

USAID REPORTS: ENERGY GENERATION AND CONSERVATION

Presented below are abstracts of recent USAID reports on energy generation and conservation. 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 experiences 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" (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.

Report to Congress—power shortages in developing countries: magnitude, impacts, solutions and the role of the private sector

Woods, Alan
U.S. Agency for International Development,
Office of the Administrator, Washington, D.C.
Mar 1988, xii, 73p., En
Document Number: PN-AAZ-552

Energy shortfalls seriously constrain economic growth in more than half of all USAID-assisted countries. Yet, because many of these countries already spend about 25% of their budget on power, it is not feasible for a greater share of that budget to be allocated to meet an increasing energy demand. This report, written in response to a congressional request, describes this dilemma and outlines the Agency's role in developing a solution.

In Chapter 1, the power crisis in developing countries is defined, and the potential impact on developing countries is analyzed. In Chapter 2, the role of electricity in economic development is discussed, as is the importance to the United States of electric power development in developing countries. Chapter 3 identifies policy, institutional and technological approaches to resolving power shortages, while Chapter 4 outlines the Agency's commitment to a private sector strategy for alleviating power supply problems and identifies appropriate incentives for private sector involvement in energy development. Chapter 5 defines USAID's plan for implementing this strategy.

Financing energy conservation in developing countries

Hagler, Bailly and Co., Washington, D.C.
U.S. Agency for International Development,
Bureau for Science and Technology, Office of
Energy, Washington, D.C. (Sponsor)
Feb 1987, v.p.: statistical tables, En
Document Number: PN-AAW-931

Accelerating the private sector's participation in energy activities is a primary goal of the Agen-

cy's Office of Energy. The difficulty in financing energy conservation (EC) projects—the theme of this study—is one of the most serious obstacles to the achievement of this end.

Chapter 1 introduces some basic concepts concerning private sector evaluation of EC projects and discusses traditional approaches to financing EC investments (corporate and project financing), as well as incentive measures and assistance programs (subsidized-interest loans, purchase of energy savings, reducing or eliminating tariffs) that the public sector can use to overcome the barriers to financing conservation investments. Chapter 2 examines a number of innovative approaches to financing EC projects.

Project evaluation and implementation

RCG/Hagler, Bailly, Inc., Washington, D.C.
U.S. Agency for International Development,
Bureau for Science and Technology, Office of
Energy, Washington, D.C., (Sponsor)
Apr 1988, v.p., En
Document Number: PN-AAZ-769

This manual on energy provides plant engineers and managers with practical guidelines to identify opportunities to improve energy efficiency.

Guidelines range from identifying capital investments to the evaluation of the long-term value and risk sensitivity of these potential projects to the implementation of those projects.

The manual is divided into three sections: project identification, evaluation and implementation. Project identification gives a summary of recommended procedures; evaluation includes various methods of analyzing and ranking potential capital investments (net present value and internal rate of return formulas are discussed and illustrated with comprehensive examples and case studies drawn from actual plant experiences); and the chapter on implementation lists important aspects of this process and reviews the monitoring of project results.

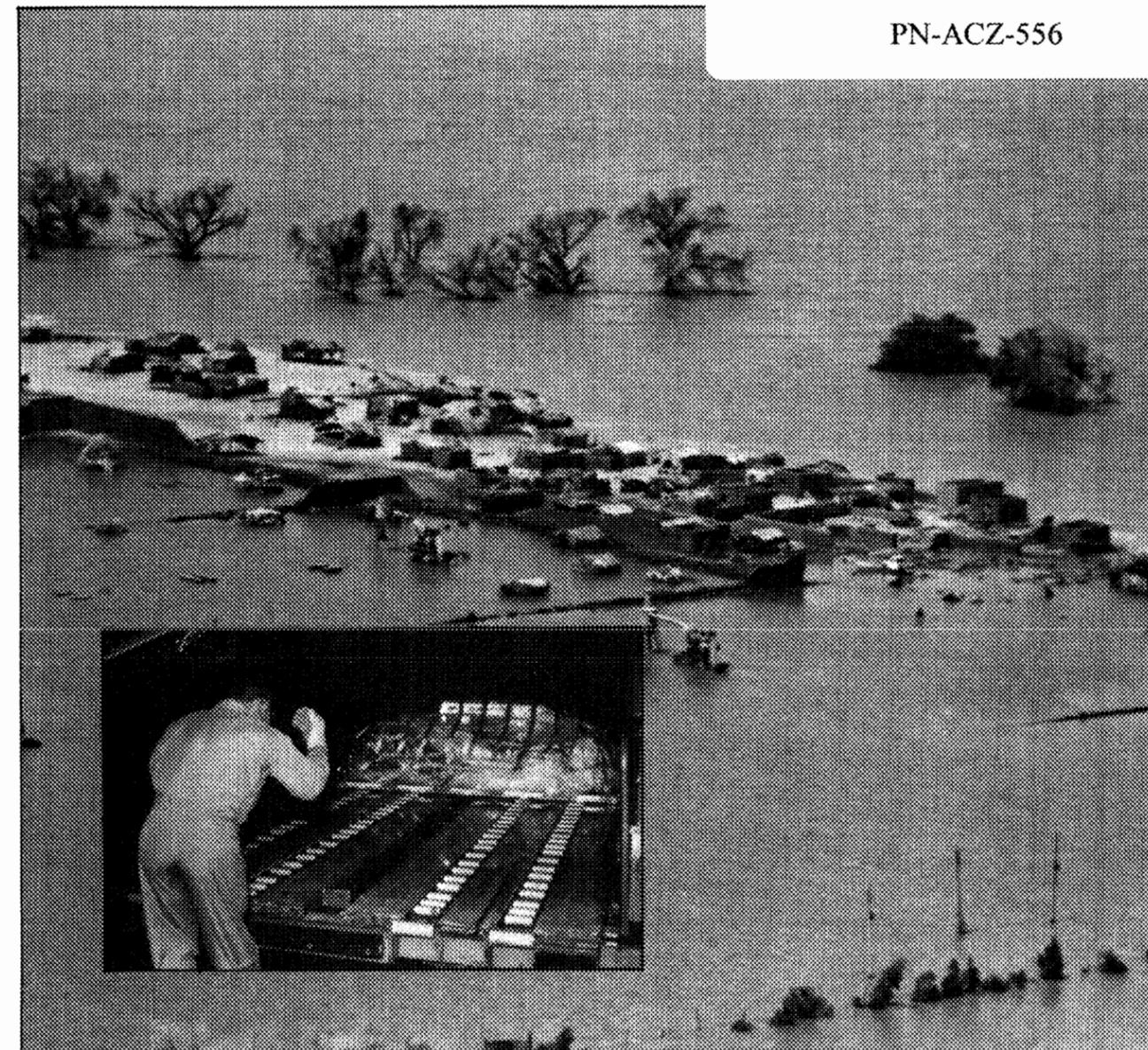
FRONT LINES

THE AGENCY FOR
INTERNATIONAL
DEVELOPMENT

SEPTEMBER 1988

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

PN-ACZ-556



Agency Mobilizes Disaster Relief

CFC Kicks Off Fund Drive

Challenge Grant Fights Polio

Administration Sends Support to Bangladesh

by Bill Outlaw

Acting in the wake of the worst flood disaster in Bangladesh in 100 years, Deputy Administrator Jay F. Morris announced that the Agency has made available for immediate use about \$150 million in money and supplies to the government of Bangladesh to help the reported 25 million people left homeless by the floods.

