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SPEAKER'S KIT



U.S. Agency for International Development

Public Liaison Division
Office of External Affairs

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AGENCY FOR
INTERNATIONAL
DEVELOPMENT

Dear USAID Speaker:

This book has been prepared as your guide to better speaking and as a resource for information about USAID and U.S. foreign assistance. As a representative of the Agency, you play an important role in educating the public about U.S. foreign assistance. This reference book is intended to make that easier.

Please use this book as a ready reference and become familiar with its contents. It is for Agency use only and should be kept in a safe place. It contains tips on how to write and deliver effective speeches, foreign assistance facts and figures, samples of speeches delivered by the Administrator, and summaries of the Agency's initiatives.

Please adhere to the following guidelines regarding your speaking engagement:

- 1. Call the Speakers Bureau at 202/647-4213 with any questions about your speaking engagement and be sure to follow up afterward.*
- 2. Fill out the speech follow-up form and return it to the Speakers Bureau, so that we can keep track of the groups that are being reached.*
- 3. Offer comments on how we can provide you with a more useful speakers kit or other kinds of assistance. Send suggestions to USAID, Speakers Bureau, Public Liaison Division, Office of External Affairs, Room 4889 NS, Washington, DC 20523-0056.*

We encourage you to refer to this publication often, and check with Public Liaison occasionally for updates.

Sincerely,

Stephen D. Hayes
Director
Office of External Affairs

QUESTIONS TO ASK BEFORE ACCEPTING A SPEAKING INVITATION

1. **Who is your audience? (Academia? Business? Media? High school or college students?) What is their educational background and technical expertise? Are they part of a special group? Congressional delegation? Service club? Religious organization?**
2. **What is the format of the event? (Speeches, panel discussion, debate, roundtable discussion, luncheon or dinner program?)**
3. **On what subject is the organization expecting you to talk?**
4. **What is the occasion? (Routine event or special ceremony?)**
5. **What type of speech is required? (Keynote, welcoming address, informal remarks, wrap-up?)**
6. **Is your presentation part of a conference or convention? If so, ask to see the full program, including a list of other speakers.**

If anyone else is speaking, who? On what topics? In what order?
7. **Who will introduce you?
(Instead of sending a bio, write your own introduction.)**
8. **How long should the speech be?**
9. **Will a question-and-answer session follow?**
10. **Where is the event being held? (Auditorium? Classroom? Conference room? Outdoors?)**
11. **What time of day is your speech or panel discussion? Is a meal being served and, if so, will you speak before or after the meal?**
12. **What are the facilities? (Stage or raised platform, podium, table, microphone?) Where will you be seated during the program?**

SPEAKERS BUREAU SUPPORT SERVICES

Audio/Visual Support: The Office of External Affairs will provide audio/visual aids upon request when appropriate. These support aids may include: videotapes, slide presentations, graphics, and the USAID photo exhibit.

Training: The Office of External Affairs provides periodic speech training, at which speakers' presentations are taped and evaluated.

Handout Materials: The Office of External Affairs will provide USAID handout materials if available and notified well in advance.

Publicity for Speakers: Publicity for speakers is the responsibility of the Office of External Affairs, Press Division, which can make media contacts for you. Official speakers should not initiate media contacts on their own. If the group to whom you are speaking wants to set up interviews, ask them to coordinate media contacts with External Affairs. All interview requests sought or received by XA will be cleared with each speaker in advance.

MAKING THE MOST OF YOUR SPEECH

A good speech is probably the most effective tool for delivering USAID's message to business, professional, civic, educational groups, and others. Unlike an interview, a speech gives you a chance to deliver a concise message in a carefully thought out manner. You can make the points the Agency wants made, in the order in which you want to make them. You have the opportunity to leave an audience with a lasting impression of yourself, the Agency, and the U.S. foreign assistance program.

GETTING READY

Whether you deliver a successful speech depends above all on how well you prepare. Preparation for a speech means not only having a thorough understanding of your subject and a well-developed presentation, but also knowing who else will be on the program and the nature of the audience. Remember that much of your success depends on connecting with your audience.

Know Your Subject

If you don't have a good grasp of the subject on which you have been asked to speak, either suggest a different topic that you know or consider finding a replacement who knows the topic better. Be sure to coordinate this with USAID's Speakers Bureau.

When researching your speech topic, be sure to familiarize yourself with related subjects and pertinent current events. You may want to add to the speech some of the USAID success stories in this Speakers Kit or relate your personal experiences from the field that demonstrate the Agency's successful impact on economic development.

If you will be speaking in a city unfamiliar to you, find out if any local issues or events relate to your subject. Again, the Speakers Bureau may be of assistance.

Know Your Audience

Don't make assumptions about the composition of your audience. Find out as much as you can about the group. How much will your listeners already know about your topic? What are their special interests? Have they already taken a position regarding your topic? Will they be considered neutral, friend, or foe? Will they want some form of action from USAID? Answers to these questions should shape your speech and prepare you for follow-up questions and possible media interviews.

Language

Select a catchy title for your speech that can be used in any printed material distributed by hosts. As you research your audience, you will develop an idea of the

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language to use in your speech. Don't use technical terms with a nontechnical audience. Avoid phrases or nomenclature your listeners might not understand. **Never** use acronyms; they may exclude some audience members from your message.

Above all, speak in your natural style. Avoid compound sentences, multi-syllable words, parenthetical phrases and qualifications, cliches, and hackneyed phrases such as "you know." Use short sentences and think about the news media. Ask yourself: "Is there anything here, in 50 words or less, of local interest, that is newsy and sprightly enough to be quoted – or at least be remembered?"

Openings

A strong opening statement will grab attention and set the tone for the rest of the speech. You may wish to acknowledge the person who introduced you and thank the group for inviting you. Then get right to the purpose of your speech. Express your main point in a declaratory sentence. (Example: "The U.S. Agency for International Development believes....") Or ask a rhetorical question. ("What is needed most by the developing world?")

Other options for strong openings include one or a series of startling facts ("Are you aware that....?"), a human interest story, or a humorous anecdote. Whatever your opening, be sure it's pertinent to your speech topic and launches you toward making your main points.

Anecdotes and Humor

Anecdotes and jokes can be useful speechmaking tools if they are chosen carefully and delivered naturally. Of course, humor should always be in good taste; in no way should it offend your audience. Nor should it be potentially embarrassing to the Agency if repeated by the media or in any other forum.

Not everyone can deliver humor. Memorize and practice delivering anecdotes and one-liners; anecdotes and jokes fall flat if you read them. A pause is essential before the punchline and at the end of a story, but if you're not a funny person, don't try to be funny at the podium.

Keep your humor pertinent. A humorous introduction that bridges smoothly into the body of your speech will not only attract your listeners' attention, but also can help you to relax.

Some apt humor within the speech can help maintain your rapport with your audience. A totally irrelevant joke will be recognized as just that.

Statistics

Like humor, statistics can be used effectively, but too much data is hard for a listener to absorb. USAID speeches can easily be overloaded with statistics that lose an audience.

Save most numbers for written communications. In oral presentations, use numbers to create complete thoughts or comparisons. Statistics can be used effectively for impact, *i.e.*, by the year 2000, four out of five consumers will live in the developing world.

Visuals

Good visuals can add impact to your words. They should, however, support your speech and not overpower it.

Use chalkboards, slides, large charts, maps, pictures, posters, and other "show and tell" items when they are pertinent and can be seen by everyone in the audience. Avoid complexity. Each visual should, at a glance, convey a single idea. The more "pictographic" a visual aid, the better. Check with XA to see what is available.

Endings

Always clue the audience that you are about to wrap up. ("Before I finish, there's one point I want to emphasize;" "Finally;" "In the final analysis.") End forcefully: Summarize your main point, repeat your objective, or give your audience something extra. ("In conclusion, let me add one bit of advice.") If there are opportunities for your audience to pursue your topic further, such as future meetings or seminars, tell them. Then, if the format allows, offer to answer questions.

Remember the Clock

Regardless of the subject matter, the duration for most speeches is 15-to-20 minutes, with another 10 minutes for questions-and-answers. You risk losing your audience if you talk longer.

Manuscript Preparation

Experts recommend that you always type out your speech, even if you later decide to deliver it from notes. You can easier determine whether you are within the given time frame and practice and revise, practice and revise. You may need to cut your original manuscript in half to stay within your allotted time.

For delivery, type your speech in extra large type, on paper or index cards. Mark pauses and underscore words and phrases requiring emphasis. Be sure to number the pages or cards in case they get out of order.

Rehearsal

Practice delivering your speech by yourself in front of a mirror, in front of a family member or co-worker, or before a video camera if you have access to one. Watch your time. Test your anecdotes and jokes with an audience. Check your stance and gestures. Be sure your visuals are clear, pertinent, and emphatic.

CAPITALIZING ON THE OCCASION

XA will advise you on media coverage of your speech. Although it is up to your hosts to invite the media to cover your speech, XA may want to seek interviews for you in conjunction with your appearance.

If media are present, give them copies of your speech and stick closely to the text to help ensure that you are not misquoted. Furnish your hosts with a speech title and your bio (please, not a C.V.) so they can encourage media coverage.

When speaking outside of the Washington area, allow time during the day for media interviews whenever possible -- especially in smaller cities and your home town. XA can arrange these to take place at the speech site, broadcast studios, or newspaper offices.

DELIVERY

How you look, stand, and gesture all affect audience reaction and response. A speech is only as effective as its delivery. If you appear overly nervous, if the audience can't see your visuals or if you speak in a monotone, the time you spent writing your text will have been wasted. If you remember one statistic, remember this: 90% of your message is perceived through non-verbal communication.

Stage and Props

Arrive at the speech site early so you can check the site, talk with your hosts and the person who will introduce you, and meet any other speakers. Note the location from which you will speak and of your visual aids. Be sure your charts, videotapes, and other graphics can be seen by everyone in the audience. Determine if you will operate a projector yourself, or will someone else do it? If it's the latter, review your materials with your helper, agree on what signals you will give, and test the slides or visuals before the audience is seated to preclude technical malfunctions and to be sure the slides are in the proper order.

Your Appearance

Your speech actually starts the moment you enter the room. Dress conservatively. Check your grooming beforehand. Smile, nod, move naturally and appropriately. Stand tall, with your head level and your shoulders square.

Eye Contact and Body Signals

Think of your audience in three segments: left, center, and right. Look at, and speak directly to, individuals in each segment.

When speaking from behind a lectern, don't grab onto it and hold tightly with both hands. Your body will tense up and you will appear even more nervous than you probably are. If the microphone is removable, and you feel comfortable doing so, you may wish to pick it up and move about -- but don't play with the cord.

Gestures can help you look more relaxed and add emphasis to what you are saying. However, like every other element of your speech, they need to be controlled and pertinent.

While you are speaking, be aware of the signals your audience is sending you. Are they looking right at you or are their eyes wandering? Are they sitting up and listening or slouched and dozing? If you begin to lose too much of your audience, you may have to change your style.

Voice and Diction

A clear, strong voice sets off a speech. The general tendency is to speak too softly, so speak louder than you consider normal, but don't shout. Good volume communicates confidence.

Change volume and pitch during your speech to avoid a boring monotone. Absorb this technique by listening to newscasts and commercials on radio and television; note how they create interest by changing voice pitch and emphasis. Develop enthusiasm in your voice.

Diction is important. Enunciate without going overboard and appearing stilted. The bottom line is to be clear while sounding natural.

Speed

People tend to speak too quickly. Pacing and pausing are among the most effective techniques for public speaking. Change speed; speak faster for excitement and slower for suspense. You do not need to talk constantly. Pauses attract attention and may even trigger applause after strong statements.



SIMPLER WORDS AND PHRASES

Speeches do not demand big words or fancy phrases. The guts of English are in its small, often one-syllable, words. Not only do they save typing and delivery time, they make your speech livelier and ideas clearer.

Instead of

accompany
accomplish
accordingly
accrue
accurate
achieve
actual
additional
address
adjacent to
advantageous
advise
afford an opportunity
aircraft
ameliorate
anticipate
apparent
appear
appreciable
apprise
appropriate
approximately
ascertain
as prescribed by
attempt

benefit

capability
category
caveat
close proximity
cognizant
combined
commence

Try

go with
carry out, do
so
add, gain
correct, exact, right
do, make
real
added, more, other
discuss
next to
helpful
recommend, tell
allow, let
plane
improve
expect
clear, plain
seem
many
inform
proper, right
about
find out, learn
under
try

help

ability, can
class, group
warning
near
aware, responsible
joint
begin, start

//

Instead of

comply with
component
comprise
concerning
conclude
concur
confront
consequently
consolidate
constitutes
construct
consummate
contains
continue
contribute

deem
delete
demonstrate
depart
designate
desire
determine
develop
disclose
discontinue
disseminate

echelons
effect
effectuate
elect
eliminate
employ
encounter
encourage
endeavor
ensure
enumerate
equitable
equivalent
establish
evaluate
evidenced

Try

follow
part
form, include, make up
about, on
close, end
agree
face, meet
so
combine, join, merge
is, forms, makes up
build
complete
has
keep on
give

think
cut, drop
prove, show
leave
appoint, choose, name
wish
decide, figure, find
grow, make, take place
show
drop, stop
issue, send out

levels
make
bring about
choose, pick
cut, drop, end
use
meet
urge
try
make sure
count
fair
equal
set up, prove, show
check, rate, test
shown

Instead of

Try

in the amount of
in the course of
in the event that
in the near future
in view of
in view of the above
it is essential
it is recommended
it is requested

for
during, in
if
soon
since
so
must
we recommend
please, we request

justify

prove

legislation
limited number
limitations
locate
location

law
few
limits
find
place, scene, site

magnitude
maintain
majority
methodology
minimize
modify
monitor

size
keep, support
greatest, longest, most
method
decrease, lessen, reduce
change
check, watch

nebulous
necessitate
non-concur
notify
not later than
numerous

vague
cause, need
disagree
let know, tell
by
many, most

objective
obligate
observe
obtain
operate
operational
option

aim, goal
bind, compel
see
get
run, work
best, greatest, most
choice, way

parameters
participate
perform

limits
take part
do

Instead of

evident
evince
examine
exhibit
expedite
expeditious
expend
expense
expertise
explain

facilitate
factor
failed to
feasible
females
final
finalize
forfeit
forward
function
furnish

identical
identify
immediately
impacted
implement
in addition
inasmuch as
inception
incorporate
incumbent upon
indicate
indication
initial
initiate

in lieu of
in order that
in order to
in regard to
interface with

Try

clear
show
check, look at
show
hurry, rush, speed up
fast, quick
pay out, spend
cost, fee, price
ability, skill
show, tell

ease, help
reason, cause
didn't
can be done, workable
women
last
complete, finish
give up, lose
send
act, role, work
give, send

same
find, name, show
at once
affected, changed, hit
carry out, do, follow
also, besides, too
since
start
blend, join, merge
must
show, write down
sign
first
start

instead of
for, so
to
about, concerning, on
deal with, meet

Instead of

Try

shall
shortfall
similar to
solicit
state
state-of-the-art
submit
subsequent
subsequently
substantial
sufficient

will
shortage
like
ask for
say
latest
give, send
later, next
after, later, then
large, real, strong
enough

task
terminate
therefore
therein
timely
transit
transpire

assign
close, end, stop
so
there
prompt
send
happen, occur

until such time as
utilize, utilization

until
use

validate

confirm

value
verbatim
viable

cost, worth
word for word, exact
practical, workable

warrant
whenever
whereas
with reference to
with the exception of
witnessed

call for, permit
when
since
about
except for
saw

Instead of

permit
personnel
pertaining to
point in time
portion
position
possess
practicable
preclude
prepared
previous
previously
prioritize
prior to
probability
procedures
proceed
procure
proficiency
programmed
promulgate
provide
provided that
purchase

reason for
recapitulate
reduce
reflect
regarding
relating to
relocation
remain
remainder
remuneration
render
request
require
requirement
reside
retain
review

selection

Try

let
people; staff
about, of, on
point, time
part
place, put
have, own
practical
prevent
ready
earlier, past
before
rank
before
chance
rules, ways
do, go on, try
buy, get
skill
planned
announce, issue
give, say, supply
if
buy

why
sum up
cut
say, show
about, of, on
about, on
move
stay
rest
pay, payment
give, make
ask
must, need
need
live
keep
check, go over

choice

HISTORICAL PERSPECTIVE ON U.S. FOREIGN ASSISTANCE

The A.I.D. program today is the result of the many events, people and policies that have shaped the world over the past 30 years. The following timeline presents an overview of some of the landmarks in U.S. development assistance history and the global background against which they occurred.

March 31, 1942 Institute of Inter-American Affairs formally established--first technical assistance by United States.

November 9, 1943 Agreement signed to furnish aid to war-ravaged countries through U.N. Relief and Rehabilitation Administration.

December 27, 1945 International Monetary Fund and International Bank for Reconstruction and Development (World Bank) formed.

May 15, 1947 Secretary of State Marshall's speech voices U.S. interest in rebuilding European economies.

April 2, 1948 Economic Cooperation Act (Marshall Plan) creates Economic Cooperation Administration.

January 20, 1949 President Truman's Point IV inauguration speech.

June 1, 1950 Act for International Development (Point IV) creates authority for Technical Cooperation Administration.

June 30, 1951 Termination of Marshall Plan.

October 31, 1951 Mutual Security Act of 1951 unites military and economic programs and technical assistance. Mutual Security Agency established.

July 10, 1954 Public Law 480 authorizes sale and use of U.S. surplus foods for economic development.

March 1, 1961 Peace Corps created.

March 13, 1961 President Kennedy calls on people of hemisphere to join in an "Alliance for Progress."

September 3, 1961 Foreign Assistance Act combines International Cooperation Administration, Development Loan Fund and other U.S. assistance functions.

November 3, 1961 Agency for International Development created.

FOREIGN AID FACTS AND STATISTICS

Economic Benefits from Foreign AID

- In 1990, U.S. exports to developing countries were more than \$127 billion.
- Of the 50 largest Importers of U.S. farm goods, 43 are nations that once received food aid from the U.S.
- U.S. private investment in developing countries in 1989 was \$91 billion, more than one-fourth the U.S. total overseas investment.
- USAID's trade and investment program has already facilitated hundreds of joint or cooperative ventures between developing nations and American firms and has provided services to thousands of private enterprises in the developing world.
- More than 30% of all U.S. exports are shipped to developing nations. In 1990, almost 30% of all U.S. exports of men's and boys' shirts went to USAID-assisted countries in Central America, an increase of almost 2,000% since 1985. More than 26% of U.S. exports of frames and mountings for spectacles went to Agency-assisted countries in Europe in 1990, an increase of almost 1,500% since 1985.
- By the year 2000, four out of five consumers will reside in the developing world. From 1965 to 1985, consumption per capita in developing countries increased from \$590 to \$985. Average per capita income in developing countries increased by 2.5% a year between 1965 and 1989.
- Over the past 25 years, foreign trade grew from less than 10% to more than 25% of the U.S. gross national product.
- U.S. exports to USAID-assisted countries grew at a rate of nearly 5% a year between 1983 and 1990, outstripping imports from those countries, which grew at 4.3%.
- One-third of all U.S. corporate profits are generated by international activities.
- One out of six U.S. manufacturing jobs is directly tied to foreign trade; this is true of five out of every six new manufacturing jobs.
- Each dollar of agricultural export generates \$1.59 in additional business, most of which comes from non-farm activities such as food processing, manufacturing, and transportation. This means that developing nations account for more than \$24 billion worth of agriculture and agriculture-related items.

Disaster Assistance

- Since 1954, the Food for Peace program has delivered some 350 million metric tons of food to nearly 2 billion people in more than 100 countries.
- During the last 27 years, USAID's Office of Foreign Disaster Assistance has provided relief to victims of more than 1,100 disasters in 139 nations.
- In 1985, USAID relief programs helped save 20 million people from starvation in sub-Saharan Africa, during one of the worst droughts in history. In 1991, USAID provided food to six famine-stricken African countries in which as many as 35 million people risked starvation.

Education

- Agency programs have helped increase literacy rates in USAID-assisted countries by 33%.
- Adult literacy rates in Africa rose from 9% in 1960 to 48% in 1985. The developing world now has 1.4 billion literate people compared with 1 billion in the developed world.
- Primary school enrollment has tripled in USAID-assisted countries, and secondary school enrollment has expanded by an even larger amount. School enrollment rates for girls have been increasing more than twice as fast as for boys.
- USAID has provided training to more than 300,000 people from developing countries. (The training program has been renamed the Jefferson Fellows Program.) Each year USAID sponsors 19,000 foreign students in U.S. universities.

Environment

- USAID supports environmental activities in the majority of countries receiving Agency assistance, funding efforts in forestry and conservation of tropical forests, watershed and water resources management, soil conservation, pollution control, conservation of biological diversity, and environmental policy and planning. Training and environmental education are important components of these activities.
- USAID-funded debt-for-nature swaps in Madagascar, the Philippines, Ecuador, and Costa Rica are helping to protect the world's vital tropical forests, wildlife and other precious natural resources.

Health

- In the last 29 years, USAID programs have helped increase life expectancy in developing countries by 20%. In Africa, life expectancy climbed from 40 to 51 years between 1960 and 1987.
- USAID helped eradicate smallpox. With Agency assistance, polio and measles have been almost eradicated, a vaccine for malaria is being developed, and treatments are almost ready for Vitamin A deficiency, which causes blindness in children. The lives of more than 3 million children now are being saved annually by vaccination against measles, polio, and other childhood diseases and by treatment of diarrheal diseases.
- The mortality rate for children under five in the developing world was more than halved between 1960 and 1988, dropping from 243 per 1,000 live births to 121 per 1,000 live births. The developing world achieved in less than four decades results that industrial countries needed a century to achieve.
- Between 1960 and 1987, child mortality in Africa declined 35%. In Central America, infant mortality rates fell from 62.5 per 1,000 live births in 1980 to 45 per 1,000 live births in 1990.
- USAID is a major supporter of oral rehydration therapy (ORT) -- a simple solution of salt, sugar and potassium used to treat dehydration resulting from diarrheal disease -- saves the lives of almost 1 million children every year and is available for treating sick children in the U.S. as well. Since 1985, the proportion of the developing countries' population with access to oral rehydration salts has risen from 35% to 63%.
- Since 1985, 316 million children in developing countries have been immunized against the major preventable diseases of diphtheria, whooping cough, tetanus, polio, and tuberculosis.

Population

- USAID is the largest single source of international funding for voluntary family planning programs, accounting for 45% of international funds. USAID provides about three-fourths of the developing world's donor-provided contraceptives, giving supplies to more than 100 family planning delivery systems in 80 countries.
- Since 1968, USAID has supplied 1.6 billion cycles of oral contraceptives, 7.9 billion condoms, and 50 million intrauterine devices.
- In 1990, more than 30 million couples practiced family planning as a result of USAID's program. Of the 28 nations receiving the largest amount of USAID

- **In 1990, more than 30 million couples practiced family planning as a result of USAID's program. Of the 28 nations receiving the largest amount of USAID population assistance, the average number of children per family has dropped from 6.1 in 1960s to 4.5 today.**
- **By the year 2000, eight of the ten largest mega-cities (those with populations of 13 million or more) will be in the developing world.**
- **The developing nations will add 850 million people to the planet by the year 2000. The developing world population was 2 billion in 1960 and 4 billion in 1990, and is expected to reach 5 billion in 2000.**
- **Of the total new births in the world today, 87% are in developing nations, compared with only 13% in the developed world.**



U.S. Agency for
International
Development

U.S. Foreign Assistance Means Business

"...I certainly will not give up an opportunity to work with our allies to create new markets, new jobs and new opportunities for American workers—in agriculture, in manufacturing and in service industries.... We seek a vibrant international system that unites markets on every continent."

—President Bush, addressing the Asia Society in New York City, Nov. 12, 1991

The U.S. Agency for International Development (USAID), established in 1961, promotes international economic growth through cooperation between Americans and the people of more than 80 developing countries worldwide. In 1992, USAID's investment in international development programs will be about \$7.5 billion, which is about 1/2 of 1 percent of the total federal budget.

