

USAID REPORTS: CHILD SURVIVAL

Presented below are abstracts of recent USAID reports on the subject of child survival. Copies of these reports and other current research studies, sector analyses, special evaluations, and state-of-the-art reports describing a broad spectrum of international development experience are available from USAID's Center for Development Information and Evaluation (CDIE). A complete listing of citations and abstracts of reports available from CDIE can be found in the quarterly CDIE journal "AID Research and Development Abstracts" or "ARDA". The goal of ARDA is to transfer development and technical information to active practitioners of development assistance. To obtain copies of the reports listed below, or highlighted in a recent issue of ARDA, write to PPC/CDIE/DI, Attn: ARDA, room 209, SA-18, or call CDIE User Services at (301) 951-9647.

ICORT II, proceedings: Second International Conference on Oral Rehydration Therapy

Ladislaus-Sanei, Linda; Scully, Patricia E. Creative Associates, Inc., Washington, D.C., U.S. Agency for International Development, Bureau for Science and Technology, Office of Health, Washington, D.C., (Sponsor) (International Conference on Oral Rehydration Therapy, 2nd, Washington, D.C., US, 10-13 Dec 1985) Dec. 1986, xv, 169p.: ill., charts, statistical tables, En Document Number: PN-AAW-293

More than 1,200 participants from over 100 countries attended the 12/85 Second International Conference on Oral Rehydration Therapy in Washington, D.C., the proceedings of which are presented herein.

Included are opening, keynote, special, and closing statements by officials from USAID, WHO, Cairo University, UNDP, and UNICEF, as well as general presentations on: new understanding of diarrheal disease and new control therapies, diarrhea as a nutritional disease, no-clinical interventions, control and prevention at the national level, and implementation issues.

Summaries are provided of a clinical management seminar and of panel discussions on the major implementation topics of communications and social marketing, distribution and logistics, health personnel training, supervision and monitoring, evaluation and cost issues, and integrating oral rehydration therapy with other health activities.

A list of registered participants is included.

R & RS Staff information paper: a working definition of child survival in the Agency for International Development

Christoperson, Kaaren U.S. Agency for International Development, Bureau for Program and Policy Coordination, Center for Development Information and Evaluation, Washington, D.C., 1986, 7 p., En Document Number: PN-AAW-298

In an effort to provide a precise understanding of child survival (CS), a recent addition to USAID's development assistance lexicon, this paper distinguishes three groups of development assistance interventions and identifies their relations to CS efforts.

The three groups are:

- (1) the direct CS interventions identified in the USAID Administrator's April 1986 statement on CS strategy (the primary interventions of oral rehydration therapy and immunization as well as secondary interventions in the areas of birth spacing and child nutrition);
- (2) other interventions having direct impact on CS (control and treatment of infectious and vector-borne diseases and efforts in water and sanitation, maternal and primary health care, health communications, and health financing); and
- (3) activities in which CS may be a minor objective or a side benefit (food distribution, food hygiene, and maternal and child literacy).

A 10-item select bibliography (178-86) is appended.

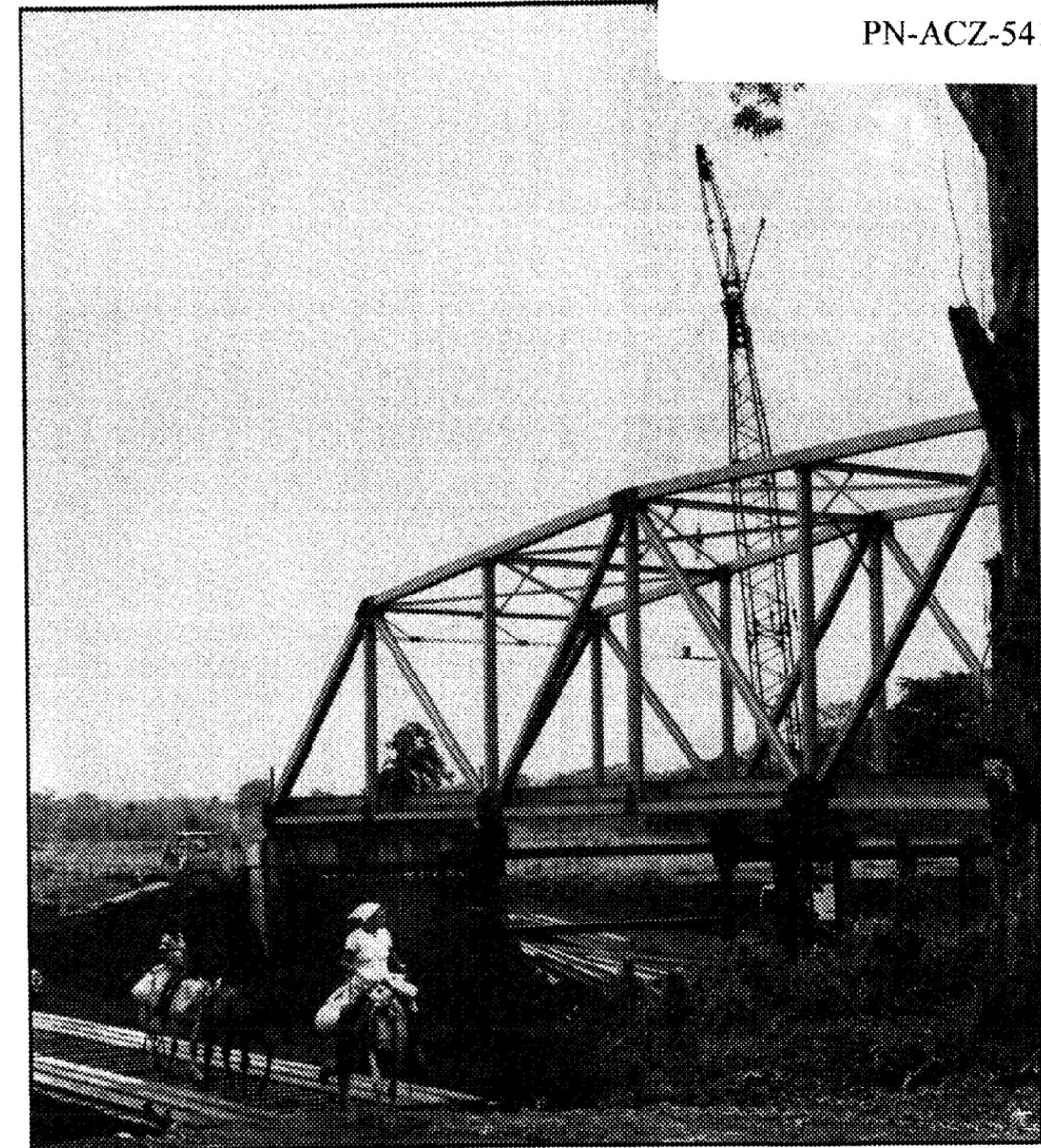
FRONT LINES

THE AGENCY FOR INTERNATIONAL DEVELOPMENT

MAY 1987

"...the front lines' of a long twilight struggle for freedom..." John F. Kennedy

PN-ACZ-541



Costa Rica Mission on Cutting Edge

McPherson Reviews Years at USAID

Counterintelligence Campaign Launched

McPherson Recalls 'Lessons Learned'

by Roger Noriega

When Administrator Peter McPherson accepted the nomination to be deputy secretary of the treasury, he told President Reagan that it was a "bittersweet" opportunity because he would be leaving "the most personally rewarding job in my life."

"I have had the privilege of directing a foreign aid program that has saved countless lives, improved living standards and unleashed a wide range of economic opportunity," he noted in his letter of resignation.

McPherson prefers to describe his tenure—the longest in Agency history—not in terms of personal achievements but of "lessons learned."

"The distillation of what I've learned here is that people in the developing world are rational decision makers," he says. "If they are given a chance to build a better life, they will reach for that opportunity, just as you or I would."

McPherson says that USAID's central task is working with the development community to make the most of individual initiative. "Getting the people of the developing world involved in every way in shaping their own future is the greatest legacy any of us can leave this world," he says.

During his six years in office, McPherson has stressed the importance of "four policy pillars" that

Administrator Named to Treasury Post



Peter McPherson: "There have been many success stories, but none more moving than this country's response to the famine in sub-Saharan Africa."

support Third World development. These pillars are: encouraging governments to reform restrictive practices through policy dialogue; making appropriate technology available to developing countries; building and

strengthening institutions; and promoting sustainable growth through a healthy private sector and free enterprise.

"The principle of the central importance of the individual is the logi-

cal extension of USAID's 'four policy pillars,'" McPherson notes.

McPherson argues that the individual plays a pivotal role in all aspects of development. "It wasn't the hybrid grain that started the 'Green Revolution.' It was the thousands of poor farmers with the individual initiative to change.

"This whole premise that people in developing countries are much like us raises the question, 'Why are they poor?' It is because of barriers: problems with health; illiteracy; poor road systems; price controls; and others," McPherson contends.

"The Agency's goal is not to be a world welfare organization. Our mission is to help remove the barriers that keep people from living productive lives—to lift the individuals, but at the same time help them win control over their own lives."

USAID and other international agencies must be mindful that the main tool of development is the people of developing nations themselves, McPherson counsels. Also, because these people naturally respond to economic incentives, free market forces must be encouraged.

"We have found this to be one of the best strategies of development," he points out. "Individuals perform best when they have a personal stake in their own future."

In his letter of resignation, McPherson cited the Agency's achievements. "Thanks in part to USAID-funded research, the world is on the verge of having a malaria vaccine. USAID has fostered market-oriented policy reforms in Africa and other parts of the world that already are leading to greater economic growth," he said.

"There have been many success stories, but none more moving than this country's response to the famine in sub-Saharan Africa," McPherson said. He credited the U.S. government with "organizing one of the greatest humanitarian efforts ever, which provided over three million tons of food to Africa in a 12-month period in 1984-85."

Another accomplishment during McPherson's service was initiating the worldwide child survival pro-

(continued on page 2)

Counterintelligence Campaign Set

"USAID employees could be approached by hostile intelligence agents any place, any time," says Wayne Barnes, a special agent for the Federal Bureau of Investigation (FBI). Barnes described the FBI's Development of Counterintelligence Awareness (DECA) efforts at a March 30 briefing for Administrator Peter McPherson and senior Agency staff.

The meeting kicked off a campaign by the Inspector General's Office of Security (IG/SEC) to educate and sensitize USAID employees to hostile intelligence activities directed against the U.S. government.

"The Agency is not immune to an approach by hostile intelligence," explains Wulf Lindenau of IG/SEC. "We have documented cases where USAID employees and contractors have been approached by hostile intelligence operatives. Education in counterintelligence awareness will help meet a growing threat."

Lindenau cited recent counterintelligence cases as evidence of this threat. For example, not long ago at an overseas post, a USAID employee developed a friendship with an Eastern Bloc embassy employee and his family.

"On the surface all appeared well, until the USAID employee realized that the contact had to be reported," recalls Lindenau. "The 'friend' turned

out to be a known hostile intelligence operative."

McPherson; Tom Rolis, assistant to the Administrator for Management; Mike Flannery, assistant inspector general for Security; and others in attendance expressed support for efforts to educate employees on how to identify and react to contacts with officials of hostile governments.

"We want to heighten awareness of counterintelligence concerns. The briefing of the senior staff was the first step in this process," explains Flannery.

The FBI offers its assistance to government agencies and to defense contractors that might be the target of hostile intelligence.

"We're pleased the inspector general is initiating this program," Barnes says. "The Agency's broad overseas operations make it a tempting target for foreign intelligence."

"You don't have to have special clearances or access to sensitive information to be targeted for 'exploitation,'" he points out.

"The suspicions would be less for someone who 'doesn't have any secrets.' But once foreign governments have recruited someone, they work to put them where they can be useful."

Barnes stresses that there is no such thing as a "purely social" contact with a hostile operative. "In

terms of their deceptiveness, we play checkers while they play chess."

Lindenau says the Agency's counterintelligence education and awareness campaign will include videos, handouts and briefings for current and incoming employees. The message will include how to recognize, react to and report hostile contacts.

He notes that recent counterintelligence briefings resulted in several potential cases being reported to IG/SEC.

"The employees were better able to recognize the threat," he says.

Woods Chosen to Head Agency

President Reagan announced April 15 his intent to nominate M. Alan Woods as USAID Administrator. He was named to succeed Peter McPherson who has been nominated to the post of deputy secretary of the treasury.

Since 1985, Woods has served as deputy U.S. trade representative with responsibility for trade negotiations affecting manufacturing, agricultural and service industries. He also directs the congressional and public affairs of the Office of the U.S. Trade Representative as well as its internal management functions.

Previously, he was vice president for technology, Sears World Trade, 1983-85; vice president, DGA International, 1977-83; assistant secretary of defense for public affairs, 1976-77; and civilian chief of staff and senior advisor to the secretary of defense, 1975-76.

During 1981-86, Woods served periodically as an advisor to Administrator McPherson, conducting a series of management studies on the Agency's structure, personnel levels and program processes.

Woods is a native of Missouri and a graduate of American University.