Morris, who was named President Reagan's representative on the disaster, headed the USAID assessment team that left Washington, D.C., Sept. 9 aboard a C-5A transport. The team went to examine the damage and make recommendations about flood relief assistance efforts in Bangladesh.

Shortly after arriving in Dhaka, Morris met with President Ershad of Bangladesh, presenting him with a letter from President Reagan that expressed Reagan's concerns and interest in the people of that flood-devastated country.

"The President's decision is a strong indication of America's concern for people throughout the world who suffer from natural disasters and is a reaffirmation of our pledging relief where we can," Morris said.

He said that \$2.35 million worth of disaster relief assistance was being provided through USAID's Office of Foreign Disaster Assistance (OFDA); another \$2.5 million—10,000 metric tons of wheat—was released through the Food for Work program. In addition, USAID informed the Bangladesh government that



While observing U.S.-supported disaster relief operations, Deputy Administrator Jay F. Morris distributes food packets in the village of Maosaid, Bangladesh.

\$60 million previously set aside for food assistance would be expedited. The \$84 million that had been available in local currency for use in development projects would be freed up for immediate use in flood reconstruction projects as determined by the Bangladesh government.

"By making these rapid shifts in allocation, we are, in effect, ensuring that in the next few months there will be adequate food provided and adequate monies available to deal with immediate problems," Morris said. "We are by no means ruling out providing additional assistance in the future as we learn more about what's required."

Supplies on the first relief flight to Bangladesh included 1.6 million square feet of plastic for shelters, 10,000 five-gallon water cans, 26 3,000-gallon water tanks and two water purification units that can produce nearly 5,000 gallons an hour of pure water.

Morris said there already were 1.3 million tons of food stored in 1,140 warehouses around the country, some of which may have been damaged by the flood. In addition, he said an additional 180,000 tons of food will be delivered by the end of October and another 100,000 tons of food going to other countries in the region could be diverted if needed. Other donors are providing food as well.

"It doesn't appear to be a problem of volume of food," he added. "But there is the problem at the moment of internal transportation."

Morris also said USAID was providing seeds as part of its emergency assistance program. In response to last year's flood, USAID provided 3,500 tons of seed that produced 71,000 tons of food.

Morris said the health problem "is more volatile and more difficult to predict and to control."

Clearly, in a disaster of this magnitude there are going to be a lot of problems caused by polluted water."

After meeting with senior members of the AID mission staff and officials of the government of Bangladesh, Morris went to observe U.S.-supported disaster relief operations. He also visited The International Center for Diarrheal Disease Control and

(continued on page 11)

CFC Makes a Difference

Long dedicated to helping people, Agency employees again will have the opportunity to reach out to the less fortunate by giving to the 1989 Combined Federal Campaign (CFC) of the National Capital Area. Administrator Alan Woods is chairman of the Agency's campaign, which this year has the theme "Someone Is Waiting for You to Make a Difference."

Heading up the campaign, which begins Oct. 11, with Woods are Director of the Office of Personnel Management Robert Halligan, who serves as CFC vice chairman, and Special Assistant to the Administrator Ain Kivimae, who is Agency coordinator.

Last year USAID surpassed its projected goal for the fifth year in a row, bringing in \$308,000 (\$32,000 above the goal of \$276,000) in pledges and direct contributions. The 1988 campaign earned the Agency the CFC Chairman's Award, established to recognize organizations that have at least 75% of their employees contribute and have per capita contributions of \$100. USAID was the only government agency of its size to receive the award.

In the past, employees could write in the names of charities to which they wished to designate their contributions, but now monies may go only to a list of approved charities, which includes most of those previously requested by employees.

More than 80% of all funds raised by CFC are given through payroll deductions, allowing employees to spread payment throughout the year.

The Agency staff is urged to consider making a difference by contributing in this way.

Multiple Disasters Strike the Sudan

by Bill Outlaw

Civil strife, drought, flooding and a rapidly spreading locust infestation are causing untold thousands of deaths in the Sudan this year.

"It's one of the worst problems we've got anywhere right now," says Michael Harvey, operations officer for Central America, the Sudan and Ethiopia for USAID's Office of U.S. Foreign Disaster Assistance (OFDA).

Together with OFDA, the USAID mission in the Sudan has been working hard to combat these calamities. USAID has contributed nearly \$12 million in combined disaster assistance relief efforts in 1988—including \$9.6 million for drought relief efforts, \$1.3 million after the flooding occurred and more than \$500,000 to fight the locust infestation.

Relief efforts in the country have been hampered severely by civil strife. Fighting in the south has made it extremely difficult to get food to those starving as a result of the drought and the recent

floods. It also has resulted in 1 million displaced persons moving from their homelands in famine-plagued, rebel-held areas in the south to areas in the north controlled by the government.

Janice Weber, officer in charge of the Horn of Africa who just returned to Washington from the Sudan to review AID's program there, said an estimated 800 people a week are dying of starvation in Aweil, a city in the Bahr El Ghazal province in west central Sudan where many of the displaced people have gone to escape the fighting in the southern provinces.

In nearby El Meiram, 270 people a week are said to be dying. All figures are estimates based on reports given by donors who have been in the area.

"Doctors Without Borders (the French-based organization of doctors) has said the situation is worse than what they saw in Ethiopia (during the 1984-85 famine)," Weber reported.

In addition to the famine-related deaths, the civil strife has led to

the displacement of more than one and a half million people who have fled to Khartoum, the country's capital. These displaced persons were the most adversely affected by the flooding.

"The civil strife and the floods are closely related because the people who have been slammed against the wall by the flooding have been the southern refugees who are escaping famine and the fighting," says Harvey.

"They were the ones who were not connected to the city water systems. They didn't have good water to begin with. Now, they really have bad water. They're the ones whose homes were made out of cardboard that got washed away by the rains."

The flooding in eastern and central Sudan began Aug. 4. Eight inches fell in a 12-hour period. An estimated 15 inches fell over a two-week period in an area that only averages six inches of rain per year.

The torrential rainfall caused damage to the USAID mission in (Continued on page 2)

Sudan

From page 1

Khartoum, but the most severe damage occurred to the makeshift homes where the displaced persons were living.

Hundreds of thousands of homes were either structurally damaged or destroyed. Nearly 1 million people were without shelter.

Telephone service, electricity and water refiltering systems were seriously damaged throughout Khartoum and surrounding areas. Telephone communications throughout the country, including lines at the USAID mission, were severely hampered because of the damage caused by the flooding. The international airport was closed during the first few days of the flood (it has since been reopened).

USAID responded to the emergency immediately. U.S. Ambassador G. Norman Anderson declared that the flood conditions warranted U.S. government assistance, and OFDA released \$25,000 in disaster aid to the Ambassador for flood relief.

OFDA airlifted 858 rolls (2.2 million square feet) of plastic sheeting in a C-5A cargo plane from Dover Air Force Base in Delaware on Aug. 10 to provide emergency shelter to the homeless flood victims.

The Agency also sent international disaster specialist Fred Cury to assess additional needs and to assist the government of Sudan in managing the overall disaster response.

