

USAID Developments

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First Lady Hails Indonesia's Progress

"This is something the world should see," Hillary Rodham Clinton said as she held an impromptu press conference in the middle of a Jakarta slum. She was referring to Indonesia's Kampung Improvement Program, one of the country's most successful efforts to alleviate poverty and one supported by USAID since 1988.

As President Clinton and other world leaders convened for the Asia Pacific Economic Cooperation conference in Bogor, Indonesia, in November, Hillary Clinton traveled to local neighborhoods and rural villages to observe firsthand Indonesia's successful development efforts.

The first lady ventured into Jakarta's low-income neighborhoods, known as kampungs. Kampungs are home to more than half of Indonesia's urban dwellers, roughly 24 million people. These unplanned, informal neighborhoods often lack such essential services as clean water, public sanitation facilities and solid waste collection. To help meet these basic needs, the Indonesian government launched the Kampung Improvement Program (KIP) in 1969.

KIP uses an integrated approach to develop basic infrastructure in the kampung with maximum community involvement. The program has been operating in more than 300 cities, directly benefiting about 6 million people. KIP recently was recognized by urban development experts as one of the most successful

neighborhood revitalization programs in the world.

By establishing the kampung as a formal, permanent neighborhood, KIP encourages residents to invest their own resources to improve the area. It is estimated that every dollar provided through KIP generates about \$2 in private improvements.

Clinton praised the program for both its impact on urban residents and its use of U.S. private sector resources through USAID's Housing Guaranty Program.

From Jakarta, Clinton's concern for the health and well-being of children led her to Yogyakarta, Central Java. Her first stop was Babarsari Public Elementary School, one of the thousands of schools across the archipelago that reflects Indonesia's commitment to public education.

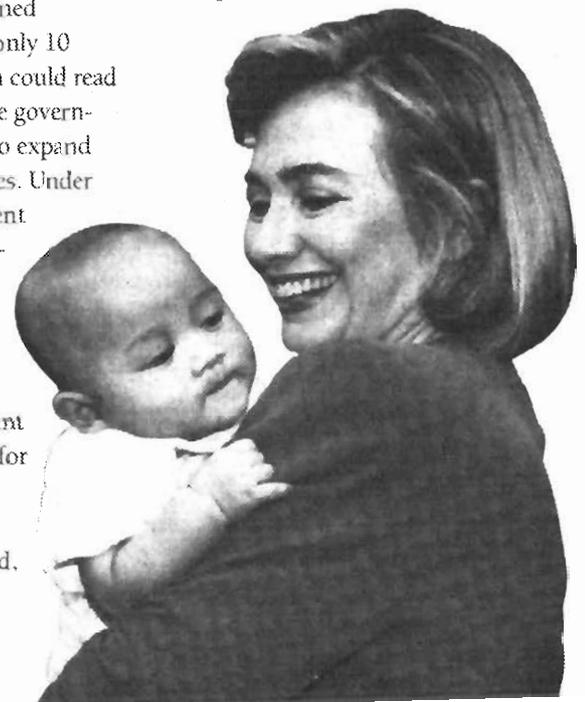
When Indonesia gained independence in 1945, only 10 percent of its population could read and write. Since then the government has worked hard to expand educational opportunities. Under the leadership of President Soeharto, and with planning and policy guidance from USAID, the government has succeeded in increasing literacy rates to 85 percent for men and 75 percent for women. Near-universal enrollment in primary school has been achieved, and enrollment at secondary and

post-secondary institutions continues to rise.

Almost half of primary school students are girls, and more than half of all teachers at the primary level are women.

This equity in education has shown benefits that go far beyond the classroom. Educated women in Indonesia have proven to be more productive contributors to social and economic development, as well as more effective users of family planning and health services. And children, especially girls, are significantly more likely to attend and stay in school if their mothers attended.

Hillary Clinton visits a USAID-supported health clinic in Taman Agung where children receive vitamin A and oral rehydration therapies.



Clinton praised the [USAID-supported neighborhood] program for both its impact on urban residents and its use of U.S. private sector resources.



