

# USAID Developments

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## Contracting process sets new standard

**C**ontracts for 27 U.S. firms to assist countries of Central Europe and the New Independent States of the former Soviet Union (ENI) set a new standard for doing business with USAID.

The contract competition reflects progress in the drive to reinvent USAID and the way the agency does business.

USAID advertised its Request for Proposals (RFP) in more than 23 newspapers and other publications throughout the United States to attract the best firms interested in providing technical assistance to the ENI region.

Three pre-award conferences were held in the East, Midwest and West, and a videotape of the conferences was produced to provide an opportunity for organizations throughout the

country to become more familiar with the RFP and the ENI privatization program.

The advertisements attracted more than 2,400 requests for copies of the RFP documents, and the agency received more than 240 proposals from U.S. organizations. In the past, most USAID competitions attracted fewer than 15 proposals.

The scope of work for the contracts was divided into five activities, making it easier for small firms and firms relatively new to USAID to be competitive. As a result, 17 of the 27 contractors chosen were either new to the agency or were small business, non-profit or minority firms.

The 40/60 formula used to evaluate the bids placed 40 percent on price and 60 percent on technical qualifications.

A higher emphasis was placed on pricing this time to ensure that the taxpayer obtains high-quality expertise at competitive prices. By combining task orders and fixed daily rates, the Office of Procurement also can obligate task orders much faster.

The new contracts will provide technical assistance on privatization and economic restructuring to ENI countries. This assistance will help the countries in their efforts to transfer state-owned assets to the private sector; establish a policy and legal and regulatory framework conducive to broad-based competition and private sector growth; stimulate development of private sector enterprises; promote fiscal reform; and develop a competitive, efficient, private financial sector.

## DAC report praises agency

**T**his year, the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development gave the United States top grades in its annual report. The DAC report states that "USAID's standing has been substantially enhanced recently as a result of its commitment to announced reforms."

The report also discusses the paradox that "... while [U.S.] public opinion responds readily to situations of acute needs in developing countries, there is no strong public support for the federal aid budget. This may be explained in part by the fact that the public greatly overestimates the share of foreign assistance in the U.S. federal budget.

"According to a recent poll, the majority of respondents believe it to be around 20 percent of U.S. government spending. In fact USAID spending represents only 0.5 percent of the federal budget, and the United States has the lowest ODA/GNP [Official Development Assistance/ Gross National Product] ratio among DAC members."



UNITED STATES AGENCY  
FOR INTERNATIONAL  
DEVELOPMENT

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## Telephone co-ops improve Polish economy

**A**n international program of the National Telephone Cooperative Association (NTCA) revolves around helping rural areas, towns and small cities in developing countries and Eastern and Central Europe obtain telecommunications service. Such areas suffer from poor or no service.

Adequate telecommunications infrastructure remains essential to creating businesses, generating jobs, improving agricultural productivity and health. State-run telephone monopolies, however, lack the financial resources to provide adequate service in rural areas. In fact, most lack the resources to adequately serve their urban areas.

In rural Poland, NTCA and its Polish partner institutions have established two community-owned telephone cooperatives that serve

6,000 homes and businesses. Local incomes have increased by 30 percent, and jobs have been created as businesses, including a dairy processing plant and bank, move into the area. Individuals have opened an estimated 100 small cottage industries.

From 1990 to 1994, NTCA spent \$173,000 of USAID funding to create these two Polish telephone systems. The systems have since bought nearly \$1.7 million worth of U.S. goods and equipment — a 10 to 1 multiplier effect. Additionally, each member household made an equity contribution of nearly \$500. The local and state governments also pitched in, and the manufacturer made financing concessions.

NTCA planned and carried out the project in consultation with village telephone committees

composed of citizens charged with finding a way to obtain phone service. NTCA worked with two local foundations that spearheaded the development of the co-ops. The Poles really made it happen; NTCA guided and supported them. In addition, because of the "one member, one vote" participatory nature of cooperatives, the communities are developing democratic processes and traditions.

Telecommunications policy-makers and government officials have come from all over Poland, as well as Bulgaria, Moldova and Ukraine to get a firsthand look at the co-ops and study the socioeconomic advantages of a privatized, multiprovider system.

To expand this model, NTCA and its Polish partners have set up a rural telecom training center, staffed and run by Poles. The center provides information and training in rural telecom development and cooperative organization.

*By Marlee Norton, NTCA general manager of international programs*

## Reaching out to the grassroots

**U**SAID's Public Liaison Division has coordinated recent meetings between USAID senior officials and community groups throughout the United States to discuss the importance of the U.S. role in foreign assistance and its economic

benefits to the United States.