On Aug. 17, the Agency dispatched a four-member epidemiological team from the Centers for Disease Control (CDC) in Atlanta to monitor outbreaks of cholera and other waterborne diseases and to assist the Sudanese Ministry of Health in their control.

OFDA Medical Officer Ellery Grey arrived in Khartoum on Aug. 14 to assist the government of Sudan and the CDC team in assessing health conditions in the affected areas.

The Agency also contributed \$80,000 to UNICEF to cover part of the cost of medicines and blankets. The mission in Khartoum has provided 1,000 metric tons of sorghum and 200 metric tons of supplemental foods, which were already in-country, and \$79,000 in local currency for the purchase of 8,000 bags of charcoal for cooking to be distributed by the Sudanese Red Crescent. Additional local currency is being programmed by the USAID mission to support efforts to provide water tankers and fresh water.

These efforts are in addition to USAID's actions this year to combat the drought and to fight the locust infestation, which already has affected more than 450,000 hectares of crops across northern Africa and threatens much more in the Sudan and other parts of the region.

Last February, Ambassador

Anderson declared a state of disaster because of the drought in the west and civil strife in the south. OFDA then released \$25,000 to the Ambassador's authority in order for him to make a grant to Sudanaid to meet some of the most pressing needs of displaced people in and around Khartoum.

OFDA and USAID/Khartoum previously had organized an assessment of the transport systems in the Sudan in November 1987 in anticipation of a possible drought emergency and funded a four-month continuation of services of a delegate from the League of Red Cross and Red Crescent Societies to ensure timely start-up of a relief program in North Darfur.

OFDA provided grants of \$105,000 to CARE for a nutrition monitoring support project in Kordofan and \$30,000 to Church World Service to support movement and monitoring of 2,500 metric tons of USAID-donated food stocks for southern Sudan. OFDA also provided Sudanaid with 750 rolls of plastic sheeting to provide shelter for the displaced people in Khartoum (before the flooding).

USAID joined with other international donors in funding the purchase, transport and monitoring costs of the 67,000 metric tons of relief food for western Sudan, which includes displaced persons from the south. The Agency also negotiated a swap agreement with Kenya to provide 3,936 metric tons of wheat in exchange for 4,000 metric tons of maize and beans for southern Sudan.

USAID/Khartoum also negotiated a wheat-sorghum swap with the government of Sudan in which the U.S. government provided them with 20,000 metric tons of wheat in exchange for 25,000 metric tons of sorghum.

The Agency also has been active in leading the donor community's planning to combat a locust infestation that is threatening the entire Sahel and northern Africa region, including the Sudan.

"The Sudan is facing its most severe locust infestation since the start of the locust upsurge in 1986," says Kate Farnsworth, an agricultural and development contract officer who is working on OFDA's Desert Locust Task Force, which was established by Administrator Alan Woods.

USAID is currently assessing what the needs will be in the aftermath of the flooding, as well as continuing its fight against the locust problem.

"The staggering number of disasters which has hit the Sudan in recent years has seriously hampered the government's development efforts," says Bill Garvelink, assistant director of OFDA's Africa and Europe division.

"Many have cited the continuing political conflict in the country as the first obstacle that must be overcome before the country's problems can be addressed properly."

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Cover Photo: As the worst floods in years hit both the Sudan and Bangladesh, the Agency's Office of U.S. Foreign Disaster Assistance works long hours to coordinate the American relief effort. See stories on page 1.

AAAS Fellows Lend Expertise to Agency

by Nancy Long

This month, the Agency welcomes 13 young scientists, recipients of the American Association for the Advancement of Science (AAAS) 1988 Science, Engineering and Diplomacy Fellowships.

These individuals will spend one full year assisting Agency professionals, lending their scientific expertise to various offices, bureaus and missions in areas crucial to development programs.

"The program offers a chance for young scientists who have no relationship with the Agency and no in-depth knowledge of our problems to learn about USAID," says Science Advisor Dr. Howard Minners, whose Office of the Science Advisor (SCI) coordinates the Agency's fellowship program. "In turn, they add their fresh scientific expertise to our work."

USAID sponsors AAAS diplomacy fellows each year as does the State Department, which adds a bit of the competitive spirit in vying for the fellows, Minners says with a smile.

"The fellows who work with us apply their academic and laboratory knowledge to food and agriculture, health, energy, forestry, natural resources and education issues. It's a challenge for them to work on policy and administrative matters, which include developing recommendations on everything from tropical diseases to pest management to cereals technology."

Because of the great need for the services these Ph.D.s offer, other bureaus and offices have added funds to the grant program to have a scientist assigned exclusively to their office or bureau.

This year, one of the incoming diplomacy fellows, Allan Showler,

will be assigned to the Office of U.S. Foreign Disaster Assistance (OFDA) where he will apply his knowledge of entomology as a specialist in locust control. "He is a perfect candidate," says Minners, "especially considering OFDA's efforts to overcome the problems Africa is experiencing with locusts now."

The fellows who participate at USAID are part of a larger pool of AAAS fellows. The American Association for the Advancement of Science, the largest scientific society in the world, began the program for congressional fellowships in 1979. About 30 fellows spend one year in Congress working on science administration and policy matters. The State Department joined the program in 1980, and the Agency joined in 1982 when it offered one fellowship.

In six years, the program has grown quickly. "We receive 60-90 applications a year," says Minners. "It is a competitive process, and candidates are highly regarded."

The scientists' interests are matched with the sectoral needs of the Agency, Minners explains. For instance, Linda Valleroy, after spending a year as a congressional fellow working on AIDS legislation, worked in the Bureau for Science and Technology's Office of Health on Acquired Immune Deficiency Syndrome (AIDS) issues, a critical problem also affecting developing countries.

Gregory Miller was a 1987 diplomacy fellow assigned to the Bureau for Latin America and the Caribbean, Office of Development Resources. Miller completed his Ph.D. in tropical plant ecology at the University of Connecticut in 1987 before participating in the fellowship program. In the last year, his work has included assignments in the field as well as



AAAS Fellow Barbara Sina presents information on the Agency's biotechnology program at the Program of Scientific and Technological Cooperation conference held at the National Academy of Sciences in Washington, D.C.

in Washington offices.

"I helped review mission projects in respect to their effect on biological diversity and tropical forestry in Peru and performed a similar activity for the Regional Development Office/Caribbean in Barbados," he says.

Miller also helped write a project identification document for USAID/Ecuador, participated in workshops for Ecuadorean scientists on how to write SCI grant proposals and helped missions in Belize and Guatemala develop strategies on conservation and the environment.

"It has been extremely rewarding," he says. "I've learned a great deal about the development process and USAID priorities. The experience has allowed me to balance my empirical science background with a new education. And, I feel as if I have made a significant contribution as an active participant in development projects."

Miller has accepted a position with The Nature Conservancy as the director for program development for the science division, Latin America program, where he will promote the use of conservation in development.

Another diplomacy fellow, Barbara Sina, has extended her fellowship until January. Sina specialized in tropical diseases, after completing her doctorate work in molecular biology at the University of Southern California. Before coming to USAID, she completed a post-doctorate fellowship studying malaria and leishmaniasis (a single-cell parasitic disease) at Harvard's School of Public Health and Harvard Medical School.