Rep. William Gray (D-Pa.) congratulates USAID for exceeding the goals set by the Gray Amendment in awarding grants and contracts to minority firms. Deputy Administrator Jay F. Morris (center) was recognized by Gray for his leadership of the program.

Minority Firms Assisted

USAID awarded \$123 million in grants and contracts to businesses run by minorities or women and to historically black colleges and universities during fiscal 1986, exceeding the \$100 million level mandated by Congress.

"We have worked hard in the past year to ensure that we not only met the minimum requirement, but that we would surpass it," Administrator Peter McPherson said at a reception honoring Congressman William H. Gray III (D-Pa.), author of the legislation that set the target.

The Gray Amendment to the Foreign Assistance Act requires that at least 10% of the Agency's development assistance funds be made available to minorities and women.

"Congressman Gray's idea was to ensure that development assistance helps those who need it most—both in developing countries and here in the United States," McPherson noted.

"I commend Peter McPherson and (Deputy Administrator) Jay Morris whose leadership was instrumental in not only reaching but exceeding the

requirement," Gray told an audience of minority business owners and USAID staff. "We didn't have to prod this Agency."

"We have tried to make the foreign aid program even stronger by including minorities, historically black colleges and PVOs (private voluntary organizations)."

"USAID is doing an extraordinary job in working with minority enterprises—offering all the help it can," added Congressman Jaime Fuster (D-P.R.), who also attended the reception.

"The figures show a steady increase in the number of minority firms and historically black colleges doing business with USAID," Gray concluded. "They reflect a serious commitment on the part of the Agency to open wide the doors of opportunity to those who have been left out."

"USAID will continue to work to exceed the Gray Amendment goals in the years ahead," Morris pledged. "Our commitment is there not because we have to do it but because it is the right thing to do."

their career," he observes. "And, we have American citizens working side-by-side with citizens from around the world.

"The mix is very healthy, especially at USAID, which is not just in the development business, but in the idea business."

McPherson's resignation will become effective when the Senate confirms his appointment to the treasury post. The White House has announced that President Reagan intends to nominate M. Alan Woods, current deputy U.S. trade representative, to succeed McPherson as USAID Administrator.

Noriega is senior writer and editor in the Bureau for External Affairs.

McPherson

From page 1, column 4

gram. USAID has been the principal innovator in developing oral rehydration therapy, which is responsible for saving the lives of millions of children in the developing world every year. The Agency also is committed to increasing the number of children immunized in Third World countries.

McPherson credits the cooperative atmosphere and excellent career staff at USAID for most of the accomplishments during his tenure. "We have political appointees working with people who have made development

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Cover Photo: USAID is helping Costa Rica sustain its economic growth and spread the benefits to people throughout the Central American nation. See Mission of the Month, page 8.

Women Make Traditional Craft Profitable

by Margaret C. Boeker

Jumana pulled a length of blue thread from the spindle on top of the machine, dipped her head and squinted as she pushed the filament through the eye of the needle. As she looked up, there was a trace of a smile. "At first, my father was against my taking this job. But my mother thought it was a good idea. We needed the income," she says. "Now that we are living so much better, my father doesn't mind so much. In fact, I think he's secretly proud of me."

The girl at the next sewing desk shoved a green plastic laundry basket along the tiled floor. It came to a stop near Jumana, who reached over and pulled out a pair of blue work slacks on which she was to sew the beltloops. These trousers brought her to 56 out of her day's goal of 170 pairs.

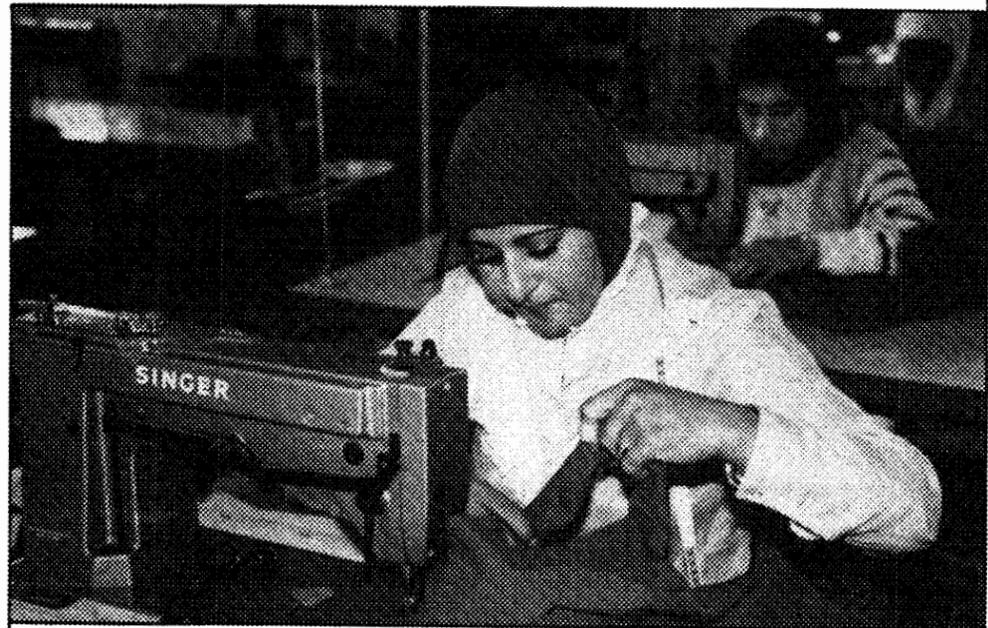
Jumana has joined a group of 24 young women in an industrial sewing project in Mafraq, a town of approximately 20,000 in northern Jordan. The production workers are mainly

more difficult than expected. "No training program in industrial sewing existed in the country," says Akrawi.

There was, however, a CRS-funded school uniform factory in the city of Karak, four hours away by car. The only solution to the training problem was to send the women to live for four weeks in rented accommodations while they worked in the Karak factory, following a training syllabus designed by CRS.

"Locating qualified applicants who were willing to leave their homes and move to a strange city proved to be a major task," Akrawi notes. But after a lengthy search, five women were selected to make the temporary move and learn all aspects of commercial garment production, supervision and quality control.

In March 1985, 20 production workers began factory training in sewing commercial uniforms. After two months, the women were able to produce uniforms of competitive quality in the Amman market. By December the trainees were turning out 36 different types of items for hotels, laboratories, hospitals, the armed



Drawing on a traditional craft, women participating in the industrial sewing group have been able to re-direct their skills in domestic sewing toward production-line manufacturing.

next February.

While the project is off to a good start, there have been unforeseen problems. "Some early concerns centered around the adaptation of the women and their families to a full-time, formal job," Reade points out. "The women's fathers and brothers pressured them to fulfill their domestic and tribal responsibilities to the same extent as before, and they felt obligated to do so." Daily preparation of family meals, assistance in the harvesting of crops and preparations for weddings and other festivities resulted in excessive absenteeism in the sewing factory.

Through home visits by Rula Qumei, a CRS community development specialist, families began to understand that the woman's fulfilling her job responsibilities was in their interest if they wished to raise their standard of living. "For more than 40% of the families, this monthly salary of \$150 increases their total family income by more than 100%," says Qumei. "For the rest of the households, the percentage is less but still represents a considerable contribution. Families quickly saw that the loss of the sewing job would affect them in many ways. As a result, most tried to work out household logistics with less dependence on the production worker.

"Over time, many parents not only accepted the fact that their daughters wanted to be more productive, but became proud of their increased skills and contributions to the family's welfare," she adds.

Nabila, one of the production workers, comments, "I am proud of my work and have more confidence in myself. I now share in the decision making process at home, and my opinions in matters concerning the house are highly regarded."

With an improvement in the lifestyle of the participating families, the change in attitude toward women's work outside the home began to spread throughout the community.

"The few Mafraq women who were already employed were involved either in government services or edu-

cation, which provided both security and status," explains Sister Leona. "The concept of women working in an industrialized sewing center was totally foreign to the Mafraq area, and in the beginning it evoked community suspicion and hostility."

But within a few months, as the benefits to the participating families became noticeable, the situation began to change. As one young worker remarks, "My friends and neighbors used to ridicule my work and think that I was wasting my time. But recently, two of my friends have applied for a job at the center."

Two years after the inception of the project, 150 women are on the waiting list.

While there still are issues to be resolved, particularly that of locating a reliable and inexpensive source for the annual purchase of 26,000 yards of quality fabric and the establishment of a vibrant marketing program, the pilot project should provide continuing employment for Mafraq's women, says Akrawi.

And with its record of success, the factory hopes soon to establish its own credit line.

To extend economic benefits to more Jordanian women, CRS is considering expanding the sewing project by establishing a children's clothing factory. The new operation would be combined in a profit-sharing program with a CRS tourist-oriented sewing project already under way in the city of Jerash and the Mafraq uniform factory. "A planned joint outlet for all three enterprises in Amman should enhance the marketing potential, the sales volume and the financial benefits for all the workers," Akrawi says.

Reade sees potential for a broader impact on Jordanian society. "Hopefully, the acceptance of the Mafraq project by a traditionally conservative community that needs help in raising its standard of living will encourage Jordanians to include women in other economic enterprises," he says.

Boeker is a contractor at USAID/Jordan.

"With an improvement in the lifestyle of the participating families, the change in attitude toward women's work outside the home began to spread throughout the community."

unmarried women who want to increase their family income while in the company of other women in their 15-24-year-old age bracket. Drawing on a traditional craft they learned as young girls, they have been able to re-direct their skills in domestic sewing toward production-line manufacturing.

The commercial sewing project was established in 1984 after a feasibility study funded by Catholic Relief Services (CRS) showed that of seven possible income-generating projects for rural Jordanian women, a factory to produce industrial uniforms in Mafraq would have the best chance for success.

"The extensive preliminary studies done by CRS to determine the structure of the community, its resources and its attitudes towards particular types of work really paid off in pointing us in the right direction," comments Lewis Reade, USAID mission director in Jordan.

With an additional support grant of \$254,000 from USAID, CRS, the administering agency, was able to lay the foundation for a commercial enterprise. Sister Leona Donahue, CRS country representative, together with Aysar Akrawi, CRS project director, handled the renting and adaptation of an appropriate premises, the purchasing and installation of industrial machinery, the designing of the production line and the recruitment of qualified workers.

One vital component of the project—the training of supervisors and a production technician—proved to be

forces and an airline. The sales covered 75% of their operating costs.

Even though this represented a formidable achievement in one year, the women knew they had to increase their production, continue to upgrade the quality and lower the per-item sales price to attract future clients.

In 1986, the second year of production, they reduced waste to a minimum and kept accurate records of production timing and problems on an item-by-item basis. The quality and output of each production worker also were recorded so that identification and correction of errors in production and the immediate upgrading of skills could be provided.

As a result of this monitoring, the project was able to increase its production and sales to the point where the enterprise was close to self-supporting by the end of the year.

"For a factory to go from zero production to paying for over 90% of its operating overhead in two years is remarkable anywhere in the world," says Reade.

"This sewing project, which employs women and is controlled by women, is now the largest commercial operation in the city of Mafraq and the third largest garment operation in the whole country."

One indication of the products' acceptance is that clients have been placing second orders larger than the first. The factory also has attracted the attention of the Jordanian government, which has signed contracts that will keep the women occupied until

Rubin, Partners Receive New Agency Award

Presenting USAID's first Development Achievement Award April 24 to the Partners of the Americas and its former president, Alan Rubin, Counselor to the Agency Marshall Brown said, "Partners of the Americas is receiving this award for its outstanding success in mobilizing an ever-widening network of people-to-people partnerships engaged in economic and social development throughout the Western Hemisphere."

Partners of the Americas is the largest network of private voluntary exchange in the Americas. It has more than 20,000 volunteers who are involved in more than 1,300 projects. Those projects are valued at more than \$40 million and benefit more than 100,000 people each year.

Brown said Partners is the primary organization through which USAID is carrying out its advanced developing country strategy in nations such as Brazil and Colombia. In addition, he said, Partners has helped communities provide safer drinking water.

Partners also provides advanced training to participants from Latin America and the Caribbean as well as assisting the Agency in its democracy-building in Central America and the Caribbean.

Brown also praised Rubin, who started as a Partners volunteer 20 years ago. Brown pointed out that in 1970 when Partners first became a private voluntary organization, it had only one source of income—a \$400,000 grant from USAID.

Today, the organization's budget is more than \$6 million, and its contributors include more than 25 U.S. corporations, 22 overseas companies, 28 foundations and seven U.S. and foreign government agencies.

"These numbers are evidence of Alan's leadership skills," Brown said. "He's extremely dedicated and is a fine manager."

The Development Achievement Award is a new honor created to recognize individuals or organizations that have made major and sustainable contributions to USAID's development objectives.

IN MEMORIAM

JACK MICHAELSON

Agency retiree Jack Michaelson of Boca Raton, Fla., died of cancer March 2 in the Delray Beach Hospital. He was 72.

Michaelson joined the Foreign Service in 1965. Following assignments in India and Vietnam, he was posted to Nigeria in 1970 where he remained for four years as administrative officer and general services officer. In 1974, he was reassigned to Ethiopia as an executive officer until his retirement in 1976.

