policy Analysis and Dissemination by Think Tanks, Universities and Other Research Entities</p>
<p>An independent, competent and diverse media are key to providing citizens with information. The media is an important check on the behavior of public institutions.</p>	<p>3.4.2 Strengthened and More Diverse Media</p>

PROGRAM OBJECTIVE 3.2: STRENGTHENED FUNDAMENTAL RIGHTS

OBJECTIVES & PROGRAM STRATEGIES	ILLUSTRATIVE PERFORMANCE INDICATORS
<p>PROGRAM OBJECTIVE 3.2: Strengthened fundamental rights</p>	<p>To be developed</p>
<p>PROGRAM STRATEGY 3.2.1: Constitutional/legal reform to protect and extend rights</p>	<p>To be developed</p>
<p>3.2.1.1 New rights established</p>	<ul style="list-style-type: none"> ●National constitution ratified ●Freedom of assembly established ●Freedom of speech established ●Habeas Corpus established ●Human rights violations prohibited ●Independent judiciary established
<p>3.2.1.2 Existing rights extended to new groups and reinforced in the law</p>	<p>To be developed</p>
<p>3.2.1.3 Supreme Court gains right of judicial review</p>	<p>To be developed</p>

OBJECTIVES & PROGRAM STRATEGIES	ILLUSTRATIVE PERFORMANCE INDICATORS
<p>PROGRAM STRATEGY 3.2.2 Improved administration of justice</p>	<ul style="list-style-type: none"> ●Public reporting a favorable perception of the fairness of the judicial system ●Court administration reforms implemented
<p>3.2.2.1 Increased access to the judicial system</p>	<ul style="list-style-type: none"> ●Dispute resolution/legal aid centers functioning ●Legal assistance backup center functioning ●Legal aid offices established nationwide ●Broadened access to private legal representation in civil cases
<p>3.2.2.2 Improved quality of judicial services</p>	<ul style="list-style-type: none"> ●Judges/court administrators trained in court management ●National automated case tracking system operating
<p>3.2.2.3 Increased independence of judiciary</p>	<ul style="list-style-type: none"> ●Complaints investigated and closed within three months. ●Judicial career positions competitively filled ●Professionals evaluated by merit-based standards
<p>3.2.2.4 Increased use of effective alternative dispute mechanisms outside the courts</p>	<ul style="list-style-type: none"> ●Conflicts resolved in six-month periods by mediation mechanisms in regions
<p>3.2.2.5 Government tracking and follow-up of human rights violations</p>	<ul style="list-style-type: none"> ●Human rights cases with follow-up actions
<p>3.2.2.6 Increased budgets for judicial</p>	<ul style="list-style-type: none"> ●Total budget available for the Courts measured against constitutionally mandated amount ●Justice sector resources as a percent of the national budget

OBJECTIVES & PROGRAM STRATEGIES	ILLUSTRATIVE PERFORMANCE INDICATORS
<p>PROGRAM STRATEGY 3.2.3: Increased citizen knowledge of and support for fundamental rights</p>	<p>To be developed</p>
<p>3.2.3.1 Civic education programs concerning rights for citizens and especially the disadvantaged</p>	<ul style="list-style-type: none"> ● People having completed "Experience America" programs ● Political elites reached by civic education process
<p>3.2.3.3 Increased monitoring and exposure of rights violations by the media, citizen groups, and special government entities</p>	<ul style="list-style-type: none"> ● Investigative journalism articles in daily newspapers on governance issues ● PVOs/NGOs collaborating with government on governance problems ● PVOs/NGOs using media effectively to publicize governance ● Human rights violations reported by watchdog NGOs
<p>3.2.3.3 Increased and more effective lobbying for rights for disadvantaged groups and minorities</p>	<ul style="list-style-type: none"> ● Grant system established by government ● Legal and regulatory environment for NGOs is liberalized ● Women's caucus in Parliament to pursue improved women's legal rights established ● Formal recognition of alternative local level dispute resolution system

Performance Indicators: PRISM Democracy Theme

**SECTION 5: ENVIRONMENT AND
NATURAL RESOURCE MANAGEMENT**

**INTRODUCTION TO THE ENVIRONMENT AND
NATURAL RESOURCE MANAGEMENT ANALYTICAL FRAMEWORK**

**ENVIRONMENT AND NATURAL RESOURCE MANAGEMENT
OBJECTIVE TREE**

**ENVIRONMENT AND NATURAL RESOURCE MANAGEMENT
DEFINITIONS AND RATIONALES**

ILLUSTRATIVE PERFORMANCE INDICATORS

INTRODUCTION TO THE ENVIRONMENT AND NATURAL RESOURCES ANALYTICAL FRAMEWORK

USAID's long range goal is to promote protection of the environment and natural resources on which socio-economic development and human well-being depend. The major constraints to environmentally-sustainable development to which the Agency's Program Objectives respond are: 1) loss of biological diversity found in tropical forests and other critical habitats; 2) pollution resulting from urban and industrial development; 3) energy production and use that has been environmentally-unsound; 4) degradation and depletion of coastal and other water resources; and 5) unsustainable agricultural practices, including forestry and ranching.

Program Objective No. 1 "*Decreased rate of loss of biodiversity*" focuses on the unparalleled reductions in the variety and variability of living organisms (including species of flora and fauna and other biological resources such as genes) and the critical habitats (i.e. ecosystems) in which they occur. The Program Objective is importantly phrased to acknowledge that the primary challenge at this point is to reduce the rate of loss before even contemplating the possibility of maintaining existing levels or increasing rates of biodiversity, especially since no technologies currently exist to re-create the vast majority of genes, species, and habitats that are being lost.

To decrease the rate of loss of biodiversity, it is most effective to focus on three strategic areas: (1) improved management of protected areas; (2) decreased rate of movement into forest due to agricultural expansion; and (3) decreased rate of destruction of forest habitat due to commercial extractions (i.e., commercial agriculture, forestry). The first represents an intervention to improve in-situ management of biodiversity in any of a range of designated protected areas (i.e., national parks, biosphere reserves). The second two focus on symptoms of the broader causes of loss of biodiversity, which include limited natural resources, population pressures, and political/economic systems which push the poor into previously inaccessible or untouched forests and/or permit practices by the wealthy to obtain short-term gain from forests through unsustainable commercial agricultural or forestry practices.

Program Objective No. 2 "*Reduced urban and industrial pollution*" focuses on urban and industrial infrastructure, a major force supporting economic development in developing countries. It also generates wastes that pollute water and air and has a negative impact on renewable natural resources and social welfare. In addition, both urban and industrial growth directly and indirectly affect the environment by shaping more resource-intensive consumption patterns. Among the problems addressed by this Program Objective include untreated domestic sewage which reduces oxygen levels, seriously affects aquatic biota and

reduces water quality for human consumption; direct discharge of wastes from pulp and paper, textiles, slaughtering, chemical, and other industries into open drains or rivers which is destroying local fisheries and compromising local water supplies and human health; use of fossil fuels which cause high hydrocarbon and other emissions that affect local health and local, regional and potentially global climate; and discharges of suspended particulate matter levels that include high rates of carbon monoxide.

This program objective also addresses the concern of improving environmental quality. Until the patterns and trends of rapid and uncontrolled urban and industrial growth are changed, major direct and indirect negative environmental impacts will continue to challenge the countries of the world. The approach identifies and supports activities that prevent, mitigate or reverse damage to the environment and natural resources.

To reduce urban and industrial pollution, it is critical to place emphasis on three strategic areas: (1) improved enforcement and compliance of environmental regulations; (2) increased industrial adoption of pollution abatement and waste management technologies; and (3) improved pollution control practices of the general public (households, small firms, vehicle owners). These focus on: governmental (from national to local levels); large-scale industrial; and small-scale private (both commercial and individual) actions.

Program Objective No. 3 *"Increased Production and Use of Environmentally-Sound Energy"* focuses on one of the most central resources--energy in the form of fossil fuel, wind, hydroelectric, solar power, etc.--for the survival, growth, and socio-economic development of all countries. The complexity of the links between energy and environment require careful consideration. If used wisely, energy potentially can be environmentally beneficial. For example, it can be used to intensify agriculture which, in turn, may reduce the need for expansion into tropical forests and other fragile ecosystems. On the other hand, energy production and use trends typically have negative environmental impacts (i.e., mining and resultant degradation of lands, water pollution).

Fundamentally, countries are looking for reliable and adequate energy supplies (looked at in terms of type, source, quality and quantity available) as primary contributors to economic development, public welfare and standards of living through the many services they provide (i.e., to power industrial complexes, for global communications, for residential cooking and heating). In fact, shortages, or lack of quality of commercial energy and lack of availability of primarily non-commercial energy sources, such as wood, are a major constraint for both the urban/industrial and rural sectors in most developing countries. Thus, improved production and use of environmentally-sound energy must be a major goal of social and economic development efforts. The challenge is great because the economic

cost of providing energy for most developing countries is typically very high; the environmental costs can be high as well. As the energy sector (both urban and rural, commercial and residential) expands, air quality typically declines, over-harvesting of fuel-wood occurs, degradation of land and water resources occurs with exploitation of other energy resources, greenhouse emissions increase and other negative environmental impacts occur.