Assistant Administrator for Management Larry Byrne went to Pennsylvania, Ohio and New Jersey. Assistant Administrator for Africa John Hicks spoke with students and others in Alabama, Mississippi and Georgia. Assistant Administrator for

Europe and the New Independent States Tom Dine traveled to Illinois and Michigan.

If you're interested in hosting a USAID speaker in your community, please contact Valerie Herzfeld at (202) 647-3542.

### **New USAID video available**

"Doing It Right" is a new 15-minute USAID video that highlights programs in Costa Rica, the Czech Republic and Botswana. These three countries

have graduated from USAID assistance and are models of success. The video demonstrates that USAID, using less than 1 percent of the federal budget, helps countries build more stable societies while supporting future

markets for U.S. exports.

To order the video, contact the USAID Development Information Service Clearinghouse at (703) 351-4006. The cost is \$8 for shipping and handling.

# Armenia energy project provides heat, hope and jobs

**E**ach day as the sun rises above Yerevan, the Charbakh tank farm becomes the hub of activity for what has been characterized as the single most successful USAID program in the Caucasus.

The tank farm belongs to Yerevan's airport and was designed to hold reserve stocks of jet fuel. Since the energy embargo of Armenia was initiated, it has stood empty. Now it is filled with heating kerosene and run by the Fund for Democracy and Development, a U.S. private voluntary organization (PVO) operating under a cooperative agreement with USAID.

This project, now completing its second winter of operation, was developed as an emergency response to the breakdown of the central heating system throughout Armenia. With temperatures



*Last winter more than 100,000 of the neediest Armenians received kerosene heaters as part of a successful USAID-supported project.*

consistently below freezing during winter, a humanitarian response was necessary.

Last winter more than 200,000 Armenian families received kerosene assistance from the fund. In addition, more than 100,000 of the neediest also received kerosene heaters. Most heaters for the program were bought outside Armenia, but more than 10,000 locally manufactured kerosene heaters were purchased from local craftsmen, adding to the impact of the project. Last winter, two factories — one private, one state-owned — worked round-the-clock producing more than 200,000 plastic canisters to hold the kerosene, thus creating hundreds of jobs for an economy that was nearly shut down.

Armenian children, in particular, had suffered from the energy embargo. The only heated room many school-age children en-

ter each day is their classroom. Two years ago, with no heat for classrooms, schools remained closed during the winter. Last winter, however, more than 400 schools throughout Armenia received heaters and fuel, enabling them to reopen. Although conditions remain harsh and most schools operate classes in shifts, the schools are open.

This year, schools in Yerevan and Giumri will receive fuel through a French-supported Armenian PVO, allowing USAID to concentrate on nearly 1,100 schools located in harder-to-reach areas.

This successful USAID-supported project enables more than 23,000 families in Armenia to receive their weekly allotment of kerosene, 350,000 children to attend school and nearly 800,000 people to sleep in warm rooms.

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## **Poll shows bipartisan support for foreign aid**

A nationwide telephone poll conducted this year by the Program on International Policy Attitudes at the University of Maryland reports that "an overwhelming majority of Americans embrace the principle that the United States should give some aid to people in foreign countries who are in genuine need."

The poll reports that this attitude was held by people identifying themselves with both the Democratic and Republican parties.

# Hillary Clinton visits South Asia

**F**irst lady Hillary Clinton, for the second time in less than a year, had the opportunity to visit USAID development activities in Asia.

In April, she undertook a 10-day goodwill tour to South Asia, visiting Bangladesh, India, Nepal, Pakistan and Sri Lanka, where she stressed the importance of investments in people, especially women and girls. South Asia is home to the largest number of the poorest people in the world.

Reporting to the president on her trip, the first lady noted that "U.S. assistance has had a direct impact on the lives and prospects of South Asians, but more importantly it has been a catalyst for further social development by leveraging aid from other donors and local governments in expanding effective activities."

In Ahmedabad, India, Clinton attended a meeting of the USAID-supported Self-Employed Women's Association, a group of very poor women who do menial work but have formed a trade union and



*While in Kathmandu, Nepal, Clinton toured a small health and family planning clinic financed by a partnership of USAID, Save the Children Foundation and the government of Nepal. Here the first lady was shown a "Safe Home Delivery Kit" for expectant mothers. The primitive kit, consisting of soap, twine, wax, a plastic sheet and razor blade, denotes the extent to which development still remains a challenge to Nepal, one of the poorest countries in the world.*

cooperative to learn new job skills as they develop mutual support and confidence.

"Without these kinds of efforts, the mass of the populations of poor countries, like the ones I visited, will remain trapped in poverty for the

foreseeable future. And women in particular will remain excluded and marginalized, and their countries severely disadvantaged by their lack of education and productivity," the first lady reported.

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