Michaelson is survived by one daughter and three sons.

USAID BRIEFS



Tunisian President Habib Bourguiba (left) decorates James Phippard, former mission director to Tunisia, with the Commander of the Order of the Republic medal in appreciation for his leadership in promoting "excellent relations" between Tunisia and the United States, as Mansour Skhiri, minister of protocol, assists. During the recent presidential palace ceremony prior to Phippard's departure, the president specifically praised Phippard's efforts in the family planning and agricultural cooperation programs and in Tunisia's economic readjustment program. Phippard is the first USAID official to receive the honor since Tunisian independence. Also present at the ceremony were Prime Minister Rachid Sfar; Ahmed Ben Arfa, Tunisian secretary of state in charge of International Cooperation, Ministry of Foreign Affairs; and U.S. Ambassador Peter Sebastian.



Ambassador Holly Coors (left) greets Jose Rafael Picuasi of Ecuador as he operates his loom at a recent display of Latin American crafts in Washington, D.C. The April 22 exhibit launched the "National Year of the Americas," to which Coors is President Reagan's special representative. USAID's contribution to this effort will help increase cultural awareness among the nations of the hemisphere and promote private investment, trade, educational exchanges and health programs in the less developed countries of Latin America, she said.

AFS Seeks Families to Host Students

Traveling and living in foreign lands offer unique opportunities to learn about and experience differing lifestyles and traditions. An alternative way of experiencing a foreign culture is to host an AFS (American Field Service) exchange student.

Exchange students are carefully screened, and more than 50% of the participants are from developing countries. Students are placed with families on the basis of compatible interests.

AFS host families vary in age, size and income level. They include two-parent and single-parent families, single people and older couples.

The AFS International/Intercultural Program is a non-governmental, non-profit organization that promotes intercultural learning through worldwide exchange programs for high school students. Celebrating its 40th anniversary this year, AFS expects 3,000 American families to participate in the program.

Persons interested in hosting an AFS exchange student should contact AFS immediately by calling 1-800-AFS-INFO or writing: AFS, Dept. PI-NB, 313 E. 43rd St., New York, N.Y. 10017.

Profit-Sharing Project Helps Thai Business

An Agency-funded \$6 million private venture capital company has begun operations in Thailand to promote local business ventures using U.S. agribusiness technologies.

The Agency's Bureau for Private Enterprise is providing half of the \$6 million in capital through a 10-year loan; six Thai commercial banks are funding the other half of the project.

The new company, Business Venture Promotion Ltd. (BVP), will generate revenues from fees and capital gains.

A unique feature of the project is that USAID will share in the company's profits, receiving 20% of net earnings up to the equivalent of the face value of the loan.

BVP will provide seed money to start up or expand small and medium-size Thai firms, particularly joint ventures with American companies. These will focus on biotechnology and agriculture-related technology such as irradiation to control spoilage, technology to produce high-quality animal feeds and new techniques to accelerate vegetable and fisheries production.

The project is intended to strengthen Thailand's financial market structure by providing a new mechanism to mobilize and direct private capital. Benefits will include technology transfer, job creation and income generation in rural areas, all key development goals for Thailand.

Lesotho Winning Battles on Health Front

by Betty Tonsing

Parents of a critically ill child suffering from measles or one of several diarrheal diseases in rural Lesotho may not be aware that dehydration or complications caused by these diseases are the real killers of small children. But, like many in these remote highlands, where 85% of the population lives, they know with certainty that the possibility of death is very real once a child in these distant villages becomes seriously ill.

Steep, rocky mountains that peak to over 11,000 feet cover 80% of Lesotho. Many of the villages are linked by only a bridle path, and the closest health clinic may be a day's journey away. Parents must cover the distance on horseback or on foot, carrying their sick child on their back. This arduous journey is repeated almost daily by some Basotho parents, and until recently, there was little promise that at the end of this trek there would be some way to save the child.

What makes Lesotho different from other developing countries is the re-

"Small children are most vulnerable to severe diarrhea and dehydration because they lose body fluids faster than adults."

markable achievement of this mountain kingdom in attacking the major causes of death among children—measles and diarrheal diseases. In a country where only 4% of children were fully immunized in 1975, 49% were successfully immunized by 1984, when USAID began its assistance program to help expand immunization coverage. Since then, coverage has increased to 65%.

Africa-wide, the average percentage of children under five who have been fully immunized is only 20%.

In 1984, the Agency, in coordination with the Centers for Disease Control (CDC) in Atlanta, committed \$562,900 in a bilateral grant agreement to the kingdom of Lesotho in its efforts to reduce death and illness due to communicable diseases among infants and small children.

"The main purpose of the Agency's Africa Child Survival Initiative-Combating Childhood Communicable Diseases project (ACSI-CCCD) is to assist Lesotho's Ministry of Health in reducing mortality and morbidity among children under five by expanding and upgrading oral rehydration therapy (ORT) and immunization services," according to John Nelson, former program coordinator for Lesotho.

Almost 75% of Lesotho's children are now immunized against measles. Prior to 1979, available immuniza-

tions in local health clinics did not include the measles vaccine. Mothers had to seek private physicians for the vaccine; only those who could afford the private doctor's fee were able to protect their children against the disease. Today, complete coverage includes immunizations against measles, tuberculosis, diphtheria, whooping cough, tetanus and polio.

On the other major health front—diarrheal diseases—the progress also has been noteworthy. As late as 1985, local hospital records listed diarrhea with related dehydration as a cause of death in 47% of reported deaths among children under five years of age.

Small children are most vulnerable to severe diarrhea and dehydration because they lose body fluids faster than adults. Time is the critical factor. It is possible that a healthy infant or small child, after contracting diarrhea, could dehydrate and die within hours if lost body fluids are not immediately replaced.

In less than a year after implementing oral rehydration therapy techniques, deaths due to dehydration dropped by 50% among children under five at Maseru's national hospital.

Through training and technical assistance, the project has helped forge an effective team with Lesotho's health professionals at all levels—from the national program coordinators to the trainers, nurse clinicians and the local village health workers.

"The USAID program is taking the lead in Lesotho in the management of diarrheal illness," says N.T. Borotho, principal secretary for the Lesotho Ministry of Health, who was involved with the development of these programs as chief of the ministry's planning unit.

"It is the first program that is directly tackling the problems of diarrhea among small children in Lesotho. The ACSI-CCCD project has developed a specific approach to manage diarrhea cases. The approach is unique because it involves the mothers, and it is working."

Oral rehydration therapy is the basis of the new approach. By its very simplicity—replacing body fluids lost during diarrheal episodes, thus preventing dehydration and possible death—ORT has been heralded by international health experts as a critical advancement in child health care.

All too frequently small children die in local hospitals simply because of dehydration. To prevent these deaths, USAID has assisted Lesotho's Ministry of Health in setting up special Oral Rehydration Units in 10 of the country's 18 hospitals.

Queen Elizabeth II Hospital, the country's major health facility, has been designated as the main ORT Treatment and Training Center for all other hospitals, many of which are operated by religious or private institutions. Each hospital center has two to three trained ORT specialists.

"Soon there will be trained and equipped specialists in every hospital," says Nelson. "These specialists will be able to make an immediate



An ORT nurse specialist at Maseru's Queen Elizabeth II Hospital pinches a baby's skin to check the degree of dehydration.

diagnosis of dehydration and implement the prescribed treatment."

Nelson noted that once mothers with their children arrive at the hospital, they sometimes have a long wait before seeing a health professional. In the case of a dehydrated child, a long wait could be fatal. Children in critical need of rehydration now can be identified and attended to immediately.

The program is being implemented by both the Ministry of Health and the Private Health Association of Lesotho, and the Oral Rehydration Units have already begun to save lives.

According to official statistics, deaths due to diarrheal diseases decreased significantly in less than a year at the Queen Elizabeth II Hospital during 1986. As a result, the Ministry of Health plans to have Oral Rehydration Units in every hospital of the country by 1988.

"This is an approach that mothers can see work," says Borotho. "Rather than being given medication for the diarrheal illness and ORT packets to use at home, the child is immediately rehydrated. At several clinics, the mother participates if the child does not need an I.V. as a result of complications. If ORT packets are used, the mother is asked to begin giving her child the packets mixed with water while at the clinic. Her child's health improves as she is administering the special fluid."

Borotho says that the mother may have been uncertain as to what she must do if she waited until she got back to her home, confused with the medication and packets she received. Her child's health is at risk. By administering the packets at the clinic, she said, and by seeing her child become well again—and quickly—she learns how to properly use ORT and is convinced of its merits.

"The establishment of the Oral Rehydration Units in Lesotho's hospitals is a hallmark in the project's initial efforts to combat diarrheal diseases in Lesotho," says Nelson. "The

units are working effectively because of the comprehensive management training plan developed with the Ministry of Health."

In the past, Lesotho's health care professionals had to travel to Maseru, the capital city, to participate in training programs dealing with diarrheal diseases. This meant a shortage of needed staff in outlying health clinics.

USAID is assisting the Ministry of Health in implementing its decentralized training program into Lesotho's health service areas. There are 19 health service areas throughout Lesotho, each served by a main hospital facility and several satellite clinics. Each health service area is now responsible for its own training schedule.

USAID provides the training based on 10 modules, which include ORT, immunizations, how to encourage community participation, nutrition and how to map and target specific population groups most susceptible to immunizable and diarrheal diseases. Two of the modules have been translated into Sesotho, the national language, for use by field workers. Each health service area decides who will be trained from within its specific area and what should be offered, based on its particular needs.

The project is working in concert with Lesotho's Expanded Program on Immunizations (EPI). Begun in 1979, EPI was financed initially by the African Development Bank. EPI also has received substantial support from the World Health Organization (WHO), the U.N. Children's Fund (UNICEF) and Save the Children Federation. The Agency, through CDC, has provided technical assistance to the effort.

In addition to management training programs, USAID is assisting Lesotho's EPI program by targeting its program in those areas in the country that remain susceptible to diarrheal diseases. Intensive campaigns are under way to minimize the further incidence of measles in these high risk areas by mobilizing immunization resources.

Community education is a critical factor in making the program work. According to Adrian deGraffenreid, mission project development officer who oversees the project, "Health professionals in Lesotho are receiving the specific training they need and want for their specialized areas."

Equally important are the shared objectives among donors. "The Agency's goals are in line with WHO, UNICEF and Save the Children, agencies that are providing vaccines, ORT packets and other medical supplies to Lesotho's health delivery system," he says. "USAID and the Ministry of Health have done an excellent job in making communities aware of available services, why immunizations are important and how ORT is saving their children's lives."

Imprinted T-shirts and aprons have been a popular method of getting in-

(continued on page 6)

U.S.-Brazil S&T Initiative May Have Global Impact

by Ellen C. Irving

A joint science and technology research initiative between the United States and Brazil could have a far-reaching impact on the development community and developing nations worldwide, according to Nyle Brady, senior assistant administrator for the Bureau for Science and Technology.

Recognizing the crucial role of scientific research in sustaining economic growth, President Jose Sarney of Brazil and President Reagan agreed to undertake a special presidential initiative to implement the U.S.-Brazil Science and Technology agreement during Sarney's official visit last September.

To lay the groundwork for this cooperative science and technology exercise, a delegation of U.S. scientists and science administrators met with a counterpart Brazilian delegation April 12-15 in Rio de Janeiro.

The U.S. delegation was comprised of seven senior scientists chosen by William Graham, President Reagan's science advisor, and senior representatives of federal agencies and research centers who will implement the projects—including USAID's Brady. The delegation was led by Allan Bromley of Yale University.

Brazil, a USAID graduate country, has the world's ninth largest economy with a sizeable and well-trained science and technology community. In addition, Brazil's physical dynamics—its tropical and sub-tropical environment and vast biological diversity—provide a natural laboratory that may provide insights and solutions that would benefit other nations.

"Each country is an equal partner in the program," stresses Brady. "The initiative builds on a long his-

tory of successful U.S.-Brazil cooperation in science and technology and the high quality of the many person-to-person and institution-to-institution collaborations that are currently in place as a result of the efforts of individual scientists and engineers."

To ensure the collaborative nature of the initiative, only those areas of clear benefit to both countries and with promise of tangible results in the near future were selected.

In addition, participating scientists and engineers are required to have proven expertise and a record of substantial practical accomplishment in their field.

The working group of scientists, engineers and government officials, agreed in Rio de Janeiro on six general areas of study: basic science for health and agronomy, oceanography and meteorology, engineering and materials science, alternative energy sources, basic science, and ecology and the environment.

Although USAID will not provide direct funding, several of the proposed projects have important implications for developing countries—especially those in the tropics of other continents—and may influence Agency programs, according to Brady.

"It is likely that the research on alternative energy resources will focus on alcohol as a replacement for gasoline, as Brazil is leading the field in this technology," he says. "In countries where there is no domestic source of petroleum, defining local products that can be used to produce alcohol and refinement of the distillation process could have a dramatic effect on agricultural production, and, in the face of the predicted rise in oil prices, on their economies in general.

"The biological pest control study

could have long-term, worldwide benefits in limiting potential environmental contamination," he continues, "and the development of new or improved vaccines or drugs—malaria is one we will tackle—could have immediate impact."