In order to increase the production and use of environmentally-sound energy sources, it is most effective to focus on three strategic areas: (1) improved enforcement of and compliance with energy use regulations; (2) increased adoption of efficient energy use technologies and practices; and (3) increased production of renewable energy.

Program Objective 4.4 "*Reduced degradation and depletion of coastal and other water resources*" focuses on the increasing levels of destruction and use of the world's coastal and freshwater resources. These resources are found in a range of ecosystems including river valleys and deltas, marshes, seagrass beds, estuaries and drowned river valleys, sand beaches, coral reefs, lagoons, and mangrove swamps. Many of these are closely linked spatially and functionally, and they depend on their health from their links with other healthy systems. Symptoms of degradation of coastal waters include habitat destruction, reduced fish catches, increased sedimentation from urban construction and tourism development, and increased levels of wastewater pollution from mining, logging, agricultural, and municipal sources.

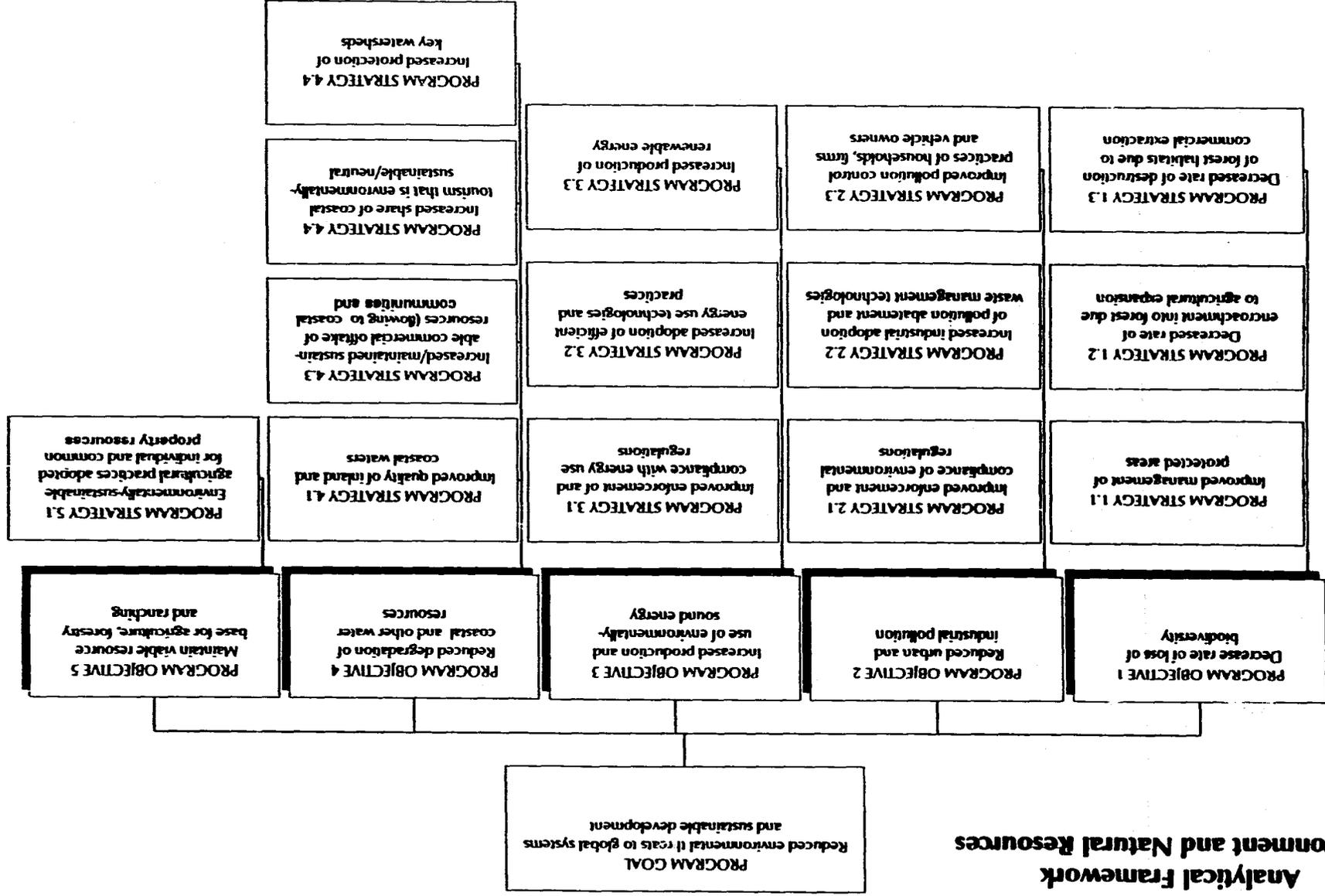
The primary Program Strategies for reducing degradation and depletion of coastal and other water resources are: (1) improved quality of inland and coastal waters; (2) increased sustainable commercial offtake of resources benefiting coastal communities and commercial operations; (3) increased share of coastal tourism that is environmentally sustainable/neutral; and (4) increased water conservation by households, industry, agriculture, and other consumers. The first focuses primarily on biophysical qualities of inland and coastal waters; the second and third focus on the need to improve environmental practices that contribute to sustainable economic development and increased incomes; the fourth focuses on promoting changes in individual, government and industry attitudes and actions to conserve their resources.

Program Objective 4.5 "*Maintain a viable resource base for agriculture, forestry, and ranching*" focuses on integrating the environmental costs into the general economic accounting of agriculture and other primary sector activities such as forestry and livestock production. This recognizes that a number of factors, including environmental degradation, are weakening current productivity and future potentials. For example, if soil is considered an economic asset, its loss through

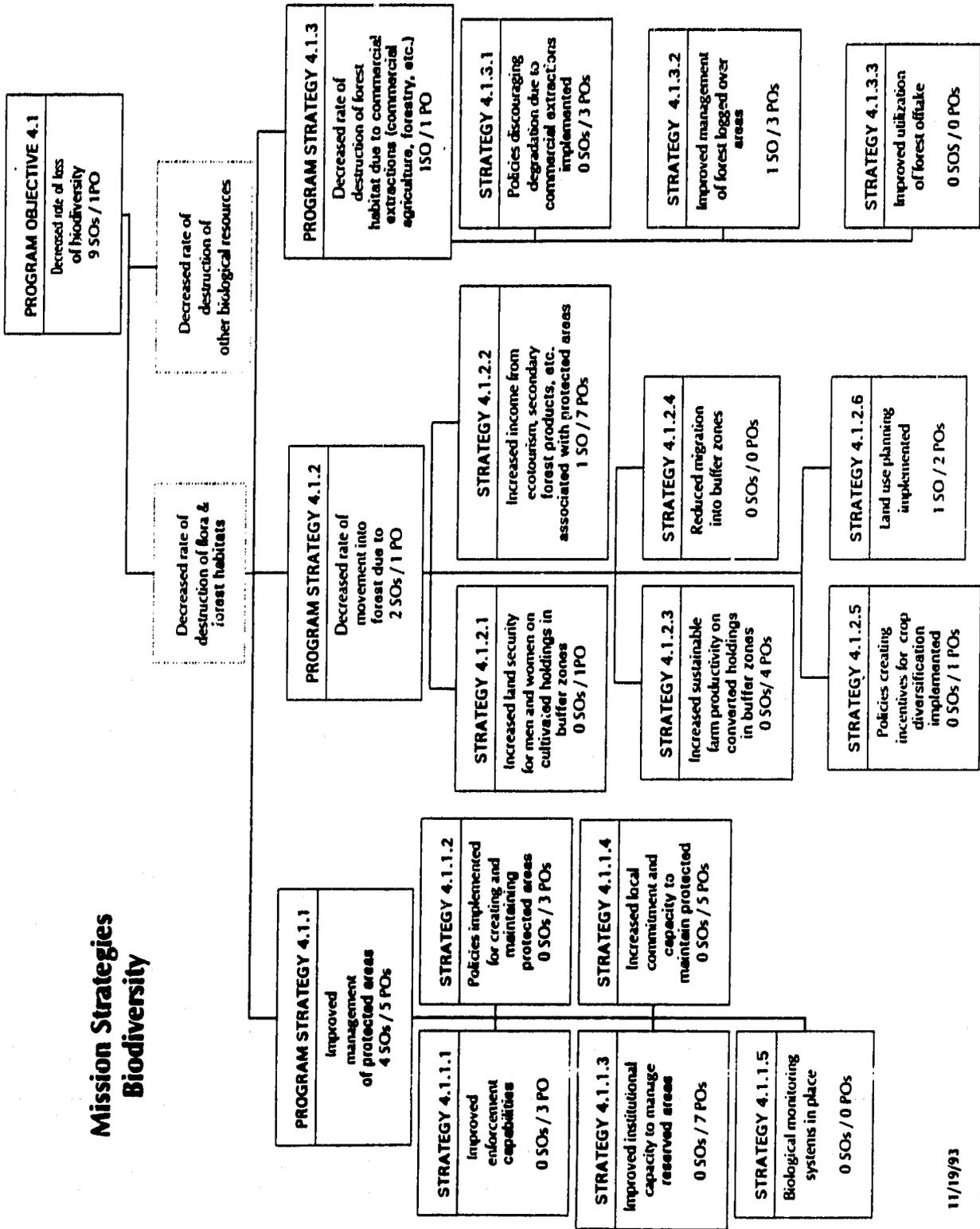
erosion, nutrient loss or salinization takes on a new meaning in terms of quantifiable costs that can be reversed with resource-conserving technologies and practices.