The Market of the Future

The developing world represents a vast potential market for exports of American goods and services. Helping poor countries develop and increase their incomes means more jobs and business opportunities for Americans.

- More than 4 billion consumers make up the developing world today. Four out of five consumers will reside in the developing world by the year 2000.
- From 1965 to 1985, consumption per capita in developing countries increased 67 percent.
- Average per capita income in developing countries increased by 2.5 percent a year between 1965 and 1989.
- Consumption patterns change when people no longer have to spend all of their income on necessities but instead spend more on

consumer goods and, eventually, on leisure-time products and services. In Brazil, for example, Nike cannot produce enough footwear to meet the existing demand.

Third World Development Means U.S. Trade, Which Means U.S. Jobs

- In the past 25 years, foreign trade has grown from less than 10 percent to 15 percent of America's gross national product.
- Every additional \$1 billion in new exports means 19,000 new American jobs. In 1989, U.S. exports to developing countries totaled more than \$117 billion and in 1990, more than \$127 billion.
- U.S. exports to USAID-assisted countries grew at a rate of nearly 5 percent a year between 1983 and 1990, outstripping imports from those countries, which grew at 4.3 percent a year.
- More than 30 percent of all U.S. exports are shipped to developing nations.
- Roughly half of America's agricultural exports in 1990 went to the developing world.
- Each dollar of agricultural exports generates \$1.59 in additional U.S. business. Most comes from non-farm activities such as food processing, manufacturing and transportation.
- Of the 50 largest importers of U.S. farm goods, 43 are nations that once received food aid from the United States. In 1990 alone, South Korea purchased \$2.6 billion in U.S. agricultural exports.
- Purchase of U.S. goods by Latin American and Caribbean countries fell sharply from \$42 billion in 1981 to \$26 billion in 1983 as a result of the economic decline in the region in the early 1980s. That meant the loss of nearly 400,000 American jobs.

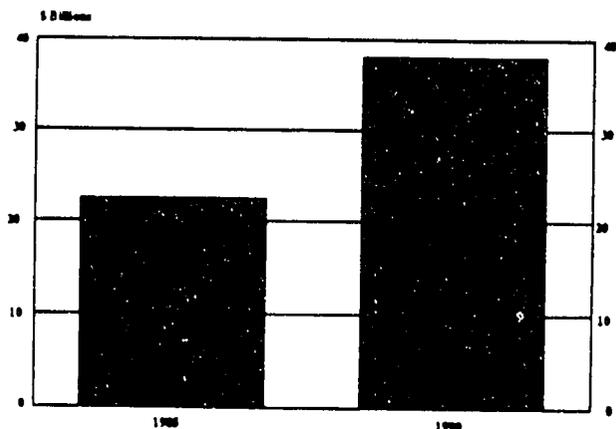
U.S. Businesses Profit Abroad

• Companies like Colgate Palmolive, Gillette and Johnson & Johnson, which sell more products abroad than they do domestically, understand the potential of the developing world.

• Caterpillar, which opened its first plant in the developing world in 1917, today makes almost \$3 billion in profits there.

• Four years ago, the Leaf River Forest Products plant in New Augusta, Miss., targeted the Indonesian market for sales of its pulp. Indonesia had just passed a new literacy law, which meant it would need more books, which meant it would need more paper, which meant it would need more pulp. Today, Indonesia is still a market for the plant that's now a part of Georgia Pacific.

U.S. Exports
to USAID-Assisted Countries



As many of the economies began to recover in the late '80s, in part because of USAID assistance, U.S. exports to the region rose to about \$60 billion in 1991, creating an estimated 646,000 American jobs. Because the United States currently supplies nearly 60 percent of the total goods and services imported by Latin America and the Caribbean, encouraging increased economic growth is the most prudent way to increase U.S. exports.

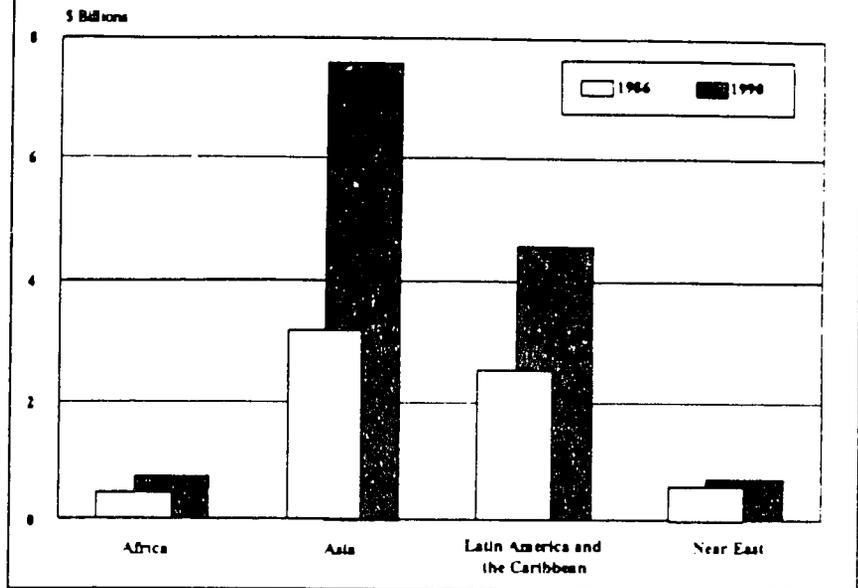
Better Policies Make Better Markets For U.S. Businesses

A major goal of USAID assistance is to promote the development of market-oriented economies around the world. Healthy economies and open markets mean more opportunities for trade and investment.

The Agency supports economic policy reforms that create fiscal and monetary discipline, market-determined interest rates and market-based exchange rates and that remove price controls and tariff and non-tariff barriers to trade. USAID supports reforming financial management and privatizing state-owned enterprises. The Agency assists developing countries in simplifying the legal and regulatory bureaucracy to make the environments more conducive to U.S. business. By helping rationalize government budgets, the Agency reduces the crowding out of private sector credit.

- U.S. exports to Latin American and Caribbean countries that

U.S. Exports to Countries That Have Made Economic Policy Reforms



made major policy adjustments during the 1980s (Bolivia, Chile, Costa Rica, Jamaica and Mexico) rose from \$22 billion in 1980 to \$30 billion in 1989. U.S. exports to countries that did not reform policies (including Argentina, Brazil, Peru and Nicaragua) fell from \$8.2 billion to \$6.5 billion over the same period.

USAID Opens Doors to U.S. Business In the Developing World

- USAID and the state of Iowa have launched a pilot project aimed at providing market information and federal agency economic and trade data to businesses marketing to the developing world. Eight corporate participants in a 1990 trade mission to Asia arranged through the project reported immediate sales of \$3 million. Now, a year later, sales and investments are expected to reach \$50 million.

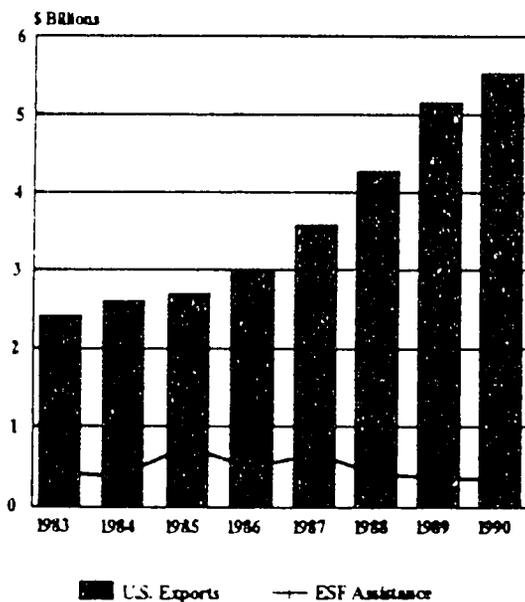
- The USAID-funded Citizens Network's Agriculture Forum on Trade and Development is designed to identify and promote trade and investment opportunities for U.S. agribusiness in Bulgaria, Hungary and Poland. These countries present great opportunities for U.S. food processing, food packaging, marketing and distribution and retailing companies and equipment manufacturers.

- U.S. private investment in developing countries in 1990 was \$105.7 billion, more than one-fourth of the U.S. total overseas investment. The Agency's trade and investment program has already facilitated hundreds of joint or cooperative ventures between developing nations and U.S. firms.

- The Agency provides developing countries with foreign exchange to support a sound policy environment and increase their ability to import from the United States.

- USAID is active in privatization, particularly in Central and Eastern Europe. For example, the Agency advises countries on what industries should be privatized and helps U.S. firms purchase an interest in state-owned enterprises.

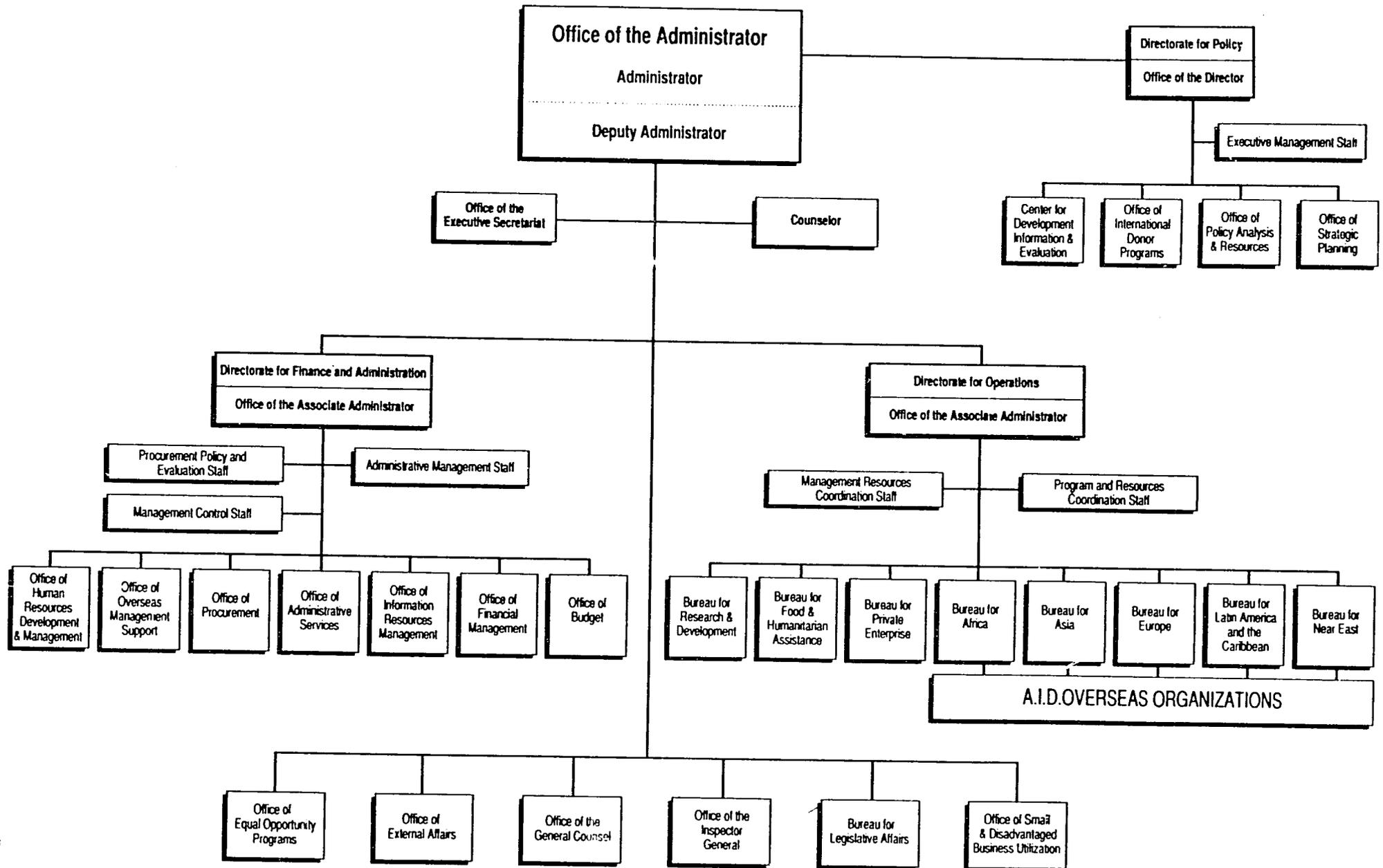
U.S. Exports to the Six Largest Recipients of Economic Support Funds in Latin America and the Caribbean



ESF recipients include: Costa Rica, El Salvador, Guatemala, Honduras, Jamaica, and the Dominican Republic

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Agency for International Development



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WHO'S WHO In the Field



AFRICA

Botswana Gaborone
Director Howard Handler
Assistant Director David H. Mandel

Cameroon Yaounde
Director Jay P. Johnson
Deputy Director Ellsworth M. Amundson

Guinea Conakry
Director William J. Kaschak
Assistant Director Allen E. Reed

Kenya Nairobi
Director John R. Westley
Deputy Director Roger Simmons

Lesotho Maseru
Director F. Gary Towery
Assistant Director (Vacant)

Liberia Monrovia
Director Myron Golden (acting)
(Located in USAID/W)

Madagascar Antananarivo
Director George Carner
Deputy Director Donald R. Mackenzie

Malawi Lilongwe
Director Carol A. Peasley
Assistant Director Kenneth R. Rikard

Mali Bamako
Director Dennis J. Brennan
Deputy Director Alan Getson

Mozambique Maputo
Director Julius P. Schlothauer
Deputy Director John M. Miller

Niger Niamey
Director George T. Eaton
Deputy Director Valene Dickson-Honor

Rwanda Kigali
Director Gary L. Nelson

Senegal Dakar
Director Julius E. Coles
Deputy Director (Vacant)

Somalia Mogadishu
Director Michael A. Rugh (acting)
(Located in USAID/W)

South Africa Pretoria
Director Dennis P. Barrett
Assistant Director Janice M. Weber

The Sudan Khartoum
Director Frederick E. Machmer Jr.

Swaziland Mbabane
Director Roger D. Carlson
Deputy Director Mary K. Huntington

Tanzania Dar es Salaam
Director Dale B. Pfeiffer
Deputy Director Joel E. Schlesinger

Uganda Kampala
Director Keith W. Sherper
Assistant Director Stephen Ryner

Zaire Kinshasa
Director Charles W. Johnson
Deputy Director Baudouin F. de Marcken
(Located in USAID/W)

Zambia Lusaka
Director Fred E. Winch
Assistant Director Bruno A. Kosheleff

Zimbabwe Harare
Director Ted D. Morse
Deputy Director Stephen J. Spielman

USAID Offices

Benin Cotonou
USAID Representative Thomas F. Cornell

Burkina Faso Ouagadougou
USAID Representative Wilbur G. Thomas

Burundi Bujumbura
USAID Representative Glenn G. Stocum

Cape Verde Praia
USAID Representative Thomas C. Luche

Chad N'Djamena
USAID Representative Bernard D. Wilder

Ethiopia Addis Ababa
USAID Representative Willard J. Pearson Jr.

The Gambia Banjul
USAID Representative Bonnie A. Pounds

Ghana Accra
USAID Representative Joseph B. Goodwin

Guinea-Bissau Bissau
USAID Representative Michael F. Lukomski

Mauritania Nouakchott
USAID Representative Frederick E. Gilbert
(acting)
(Located in REDSO/WCA)

Namibia Windhoek
USAID Representative Richard L. Shortlidge Jr.

Togo Lome
USAID Representative Sarah Clark

Sections of Embassy

Nigeria Lagos
USAID Affairs Officer Eugene R. Chiavaroli

Regional Economic Development Services Offices

East & Southern Africa (REDSO/ESA)

Kenya, Nairobi
Director Fred C. Fischer
Deputy Director Bruce Odell

West & Central Africa (REDSO/WCA)
Cote d'Ivoire, Abidjan
Director Frederick E. Gilbert
Deputy Director David E. Mutchler



ASIA

Bangladesh Dhaka
Director Mary C. Kulgour
Deputy Director Malcolm J. Purvis

India New Delhi
Director Walter G. Bollinger
Deputy Director Steven P. Mintz

Indonesia Jakarta
Director Lewis P. Reade
Deputy Director Lee A. Twentyman

Nepal Kathmandu
Director Kelly C. Kammerer
Deputy Director Theodora Wood-Stervinou

Pakistan Islamabad
Director James A. Norris
Deputy Director Nancy Tumavick

The Philippines Manila
Director Malcolm Butler
Deputy Director Richard Johnson

South Pacific Fiji, Suva
Regional Director John B. Woods

Papua New Guinea, Port Moresby
Assistant Director Louis H. Kuhn

Sri Lanka Colombo
Director Richard M. Brown
Deputy Director George Jones

Thailand Bangkok
Director Thomas H. Reese III
Deputy Director (Vacant)
USAID Representative to ASEAN
Lawrence J. Ervin
USAID Representative/Khmer Affairs
William Erdahl

USAID Offices

Afghanistan Kabul
USAID Representative Robert Bakley

Mongolia Ulaanbaatar
USAID Representative Robert Friedline



EUROPE

Regional Mission for Europe
Director Frank Almaguer
Deputy Director Robert Nachtrieb
(Located in USAID/W)

USAID Offices

Albania *Tirana*

USAID Representative Dianne M. Blane

Bulgaria *Sofia*

USAID Representative Gerald Zarr

Czechoslovakia *Prague*

USAID Representative Lee D. Roussel

Hungary *Budapest*

USAID Representative David L. Cowles

Poland *Warsaw*

USAID Representative William R. Joslin

Romania *Bucharest*

USAID Representative Richard J. Hough

Yugoslavia *Belgrade*

USAID Representative Michael S. Zak



NEAR EAST

Egypt *Cairo*

Director Henry Bassford

Deputy Director George A. Wachtenheim

Jordan *Amman*

Director William T. Oliver Jr.

Deputy Director Bastiaan Schouten

Morocco *Rabat*

Director Dennis M. Chandler

Deputy Director James B. Lowenthal

Tunisia *Tunis*

Director James A. Graham

Yemen *Sanaa*

Director George Flores

Deputy Director (Vacant)

USAID Offices

Oman *Mascat*

USAID Representative Mark S. Matthews

West Bank/Gaza

USAID Representative Sarah Suzanne Olds



LATIN AMERICA AND THE CARIBBEAN

Bolivia *La Paz*

Director Carl Leonard

Deputy Director Garber Davidson

Costa Rica *San Jose*

Director Ronald F. Venezia

Deputy Director Douglas L. Tinsler

Dominican Republic *Santo Domingo*

Director Raymond F. Rifenburg

Deputy Director Francis Conway

Ecuador *Quito*

Director Charles E. Costello

Deputy Director H. Robert Kramer

El Salvador *San Salvador*

Director John Sanbrailo

Deputy Director John Lovaas

Guatemala *Guatemala City*

Director Terrence J. Brown

Deputy Director Steve Wingen

Haiti *Port-au-Prince*

Director David A. Cohen

Deputy Director Francis R. Herder

Honduras *Tegucigalpa*

Director Marshall Brown

Deputy Director Bruce Eckersley

Jamaica *Kingston*

Director Robert S. Queener

Deputy Director Marilyn Zak

Nicaragua *Managua*

Director Janet Ballantyne

Deputy Director Kenneth Schofield

Panama *Panama City*

Director Thomas Stukel

Deputy Director Kevin Kelly

Peru *Lima*

Director Craig Buck

Deputy Director Barbara Kennedy

Regional Office for Central American Programs (ROCAP)

Guatemala *Guatemala City*

Director Irenemaree Castillo

Deputy Director Lawrence Klassen

Regional Development Office/Caribbean (RDO/C)

Barbados *Bridgetown*

Director Mosina H. Jordan

Deputy Director Larry T. Armstrong

USAID Offices

Argentina/Uruguay *Montevideo*

USAID Representative Robert Asselin

Belize *Belize City*

USAID Representative Barbara Sandoval

Brazil *Brasilia*

USAID Representative John Pielemeier

Chile *Santiago*

USAID Representative Paul W. Fritz

Colombia *Bogota*

USAID Representative James F. Smith

Mexico *Mexico City*

USAID Representative Gerard Bowers

Paraguay *Asuncion*

USAID Representative Richard Nelson

INTERNATIONAL ORGANIZATIONS

U.S. Mission to the United Nations

(including U.S. Secretariat, UNDP, UNICEF, UNCDF)

New York, New York

Development Coordination Officer—A. Gordon MacArthur

U.S. Mission to the U.N. Food and Agriculture Organizations

(including FAO, WFP, WFC, IFAD)

Rome, Italy

U.S. Executive Director to the International Fund for

Agricultural Development (IFAD)—Hugh Smith

Attache for Development Affairs—David W. Joslyn

U.S. Mission to the Organization for Economic Cooperation and Development

Paris, France

U.S. Representative to the Development Assistance Committee—Martin V. Dagata

Office of the U.S. Executive Director to the Asian Development Bank

Manila, The Philippines

USAID Development Adviser to the U.S. Executive Director—Letitia K. Butler

U.S. Embassy Tokyo, Japan

Counselor for Development Cooperation—Paul White

Front Lines, February 1992

Mission Statement



U.S. Agency for International Development

The Agency for International Development administers economic assistance programs that combine an American tradition of international concern and generosity with the active promotion of America's national interests. A.I.D. assists developing countries to realize their full national potential through the development of open and democratic societies and the dynamism of free markets and individual initiative. A.I.D. assists nations throughout the world to improve the quality of human life and to expand the range of individual opportunities by reducing poverty, ignorance and malnutrition.

A.I.D. meets these objectives through a worldwide network of country missions which develop and implement programs guided by six principles:

- * support for free markets and broad-based economic growth;
- * concern for individuals and the development of their economic and social well-being;
- * support for democracy;
- * responsible environmental policies and prudent management of natural resources;
- * support for lasting solutions to transnational problems; and,
- * humanitarian assistance to those who suffer from natural or man-made disasters.

A.I.D.'s mission as a foreign affairs agency of the U.S. government is to translate into action the conviction of our nation that continued American economic and moral leadership is vital to a peaceful and prosperous world.

September 14, 1990

An A.I.D. Initiative to Support The Evolution of Enduring Democratic Societies: The Democracy Initiative

Executive Summary

Democracy is complementary to and supportive of the transition to market-oriented economies and sustained, broadly based economic development. Consistent with the new mission statement, the A.I.D. Democracy Initiative proposes focusing A.I.D. experience, skills and resources explicitly to help promote and consolidate democracy as the legitimate organizing principle for political systems throughout the world.

Democracy cannot be exported from the United States and imposed on developing countries. Respect for national sovereignty and self-determination is fundamental to the way democracies conduct their foreign affairs and is a cornerstone of U.S. foreign policy. It would be unacceptable and ultimately self-defeating to try to recreate exact copies of American institutions, support specific parties or candidates or manipulate the political process to achieve specific results.

The success of the A.I.D. program will depend on supporting local initiatives and strengthening local institutions in their efforts to develop democratic systems. The Democracy Initiative proposes focusing A.I.D. experience, skills and resources to:

- 1. Strengthen democratic institutions:* provide expanded direct support for democratic institutions such as effective electoral bodies, informed legislatures and independent judiciaries, as well as broader civic associations;
- 2. Integrate democracy into the A.I.D. program:* establish the promotion of democratic institutions and processes as a strategic goal over the broad range of A.I.D. programs;
- 3. Reward progress in democratization:* include progress in establishing democracy as a factor in allocating A.I.D. funds; and,
- 4. Establish rapid-response mechanisms:* seek legislative authorities to create an A.I.D. capacity to respond quickly to democratic breakthroughs, and create new programming mechanisms to meet unanticipated needs.