The effect of deteriorating rain forests on global weather patterns and the connection between ocean temperature and drought prediction are other areas of proposed research that could have broad implications for agricultural production and mitigating famine, Brady notes.

The working group recommended that the joint science and technology program be implemented by domestic science agencies from the two countries, with a lead or executive agent

"The development of science and technology capabilities is absolutely essential for developing countries to become self-reliant."

being chosen from each country.

Each executive agent would establish a Science and Technology Coordinating Group, drawn from the senior members of the participating government agencies and science and technology organizations. The implementation would be under the general policy guidance of the U.S. State Department and the Brazilian Ministry of Foreign Affairs.

USAID; the National Oceanic and Atmospheric Administration; the National Aeronautics and Space Administration; the National Science Foundation; the National Institutes of Health; the Smithsonian Institu-

tion; and the departments of State, Agriculture and Energy and their Brazilian counterparts are among the organizations participating in the initiative. Funding will be provided directly by the participating domestic organizations of each country, and periodic independent workshops will be held as needed for each project.

The initiative is in step with Brazil's new emphasis on science and technology. The Brazilian government recently reorganized its science establishment and created a Ministry of Science, thus giving science and technology a high priority in its latest development plan.

"Brazil has a strong motivation for indigenous development of technology and its underlying base of scientific research," says Brady. "Heavy reliance on imported technology is a major drain on scarce foreign exchange, and such technology is often difficult to assimilate. The vitality of scientific and technological research is an increasingly important factor in the success of Brazil's evolving growth strategy."

Brazil represents America's second joint science and technology venture. President Reagan and India's former Prime Minister Indira Gandhi launched the first initiative in 1982.

Brady, an early architect of the program, emphasizes the importance of presidential-level interest. "The prime minister attended the planning meeting and made direct, knowledgeable requests for specific areas of research.

"The public and behind-the-scenes support of both Mrs. Gandhi and the President enabled the committee to cut through the layers of bureaucracy and red tape that often hamper new projects," he says.

Among the Indo-U.S. initiatives on health, agriculture, forestry and monsoon forecasting, the greatest gains have come in the health and agriculture sectors. American and Indian researchers are using recent breakthroughs in immunology to develop a simple, early diagnostic test for tuberculosis and the first vaccine against malaria. The immune system's role in leprosy and filariasis also is under study. In agriculture, the focus has been on means of enhancing biological fixation of nitrogen and on efficient utilization of applied nitrogen.

As a development tool, sophisticated science and technology capabilities have helped bring Brazil and India increasing independence in the world community.

"The development of science and technology capabilities is absolutely essential for developing countries to become self-reliant," Brady notes. "Because their medical and agricultural needs are often different from ours, they must increase their research capacity as it relates to their specific circumstances.

"Ultimately, the benefits derived from this type of collaborative initiative can go beyond the success of individual projects and institution building to elevating the society as a whole. The net benefit is mutual."

Irving is a writer in the Bureau for External Affairs.

Lesotho

From page 5, column 4

formation to the public. Calendars featuring target diseases, rehydration treatment charts and Cycle of Health cards are being used in health clinics throughout the country.

A new communications for child survival (HealthCom) activity associated with the project and funded by USAID is assisting the Ministry of Health to develop modern communication techniques and programs and use radio, print and graphic materials in more effective ways.

"An ordinary poster is not enough. The graphic displays about ORT and immunizations must catch people's attention, and the important message must be remembered. A good poster does that," says N. K. Matsau, acting chief planning officer for the Ministry of Health.

"The message is getting across. Lesotho is proud of its 65% immunization coverage," she adds.



Lesotho has one of the highest immunization coverages in Africa, with 65% of all children under five fully immunized.

Based on this success, the country plans to increase immunization coverage to 85% by 1990. "This is a challenging goal, but feasible in light of Lesotho's progressive steps against childhood diseases. Lesotho's immunization record is so impressive that it is possible to completely control measles in Lesotho by 1990," stresses Nelson.

"It can be done through more training, more community mobilization and a continual upgrading of data systems for immunizations and diarrheal diseases. It is a reachable goal, and USAID is giving Lesotho its full support."

Tonsing is a contractor at USAID/Lesotho.

Appropriate Policies Spur Development

by Arleen Richman

An appropriate technology is a commercially viable product or process that is well-suited to local capital, labor, skills and natural resources. It is intended to use capital efficiently and generate employment.

The appropriate technology approach can provide important support for USAID's agriculture strategy of increasing rural employment and incomes. In a conducive policy environment, the use of appropriate technologies in small-scale agriculture increases farm incomes. Higher farm incomes create demand for non-farm goods and services that can be produced in rural areas using still other appropriate technologies.

Such non-farm production increases rural non-farm employment and incomes that, in turn, increase purchasing power and general employment in and out of the agriculture sector.

USAID encourages development of appropriate technologies, in part, through a grant to Appropriate Technology International (ATI), a private, non-profit, U.S.-based organization established in 1976 in response to a Congressional initiative under Section 107 of the Foreign Assistance Act. ATI carries out its program by making grants to private sector organizations, primarily in developing countries, to show the commercial viability of particular technologies and to promote their reproduction.

In January 1986, ATI sponsored an Agency-funded, two-day conference in Washington, D.C., to explore the relationship between macroeconomic policies and appropriate technology. The conference brought together members of the development and academic communities who work in this field.

In March, Westview Press and ATI published *Macro Policies for Appropriate Technology*, a compendium of the seven case studies presented at the conference. The publication was edited and prefaced by Frances Stewart, a well-known economist from Oxford University.

ATI recently interviewed Stewart regarding the book's message for development professionals.

ATI: Why do you believe that appropriate technology is such a critical area in development activities?

FS: Appropriate technology is the best way to generate employment so that poor people, who represent the bulk of the total population in LDCs (less developed countries), benefit. In contrast to the social welfare philosophy—giving handouts of food or money or both—it generates productive employment so that the poor can produce for themselves. Appropriate technologies help people to help themselves to improve the quality of their lives.

ATI: Isn't USAID, by funding organizations such as ATI, encouraging promotion of appropriate technologies for the rural poor?

FS: Yes, ATI and the PISCES projects [USAID's Program for Investment in the Small Capital Enterprise Sector, funded through the Bureau for Science and Technology's Office of Rural and Institutional Development] are explicit efforts made by the Agency to promote appropriate technologies. Projects like these need to be more widespread.

ATI: If appropriate technology has become generally recognized as an essential part of any development strategy, why is its application so relatively limited?

FS: First, you need a good invention. Really good appropriate technologies, like the Singer sewing machine, Mark II pumps and oral rehydration therapy, are taken up spontaneously

because they benefit millions at a relatively low cost. And, the technologies needn't be new inventions. The MOSTIs (Manually Operated Shallow Tubewells for Irrigation) were not even designed for irrigation, but they were successfully adapted for this purpose.

Research and development tends to favor large-scale innovations. More money needs to be spent on developing technologies that originate in LDCs, improving the productivity of existing appropriate technologies, developing local research and development institutions, promoting relevant skills to use the appropriate technology and encouraging local capital-goods industries.

Then again, simple technologies, developed by and for the poor, don't get marketed as easily. You need money to produce the technology and the people need money to buy it. Small firms and low-income people often lack access to credit at reasonable rates of interest. Poor people don't have collateral to pledge as security for a loan. Therefore, finance for investment is high-risk and very expensive.

ATI: What steps should be taken to expand the use of appropriate technologies?

FS: We need to find ways, other than charging high interest, to lend to high-risk groups. Any promotion of appropriate technology should introduce a banking element and credit schemes for the very poor. One good example is the Grameen Bank in Bangladesh, which through a USAID-supported program has very suc-



Frances Stewart: "Appropriate technologies help people to help themselves."

cessfully extended loans to the poor and the landless, especially focusing on women.

The average poor rural dweller in the Third World has been struggling all his life at the "micro" level, yet his efforts have been thwarted by "macro" policies, which are the general policies within which decision makers operate. If appropriate technology is to become universal, the general context within which individual decision makers operate must be changed.

We need the "micro" projects to learn how to develop effective appropriate technologies, and successful projects should be repeated elsewhere as ATI now is doing. But to disseminate appropriate technology on a wide scale, you must change "macro" policies. The problem is, this is a very slow process, and people don't like to fund approaches that don't show results quickly. The whole policy framework is generally biased against small-scale, relatively low-cost technology. There will be little overall change unless you can get the environment changed.

ATI: In the book, you state aid donor agencies and parastatals tend to favor inappropriate technologies. Why?

FS: Aid donors and parastatals are bureaucracies; they need to program large sums of money quickly, and they need to be sure that the projects financed can comply with the procedures established. It's easier to deal with a large-scale multinational than to locate 1,000 small producers and deal with 1,000 managers.

ATI: How do you change decision-making in aid agencies?

FS: Appropriate technology must be introduced explicitly into decision-making at every level. Whenever a project is contemplated, the first question asked should be: Is this technology appropriate to the needs and abilities of the people it will

serve? You need to think of appropriateness *before* a policy is formulated or a technology is chosen.

Appropriate technology must be considered in the search for a technology. Most choices are not based on a widespread search. The need is defined, the product is defined, but alternatives are not assessed in the beginning. Appropriateness needs to be considered in every phase of project design, implementation and evaluation. Even so-called appropriate technologies must be evaluated to determine if they really are appropriate.

Further, you need to establish and strengthen local institutions that are able to implement the project and distribute the money. Otherwise, programming the money is cumbersome. And, if programming funds is difficult, inappropriate technologies will replace the appropriate technologies. You also have to guard against special interest groups that will benefit from the inappropriate technology.

ATI: Are there any policies that don't create major conflicts—that would be readily acceptable by everyone?

FS: Generally, promotion of rural agriculture falls into this classification. The growth of rural agriculture has positive indirect effects on services/consumption linkages. Agricultural processing creates many jobs. Ideally, the benefits of rural agriculture should be widely dispersed so that the largest share of the positive gains goes to the poor. However, the extent to which the increase in agriculture in a country affects the non-agricultural sector is dependent on the "macro" policies in that country.

It is absolutely necessary to establish the proper infrastructure to promote productive agricultural growth and facilitate the development of non-agricultural activities in the rural areas. Electricity, water and transportation are all necessary if the appropriate technology is to succeed and produce a ripple effect.

ATI: How would you summarize the relationship between appropriate technology and "macro" policies?

FS: If appropriate technologies work, and if they are put into widespread use, the rural poor will become empowered. They will have incomes and will be able to influence decision making to a greater degree than at present. If more poor people have good technologies to work with and can help themselves and increase their productivity and their earnings, then markets for simple, labor-intensive products would increase; savings among the poor would rise; and there would be more investment in appropriate technologies.

Richman is assistant to the executive director, Appropriate Technology International.

MISSION OF THE MONTH

Costa Rica

by Roger Noriega

In Costa Rica, children in neat uniforms walk country roads to nearby schools. "Living fences"—where rows of trees serve as posts—mark off small, green farms. Even in the poorest barrios, the tiny houses are clean and tidy. In San Jose, the capital, people waiting for buses form orderly lines.

Despite the maze of unmarked streets and highways that is typical of Latin America, Costa Rica is a country that knows where it's going: It seeks to protect its democracy and improve the well-being of its population.

Helping the nation reach these goals is what shapes the efforts of USAID's mission in Costa Rica. And, the mission's emphasis on macroeconomic policies and export-led growth is central to the program.

"Costa Rica is not a less developed country," says Mission Director Dan Chajj. "It is one of the more advanced developing countries. Before the economic crisis of the early '80s, the country was close to 'graduating' from USAID's program."

Even in the wake of the crisis, Costa Rica does not suffer from many of the problems that are common in the Third World. The country has a universal public health system, an infant mortality rate of 18 per 1,000, a 90% literacy rate and a fairly high per capita income compared to most developing countries, Chajj reports.

"Consequently, the USAID program here is not the usual development activity found elsewhere," he says. "That puts Costa Rica and the USAID mission on the cutting edge in international development."

During the 1970s, Costa Rica was buffeted not only by the worldwide rise in the cost of petroleum and the tumbling price of coffee, the nation's principal export, but also by structural problems within its economy. The crisis worsened in 1981, when the government suspended payments on foreign debt. By 1982, cut off from foreign credit, the economy continued to shrink, unemployment climbed to 9.5% and inflation shot up to 100%.

To help ease the crisis, in fiscal 1982 USAID began providing Economic Support Funds (ESF) and P.L. 480 Title I balance-of-payments support. Since then, USAID has provided over \$700 million in this type of assistance to Costa Rica, a nation the size of West Virginia with a population of 2.7 million. These funds have enabled Costa Rica to import U.S. food commodities, raw materials and other goods needed for production.

The Costa Rican government has made fundamental reforms that were encouraged by USAID, the International Monetary Fund and private creditors. These include unifying the exchange rate and maintaining it at competitive levels with other currencies, restraining credit and public expenditures and holding interest rates at real positive levels.

"Our task five years ago was to help stabilize an economy that was about to collapse," explains Chajj. "The Costa Ricans have achieved stability with considerable support from the United States and others."