At SCI, she has put her talents to work helping that office evaluate health biotechnology grants and establishing biotechnology policies for the Agency. "I had the opportunity to visit laboratories that receive SCI

grants in South America and Africa," Sina says.

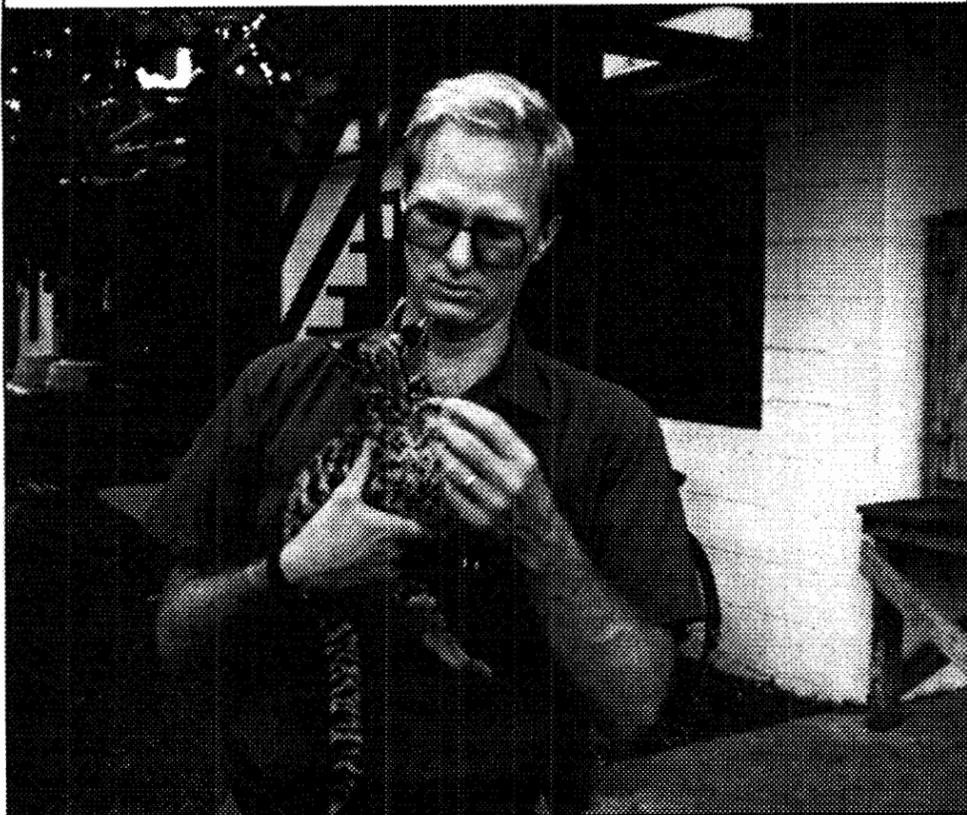
Explaining her purpose in participating in the diplomacy fellowship, Sina says, "All my work has been in the laboratory, and I came to the Agency with the notion of finding out about public health policy. I got an eye-full of that," she says smiling.

Sina attended a meeting of scientists in West Africa working on malaria. "Malaria poses an enormous problem for the tropical zones, complicated in the last five-to-10 years because of drug resistance," she explains. "New efforts are aimed at discovering a vaccine for malaria through biotechnology."

"This agency is one of the few that funds researchers in developing countries who are most familiar with the disease," she notes. "I'm glad to have worked with them in this effort firsthand."

Since the Agency began participating in the AAAS program, 44 scientists have added their expertise to the benefit of Agency goals. "The success of the program is the result of the high calibre of people we get," Minners says. "They bring an expertise not readily available at the Agency. The AAAS fellows are capable, well-qualified and have consistently done a good job."

The other fellows for 1988 are **Janis Alcorn**, ANE/TR/ENR, biology/ecology; **Kathryn Aultman**, S&T/H, biochemistry; **Jeffrey Brokaw**, LAC/DR, ecology/ behavioral biology; **Alta Charo**, S&T/POP, microbiology/immunology; **Deborah Illman**, SCI, chemistry; **Cynthia Jensen**, S&T/FORST, ecology/evolutionary biology; **Sharon Pfeifer**, ANE/PD/ENV; biology/ecology; **Christopher Potter**, S&T/AGR, ecology/evolutionary biology; **Margaret Symington**, LAC/DR, biology/ecology; and **Nina Tumosa**, PPC/PDPR, molecular biology/immunology.



Gregory Miller holds a young margay cat, an endangered species in Central America. The abandoned cat is being raised in the Belize Zoo as part of a captive breeding program.

Personality Focus

Chris Russell

by Jim Pinkelman

In his USAID career, Chris Russell says he has learned to expect the unexpected. As he considers his 19-year tenure at the Agency, it's easy to see why.

Russell, deputy assistant administrator in the Bureau for Private Enterprise (PRE), has served the Agency in a number of roles and in a variety of places, but usually not in the job or the place he thought he would.

"If you want to work for USAID, you must have a very flexible approach and a willingness to serve wherever the need is," he says. "Sometimes your assignment is very different from what you had planned. I recognized that early in my career."

Russell is second-generation in the field of development. "My father was a doctor of tropical medicine, working for the International Health Division of the Rockefeller Foundation," he notes. "I was born in Singapore, where he was working at the time on developing a program for the control of hookworm."

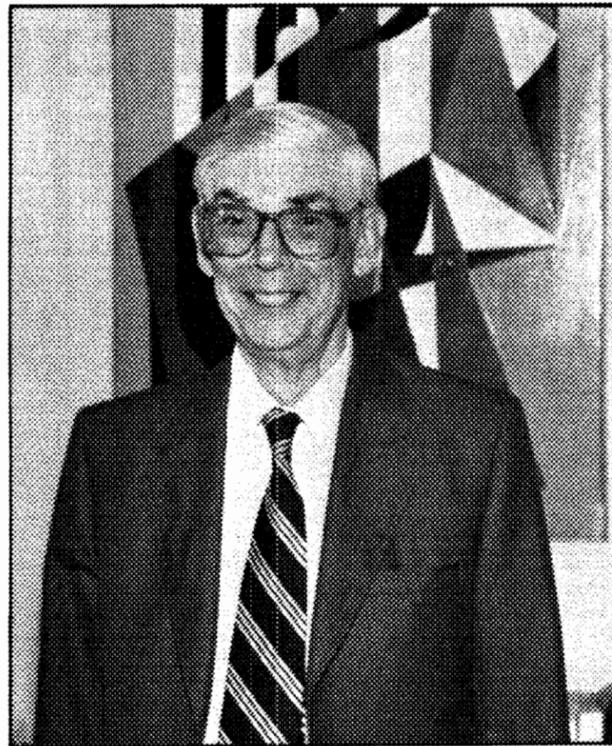
The family later moved to the Philippines and then to India, where his father worked on

fellowship at the Harvard Center for International Affairs and several years as executive director of the Center for Rural Development, a private foundation in Cambridge, Mass., that worked with farmer organizations in developing countries.

When the foundation was about to be merged with a larger foundation that worked primarily with Latin America, Russell decided in 1969 to accept a position at USAID because he wanted to concentrate on Asia.

"I thought I was hired to be an 'institutional developer' but found myself headed for Luang Prabang, Laos, as the USAID area coordinator," he says.