This Program Objective has only one Program Strategy which is to promote the adoption of environmentally-sustainable resource management practices by individuals, common property resource "owners", and others. Four strategies are proposed to achieve this Program Objective: 1) dissemination of appropriate technologies to both men and women; 2) implementation of policies and regulations which support sustainable resource management practices; 3) making the resources available that are required for men and women to adopt sustainable technologies; and 4) improvement of common property management systems.

**Draft
Analytical Framework
Environment and Natural Resources**

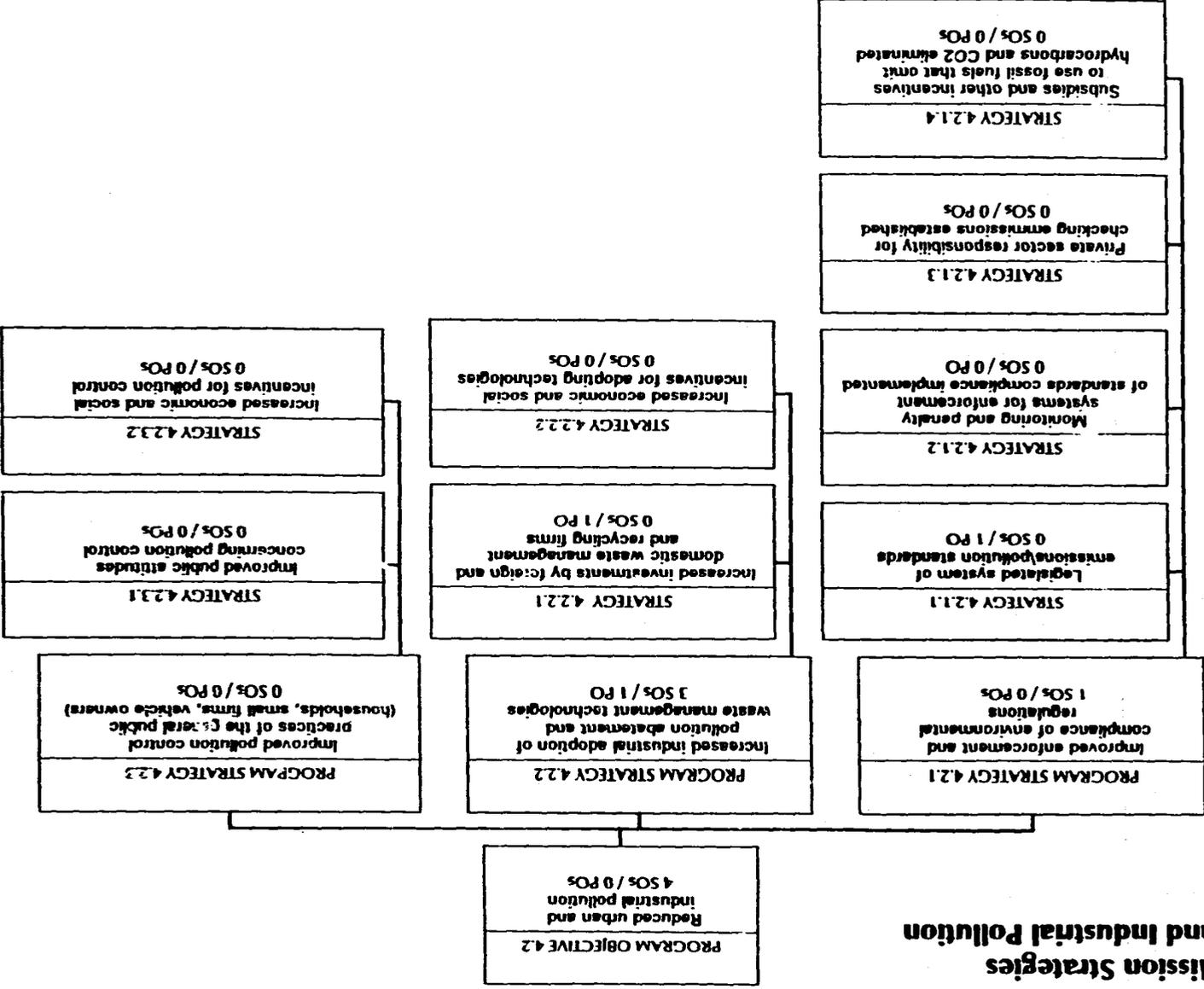


Mission Strategies Biodiversity

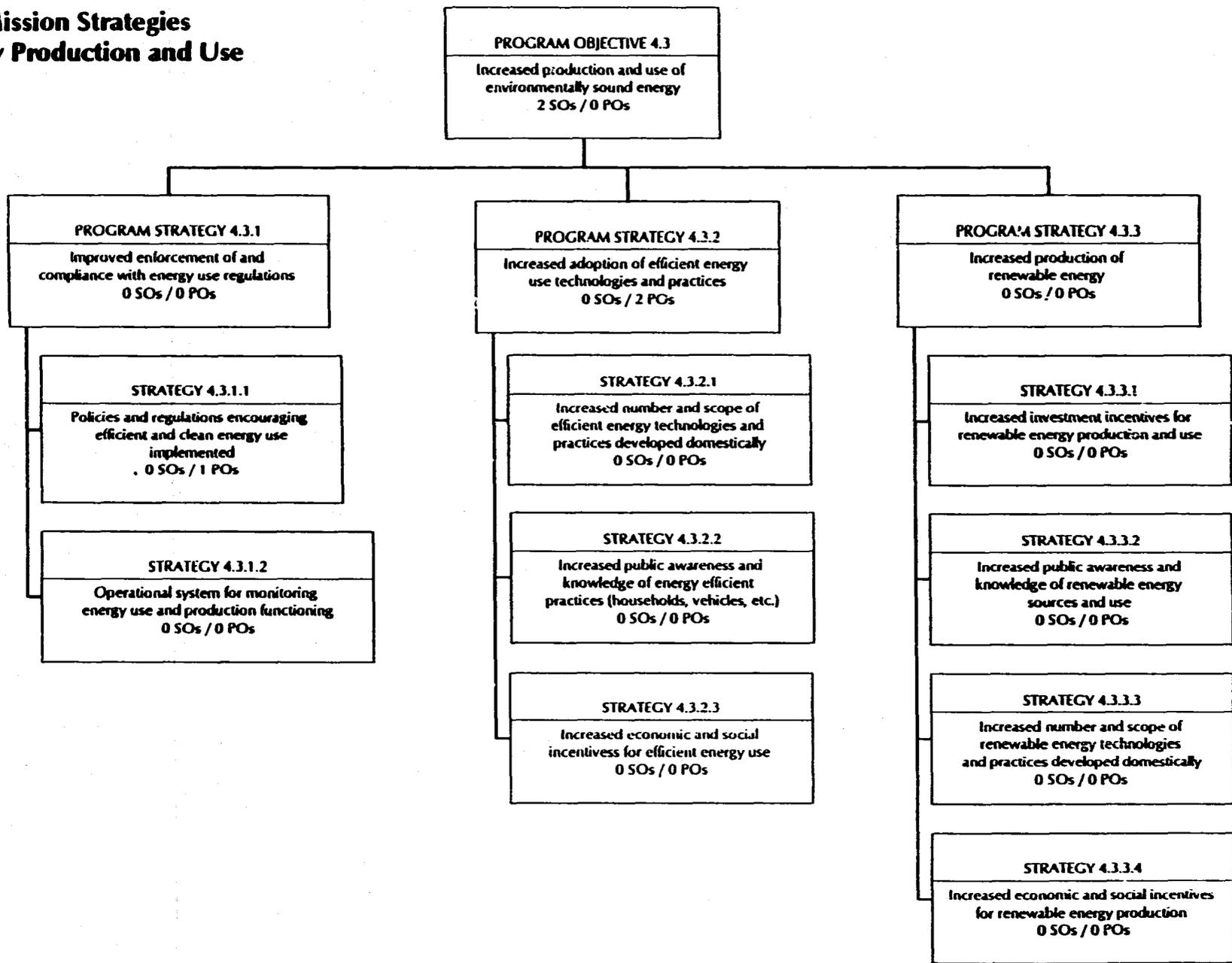


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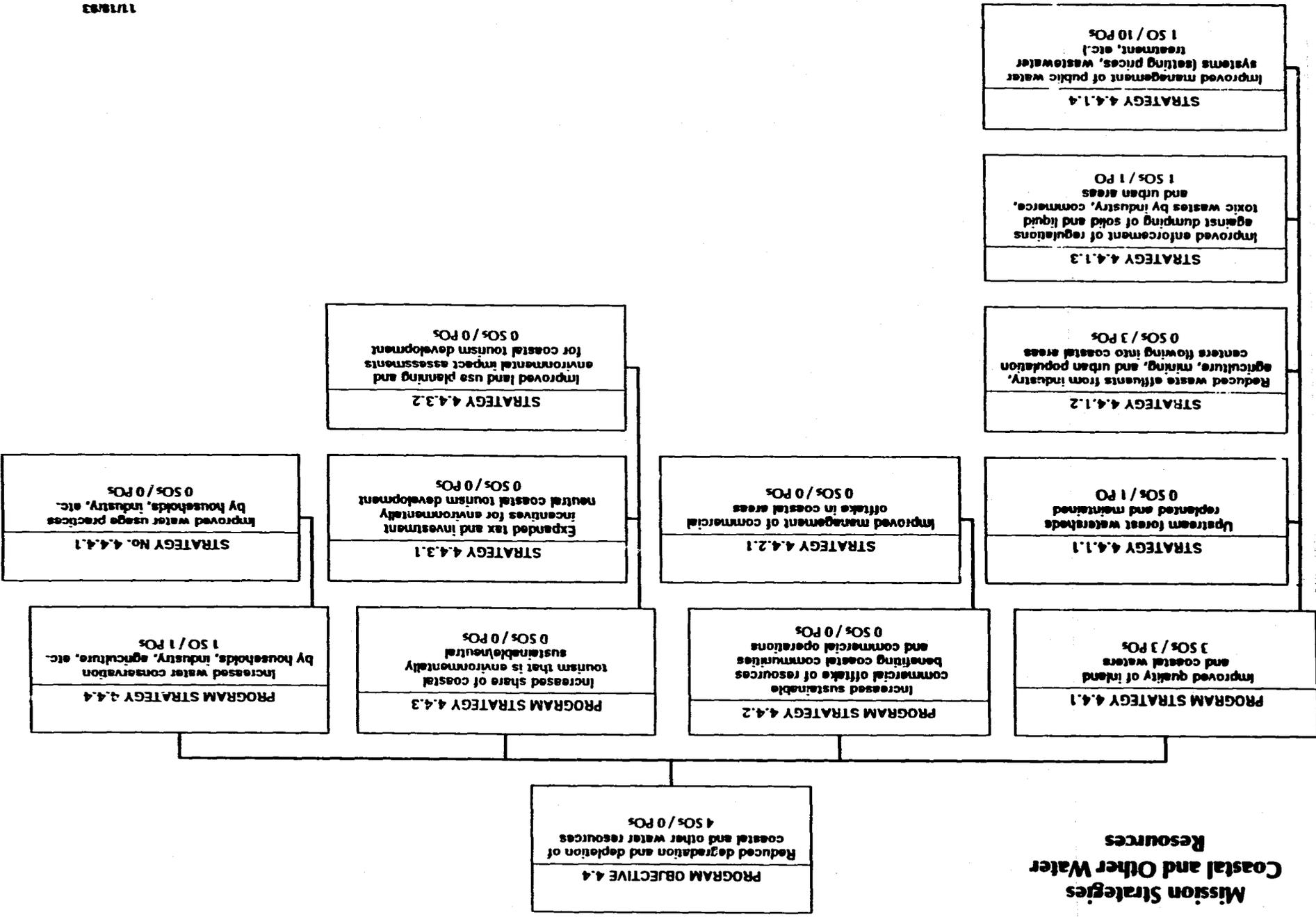
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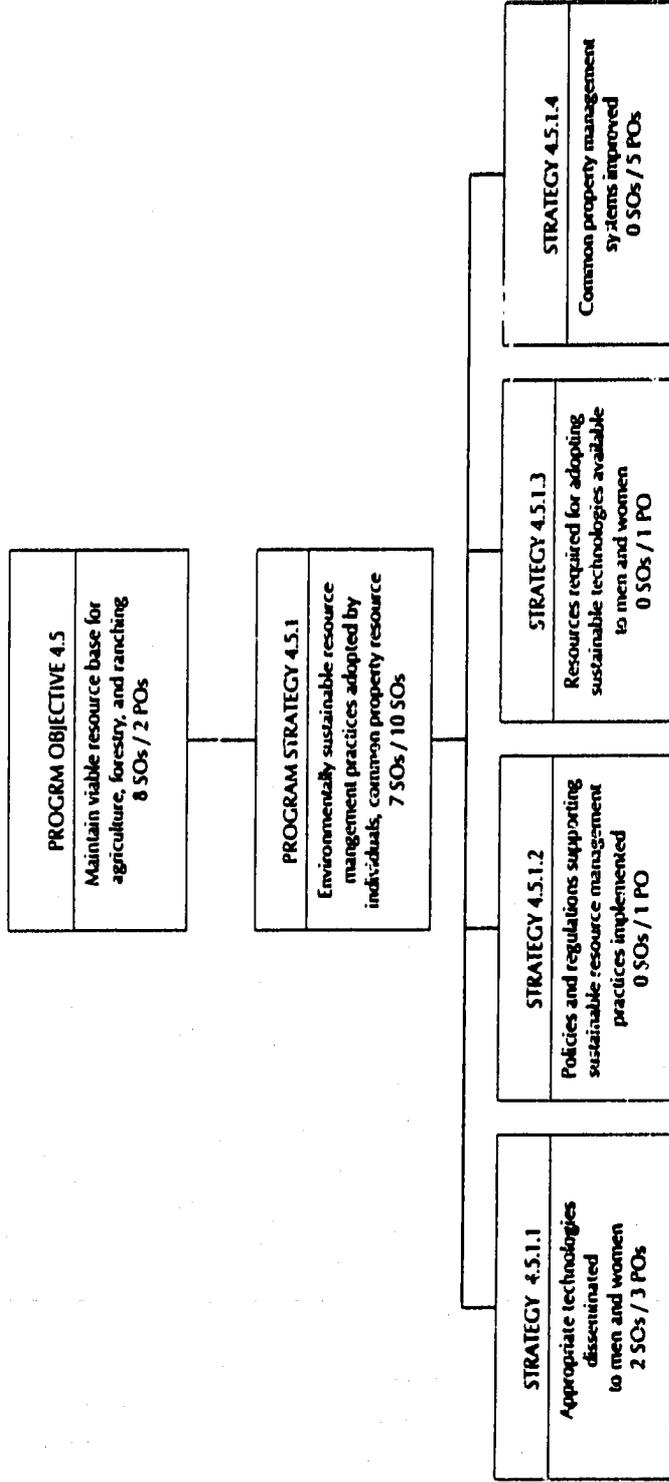
**Mission Strategies
Energy Production and Use**



**Mission Strategies
Coastal and Other Water
Resources**



**Mission Strategies
Viable Resource Base**



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Analytical Framework: PRISM Environment & Natural Resource Theme

OBJECTIVE/STRATEGY	DEFINITION AND RATIONALES
<p>PROGRAM OBJECTIVE No. 4.1</p> <p>Decreased Rate of Loss of Biodiversity</p>	<p>Reductions in the variety and variability of living organisms (including species of flora and fauna and other biological resources such as genes) and the critical habitats (i.e., ecosystems) in which they occur are currently unparalleled. This Objective acknowledges that the primary challenge at this point is to reduce the rate of loss before contemplating the possibility of maintaining existing levels or increasing rate of biodiversity.</p>
<p>PROGRAM STRATEGY 4.1.1</p> <p>Improvement Management of Protected Areas</p>	<p>Agency assistance directed toward improved managed of protected areas can most effectively focus on institutional development and capacity building, policy implementation and local participation.</p>
<p>STRATEGY 4.1.1.1</p> <p>Improved enforcement capabilities</p>	<p>Special attention is placed on improvement of public sector capabilities to enforce regulations against destructive activities such as poaching, logging, and illegal extraction of biological resources.</p>