Today, inflation has been reduced to around 14%, and unemployment has sunk to about 6%. And, after successive years of economic decline, Costa Rica logged an average 3.8% growth rate from 1984-86.

PRIVATE SECTOR SUPPORT

Policy reforms also have created a better climate for private enterprise and private investment. For example, whereas all banking credit once was subsidized, since 1985 subsidized credit has accounted for only 15% of total banking credit. Also, the public sector is absorbing less of the available credit. These reforms have helped make Costa Rica a more inviting place for private investment.

One of the premier efforts in USAID's policy dialogue is the divestiture of CODESA, the Costa Rican Development Corporation. The goal is to reduce government losses and consequently to make more credit available to the private sector.

Created by the government in 1972 to encourage new business ventures, CODESA took controlling interest in many enterprises and, rather than supporting private business, actually competed with the private sector for scarce credit. Between 1979 and 1983, credit to CODESA increased fivefold and accounted for about one-third of total public sector credit. Yet, despite this significant investment of scarce resources, CODESA's

subsidiaries generated only 2,122 direct jobs—a tiny part of the nation's work force.

"These companies were 'all over the map.' There was no apparent reason for the government to have an interest in them," says Chajj. "A major part of our effort is to help Costa Rica get rid of as many as 51 parastatal enterprises that have been losing money."

Using local currency funds, USAID is providing technical assistance and financial backing to enable the government of Costa Rica to complete the divestiture of CODESA's costly interests by the end of this year.

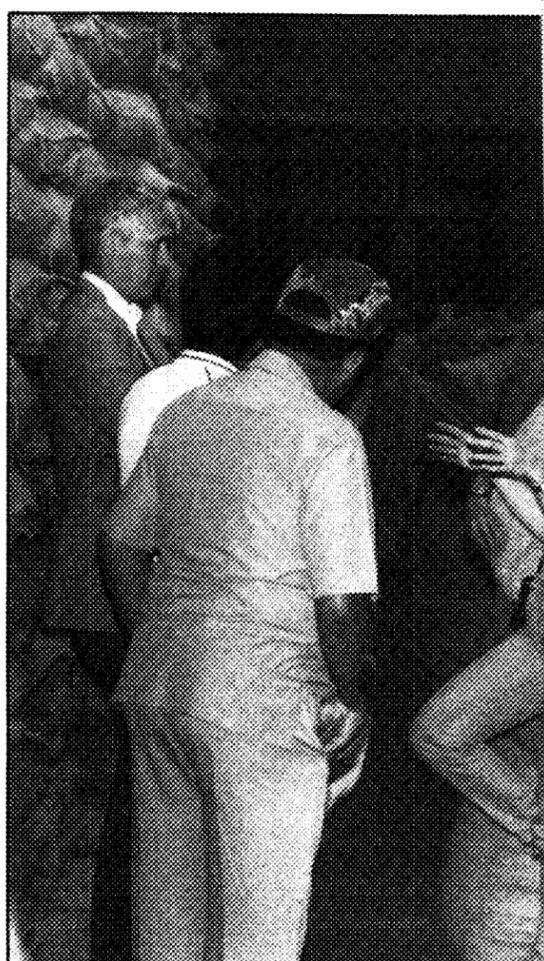
With economic stabilization taking hold, the mission is looking increasingly to laying a firm foundation for long-term growth through an export-led economy.

Through innovative credit policies and investment promotion, the mission hopes to make Costa Rica's private sector the driving force in building the economy, according to Kevin Kelly, the mission's assistant director. "The strategy is that the traditional production base in the country—including coffee, bananas, sugar and cattle—cannot and will not be the sole vehicle for growth that they were in the past," he explains. "Costa Rica must diversify its production with a view toward external markets."

"The theme of private sector development flows throughout our efforts," says Kelly. "Our whole credit portfolio is directed at developing the private sector. We aim to put financial resources in place so that the private sector can increase its capacity, production and exports."

Access to reliable credit is vital to USAID's efforts to give private business a boost in expanding exports. Over the past few years, USAID has encouraged competition between the state banks and private financial institutions to loosen credit.

Although the rapid turnaround in loan applications has given private banks a bit of an edge, their capital



Jim Van Den Bos (far right), Beverly L. (from right) of the mission staff inspect Astacio (in cap), of FEDECOOP, and

base is limited by laws that prohibit them from accepting deposits with maturities of less than 180 days.

To even the field in the credit market, USAID has channeled local currency funds through private banks. In recent years, the amount of equity and assets in private banks has increased considerably, making them better able to compete with state-owned institutions.

The mission has assisted in the development of other alternatives to Costa Rica's cumbersome nationalized banking system. For instance, the first venture capital company in Central America—the Private Investment Corporation (PIC)—was established in 1984 with the help of a \$20 million USAID loan for equity capital. PIC provides full-service financial support for export-oriented businesses.

So far, PIC loans have created more than 700 new jobs and generated \$23 million in new investments and \$8.5 million per year in foreign exchange. Similarly, other funds have been targeted to private banks and finance companies to support their efforts to accommodate new investment in Costa Rica.

In addition to cultivating Costa Rica's homegrown private sector, USAID hopes to promote foreign investment to create jobs and generate export production.

"We can create more jobs and help more people through investment promotion than through almost any other activity," contends Neil Billig, deputy private sector officer.

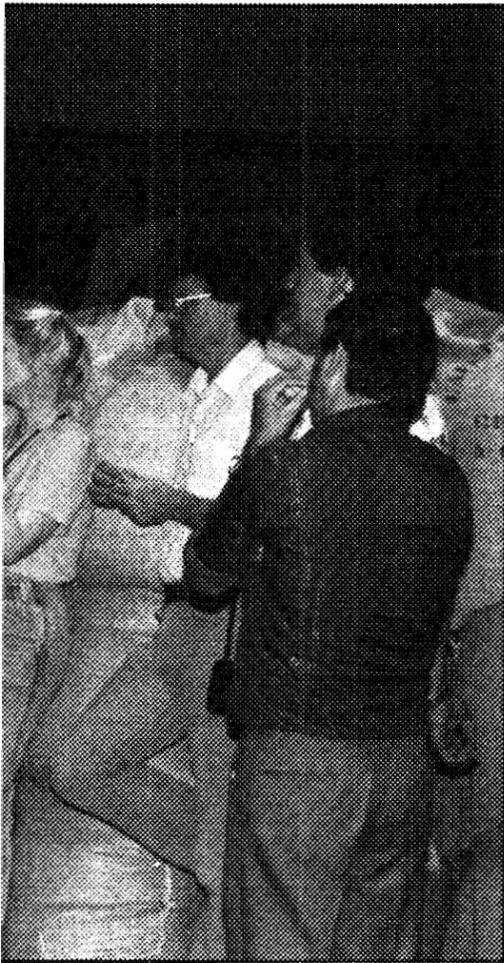
The Agency provides about \$2.5 million a year to the private Costa Rican Coalition for Development Initiatives' (CINDE) investment promotion program.

"In most countries, investment promotion is primarily a function of the government," Chajj observes. "Here, we are helping the private sector carry out that important function and already have demonstrated the greater efficiency of the private sector."

The CINDE investment promotion program was launched in 1984. With financial support from the United States



USAID has helped produce and distribute two million textbooks to Costa Rica's schoolchildren and will work with the Peace Corps to refurbish about 1,200 one-room schoolhouses.



ham (center) and Mike Foster (third coffee processing plant with Frank op managers.

products that have export potential in Costa Rica. Cacao, vanilla, macadamia nuts and black pepper are among the possible products.

"It is not enough that they can be grown here," says Barbee. "There must be a ready market to ensure profits."

While the mission is encouraging export diversification, it recognizes that coffee will continue to be a major foreign exchange earner for the country. USAID is channeling \$20 million worth of local currency for technical and credit assistance through the Federation of Coffee Grower Cooperatives (FEDECOOP) to 6,000 farmers belonging to 31 cooperatives throughout the country. The effort is intended to help Costa Rican coffee farmers modernize and diversify their operations to raise incomes and reduce the effect of coffee rust disease on affected farms.

"The project has been under way for only 2½ years and already has begun producing much higher yields," Project Manager Beverly Latham points out. "We didn't expect these dramatic results for four years."

THE PVO ROLE

Although microenterprises are not expected to generate significant levels of foreign exchange earnings, they do generate jobs. For that reason, the mission is providing assistance to these enterprises and works through private voluntary organizations (PVOs), which can better reach the target group. Beginning this year, all PVOs—including those from the United States—apply for USAID grants through a private umbrella organization, the Costa Rican Association for Development Organizations (ACORDE). USAID Project Manager Ray Baum reports that ACORDE has two requirements for its projects: They must be income-generating and production-oriented.

In addition to funding and monitoring projects, ACORDE provides training to Costa Rican PVOs to make them more effective and efficient. And, the U.S. PVO Private Agencies Collaborating Together provides guidance to ACORDE.

To strengthen local groups, international PVOs are encouraged to work closely with Costa Rican organizations, explains Maria Aminta Quirce de Heilbron, ACORDE's executive director. "When an international group leaves, something should stay here," she says.

USAID has helped ensure continued funding for ACORDE through an agreement with the Costa Rican Central Bank under which ACORDE will receive a portion of the income generated by a special credit line within the bank.

Far from the bustle of San Jose is the *Zona Norte* (Northern Zone), the site of the mission's most traditional development project. The Northern Zone has never been integrated fully with the *meseta central* where more than half the population lives. Seven of the zone's 11 districts are among the nation's lowest in social indicators, including literacy, infant mortality, health and nutrition.

"Because of the tremendous agricultural potential of the area, the

government and USAID are working together to develop the area and tie it in with the rest of the country," Frank Heilemann, the project manager, explains.

TRADITIONAL CHALLENGES

A \$14 million loan from USAID to the Costa Rican government is helping to make the area economically viable. The centerpiece of the project is a 104-kilometer, two-lane gravel road, being built by a consortium of private contractors, which will connect the project area with existing roads.

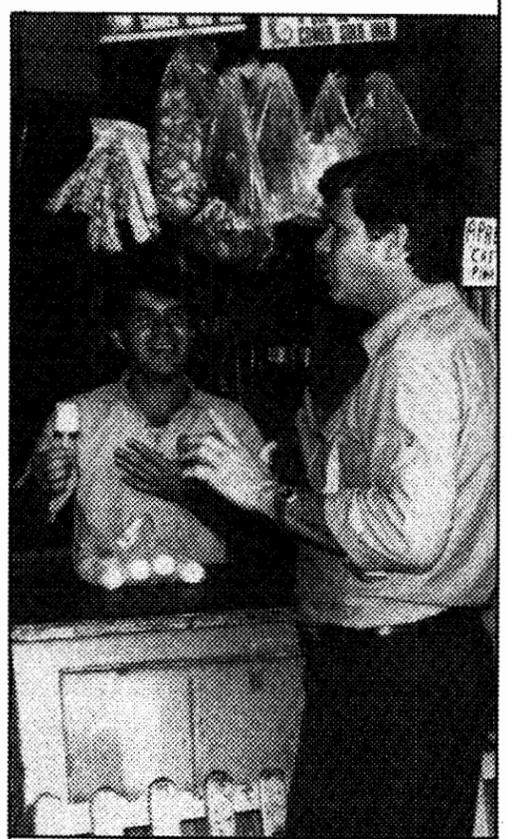
"The road will be the 'spinal cord' of the Northern Zone," says Harry Peacock, USAID's project advisor. "We have to integrate the people here around the road and use it as a link with the rest of the country."

The project also funds land acquisition and settlement activities. Orlando Gomez, one of the new settlers, reports that this year his new bean harvest alone earned him what he used to make in 2½ years as a day laborer. "He's already a long way toward building a better future for his children," observes Peacock.

The project also includes community development. Although the mission has agreed to fund up to 75% of community development projects, the residents are paying one-half or more of the costs. In at least one community, a school is being built with no outside support. Peacock cites these examples as evidence that the people already are becoming independent.

Peacock is confident that the Northern Zone—and the 40,000 people who live there—will become a productive part of Costa Rica's national economy. And the mission is committed to being a full partner in this achievement.

The mission also is a partner in attacking Costa Rica's severe shortage of adequate housing by gearing



Ray Baum (right), project manager, makes a purchase in one of the dozens of income-generating microenterprises supported with USAID funds.

up private construction companies and mobilizing private credit. With a total investment to date of over \$60 million, the Agency is supporting housing construction and sites and services projects in preparation for future housing.

To catch up with the annual demand for 26,000 new units and overcome the current shortage of 125,000 housing units, private builders are being encouraged to construct houses within reach of Costa Ricans of modest means, according to Jeff Boyer, the mission's housing officer. About 8,200 houses have been constructed under USAID-supported programs in 1986 alone.