UNITED STATES AGENCY
FOR INTERNATIONAL
DEVELOPMENT

Food for Peace Celebrates 40th Anniversary

In 1954 Congress passed Public Law 480, the Agriculture Trade Development and Assistance Act, making possible Food for Peace to help feed hungry people overseas with surplus U.S. farm food.

A landmark piece of legislation, PL. 480 not only saved the lives of millions of people overseas, but also benefited American farmers and strengthened U.S. foreign policy. Nine of today's top 10 importers of U.S. agricultural products are former recipients of this program.

In welcoming participants to an anniversary conference held in September in Washington, Bob Kramer, USAID's Food for Peace director, said, "What we are witnessing today is the beginning of a transformation in the way food aid is perceived. This administration is committed to increasing the awareness of food aid as a quality resource, one that plays a truly vital and unique role in meeting humanitarian and development challenges around the world. Having access to sufficient food to lead a healthy, productive life is not a privilege of the few but a primordial right of every human being."

The challenge for the participants was to determine the appropriate role of food aid in fostering sustainable development and how to use food aid more effectively to improve food security. USAID Deputy Administrator Carol Lancaster defined food security as "the ability to acquire enough food to provide for a nutritionally adequate diet on a regular basis."

The conference brought together USAID/Washington and mission employees; private voluntary organization partners; members of Congress and their staffs; and representatives from other U.S. government agencies, international organizations and countries around the world.

Keynoting the event was former Sen. George McGovern, whom President Kennedy selected to set up and direct the first Food for Peace Office. McGovern borrowed employees from USAID and the departments of State and Agriculture to staff the office in the Executive Office Building.

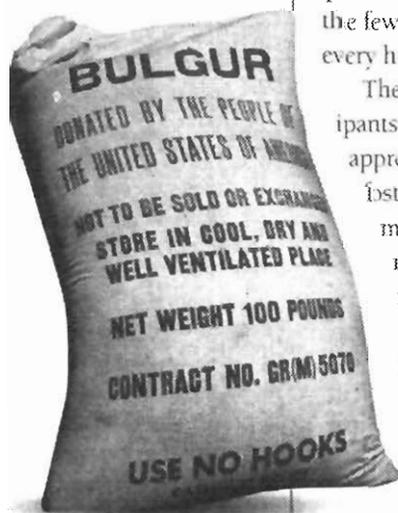
"Since World War II, I believe the strongest and most important national resource we have in carrying out a program of international assistance is the productivity of the American farmer," McGovern said.

He cited the American farmer's capacity not only to grow food, but equally important, the capacity to teach others how to grow food more efficiently.

McGovern noted President Kennedy's strong commitment to food aid. During his campaign, Kennedy, speaking to farmers about the U.S. agricultural surplus, had said, "I don't regard U.S. agricultural surplus as a problem. I regard it as an opportunity, not only for our own people, but for people around the world. I think farmers can bring more lasting good will, more chance for freedom and more chance for peace, than almost any other group of Americans in the next 10 years if we recognize that food is strength, that food is peace, that food is freedom and that food is a helping hand to people around the world whose good will and friendship we want."

For a copy of the conference report and a new policy paper on food aid, contact the Food for Peace office by phone (703) 351-0156 or fax (703) 351-0154.

Nine of today's top 10 importers of U.S. agricultural products are former recipients of the Food For Peace Program.



Lessons Without Borders



Ted Landsmark, executive director, Healthy Boston; Administrator Brian Atwood, USAID; Boston Mayor Thomas Menino; and Secretary of Health and Human Services Donna Shalala address the press at the Whittier Street Health Center to kick off LESSONS WITHOUT BORDERS in Boston. The next conference will be held in Seattle in April.

“There’s a difference between a charitable contribution and an investment. The former gives you a warm fuzzy and maybe a tax deduction, the latter (if it’s a good one) returns you more than you started with. Our foreign aid budget constitutes less than 1 percent of our total budget and is a powerful investment in our future. It is not a charitable donation that we can no longer afford to make.”