The Partnership for Business and Development: An A.I.D. Initiative

Executive Summary

The Agency for International Development is launching a Partnership for Business and Development Initiative to engage American private sector participation in the effort to develop and sustain free-market principles and broad-based economic growth in developing countries. Just as the profit-driven American private sector has proved to be an unequaled engine for human progress and development on the national level, A.I.D. believes it can be a suitable vehicle for helping emerging countries to achieve their economic development objectives. Mutual benefit to the economies of the developing countries and the American economy will be the litmus test for this initiative.

International trade, foreign investment and economic development are intertwined in the global economy of the 1990s. Emerging economies are increasingly preoccupied with efforts to improve their effectiveness as exporters and traders and to attract capital, technology and human resources from industrialized nations. At the same time, many American corporations are increasingly investigating opportunities for trade and investment in emerging economies. The U.S. government also has noted this corporate interest in emerging economies and is looking to find effective mechanisms to support the shared interests of American firms and developing economies.

The Partnership Initiative includes six activities:

- 1. *The Capital Projects Fund:*** A.I.D. will seek legislative authority to create a fund to support developmentally sound capital projects of direct strategic relevance to U.S. trade competitiveness.
- 2. *The Business and Development Network:*** a Washington and field mission-based network to provide advice, information, insight and counsel to American firms seeking to do business in the countries in which A.I.D. operates.
- 3. *The Business Advisory Council:*** already authorized in the Foreign Assistance Act to provide A.I.D. with additional business perspective as the five other activities are implemented.
- 4. *Emerging Sectors in Development:*** pilots in a few select U.S. industries (e.g., environmental products, financial services and telecommunications) that promise extraordinary economic development impacts springing from American private sector investment in the countries where A.I.D. operates.

5. *Competitiveness Through Universities:* engaging the talents of America's best universities and business schools to address the challenges of emerging economy issues affecting American business.

6. *Business Internship Program for Emerging Markets:* assisting the American private sector to develop a cadre of young men and women equipped with the business skills for emerging markets and an understanding of the business cultures in countries where A.I.D. operates.

Family and Development: An A.I.D. Initiative

Executive Summary

A.I.D.'s challenge is to identify and support programs that stimulate development and improve the lives of people. A focus on the family, including the dynamics within the family, is critical to the success or failure of A.I.D.'s development objectives. It is within the family that human and economic investments come together.

Traditionally, many development programs have been designed and their impact measured with emphasis either on the individual level or on the national level. To focus on individual achievements alone is to distort the picture. To focus on national statistics causes us to miss major undeveloped pockets.

Each society has its own family structures, and the diversity in family structures and functions across and within societies needs to be respected. Viewing the family as a critical dynamic within society and taking into account the way in which families allocate resources and make decisions fine-tune development input and increase the chances that the benefits of the intervention will flow to the intended beneficiaries and be sustained.

The purpose of the initiative is to use the family, a sometimes forgotten unit, as a starting point for analysis of what people need, how they use the resources they have, and as an organizing principle for mobilizing the energy of people to create progress.

The objectives of the initiative are to:

- 1. Strengthen and increase the participation of families in the development process;*
- 2. Identify innovative ways to increase the mobilization of family resources to stimulate economic growth and social development;*
- 3. Build on successful programs that have focused on the family as the key to the achievement of development objectives;*
- 4. Expand the use of the family as a critical unit of analysis in understanding people's needs, aspirations and patterns of resource use; and,*
- 5. Use the family concept and analytical framework to improve and enrich the results of monitoring, research and evaluation of development impacts.*

Setting a New Course: Toward Strategic Management in A.I.D.

Executive Summary

A.I.D.'s environment is changing. Accordingly, the organization must change. This calls for strategic management that affects all facets, from the Agency's mission to its policies, procedures, work force, structure and information systems. A.I.D. is intensely re-examining its organizational direction, operations and structure. We are proud of the Agency's accomplishments during the last 30 years and of the staff who have made them happen. We also acknowledge that there are operational problems to be corrected. Any strategic scenario will show that A.I.D. in five years will be a different organization than it is now. Our approach to management requires immediate steps to put our house in order and a broader agenda that begins with adjustment of A.I.D.'s purpose and strategy so that our goals are clear to all who have a stake in our success.

Clarity of purpose is the first requirement for effective management, and A.I.D. has issued an updated mission statement.

Within that mission, our program strategy will emphasize three major initiatives: (1) Democracy; (2) Partnership for Business and Development; and (3) Family and Development. These initiatives are discussed in more detail elsewhere. They respect continuity in areas of success and call for innovation.

To meet this program agenda, *our strategic management goal as an organization is to do fewer things, and do them very well.* We will concentrate our energies in order to assure quality — of programs, of services and of operations.

As A.I.D. moves to achieve this goal, we will ensure high-quality program results and a commitment to excellence in stewardship of resources.

This management initiative focuses on near-term and long-term changes. Immediate management targets are to evaluate the program, tighten controls on funds and develop and reward the work force. We will also work toward streamlining the portfolio and structure of the Agency and obtaining and using the best information technology.

Over the longer term, we will further focus the program strategy, establish values and rewards as driving forces for the staff and install a corporate management system that emphasizes quality programs and services. In each of these areas, we will draw from the best management concepts and practices in contemporary government and business.

TOP TEN RECIPIENTS OF U.S. ASSISTANCE

	FY 1992 TOTAL ASSISTANCE

Israel	3,000,000
Egypt	2,266,800
Turkey	703,900
Philippines	557,112
Greece	350,500
El Salvador	294,212
Pakistan	267,857
Nicaragua	204,659
Portugal	167,850
Bolivia	138,657
Bangladesh	136,874
Honduras	132,277
Peru	127,600
Morocco	114,291
India	99,928
Haiti	92,853
Guatemala	87,094
Colombia	80,300
Afghanistan Humanitarian	79,365
Jamaica	72,396

FY 1992 levels reflect Administration's request.

Includes Development Assistance, Economic Support Fund, Special Assistance Initiatives, Food for Peace (P.L. 480), Peace Corps, International Narcotics Control, and Military Assistance.

Table 5A

FY 1990 U.S. ECONOMIC AND MILITARY ASSISTANCE - ACTUAL OBLIGATIONS

(DOLLARS THOUSANDS)

04:07 PM
25-Feb-91

	DA	ESF	-----PL 480-----		NARCS	PEACE CORPS	OTHER ECON	FMF	IMET	OTHER MILITARY	TOTAL
			TITLE I	TITLE II							
AFRICA											
Angola	--	--	--	2,075	--	--	--	--	--	--	2,075
Benin	915	--	--	2,081	--	1,452	--	--	75	--	4,523
Botswana	7,830	769	--	364	--	3,224	--	996	358	--	13,541
Burkina	2,908	--	--	5,710	--	--	--	--	100	--	8,718
Burundi	19,782	--	--	--	--	830	--	--	139	--	20,751
Cameroon	20,629	--	--	--	--	3,338	--	--	274	--	24,241
Cape Verde	2,350	--	--	4,275	--	--	--	--	70	--	6,695
Central African Republic	500	--	--	452	--	2,353	--	--	179	--	3,484
Chad	7,250	2,944	--	1,426	--	1,084	--	3,733	249	--	16,686
Comoros	700	--	--	33	--	407	--	--	40	--	1,180
Congo	500	--	2,000	187	--	49	--	--	50	--	2,788
Cote d'Ivoire	2,520	7,000	15,000	851	--	493	--	--	149	--	26,013
Djibouti	--	3,229	--	--	--	--	--	1,991	149	--	5,369
Equatorial Guinea	600	--	--	--	--	426	--	--	100	--	1,326
Ethiopia	--	--	--	33,534	--	--	--	--	--	--	33,534
Ethiopia (North)	--	--	--	38,364	--	--	--	--	--	--	38,364
Gabon	--	--	--	--	--	2,340	--	--	100	--	2,440
Gambia	4,685	--	--	1,199	--	1,012	--	--	70	--	6,966
Ghana	14,300	--	6,000	8,270	--	1,647	--	--	174	--	30,391
Guinea	13,250	--	--	225	--	973	--	--	149	--	14,597
Guinea-Bissau	2,735	--	--	1,033	--	1,136	--	--	70	--	4,974
Kenya	34,208	--	6,700	1,778	--	2,634	--	9,956	1,006	--	58,280
Lesotho	6,387	--	--	1,567	--	1,634	--	--	70	--	9,638
Liberia	--	--	--	14,509	--	1,897	--	--	398	--	16,804
Madagascar	15,730	--	2,500	2,132	--	--	--	299	75	--	20,736
Malawi	22,229	--	--	6,219	--	1,597	--	2,091	249	--	32,385
Mali	16,831	--	--	1,921	--	3,537	--	--	149	--	22,438
Mauritania	608	--	--	3,929	--	1,553	--	--	124	--	6,212
Mauritius	--	--	--	--	--	--	--	--	20	--	20
Mozambique	33,598	--	--	21,431	--	--	--	--	--	--	55,029
Namibia	30	--	--	--	--	260	--	--	--	--	290
Niger	16,755	--	--	1,798	--	3,034	--	1,693	274	--	23,554
Nigeria	8,000	--	--	--	--	--	--	--	100	--	8,100
Rwanda	11,500	--	--	123	--	640	--	--	100	--	12,363
Sao Tome	300	--	--	376	--	210	--	--	60	--	946
Senegal	36,000	--	4,600	1,824	--	2,326	--	1,146	473	--	46,369
Seychelles	--	2,991	--	--	--	311	--	--	100	--	3,402
Sierra Leone	500	--	4,000	1,959	--	2,068	--	--	70	--	8,597
Somalia	740	--	--	4,738	--	--	--	--	796	--	6,274
South Africa	22,111	9,957	--	--	--	--	--	--	--	--	32,068
Sudan	--	--	--	13,660	--	--	--	--	676	--	14,336
Swaziland	6,791	--	--	814	--	1,364	--	--	50	--	9,019
Tanzania	5,860	--	--	--	--	1,290	--	--	100	--	7,250
Togo	3,348	--	--	2,705	--	2,460	--	--	100	--	8,613
Uganda	42,050	--	6,000	5,584	--	25	--	--	149	--	53,808
Zaire	24,800	--	9,300	413	--	3,046	--	2,987	955	--	41,501
Zambia	4,860	--	7,000	--	--	--	--	--	--	--	11,860
Zimbabwe	5,000	--	--	--	--	--	--	--	239	--	5,239
S Africa Regional/SADCC	49,266	--	--	--	--	--	--	--	--	--	49,266
Africa Regional	115,930	2,000	--	--	--	--	--	4,979	--	--	122,909
AE POP	--	--	--	--	--	--	--	--	--	--	--
	565,082	28,890	63,100	187,559	--	60,650	--	29,871	8,828	--	953,960
Sahel)	(21,331)	--	--	--	--	--	--	--	--	--	(21,331)

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Table 5A

FY 1990 U.S. ECONOMIC AND MILITARY ASSISTANCE - ACTUAL OBLIGATIONS
(DOLLARS THOUSANDS)

04:07 PM
25-Feb-91

	DA	ESF	-----PL 480-----		NARCS	PEACE CORPS	OTHER ECON	FMF	IMET	OTHER MILITARY	TOTAL
			TITLE I	TITLE II							
ASIA & PRIVATE ENTERPRISE											
Bangladesh	54,760	--	60,000	21,834	--	--	--	--	299	--	136,893
Bhutan	--	--	--	292	--	--	--	--	--	--	292
Fiji	--	--	--	--	--	1,217	--	--	25	--	1,242
India	21,458	--	--	94,030	--	--	--	--	299	--	115,787
Indonesia	46,298	--	--	5,349	--	--	--	--	1,791	--	53,438
Korea	--	--	--	--	--	--	--	--	1,195	--	1,195
Laos	--	--	--	--	575	--	--	--	--	--	575
Maldives	--	--	--	--	--	--	--	--	30	--	30
Malaysia	--	--	--	--	--	--	--	--	946	--	946
Micronesia	--	--	--	--	--	1,804	--	--	--	--	1,804
Mongolia	--	--	--	--	--	--	--	--	--	--	0
Nepal	15,994	--	--	2,160	--	1,865	--	--	100	--	20,119
Papua New Guinea	--	--	--	--	--	1,488	--	--	50	--	1,538
Singapore	--	--	--	--	--	--	--	--	50	--	50
Solomon Islands	--	--	--	--	--	837	--	--	30	--	867
Sri Lanka	19,814	--	28,700	944	--	412	--	--	159	--	50,029
Thailand	6,277	--	--	--	3,500	3,119	--	3,038	2,191	--	18,125
Affected Thai Villages	2,500	2,539	--	--	--	--	--	--	--	--	5,039
Tonga	--	--	--	--	--	609	--	--	50	--	659
Tuvalu	--	--	--	--	--	69	--	--	--	--	69
Vanuatu	--	--	--	--	--	78	--	--	30	--	108
Western Samoa	--	--	--	--	--	898	--	--	--	--	898
ASEAN	3,810	--	--	--	--	--	--	--	--	--	3,810
South Pacific	6,529	10,000	--	--	--	1,073	--	--	--	--	17,602
APRE Regional	5,843	850	--	--	--	--	--	--	--	--	6,693
Subtotal Asia	183,281	13,389	88,700	124,609	4,075	13,489	--	3,038	7,245	--	437,808
Investment	908	--	--	--	--	--	--	--	--	--	908
Emerging Markets	8,520	--	--	--	--	--	--	--	--	--	8,520
Finance & Program Management	367	--	--	--	--	--	--	--	--	--	367
International Business Staff	1,325	--	--	--	--	--	--	--	--	--	1,325
Small, Micro & Informal Ent.	2,386	--	--	--	--	--	--	--	--	--	2,386
Housing & Urban Development	4,986	--	--	--	--	--	--	--	--	--	4,986
Subtotal PRE	18,492	--	--	--	--	--	--	--	--	--	18,492
Total	201,773	13,389	88,700	124,609	4,075	13,489	--	3,038	7,245	--	458,298

Table 5A

FY 1990 U.S. ECONOMIC AND MILITARY ASSISTANCE - ACTUAL OBLIGATIONS
(DOLLARS THOUSANDS)

04:07 PM
25-Feb-91

	DA	ESF	-----PL 480 ----- TITLE I	TITLE II	NARCS	PEACE CORPS	OTHER ECON	FMF	IMET	OTHER MILITARY	TOTAL
EUROPE & THE NEAR EAST											
Algeria	--	--	--	--	--	--	--	--	100	--	100
Austria	--	--	--	--	--	--	--	--	15	--	15
Afghanistan Humanitarian 1/	34,849	35,135	--	15,083	--	--	--	--	--	--	85,067
Bulgaria	--	--	--	--	--	--	--	--	--	--	0
Cambodia	2,000	5,078	--	2,642	--	--	--	--	--	--	9,720
Cyprus	--	4,979	--	--	--	--	--	--	--	--	4,979
Czechoslovakia	--	--	--	--	--	332	--	--	--	--	332
Egypt	--	898,380	203,000	--	--	--	--	1,294,410	1,483	--	2,397,292
Finland	--	--	--	--	--	--	--	--	35	--	35
Greece	--	--	--	--	--	--	--	348,495	597	--	349,092
Hungary	--	--	--	--	--	892	--	--	--	--	892
Iceland	--	--	--	--	--	--	--	--	10	--	10
Ireland	--	10,000	--	--	--	--	--	--	30	--	10,030
Israel	--	1,194,840	--	--	--	--	--	1,792,260	--	--	2,987,100
Jordan	--	3,700	--	5,760	--	--	--	67,794	1,991	--	79,245
Lebanon	4,561	3,734	--	10,706	--	--	--	--	306	--	19,309
Luxembourg	--	--	--	--	--	--	--	--	1	--	1
Malta	--	--	--	--	--	51	--	--	30	--	101
Morocco	10,340	19,914	33,000	15,899	--	2,485	--	42,815	996	--	125,449
Oman	--	12,548	--	--	--	--	--	--	100	--	12,648
Pakistan 2/	46,000	229,011	80,000	--	5,000	774	--	229,011	911	--	590,707
Philippines	62,193	130,403	21,000	12,632	--	3,536	119,484	140,395	2,588	--	482,231
Poland	--	--	14,800	--	--	926	--	--	--	--	15,726
Portugal	--	39,402	--	--	--	--	--	84,635	2,584	--	126,621
Romania	--	--	20,000	--	--	--	--	--	--	--	20,000
Spain	--	--	--	--	--	--	--	--	1,892	--	1,892
Tunisia	40	12,748	15,000	--	--	1,333	--	29,871	1,394	--	60,384
Turkey	--	14,263	--	--	400	--	--	497,850	3,385	--	515,898
USSR (Armenian Earthquake)	--	4,929	--	--	--	--	--	--	--	--	4,929
West Bank/Gaza	--	12,618	--	2,239	--	--	--	--	--	--	14,857
Yemen	21,972	--	25,000	--	--	1,141	--	501	1,000	--	49,614
Yugoslavia	--	--	--	--	--	--	--	--	100	--	100
Eastern Europe Regional	57,251	228,391	--	--	--	--	--	--	--	--	285,642
Europe and Near East Regional	18,364	6,846	--	--	325	--	--	--	--	--	25,535
Total	257,570	2,868,924	411,800	64,981	5,725	11,470	119,484	4,528,037	19,470	--	8,285,641

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BA TRACK: EARMARKS

	FY 1988	FY 1989	TOTAL FY 90 APPROP 5/25/90	FY 1991 APPROP 10/27/90
Total FDAP/DFA/Sahel/GDA/Pop	1,698,026	1,746,526	1,825,121 (FDAP-7/DFA)	2,107,083 (FDAP-7/DFA)
Geographic Earmarks/Commitments				
Africa floor				
Health (Africa)				
South Africa Scholarship				
South Africa just society				
Nonviolent resistance to apartheid				
SADCC	50,000	50,000	50,000	50,000
Southern Africa Transportation	(25,000)			
South Africa (Africa level)				
IFAD (transfer from DFA)				
UNETP(So.Afr)(DFA transfer)				
Central America floor				
Central Amer. Journalism(DA/ESF)				
Cent. Am./LA rural electrification				
Caribbean				
Eastern Caribbean & Belize			5,000	
LawEnforTrng(DA/ES)				
El Salvador (Cen Am)				
Disaster - El Salvador earthquake				
Peru Special Prosecutor				
Naiti				
Naiti literacy			10,000 b/	
Jamaica (disaster)		35,000		
Carib Advisory Comm (Car)				
Carib Rural Elec (Car)	1,500			
Guyana-BHM (DA/ESF/LocCur)				
Egypt				
Jordan				
West Bank & Gaza				
Reg Cooperation in Middle East				
CoopDev(U.S., Israel, dev.coun.)				
CoopDevRes(4)				
Cyprus				
Bicomunal development				
Pakistan				
Pakistan female literacy				
Poland Enterprise Fund			22,500 15/	
Hungary Enterprise Fund			2,500 15/	
Lebanon			3,750 15/	3,750
Philippines	41,000	40,000		30,000
(PVOs)		(1,000)		
Afghanistan	22,500	22,500	35,000 2/	
Afghanistan (trans. to IO&P)				
Displaced Burmese students				
S&T Energy Office				
Romania health assistance				20,000
AIDS, health, CS			4,000 b/	3,000
Family reunite, adopt, trng				
Family plng				
So.Pacific Reg(CP)(ESF also)				
In addition (DA/ESF)				
(Scholarships(PostSec.-U.S.))				
Nepal (92 CP)				
In addition (DA/ESF)				

	14-Aug-91 10:37 AM	FY 1988	FY 1989	TOTAL FY 90 APPROP 5/25/90	FY 1991 APPROP 10/27/90
BA TRACK: EARMARKS					

TOTAL ESF/ESA		3,188,320	3,258,500	3,960,000	3,114,800
MIDDLE EAST PEACE					
Egypt		815,000	815,000	815,000	815,000
Israel		1,200,000	1,200,000	1,200,000	1,200,000
Subtotal		2,015,000	2,015,000	2,015,000	2,015,000
ADDITIONAL EARMARKS					
Philippines		174,000	124,000		
Pakistan		220,000	215,000	230,000	
Pakistan female literacy					
Portugal			50,000		
Turkey			60,000		
Cambodian Resistance		3,500			
Cambodia-child/war vic DA-ESF					
Tunisia		10,000	11,250		
Morocco		20,000	20,000	20,000	20,000
Afghanistan		22,500	22,500	35,000 2/	
Afghanistan (trans. to IO&P)					
Cyprus		15,000	15,000	15,000	15,000
Jordan		18,000	15,000	35,000	35,000
Ireland		35,000	10,000	20,000	20,000
Solidarity (Poland)		1,000	2,000	1,500	
Poland (medical supplies)			1,000	2,000	
Poland/Hungary (other democratic orgs)				2,500	
Poland Enterprise Fund				22,500 2/	
Poland Stabilization Fund				200,000	
Hungary Enterprise Fund				2,500 2/	
Armenia earthquake				5,000	
Israeli Arab scholarships				5,000	7,000
Reg Coop in Mid East		7,000	5,000	7,000	
AME Reg/West Bank and Gaze				12,000	12,000
AME Reg transfer to State					
West Bank			15,000		
Lebanon				3,750 10/	3,750
Thailand			2,500		
Thai Village Prog.(DA also)					2,500
Displaced Burmese students					
South Pacific Scholarships					
South Pacific Tuna Act of 1988					
So.Pacific Reg(CP)(DA also)					
In addition(DA/ESF)					
Anarctica Protection					200
Philippines MAI transfer					30,000
Baltic States					
(Estonia,Latvia,Lithuana)					
(TA-Soviet Union)					
Nepal-in add. to 92 CP(DA also)					
Sub-Saharan Africa					
(SADCC)		90,000	85,750	20,000	
South African Scholarships			10,000	10,000	
Southern Africa Regional					
South Africa Just society					

	14-Aug-91 10:37 AM	FY 1988	FY 1989	F TOTAL FY 90 APPROP 5/25/90	FY 1991 APPROP 10/27/90
BA TRACK: EARMARKS					

Nonviolent resistance to apartheid					
Uruguay					
Central America					
Coste Rica		90,000	90,000		
Caribbean				15,000	
Caribbean LawEnforTrng(DA/ES)					
Guatemala		80,000	80,000		
Admin of Justice		14,000	20,000		
ICITAP				7,000	
Honduras		85,000	85,000		
El Salvador		185,000	185,000		
El Salvador judicial invest.					
Central America-geothermal & renewabl			(5,000)		
Central Am journalism-DA/ESF					
Central Am Ref (transfer-UM)					
Chile MED		1,000			
Peru - Judicial Reform					
Peru Special Prosecutor					
Colombia			5,000		
Drug Initiative			61,000		
Haiti				(3,000)	
Jamaica				(8,750)	
Central America energy					
Ecuador					
UNDP Special Plan for Economic Cooperation for Central America					
CADCC				500 8/	
Prostheses for victims of war				2,500 2/	
Panama				420,000	
Nicaragua				300,000	
(repat/resettle-ClAV)				(30,000)	
Guyana-BHM (DA/ESF/LocCur)					
ATI					
Subtotal		1,071,000	1,190,000	1,393,750	145,450
TOTAL EARMARKS		3,086,000	3,205,000	3,408,750	2,160,650

AVAILABLE FOR UNEARMARKED		102,320	53,500	551,250	954,350
% Unprotected Funds		3.21%	1.64%	13.92%	30.64%