<p>STRATEGY 4.1.1.2</p> <p>Policies implemented for creating and maintaining protected areas</p> <p>STRATEGY 4.1.1.3</p> <p>Improved institutional capacity to managed reserved areas</p>	<p>Policies must be implemented that create protected areas not just "on paper" but which make them realities "on the ground". Policies must also be enacted and implemented that provide clear mandates for implementing agencies and incentives for decentralized management in areas which are often quite isolated from national government activity.</p> <p>Institutional development efforts are essential to improve overall managerial capacity of both public and private institutions working on the conservation of protected areas. These efforts include support to improve operating procedures to plan and execute geographically extensive and long-term activities and training of both administrative and technical staff.</p>

Analytical Framework: PRISM Environment & Natural Resource Theme

<p>STRATEGY 4.1.1.4</p> <p>Increased local commitment and capacity to maintain protected areas</p>	<p>Perhaps of greatest importance is the role of the most direct stakeholders, the local residents—those who potentially have the greatest to gain and to lose from their commitment, participation, and development of their capacity to protect biologically diverse resources. Among the activities needed are environmental education, policy dialogue, interaction with indigenous environmental groups, and pilot demonstrations.</p>
<p>STRATEGY 4.1.1.5</p> <p>Biological monitoring systems in place</p>	<p>Institutions and personnel also must have the resources and training to establish and maintain biological monitoring programs in order to develop baseline information about existing natural resources and to track trends of loss or protection over time.</p>
<p>PROGRAM STRATEGY 4.1.2</p> <p>Decreased Rate of Movement into Forest Due to Agricultural Expansion</p> <p>STRATEGY 4.1.2.1</p> <p>Increased land security for men and women on cultivated holdings in buffer zones</p>	<p>One of the major symptoms of destruction of forest habitat is the expansion of agriculture by large-scale agriculture and ranching interests and by peasant farmers who have few or no alternatives for making a livelihood elsewhere and consequently move into untouched forests. Among the issues that must be addressed are policies and planning at a national level, promotion of income-generating activities, and improved, appropriate agriculture.</p> <p>Of particular importance are changes in policies to increase land security for men and women who live in cultivated holdings in buffer zones of protected areas. Without more security, the incentive for conservation is severely constrained. These people are the stakeholders with the greatest to lose and potentially the greatest contribution to make to sustain the resources on which their lives so directly depend. Particular attention must be placed on the critical women role play in agriculture and natural resource management.</p>