Six months later, again unexpectedly, he was asked to become area coordinator in Pakse in the south, where the North Vietnamese Army was making serious incursions. "By the end of my stay there in 1971," he says, "we didn't have a lot of territory to work in."



Chris Russell: "I'm impressed with the degree to which ideas can be contagious. Ideas do make a difference—that's the principle for which a bureau like [PRE] should stand."

USAID's mainstream business, helping in the design and direction of large programs that I think were very effective."

Russell left Manila with home leave return-to-post orders but found himself asked to stay in Washington as deputy director in the Office of Legislative Affairs at the time Congress was putting together the 1973 "New Directions" foreign assistance legislation.

"It was very gratifying," he says, "to work with congressional staff who well understood USAID's programs and were committed to building a consensus in support of development assistance."

"Two years later, I attended the Senior Seminar and then, to my pleasant surprise, went overseas again," he says, this time as mission director in Jordan.

"My previous managerial experience in the Philippines was indispensable in preparing me for the Jordan assignment," Russell says. "I was able to apply a great deal of what I had learned in Manila from Tom Niblock to directing the USAID program in Jordan."

"Our challenge in Jordan during my three years there was to convert a large program, two-thirds of which was in budget support, into a program entirely in development projects. Thanks to the hard work of the small but talented mission staff and the professional understanding and competence of our Jordanian counterparts, I think we succeeded."

On his return to Washington, Russell was again surprised to find himself offered the chance to help set up the State Department Bureau of Refugee Programs, where he became the first deputy assistant secretary.

"We were able to cope during the crisis that started with the outpouring of Vietnamese boat people and concluded with the Mariel Cuban boat people only because about 25 USAID officers volun-

teered to join State Department colleagues in filling the new bureau's critical overseas positions," he says.

An assignment to the faculty of the National War College in Washington, D.C., came next, where Russell taught a seminar on critical international issues. "I was very pleased with the degree of interest shown by military and State Department officers in the development topics covered in the seminar," he notes. "USAID should never miss an opportunity to explain economic assistance as a key instrument of U.S. foreign policy."

That assignment was cut short when Russell received a totally unexpected request to accompany the newly appointed American Ambassador to France as a special assistant. "Ambassador [Evan] Galbraith and I had been law school roommates," Russell says, "and he felt it would be useful to have an old friend, who was also a career officer, as a candid adviser on some organizational and management issues in the 1,100-person U.S. mission."

Since returning from France, Russell has spent the last four years in Washington, first as director of the Office of Rural and Institutional Development in the Bureau for Science and Technology (S&T), then as head of the Directorate for Human Resources and, a year ago, moving to his current position.

"Established in 1981, the Private Enterprise Bureau is relatively new to the Agency," Russell points out. "However, I think that there is now general recognition in the development community of the importance of the programs of this bureau and that private enterprise is an important engine for development change."

"A yardstick of the acceptance of the bureau's program," he says, "is that the missions are buying in on a number of PRE projects, such as privatization, financial markets and the policy-oriented Private Enterprise Development Support project and making increasing use of the International Executive Service Corps, which receives its core support from PRE. Also, missions are participating in co-design of the investments made by the PRE-managed Revolving Fund."

Russell believes there are several important advantages in having a private enterprise bureau. "First, it is more cost-effective to manage worldwide mission-support projects from a central point. In addition, the Agency needs a 'product champion' for private enterprise activities, and the bureau performs that role."

"Also important," he notes, "is that a separate bureau headed by an assistant administrator appointed by the President symbolizes the Agency's commitment to supporting private enterprise in the developing world."

Russell says he is encouraged by the progress that he has seen in the past year in enlarging

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"The Agency is steadily becoming more resourceful in helping governments create a climate for market growth."

malaria-control programs. Russell's father continued his work on malaria programs during World War II when, as a colonel in the Medical Corps, he established malaria-control programs for the Army. In the 1950s, he was a consultant to USAID on worldwide malaria control. "In a sense, I am following in his footsteps," says Russell.

Because of his father's work, Russell spent nine of his first 11 years in Asia before returning to the United States. He attended Woodrow Wilson High School in Washington, D.C., and went on to Yale, where he majored in history, and then to Harvard Law School. Russell focused on international law at Harvard and spent a summer as an intern at the United Nations.

Following law school, Russell served three years in the Army, receiving his commission from the Infantry Officer Candidate School. He then practiced law for two years with the Wall Street firm of Cravath, Swaine and Moore. At that point, he was recommended by a law school roommate for the position of assistant to the staff secretary of President Eisenhower and served for two years on the White House staff.

Russell came to USAID after a

One result of that experience, he says, was a deep appreciation of the qualities that he has come to associate with people at USAID. "I saw what a courageous, resourceful and good-humored group of people worked for the Agency," Russell says. "Many of them and their families had to put up with a lot of hardship and danger."

That produced a sense of camaraderie, he says. "Some of my closest friends are people I worked with in Laos. In a situation like that, you really become familiar with the basic qualities of a person, like compassion, dependability and fortitude."

It was not the last time Russell experienced the unpredictable twists and turns of life in the Foreign Service. "I had thought I was going back to Laos for a second tour, but the Agency decided to assign me as deputy mission director in the Philippines."

The assignment was Russell's first senior USAID management position, and it was a challenge. "Nowadays, people are prepared for those positions through the Senior Management Course and other Agency training. I wish I had had that preparation," Russell says.

Nonetheless, he enjoyed the job. "In Manila, I really got into

Bookfair '88

More than 100,000 hardcover and paperback books, almost 1 million stamps and art work from around the world soon will be on sale at Bookfair '88.

Sponsored by the Association of American Foreign Service Women, Bookfair '88 opens for Family Night on Friday, Oct. 14 at 5 p.m. The fair will be located at the 23rd Street entrance of the State Department, but persons will need to enter through the C Street lobby.

The cafeteria will serve a special family fare that evening from 3-7 p.m., featuring children's favorites such as hamburgers and fried chicken. A special children's program will be held in the Dean Acheson Auditorium at 5:30 p.m.

Bookfair '88 is open to the public Oct. 15, 16, 17, 20, 21 and 22 from 10 a.m. to 4 p.m.

PADF Resource Exchange Set

The Pan American Development Foundation (PADF) will host Contact '88, the third international resource exchange forum, Oct. 17-21 at the Organization of American States building in Washington, D.C.

Contact '88 offers an opportunity for sharing information on financial, technical and information resources among Latin American and Caribbean private, non-profit development organizations, international private voluntary organizations, U.S. government agencies and other international development organizations.

More than 200 participants are expected to attend the event. To register or for more information, write or call Daniel Seyler, PADF, 1889 F Street N.W., Washington, D.C. 20006, (202) 458-6272.

USAID BRIEFS



Deputy Secretary of State John Whitehead (center right) presents the "Superior Honor Award" to Philip Buechler at a ceremony in Washington, D.C., Aug. 19. Working on the Agency's Task Force on Humanitarian Assistance in Central America, Buechler heads a team in Honduras that has delivered over 4,000 metric tons of food, clothing and medicine to the Nicaraguan Resistance since April 1. Whitehead praised the 25-year USAID veteran as a "can-do man, someone who can do just about anything, anywhere, under the toughest conditions." He cited Buechler's career, during which he initiated USAID programs in Grenada in 1984, designed and carried out U.S. drought and famine relief operations in Africa in 1984-85, and assisted in a State Department effort that delivered \$27 million in humanitarian aid to the Nicaraguan Resistance in 1985-86. Before assuming his present duties in Honduras, Buechler was assigned to the Joint Administrative Office of the U.S. Embassy in Abidjan. Pictured in the photo (from left) are Counselor Alexander R. Love; Buechler; Whitehead; Ted Morse, task force director; and Bob Melghan, task force deputy director for support.