—The Palm Beach Post,
Dec. 19, 1994

“Aside from the social and political reasons for continuing aid, there is a self-serving financial one: Recipients of assistance use much of the money to purchase U.S. goods and services. The dollars come back home and create jobs in the United States.”

—The Hartford Courant,
Jan. 21, 1995

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Of Note

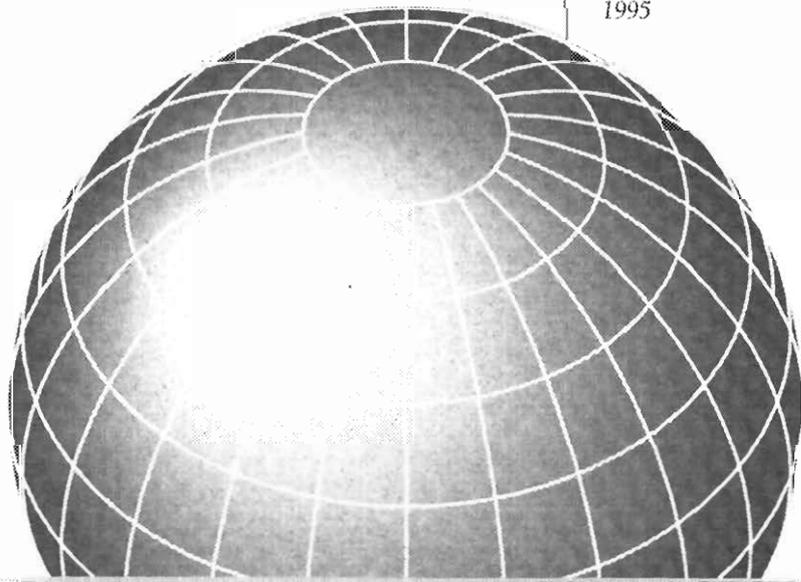
Editorial writers around the country speak out on foreign aid.

“Because of aid efforts since 1990, 2.5 million children per year are now alive and 75,000 children per year are not disabled by malnutrition. This is optimistic, powerful news.”

— *The Seattle Times*,
Dec. 31, 1994

“Demonized for years by isolationists, the foreign aid budget in fact is one of this country's most effective economic tools for nurturing democracy and market economies in developing countries.”

— *Fort Worth Star-Telegram*, Jan. 20, 1995



Farmer-to-Farmer Program Boosts Market Economies

Two years ago farmers in Nicaragua's Sebaco Valley struggled to grow onions as an export crop. They needed technical assistance in harvesting and in preparing the onions for export. Three U.S. Farmer-to-Farmer volunteers from Winrock International Institute for Agricultural Development provided that assistance, helping the farmers start a booming sweet onion industry.

In less than a year, onion yields doubled, and 30,000 boxes (1.5 million pounds of "Sebaco Sweets") were shipped for sale to U.S. supermarkets during the intervals when U.S.-produced onions are not in season. The project helped the farmers increase their incomes six-fold and stimulated the creation of a new, private Nicaraguan export company.

This is just one example of the hundreds of people-to-people projects in USAID's Farmer-to-Farmer program. Authorized under PL 480 (Food for Peace), the program sends highly qualified American agriculturalists overseas to work with farmers and organizations to increase food production and distribution and improve farming, processing and marketing operations. The program also recruits volunteers from private agribusiness, land grant universities and non-profit farm organizations. Today, the volunteers work in more than 60 countries through eight U.S. organizations and the Peace Corps.

Volunteer assignments range from 15 to 90 days in areas such as animal care and health, field crop cultivation, environmental

management, fruit and vegetable growing, livestock operations, food processing and packaging, and farm credit management.

From 1985 until 1991, the program was carried out exclusively through a cooperative agreement with Volunteers in Overseas Cooperative Assistance (VOCA), a private, non-profit organization with longstanding expertise in short-term volunteer agricultural technical assistance. In 1991 four additional organizations were brought into the program: the National Farmers Union, Partners of the Americas, Winrock International and the Peace Corps through an interagency service agreement.