Analytical Framework: PRISM Environment & Natural Resource Theme

<p>STRATEGY 4.1.2.6</p> <p>Land use planning implemented</p>	<p>National and local governments must initiate and implement land use planning activities. It will be critical to ensure local participation in selecting projects, planning and implementing activities will develop local capabilities for planning and problem-solving as well with ways of thinking about how to promote locally- based development.</p>
<p>PROGRAM STRATEGY 4.1.3</p> <p>Decreased Rate of Destruction of Forest Habitat Due to Commercial Extractions (Commercial Agriculture, Forestry, etc.)</p> <p>STRATEGY 4.1.3.1</p> <p>Policies discouraging degradation due to commercial extractions implemented</p>	<p>Poorly-designed and/or implemented development of some agricultural expansion, grazing, and forestry activities often lead to dramatic increases in the rates of loss of biodiversity through replacement of traditional varieties or production systems and through deterioration of the resource base. Policies and improved management strategies are two primary means for addressing this concern.</p> <p>Policies which discourage degradation due to commercial extraction must be implemented. This is a difficult task and must be initiated with well-documented studies of the short- and long-term positive and negative impacts of commercial extractive activities.</p>
<p>STRATEGY 4.1.3.2</p> <p>Improved management of forest logged over areas</p>	<p>Improving the management of logged over areas first requires research on forest ecosystems and sustainable management practices and technologies. It also requires incentives for undertaking regeneration or enrichment plantings to ensure soil conservation and some degree of forest recovery over time as well as enforcement of policies and regulations that discourage destructive practices.</p>

Analytical Framework: PRISM Environment & Natural Resource Theme

<p>STRATEGY 4.1.3.3</p> <p>Improved utilization of forest offtake</p>	<p>Improving the utilization of offtake includes research on new product development; identifying markets for species that are not as well known or highly valued; technologies to increase the value-added potential and ensure the control of quality of the products that are produced; trained personnel who can make income from the processing and transformation activities; and increased awareness of the value of the links between sustainable forest management and sustainable economic growth.</p>
<p>PROGRAM OBJECTIVE 4.2</p> <p>Reduced Urban and Industrial Pollution</p> <p>PROGRAM STRATEGY 4.2.1</p> <p>Improved Enforcement and Compliance of Environmental Regulations</p>	<p>Urban and industrial infrastructure is a major force supporting economic development in developing countries. It also generates wastes that pollute water and air and has negative impacts on renewable natural resources and social welfare. Additionally, urban and industrial growth directly and indirectly affects the environment by shaping more resource-intensive consumption patterns.</p> <p>Legislation, monitoring, private sector responsibility, and changing some existing subsidies and incentives that have led to actions that have reduced environmental quality must be addressed.</p>
<p>STRATEGY 4.2.1.1</p> <p>Legislated system of emissions/pollution standards</p>	<p>Support for development of improved legislation and standards must deal with emissions and pollution in order to have a basis for enforcement and compliance. Policy analyses and dialogue are the major activities that support these kinds of initiatives.</p>

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<p>STRATEGY 4.2.1.2</p> <p>Monitoring and penalty systems for enforcement of standards compliance implemented</p>	<p>Monitoring activities must be in place that establish a baseline and track trends in environmental concerns such as the amount of free-floating particulates, carbon dioxide and other toxic emissions. These monitoring activities can be used as management tools to provide reliable, high quality data on which a system of fines can be administered to those who do not comply with regulations. Technical assistance and training can help in the development of monitoring programs and the establishment of a systems of fines and related enforcement activities.</p>
<p>STRATEGY 4.2.1.3</p> <p>Private sector responsibility for checking emissions established</p> <p>STRATEGY 4.2.1.4</p> <p>Subsidies and other incentives to use fossil fuels that omit hydrocarbons and CO₂ eliminated</p>	<p>Working with the private sector to develop a sense of accountability for their management practices must be undertaken. This is a preliminary step in the direction of private sector responsibility to self-monitor and regulate to improve environmental quality.</p> <p>Environmental awareness, analyses of the economic incentive to promote environmental controls, and technical assistance and training for private sector companies can help develop not only the sense of responsibility but also the tools and policies that it takes to actually reduce emissions.</p> <p>Legislation and government action must eliminate subsidies and other incentives that have encourage the use of fossil fuels which produce hydrocarbons and CO₂.</p>
<p>PROGRAM STRATEGY 4.2.2</p> <p>Increased Industrial Adoption of Pollution Abatement and Waste Management Technologies</p>	<p>Adoption of pollution abatement and waste management technologies are a major means to reduce urban and industrial pollution. However, adoption of these technologies likely only will follow the change of business "culture".</p>

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<p>STRATEGY 4.2.2.1</p> <p>Increased investments by foreign and domestic waste management and recycling firms</p>	<p>Among the necessary elements in this process of change are increased investment by foreign (North to South and/or South to South) and domestic firms. Importantly, increasing awareness of the economic advantages of being environmentally responsible is critical.</p>
<p>STRATEGY 4.2.2.2</p> <p>Increased economic and social incentives for adopting technologies</p>	<p>Aside from receiving direct investment, many companies are beginning to see that minimizing waste is one of the means to maximize productivity and profits. Other social and economic incentives include providing information about business opportunities and avenues for interaction between waste management and recycling firms that may find investment in developing countries financially advantageous; a bureaucratic environment that facilitates foreign investment; and direct tax incentives by the government for domestic and international firms to adopt more environmentally sound technologies.</p>
<p>PROGRAM STRATEGY 4.2.3</p> <p>Improved Pollution Control Practices of the General Public (households, small firms, vehicle owners)</p> <p>STRATEGY 4.2.3.1</p> <p>Improved public attitudes concerning pollution control</p>	<p>In efforts to focus on the general public, it is important to work toward changing attitudes and providing incentives for people to change behaviors as well.</p> <p>Environmental awareness about issues related to solid wastes, air pollution, and related urban problems can form the basis of a more educated public, one that will undertake action on their own behalf or one that will respond to appropriate incentives.</p>

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<p>STRATEGY 4.2.3.2</p> <p>Increased economic and social incentives for pollution control</p>	<p>In order to improve infrastructure that will help control pollution, it is important to focus more attention on self-help activities where community members are intimately involved in project planning and implementation. Reducing red tape, legalizing small-scale operations, and opening opportunities for smaller businesses to provide certain services such as solid waste collection can achieve the multiple objectives of providing jobs as well as addressing pollution-related concerns.</p>
<p>PROGRAM OBJECTIVE 4.3</p> <p>Increased Production and Use of Environmentally Sound Energy</p>	<p>Energy is one of the most central resources for survival, growth and development. Fundamentally, countries are looking for reliable and adequate energy supplies (looked at in terms of type, source, quality, and quantity available) as primary contributors to development, public welfare and standards of living through the many services they provide to industries, households, and other consumers. And, if used wisely, energy potentially can be environmentally beneficial.</p>
<p>PROGRAM STRATEGY 4.3.1</p> <p>Improved Enforcement of and Compliance with Energy Use Regulations</p> <p>STRATEGY 4.3.1.1</p> <p>Policies and regulations encouraging efficient and clean energy use implemented</p>	<p>A major source of concern in many countries is with the regulatory systems that are in place. Many government policies discourage energy conservation because they subsidize cheap energy to promote economic growth. These subsidies do not reflect the actual costs since the consumer has little financial incentive to save on any already subsidized energy bill.</p> <p>Appropriate policies and regulations must be implemented that encourage efficient and clean energy use. Governments need to identify policy and regulatory alternatives that internalize the social and environmental costs of increased energy production and use. Pricing policies, regulations that discourage market competition, existing technical obstacles, inhibiting institutional structures and procedures, and lack of broader national resource planning must all be analyzed and addressed.</p>

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<p>STRATEGY 4.3.1.2</p> <p>Operational system for monitoring energy use and production functioning</p>	<p>Complementary to these policies and regulations are the development of an operational system for monitoring energy use and production that track such problems as environmental degradation in rural areas where biomass may be over-harvested, structural problems of inefficient power plants with out-of-date and ill-maintained equipment, and problems of pilferage that occur.</p>
<p>PROGRAM STRATEGY 4.3.2</p> <p>Increased Adoption of Efficient Energy Use Technologies and Practices</p> <p>STRATEGY 4.3.2.1</p> <p>Increased number and scope of efficient energy technologies and practices developed domestically</p>	<p>With limits on the economic, social and environmental costs of expanding the energy sector, the most sustainable option for most countries appears to be widespread adoption of more energy efficient technologies and improved managerial/operational practices. These can make important contributions to environmental quality and reduced costs especially for those countries which must import oil, coal, or other energy supplies.</p> <p>Among the alternatives to achieve increased adoption of efficient energy technologies and practices are availability of domestically developed technologies. While some of the support for such developments may come from international donors, many externally developed technologies and practices often have failed because they were not adapted to local needs and preferences and were not always more efficient than traditional technologies and practices. External and internal support for domestic research, sanctions to encourage compliance with efficiency regulations, economic incentives for product development, and market opportunities for distribution can lead to the increased number and scope of efficient energy use technologies and practices.</p>
<p>STRATEGY 4.3.2.2</p> <p>Increased public awareness and knowledge of energy efficient practices (households, vehicles, etc.)</p>	<p>In addition, it will be critical to have increased public awareness about the social, economic, and environmental (including health) benefits of any energy efficient technologies and practices that may be available. One major obstacle is lack of information and education about energy efficiency's benefits and costs. This can be overcome with public events, labeling of equipment, energy audits, and other activities.</p>