Poll Ranks Drugs as #1 U.S. Problem

"Drugs" were cited as the single most important problem facing the United States today by 26% of respondents (up from 6% last fall) in a recent ABC/Washington Post public opinion poll. This equals the percentage naming all economic issues combined (26%) and is twice the percentage naming foreign policy issues (13%) as the main problem confronting the United States.

"International drug trafficking," selected from a list of 10 critical foreign policy issues, was cited by 54% in a survey by Marttila and Kiley as an "extremely serious" threat to U.S. national security.

Also, the vast majority of those polled (83%) in a recent survey by Market Opinion Research think the illegal drug problem is out of control, but there was no consensus on how to deal with the problem.

Americans are divided in their opinions about whether the government should concentrate more on "stopping Americans from using illegal drugs" (39%) or on "stopping other countries from producing illegal drugs" (33%). Nearly one-quarter (24%) favored "both approaches equally."

The survey showed that the public is much more willing to use U.S. military force to prevent illegal drugs from entering the country than to try to destroy them at the source. A majority (81-14%) favored "using all branches of the U.S. military to intercept illegal drugs entering our country." But a plurality of 50-43% opposed "sending an undercover U.S. military force to destroy the crops and production facilities in the countries where illegal drugs are produced."

Russell

From page 4

USAID's private sector initiative. Each of the three geographic bureaus now has a private enterprise office, the program of the S&T Bureau for micro- and small enterprise has grown, and most missions now have staff responsible for private sector activities.

"The Agency is steadily becoming more resourceful in helping governments create a climate for market growth," he says, "but clearly more can be done to involve the private sector in USAID's bilateral programs."

Russell believes his management experience in the field has been directly relevant to his duties in Washington. "In S&T and PRE, as in the field, the job is to manage people and money, and design and implement projects and programs. Instead of working with host government officials, you work

with a community of scholars, practitioners and business people.

"I enjoy putting together and keeping together a team of managers to design and implement projects that will support the missions and attract their participation. I also enjoy the intellectual contacts.

"In the field," says Russell, "you tend to become preoccupied with your managerial and representational responsibilities and draw down on your intellectual capital. In the central bureaus, you have an opportunity to replenish your intellectual reservoirs through close association with the experts and scholars involved in your projects."

Away from the office, Russell and his wife of 32 years, Elsbeth, enjoy the theater and opera, as well as canoeing on the Potomac and walking the C&O Canal towpath. They also are frequent visitors to the National Gallery of Art.

"My wife paints, does pottery

and has a lot of artistic interests," he notes. "I'm interested in art, as well, but have no talent."

Russell still enjoys reading history and is particularly interested in how nations define their strategic objectives and seek to attain them. "My interest in this area was sharpened by participating in the 'grand strategy' part of the curriculum at the National War College," he says.

After his active duty in the Army, Russell remained in the Army Reserve, retiring this year with the rank of colonel.

His two daughters followed in his footsteps to Yale, one graduating in 1982 and the other this year. The older, Wynne, is a government analyst, while the younger, Amy, plans to attend the London Academy of Music and Dramatic Arts, with hopes of becoming an actress.

Looking back at his years with the Agency, Russell thinks that USAID attracts a particular kind

of person. "The people at this Agency want to make a contribution," he says. "They like challenges and are action-oriented. And, they want to serve their country and to better the human condition.

"A key to achieving a fulfilling career at USAID," he says, "is to never turn down the unusual challenge. When offered the unexpected, accept it with enthusiasm.

"I'm struck by the degree to which my career has been accidental rather than planned. But I wouldn't trade any of my experiences."

Russell's challenge now is to help PRE in its contributions to the growing acceptance in the development community of the importance of the private sector and market-oriented growth.

"I'm impressed with the degree to which ideas can be contagious," he says. "Ideas do make a difference—that's the principle for which a bureau like this should stand."

'Cable Room' Hub of Agency Communications

by Jim Pinkelman

To many people, even those who work for USAID, the term "cable room" conjures up visions of stacks of paper, teletypes clattering incessantly and clerks scrambling over one another as they receive and dispatch telegrams.

That stereotype would only partly fit the reality of the Agency's actual Communications Center, informally known as the "cable room." The center today moves a lot of paper, but it also houses modern equipment such as computers and laser printers and has staff members with years of experience, says Frank Alejandro, the center's manager.

"Communications is a vital component of any organization, particularly one with a worldwide presence such as USAID," he says. "Much of that communication is carried out through the center."

The Communications Center, which is part of the Office of Management Operations in the Bureau for Management, is the primary information link between the Agency's offices in Washington and the missions overseas, says Alejandro. "We process about 1,200 cables a day printed on 50 reams of paper or more than 9 million pieces of paper a year," he says.

The center operates on a 24-hour-a-day basis. "We open at 6 a.m. and close at 10 p.m. and work on Saturdays and holidays," says Alejandro. "But the computers continue to operate automatically overnight, receiving messages that are distributed the next morning."

The State Department's Telecommunications Center transmits and receives all cable traffic, says Alejandro. "The USAID center first receives outgoing cables, which are reviewed for accuracy and consistency," he notes. "Errors are corrected before the messages are taken to the State Department center for transmission."

After incoming messages are received at the Telecommunications Center, they are decoded and transmitted electronically to the master computer in the USAID center, where they are printed and distributed.

"We have a very collegial relationship with the State Department's Office of Communications Technology and specifically the Telecommunications Center," says Alejandro. "They provide backup when the center's system goes down and provide whatever assistance our office may need. We are bound by our mutual international perspective, and our systems are very much alike in most respects."