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	14-Aug-91 10:37 AM	FY 1988	FY 1989	TOTAL FY 90 APPROP 5/25/90	FY 1991 APPROP 10/27/90
BA TRACK: EARMARKS	/				
Labor market technical assistance-Pols				1,500	
BLS-Soviet/Czech econ trng					150
OTHER EARMARKS					
ME, CS, AIDS					
AIDS					
UNO					
UNICEF-AIDS					
Health/Child Survival					
Dairy Projects					
USAPOP					
Riverblindness					
PVOS-Blind Child Operations					
Vitamin A					
(Vitamin A deficiency)					
Child Survival (DA,DFA,ESF)					
Basic Ed (DA,DFA,ESF)					
Environment/energy					
Biological Diversity				10,000 12/	15,000
(Parks in Peril)				(2,000)	(3,000)
(NSF)				(1,000)	(1,500)
(migratory bird-LAC)					(500)
(Project Noah)					(750)
(Charles Darwin Station)					(100)
Replicable Renewable Energy					
Global Warming Init.					30,000
Montreal Protocol(State)					10,000
Children in Cambodia					5,000
Cambodia-child/war vic(DA/ESF)					
Prostheses for victims of war				2,500 2/	5,000
Displaced Children				3,000 14/	5,000
(of which street children)		1,500			
(plus IDA)		(5,000)		(500)	(500)
WID		5,000		5,000 14/	5,000
(matching)		(3,000)		(3,000)	(3,000)
PVO					
OE - IDI					
Minority Set Aside			100		
OE 636(D)					
Transfer to ESF for Zimbabwe					
Micro Enterprises	50,000	75,000		75,000 13/	75,000
(of which % - than 8300 loans)					
ATI					1,000
Thai Village(Migr/Refugee)DA/ESF					2,500
Total Earmarks/Restrictions	261,250	357,470		406,020	587,625
Net Unprotected Funds	1,436,776	1,309,056		1,419,101	1,519,458
% Unprotected Funds	84.61%	79.53%		77.75%	72.11%

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FY 1988

FY 1989

TOTAL FY 90
APPROP
5/25/90

FY 1991
APPROP
10/27/90

PA TRACK: EARMARKS

BLS-Soviet/Czech trg(transfer)
Soviet Reg.study(trans/State)
Burmese students

Functional Earmarks

AGRICULTURE, BUR. DEV. & NUTRITION

Surplus Dairy				5,000
Vitamin A	8,000	8,000	8,000	10,000
Biological Diversity				
Bovine Heart Water				
North American Waterfowl	2,000			
Poland - Farmer-to-farmer			1,000	
US Part. APOP				225

POPULATION
UNFPA

Office of Pop				162,500
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HEALTH

WHO River Blindness		2,500		5,000
Immunizations for Children				
Child Survival Act				
Primary Health Care				
Chile PNC			10,000	

AIDS

WHO	15,000	25,500	21,000	23,000
-----	--------	--------	--------	--------

EDUCATION & HUMAN RESOURCES

Basic Education	42,000	64,770	67,270 12/	67,100
South Pacific Scholarships	6,000			
Central American Scholarships	1,500			
Caribbean Law Institute	1,500	1,500	1,500	1,500
Ctr for Inter-American Leadership	1,250	1,200	1,200	
Intl Student Exch	10,000	15,000	20,000	20,000
Students from Poland & Hungary			(2,000)	(3,000)
Narcotics Awareness				
Technical Training for Poland & Hungary			2,000	
Ed & Cultural Exchanges-Poland/Hungary			3,000	
Soviet/Reg. Studies				5,400
Mo/So Center Cult/Tech Exchange				10,000

PRIVATE SECTOR, ENVIRONMENT & ENERGY

U.S.-Israeli Coop	4,000	5,000	7,500	7,500
U.S.-Israeli Coop Dev Program			(5,000)	(5,000)
U.S.-Israeli Coop Dev Research			(2,500)	(2,500)
Central American Rural Elect.	5,000	5,000	5,000	5,000

Elephant preservation & conservation
(of which PARCS)

Transfer to UN Afghanistan Emergency T			13,500	
Environmental Support - Poland/Hungary			3,300	
Energy program for clean-coal tech.-Po			10,000	

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14-Aug-91 10:37 AM FY 1988 FY 1989

TOTAL FY 90 APPROP 5/25/90 FY 1991 APPROP 10/27/90

BA TRACK: EARMARKS

Labor market technical assistance-Pols
BLS-Soviet/Czech econ trng

1,500

150

OTHER EARMARKS

ME, CS, AIDS

AIDS

WHO

UNICEF-AIDS

Health/Child Survival

Dairy Projects

USAFOP

Riverblindness

PYOS-Blind Child Operations

Vitamin A

(Vitamin A deficiency)

Child Survival (DA,DFA,ESF)

Basic Ed (DA,DFA,ESF)

Environment/energy

Biological Diversity

(Parks in Peril)

(NSF)

(migratory bird-LAC)

(Project Moosh)

(Charles Darwin Station)

Replicable Renewable Energy

Global Warming Init.

Montreal Protocol(State)

Children in Cambodia

Cambodia-child/war vic(DA/ESF)

Prostheses for victims of war

Displaced Children

(of which street children)

(plus IDA)

WID

(matching)

PVO

OE - IDI

Minority Set Aside

OE 636(D)

Transfer to ESF for Zimbabwe

Micro Enterprises

(of which 75% thru S300 loans)

ATI

The Village(Migr/Refugees)DA/ESF

Total Earmarks/Restrictions

261,250

337,470

406,020

587,625

Net Unprotected Funds

1,436,776

1,389,056

1,419,101

1,519,458

% Unprotected Funds

84.61%

79.53%

77.75%

72.11%

SUGGESTED SPEECH: USAID AND THE PRIVATE SECTOR

Possible Titles:

U.S. Foreign Assistance Means Business"

"USAID: Bringing American Business To The Developing World"

"Helping America by Helping the World"

I. INTRODUCTION

Today, I'm going to talk about how foreign aid -- yes, foreign aid -- just made about \$50 million for some farmers and business folks in Iowa. Not many people are familiar with the close connection between foreign assistance and the American economy. But the fact is, export policy and promoting U.S. trade and investment are the major underpinnings of foreign aid. Foreign aid dollars improve the economies of less developed countries, and even more importantly, build markets for our exports and our goods.

Despite this link -- and despite fundamental successes I will address in a moment -- foreign assistance is still one of the most misunderstood programs run by our government. Some Americans think it is a giveaway that doesn't even buy the gratitude of foreign nations. Other people think it is a big slice of the federal budget; that if we transferred the money elsewhere, we could solve all our

domestic problems and cover the deficit as well! Frankly, if foreign assistance even remotely resembled either of these misconceptions, I'd want the program scrapped, too.

But the fact is, foreign aid is an inexpensive tool -- about one fifth of one percent of the entire federal budget -- the U.S. uses in the conscious, vigorous promotion of U.S. interests abroad.

II. WORLD CHANGE: FROM STRATEGIC TO ECONOMIC COMPETITION

As you no doubt know, the sweeping global change of the last 36 months has changed American interests overseas. In the past chill of the Cold War, U.S. interests were strategic -- that is, containing and confronting communism in the main streets and remote corners of the world. Foreign assistance was one instrument of this crusade.

But foreign assistance is also a reflection of the American character -- humanitarianism, benevolence, compassion. In responding to natural and man-made disasters, U.S. assistance -yes, our tax dollars -- have saved the lives of millions of children, promoted freedom, prevented tens of millions of people from starving to death. America's generosity toward fellow nations is quite simply unprecedented in the history of the world.

Today, we are in a wholly different era from even three years ago. Communism has disintegrated. Political concerns have receded in importance. Today, the test is different. Today, the transformation in the economic balance of power among nations can be considered the chief national security concern of the U.S. Economic interests can no longer be subordinate to geo-political considerations. Our nation's overall economic health is now the number-one issue. And international trade and investment are indispensable to our economic health.

With this new mandate, foreign assistance approaches center stage. Because foreign assistance is America's crucial weapon in securing the largest -- and last -- trade battlefield: the developing world. That's where four out of five of the world's consumers will soon live. And, where free market and free government principles -- based on our American model -- are taking hold.

III. WHY FOREIGN ASSISTANCE MAKES SENSE

Our foreign assistance efforts have paid solid dividends in helping the U.S. economy benefit from the developing world. For example, 40 percent of all U.S. exports -- worth more than \$127 billion -- goes to the nations in the developing world. This is more than all of

our exports to Western Europe combined and almost three times greater than our exports to Japan. More than half of America's agricultural exports flow to the developing world, and each dollar of agricultural export generates about \$1.59 in additional U.S. business through food processing, manufacturing, and transportation. In the past quarter century, foreign trade grew from less than 10 percent of our GNP to more than 25% of our GNP. And, as President Bush pointed out recently, every additional billion dollars in new trade in manufactured goods means 20,000 new American jobs.

Latin America provides an ideal example of how foreign assistance contributes to political and economic stability, and how that in turn, has produced a huge demand for U.S. goods and the foreign exchange necessary to buy those goods. Overall, U.S. exports to Latin America have consistently risen for the last two decades. The share of U.S. exports in relation to total exports from all countries to Latin America has risen from almost 48 percent to 68 percent. Moreover, in 1983, U.S. exports to Latin America were worth approximately \$26 billion. In 1990, exports totaled \$55 billion.

The close correlation between foreign aids impact and the U.S. economy is striking. Indeed, the latent economic potential of the

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developing world -- and the need to put down roots there -- has not been lost on our trading competitors. For example, one of our chief economic rivals today, Japan, doubled its foreign assistance spending between 1979 and 1981. Japan doubled it again between 1982 and 1986. And in 1990, this small island nation spent more on foreign aid than the U.S.

IV. WHAT USAID OFFERS U.S. BUSINESS IN THE DEVELOPING WORLD

USAID is an untapped resource for American business and the U.S. economy. Our 30 year of overseas work has produced a large network of USAID personnel in the field. USAID professionals know the host country's language, culture, geography, and economy. These are supposed obstacles that American business people, understandably, find most daunting about foreign markets. Often, our work with developing countries is aimed toward making the business environment hospitable to the United States.

Second, we invest in activities that frequently require U.S. business involvement. Our Capital Projects fund finances the design and construction of infrastructure projects like telecommunication systems and waste management installations around the world. Our

current portfolio for such projects is \$500 million annually. Because our overall worldwide mission is so diversified, we require the services of consultants, contractors, and financial experts. First preference is given to U.S. business. Last 1025X years, for example, this amounted to 6,511 contracts totalling \$5.5 billion for American business people.

We also help U.S. business in far more subtle ways. We train foreign students at U.S. universities, colleges and in U.S. businesses themselves. The trainees are an invaluable investment for America. American companies that help train developing country nationals make valuable international business contacts. And because the participants are trained here with American equipment, techniques, and American business practices, the program promotes a preference and continuing demand for U.S.-made products and services abroad. Moreover, A.I.D. personnel are very familiar with the political and economic leaders of our more than 80 host nations, and in many cases, we deliver the most important commodity of all - access to the leaders.

V. THE IOWA STORY

To give you an example of the USAID network in action, let me tell you about what I mentioned at the beginning of my remarks --

what we call "The Iowa Story."

One year ago, eight small to medium size agribusinesses from Iowa left on an USAID-sponsored trade mission to Singapore, Malaysia, and Thailand. These companies were recruited from a list of 200 firms within the industries of food processing, bio-technology, and seed technology. Each of the firms selected was briefed thoroughly about the business, political, and social climate of the target nations. Company literature was sent to the U.S. embassy commercial officers in the three countries who in turn distributed it to potential clients abroad. Our Agency officials, working with other Embassy commercial officers, then set up meetings with high-ranking government and business representatives in these nations.

By the time of departure last December, each company was firmly committed to the mission and, long term, to market their products and services. They knew what to expect in Southeast Asia and were prepared to make decisions on behalf of their companies. The 14-day mission was hugely successful for all of the firms: the result was total sales and investment of nearly \$50 million over 12 months.

Another group of Iowans, similarly recruited and briefed, recently

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returned from a comparable mission to Mexico, Honduras, and Guatemala with sales and investments of nearly \$12 million in just several months. A similar program is underway in California.

VI. CONCLUSION

We at USAID believe the Iowa success story is a sign of the times. The worldwide USAID network -- the staff, the contacts, the trust built with host country decision-makers -- is unmatched. And its potential in promoting U.S. interests is unlimited in the global economic rivalries to come.

But I will admit that there are those in America -- some are called isolationist; others, protectionist -- who don't see, or don't want to see, this competition on the horizon. Well, I have one answer to that: We've tried isolationism, and it ended in world war. And we've tried protectionism, and it ended in world wide depression.

Today, America must be involved. As Secretary of State Baker has said: "Geographically we stand apart from much of the world, separated by the Atlantic and Pacific. But politically, economically, and socially, there are no oceans. And in a world without oceans, a policy of isolation is no option at all. Only American engagement can shape the world we so deeply desire." Part of that engagement is a

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foreign assistance program benefiting the U.S. economy.

Foreign assistance has advanced American interests past the doorstep of more than 80 nations, providing our nation with prosperity and security in every decade since the 1940s. Today, USAID is the vanguard for American commerce in the developing world in the economic battles of the 1990s and beyond.

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U.S. Agency for International Development
Office of External Affairs
Public Liaison Division
Washington, D.C. 20523

“The Americas: A Hemisphere for History”

Remarks of Dr. Ronald W. Roskens,
Administrator, U.S. Agency for International
Development, to the International
Convention of the Partners of the Americas,
on November 22, 1991, in Salvador, Brazil.

Five centuries ago, the Spanish and Italians claimed to have “discovered” the Americas. Ten years later, indeed, 490 years ago this month, Amerigo Vespucci sailed into and “discovered” this vast anchorage. I use the term “discovered” loosely given all of the debate as to who really arrived here first.

Then we were called the “New World” — a world of unparalleled promise and potential.

Today, half a millennium later, the Americas continue aspiring to fulfill the mighty hopes of those who first laid claim to us. We are a hemisphere that is politically, economically, and socially purposeful in its destiny.

And yet, the bold transformations taking place here, principally in Latin America, have sometimes received too little notice. Often, it seems that change in the New World has been overlooked, shunted aside by the attention focused on the Old World — on the tumult in Eastern Europe, the Soviet Union, and the Baltics.

The scenes from the Old World are familiar — Boris Yeltsin’s tank, Vaclav Havel’s poetry, and Mikhail Gorbachev’s home video. But in our own backyard, a quieter but equally profound and positive revolution has been taking place.

“The scenes from the Old World are familiar — Boris Yeltsin’s tank, Vaclav Havel’s poetry, Mikhail Gorbachev’s home video. But in our own backyard, a quieter and equally profound revolution has been taking place.”

As a Nebraska Partner, I visited the Federal University of Piaui five years ago. I saw the evidence of those exciting and optimistic times. Today, I see the momentum of those times accelerating and it is some aspects of that revolution upon which I want to elaborate briefly today.

A.I.D.’s Engagement in Latin America

This visit to South America is a homecoming of sorts. Earlier this month, A.I.D. celebrated its 30th anniversary. Many of you know that one of A.I.D.’s first efforts was the “Alliance for Progress,” an unprecedented hemisphere-wide commitment of funds and effort to help the nations of the Americas de-

velop their economies and their societies, and thereby thwart communist expansion.

Although the requirements of development have changed, the A.I.D. commitment to Latin America endures. We invest approximately \$1.4 billion annually in the region, maintaining missions and programs in more than 20 nations. This American engagement, combined with the growing political and economic sophistication on the part of Latin Americans, contributed to reform throughout our Hemisphere long before the first brick was torn from the Berlin Wall.

Beginning with Ecuador in 1978, the peoples of Latin America reacted forcefully in rejecting the parlor Marxism and arbitrary authoritarianism that had stunted the economic and political development of their nations for so long.

Among the people of Latin America, there has gradually emerged a broad consensus demanding greater openness and greater opportunity to participate in the future of their countries, corresponding with the political and economic advances sweeping through the Hemisphere. This relationship is simply and eloquently described by the respected Peruvian economist, Hernando de Soto, who has written: “When people develop a taste for independence and faith in their own efforts, they will be able to believe in themselves and in economic freedom.”

In this, my first visit to South America as Administrator of the Agency for International Development, I have been able to

witness this phenomenon at work in Ecuador and in Bolivia.

And, I can also see that the interaction of economic and political freedom is shaping a brighter future for this great nation of Brazil. My own observations, while providing only a brief glimpse, confirm that the people of Latin America agree with what President Bush said in June of 1990 when he launched his Enterprise for the Americas Initiative, that "the future of Latin America lies in free governments and free markets."

Free Governments and Free Markets in Latin America

The progress, first toward freedom and now toward prosperity, has been remarkable. Fifteen years ago, three of every four people in this hemisphere lived under a repressive regime. Today, 98 percent of the people in this hemisphere embrace democratically elected governments. We are close to becoming history's first democratic hemisphere.

I say "close" because, tragically, the recent turmoil in Haiti demonstrates the fragility of a new democracy and Castro lingers as ruler of Cuba.

"Today, 98 percent of the people in the hemisphere embrace democratically elected governments. We are close to becoming history's first democratic hemisphere."

A natural -- and necessary -- complement to this stunning political turnaround in the hemisphere is the economic revolution occurring here. Latin American economies are again performing actively. A recent United Nations report chronicles this exciting economic panorama of Latin America:

- Latin America's overall Gross Domestic Product has risen for the past four years, increasing 2.5 percent this year;
- 28 Latin American nations are now linked by trade cooperation agreements;

- Latin America's trade deficit has been cut from \$30 billion to \$12 billion;
- Brazil has attracted more than \$6 billion in capital investment this year; the Argentine stock market rose 291 percent in dollar terms since January; and,
- Capital flows into the region have risen from \$15 billion in 1989 to \$46 billion last year.

U.S. Re-Engagement in Latin America

In order to build upon these successes, President George Bush last year launched the "Enterprise for the Americas Initiative." I want to emphasize that the Initiative is not a philanthropic device, it is not misguided paternalism and it is not the outline of a strategic military plan.

It is purely and simply a business proposition, a mutually beneficial proposition, and a recognition that this hemisphere will play an important economic role in the world.

Central to the Initiative is the formation of a free trade agreement and the establishment of a zone stretching from the Arcic circle to the tip of Argentina — a vast market drawing upon 600 million Americans, enormous resources, and open and stable governing systems.

Partners of the Americas

We at A.I.D. know how important the Partners will be in this endeavor. Because, from its establishment in 1964, Partners for the Americas has grown to become one of the most active and successful private voluntary organizations in Latin America.

From its inception, the work of the Partners has had the support of A.I.D. I am convinced that your organization merits and will continue to receive support in this decade of new opportunity.

I have witnessed, firsthand, its good works, and I know that the main engine of the Partners is not dollar-driven but is a mission propelled by the time, energy, and expertise of your dedicated volunteers.

Your programs focusing on the private sector, the environment, on education, and health have helped engender progress in this region. The very essence of volunteerism that you represent, participation in activities that benefit the common

good as a matter of free choice, will be a powerful and a necessary force as we, the people of the Americas, seek to extend the advantages of political and economic freedom to all of our citizens.

Your enormous reach in the hemisphere is complemented by your emphasis on partnerships of mutual respect and partnerships of mutual responsibility.

These strong and ever strengthened bonds between the nations of our hemisphere, aided by the Partners, underscore an important point that should resonate with everyone here today and with people throughout the Americas.

"The Americas stand today as a group of nations and societies which, while distinct, are bound together not only through geography, but by our shared interests and values; a New World inexorably moving toward universal principles."

Both political and economic freedom are well rooted in this hemisphere and these principles have helped bind the diverse nations in this region closer than ever before. I suggest that our vast hemisphere is shrinking and becoming a place of shared ideals, shared aspirations, and shared expectations. It is becoming a community where, as the author Octavio Paz writes, "My steps along this street/Resound in another street/In which/I hear my steps/Passing along this street."

The Americas stand today as a group of nations and societies which, while distinct, are bound together not only by geography, but by our shared interests and values: a New World moving inexorably toward universal principles.

We stand, in short, as a hemisphere, providing an example to history.



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“Providing Tools: The Test for USAID in Eastern and Central Europe”

Speech of Dr. Ronald W. Roskens, Administrator, U.S. Agency for International Development, to the Foreign Relations Association of New Orleans, on November 4, 1991, in New Orleans, Louisiana.

Most of you have probably never heard of the Market Bank, in Poznan, Poland. Nor had I until last autumn, when I was in Eastern Europe to see what the U.S. Agency for International Development might do to enlist nations in that region to move toward free markets and open governments.

While attending the dedication of this facility, I on impulse deposited \$10 in that bank. Thus, I became the first foreign investor in the Market Bank of Poznan. I returned home from there \$10 poorer, but richer — much richer — because I had made a small but tangible investment in what I know will become a prosperous nation.

More than that, I witnessed the incalculable value of the assistance that we in the United States can provide as partners with nations throughout the region.

Change in Eastern and Central Europe

Even now, in a world where change is the order of the day, there remains a grandeur and drama to the transformations that rocked Eastern and Central Europe

two years ago. The massive street demonstrations, the kaleidoscope of flags from which the hammer and sickle had been torn, the rusted and irrelevant iron statues of Stalin and Lenin toppling like dominos into town squares from the Baltic Sea to the Mediterranean.

“...the rusted and irrelevant iron statues of Stalin and Lenin, toppling like dominos into town squares from the Baltic Sea to the Mediterranean. Unforgettable pageantry, to be sure....”

Unforgettable pageantry, to be sure, and the death knell of a tortured ideology. As Lech Walesa lamented two years ago, “Our long subjugation to a political system incompatible with national traditions, to a system of economy incompatible with rationality and common sense, coupled with a stifling of independent thought and disregard for national interest — all this has led the Polish economy to ruin, to the verge of utter catastrophe.” Mr. Walesa could well have been speaking for the

other nations of Eastern Europe. And I suggest that while communism is shattered and smashed, its debris remains toxic.

A Regional Overview

The Agency for International Development is heavily engaged in this region. It is the primary funding agency for the more than a half billion dollars in U.S. assistance to Central and Eastern Europe since President Bush signed the Support for Eastern European Democracy Act of 1989 two years ago this month. We have USAID representatives in six nations of Eastern and Central Europe and in all three Baltic republics.

We at USAID sometimes describe ourselves as nation builders...which is often a slow, deliberate, and difficult process of structuring a country from the ground up. But when we talk about Eastern and Central Europe, let us be precise. We are not talking about “nation building” or even nation re-building. What we are talking about is jump-starting *free markets*, energizing *private initiative*, stimulating *resource production* — forces dormant during half a century of Marxism.

These nations have a rich historical background, abundant natural resources, some basic infrastructure, and energetic people. What they lack are the tools, both human and technical, to bring about market economies, and truly open and free governing systems. Providing these tools is A.I.D.'s development test.

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A.I.D.'s Priorities in the Region

Currently, we have three priorities for the region. First, we want to encourage the development of open, democratic political systems, which includes for example, providing voting booth machinery and copies of administrative codes to these nations and having American political science professors train newly-elected legislators.

Second, we want to help develop strong, market-based economies and an indigenous private sector. Top level U.S. government support has been given to this effort under the Management Training and Economic Education program. To this end, we have enlisted the services of private voluntary organizations as well as American accounting and business consultants to help teach marketing and management skills and build Western-style securities markets and commercial banking operations.

"And while I suggest that communism remains shattered and smashed, its debris remains toxic."

Third, we are interested in demonstration projects in key sectors such as health, the environment, and energy, which will improve the quality of life in the region and provide a social safety net during these difficult years of transition.

I should emphasize that our assistance to the region is based on the premise of putting ourselves *out of business*. In fact, in the next five years, as Eastern and Central Europe adjust and integrate with the world, both America and Western Europe will play a diminishing role in these nations.

Slow and Steady Progress Being Made in the Region

Our engagement in the region has been complemented by a commitment on the part of leaders there to do what is pru-

dent and worthwhile over the long term. Czechoslovakian finance minister Vaclav Klaus has said, "We don't need the old forms of cooperation, we need business. We want a market economy without any adjectives." And let me emphasize that these nations — Poland, Hungary, Romania, Czechoslovakia, Bulgaria, Yugoslavia, Albania, and Latvia, Lithuania, and Estonia — are already making the tough, gear-wrenching decisions necessary in building the machinery of market economies — with no adjectives and no delusions about the awesome task ahead.

No one believed this transition would be easy. Indeed, the situation today is analogous to an old Polish proverb about distinguishing between an aquarium and fish soup. The difference, of course, is that you can make fish soup out of an aquarium, but you cannot make an aquarium out of fish soup. Simply put, the inquiry becomes: How do you convert a grossly inefficient, centrally planned economic order into a smooth-running, market-based system?