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<p>STRATEGY 4.3.2.3</p> <p>Increased economic and social incentives for efficient energy use</p> <p>PROGRAM STRATEGY 4.3.3</p> <p>Increased Production of Renewable Energy</p>	<p>Another major obstacle to adoption is the lack of incentives. Among the incentives are: access to markets for competitively priced technologies, capital (i.e., low interest loans) to obtain more efficient technologies, and removing subsidized prices that have distorted energy costs in order to encourage the adoption of energy-efficient technologies.</p> <p>Sustainable development and increased national and local energy self-reliance requires greater production of renewable energy. These are not necessarily new technologies for developing countries. Biomass fuel, for example, already account for 66 percent of the total energy supply in Africa; 33 percent in Asia; and 25 percent in Latin America. Demand continues to rise in spite of the fact that current use patterns typically render biomass fuels both inefficient and dirty. However, processes that can make biomass a more efficient and higher quality fuel are available and continually being improved. Still other technologies such as photovoltaics are available and very reliable.</p>
<p>STRATEGY 4.3.3.1</p> <p>Increased investment incentives for renewable energy production and use</p>	<p>Even if developing countries are committed to reducing high fuel costs, achieving greater energy self-reliance, and promoting more environmentally-sustainable development, financing will be a major obstacle to investment in the development and use of renewable energy sources. Among the investment incentives are providing information about available and interested markets in the developing world, creating adjustments in tariff policies that inhibit the flow of some potentially important energy efficient technologies, and enforcing building and equipment standards that promote the use of more efficient technologies and practices.</p>

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<p>STRATEGY 4.3.3.2</p> <p>Increased public awareness and knowledge of renewable energy sources and use</p> <p>STRATEGY 4.3.3.3</p> <p>Increased number and scope of renewable energy technologies and practices developed domestically</p>	<p>Public awareness of renewable energy production and use in rural areas is high because of the direct contact that local people (particularly women) have with biomass fuels and their increasing scarcity. In urban areas, however, the issue may be less one of awareness than of providing renewable resource alternatives, such as agriculture residue-based fuel for vehicles. Increasing awareness of urban populations also can have an impact on lobbying for changes in energy policies and practices at a national level.</p> <p>Among the options for increasing the number and scope of domestically-developed renewable energy technologies and practices are new licensing and joint development programs. These recognize that developing country conditions make the direct application of existing technologies difficult, if not impossible, in many cases.</p>
<p>STRATEGY 4.3.3.4</p> <p>Increased economic and social incentives for renewable energy production</p>	<p>Increased social and economic incentives for production of renewable energy can include a range of activities including model programs in transport system design and land use planning that provide more support to mass transit services. Financial support, more research and development that address specific constraints (i.e., water) in developing countries, and technical assistance for more decentralized off-grid technologies such as solar thermal-electricity can overcome some of the obstacles that arise when economies of scale are not available for producers.</p>

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<p>PROGRAM OBJECTIVE 4.4</p> <p>Reduced Degradation and Depletion of Coastal and Other Water Resources</p> <p>PROGRAM STRATEGY 4.4.1</p> <p>Improve Quality of Inland and Coastal Waters</p>	<p>Increasing levels of destruction and use of the world's coastal and freshwater resources appear in the form of habitat reduction, reduced fish catches, increased sedimentation, and increased levels of waste-water pollution. These resources are found in a range of ecosystems including rivers, marshes, coral reefs, and mangrove swamps. Many of these ecosystems are closely linked spatially and functionally, and depend on their health from their links with other healthy systems</p> <p>Improving the quality of inland and coastal waters has an impact not just on the biota of the waters but also on the challenge of meeting increasing demands for water for household, agricultural and industrial consumers. It also recognizes that coastal zone habitats are not isolated phenomena. They are directly or indirectly related to and interdependent with upstream ecosystems.</p>
<p>STRATEGY 4.4.1.1</p> <p>Upstream forest watersheds replanted and maintained</p>	<p>Replanting and maintenance of upstream forested watersheds can protect water sources, reduce siltation, and provide higher quality water supplies for downstream use. Replanting is the primary focus of this strategy, although natural regeneration and enrichment plantings, might also be effective management practices to address deforestation activities undertaken for commercial forestry, large- or small-scale agricultural production or other purposes. Maintenance activities include discouraging clear-cutting, controlling grazing pressure, and protecting critical areas.</p>

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<p>STRATEGY 4.4.1.2</p> <p>Reduced waste effluents from industry, agriculture, mining, and urban population centers flowing into coastal areas</p> <p>STRATEGY 4.4.1.3</p> <p>Improved enforcement of regulations against dumping of solid and liquid toxic wastes by industry, commerce, and urban areas</p>	<p>Reducing waste effluents recognizes that while the tremendous volume of water in the marine environment appears to provide for adequate dilution of pollution, waters in the coastal zone often are poorly mixed and pollutant levels may remain quite high. Local governments can adopt more effective soil erosion and grading control standards that would reduce sedimentation from watershed sources.</p> <p>Approaches to improved enforcement include conducting and utilization of information from environmental impact assessments; supporting enforcement of land use zoning that attempts to locate certain development activities away from coastal zones; incentives for companies to utilize existing technologies or develop new ones; and water quality modeling to predict movements and dispersion rates of pollutants in given areas and to utilize this information in pollution prevention programs</p>
<p>STRATEGY 4.4.1.4</p> <p>Improved management of public water systems (setting prices, waste-water treatment, etc.)</p>	<p>The presence of high-density populations requires the development and management of public water systems. Recommendations are that waste-water treatment activities include septic tank absorption fields that are permitted only above groundwater level, separation of sanitary and storm systems, and sewage effluents that are treated properly and only discharged into well-mixed waters.</p>
<p>PROGRAM STRATEGY 4.4.2</p> <p>Increased Sustainable Commercial Offtake of Resources Benefiting Coastal Communities and Commercial Operations</p>	<p>This strategy responds to the significant role that commercial and artisanal fishing activities play in the lives of hundreds of millions of people around the world for local consumption as well as an increasingly important source of foreign exchange earnings.</p>

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<p>STRATEGY 4.4.2.1</p> <p>Improved management of commercial offtake in coastal areas</p> <p>PROGRAM STRATEGY 4.4.3</p> <p>Increased Share of Coastal Tourism That is Environmentally- Sustainable/Neutral</p>	<p>The primary strategy to increase sustainable commercial offtake is through improved management, including a range of activities such as studies to estimate maximum sustainable yields, promotion of conservation practices, designation of marine protected areas, and imposition of size and catch limits.</p> <p>As the second largest industry in the world, tourism has tremendous impact on local economies, social systems, and environments around the world. It is essential to ensure that coastal-based tourism developments are environmentally sustainable.</p>
<p>STRATEGY 4.4.3.1</p> <p>Expanded tax and investment incentives for environmentally neutral coastal tourism development</p>	<p>One strategy is to focus on government tax and investment incentives for both large and small-scale tourism developers to institute and maintain environmentally-sustainable activities. Incentives include investment in eco-tourism, earmarking funds for conservation of the environment on which the industry depends.</p>
<p>STRATEGY 4.4.3.2</p> <p>Improved land use planning and environmental impact assessments for coastal tourism development</p>	<p>Improved planning and environmental impact assessment activities include consideration of appropriate waste-water disposal systems, water conservation programs, construction activities that reduce sedimentation and location of disposal sites for excess fill materials away from vulnerable coastal environments, and location of resort facilities away from beaches, dunes, and shorelines that are particularly fragile.</p>

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<p>PROGRAM STRATEGY 4.4.4</p> <p>Increased Water Conservation by Households, Industry, Agriculture, Etc.</p> <p>STRATEGY 4.4.4.1</p> <p>Improved water usage practices by households, industry, etc.</p>	<p>Most countries have responded to demand for water by increasing the supplies through transfers from major water sources. Now, however, governments are considering other options. Among them is land use planning which encourages development of urban industrial complexes in areas where water supply is ample for projected demands and conservation.</p> <p>This Program Strategy specifically focuses on conservation practices. These include building on recent successes in recycling of industrial water, enacting policies which increase water prices, and support for environmental education about the importance of water and changing attitudes about the need for its conservation that can contribute to achieving the Program Strategy.</p>
<p>PROGRAM OBJECTIVE 4.5</p> <p>Maintain Viable Resource Base for Agriculture, Forestry, and Ranching</p>	<p>This Program Objective recognizes that a number of factors are weakening current productivity and future potentials. Especially considering the need to keep up with population pressures on the resource base, address the problems that arise when wars and natural disasters disrupt both production and distribution of food and other critical resources, and deal with increasing poverty which limits people's ability to purchase substitutes, the links between productivity and resource viability are ever more critical concerns.</p>
<p>PROGRAM STRATEGY 4.5.1</p> <p>Environmentally Sustainable Resource Management Practices Adopted by Individuals, Common Property Resource</p>	<p>The only Program Strategy for this objective is to help ensure that environmentally sustainable resource management practices are adopted.</p>