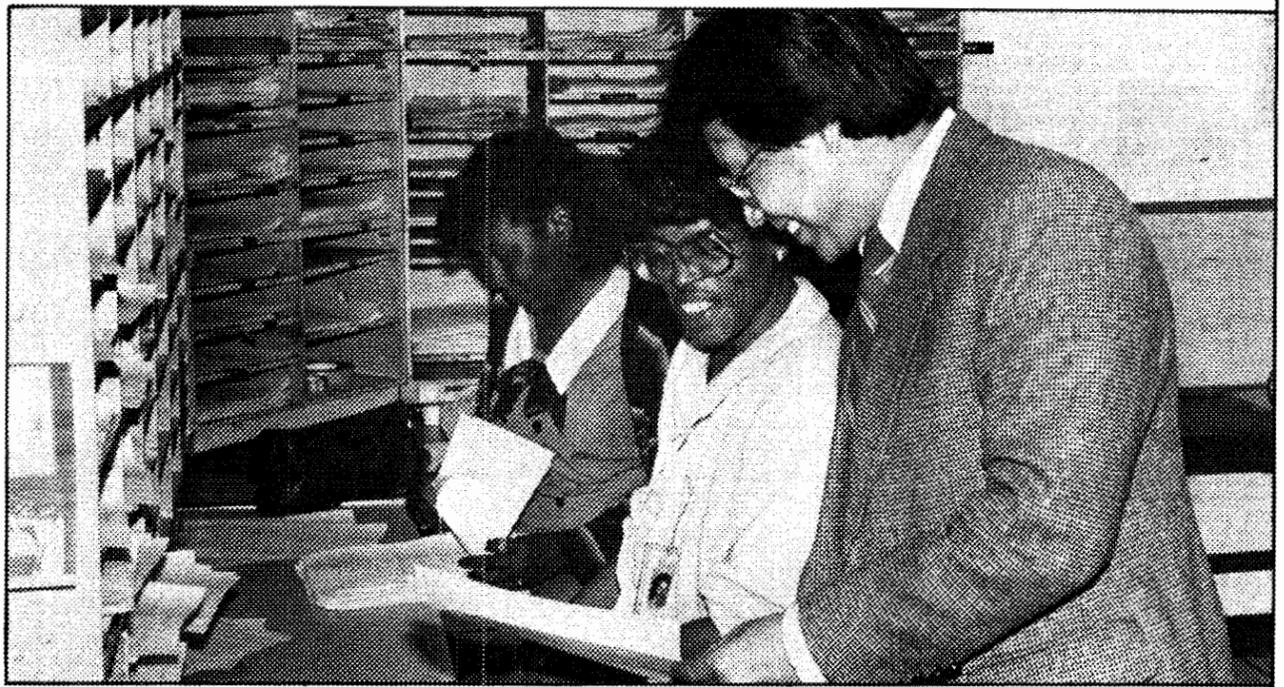
USAID's center is organized into four sections. The Research Assistance Section responds to requests by Agency staff members to research, review or retrieve a specific telegram.

The Automated Message Analyses and Dissemination Section (AMADS), introduced in 1983, is a computer-based system that deciphers and assigns cables for distribution. Before AMADS, all telegrams were sorted by the staff.

"About 50% of all cable traffic is now assigned for distribution by the computer," says Alejandro. "AMADS has helped reduce the time it takes for a message to be sent from overseas to its point of destination in Washington from weeks to a matter of minutes."

AMADS also develops the lists of cables, called

"Communications is a vital component of any organization, particularly one with a worldwide presence such as USAID."



Communications Center manager Frank Alejandro reviews a message in the cable room with LaVerne Williams (center) and LaRena Walters.

"profiles." "Each office or bureau within the Agency has its own profile, the cables it wants to see," says Alejandro.

"They can reduce or expand the number and the nature of the cables they receive. We work with each office to refine its guidelines and develop the profile accordingly."

Some cables do not fall into the regular distribution patterns established through AMADS, while others may need to be sent to offices other than those specified on the cable. In such cases, staff in the Message Analysis Section determine where

the cable should go. "These people are the center's human analysis," says Alejandro. "They figure out ways to solve problems in the distribution system."

The Computer and Communica-

tions Equipment Operators Section (CCEOS) is the final checkpoint for all incoming communications before they are forwarded to USAID bureaus. Operators work the computers that control all automated equipment linking the center with the State Department's center.

In addition, the center manages all of the Agency's Telex and facsimile equipment and services. "The Agency now has 30 FAX machines in the Washington network, a number that is increasing as the demand for FAX capability in individual offices grows," says Alejandro.

The son of migrant farm workers in Texas, Alejandro holds a doctorate in educational systems administration from the Catholic University of America. He worked in various branches of the Department of Education for almost 10 years before coming to USAID in 1987 to manage the center.

The Agency has two channels in which cables are sent and received. All cables dealing with programs and policies go through the AIDAC channel, while those dealing with administrative matters such as travel plans or personnel actions pass through the ADMAID channel.

Additionally, four levels of precedence guide how the center handles a particular message: flash, immediate and NIACT (night action), priority and routine. "More than 90% of the cable traffic we receive is in the routine category," says Alejandro.

Flashes, reserved for national security considerations, are a rarity. "The center receives about one or two a month," says Alejandro. "To my knowledge, the most famous was the one received during the Cuban missile crisis in 1962."

The immediate or NIACT level is used only for

important policy matters, notification of death or other urgent matters requiring immediate attention. NIACT messages are delivered day or night, including holidays and weekends, and a response is expected at once. Immediate messages received during non-working hours are delivered at the beginning of the next working day.

Priority is the highest level that should be assigned to those messages that require special attention over routine reports or analyses, says Alejandro.

"The missions or a USAID bureau in Washington make the judgment on the classification," Alejandro notes. "Once the decision is made, the center acts accordingly."

After a cable is decoded by the State Department's computer and sent to the Agency, it is prepared for distribution. Staff from the mailroom pick up cables five times daily for distribution. "Usually, a cable arrives in an office or a bureau within four to five hours after we receive it, and no later than 24 hours," says Alejandro.

One of the center's principal functions is to help people send and receive information as easily and as smoothly as possible, he says. To achieve that goal, he adds, "takes a commitment by the Agency's staff to prepare cables correctly, as well as patience to ensure that whatever is transmitted is done the right way."

Equipment failures, the lack of an updated profile or a reorganized office are factors that may result in an office director, for example, not receiving the cables that he or she should, says Alejandro. Those kinds of problems are being reduced through cooperative efforts between the center's staff and the Agency's various offices and bureaus. "This effort has brought into focus the need for profiles to be constantly refined and updated to achieve greater speed and accuracy in distribution," he notes.

The center is evaluating the merits of new equipment and techniques that could make life easier for USAID's staff, says Alejandro, as well as enhance message dissemination and other communication within the Agency.

"In our Research and Retrieval Section, we have two of the newer Delta Data terminals that help us track a particular cable," he notes. The Delta Data machines can track a particular cable in a matter of seconds. "If budget constraints permit, we anticipate six additional terminals, which will make that part of our system more responsive," says Alejandro.

As for the center itself, "we're looking for an increasingly systematic approach," he says. "We are trying to provide more refined documentation on the way we do things. An accountability process that is useful and informative is under review. That way we will be able to correct problems that come up and better serve our clients—the offices and bureaus within USAID."

USAID Dependents Receive Scholarships

Twelve high school seniors representing USAID foreign service families are among the 32 merit award finalists of the 1988 American Foreign Service Association/Association of American Foreign Service Women (AFSA/AAFSW) Scholarship Program.

The annual competition is based solely on academic excellence, outstanding extra-curricular activities and examples of leadership. This year, 24 volunteers from the Agency, Department of State, U.S.

Information Agency and the retired foreign service community rated the applications of 112 graduating high school seniors in six categories—personal essay, letters of recommendation, SAT scores, class rank, transcripts for seven semesters of high school and extra-curricular activities.

The six USAID merit award winners—Kristen Champagne, Jonathan Holtaway, Katherine Meighan, Edward Muniak, Cindy Purifoy and Kristina Silberstein—each received a \$500 scholarship

and an Academic Achievement Certificate.

The six honorable mention recipients representing the Agency—Saima Chaudhry, Philip Fritz, Catherine Graham, Douglas Hechtman, Tonia Sharlach and Leslie Snell—also received achievement certificates and \$100 scholarships. This is the first time since 1976 that a cash award has been given to honorable mention students.

Funds for the scholarships are

provided by the AAFSW Book Fair and the AFSA Scholarship Fund.