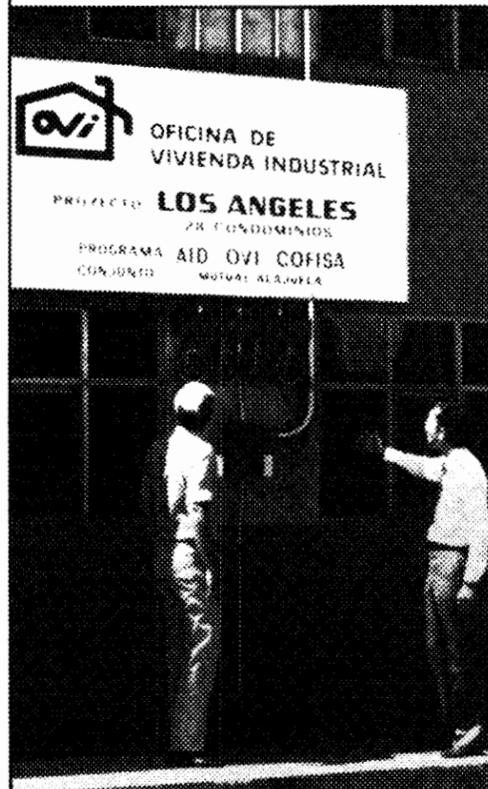
"You can wish all you want about housing, but you must have a way to finance it," says Boyer. "The centerpiece of our program is establishing a central mortgage bank to ensure a stable flow of financing to the housing sector." Seed capital for the bank will be provided from ESF local currency, and the mission has been involved in intensive policy dialogue to assure that sound banking policies are in place.

In the other social sectors, the mission tries to make existing services more efficient so that they are better able to meet growing demand with limited resources.

In education, for example, USAID used local currency funds to put textbooks on four basic subjects in the hands of every primary school student in the country, notes Dave Kitson, the mission's deputy general development officer. The books were developed by Costa Rican educators, and Costa Rica's printing industry produced a total of two million copies.

The Agency is planning to follow up with a secondary textbook program and has helped develop teaching manuals especially for use in rural classrooms where more than one grade level is being taught.

Another grassroots education project
(continued on page 10)



Housing Officer Jeff Boyer (right) and Assistant Program Officer Jim Van Den Bos visit innovative "condominium" units designed to provide affordable housing in San Jose.

Research Finds Varied Uses for Mesquite

 Long before mesquite charcoal became a status symbol for yuppie barbecues, the Agency was considering the idea of a research project on mesquite or, more properly, trees of the *prosopis* species. At the time, the proposal generated considerable controversy; American scientists had worked for decades to eliminate mesquite from the rangelands of the west and were not about to encourage anyone to grow it on purpose. Times change, however. Today the Office of the Science Advisor (SCI) supports several research projects focusing on productive uses of the spiny tree.

Because mesquite pods once were part of the American Indian diet, one SCI project has sought to explore its potential as a modern food source. Robin Saunders, from the U.S. Department of Agriculture's Western Regional Labs, has developed a process for separating *prosopis* pods into a number of products, each with commercial potential. A Swiss firm has invested in the design of commercial equipment to carry out the process. And, as a direct result of Saunders' work, a Mexican company has commercialized a candy made from a mixture of marzipan and *prosopis*-pod flour.

Perhaps the most important commercial *prosopis* product will be a gum similar to guar gum. The gum can be used as a thickener in foods



Mesquite is a potential source of firewood, animal fodder and food.

and other commercial products such as toothpaste and can be obtained from the pod after milling (leaving the rest of the pod for other useful purposes) or by scarring the tree and collecting the sap. The product has such promise, according to Saunders, that a French firm is seeking sites in developing countries for *prosopis*

production, and a Texas consortium has been formed to produce *prosopis* gum commercially in the United States.

Although there are 44 species in the genus, interest has focused on a half-dozen species found in arid lands in North and South America where mesquite is seen as a potential source of firewood, fodder for animals and food for man.

Texas A & I University's Peter Felker, recipient of the first Program of Scientific and Technological Cooperation *prosopis* grant, recently brought USAID staff and contractors up to date on his research. While there is evidence of *prosopis* trees growing through the salt in the Atacama desert in Chile, Felker has found that commercial plantations of *prosopis* probably are most cost-effective if planting is accompanied by intensive weed control and early irrigation.

He also has found a great deal of variation in the growth and survival characteristics between—and even within—species of *prosopis*. While this variability bodes well for agronomic development, it requires users to select carefully the sources and uniformity of the materials they plant. Felker's laboratory currently is developing techniques for cloning mesquite.

In a parallel project, managed by the National Academy of Science (NAS) under a SCI program, Orlando Balboa and his colleagues at Chile's Catholic University also have focused

on vegetative propagation of *prosopis* and have developed techniques that root more than 90% of cuttings. Moreover, in the search for *in vitro* propagation methods, they have found techniques that produce roots from almost 90% of cultured shoot tips for planting in hydroponic solutions.

Because Chilean *prosopis* species, most notably *algarrobo* and *tamerugo*, are among the most promising, Chile is an important participant in this research. Maria Elena Torres of the Institute for Technological Research (INTEC) in Chile recently has completed another NAS project in which her group sought to compare *prosopis* with other arid lands trees.

This effort, together with work by Fred Owino of the University of Kenya and Jim Brubaker of the University of Hawaii, complements the growing store of research on mesquite's potential and how it can be used as a development tool in the future.

However, Dwight Baker, the coordinator of the NAS Fast-Growing Trees research, cautions, "Acacias, leucaenas and *gliciridias* may be better bets for many environments. Years of research still are needed to realize the full potential of *prosopis*."

Still, SCI has embarked on a research voyage with the potential to develop a new resource for developing countries and, serendipitously, for the United States as well.

—John A. Daly

Costa Rica

From page 9, column 4

ect to be launched by the mission will refurbish about 1,200 one-room schoolhouses. Kitson notes that the mission's strong working relationship with Peace Corps volunteers will be mobilized in this effort. USAID will provide the funds to improve existing schools, but the community must do the actual work with the advice of the Peace Corps.

Over 600 Costa Ricans—some of whom might have been educated in a one-room schoolhouse and over 40% of whom are female—have visited and studied in the United States under the Central America Peace Scholarship (CAPS) program.

The program includes undergraduate and graduate academic study in virtually all fields, high school programs and short-term programs for such groups as journalists, cooperative store operators, student leaders and performing artists.

Tom McKee, chief of the Training Division, says the program identifies promising students who will likely become opinion leaders in the future and gives them "quality time" to get to know Americans face-to-face.

"When these kids come home, four out of five times they're favorably impressed and have a better idea of what America is all about," McKee observes.

The Regional Agricultural School

for the Humid Tropics, dubbed EARTH for its Spanish acronym, is a major project to educate the young people of the humid tropics regions of Latin America. The new institution, to be built 60 kilometers north-east of San Jose, will offer hands-on training in the agricultural management of the humid tropics, a subject of increasing importance to world development.

"One-sixth of the world consists of humid tropics, but people don't know how to manage it," says Rafael Rosario, chief of the mission's Rural Development Office. "This school will be one of a kind."

The many diverse development activities make the Costa Rica mis-

sion "one of a kind," as well. The 24 direct hires who staff the mission bring experience from throughout the world, many with previous service in Latin America. For those coming from places like Africa, the macro-economic and business orientation of the program—not to mention its size and scope—can require an adjustment.

Outside the office, USAID staff and their families laud Costa Rica's agreeable climate, friendly people and varied natural beauty. The beaches, although a bit of a distance from San Jose, offer unspoiled beauty. Costa Rica has 12 active volcanos. Arenal Volcano regularly spouts lava, creating a spectacular display for staffers who occasionally camp nearby.



Prize-winning equestrian and USAID project manager Beverly Latham, astride "Red Snapper," makes a graceful jump at a recent competition.

At the same time, many comment that the cost of food and other necessities is quite high. "There are very few bargains in Costa Rica," Jim Van Den Bos, assistant program officer, says. "But, horseback riding and music lessons are two of them. My kids take both."

His wife also takes riding lessons, as do several mission employees and dependents. Beverly Latham goes a step further. As a prize-winning equestrian, horseback riding is her passion.

Beverly Kitson, wife of the mission's development officer, prefers the performing arts. Having spent many years in Costa Rica, she has been actively involved in the development of dance as an art form in the country. Other mission staff and families enjoy swimming, golf, tennis and softball.

One common concern is that employment opportunities for spouses have been very limited. Finding opportunities for productive use of their talents is a challenge for both them and the mission.

"We have a very good team here," sums up Van Den Bos. "It would be hard to find any weak links."

Mission Director Chajj and his staff like the opportunity of being on the cutting edge of economic development. And they are committed to helping Costa Rica remain a thriving model of democracy and the free market.

Noriega is senior writer and editor in the Bureau for External Affairs.



"Both energy conservation and power generation can result in improved balance of payments and reduced foreign debt through increasing the role of private capital," said John Eriksson, USAID mission director for Thailand, during opening remarks at the Asia-Near East workshop on Energy Conservation and Private Power Generation held recently in Bangkok.

Seventy-five energy specialists, representing private sector organizations, electric utilities, the governments of 14 countries, international organizations and U.S. public and private institutions, gathered to exchange ideas and to seek ways to encourage private investments in energy conservation and power in the region.

The five days of presentations, discussions and industrial plant visits focused on four key issues: the impact of oil price uncertainty on energy conservation; lessons learned from past experiences and future directions for energy conservation; how to foster private investment in energy conservation; and ways to increase the private sector's role in power generation.

"Lower world oil prices have detracted attention from the benefits of energy conservation for developing countries," stated James Sullivan, director of the Office of Energy in the Bureau for Science and Technology (S&T/EY).

"This is unfortunate, because energy imports still drain 20-40% of many countries' scarce foreign exchange earnings; fuel and power shortages continue to plague many countries; the cost of developing new energy supplies is overwhelming government budgets; and, despite lower oil prices, many conservation projects still repre-

"The private sector has shown a great capacity for initiating and sustaining efforts to manage and conserve precious energy supplies."

sent excellent investments."

Summarizing discussion on the issue, Nigel Lucas of the Asian Institute of Technology concluded, "There is general agreement that there are a lot of energy conservation investments yet to be made that are economically and financially attractive, even based on current oil prices."

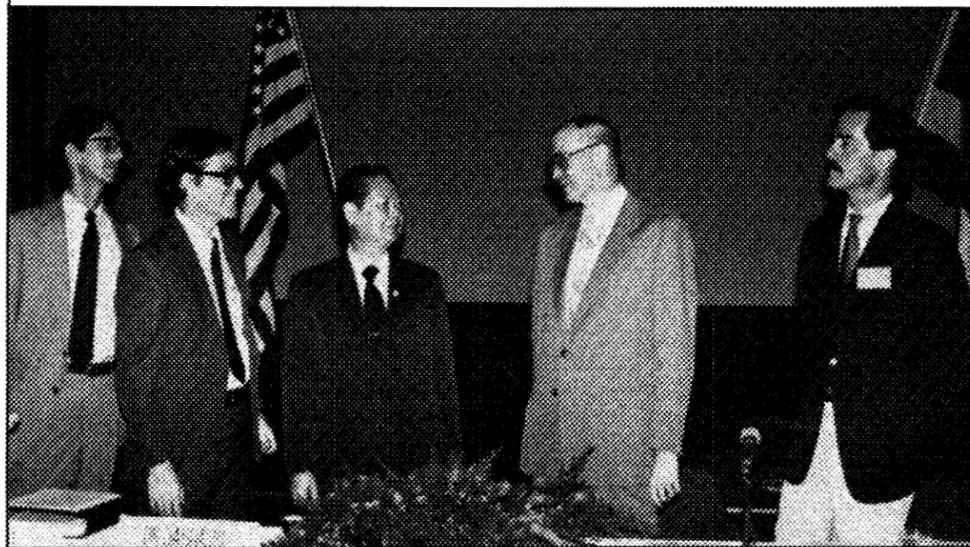
Although participants agreed that oil prices are unlikely to go above \$20 per barrel (in real terms) in the short term, the consensus was that prices will begin to rise significantly by 1990.

"Between 1990 and 1995, it is reasonable to predict real prices in the range of \$20-26 per barrel, and, after 1995, real prices should rapidly resume their 1980 levels," said David Isaak, head of Economic and Technical Analysis for the Asian Energy Project at the East-West Center in Honolulu.

"Thus, all of the energy security and conservation considerations present in the 1970s and early 1980s are likely to become key issues once more in the middle of the next decade."

The region will be particularly hard hit by changes in the oil market in

Private Sector Role in Energy Advocated



Presiding at the opening session of the Asia-Near East Workshop on Energy Conservation and Private Power Generation, co-sponsored by USAID and the Royal Thai Government (RTG), are (left to right) Robert Archer and Robert Ichord, ANE Bureau; Sanga Sabhasri, permanent secretary, RTG Ministry of Science, Technology and Energy; John Eriksson, mission director, USAID/Thailand; and James Sullivan, S&T Bureau.

the 1990s, Isaak predicted. Energy consumption in the region has been growing 8.1% per year, and regional oil production will peak and decline by 1995. "By 1995, the region is likely to be back where it started in the early 1980s, with an import dependence on the (Persian) Gulf of 75% or more," he said.

V. V. Desai of the Asian Development Bank, summarizing a survey he conducted of governments in the region, indicated that officials are aware that the decline in oil prices is only tem-

and productivity," he said.