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<p>STRATEGY 4.5.1.1</p> <p>Appropriate technologies disseminated to men and women</p>	<p>Dissemination of technologies to both men and women recognizes the roles that both sexes play in the primary production activities of their countries. Both men and women are involved directly or indirectly in cash crop production, household food production, livestock management, forest product extraction and other natural resource management activities. Therefore, both men and women need technologies that are socially acceptable, economically efficient and environmentally-sustainable.</p> <p>Policies and regulations that support sustainable resource management practices are critical. These include changing some policies (i.e., those which have kept food prices artificially low or promoted pesticide use). New policies which promote development of environmental accounting systems and local resource tenure need to be studied, discussed, and implemented as appropriate.</p>
<p>STRATEGY 4.5.1.2</p> <p>Policies and regulations supporting sustainable resource management practices implemented</p>	<p>Both men and women resource managers need resources (e.g., credit, markets, information) in order to adopt improved management practices.</p>
<p>STRATEGY 4.5.1.3</p> <p>Resources required for adopting sustainable technologies available to men and women</p>	<p>Where traditional systems or parts of them are still viable, it is possible to use them in combination with more modern scientific knowledge.</p>
<p>STRATEGY 4.5.1.4</p> <p>Common property management systems improved</p>	<p>Where traditional systems or parts of them are still viable, it is possible to use them in combination with more modern scientific knowledge.</p>

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OBJECTIVES & PROGRAM STRATEGIES	ILLUSTRATIVE PERFORMANCE INDICATORS
<p>PROGRAM OBJECTIVE 4.1:</p> <p>Decreased Rate of Loss of Biodiversity</p>	<ul style="list-style-type: none"> ● Baseline data on biologically-diverse resources ● Estimate of total loss in 5-8 year time period
<p>4.1.1 Improved management of protected areas</p>	<ul style="list-style-type: none"> ● Percentage of remaining natural forest brought under improvement management practices (INRM) (NS or LM)
<p>4.1.1.1 Improved enforcement capabilities</p>	<ul style="list-style-type: none"> ○ Number of personnel trained ● Number of personnel provided with adequate equipment and other resources to enforce regulations ● Local communities involved in decision-making about how to best enforce regulations
<p>4.1.1.2 Policies implemented for creating and maintaining protected areas</p>	<ul style="list-style-type: none"> ● Establishment of comprehensive system of protected areas, for example, conservation parks, in zones known to contain important species ● Earmarking of funds for creating and maintaining protected areas ● Conservation law infractions in the national parks effectively adjudicated by the courts
<p>4.1.1.3 Improved institutional capacity to manage reserved areas</p>	<ul style="list-style-type: none"> ● Capacity of local NGOs to influence environmental policies ● Training of local NGO personnel ● Training of employees of government agencies with mandate to manage reserved areas ● Level of financial support for management ● Public and private organizations using environmental data and analysis in decision-making ● Local or regional organizations for conflict resolution operating in selected areas ● NGO endowment established and capitalized

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<p>4.1.1.4 Increased local commitment and capacity to maintain protected areas</p>	<ul style="list-style-type: none"> ● Number of local people participating in conservation-related activities ● Kind and level of commitment ● Training to increase environmental awareness and ability to help maintain protected areas
<p>4.1.1.5 Biological monitoring systems in place</p>	<ul style="list-style-type: none"> ● Baseline data collected -- knowledge of ecosystems and levels and types of biodiversity ● Monitoring plans developed ● Personnel trained in monitoring ● Incentives for long-term monitoring in place
<p>4.1.2 Decreased rate of movement into forest due to agricultural expansion</p>	<ul style="list-style-type: none"> ● Numbers of agriculturalists moving into forested areas ● Rate of area under active encroachment
<p>4.1.2.1 Increased land security for men and women on cultivated holdings in buffer zones</p>	<ul style="list-style-type: none"> ● Number of individuals (sex-disaggregated data) with secure resource tenure
<p>4.1.2.2 Increased income from eco-tourism, secondary forest products, etc. associated with protected areas</p>	<ul style="list-style-type: none"> ● Number of land users participating in active management practices in support of income-generating activities based on conservation of biodiversity ● Level and kind of benefit (e.g., economic, social, environmental) benefits accruing to local people ● Total value of forest products of timber and non-timber species exported accruing to local people
<p>4.1.2.3 Increased sustainable farm productivity on converted holdings in buffer zones</p>	<ul style="list-style-type: none"> ● Number of land users adopting management practices which improve the quantity and/or quality of vegetative land cover
<p>4.1.2.4. Reduced migration into buffer zones</p>	<ul style="list-style-type: none"> ● Number of new residents moving into buffer zones ● Activities outside of buffer zones that promote income-generating activities that attract potential migrants
<p>4.1.2.5. Policies creating incentives for crop diversification</p>	<ul style="list-style-type: none"> ● Number and kind of policies approved ● Levels of crop diversification ● Support for extension programs and other rural development programs (e.g., credit) to men and women agriculturalists to diversify production systems

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4.1.2.6. Land use planning implemented	<ul style="list-style-type: none"> ● National environmental action plan completed and approved by government ● Planning recommendations implemented
4.1.3. Decreased rate of destruction of forest habitat due to commercial extractions (commercial agriculture, forestry, etc.)	<ul style="list-style-type: none"> ● Area deforested outside the national park system ● Rate of deforestation
4.1.3.1 Policies discouraging degradation due to commercial extractions implemented	<ul style="list-style-type: none"> ● Sanctions (e.g., fines) against degradation ● Policies underpricing costs to concessionaries ● Legislative scorecard
4.1.3.2 Improved management of forest logged over areas	<ul style="list-style-type: none"> ● Area under management activities such as reforestation, natural regeneration, and enrichment planting of degraded forest areas
4.1.3.3 Improved utilization of forest offtake	<ul style="list-style-type: none"> ● Number of species transformed at local sawmills ● Number of locally value-added activities
PROGRAM OBJECTIVE 4.2: Reduced urban and industrial pollution	<ul style="list-style-type: none"> ● Levels of Biological Oxygen Demand and suspended solids from USAID-funded facilities ● Number of water and air protection practices adopted
4.2.1 Improved enforcement and compliance of environmental regulations	<ul style="list-style-type: none"> ● Levels of free-floating particulates, carbon dioxide, sulfur dioxide, and other toxic emissions to agreed upon health and environmental levels (IEQ) (NS/LM)
4.2.1.1 Legislated system of emission/pollution standards	<ul style="list-style-type: none"> ● Legislative/regulatory scorecard
4.2.1.2 Monitoring and penalty systems for enforcement of standards compliance implemented	<ul style="list-style-type: none"> ● Baseline data collected ● Monitoring plans developed ● Data collection and quality control systems functioning ● System of fines established and being implemented
4.2.1.3 Private sector responsibility for checking emissions established	<ul style="list-style-type: none"> ● Number of plants monitoring emissions ● Number of corporate policies supporting emissions reduction programs ● Level of funding for corporate conservation programs

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<ul style="list-style-type: none"> ● Annual change in energy pricing incentives to use fossil fuels ● Changes in incentives to use fossil fuels 	<p>4.2.1.4 Subsidies and other incentives to use fossil fuels that emit hydrocarbons and CO₂ eliminated</p>
<ul style="list-style-type: none"> ● Number of industrial plants modified to reduce emissions to acceptable levels (IEQ) (DE/NS) ● Reduction of emissions from solid waste incineration to within acceptable levels (IEQ) (DE/LM) ● Percentage of solid wastes collected, handled, and recycled by private and public or parastatal firms (IEQ) (DE/LM) ● Percentage of industrial and residential solid waste properly contained, promptly removed, and, where required, placed in solid waste landfills with proper drainage and coverage (IEQ) (DE/LM) ● Percentage of hazardous wastes destroyed in environmentally-sound fashion, recycled into harmless wastes and economically reusable byproducts, or reconstituted into usable hazardous products under proper control and management (IEQ) (LM) 	<p>4.2.2 Increased industrial adoption of pollution abatement and waste management technologies</p>
<ul style="list-style-type: none"> ● Amount of investments by foreign and domestic firms 	<p>4.2.2.1 Increased investments by foreign and domestic waste management and recycling firms</p>
<ul style="list-style-type: none"> ● Level and kinds of incentives ● Number of pilot demonstrations 	<p>4.2.2.2 Increased economic and social incentives for adopting technologies</p>
<ul style="list-style-type: none"> ● Number of public and private vehicles not meeting emissions standards modified or removed from use (IEQ) (DE/NS) 	<p>4.2.3 Improved pollution control practices of the general public (households, small firms, vehicle owners)</p>
<ul style="list-style-type: none"> ● Kinds of attitudes toward environmental concerns such as pollution ● Number of respondents indicating understanding and awareness of environmental issues and behaviors needed to control pollution 	<p>4.2.3.1 Improved public attitudes concerning pollution control</p>