Certainly, there is no historical precedent for the economic and political transformations in the region; then again, there is no historical precedent for any of the changes we've seen in the world. I believe that the key in moving these economies to the disciplines and verdicts of the market — a painful process, as we have already witnessed — lies with the resiliency and determination of political leaders and citizens.

And today, signs exist that, even if on unsteady legs, the region is moving forward economically:

- The number of foreign investments in former communist bloc countries is up 50 percent from last year;
- In Czechoslovakia, about 6,000 state shops have been sold to private interests, with another 11,000 to be sold soon;
- Hungary has attracted more than \$1 billion in private investment in the last two years;
- In Romania, more than 50,000 private businesses have been registered;
- There are now 100,000 private businesses in Bulgaria, a five-fold increase from last year;
- 70 percent of the retail business in Poland is now in private hands;

- And last, I should note that the world's largest Burger King restaurant is located in, of all places, Hungary.

President Bush has said to the people of Eastern and Central Europe: "As you undertake political and economic reform, know one thing: America will not fail you in this decisive moment. America will stick with you."

"I should emphasize that our assistance to the region is based on the premise of putting ourselves out of business."

In that vein, I believe Americans sense that it is not a question of *if*, but only *when*, Eastern and Central Europe will become prosperous and free. Just as my small deposit — now earning 8 percent interest in convertible zlotys! — is a small step in the right direction for the Market Bank, wise and prudent investment in Eastern and Central Europe pays equally sound dividends for the West.

On a hill near Prague, I am told, there once stood a large steel monstrosity of Jose Stalin; no doubt today it is rusting, face down, in a scrapyard somewhere. But in its place on that hill is a giant, brightly colored metronome, and the arm swings deliberate and steadily, night and day. Deliberate and steady — this is the pace of Eastern and Central Europe, a region whose people are awakening to a future they once only dreamed of. We stand beside them knowing their efforts will not fail.



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“Foreign Assistance: Shaping America’s World”

Remarks of Dr. Ronald W. Roskens,
Administrator, U.S. Agency for International Development, to the Baltimore World Affairs Council, on September 26, 1991, in Baltimore, Maryland

It is a privilege to address the Baltimore World Affairs Council. This group is one of many such councils established throughout the United States with a noble purpose — to discuss and debate issues in our rapidly changing world. That can be a rewarding but sometimes elusive objective. Yet our nation depends on an informed citizenry able to help set the course of international affairs.

I feel as though I know some of your members already — editorials from Joe Sterne’s page arrive on my desk, along with other newspaper clips — at 8:15 sharp every morning. I frequently cite Steve Muller when speaking on the need to internationalize the American educational system. And, I have followed Larry Pezzullo’s superb stewardship at USAID’s trusted friend — and grant recipient — Catholic Relief Services.

So, this is a familiar crowd. I wish the same could be said about today’s world — a world in which fact and fiction have seemingly reversed roles, where expectations have been exceeded and disappointments few. The globe spins in overdrive, and change is almost too rapid to contemplate.

Consider: A land war involving nearly a million combatants lasting only 100 hours, a superpower coup lasting 60 hours. While we in the West look with great relief — and even satisfaction — upon these and other events, seeing them

as a vindication of American values and engagement in the world, I confess there is an element of this fast-paced transformation that is troubling.

“...today’s world — a world in which fact and fiction have seemingly reversed roles. The globe spins in overdrive and change is almost too rapid to contemplate.”

A son of Baltimore, H.L. Mencken, once said, “The public demands certainties. But there are no certainties.” Both parts of that observation are truer now than ever before. That’s why I fear that change has been so rapid that Americans — insulated from upset and accustomed to at least a relative degree of certainty — have been unable to develop a mindset willing to accept the consequences of such change. In other words, it’s critically important that we grasp — at least minimally — what is occurring in the world and in many cases, modify our previously held views.

What do I mean? For example, it’s rather difficult to dislike or fear communists when there aren’t many left in the world. It’s rather difficult to harbor doubts about the American military after its near flawless performance in the Per-

sian Gulf. It’s rather difficult to remember what exactly the “Warsaw Pact” was, or place your hands on an up-to-date map of Europe. It’s rather difficult to recall a time when there wasn’t a single democratically elected government in Latin America, or when Africa was not swept by democratic reforms.

Of course, the temporary suspension of belief cuts both ways. It’s hard to remember when the nations of the Horn of Africa fed themselves. Or when the Western nations believed malaria was under control in most of Asia. Or when Latin American nations paid debts in full.

I appreciate your group’s slogan, “A world of education for today’s world citizen,” because it resonates with the idea of an individual truly understanding — and getting a grip on — the new world.

An important frame of reference for the new world is the role of foreign assistance. The trouble is, from my perspective as Administrator of USAID, I often wonder whether people appreciate — or even understand — the links between foreign assistance, the developing world, and the U.S. economy.

Let us not forget that foreign assistance is driven largely by economics — the economic development of the host country, and the resulting benefits to the U.S. economy. Indeed, in 1947, General George Marshall, contemplating the shattered and moribund European continent, said, “Aside from the demoralizing effect on the world at large, the consequences to the economy of the U.S. should be apparent to all.” This directly established the motive for foreign aid to ensure America’s economic and political well-being. A Eu-

rope resuscitated by the Marshall Plan did just that, providing markets for the U.S., and not incidentally, a united front against communist expansion.

“In the early 1980s, USAID concluded that the most effective way to maximize its development effort was to leverage its energy and money through partnerships with the private sector.”

In the early 1980s, USAID took that idea one step further, and concluded that the most effective way to maximize its development effort was to leverage its energy and money through partnerships with the private sector. Since then, USAID has acted as something of a broker: to bring outside resources to bear on development issues around the world. This American engagement in the developing world has reaped enormous benefits.

George Bernard Shaw once said that it is the mark of a truly educated person to be deeply moved by statistics. Well, prepare yourselves:

- Of the 50 largest food importers from the United States, 43 were once recipients of food aid from the United States.
- Last year, U.S. exports to developing countries totaled over \$128 billion.
- More than half of America's agricultural exports go to the developing world, and each dollar of ag export generates about \$1.59 in business through food processing, manufacturing, and transportation.
- Of course, you are witness to the effects of contact with the developing world at the Port Of Baltimore, the transit point for 37 thousand tons of USAID goods in the first six months of this year.
- More than one third of all U.S. exports are shipped to developing nations and more than one-fourth of all U.S. overseas investment is in developing nations;

- By 2000, four out of five consumers will live in the developing world.
- Finally, 35 cents out of every foreign aid dollar flows to U.S. businesses and organizations.

To build upon this success story, USAID has established the Business and Development Partnership Initiative, which seeks to actively engage American business in developing nations. The pillars of this initiative include:

- A capital projects fund — to build up badly needed infrastructure in developing nations, and to provide opportunities for U.S. business in major sectors;
- A business and development network — a one-stop business service to match U.S. and developing country entrepreneurs;
- A focus on emerging sectors in development. We will discover the best opportunities for projects in high-growth, high margin fields like environmental products and architectural, engineering, and financial services; and
- An emphasis on competitiveness through the university. We will forge new links among U.S. corporations, USAID, and U.S. universities and developing country universities

Another aspect of this initiative swings into action next month when we convene the inaugural meeting of USAID's Business Advisory Council, a group that will help us identify what we can do to help American business in the developing world. Most importantly, we want to inject a critical ingredient — American business savvy — more forcefully into the developing world.

I believe that swelling streams of commerce with the developing world will be only one feature of President Bush's New World Order, an era "...freer from the threat of terror, stronger in the pursuit of justice, and more secure in the quest for peace. An era in which the nations of the world east and west, north and south, can prosper and live in harmony."

Americans will fail to take advantage of this future renaissance if they become more inured to the pivotal change occurring in the present. One hundred seventy years ago this month, Thomas Jefferson wrote to John Adams: "...the flames

kindled on the fourth of July 1776 have spread over too much of the globe to be extinguished by the feeble engines of despotism; on the contrary, they will consume these engines and all who work them."

Democracy has indeed triumphed over the engines of oppression, cruelty, and tyranny. What a tragedy, indeed, if we were to somehow undervalue this victory, and by doing so, allow the opportunities it presents to glide by unnoticed and unused. What a tragedy if Americans were to neglect the enormous potential for trade and investment in the developing world.

And finally, what a tragedy if America and the West were to fail in solidifying these victories. Certainly there has been much to celebrate in the last 30 months. But after the banners sag and the jubilant crowds go home and the town squares fall silent, the hard work really begins.

By hard work, I mean: building free market economies; nurturing fledgling democracies; riding out severe economic jolts and shocks. USAID is at the cutting edge of this follow-up activity, and I assure you that we will try diligently not to fail. These nations struggling to stand, we must not allow these nations to buckle and fall.

“And the word is this: Americans should exult in a world largely fashioned by American power and American ideals.”

We have reached a day for which many Americans have hoped, worked, and sacrificed. Communism is dead; dictatorships are dying; statism has been proven obsolete; and democracy and free market excite people around the world. It is a world befitting — and benefiting — this international city and this council, a world in which you can promote a world education for today's world citizen and serve to spread the word.

And the word is this: Americans should exult in a world largely fashioned by American power and American ideals. And with an informed and confident world view, Americans will thrive in this world they have irrevocably shaped.

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“Management and Leadership: The Core of the New World Order”

Remarks of Dr. Ronald W. Roskens,
Administrator, U.S. Agency for International Development, at the Convocation of the Sri Jaywardenepura University, on October 11, 1991, in Colombo, Sri Lanka

It is a pleasure to participate in this convocation for the graduates of the Postgraduate Institute of Management at the University. Moreover, it is a distinct privilege to accept an honorary degree from this notable institution.

There is an interesting symmetry here: We are at Sri Lanka's oldest university — celebrating its newest graduating class. As you begin the transformation from students to professionals, you will find that there is another transformation occurring. Many of you began your studies during the Cold War. Now you enter a New World Order. It's a world pulsing with new thoughts and new ideas about the way nations develop; where leadership, education, and management intersect to provide new opportunities.

I cannot think of a more exciting time to be alive.

The powerful tradewinds of freedom, liberty, and individual opportunity that bless your island home blow with powerful force elsewhere around the globe. You are fortunate to have been educated in

this nation, a nation seizing control of its destiny through a commitment to economic, environmental, and educational development. Sri Lankans have a vision: to see their nation become a green, Newly Industrialized Country, the first one ever. The evidence suggests that you are well on your way.

“Many of you began your studies during the Cold War. Now you enter a New World Order. It's a world pulsing with new thoughts and new ideas about the way nations develop...”

You are adhering to a principle handed down in Sri Lanka for 25 centuries: We don't inherit the earth from our parents, we borrow it from our children.

This link between the environment and development is of critical importance. As President Bush said just last month: “Recent world events make it clear that

free markets and economic growth provide the firmest foundations for effective environmental stewardship.”

This has proved a daunting obstacle for other nations, but your commitment to economic and environmental sustainability has not wavered.

These principles, I assure you, are fixed at home in the New World Order, a place where leaders increasingly promote the well being of their citizens rather than pursue aggressive expansionism; where countries increasingly view the environment in the long term and not just for short term gain; where ignorance loses ground and education gains. It's a place where there will be many more graduation ceremonies, just like this one, all over the world.

Perhaps I can impress upon you the importance of an educated, trained, and engaged citizenry by briefly telling you about those nations without such a resource.

Today, a number of countries and societies are awakening from a slumber, for some, a nightmare. For years, these nations were subjugated to political systems incompatible with national traditions; to systems of economy incompatible with rationality and common sense; circumstances coupled with the stifling of independent thought and disregard for national interest. All of this led these nations to ruin and to the verge of utter catastrophe.

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Today, these societies need help in the most fundamental ways. The things you take for granted in Sri Lanka — a stock exchange, checking accounts, elections, commercial banks, voting, and growth in GNP — are utterly outside the realm of thinking in these nations.

Educating these people to take control of their lives and their societies will involve teaching in hundreds of disciplines and training in thousands of skills. But at the core of any such effort will be two ideas: management and leadership.

“Leadership, principled and forthright, is the chief ingredient in whether nations ascend to greatness — or descend into chaos.”

Indeed, your degree in management is a degree designed for the age, and with it you move light years ahead of your peers elsewhere in the world. As you graduate today, consider that an erstwhile superpower, the former Soviet Union, beseeches the U.S. to establish a business management school — the first such institution ever in Russia.

Management, I believe, is a crucial discipline of the new classroom called the New World Order. A New World means new nations, new institutions, new partnerships, new ideas, new techniques, and new populations, freed from the *mis*-management that caused revolution and chaos.

However changed the world, the *role* of the manager remains the same: the person who is the most vital factor in the success of any organization — large or small.

As Administrator of the Agency for International Development, I and my associates operate an eight billion dollar agency, with thousands of employees spread across more than 80 nations around the globe. And I can safely say that it is a job equally as demanding as the jobs you will have.

I can also say that I might be able to offer some instruction that may not have

been in your textbooks.

Your school handbook notes that “All the uncertainties and ambiguities inherent in human undertakings in organizations finally surface at the level of general management.” Straightening up uncertainties and ironing out ambiguities — yes, that is what management is all about. But allow me to amplify.

The first test and responsibility of leadership — managerial leadership — is for the manager to define reality. Your very first day on the job, you are going to be asked, as a professional manager, to define reality; to assess an organization, a situation, an employee or group of employees, and judge its strengths and weakness. There may be more weaknesses than strengths but then again, no one ever said that management would be easy.

Managerial leadership involves inculcating many things into an organization, irrespective of its size, technology, business, structure, or people. You will be obliged, as a manager, to provide loyalty, a concern for values, a quest for quality. You will be compelled to provide rationality, spur momentum, and advance civility.

Managerial leadership also requires building three-way relationships — relationships with your peers and subordinates as well as the executives above you. Some people make the mistake of looking and trusting and seeking support from one direction: only *up*. And what usually happens is that eventually they look *down* for support — and no-one’s there.

Consider this observation from one of the premier leadership theorists in America, John Gardner: “In the conventional mode people want to know if the followers believe in the leaders; a more searching question is whether the leader believes in the followers.” Indeed, and as your first, and most difficult task, is to define reality, understand that your last task is far simpler but no less important: It is to say “thank you.”

That is also your task today — to say “thank you” to your families, your professors, and your school. And as educated men and women in a developing country, you are summoned, thus, to serve your nation. Leadership, principled and forthright, is the chief ingredient that determines whether nations ascend to greatness — or descend into chaos. And educated people are most often the pivot upon which prosperous, open societies turn. Why?

Because with more educated technicians, scientists, accountants, workers, teachers, and managers in the developing world, the faster those nations are going to build strong, cohesive governments and systems. President Bush has said, “Hope is a waking dream. That awakening begins with learning; understanding the power and potential of individual effort, developing a skill, and with it, independence. Earning a living with dignity and personal growth. More skills mean more freedom — more options for even greater opportunity.”

I agree that education is the awakening — the catalyst for change, the fundamental reform that drives forth all others.

And opportunity brings us back to the New World Order, awaiting outside the doors of this room. It’s a smaller world than when you started school — fluid borders, free people, universally held principles; the global village has become a global neighborhood. We must be careful to protect that neighborhood.

In the words of your President Premasada, “We must reinforce our historic covenants between man and nature.” In Sri Lanka, we see abundant evidence that those covenants are strong and that there is a noble partnership here between humankind’s desire for a better life and the eternal heritage of nature.

“Education is the awakening — the catalyst for change, and the fundamental reform that drives forth all others.”

Dear friends, I will leave this nation bearing the honor of this degree from your university, confident that I have seen the future of development, both in human and natural terms. Your destiny and the destiny of your nation will intersect more than once. Take advantage of that opportunity and reflect on these words from one of America’s Founding Fathers, Thomas Jefferson: “When I recollect that at 14 years of age, the whole care and direction

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of myself was thrown on myself entirely, without a relation or friend qualified to advise or guide me, and recollect the various sorts of bad company with which I associated from time to time, I am astonished I did not turn off with some others and become as worthless to society as they. I had the good fortune to become acquainted very early with some characters of very high standing, and to feel the incessant wish that I could even become what they were."

*"It's a smaller world than
when you began school —
fluid borders, free people,
universally held principles;
the global village has become
a global neighborhood."*

You are characters of very high standing. And you are summoned to live your lives for the benefit of present and future generations.

The hope and future of Sri Lanka rest with you on this unique day. You leave here with a certificate — a simple document — yet a dominant symbol of pride and power in this New World.

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U.S. Agency for International Development
Office of External Affairs
Public Liaison Division
Washington, D.C. 20523

“Foreign Aid Is Not So Foreign”

Remarks by Ambassador Mark L. Edelman, Deputy Administrator, U.S. Agency for International Development, to the Charlotte World Affairs Council, on September 24, 1991, in Charlotte, North Carolina.

It's a privilege to address the World Affairs Council here in Charlotte, where I feel almost at home since my wife grew up down the road in Winston-Salem and NCNB has now reached the suburbs of Washington. I'm here tonight because I believe it's critically important that Americans have the opportunity to discuss and debate international affairs in this closely connected and interdependent world.

Indeed, Secretary of State Baker has said: “Geographically we stand apart from much of the world, separated by the Atlantic and Pacific. But politically, economically, and socially, there are no oceans. And in a world without oceans, a policy of isolation is no option at all. Only American engagement can shape the peaceful world we so deeply desire.”

And recently, greatly influenced by American engagement in the world, there has been rapid, breathtaking change. Consider: A land war involving more than a million combatants lasts 100 hours; a superpower coup lasts 60 hours; and new, free countries are being reborn faster than you can say Rand-McNally.

Nations, for better or worse, desired or not, are irreversibly bound together, encircled by telephone lines and videotape, fax machine paper and satellite signals — with action by one nation initiating vibrations influencing others. We are truly in a global village, perhaps a global neighborhood, where once rigid bound-

aries have faded; where American ideology has triumphed, and all others have perished.

It is within this tight community that foreign aid ceases to be foreign.

“Foreign Aid is a tool the United States uses — unabashedly at times — to create a more secure and livable world for us Americans. And if America does good by doing well, so much the better.”

Because, contrary to some popular myths, foreign assistance is not a whimsical giveaway of taxpayer dollars by naive do-gooders.

Foreign aid is the conscious, vigorous advancement of American interests and values.

Foreign aid is directly related to American lives — our security, our economy, and our quality of life.

Foreign aid is a tool the United States uses — unabashedly at times — to create a more secure and livable world for us Americans. *And if America does well by doing good, so much the better.*

America's Humanitarian aid

F. Scott Fitzgerald once wrote, “America is a willingness of the heart.” And it is this compassion and charity that underlies the most visible form of American engagement — humanitarian assistance. During the past 25 years, we have responded to more than 1,000 disasters in more than 135 nations. In 1985, for example, USAID helped prevent more than 20 million people in Sub-Saharan Africa from starving to death. Even today, we continue heroic and massive efforts throughout that tormented continent.

Americans should find nothing strange or foreign about the richest nation on earth providing comfort to the innocent victims of natural or man-made disasters. Indeed, we Americans should be proud that our humanitarian aid provides people all over the world with the most precious gift of all — life itself.

America's Economic Self-interest

While humanitarian aid is perhaps the most dramatic demonstration of the Agency's work, on a broader scope, our foreign assistance program is driven by economics — the economic development of the host country, and the resulting benefits to the U.S. economy. Indeed, in 1947, Gen. George Marshall, contemplating the shattered and moribund European continent, said, “Aside from the demoralizing effect on the world at large, the consequences to the economy of the U.S.

should be apparent to all," thus establishing the motive for foreign aid to ensure America's economic and political well-being.

A resuscitated Europe did just that, providing markets for the U.S., and not incidentally, a united front against communist expansion. But let me focus on an example closer to home in time and place: Latin America.

During the last 30 years, the U.S. has made a significant assistance commitment to the nations of this region — about \$26 billion — with the goal of spurring long-term economic and political reforms. Today, for the first time in history, every country in Central and South American has a freely elected civilian government — with the exception of Cuba, and I don't think the long-term prospects for that tyranny look very bright. The consequent political stability and growing economies in Latin America have produced a huge demand for U.S. goods and the foreign exchange necessary to buy those goods.

Overall, U.S. exports to Latin America have consistently risen for the last two decades. And, the share of U.S. exports in relation to total exports from all countries to Latin America has risen from 48% to almost 60%. This success story holds true for both manufactured and high technology capital goods — those products with which the U.S. competes most directly with other industrial countries. Both have claimed increasing market share in Latin America. Finally, U.S. exports to Latin America in 1983 were worth approximately \$26 billion. In 1990, exports totaled \$55 billion.

But the close correlation between foreign aid's impact and the U.S. economy is not limited to Latin America. The developing world has been fertile ground for years. George Bernard Shaw once said that it is the mark of a truly educated person to be deeply moved by statistics. Well, prepare yourselves:

- Of the 50 largest food importers from the United States, 43 were once recipients of food aid from the United States;
- Last year, U.S. exports to developing countries totaled over \$128 billion.
- More than half of America's agricultural exports go to the developing world, and each dollar of agricultural export generates about \$1.59 in business through food processing, manufacturing, and transportation;

- U.S. investment in developing nations is over \$90 billion, one-fourth of all U.S. overseas investment.

- In the past 25 years, foreign trade grew from less than 10 percent of our GNP to more than 25% of GNP;

- By 2000, four out of five consumers will live in the developing world;

- Finally, a considerable amount of every foreign aid dollar flows to U.S. businesses.

We spent nearly \$900,000 in Mecklenburg County last year, and more than \$13 million in North Carolina overall. Moreover, just two weeks ago, we awarded a \$165 million grant for overseas AIDS prevention programs to Family Health International located in Research Triangle Park.

“Americans should find nothing strange or foreign about the enormous benefits the American economy has reaped from our investments in the developing world.”

Concurrently, we have helped developing nations improve their own economic climates and increase their domestic investment.

We have built stock exchanges in Poland, Indonesia, and in Mongolia — the world's erstwhile second-oldest communist country. We have had great success with our microenterprise program, which creates and nurtures financial institutions serving the very poor. A case in point is Indonesia, where working with that nation's Ministry of Finance, we built a program that mobilizes over \$600 million in savings, two million borrowers, and seven million savers.

Americans should find nothing strange or foreign about the enormous benefits the American economy has reaped from our investments in the developing world. But there are yet other ways we have furthered American interests while at the same time helping these nations stand on their feet.

Our Investment in People

I recently took part in a ceremony honoring A.I.D.'s 300,000th participant in what we call the Jefferson Scholars Program. These trainees are some of the men and women who come to the United States to study at hundreds of U.S. universities, businesses, laboratories, and state and local governments. The program enables people from developing countries to experience firsthand, and sometimes absorb, American values and our way of life. Your state, I am pleased to note, has been particularly hospitable: More than 15,000 foreign nationals have been trained with USAID funding in North Carolina during the past decade.

The trainees are an invaluable investment for America. American companies that help train developing country nationals make valuable international business contacts. And because the participants are trained in the U.S. with American equipment and techniques, the program promotes a preference and continuing demand for U.S.-made products abroad.

Moreover, we recognize that those we train today may be national leaders tomorrow. Last July, for example, the new Prime Minister of Mali was in my office, a graduate of the University of Pittsburgh. Jorge Serrano, the President of Guatemala, has a master's in education from Stanford, funded by the Agency; Indonesia's Minister of Finance received part of his education the same way.

Again, there is nothing strange or foreign in building lasting friendships, increasingly based on shared ideals, with the citizens and leaders who will guide the developing world in this and the next century.

The Export of Ideals

In addition to furthering American interests through active engagement with the developing world, we have also led by example. President Bush has said, "All around the world we see that a free society rests upon the twin pillars of political and economic liberty. For only when free markets and free people work together, can we build a better life for all people."