Prathes Sutabutr, deputy secretary general of Thailand's National Energy Administration, emphasized that efficient energy prices are a necessary but not sufficient condition for energy conservation. "There are related efforts, such as the government's industrial development policies and fiscal and financial incentives, that impact on energy conservation," he noted.

"The key is developing a consistent and effective set of policies that encourage efficiency. It is as much a political and bureaucratic challenge as a technical and financial one," said Ichord.

While participants concluded that there is no "magic recipe" for promoting energy conservation, there was general agreement that programs that combine price and non-price policies, such as financial, tax and tariff incentives, have been the most effective. "It is especially important that governments in the region provide clear policy directions for energy conservation," Ichord said.

Looking to the future, participants concluded that conservation efforts will face a new economic environment driven by price reforms, the increased need for export growth, increased international competitiveness and tight public budgets. Energy conservation policies and programs need to be re-examined in light of these new factors.

"Conservation is an excellent vehicle to develop private sector activity in the energy sector," stated Sullivan. Workshop participants emphasized the need for carefully designed policies and incentives to make energy conservation investments more financially attractive to the private sector.

"The public sector sets the policy framework within which the private sector operates," according to Stephen Klein, USAID/Rabat's energy officer. Several countries in the region, including Thailand, India and the

Philippines, have started to implement measures to encourage private sector energy conservation investments.

"Incentives already available to the private sector in India include 100% depreciation plus income tax incentives," noted V. Raghuraman, director of Fuel Efficiency at the National Productivity Council in India.

Experience has shown that once the correct signals and policies are provided, the private sector responds. As Antonio Gimenez, representing the private sector Energy Managers Association of the Philippines, concluded, "The private sector has shown a great capacity for initiating and sustaining efforts to manage and conserve precious energy supplies."

"There is a re-examination under way to identify additional methods of meeting the ever-increasing demand for electricity required for economic development and modernization. One significant option under examination is power generation by the private sector," said ANE's Robert Archer, during the session on Private Sector Investment in Power Generation.

The ANE region will require up to \$300 billion over the next 15 years just to meet a power demand growth rate of 7%. "Capital mobilization on this scale will be impossible under a business-as-usual scenario," according to David Jhirad of the Bureau for Science and Technology's Office of Energy.

Many USAID-assisted countries are already facing severe power shortages that are crippling economic growth. In Asia alone, the Philippines has a power shortage of about 8% of demand; Pakistan, over 25%; Bangladesh, about 20%; and India, 15%.

These capital constraints and power shortages are driving governments in the region to turn to the private sector. Turkey and Pakistan have published policies for private power generation, and India, the Philippines and Thailand also are considering the private power option.

Mujgan Sen of Turkey's Ministry of Energy and Natural Resources described her country's innovative program to involve the private sector in power generation. "We have established the legal structure for local and foreign private enterprises to take part in the power sector and have received many applications to install power plants," she noted.

Recent S&T/EY- and ANE-sponsored studies determined that the private power potential in Pakistan, Thailand and India exceeds 1,000 megawatts in each country. These studies are part of a broader Agency effort to promote privatization of energy systems in Asia.

The workshop was jointly sponsored by USAID's Energy Office in the Science and Technology Bureau, the Energy and Natural Resources Division in the Asia and Near East Bureau and the National Energy Administration of the Royal Government of Thailand.

Copies of the papers and proceedings of the workshop are available from Alberto Sabadell, S&T/EY, room 508, SA-18, or from Robert Archer, ANE/TR/ENR, room 4440 NS.

 The devastation resulting from two earthquakes that rocked northeastern Ecuador March 5 has isolated approximately 75,000 to 100,000 people in the provinces of Carchi, Imbabura, Pastaza and Napo.

Seven main bridges are known to have been destroyed by the quakes. Also damaged were 40 kilometers of the Transecuadorean Pipeline. Two bridges carrying the pipeline were washed away, and the Salado Pumping Station also was impaired. The pumping station was further damaged by a landslide March 11, and oil flow to the region has been temporarily disrupted.

Thousands of residents living in the Napo province remain stranded due to the destruction of nearly 100 kilometers of highway between Baeza and Lago Agrio. Camps were set up in Borja and Baeza to accommodate 3,000 to 4,000 people who were evacuated from El Chaco and Cascales. In Quito, Ecuador's capital, the new army headquarters and several multi-story buildings were severely damaged.

Following U.S. Ambassador Fernando Rondon's declaration of a state of disaster on March 8, the Agency's Office of U.S. Foreign Disaster Assistance (OFDA) immediately released \$25,000 for the airlift of relief materials. That same day, OFDA dispatched 500 six-person tents, five tent repair kits and 2,700

U.S. Assists Earthquake Victims in Ecuador



Ecuador Mission Director Frank Almaguer talks with children at a relief camp set up to assist residents evacuated from their homes.

wool blankets from its stockpile in Panama. The items were airlifted by the Department of Defense (DOD) aboard aircraft already in Panama on a routine mission.

An additional request from the government of Ecuador was received March 11 for 400 rolls of plastic sheeting to be used for repairing damaged adobe housing.

To restore access to the isolated

area, OFDA is funding eight bridges needed to complete an alternate southern route. The bridges will span several rivers along the 25-kilometer gap that remains inaccessible between the previously constructed eastern and western portions of the road. OFDA also will fund three additional bridges—built by the Ecuadorean government—needed to gain access to the construction site.

To construct the main road, a pilot road first will be cut along the designated route by a contractor hired by Ecuador. DOD's Southern Command, headquartered in Panama, will complete the road and install the eight bridges within the 25-kilometer stretch. The construction, funded by DOD, should be completed by October.

The DOD exercise, entitled "Blazing Trails," began as a routine training program off the west coast of Ecuador. But when the earthquakes struck, Blazing Trails was moved to the south and became an actual mission.

"This type of operation shows how the versatility and capability of the U.S. military can be marshaled for humanitarian purposes," says OFDA Director Julia Taft.

Total U.S. assistance to date, excluding DOD's contribution, is valued at more than \$3 million and is expected to increase.

—Renee Bafalis

Agency Honors Commitment of Secretaries



"The USAID mandate of service in international development could not be fulfilled without the commitment, professionalism

and dedication of those who work in the ever-expanding field of the professional secretary," said Administrator Peter McPherson in a recent salute to the Agency's secretaries.

USAID marked Professional Secretaries Week (April 20-24) with a 3-day career workshop conducted by Jessie Colson, former coordinator of the Foreign Service Institute's Communication and Clerical Skills Division.

The six two-hour training sessions focused on "Office Personality and Human Relations," "Self-Esteem" and "Expressing Yourself Effectively."

Both women and men from the secretarial, clerical and administrative management series participated in the workshop, reflecting the change in the nation's work force since the first Professional Secretaries Week was observed in 1952. Occupations honored during the week include operators of the new office technologies as well as traditional positions such as stenographers and typists.

The week's events were capped by an open seminar, "Dress For Success," conducted by a consultant from Raleighs. Both men and women were advised on how to project a professional appearance, with special emphasis on those re-entering the work force.

The week-long program was sponsored by the Training Division and Federal Women's Program of USAID, the Federal Women's Program of the Department of State and the Women's Action Organization.

—Voncile Willingham

PVOs' Effectiveness in Development Assessed

 In opening remarks before the March meeting of the Advisory Committee on Voluntary Foreign Aid (ACVFA) in Washington, D.C., Administrator Peter McPherson endorsed the committee's decision to examine the timely issue of "PVOs' Effectiveness as Agents of Development."

"What the Agency needs is a wise, independent judgment of PVO (private voluntary organization) strengths and weaknesses," McPherson said.

"Specifically, I ask you to help us maximize the development capacity of the PVO community.

"PVOs are making major development contributions in the Third World, particularly in the areas of small enterprise development, primary health care and working to improve the effectiveness of grass roots organizations," he continued. "But the PVO community has not reached its full potential. PVOs need to consider how they can fit into the larger development plans of host governments, USAID and the multilateral donor community."

McPherson also welcomed the committee's two newest members: Nancy Reynolds, who served as U.S. representative to the U.N. Commission on the Status of Women and as co-chair of the U.S. delegation to the U.N. Decade for Women World Conference in Nairobi, and Jim O'Connor, whose credentials include

service as president of the American Freedom from Hunger Foundation and membership on the White House Food for Peace Council and the Board for International Food and Agricultural Development.

During the two-day meeting, ACVFA members developed a systematic method to analyze the strengths and weaknesses of PVO programs.

Tom Dichter, director of special programs for Technoserve, noted that PVO effectiveness is becoming an issue of widespread concern.

"Sophisticated donors are seeking accountability, and increased attention from the media and academics has shifted the focus from what we want to happen to what has happened. Now is an opportune time to look at the question of effectiveness and make mid-course corrections as necessary," he said.

Although there are a number of factors to be considered in evaluating effectiveness, such as management and data collection, Dichter said the pre-eminent consideration should be sustainability.

Jerry Van Sant, director of the Office of Planning for Development Alternatives, Inc., suggested that PVOs are facing choices: making investments in institution building versus investments in projects; independence of operation versus partnerships with larger donors; insulation from political pressures versus influence; and cost-effective demon-

stration projects versus cost-effective programs. "The choices PVOs make on these issues will greatly affect the next generation of development programs," he stressed.

Walter Bollinger, acting assistant administrator of the Bureau for Food for Peace and Voluntary Assistance, noted that PVO strengths included reaching the grass roots level, engaging hard to reach groups and encouraging commitment of personnel, but he concurred that more could be done to improve the analytical capacity for long-term strategic planning.

For PVOs to increase their influence in development programs, Charles Costello, director of the Office of Caribbean Affairs in the Bureau for Latin America and the Caribbean, suggested a consortium approach to PVO field activities.

For the coming year's agenda, the committee decided on the theme "Target of Opportunity" to address important issues facing the PVO community, such as effectiveness at influencing policy, project sustainability and replicability, cost-effectiveness and management-effectiveness.

The next ACVFA meeting will be held June 25 in Washington, D.C., to discuss "PVO Effectiveness at Influencing Policy."

An executive summary of the meeting is available from the ACVFA office, room 250, SA-8, (703) 235-2708.

—Nancy Wolicki

Computer Programs Shared by Missions

S As the use of automation has spread throughout overseas posts, a number of missions have developed computer application systems (software) to address local needs. A portfolio of such systems suitable for use by other posts is maintained and distributed by the Office of Information Resources Management in the Bureau for Management (M/SER/IRM).

Paul Spishak, IRM director, notes, "The missions have automation specialists with enormously high levels of ability and energy; and USAID is in a position to maximize the fruits of their talent to benefit the Agency as a whole."

The current portfolio of eight software systems is distributed on request. The systems are: PSC Payroll, Voucher Tracking and Operating Expense Tracking developed for the microcomputer by USAID/Lima; three communication tracking systems from USAID/Rabat, USAID/Mali and the Office of the Executive Secretary; a microcomputer system for managing projects from USAID/New Delhi; and a minicomputer Non-Expendable Property System from USAID/Guatemala.

Mission response has been favorable, according to Suzanne Buzzard of IRM's Mission and Project Services Division. "Last June, we announced the availability of three microcomputer systems for financial applications—acquired from the mission in Lima—and received over 20

"If several missions use the same system, savings are realized in both time and money."

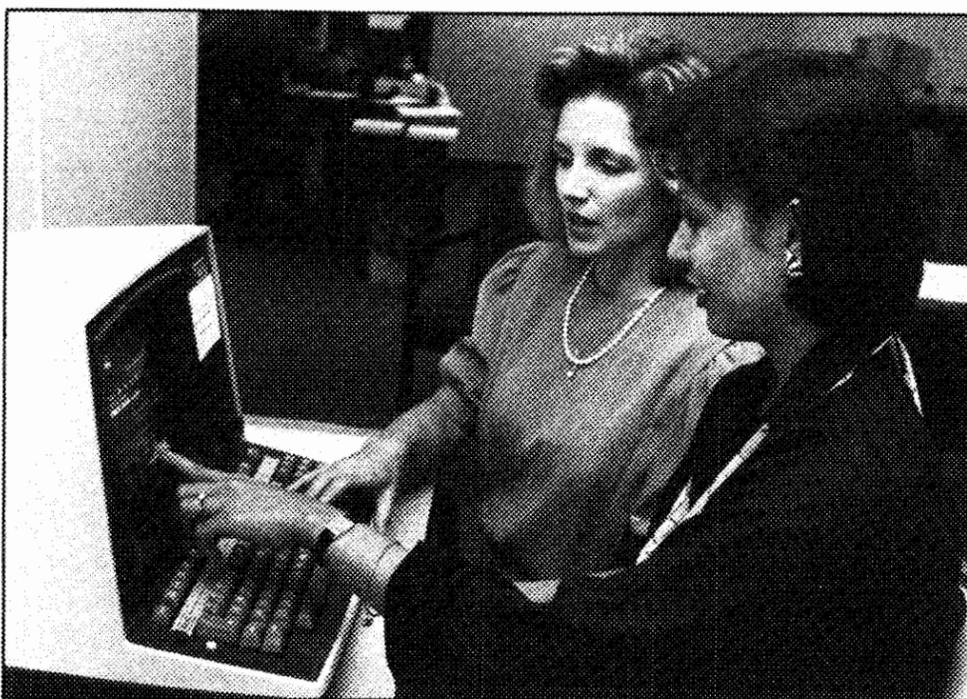
responses," she says.