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<p>4.2.3.2. Increased economic and social incentives for pollution control</p>	<ul style="list-style-type: none"> ● Amount of "red tape" to encourage pollution control by general public ● Number of opportunities (e.g., access to credit, management skills training) for smaller business to provide services such as solid waste collection and mass transportation to reduce pollution
<p>PROGRAM OBJECTIVE 4.3: Increased production and use of environmentally-sound energy</p>	<ul style="list-style-type: none"> ● Percentage of energy from environmentally-sound sources (e.g., geothermal and solar sources) used by public and private consumers (INRM) (LM)
<p>4.3.1 Improved enforcement of and compliance with energy use regulations</p>	<ul style="list-style-type: none"> ● Level of national electric system losses ● Level of awareness of regulations and with sanctions against non-compliance ● Number of fines levied and paid by those firms in noncompliance
<p>4.3.1.1 Policies and regulations encouraging efficient and clean energy use implemented</p>	<ul style="list-style-type: none"> ● Number of policies established and implemented ● Codification and publication of regulations
<p>4.3.1.2 Operational system for monitoring energy use and production functioning</p>	<ul style="list-style-type: none"> ● Baseline data collected ● Monitoring plan and system in place ● Technicians trained to collect and analyze data ● Information used in decision-making
<p>4.3.2 Increased adoption of efficient energy use technologies and practices developed domestically</p>	<ul style="list-style-type: none"> ● Percentage of alternative energy sources used by public and private consumers (e.g., woodlots for fuel and other uses) (INRM)(LM)
<p>4.3.2.1 Increased number and scope of efficient energy technologies and practices developed domestically</p>	<ul style="list-style-type: none"> ● Levels of investments in alternative energy generation and use (INRM) (LM) ● Levels of investments in environmentally-sound energy generation (INRM) (LM)
<p>4.3.2.2 Increased public awareness and knowledge of energy efficient practices (households, vehicles, etc.)</p>	<ul style="list-style-type: none"> ● Number and kinds of messages to increase public awareness ● Number of public reached by these messages ● Changes in levels of knowledge
<p>4.3.2.3 Increased economic and social incentives for efficient energy use</p>	<ul style="list-style-type: none"> ● Transparent, equitable applied and simplified tax codes for efficient use established, codified and implemented

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<p>4.3.3 Increased production of renewable energy</p>	<ul style="list-style-type: none"> ● Number of firms adopting renewable energy technologies
<p>4.3.3.1 Increased investment incentives for renewable energy sources and use</p>	<ul style="list-style-type: none"> ● Number of bank loans made to private sector
<p>4.3.3.2 Increased public awareness and knowledge of renewable energy sources and use</p>	<ul style="list-style-type: none"> ● Number and kinds of messages to increase public awareness, especially about the social, economic and environmental (including health) benefits of renewable energy technologies and practices ● Number of public reached by these messages ● Changes in levels of knowledge
<p>4.3.3.3 Increased number and scope of renewable energy technologies developed domestically</p>	<ul style="list-style-type: none"> ● Number and kinds of renewable energy technologies developed domestically ● Number of licenses/patents of domestically-developed renewable energy technologies
<p>4.3.3.4 Increased economic and social incentives for renewable energy production</p>	<ul style="list-style-type: none"> ● Joint venture funding for domestic development ● Total loan disbursement under micro-enterprise lending project for renewable energy
<p>PROGRAM OBJECTIVE 4.4: Reduced degradation and depletion of coastal and other water resources</p>	<ul style="list-style-type: none"> ● Quality and quantity of water available for use ● Improved public management of coastal and other water resources ● Improved industrial water management
<p>4.4.1 Improved quality of inland and coastal waters</p>	<ul style="list-style-type: none"> ● Levels of sedimentation, as measured by the concentration of sedimentary particles (IEQ) (NS or LM)
<p>4.4.1.1 Upstream forest watersheds replanted and maintained</p>	<ul style="list-style-type: none"> ● Levels of turbidity in rivers and coastal lagoons that can cause changes in levels of photosynthesis and thereby impacts on plant growth ● Levels of productivity of deltas and estuaries specifically affected by input of nutrients from rivers

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<p>4.4.1.2 Reduced waste effluents from industry, agriculture, mining, and urban population centers flowing into coastal areas</p>	<ul style="list-style-type: none"> ● Levels of pollutants in water, as measured by the concentration of coliform bacteria, nitrates, phosphates, solid waste, fluid waste, and hazardous waste (whichever is appropriate for measuring, as determined by baseline measures) (IEQ) (NS or LM) ● Recolonization of previously damaged reefs ● Levels of dissolved oxygen demand, acidity (i.e., hydrogen ion concentration expressed as pH), suspended solids (e.g., bacteria, algae, silt, other insoluble substances) and human pathogens (e.g., fecal coliforms and virus agents)
<p>4.4.1.3 Improved enforcement of regulations against dumping of solid and toxic wastes by industry, commerce, and urban areas</p>	<ul style="list-style-type: none"> ● Levels of toxic chemicals coming from human activities ● Levels of pathogenic bacteria concentrated in shellfish ● Protection of marshes, estuaries and other habitats critical for water purification, flood storage, wetland agriculture, etc. ● Levels of biological oxygen demand (BOD) and anoxia from industries such as sugar mills and distilling plants ● Number of solid waste disposal sites and garbage dumps in mangroves and other coastal wetlands ● Number of environmental impact assessments conducted and recommendations instituted
<p>4.4.1.4 Improved management of public water systems (setting prices, wastewater treatment, etc.)</p>	<ul style="list-style-type: none"> ● Level of capital investment in water sector ● Changes in prices for water use ● Number of permits for septic tank absorption fields that are above groundwater level ● Rates of water withdrawal to prevent sinking of land or saltwater intrusion ● Amount of sewage effluents that are treated properly and discharged into well-mixed waters related to total amount treated and discharged

<p>4.4.2 Increased sustainable commercial offtake of resources benefiting coastal communities and commercial operations</p> <ul style="list-style-type: none"> ● Number and types of people (e.g., fishermen, aquaculturists, and developers), by gender, adopting management practices that conserve aquatic biological resources (INRM) (LM) ● Conservation of marshes, estuaries and other critical habitats that coastal fisheries depend on for proteins 	<p>4.4.2.1 Improved management of commercial offtake in coastal areas</p> <ul style="list-style-type: none"> ● Catch levels by species ● Levels of marine biodiversity ● Establishment of fishery management programs with increased attention to the overall marine ecosystem including concern for nontarget (e.g., predators, food sources, and competitors) marine species ● Number and kind of conservation-oriented fishing practices (e.g., make dynamite illegal) accepted by local fishers
<p>4.4.3 Increased share of coastal tourism that is environmentally-sustainable/neutral</p> <ul style="list-style-type: none"> ● Improved wastewater treatment from tourism developments 	<p>4.4.3.1 Expanded tax and investment incentives for environmentally-neutral coastal tourism development</p> <ul style="list-style-type: none"> ● Amount of investment in ecotourism ● Level of funds earmarked for conservation of areas on which tourism depends
<p>4.4.3.2 Improved land use planning and environmental impact assessments for coastal tourism development</p> <ul style="list-style-type: none"> ● Number and location of vegetated berms and back-bench dunes that are preserved ● Number of nesting habitats for turtles, birds and other species that are protected 	<p>4.4.4 Increased water conservation by households, industry, agriculture, etc.</p> <ul style="list-style-type: none"> ● Percent change in the amount of water used, either for particular water users or by site, as appropriate (INRM) (LM) ● Percent of water users adopting conservation practices (INRM) (LM) ● Hectares under drip irrigation as a percentage of total area under irrigation
<p>4.4.4.1 Improved water usage practices by households, industry, etc.</p> <ul style="list-style-type: none"> ● Number and kinds of environmental education messages about water use practices ● Level of water conservation practices by different consumer groups 	

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<p>PROGRAM OBJECTIVE 4.5: Maintain viable resource base for agriculture, forestry, and ranching</p>	<ul style="list-style-type: none"> ● National economic accounting system which incorporates environmental costs
<p>4.5.1 Environmentally-sustainable resource management practices adopted by individuals, common property resources</p>	<ul style="list-style-type: none"> ● Number and type of landusers adopting new practices that will improve the physical environment for agriculture (e.g., indicators for such measurements as soil fertility, soil conservation, range resources, forest resources, water availability) and will contribute to sustainable economic development (INRM and IEQ) (LM)
<p>4.5.1.1 Appropriate technologies disseminated to men and women</p>	<ul style="list-style-type: none"> ● Number of extension program activities that promote appropriate technologies to men and women ● Number of people adopting a range of appropriate technologies (e.g., intercropping, integrated pest management, stall feeding of livestock, non-timber forest management activities)
<p>4.5.1.2 Policies and regulations supporting sustainable resource management practices implemented</p>	<ul style="list-style-type: none"> ● Changes in policies and regulations from high-input, polluting practices (e.g., pesticides) to alternatives (e.g., integrated pest management)
<p>4.5.1.3 Resources required for adopting sustainable technologies available to men and women</p>	<ul style="list-style-type: none"> ● Number of extension program activities that provide information about sustainable technologies to men and women ● Amount of loans provided by credit programs to men and women for adoption of sustainable technologies ● Number of seedlings provided to individuals and their survival rates over time
<p>4.5.1.4 Common property management systems improved</p>	<ul style="list-style-type: none"> ● Number of grazing management plans implemented ● Number of registered forest user groups with management plans approved ● Amount of land returned to community groups for common property management and modern knowledge