For two centuries, America has represented the triumph of those two pillars of governance. For three decades, USAID has engaged in the practical and sometimes unglamorous work of setting those

pillars in place elsewhere on the globe. Today, as a virtual tidal wave of democracy sweeps the world, we must realize that a newly freed nation doesn't simply awaken one day to strong, competent institutions; to a codified system of laws; to a free press; and most important, to leaders able to make and enforce democratic decisions in societies suffering from a decades-long hangover of despotic rule.

"We are truly in a global village, perhaps a global neighborhood, where once rigid boundaries have faded; where American ideology has triumphed, and all others have perished."

It is at this level — the ground level — that USAID works. And this includes teaching newly elected legislators how to organize and run the Hungarian Parliament; educating Bolivian financial officers in the use of transparent budget systems; securing voting machines for Haiti; and distributing textbooks to primary schools in Nicaragua.

Economic growth promotes stability and progress and that clearly serves our self interest. But there are many other factors linked to economic progress. You can't, for example, have long term economic growth if a country's citizens are perpetually sick and hungry and unable to care for themselves. You can't have economic growth if your people are uneducated and therefore unable to sustain economic and social successes.

Americans should be gratified that their nation actively seeks to bring democracy and economic reform to poor and oppressed people around the world.

Indeed, the proof is in our former adversaries trying to make the same principles work for them.

Transnational Threats

American self-interest also includes respect and concern for the environment, too often in the past an ignored part of the development picture. During the past decade, USAID has helped save millions of acres of tropical forest along with thousands of species of rare animals and plants. We support more than 70 forestry projects in 37 nations and remain the largest bilateral donor in the environmental area.

We are vitally aware that the practices of a charcoal maker in Madagascar, a slash-and-burn farmer in Brazil, and a power plant operator in Poland have a direct effect on the world in which we live and breathe.

This same world-view applies to narcotics. We have supported counter-narcotics efforts in Asian and Latin America since the mid-1970s, initially through crop substitution efforts and later with targeted-area development programs. The Andean Counter-Drug Initiative of 1990 proposes nearly \$1 billion over five years to help Bolivia, Colombia, and Peru reduce their dependence on coca revenues and revitalize their economies as their enforcement efforts take effect.

Foreign aid as the Vanguard of the American Ideal

As you can see, there is nothing strange or foreign in any of this — these are all hard and fast interests we acknowledge in an extremely inter-connected and interdependent world. Many years ago, Dag Hammarskjöld said, "In our era, the road to holiness necessarily passes through the world of action."

Ours is a different era, but his advice about the need for *action* — for commitment to others — holds true. And foreign aid is the purest form of American action in the world.

In her address before Congress earlier this year, Queen Elizabeth remarked: "In her third as in her first century, the United States represents an ideal, an emblem, and an example. An ideal of freedom under the law; an emblem of democracy; and an example of constant striving for the betterment of the people."

Foreign aid is not so foreign — it's the vanguard of the American ideal and American self-interest.

By placing both of these on the doorstep of 100 nations, it has provided our nation with prosperity and security and has allowed us to better the lives of hundreds of millions of people around the globe.



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"A.I.D. as an Export Resource"

Remarks of Dr. Ronald W. Roskens, Administrator, U.S. Agency for International Development, to the National Export Initiative Conference, on May 23, 1991, in Boston, Massachusetts.

I appreciate this opportunity to speak to the National Export Initiative Conference. And, it's good to see Secretary Mosbacher here today. The Commerce Department and A.I.D. work closely on many projects, with the most recent example being the Latin America and Caribbean Business Development Center for which A.I.D. provided funding.

I imagine that some of you were surprised to see the U.S. Agency for International Development on today's program and that you asked yourself: What does A.I.D. have to do with export policy? Well, first let me briefly tell you what we do.

We at A.I.D. manage \$7.2 billion in foreign assistance programs in more than 80 countries around the globe. We believe that investment in developing nations pays dividends, both to the host country and to America, in terms of peace, stability, the strengthening of alliances, and economic growth.

A.I.D. and its History of Export and Economic Development

In fact, a major element in the conception of foreign aid was export policy, specifically, assuring markets for U.S. producers following World War II.

"We believe that investment in developing nations pays dividends, both to the host country and to America, in terms of peace, stability, the strengthening of alliances, and economic growth."

After surveying the almost total devastation of Europe, in June 1947, General George C. Marshall said, "Aside from the demoralizing effect on the world at large, the consequences to the economy of the United States should be apparent to all." Soon thereafter came the Marshall Plan, from which A.I.D. traces its ancestry.

One of our principal mandates is to promote sustained economic growth. We believe that private ownership and market forces are key to achieving this goal. Hence:

- We are active in privatization, particularly in Eastern Europe. For example, we advise host countries on what industries should be privatized, and we help U.S. firms purchase an interest in state-owned enterprises.
- We help nations establish stock exchanges;

- We work on the policy and regulatory environment in developing nations to make these countries more hospitable to U.S. business.

We strive to develop and deepen these commercial links because they help American business and the developing world.

The Importance of Developing Countries

We are acutely aware of the need to involve American business in the developing world. And, frankly, American business already has done very well in the developing world. For example:

- In 1990, U.S. exports to developing countries totaled over 128 billion dollars;
- Of the 50 countries that are the largest importers of U.S. farm goods, 21 are nations that once received food from the U.S.;
- More than half of America's agricultural exports go to the developing world;
- U.S. private investment in developing countries in 1989 was \$91 billion, more than one-fourth of the U.S. total overseas investment;
- In fact, more than 30 percent of all U.S. exports are shipped to developing nations; and,

- Four out of five consumers will reside in the developing world by the year 2000.

A.I.D. as an Export Resource

We can help you move into the developing world. Because our thirty years of overseas work has produced a vast network of A.I.D. personnel in the field.

A.I.D. professionals know the host country's language, culture, geography, and economy — all factors that American business people, understandably, find most daunting about foreign markets. A.I.D. personnel are familiar with the political and economic leaders of these nations and, in many cases, can deliver the most important commodity of all — access.

And, with thousands of projects in the world, we directly finance the purchase of millions of dollars of goods each year through our "Buy America" program. In fact, 35 cents of every foreign assistance dollar goes to American businesses.

In the state of Massachusetts, for example, A.I.D. purchased \$84 million worth of goods and services last year, and in the Boston area alone, we spent \$57 million.

Some of our projects may provide export opportunities for your firm.

- We are involved in capital projects. Our current portfolio for such projects is \$500 million annually;

- A.I.D. and the Ex-Im Bank have created a \$500 million mixed credit facility to support infrastructure projects;
- Our Commodity Import Programs provide developing nations with foreign exchange and credit to purchase U.S. goods; and so on.

Further information on these and other programs will be presented by John Wilkinson at the afternoon session on "Export Finance."

The Business and Development Partnership

As I've said, our mandate is to promote broad-based economic growth. In this context, we have launched the Business and Development Partnership Initiative. It starts with the simple premise that the American business man and woman is one of the best friends the developing world can have.

"Trade is a realistic way for American businesses to get their feet wet in overseas markets."

Included in the initiative are a business development network, a business advisory council, and a focus on emerging sectors in development.

A.I.D. and the National Export Initiative in the Future

We are committed to forging linkages between the U.S. business community and the developing nations of the world based on our belief that this partnership will benefit both parties. We know that the average American business does not go from domestic producer to major international investor overnight. But trade often leads to investment. And trade is a realistic way for American businesses to get their feet wet in overseas markets.

A.I.D. can be a valuable resource for helping you invest and find markets in those countries that are trying to help themselves. All of us would welcome your involvement, and we are prepared to assist you in any way possible.

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TESTIMONY OF
RONALD W. ROSKENS,
ADMINISTRATOR, U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT
TO THE HOUSE FOREIGN AFFAIRS COMMITTEE
THURSDAY, FEBRUARY 20, 1992

I. INTRODUCTION

Mr. Chairman and members of the Committee, thank you for this opportunity to present the Administration's FY 1993 Foreign Assistance budget request. A year ago, I began my testimony before this Committee by reviewing the international political changes that had occurred in the preceding months. At that time, few of us fully appreciated that we had witnessed only the beginning of a rapidly accelerating transformation of the world political order. Virtually no part of the world has remained untouched, and we have not yet seen the end of this process of change.

Like most fundamental changes, these forces create both new opportunities and new challenges for the United States. The end of the Cold War and the global trends toward democracies and market economies have dominated the media. Less attention has been given to other fundamental changes which also are shaping the world in which we live. Financial markets and services are increasingly global, and capital can move rapidly in response to merging opportunities. Technologies, firms and people are increasingly mobile across national boundaries, demanding continual adjustment and flexibility in how goods and services are produced and sold. While these economic changes facilitate the integration of markets, they also blur national boundaries and test the capacities of our economic and political systems to adjust to forces that are no longer within the control of any one nation.

The encouraging trend toward free enterprise and reliance on market forces within developing countries must be seen against a disturbing trend toward protectionism by the governments of developed countries. The vital contributions to development of the private sector and unimpeded international trade could be undermined by the emergence of regional trading blocks. The current uncertainty over the future of the General Agreement on Trade and Tariffs (GATT) could result in a new international

trade system that severely restricts opportunities for our increasingly important trading partners in the developing world.

The global trend toward democracy has also been accompanied by increasing ethnic and religious strife, and growing polarization within countries. Bitter, intractable and often unpredictable regional disputes and civil wars threaten to replace global confrontation between the United States and the Soviet Union.

Decades of investment in reducing infant mortality and helping to ensure child survival are threatened by AIDS and new strains of malaria. Success in increasing literacy throughout much of the developing world has resulted in a more educated, demanding and politically active populace.

Overall, the changes we have witnessed are both profound and encouraging, but we cannot assume that the significant gains of the recent past are secure or irreversible. The development achievements of the past thirty years are vulnerable. A large part of the world in which A.I.D. works is still politically quite fragile and volatile.

These new challenges mean that we cannot continue to do business as usual. A central and continuing concern of A.I.D. is assessing the forces of change and determining how we can best exploit the opportunities and guard against the threats that lie before us. My primary objective today is to discuss with you how we can ensure that our foreign assistance program is relevant, responsive and effective in this fast-changing world.

This is not something the Administration can achieve on its own, however. It requires continuing consultation with and support from the Congress. The Constitution assigns different roles to the Executive and Legislative branches. However, I firmly believe that whatever differences may separate us, they are minor compared to our common determination and commitment to make the changes necessary in order to respond to the great development opportunities which now lie before us.

In considering the future directions of the A.I.D. program, permit me to address three myths that frequently underlie and shape discussions about foreign assistance. First, there is the myth that the United States must choose between its pressing domestic problems or a continuing active engagement in international affairs, but it cannot do both. The second myth is that our foreign assistance funds are wasted because we do not know what works and what doesn't, and as a result we have nothing to show for over thirty years of A.I.D. work. Finally, the third myth is that A.I.D. may not be able to manage our foreign assistance program effectively in the future.

I believe that these myths are fundamentally mistaken and must be put aside if we are to have a meaningful and constructive

discussion of how our foreign assistance programs can be restructured. I hope to do just that in my testimony today.

II. U.S. NATIONAL INTERESTS

Some have argued that our domestic needs are so great that we can no longer afford foreign assistance. They ask why we should be providing U.S. taxpayers' dollars to help the poor in far away lands when we have poverty at home, many of our own citizens are out of work and the effects of a recession still linger over our economy. Those who espouse this point of view would force on us a false choice between looking after our own domestic priorities, and using foreign assistance to help shape the new international system.

It is a false choice because our national interests -- including the solution to our domestic problems -- are best served by a world in which the promises of justice and improved standards of living are being realized by rich and poor nations alike. This is only possible if developing countries, as well as those newly independent states struggling to create a new democratic society, share with us the benefits of expanding trade, dynamic market economies, democracy and justice within nations, and basic fairness between nations. This will help remove the occasion for armed conflict within and between nations, strengthen international cooperation, and provide expanding markets for U.S. products and services.

Our fastest growing markets are in the developing world, particularly in countries undertaking sustained policy reforms. The U.S. now annually exports about \$130 billion of American goods and services to developing countries. Since 1988, American exports to less developed countries have grown by 36.4 percent. In the past year alone, our exports to these countries grew four times faster than our exports to developed countries. Developing countries now account for approximately half of U.S. food grain and feed exports and a growing proportion of soybean exports. The potential for continued expansion of trade with these countries is enormous. By the year 2000, four out of five consumers will reside in the developing world.

But poor people make poor customers. For these markets to expand, the opportunities for jobs and higher incomes of all citizens in the developing world must increase. Our foreign assistance programs are intended to be an important contribution to this objective.

Growing foreign markets mean more jobs for American workers. Exports to developing countries (many of them current or past recipients of A.I.D. funding) now account for over 2.8 million American jobs, the equivalent of all the jobs now provided by General Motors, Ford, Chrysler, Sears, IBM, K-Mart and Walmart.

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Increased prosperity in developing countries means greater security for Americans. The effects of pollution and environmental degradation are not limited by international boundaries. They threaten the health and safety of all of us. The web of illicit drug production and trafficking entangles countries all around the globe, and only their cooperation can bring it under control. Poverty, disease and ignorance reach across national borders in their search for victims. The AIDS epidemic affects rich and poor nations alike, and it cannot be overcome by a single nation working in isolation. Increasing the participation of the poor in their governance and their economic progress will reduce their willingness to engage in armed struggle internally and across borders.

A.I.D.'s commitment to its core mission of economic development helps our global neighbors to become active and constructive partners in the new world community. The Administration's budget request, about one-fifth of one percent of our Gross National Product, is a modest but critically important investment in this better future.

III. WHAT WORKS IN FOREIGN ASSISTANCE

It is sometimes said that foreign assistance never seems to accomplish anything. Because global poverty is still with us, with its toll of shortened lives, disease, ignorance and restricted opportunities, the charge is that taxpayers' dollars have been wasted.

That is something which many in the developing world find hard to accept because there are clear advances. In developing countries, life expectancy at birth has increased from 46 years in 1960 to 62 years in 1987. Mortality rates for children under five years were halved over the same period, and two-thirds of all one-year-olds were immunized against major childhood illnesses. Primary health care is now available to 61 percent of the population of developing countries, and 55 percent have access to safe water supplies. Between 1965 and 1985, the number of primary schools in developing countries increased by almost 60 percent, and net enrollment increased nearly 6 percent on average over the period 1965-75. Family planning efforts have already helped decrease the average number of children per family from about 6.1 in 1965 to 4.4 in 1985.

A.I.D. has contributed to these achievements. I am thinking of the 316 million children A.I.D. helped immunize against communicable childhood diseases since 1985; the contribution we have made to the successful efforts to eradicate smallpox worldwide; the 300,000 men and women from developing countries who have received training in the United States under A.I.D. programs; or the more than two billion people who have received more than 320 million tons of American agricultural commodities.

About three-fourths of the contraceptives received from donors in the developing world come from A.I.D., which provides supplies to more than 100 family planning delivery systems in 80 countries. As a result of these efforts, the average number of children per woman in Colombia, for example, decreased from 6 in the early 1980s to 2.9 in 1990, and in Thailand the number decreased from 7 in 1965 to 2.1 in 1987.

As the largest donor to the accelerated immunization initiatives in Latin America and the Caribbean, A.I.D. has contributed to the virtual elimination of polio in the Western Hemisphere. Since the early 1980's, A.I.D. has been the sole donor working with the Government of Egypt in a program to control diarrheal diseases. With A.I.D. support, that program was expanded to national coverage in 1983, resulting in a sharp drop in infant mortality rates of nearly 50 percent over the short period of only five years.

The fact is that the achievements of the U.S. economic assistance program are many. This has been particularly true when A.I.D. has supported innovations and new approaches to development problems. Examples include our critical support for the agricultural research that led to the "Green Revolution" and our pioneering role in introducing oral rehydration therapy for infants.

Innovation, of course, means risk and we all know that not everything we have attempted has worked well. We have learned a great deal from our mistakes, and so has the donor community at large. There is a strong and growing consensus on what works in development, and what doesn't.

One key lesson to emerge from the past three decades is that economic policies and institutions are crucial determinants of development -- not just economic growth, but social and economic progress as well. Development investments are most productive when economic policies foster both domestic and international competition. Competitive markets improve the efficient use of scarce resources, increase entrepreneurship and accelerate technological progress. Markets are never perfect, but the unmistakable lesson from Central and Eastern Europe, and from the former Soviet Union, is that in general they are the most reliable engine for sustained, broad-based growth.

Competition and efficiency do not occur spontaneously, however. They are fostered by the legal and regulatory framework established and enforced by the state. A constructive and complementary partnership between governments and markets is most likely to be achieved in democratic societies. Democratic institutions and values help prevent abuses of power and the emergence of political systems that retard broad-based economic growth and social development. Governments that respect basic human rights, abide by the rule of law and are accountable to their citizens are more likely to address the basic needs of

society and improve the lives of all citizens.

Efficient and growing economies also require substantial investments in the development of human resources. These include sustainable systems to provide basic health care and opportunities for education and training. In some cases, these investments may best be made by the private sector. In others, it is the government that must provide essential services to those who cannot yet participate fully in the market process -- the poor.

With the appropriate policy and regulatory framework, and with adequate human resources, the institutional and physical infrastructure necessary to expand the production of goods and services can be developed successfully. Without these prerequisites, our experience has shown that institutions cannot work effectively and investments in physical infrastructure fall into disuse and decay.

These three factors -- economic and political reform; human resources development; and institutional and physical infrastructure -- have been shown to be essential to successful development, and therefore define the core of the A.I.D. program.

IV. MANAGING FOREIGN ASSISTANCE

A third concern is the management of foreign assistance. Even when development assistance can be shown to be in the U.S. national interest, and even if we know what is necessary for sustained, broad-based growth and development, many argue that in general the government's record of managing public resources is poor, and A.I.D.'s management record has fallen woefully short.

More than three years ago, A.I.D. took the initiative to review systematically the management problems facing us and to develop plans to address them. In 1989, A.I.D. staff completed two internal reports on management weaknesses, the "Bollinger Report" and the "Yeager Report." In addition, in 1990 we asked the consulting firm of Deloitte and Touche to complete an independent review of the Agency's organizational structure.

Acting on the conclusions and recommendations of these efforts, A.I.D. embarked on a major reorganization in May 1991, the first across-the-board changes since the 1970s. The objective was to improve the efficiency of our operations, and the quality and cost-effectiveness of our programs. The number of geographic bureaus was expanded to five, reflecting the new programs in Central and Eastern Europe, the Baltics and the former Soviet Union. To improve coordination of A.I.D. activities, an Operations Directorate was established. To strengthen oversight of the Agency budget and staff requirements, and to improve management of vulnerabilities, a Finance and Administration Directorate was also established. To strengthen

the capacity for strategic planning, policy development and evaluation, a Policy Directorate was also created.

Changes in the organizational structure of A.I.D. are not sufficient. Each of these organizational units is to focus on managing for results and to hold managers accountable for achieving specified objectives. At the same time, the reorganization calls for reduced paperwork and simplified procedures.

These A.I.D. initiatives have more recently been supplemented by the work of a GAO team, a congressionally mandated Presidential Management Commission, and a joint A.I.D.-OMB "Swat" team. In many cases, our own early studies have been primary resources for these subsequent efforts, which have built upon our own analyses and findings.

There is general agreement on the nature of the management problems we face. I have looked at a number of the recommendations being considered by the GAO, the Presidential Management Commission and the A.I.D.-OMB team. Many of them confirm our own conclusions. Often these teams recommend lines of action we have already initiated. Some of these will take some time to implement fully, but the process is underway.

What I suggest, therefore, is not a protracted discussion of past mistakes and what needs to be fixed, because A.I.D. and the various independent groups with whom we have been working already basically agree on the problem. Instead, I would like to look at how fast we are progressing on some of the significant changes underway, and what can be done to accelerate the pace. We need your help and cooperation in bringing this process to a successful conclusion. I can assure you that A.I.D. will be a willing partner. Let me enumerate some of the actions we are already pursuing.

Actions Underway Over the past two years, A.I.D. has worked steadily to improve internal management and accountability. There has not been enough time for major changes, but gradually these improvements are making a difference. For example, we have consolidated all audit recommendations into a single list, and established a senior Agency management control review committee to track progress in responding to them. To ensure accurate, timely and complete financial reports, we are developing a new primary accounting system which will resolve accounting, internal control and financial reporting problems with which we have struggled for several years.

We are strengthening the programming system by insisting on explicit development objectives for each country program, along with measurable indicators of achievement. These will be a critical means for assessing the effectiveness of A.I.D. programs. A.I.D. has also dramatically expanded its evaluation capacity, with nine Agency-wide program and operations

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evaluations currently underway and scheduled for completion over the next 12 months.

We have streamlined our contracting system by establishing a new contracting mode for A.I.D. projects. These new instruments will allow us to execute fewer contracts and monitor them more closely. Next week we will begin training A.I.D. overseas staff in the development and use of these new techniques.

In an effort to quell the perception that A.I.D. is a "closed shop" we have also instituted a Procurement Information Access System (PIAS) which makes information on upcoming projects available to contractors before the procurements are advertised. The information is available to contractors through a computerized bulletin board at the Department of Commerce for a minimal charge. The PIAS system is new, but initial response has been favorable.

As a part of our procurement review, we have carefully examined and strengthened our "Buy America" procedures. A.I.D. missions are now required to provide explicit documents for all procurement waivers in order to ensure that they are used only when appropriate.

A.I.D. has also improved accountability for host country contributions, local currencies and cash grants. We have initiated steps to assess future skill requirements in order to strengthen our workforce planning. Finally, we have just received the recommendations of an internal working group on improving the incentive system as a fundamental part of changing the corporate culture at A.I.D. to focus on results and reward good performance.

We will continue to seek and implement further programmatic and management improvements. However, these are management tools which have a limited impact. By themselves they cannot solve the problems of managing the A.I.D. program if there is no progress in achieving greater program focus.

Program Focus Fundamental to success in managing A.I.D. resources is agreement on reducing the number of priorities to which foreign assistance is directed. We do not have the resources or staff to respond adequately to all the legitimate needs of developing countries. We cannot pile multiple objectives and purposes on each assistance dollar and still have an acceptable outcome. Over the past year, rapidly changing political events have demanded that we expand into new program areas, such as the new independent states of the former Soviet Union, Central and Eastern Europe, Cambodia, Ethiopia and Angola. Yet there has been no agreement either to augment our human and financial resources to manage these new responsibilities, or to reduce other activities. The result is an increasingly frantic dash to do more without additional resources. Ultimately, our ability to perform well and complete even essential tasks is

severely threatened.

This leads to a vicious circle. The more earmarks, mandates, and directives that are added to our program, the harder it is to manage even a few activities well. The need to respond to short-term emergencies frequently crowds out the long-term and sustained efforts that are necessary to successful development assistance. At the same time, we are frequently reluctant to sacrifice existing programs in order to meet new demands. This in turn leads to management and oversight problems, resulting in a tendency to increase reporting requirements and tighten oversight functions. Inappropriate or redundant reporting requirements themselves further deplete scarce management resources, and compound the problem of trying to do too many things with too few people.

To break out of this circle, Congress and A.I.D. must work together to concentrate our efforts on countries which are of particular significance to us. Within each country program, we need to focus our limited resources on a few key areas where we can really make a difference. We need to acknowledge the implications of these choices, and be prepared to adjust the allocation of our management and human resources accordingly. We need to review our current reporting requirements to make sure that the information that is truly important is quickly available, while overlapping and inappropriately detailed reporting is eliminated.

We are under no illusion that this will be an easy process. There are many good reasons for doing many things throughout the developing world. But hard choices must be made. The simple and difficult fact is that A.I.D. cannot successfully take on every worthy development task in every country. We do little good for ourselves and make few lasting contributions to developing countries if we pretend otherwise.

We do not expect any sudden transformation in our program. It will take time, in part because while many will agree with the general principle of program focus, they will object to its application in any specific instance. Nonetheless, this must begin, and we must persevere despite the objections.