"We then asked the missions what software they needed the most and what systems they had developed that might be useful to other missions. Their response enabled us to determine existing needs and also sources from which to acquire software. We are still expanding our inventory of known systems," Buzzard notes.

Software systems are reviewed for completeness and ease of use. If there is a wide choice, as in the case of communications tracking systems, IRM will select one system for the VS minicomputer, one for the microcomputer and one for the OIS. Software is revised when necessary to make it suitable for use by any mission.

As each system becomes available for distribution, it is announced by worldwide cable and listed in the "Software Clearinghouse," a publication of all software that authors have submitted for use by others. Software actively supported by IRM cites M/SER/IRM/MPS as the "source."

"Our priorities are determined by demand, the potential number of users and the availability of good systems



Ida Medina (right) of USAID/Sanaa and Laura Weathers of the Office of Information Resources Management review the Non-Expendable Property System developed by USAID/Guatemala, one of eight software systems currently available for mission use.

that can be revised for multi-mission use with a minimum of effort," says Buzzard. "The most important criterion for selection of software is that it must operate on equipment that has been approved for Agency use. We also consider the effort required to support a system on a continuing basis."

The most sought-after system concerns non-expendable property management. Several sources had software for inventory, but very few had developed systems to include all the functions of property management such as recording receipts and disposals, maintenance activity and cost, preparation of reports required by Washington and reconciliation with accounting records.

After reviewing several applications, USAID/Guatemala's system was selected as the most complete. Both IRM and the mission made changes to the system to allow use by other missions. USAID/Harare volunteered to be the first installation site outside Guatemala. Harare gave additional insight from a user point of view and suggested improvements, which IRM incorporated. The system has been distributed to 24 missions.

Buzzard, emphasizing Washington-field cooperation, says, "We work very closely with the systems' authors and potential users in the field in readying an application for distribution. We also work with offices in Washington that have expertise in the subject."

She notes that from the viewpoint of a single mission, the provision of a property system may seem significant only to the management officer.

However, from an Agency perspective, if several missions use the same system, significant savings are realized in both time and money. It also is more efficient to support a single system when requirements change or enhancements are added.

"We can't guarantee that a system will meet every need of every mis-

sion, but we try to meet most common needs and pay particular attention to meeting the legal requirements. If a mission requires customization, we assist, but the mission is responsible for on-site maintenance. Only a version suitable for multiple missions will be supported and maintained in IRM."

IRM's ongoing portfolio systems support includes adapting software to ensure that it will operate on approved equipment regardless of changes made by the equipment vendors, providing installation support if necessary and troubleshooting for users experiencing problems.

For information or suggestions, contact Suzanne Buzzard at (703) 875-1468 or George Hatzikalimnios or Laura Weathers at (703) 875-1866.

FOREIGN SERVICE EVALUATIONS EXPLAINED

The Foreign Service Act of 1980 mandates a complex review process for performance evaluation. Consequently, the results of the foreign service performance evaluation cycle that ended May 31, 1986, have just been announced. While the process is complicated, it does provide for a thorough review, and decisions are made by peers as opposed to management determinations. Personnel boards, which by law must include minority and public members, make recommendations regarding promotions, meritorious step increases, Senior Foreign Service (SFS) performance pay, granting of tenure to career candidates and separation from the Agency.

The goal of the evaluation system is twofold: to provide a fair, accurate and honest process to protect employees and a rational mechanism for identifying poor performance and a course of action to deal with it.

Selection boards are convened annually by the Foreign Service Personnel Division of the Office of

Personnel Management. Working by class (grade), the boards are charged with recommending promotions by rank-ordering those employees deemed to have earned advancement. Selection boards also recommend meritorious step increases for employees whose performance during the last rating cycle was especially noteworthy.

Based on the recommendations of the 1986 selection boards, a total of 183 employees were promoted—approximately 12% of those eligible. Minorities or women represented about 40% of the promotions. Despite the budget squeeze, promotions have remained fairly constant in number for the past three years.

Selection board recommendations resulted in 82 employees receiving meritorious step increases and 97 SFS employees receiving performance pay awards. Under the Foreign Service Performance Awards program, now in its second year, bureaus and offices granted an additional 91 meritorious step increases and 305 cash awards ranging from \$500 to \$3,500.

The selection boards also identify career employees whose performance, as reflected in their performance evaluation file, places them in the bottom 5% of their class. These employees are referred to a Performance Standards Board (PSB) for possible mandatory retirement for relative performance.

In 1986, 76 employees were referred to PSB for review.

Working by grade, PSB determines the standards of the class by reviewing a random sample of files from each class. PSB then compares the performance of those employees determined by the selection board to be in the bottom 5% of their class with the established class standards. Those found not to have met the standards of their class are recommended for mandatory retirement based on relative performance.

Because of a 10-year protection clause in the Foreign Service Act of 1980, employees who had attained career status at the time the law was enacted may not be retired mandatorily unless they also have met the age and service requirements for voluntary retirement. Employees who have been tenured since October 17, 1980, (the date of enactment of the Foreign Service Act) are subject to mandatory retirement.

Of the 76 employees referred to the 1986 PSB, 26 were recommended for mandatory retirement for relative performance with 17 being retirement-eligible. Since 1982 more than 60 foreign service employees have been recommended for mandatory retirement for relative performance.

The critical links in the evaluation process are the participating supervisors who provide the initial evaluation. It is their responsibility to assess performance accurately to ensure that the mandatory retirement process functions in a healthy and equitable way.

—Marge Nannes

Forum Studies Future of Cocoa Industry



Cocoa is an ecologically sound use of tropical soils and slopes and also generates income for farmers while enhancing foreign exchange earnings, said Daniel Chaij, mission director for Costa Rica, at the first Inter-American Cocoa Forum in San Jose.

Sponsored by USAID's Regional Office for Central American Programs and the U.S. chocolate industry, the meeting provided a forum for more than 160 representatives of cocoa buyers, traders, farmers, researchers and manufacturers.

They discussed issues dealing with productivity, disease, pest control, marketing and prospects for the industry's future.

The participants were interested in finding ways to improve cocoa production, increase the earnings of cocoa producers and enlarge the Americas share of the world cocoa market.

The Agency is funding cocoa development projects throughout the Latin American region. Through the Pan American Development Foundation, USAID funds four projects aimed at strengthening the cocoa industry in

Belize, Honduras, Dominica, Grenada, St. Lucia and St. Vincent.

Although the market currently is experiencing declining prices and slow-growing demand, representatives of international cocoa manufacturers (Hershey, M&M Mars, Nestle and World's Finest Chocolate) and Central American manufacturers emphasize that quality, flavor, specialty chocolates and cocoa by-products can increase demand and prices for Central American and Caribbean cocoas and expand production for farmers.

One of the topics discussed at the meeting centered on the need for better cultivation practices and research studies in Latin America.

For instance, since 1982 intensive planting and testing of cocoa varieties in the Far East have raised cocoa yields per acre far above Latin American yields, with many Asian farmers harvesting over 4,000 pounds per acre, according to Arturo Lopez of Yale University.

The Central American Tropical Agriculture Research and Training Center in Costa Rica, the Hershey Hummingbird Farm in Belize, the University of the West Indies and a

number of other local research centers have the capability to test and analyze cocoa farming and production methods.

Latin America also has an advantage in producing flavor cocoa, which is claimed to be a higher quality cocoa with a stronger flavor and is more expensive.

On the other hand, analysts assert that 75% of the cocoa crop of the Americas is produced by only 35% of the trees. In light of this, experts from research institutes called for far-reaching programs to replace old and low-yield trees, renovate plant material and improve husbandry practices.

One of the problems cited by the conferees that hinders progress is persuading farmers to adopt non-traditional methods of cocoa cultivation.

Patrick Scott of the Hershey Hummingbird Farm described ongoing extension efforts to transfer technology to Belizean farmers.

And, Costa Rican researcher Andre Helfenberger explained how close planting and pruning the tops of cocoa trees can reduce disease and permit mechanized spraying and other

techniques that can increase production three to five times.

The final session of the forum called for improved ways to assure coordination between producing and manufacturing sectors of the cocoa industry.

CEPLAC, Brazil's cocoa production organization, announced plans to host a second Inter-American Cocoa Forum in two years.

Women's Education Analyzed



The Office of Women in Development in the Bureau for Program and Policy Coordination (PPC/WID), in step with the Agency's emphasis on education and women's roles in that sector, has published the second volume of its Gender Manual Series, entitled *Gender Issues in Basic Education and Vocational Training*.

The book, which has been distributed to USAID missions worldwide, is a guide for development professionals on how to integrate gender issues into project design, implementation and evaluation. Written by Harvard economist and education specialist Mary Anderson, the manual covers such issues as school construction, equipment and supply choice, teacher training and curriculum development.

It also deals with vocational training projects for both the traditional and non-traditional roles of women.

In a related move, PPC/WID has bought into the Bureau for Science and Technology's \$10 million Basic Research and Implementation for Developing Education Systems (BRIDGES) project.

The WID-BRIDGES activity, scheduled to begin in early summer, will gather statistics on the educational status of school-age girls in developing countries (e.g., access, retention and drop-out rates) and make them available in the form of a data base to USAID offices and missions.

Using the data base, mission personnel will then be able to analyze, for example, girls' access to education in their country relative to other Agency-assisted countries in the region or world.

Additionally, in-country research in selected countries will take a closer look at the situation, analyzing the constraints to educational data collection and factors inhibiting the full participation of girls in education. Using microcomputer modeling, the BRIDGES team will suggest alternative strategies for improving the educational situation of girls in a number of countries.



CDIE DEVELOPMENT REVIEW

EVALUATION HANDBOOK PUBLISHED

The new *A.I.D. Evaluation Handbook* represents the first comprehensive change in Agency monitoring and evaluation guidelines since 1971.

The use of evaluation as a management tool is emphasized strongly in the handbook, which stresses that good management is well-informed management. Evaluation as a source of empirically-based information can help managers improve the performance of projects and programs and make informed decisions about the direction of bilateral assistance. Evaluation, it says, should meet the information needs of managers at all levels up to and including the Administrator.

A brief and practical guide to policies, procedures, roles and responsibilities, the handbook focuses on "what to do" and "who should do it."

Topics include:

- *Focus on management's questions.* Evaluation should no longer be viewed as an academic exercise. It should address the questions and concerns of managers as projects and programs are implemented and as upcoming decisions are made about continuing, extending, expanding or terminating activities. The handbook outlines procedures for identifying these points and implementing them in the evaluation process.

- *Process and Product.* The process of evaluation is as important as the resulting information. The handbook recognizes the importance of the evaluation process in supporting communication about development objectives and policy dialogue.

- *Ongoing evaluation of effects and impacts.* Officers should track interim or "leading" effects and impacts of a project during its implementation as part of their monitoring responsibilities. Project design must now include monitoring and evaluation (M&E) plans to track this aspect of performance. To get empirical information to managers on a timely basis, greater use of rapid, low-cost data collection methods is encouraged as well as conventional tracking of key indicator data related to project objectives. A companion publication, *Guidelines for Data Collection, Monitoring, and Evaluation Plans for A.I.D.-Assisted Projects*, provides further details.

- *Interim, final and ex-post evaluations.* These should be limited in number and focused on questions and decision-points related principally to foreseeable programming events. The questions should help clarify the relevance, effectiveness, efficiency, impact and sustainability of projects, programs and policies. Evaluations designed to illuminate these issues are included in annual evaluation plans, and the specific questions are spelled out in the scopes of work for

the evaluations.

- *Feedback.* The handbook requires two feedback mechanisms—mission and office systems—for follow-through on actions after an evaluation.

- *Cooperation with counterparts.* The handbook strongly endorses collaborative evaluation in working with borrowers and grantees in defining the questions and criteria for evaluation and carrying out actions based on the recommendations. Evaluation is essentially a "management technology" that should be transferred to host country counterparts.

- *Coverage.* All forms of U.S. bilateral economic assistance now are subject to evaluation. As the Agency's program has come to include more policy reform initiatives, sector loans and grants and other modes of non-project assistance, M&E plans and evaluation designs have been created that enable an assessment of their effectiveness and results.

- *Evaluation Reporting.* Pertinence, empirical quality, timeliness and "usability" of information in evaluation reports are keys to their utility. The handbook recommends short reports with longer annexes and use of a new "A.I.D. Evaluation Summary" to replace the Project Evaluation Summary (PES).

A copy of the handbook (PN-AAL-086) may be obtained from the Editor of ARDA, USAID Document Handling Facility, 7222 47th Street, Suite 100, Chevy Chase, Md. 20815, (301) 951-9647. Comments on the report may be sent to: USAID, Bureau for Program and Policy Coordination, Center for Development Information and Evaluation, Washington, D.C. 20523.

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