Today, as countries of the former Soviet Union and Eastern Europe move toward a market economy, there are tremendous opportunities to help those countries address the major problems affecting their agricultural development.

The problem of agriculture in the New Independent States (NIS) of the former Soviet Union is not so much one of productivity, but rather one of improving the food system, including food storage, transport, processing, distribution and marketing. It is in these sectors that an estimated 40 percent to 65 percent of agricultural production is currently lost.

A three-year special initiative begun in 1992 is sending more than 1,800 volunteers to the NIS to provide assistance in marketing, rural credit systems, post-harvest processing, farming operations and agribusiness. Already more than 900 volunteers have served under

the auspices of six organizations: Agricultural Cooperative Development International (ACDI), The Citizens Network Agricultural Alliance, Land O'Lakes, Tri-Valley Growers of California, Winrock International and VOCA.

ACDI's efforts focused on reshaping the agricultural credit system in Russia and the other republics.

The Citizens Network Agricultural Alliance provides technical assistance to emerging agribusinesses in Russia and the Ukraine.

Without experience in small-scale storage facilities, Russian farmers did not think they could hold their harvest for sale at better prices. Land O'Lakes volunteers not only demonstrated to farmers' groups how this was possible, but also helped to instill a problem-solving attitude that had been absent on the old state farms.

Volunteers sent by Tri-Valley Growers of California have recommended ways to cut storage losses in half at two potato storage facilities and one fruit storage enterprise.

VOCA volunteers have worked with organizations in Russia, Ukraine, Kazakhstan, Armenia, Moldova and Belarus. They assisted in organizing one of the first true farmer-controlled cooperatives in Russia.

Winrock International volunteers in the NIS worked on training, post-harvest processing, agribusiness development and management, and distribution and marketing of agricultural products.

As countries of the former Soviet Union and Eastern Europe move toward a market economy, there are tremendous opportunities to help those countries address the major problems affecting their agricultural development.

The Right Project at the Right Time

Imagine a foreign assistance project that returned more money to the U.S. economy than it spent in the developing world, created U.S. jobs and helped to protect the environment. That is the legacy of the nine-year-old USAID non-traditional agriculture support project in Central America known as PROEXAG (Promotion of Export Agriculture).

In 1986, the six-member PROEXAG team started work in Central America to increase the value and volume of exported fresh fruits, vegetables and flowers to provide jobs for the poor, economic opportunities for small farmers and infusions of hard currency into Central America.

USAID contracted Chemonics International to carry out the project. By including the Produce Marketing Association and the United Fresh Fruit and Vegetable Association, Chemonics built a powerful consortium with the U.S. produce industry.

Central America traditionally exports its horticultural produce to the United States during the season when there is limited or no U.S. production. These imports, therefore, do not compete with the U.S. industry but rather contribute to a year-round supply of healthful, fresh produce at moderate prices to the United States. In addition, U.S. businesses sell the machinery, seed and other inputs for their production, and U.S. carriers transport the produce.

Since most of the produce arrives when the U.S. agribusiness industry is at its slowest, many U.S. produce-related companies now stay in business year-round. An independent study found that with the increased imported products, U.S. companies can maintain their distribution and marketing systems all year, adding an estimated 7,000 new American jobs.

PROEXAG sustains about 83,000 jobs in Central America, mainly in the rural areas. Studies show that women primarily benefit

from this increased labor demand. The economic empowerment of rural women results in more social benefits such as better child nutrition and education.

The project has environmental benefits, encouraging sound environmental management practices. Producers must adhere to all U.S. health, pest and chemical regulations associated with fresh horticultural products.

USAID calculates that this \$15 million project resulted in \$130 million for the economies of Central America and over \$190 million for the U.S. economy.

"PROEXAG was the right project at the right time in the right place," said Bruce Brower, the project team leader. "Even though the project is now ending, its benefits will continue to accrue to both Central America as well as the United States."

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**Assistant Administrator for
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