A.I.D. has already taken some initial steps. Over the past six months, our regional bureaus have reviewed each country program to reduce the number of areas within which A.I.D. will work. We have also reduced, adjusted or terminated assistance levels where the performance of the host government has been disappointing and economic reforms have not moved forward (Guatemala and the Philippines Multilateral Assistance Initiative, for example) or human and political rights have been violated (Kenya, Zaire and Haiti, for example).

However, these actions have been offset by the major new programs in Central and Eastern Europe, the Baltics and now the

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former Soviet republics. Much needs to be done to weigh these new needs against old commitments, and to arrive at a better balance between emerging demands and our capacity to discharge our mandate effectively and responsibly.

As we become more selective in what we do, we are also working harder to assure that our programs are carefully coordinated with those of other donors. In this way, we can identify the areas where A.I.D. programs are particularly needed, and we can enhance the impact of all donor assistance.

A.I.D. programs will be judged by how well they advance overall U.S. interests by accelerating the long-term development of our partner countries and how well they improve the daily lives of poor people in these countries. Our objective is to provide them with expanded opportunities, increased incomes and an improved quality of life. On this foundation, we can build strengthened international cooperation to expand markets, reduce international conflict and resolve common world problems.

V. FY 1993 PROGRAM SUMMARY

For the FY 1993 bilateral foreign economic assistance programs, A.I.D. requests \$6,806,075,000 in new appropriations. This request is in addition to \$42,677,000 for the already-authorized annual payment to the Foreign Service Retirement and Disability Fund (FSRDF), \$49,637,000 for prior-year Housing Guaranty costs, and \$36,500,000 in reappropriation under deobligation-reobligation authority.

This request level includes funding for Development Assistance (DA), the Economic Support Fund (ESF), the Special Assistance Initiatives (SAI) program, and \$350,000,000 for Humanitarian Aid to the New Independent Republics (former Soviet Union). It excludes food assistance under Titles II and III of P.L. 480, which will be requested by the U.S. Department of Agriculture but administered by A.I.D.

Development Assistance

For Development Assistance, the total FY 1992 request is \$2,814,075,000, including funding for Development Programs, the Development Fund for Africa (DFA), the new Capital Projects Fund, and other ongoing programs (the American Schools and Hospitals Abroad (ASHA) Program, International Disaster Assistance, the Housing Guaranty program, the Private Sector Investment Guaranty program, and Operating Expenses for A.I.D. and the A.I.D. Inspector General).

1. Development Programs The Agency's FY 1993 authorization request for Development Programs totals \$1,265,500,000, excluding \$21,500,000 in reappropriation for deobligation/reobligation activities. The proposal for a single Development Programs

account has been requested in Administration-proposed foreign assistance legislation currently before the Congress.

2. Development Fund for Africa (DFA) For FY 1992, A.I.D. requests \$775,600,000 for the DFA, including \$50,000,000 to support the activities of the Southern Africa Development Coordination Conference (SADCC). We request that DFA funds be available until expended. The DFA continues to prove to be an invaluable tool in further focusing and concentrating resources in a limited number of countries where they will be used most effectively and allows use of management resources as efficiently as possible.

3. Capital Projects Fund A.I.D. is requesting \$100,000,000 for a new Capital Projects Fund in FY 1993, to support investments in developmentally sound and economically viable capital projects in order to expand opportunities for more economic activity and job creation in developing countries.

4. Other Development Assistance Programs **Private Sector Investment Guaranties** promote a market-oriented approach to development by supporting key private sector activities through loan guaranties at commercial market rates of interest, especially for small and medium enterprises. The program leverages our scarce foreign assistance resources by attracting private capital on a three- or four-to-one basis. A.I.D. requests a loan guaranty limitation of \$114,000,000, including \$5,346,000 for investment subsidy costs, \$319,000 for direct loan subsidy costs, and \$1,447,000 for administrative expenses.

The **American Schools and Hospitals Abroad (ASHA)** program assists private, non-profit American-sponsored schools and hospitals overseas which demonstrate American ideas and practices in education and medicine while serving the citizens of the countries in which they are located. For FY 1993, we are requesting \$30,000,000 for the ASHA program.

International Disaster Assistance is provided through A.I.D.'s Office of U.S. Foreign Disaster Assistance (OFDA), which coordinates U.S. private and public emergency relief work overseas to alleviate the effects of natural and man-made disasters threatening human life. A.I.D. is requesting \$40,000,000 for the disaster relief component of this program.

The **Housing Guaranty** program is used to guarantee housing and infrastructure loans from American financial institutions to developing countries at various income levels to provide affordable shelter and related facilities. Resources are also made available for technical assistance, institutional development and training to encourage private sector solutions to these problems. A.I.D. is requesting \$95,000,000 in guaranty authority, including \$16,407,000 in program funds for subsidy costs, and \$7,000,000 in program funds for administrative costs.

Operating Expenses (OE) cover salaries and other support costs of A.I.D. operations in Washington and at overseas locations, except for the Office of Inspector General and the costs of administering the Agency's credit programs. The OE request for FY 1993 is \$531,000,000. This request will permit A.I.D. to maintain its current overall personnel level and cover new programs in Eastern Europe and the Baltics. This request levels reflects decreasing availabilities of trust funds to cover some operating costs. The Administration is requesting a separate authority to cover administrative costs for operating programs in the New Independent States, under the Humanitarian Aid account.

Inspector General (IG) operating expenses are appropriated separately and cover the cost of domestic and overseas operations of A.I.D.'s Inspector General. A.I.D. is requesting \$41,456,000 for IG operating expenses for FY 1993.

Economic Support Fund

The Economic Support Fund (ESF) addresses economic and political foreign policy interests of the United States, in some cases related to military base rights or access rights agreements. The request level for ESF for FY 1993 is \$3,112,000,000, excluding deobligation and reobligation operations estimated to be \$11,000,000.

To the extent feasible, the use of ESF conforms to the basic policy directions underlying development assistance. ESF can finance balance of payments and economic stabilization programs, frequently in a multi-donor context. Major ESF programs continue to be in Israel, Egypt, Central America and Turkey. In addition, the ESF request also includes \$250,000,000 to fund a key part of the Andean Counter-drug Initiative and \$100,000,000 for the New Independent States (former republics of the Soviet Union).

Special Assistance Initiatives

The Special Assistance Initiatives (SAI) program, established in legislation in FY 1990, provides funding for extraordinary economic assistance in developing countries. These funds will be used to finance the U.S. contributions to the Philippines Multilateral Assistance Initiative (MAI) and to support the democratic evolution in Eastern Europe. For FY 1993, A.I.D. is requesting a total of \$530,000,000 -- \$80,000,000 for the MAI and \$450,000,000 for Eastern Europe.

Humanitarian Aid to the Former Soviet Union

In addition to the \$100,000,000 requested under ESF, \$350,000,000 is requested in FY 1993 for Humanitarian and Technical Assistance to the New Independent States (the former republics of the Soviet Union), including authority to use a portion of the funds for related administrative expenses. The

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Administration is also requesting legislative authority to provide \$150,000,000 in humanitarian assistance to the New Independent States in FY 1992.

P.L. 480 and Other Food Programs

Under the 1990 revision of the Agricultural Development and Trade Act, A.I.D. is charged with implementing the revised Title II and Title III grant programs, although funding for both programs is appropriated through the U.S. Department of Agriculture. In addition, A.I.D. is responsible for implementing the Farmer-to-Farmer program, a grant program to provide cash support to private voluntary organizations (PVOs) and cooperatives implementing food aid programs, and for establishing a Food Aid Consultative Group with the participation of PVOs.

Budget authority requested for FY 1993 Title II programs (grant-funded private voluntary organization, World Food Program and emergency operations) is \$639,800,000.

Budget authority requested for FY 1993 Title III programs (grant-funded government-to-government development programs) is \$326,700,000, which includes both commodity and transport costs.

VI. CONCLUSION

We are privileged to live in an extraordinary time in which we face opportunities which were unimaginable only a few years ago. This is also a time that tests our imagination, creativity and capacity for change.

The United States economic assistance program can and should be an integral part of our response to these changes, and a valuable tool in helping to shape the new world that is emerging. We have made a start in this direction, and in consultation with Congress, I am confident that we can continue to adapt our program to meet the demands of this new age.

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AGENCY SUCCESS STORIES

Agriculture

Agricultural development assistance is one of the principal tools the U.S. Agency for International Development uses in helping developing countries meet the food and income needs of their growing populations. USAID is meeting the challenge of increasing food production in developing nations by helping to improve agricultural technology, building self-sustaining agricultural institutions, and working to reform government policies that discourage production.

- The Guatemala Small Farmer Diversification Project

Through four interrelated projects, USAID actively promoted opportunities for small-scale farmers in the Highlands Region. USAID supported technical assistance, training, and the installation of basic farm infrastructure such as terracing and irrigation. The Small Farmer Diversification Project was designed to improve the socioeconomic conditions of rural people in the Western Highlands. With \$9.1 million in USAID funds (of which \$5.5 million was a loan), the project aimed to strengthen public agricultural sector capacities and provide technical assistance, training, and financing to stimulate small-farm diversification.

A survey taken in February 1987 compared project participants and non-participants. Farms influenced by the project earned, on average, more than three times the net income from all sources than farms outside the project. Annually, farm households benefitted by the project consumed 10 percent more food than non-project farms. Increased income spent on food items provide a direct benefit to U.S. farmers by creating increased demand for U.S. feed grain exports.

- Kenya Fertilizer Project

The government of Kenya managed the pricing of fertilizer and had set an artificially high price that effectively curtailed the use of fertilizer. USAID implemented the Kenya Fertilizer Pricing and Marketing Reform Program that combined \$45 million in commodity assistance (fertilizer) tied to policy reform with \$1.1 million in technical assistance.

The government of Kenya now has decontrolled fertilizer prices. The Kenya National Fertilizer Association, a private-sector interest group established under the program, is actively participating in and influencing the policy reform agenda.

As a result of the program, price competition is fierce at the wholesale and retail levels.

Wholesale pricing competition and the absence of official prices have expanded the use of fertilizer by lowering price and increasing supply. The average farmer now has greater access to fertilizer.

- New Crop Varieties Big Hit in Cameroon

USAID provided financial support for research to develop a new variety of cowpea. Cowpea is a high-quality protein source and makes a valuable contribution to family nutrition. Scientists from Michigan State University and Purdue University collaborated with Cameroonian scientists at the Institute for Agronomic Research.

The scientists developed a new variety of cowpea, called uya. The new variety of cowpea yields 20 times more than ever before. Another successful program in Cameroon has been the maize agronomy program. There have been several increases - the number of maize farmers; total maize production (394 percent); yield per hectare (113 percent); increase in farmer income (113 percent); and better nutrition for the farm family.

- Cereals Marketing Restructuring Project In Mali

In the Cereals Marketing Restructuring Project, USAID helped Mali loosen central government control of commodity sales and gave private entrepreneurs a chance to compete in the marketplace. For example, Broulaye Diakite used to risk stiff fines and having his goods confiscated at roadblocks for privately selling cereal grains. To help the government of Mali get out of the grain trade, a move fraught with political and economic risk, USAID and nine other donors promised food aid to stabilize the markets while the government opened the cereals trade market to the emerging private sector.

Because the government moved out of the cereals business, Diakite could move into the void. His business is flourishing.

- Land Use and Productivity Enhancement Project in Honduras

USAID helped to design and fund the Land Use and Productivity Enhancement Project. One of the objectives is to give rural families the necessary techniques for planting and managing natural resources. A farmer, Amadeo, used to "sit and cry" because he was not growing enough corn to feed his family. USAID provided training to Amadeo on how to get rid of pests and how best to plant his corn.

Amadeo learned soil conservation techniques from USAID advisors and from other farmers. Amadeo now harvests enough corn to feed his family because he uses locally-available organic fertilizer. "Just as people need food to live, the land also needs food," he said.

- Integrated Pest Management Program in Indonesia

Indonesia's self-sufficiency in rice was threatened in 1986 by the Brown Plant Hopper disease. An Indonesian presidential declaration recognized that Brown Plant Hopper disease was induced by the misuse of pesticides and banned 57 of 66 then-registered types of pesticides. The government program that distributed seeds and fertilizers had also forced farmers to use pesticides. The total national pesticide subsidy during the 1980s exceeded \$100 million per year.

USAID financially supported a program to train farmers in integrated pest management techniques. The program goes far beyond entomology to include basic crop management and viewing the agroecosystem as an integrated whole.

In the three years following 1986, the pesticide subsidy was stepped down and eliminated. Pesticide production dropped 65 percent in four years (1987-1990), while rice production continued to increase.

Microenterprise

In most countries only a small fraction of the poor have access to improved technology through technical assistance. USAID is working around the world to help the majority of the poor gain access to the kinds of financial and other institutional services that enable them to pursue their individual economic activities.

- Microenterprise in Indonesia

USAID worked with Indonesia's Ministry of Finance to convince it to try a program aimed at the poor. USAID provided financial and technical support to Bank Rakyat Indonesia. It financed training of the enormous bank staff and maintained a team of experts to advise and further train staff.

As a consequence the program mobilized more than \$600 million -- all from the savings of its clients -- and the days of dependence on USAID are drawing to a close. The bank is now approaching 2 million borrowers and 7 million savers.

- Microenterprise in Kenya

USAID's microenterprise program enabled Julius Gikonyo and his wife Esther Wanjiru to obtain a \$400 loan. They had a small two-table cafe but were unable to obtain a loan from the bank to expand their business. Julius and Ester used most of their loan to start a shoe business next to their cafe and to buy a greater stock of flour.

They are now selling leather and brightly colored plastic shoes. The greater stock of flour has boosted sales of doughnuts in their cafe. With their profits they hope to buy land.

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- Microenterprise in Honduras

USAID helps sponsor FUNADEH, a local private voluntary organization in San Pedro Sula, which provides short-term, working capital to microentrepreneurs. For example, Cesar Trajito Nunez and his wife were making T-shirts in their house.

They now own a shop, "Industrious Jerry's", and employ 15 people. Through FUNADEH they received an \$800 loan. They have received five loans and have recently purchased a machine to dry the imprint on the shirts. With the help of the machine, a shirt can be dried in 30 seconds as opposed to a half-day on the clothes line. They make 360 T-shirts a day.

- Promotion of Rural Initiatives and Development Enterprises (PRIDE) in Kenya

PRIDE, a non-profit private development agency, received its capital through the USAID-financed Kenya Rural Enterprise Program. One beneficiary, Eunice, sells vegetables at a roadside stand in Ravine in the South Baring District of Kenya. A single parent with nine children and no credit history or collateral, Eunice was unable to get a loan from anyone. She received a loan of 3,000 Kenya shillings (\$150) from PRIDE and used it to expand her stock.

Eunice has now doubled her income, which covers expenses and leaves her a small profit. With her increased income, she buys food and clothes for her children as well as make her weekly loan repayment of 66 shillings (\$3.30).

Women In Development

Women are essential to economic and social development. They head one of every three households in the developing world and produce more than half of the world's food. USAID is a world leader in its efforts to enable women to become active participants in the planning for and benefitting from economic growth.

- Bringing Women into the Development Mainstream

USAID funded an innovative dairy project in Thailand designed to involve rural women in small business through access to credit, agricultural extension services, and training formerly reserved for men. For example, Boontieng Lattisoongnien has a small herd of cows and is typical of women in developing countries in that she had little or no chance of improving her fortunes.

The project has helped her buy a small herd, buy a new shed, buy modern milking equipment, and upgrade her pasture land. "I am saving more money each month than I used to earn in a year," she says. "Although my three oldest children, all sons, completed only elementary school, I am using some of my savings to send my daughter to the university." Her daughter will study business, Lattisoongnien proudly explains, "so she can take over our dairy someday."

- Integrating Women into Natural Resource Management in Honduras

USAID helped design the Land Use and Productivity Enhancement Project to provide women with the necessary knowledge and technology to help them improve the living standards of their families. The project focuses on enabling women to learn ways to improve their families' diet, generate cash income, and care for livestock more productively.

Over the life of the project, a total of 2,500 "Iorena" stoves have been constructed. These stoves burn 50-80 percent less fuelwood -- a per-household savings of about \$29 per year -- and have the added advantage of keeping smoke out of the houses in which they operate.

- Sesame in the Gambia

USAID funded an agricultural research project in the Gambia that was conducted by Catholic Relief Services. Most Gambian farmers, like Fatou Nije, grow large quantities of groundnuts for export. However, the farmers were prohibited by law from processing groundnuts to obtain oil for local consumption. They were forced to go to the city to buy imported oil.

The project led to the introduction of sesame seed and helped organize Gambian farmers, mostly women, into 16 sesame growers associations. Today, farmers are producing sesame to meet local needs. Villagers no longer travel to the city to buy imported oil. And, oil has been eliminated from the products distributed in the Gambia as food aid. In addition, five weaning foods have been developed and promoted using sesame.

Training

Educating and training the men and women of developing countries are important parts of the U.S. international development program. Meeting the challenge of economic development and sustaining it require the leadership and technical know-how resulting from a sound human resource base. USAID's education and training are critical to these efforts.

- Training Successes

USAID has trained more than 300,000 people in fields ranging from demographic to new techniques in meat processing. Foreign students train in American universities, community colleges, technical schools and non-profit institutions. The length of training ranges from three weeks to six years.

- The top four states in the number of trainees are Texas (852), California (1417), Florida (1177), and New York (855).

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- In FY 90, under the program, USAID trained more than 19,000 women and men from 80 countries.

President Turgut Özal of Turkey, President Jorge Serrano Elias of Guatemala, and many ministers of various countries received training in the United States under USAID sponsorship. In 1972, President Serrano began his master's degree work in educational development at Stanford University and received his M.A. in August 1973.

The current Minister of Economy and Finance of Peru is Carlos Bolona Behr. Minister Bolona was an USAID-sponsored student from 1971-1973 when he obtained a master's degree at Iowa State University. In his few months in office, Minister Bolona has introduced important economic reforms directed to reduce state intervention, protectionism, tariffs, and generally set up the environment for the transition to a free-market economy.

- Entrepreneurs International

USAID developed a training program whereby it sponsors businessmen and women for short stays in the United States. During their stay, they receive hands-on-training at a U.S. small business or company. For example, Edward Williams of Ghana recently spent a month in the United States. As managing director and owner of Eddy Williams Manufacturing Limited, a printing and publishing company that produces textbooks and stationery, Williams arrived in the United States with several objectives in mind. He wanted training in textbook, stationary, magazine, and corporate brochure printing. While in the United States, Williams participated in a desktop publishing workshop in Santa Clara, and trained for 3 days with McGraw Hill, Inc, in New York, and attended various meetings with government officials.

As a result of his stay in the U.S. Williams entered into an agreement to undertake a joint venture with Syngort Corporation, an American firm. The venture will intensify Williams' production of recycled packaging materials. Syngort Corporation will finance the purchase of raw materials, and Williams' company will provide the land and labor. Williams also purchased \$600,000 worth of paper and paper boards from Syngort.

- Technical Training

USAID provided a three-year, \$50,000 grant to provide technical skills training in the Philippines. The program provides training for participants in skills necessary for productive jobs in the community and is designed to train about 600 students during the three-year period. When training is completed, each graduate is placed in a factory or company for a three-month, on-the-job training period. For example, Samuel Salinas was financially unable to attend school beyond a high school level. "I entered this program because I was determined to find a better future," said Salinas.

The program has provided technical skills training to 135 young Philippine men. About 85% of the trainees are hired for permanent positions by the company with which they

trained. "Without this training, I would have ended up just selling native products on the street," said Salinas.

Family Planning Successes

- In the 28 countries with the largest USAID-sponsored family planning programs, the average number of children per family has dropped from 6.1 in the mid-1960s to 4.5 today.
- Total fertility rates declined dramatically in every region; for example, between 1965 and 1991 the rate dropped in:
 - *Brazil 6.5 to 3.3;
 - *Colombia 6.3 to 2.9;
 - *Mexico 6.7 to 3.8;
 - *Indonesia 5.5 to 3.0;
 - *Thailand 6.3 to 2.2;
 - *Morocco 7.1 to 4.5;
 - *Tunisia 7.0 to 4.1;
 - *Kenya 8.1 to 6.7;
 - *Zimbabwe 6.6 to 5.6; and,
 - *since 1981 in Botswana from 7.1 to 4.9.
- In Turkey, a mass media campaign was launched in 1987. Through a partnership of USAID, the Johns Hopkins University and the Turkish Family Health and Planning Foundation, 80 percent of all women were reached with family planning messages. Based on a nationwide survey, this program resulted in an increase in the number of eligible couples using modern contraceptives of 5-6 percent.
- In Indonesia, USAID has helped the national Family Planning Board (BKKBN) test strategies that demonstrate greater sustainability can be achieved by sharing the burden of financing public sector services with the private sector. Between 1987 and 1990 the number of clients purchasing oral contraceptives increased from 19 to 35 percent; referrals to private providers increased more than sixfold; family planning services provided by nurse mid-wives in the private sector increased by 50 percent; and after only one year three private clinics were self-supporting.
- Declines in Africa are as rapid as reported in Thailand, Korea and Mexico; however, the birth rates in Africa began at much higher levels. USAID expects that the decade of the 1990s will be one of transition toward lower average family sizes in most parts of sub-Saharan Africa.
- The USAID population program has been active in achieving one of the most dramatic fertility declines in the world. In Colombia, between 1960 and 1990, the total fertility rate dropped from 7.0 to 3.0. Equally dramatic is the increase in contraceptive prevalence from 23 percent in 1969 to 58 percent in 1990.

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- Worldwide, 85 countries are receiving population assistance because of USAID.

Environment and Natural Resources

Tropical forests have been reduced to about 55 percent of their original cover and are being further reduced by about 100,000 square kilometers per year. USAID is a world leader in promoting prudent natural resource management through economic policy reform, improved technologies, institutional strengthening, training and environmental education.

- Niger's Guesselbodi National Forest

By 1980 in Niger, 40-60 percent of the forest's vegetation had disappeared and most of the topsoil had washed away. With support from the Niger government, USAID and the U.S. National Cooperative Business Association (a U.S. PVO), the local farmers and woodcutters replanted 5,000 hectares in the devastated reserve as the centerpiece of a village-level demonstration project.

Today, more than 13,000 hectares of Niger's woodland are under community control, compared with 1,500 in 1986. USAID's Forestry and Land Use Project successfully involved local people in communities near the Guesselbodi Forest. The people directly participated in sustainable management and income generation from natural forest and woodlands areas in a national forest that was originally under the jurisdiction of the Niger Forest Service. The Guesselbodi success helped lead the government of Niger to issue a decree in 1990 that permitted village communities throughout the whole country the right to manage and share the benefits from the natural forests in the vicinity of their villages.

- USAID'S Program to Save Tropical Forests

USAID, the U.S. Department of Agriculture and the Peace Corps recently signed a \$45 million agreement to continue technical support of forestry activities in 42 developing countries. The second 10-year phase of the project that began a decade ago has the twofold goal of helping developing nations grow more trees while protecting those already in existence. The new agreement brings the amount to \$65 million that USAID has so far committed to the ongoing project.

Some results:

- In Ghana, Rotary Clubs are planting thousands of trees.
- In Honduras, work will continue to protect stands of pine.
- In Ecuador and Guatemala, the project will continue to support economically viable small and medium-scale forests that were set up through private enterprise development programs.

Education

Access to basic education--the first 10 years of school-- has declined in developing countries since 1980. Functional illiteracy is a significant problem in most developing countries.

- Education Successes

- * In rural Egypt, primary school construction has resulted in increasing girls' enrollment by 29 percent and reducing school dropouts by 17 percent.
- * In Honduras, teacher training, textbooks, and interactive radio instruction resulted in doubling the first-grade pupils achieving competence in mathematics.
- * In Indonesia, policy research is resulting in restructuring the vocational education system.
- * In Jamaica, 350,000 primary school students have received newsprint textbooks, resulting in improved classroom performance and test scores.

- Learning Technologies Project

USAID established the Learning Technologies Project to improve the teaching of basic primary skills in developing nations through the use of interactive radio instruction and other instructional techniques. The Learning Technologies Project is being used in Belize, Honduras, Bolivia, Costa Rica, Dominican Republic, Grenada, Nepal, and Papua New Guinea.

Evaluations have shown that combining the best expertise in curriculum design with creative radio programming can consistently raise student achievement. The annual cost per child is typically under \$1. More than 500,000 children are learning daily through interactive radio.

Health

For millions of people in the developing world -- suffering from malnutrition and diseases such as malaria, river blindness and AIDS -- good health is an elusive goal. Yet, good health is vital to well-being and economic productivity.

- Africa Child Survival

USAID designed the Africa Child Survival Initiative to: 1) strengthen the ability of African countries to control preventable childhood diseases through immunization; 2) treat dehydrating diarrheas with oral rehydration therapy; and, 3) treat and prevent malaria with appropriate drugs. The overall goal of the project is to achieve a 25 percent reduction in infant mortality rates.

This program has played a major role in enhancing child survival in Africa. For example, in Zaire, child mortality decreased by 21 percent in project areas. In three countries with national surveillance, Burundi, Togo, and the Central African Republic, the incidence of polio has decreased by 75 percent since the project began. At least 80 percent of all health facilities currently use oral rehydration therapy. Some data suggest mortality declines of at least fifty percent where effective oral rehydration therapy has been employed.

Research

- A New Vaccine to Save Cattle

Eradication of rinderpest (the German word for cattle plague) has long been the goal of many developing countries that rely on livestock as an important part of their economies. Cattle and buffalo provide food, fuel, fertilizer, animal power, and income. Their loss can create economic hardship and hunger.

Through an USAID-funded program, researchers in the United States recently developed a new vaccine against this deadly viral disease that kills more than 2 million cattle and buffalo annually.

The new vaccine, developed under a three-year, \$870,000 cooperative agreement between USAID and the University of California at Davis requires no special handling or refrigeration and is easy to produce, transport, and administer in the field. The new vaccine has tremendous potential for saving millions of cattle worldwide, and the biotechnology methods used can apply to the development of livestock vaccines in the United States.

Democracy

USAID supports a range of democracy programs including strengthening human rights commissions in Africa, legal education and training for law professionals in the Near and Middle East, and strengthening local institutions in their efforts to develop democratic systems.

Democracy in Central and Eastern Europe

Since 1989, USAID programs in Poland and Hungary have worked to help foster free market-oriented economies and private enterprise and to support political pluralism through assistance to democratic institutions.

Free Elections

USAID provides technical support to countries seeking to hold democratic elections. With USAID assistance, Nicaragua held its first free and fair election in more than 50 years. For the first time in history, all the countries of Central America have

democratically elected civilian governments.

QUOTABLES

PRESIDENTS

George Bush

"The American character...has many elements, the foremost of which is our devotion to freedom. The love of liberty drives our national heartbeat."

"What is the American dream, if it isn't wanting to be part of something larger than ourselves? If it isn't creating a better life for our children than we might have had? If it isn't the freedom to take command of our future?"

"It's been said, 'Hope is a waking dream.' That awakening begins with learning; understanding the power and potential of individual effort; developing a skill, and with it, independence; earning a living, with dignity and personal growth. More skills mean more freedom -- more options for even greater opportunity."

"...growth abroad can help the United States."

"As newly-freed people around the globe are learning, political freedom is connected to economic freedom."

"We should be confident as a country about what lies ahead. America has a track record of success -- success shaped with our own hands. Sometimes in our impatience, yes, we've made mistakes -- but when we do, we dust ourselves off and go at it again. Every American should take pride in this country's fundamental goodness -- decency. Each of us must resolve in our own hearts that for all the good we've done, it's time to do better -- much, much better."

"Our two peoples are separated by thousands of miles, but we are linked across that vast distance by a common faith in freedom -- and by that faith, to a common future as friends."

"The legacy we leave to our future generations must be an alliance of democratic institutions, free markets, and environmental stewardship."

"Thomas Jefferson knew -- and Eastern Europe recently reminded us -- that the powers of any society rest ultimately with the people themselves. Education provides the grounding in ideas and values crucial to maintaining democracy and prosperity. It serves as our greatest source of social, economic, and, yes, moral power."

"Development and prosperity mean less pollution, not more. In this way, the good you do today can mean good news not only for the people of your hometowns, but also for the people of your homelands."

"A time of change, new growth and new beginnings. And across the continent from the Yukon to the Yucatan, you can be a part -- all of you -- of this vision for the new world. A community of nations, prosperous and free, the cornerstone of the world's first fully democratic hemisphere."

"We are united with the Polish people by strong ties of kinship and culture and by a mutual love of liberty."

"The United States is proud to stand by our Polish friends as they work to transform their triumph over tyranny into lasting freedom and prosperity."

"We must commit ourselves to policies that will promote growth and prosperity into the next century."

"We must serve those for whom the American Dream still seems an impossible dream."

"...a Europe that is whole, prosperous, and free."

"The primary challenge for achieving economic growth lies with each individual country. Our challenge in this country is to respond in ways that support the positive changes taking place in the [western] hemisphere. We must forge a genuine partnership for free market reform."

"Today, as so many of the newly emerging democracies struggle to put in place the foundation stones of freedom, the American people can light the way forward."

Jimmy Carter

"Our programs of economic development assistance abroad are also an investment in our future as well as the future of other nations. Our most rapidly growing markets lie in the developing world. By helping the people of these countries, we not only help extend their opportunities for a better life, we help ourselves. By demonstrating to their governments that we are concerned for the well-being of their people, we encourage their increasing cooperation with the West in a broad range of issues."

"We benefit in the long run. There is a tremendous return on our investment. It is not a one-way gift where we suffer and the others benefit. We have more trade with the developing nations of the world than we do with all of Europe and Japan put together. This is a kind of trade, quite often, where we derive raw materials that we can use to keep our own people at work and we sell these basic products in those countries that also keep our people at work"

Gerald Ford

"I think we have an obligation as a rich and powerful nation to help other people and other nations for humanitarian reasons."

Richard M. Nixon

"Foreign aid must be seen for what it is not a burden, but an opportunity to help others fulfill their aspirations for justice, dignity, and a better life. No more abroad than at home can peace be achieved and maintained without vigorous efforts to meet the needs of the less fortunate."

Lyndon B. Johnson

"Foreign aid...is a commitment to consciences as well as to country. It is a matter of national tradition as well as national security."

"Foreign aid serves our national interest. It expresses our basic humanity. It may not always be popular, but it is right."

John F. Kennedy

"To those people in the huts and villages of half the globe struggling to break the bonds of mass misery, we pledge our best efforts to help themselves, for whatever period is required not because the Communists may be doing it, not because we seek their votes...but because it is right. If a free society cannot help the many who are poor, it cannot save the few who are rich."

Dwight D. Eisenhower

"The achievement of a peace which is just depends upon promoting a rate of world economic progress, particularly among the peoples of the less developed nations, which will inspire hope for fulfillment of their aspirations."

"The real fact is that no investment we make in our own security and peace can pay us greater dividends than necessary amounts of economic aid to friendly nations. This is no 'give away.'"

"My friends, if we are to find the world we seek, we must catch the vision of the neighborhood of the world. When we have done this, all such measures as mutual security will seem as natural and logical or as necessary to our own good as our activities for community prosperity, health, and education seem now."

Harry Truman

"I believe that we should make available to peace loving peoples the benefits of our store of technical knowledge in order to help them realize their aspirations for a better life."

"We must embark on a bold new program for making the benefits of our scientific advance and industrial progress available for the improvement and growth of undeveloped areas....All countries, including our own, will greatly benefit from a constructive program for the better use of the world's human and natural resources.... Only by helping the least fortunate of its members to help themselves can the human family achieve the decent, satisfying life that is the right of all people."

Franklin Roosevelt

"The purpose of our aid is not to buy the friendship of these countries....We aid them in order to toughen their economic and political fiber to a point where they can be independent of any foreign domination, including our own....Our programs of loans and technical aid to these countries is as essential to our survival as the production of missiles and aircraft."

"The test of our progress is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have too little."

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SECRETARIES OF STATE

James Baker

"Geographically, we stand apart from much of the world, separated by the Atlantic and Pacific. But politically, economically, and strategically, there are no oceans. And in a world without oceans, a policy of isolationism is no option at all. Only American engagement can shape the peaceful world we so deeply desire."

"Our support to Eastern Europe is to be measured by a single test: Whether it advances democracy and economic liberty."

"These fundamental values -- self-determination, human rights, the rule of law, and political freedom -- these things are the best that are in ourselves, in our way of life. Where these values take hold, we find friends."

"Beyond containment lies democracy. The time of sweeping away the old dictators is passing fast; the time of building up the new democracies has arrived. That is why President Bush has defined our new mission to be the promotion and consolidation of democracy. It is a task that fulfills both American ideals and American interests. As we enter a new era of democracy, the old arguments of idealism versus realism must be replaced by idealism plus realism. If we do not understand this, then we shall risk the loss of enduring public support for our policies."

"As we turn to the ambitious task of consolidating democracy in entire societies, we must not lose sight of individual liberty, for democracy begins and ends with the citizen and his or her rights."

"Time and again, we have seen how governments' contempt for human dignity led to suffering on an unprecedented scale. Each generation, including ours, has learned what our forefathers discovered -- that it is to our collective peril that we close our eyes to the suffering which is inflicted by intolerance and oppression. "

"Human rights is a modern phrase. But it recalls the words -- and the spirit -- of committed men and women throughout Europe's history. The codes of King Canute. The Magna Carta. The Bill of Rights. The Declaration on the Rights of Man. The Universal Declaration of Human Rights. And yes, the Helsinki Final Act."

"Sustainable development, to put it simply, is a way to fulfill the requirements of the present without compromising the future. When policies of sustainable development are followed, our economic and our environmental objectives are both achieved."

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Alexander Haig

"We remain committed to a strong development assistance program as an integral element of our overall policy toward our international economic and security objectives."

John Foster Dulles

"We cannot live either happily or safely as an oasis of prosperity in a desert of misery."

George C. Marshall

"Our policy is directed not against any country or doctrine but against hunger, poverty, desperation and chaos. Its purpose should be the revival of a working economy in the world so as to permit the emergence of political and social conditions in which free institutions can exist."

OTHER NOTABLES

Adlai Stevenson

"We travel together, passengers on board a little spaceship, dependent on its vulnerable reserves of air and soil, all committed for our safety to its security and peace; preserved from annihilation only by the care, the work, and, I will say, the love we give our fragile craft. We cannot maintain it, half fortunate, half miserable, half despairing, half slave to the ancient enemies of men -- half free in a liberation of resources undreamed of until this day. No craft, no crew can travel safely with such vast contradictions. On their resolution depends the survival of all."

Harold MacMillan

"Improving the conditions of life in the less developed countries of the world...is one of the great challenges of our time."

Charles de Gaulle

"It is the duty of those who are best endowed and strongest to help others those who are in want, those who are underprivileged. This they must do if they themselves do not want to perish."

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Arnold Toynbee

"Our age will be well remembered not for its horrifying crimes or its astonishing inventions, but because it is the first generation since the dawn of history in which mankind dared to believe it practical to make the benefits of civilization available to the whole human race."

John Donne

"No man is an island, entire of itself; every man is a piece of the continent, a part of the main; if a clod be washed away by the sea, Europe is the less, as well as if a promontory were; as well as if a manor of thy friends or of thine own were; any man's death diminishes me, because I am involved in mankind; and therefore never send to know for whom the bell tolls; it tolls for thee."

George Bernard Shaw

"We are all dependent on one another, every one of us on earth."

"The worst sin towards our fellow creatures is not to hate them, but to be indifferent to them. That's the essence of inhumanity."

ANSWERS TO MOST FREQUENTLY ASKED QUESTIONS ABOUT USAID

Following are typical questions that you may have to field, and appropriate responses. (Please see USAID facts for additional statistics):

1. Why does the U.S. foreign aid program give money away? Isn't U.S. foreign aid money being wasted by recipients?

The U.S. foreign aid program is money well invested. The linkages between the U.S. and developing country governments that have been nurtured through foreign aid help the U.S. in matters of global security, trade relationships, and humanitarian concerns. As the world's richest nation, the U.S. has an obligation to share with the developing world. But the U.S. also benefits from sharing its foreign aid dollars.

Foreign aid links developing country governments to the U.S. and allows the U.S. to build long-lasting partnerships. These partnerships become critical as the world becomes increasingly interdependent. USAID is in a unique position to influence emerging economies to adopt democratic reforms, which, in turn, will further cement relationships that will benefit the U.S. and recipient countries in the future. As USAID-assisted countries evolve, they emerge as important markets for U.S. goods.

2. Why does USAID spend money overseas instead of on our domestic economy?

Foreign aid helps U.S. business. Helping poor countries develop and increase their incomes means more jobs and business opportunities for Americans and more markets for American goods.

In 1990, U.S. manufacturers and suppliers in the 50 states received millions of dollars in orders through the U.S. foreign aid program. The U.S. economy gains from an improved two-way trade balance. As the economies of developing countries grow, USAID predicts that their people will continue to seek American technology. This means increased business for American companies and it also means more jobs for Americans to produce those products.

American business faces steep challenges all around the globe, and U.S. companies must continue to adapt to world events and position themselves to take advantage of new markets, those in the developing world.

3. Does USAID still help the poorest of the poor?

USAID always has been at the forefront of the battle against hunger. Since 1954, the Food for Peace program has delivered some 350 million metric tons of

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food to nearly 2 billion people in more than 100 nations. The U.S. is the largest food donor in the world, providing more food nourishment than all other nations combined.

- More than 2 billion people now have access to potable water, more than half the population of the developing world.
- With USAID's help, more than 60% of the population of developing countries has access to health care services.
- With USAID's help, more than 1.3 billion people in the developing world (approximately 33% of population) have access to adequate sanitary facilities.
- With USAID's help, the average caloric supplies in developing world improved from 90% of total requirements in 1965 to 107% in 1985, despite the population increase of 2 billion people in the developing world.
- Since USAID's efforts began in the developing world, average life expectancy has increased from 46 years to 62 years and is now 80% of the developed world's average. This represents an increase of about six months every year since 1950. In addition, the mortality rate for children under five was halved between 1960 and 1988, from 243 per 1,000 live births to 121 per 1,000 births.

4. What about global environmental concerns?

USAID has played an important role in saving tropical forests and rare species of animals and plants throughout the developing world. USAID supports environmental activities in the majority of countries receiving U.S. assistance funding efforts in forestry and conservation of tropical forests, watershed and water resources management, soil conservation, pollution control, conservation of biological diversity, and environmental policy and planning. Training and environmental education are important components of these activities.

- Tropical forests are the source of critical plant products used in the making of crucial medicines. One such resource is the rosy periwinkle of Madagascar, which has provided a treatment used worldwide for childhood leukemia. USAID-funded debt-for-nature swaps in Madagascar, the Philippines, Ecuador and Costa Rica are helping to protect the world's vital tropical forests, wildlife and other precious natural resources.
- In Rwanda, USAID has assisted the Rwandan government in its efforts to protect mountain gorillas and their habitat in the Volcanes National Park. The project promotes tourism through conservation education by training

local teachers and park guides so that both tourists and local residents can learn about the mountain gorillas and other unique resources in the park. Tourism has become Rwanda's second most important source of foreign currency.

- USAID is collaborating with the World Wildlife Fund, the Peace Corps and the Belize Fisheries Department in a joint effort to establish and manage a unique marine ecosystem. The Hol Chan Marine Reserve was the first reserve established on any part of the Belize Barrier Reef, the most extensive and complex coral reef system in the Atlantic, second in size only to the Great Barrier Reef of Australia.

5. What is USAID doing to combat AIDS?

USAID helps in several ways to prevent the spread of the human immunodeficiency virus (HIV) that causes the deadly acquired immune deficiency syndrome (AIDS). The Agency is the largest single supporter of the World Health Organization's Global Program on AIDS, contributing 27% of the program's budget in 1990.

USAID provides technical assistance and training in high-risk behavior change and helps identify effective and affordable means for keeping blood supplies free of HIV. The Agency develops and demonstrates effective public communications strategies, prevention-counseling approaches and methods for marketing condoms, as well as improving means of condom distribution. Since 1987, USAID condom shipments to Africa have increased five-fold in response to increased demand.

6. What is USAID doing to prevent the spread of narcotics?

USAID has long played a vital role in the international fight against the spread of illegal narcotics. Agency anti-drug efforts are designed to stimulate broad-based, sustainable economic growth, develop sound macro-economic policies, create economically viable alternative development programs, foster improved administration of justice programs and create the political will and institutions for countries to confront the consequences of production, trafficking and use through support for drug education and awareness programs.

The Agency has supported counter-narcotics efforts in Asia and Latin America since the mid-1970s, initially through crop substitution efforts and later with targeted area development programs in Pakistan, Thailand, Bolivia and Peru. The multi-agency Andean counter-drug initiative of 1990, in which USAID plays a major role, proposes nearly \$1 billion to help Bolivia, Colombia and Peru reduce their dependence on coca revenues and revitalize their economies as enforcement efforts take effect.

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7. What is USAID doing to promote democracy in developing countries?

The Agency supports a range of democracy programs including strengthening human rights commissions in Africa, legal education and training for law professionals in the Near and Middle East and strengthening local institutions in their efforts to develop democratic systems.

Since 1989, Agency programs in Poland and Hungary have worked to help foster free market-oriented economies and private enterprise and to support political pluralism through assistance to democratic institutions. In 1991, USAID established offices in Czechoslovakia, Romania, Bulgaria, and Yugoslavia.

USAID provides technical support to countries seeking to hold democratic elections. With Agency assistance, in 1990 Nicaragua held its first free and fair election in more than 50 years. For the first time in history, all the countries of Central America have democratically elected civilian governments.

8. What is USAID doing to improve the quality of life of people in the developing world?

In the last 29 years, Agency programs have helped increase life expectancy in developing countries 20 percent. In Africa, life expectancy climbed from 39 to 49 years between 1960 and 1987. USAID helped eradicate smallpox. With Agency assistance, polio and measles have been almost eradicated, a vaccine for malaria is being developed, and treatments are almost ready for Vitamin A deficiency, which can cause blindness in children.

USAID has supported oral rehydration therapy, which has saved the lives of almost 1 million children every year and is available for the treatment of sick children in the United States. In 1980, 10,000 children were dying each day from dehydration caused by diarrhea. Since 1985, the proportion of the population in developing countries with access to oral rehydration salts has risen from 35% to 63%.

Since 1985, 316 million children in developing countries have been immunized against the major preventable diseases of diphtheria, whooping cough, tetanus, polio and tuberculosis.

By March 1990, Costa Rica, Egypt and Zambia were among the 11 Agency-assisted countries that had attained 80 percent immunization coverage rates for the six major vaccine-preventable diseases.

The Agency is the largest single source of international funding for voluntary population programs, accounting for 45 percent of international funds. USAID

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provides about three-fourths of the developing world's donor-provided contraceptives, providing supplies to more than 100 family planning delivery systems in 80 countries. Since 1968, the Agency has supplied 1.6 billion cycles of oral contraceptives, 7.9 billion condoms and 50 million intrauterine devices.

In 1990, more than 30 million couples practiced family planning as a result of USAID's program. In the 28 nations receiving the largest amount of Agency population assistance, the average number of children per family has dropped from 6.1 in the 1960s to 4.5 today.

9. What is USAID doing to encourage developing country education?

Agency programs have helped increase literacy rates in USAID-assisted countries by 33 percent. Adult literacy rates in Africa rose from 9 percent in 1960 to 42 percent in 1985. The developing world now has 1.4 billion literate people compared to 1 billion in the developed world.

Primary school enrollment has tripled in USAID-assisted countries, and secondary school enrollment has expanded by an even larger amount. School enrollment rates for girls have been increasing more than twice as fast as for boys.

10. What kind of impact has USAID had on agricultural development in the developing world?

Working in cooperation with USAID, international agricultural research centers in the Philippines and Mexico have developed high-yield varieties of wheat and rice. Not only does the increased production made possible by these new varieties help increase incomes in the developing world, but some of the wheat varieties are now being cultivated in the southwestern United States. And rice varieties developed from the Philippine strain have produced record yields in California.

Agency funding helped develop a vaccine for rinderpest, a scourge which kills livestock, an important source of income and food throughout the developing world.

11. What has USAID done to spur the development of microenterprise in the developing world?

In eight of the 51 countries with USAID microenterprise programs, Agency lending designed to reach the very poor made 2.7 million loans totaling \$662 million in 1990. Through financial and technical support, USAID has helped Bank Rakyat Indonesia grow into a self-sufficient institution serving a poor population of nearly

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2 million borrowers and 7 million savers.

Non-traditional exports to the United States from USAID-assisted countries in the Caribbean Basin rose from \$1 billion in 1983 to an estimated \$3.4 billion in 1990. Export development has helped create 150,000 jobs in the Caribbean between 1983 and 1990, while U.S. exports to the region increased as well.

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Agency for International Development
Washington, D.C. 20513

Office of the
General Counsel

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A.I.D./General Notice
GC/EPA
Issue Date: 7-16-91

SUBJECT: New Reporting Requirement on Travel Funded by Non-Federal Sources

1. The Ethics Reform Act of 1989 amended Title 31, United States Code, by adding a new section 1353 on acceptance of travel expenses from non-Federal sources. The new authority covers attendance at **conferences, seminars, speaking engagements and similar events**, and supersedes the Agency's current gift authority to accept travel under Section 635(d) of the FAA. However, the Agency may continue to accept gifts of travel under the FAA for all other events not covered by the new authority.
2. Until further notice, all offices and employees should continue to follow procedures for accepting travel from non-Federal sources set forth in A.I.D. Handbook 22, Chapter 12. However, upon completion of non-Federally funded travel to a **conference, seminar, speaking engagement or similar event**, the employee must report the following information to his/her EMS office:
 - 1) NAME, 2) POSITION, 3) PERSON OR ENTITY PAYING FOR TRAVEL, 4) THE NATURE OF MEETING OR SIMILAR FUNCTION, 5) TIME AND PLACE OF TRAVEL, 6) AMOUNT AND METHOD OF PAYMENT (For example, in-kind and/or reimbursement by check to the Agency), and 7) NATURE OF EXPENSES (For example, airfare, food, lodging, etc., broken down by amount and method of payment per expense).
3. EMS offices must then forward the information to GC/EPA by April 15 with respect to travel reported for the period beginning October 1 and ending March 31; and by October 15 with respect to travel reported for the period beginning April 1 and ending September 30. GC/EPA will transmit the reports to the Office of Government (OGE) in accordance with the new law.

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4. GSA will issue additional guidance and a government-wide form for reporting the required information. Further Agency guidance and revised regulations will be issued at that time.
5. If you have questions please contact Deputy Ethics Officers Jan Miller, Carl Sosebee, or Dennis Diamond in GC/EPA, Room 6892 N.S., (202) 647-8218.

DISTRIBUTION:

AID List # 1 & List # 2

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USAID SPEAKERS FOLLOW-UP FORM

YOUR NAME: _____

YOUR TITLE: _____

YOUR OFFICE & ROOM#: _____

YOUR TELEPHONE # _____

SPEAKING EVENT: _____

NAME OF ORGANIZATION: _____

LOCATION: _____

DATE: _____

1. How many people attended the event?
2. What was the audience reaction to your speech?
3. What kind of follow-up should USAID do with the organization or individuals with whom you met?
4. As part of our follow-up, what kind of materials (overall USAID information, sector or region specific) should we send the organization?
5. What particular questions did you field?

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6. Would you recommend that USAID schedule a speaker with the organization in the future?

If not, why not?

7. Was the speakers kit helpful to your preparation for the event?

How can we improve the kit?

8. Did you distribute any USAID material?

If you did, what was it?

Please return completed form to the USAID Speakers Bureau, XA/PL, Room 4889 N.S., 320 21st Street, Washington, DC 20523-0056.

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