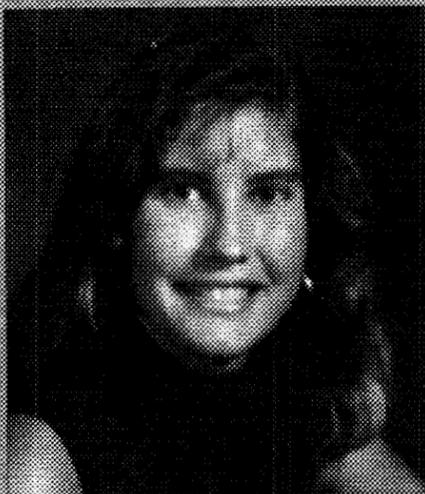
This year the merit awards were presented in memory of career ambassador Walter J. Stoessel, Jr., who was deputy secretary of state at the time of his retirement in 1982.

Requests for information or applications for the 1988-89 academic year should include the qualifying foreign service agency and be addressed to Scholarship Programs Administrator, AFSA, 2101 E St. N.W., Washington, D.C. 20037.

USAID MERIT AWARD WINNERS

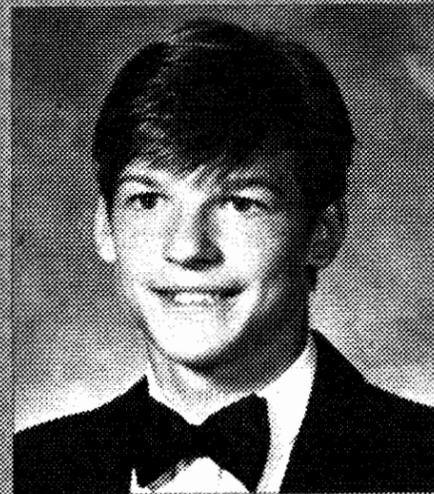
Kristen Champagne

Kristen Champagne is the daughter of John and Penelope Champagne, currently assigned to Washington, D.C. She is a graduate of Stonewall Jackson High School in Manassas, Va., where she served as vice president of the National Honor Society and vice president of the senior class. Champagne also attended Girls State and participated in the 1987 state indoor track championships. She has lived in Bangkok and Panama City and plans to attend the University of Virginia to study international business management.



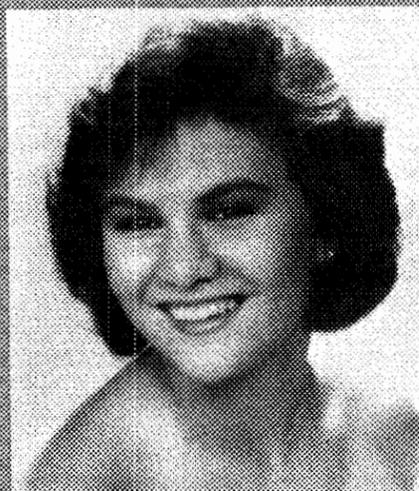
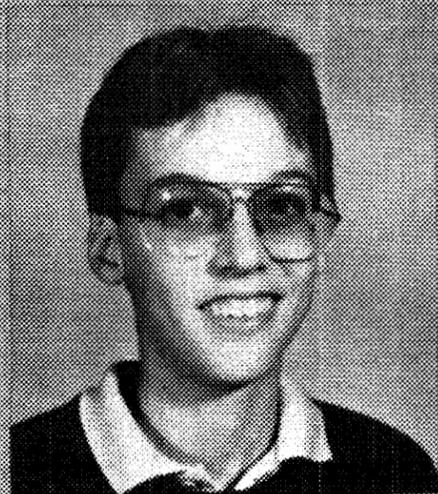
Edward Muniak

Edward Muniak, son of Edward and Janet Muniak, now posted in the Philippines, graduated from South Lakes High School in Virginia, where he received letters in football and baseball. Muniak also was a member of an all-region band and received an award for superior academic performance in 1986. His interests include football, baseball and playing the trumpet. Muniak also has lived in Thailand. He plans to study science and math at Cornell University.



Jonathan Holtaway

Jonathan Holtaway, son of James and Deneith Holtaway, graduated from the American School in Switzerland where he was president of the Young Republicans Club and a representative to the Model United Nations in the Hague. Holtaway also is a National Merit scholar, receiving an honorable mention. His interests include sports and 20th-century military history. His family, currently posted in Barbados, also has lived in Tunisia, Sudan and Switzerland. Jonathan will attend the University of Pennsylvania.



Cindy Ann Purifoy

Cindy Ann Purifoy, daughter of Leroy and Le Thu Hyunh Purifoy, graduated from the International School in Manila. She has lived in Vietnam, Kenya, Ethiopia, Syria and Sri Lanka. Purifoy served as the vice-president of the honor society and as a delegate to the Model United Nations in Bangkok. She also swam and played tennis competitively. Her other interests include drama and debate. Purifoy will attend the University of Pennsylvania to study law.

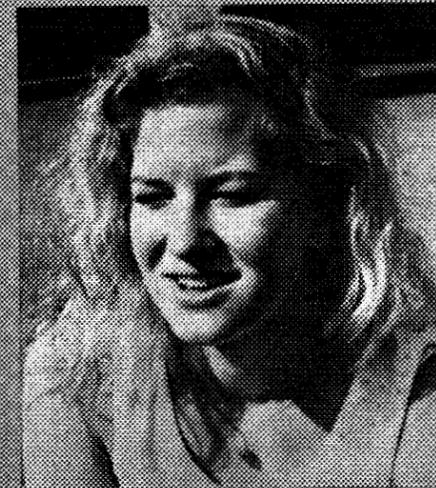
Katherine Meighan

Katherine Meighan is the daughter of Robert and Gail Meighan, currently posted in Rabat. A graduate of the Rabat American School, Meighan will enter the College of William and Mary this fall to study economics. She was a National Merit semifinalist and presidential scholar semifinalist. She enjoys tennis, horseback riding, languages and travel. Meighan has lived in Kenya, Nicaragua, Barbados and Morocco.



Kristina Silberstein

Kristina Silberstein, daughter of Anita and Spencer Silberstein, graduated from the American Embassy School in New Delhi. During high school, she participated in swimming, field hockey, peer counseling, student government and piano studies. Silberstein, who was named "outstanding senior," also was a member of the National Honor Society and received awards for academic excellence and for Spanish. She will attend Mt. Holyoke College.



RDO/C Organizes Medical Supply System

by Gail A.W. Goodridge

Until recently, the patient at the pharmacy window of a health clinic on the Caribbean island of St. Lucia had a 50-50 chance that the pharmacist would be able to fill her required drug prescription. If her luck was out, it could mean a four- to five-month delay until the medicine was in stock at the clinic. The alternatives were to go without it, accept a possibly less effective substitute or be prepared to reach deep in her pocket to have the prescription filled at a private pharmacy.

Her cousin who lived on the neighboring island of St. Vincent might have found it easier to have his prescription filled at a clinic, but with large quantities of drugs past their expiration dates still on the pharmacy shelves, chances of mistakenly being given an expired drug were increased.

These problems of drug supply management are played out in

"This project . . . combines real improvements to the health delivery systems . . . through the gospel of good management and financial realism."

countries across the developing world: inadequate supplies of drugs; out-of-date products; untrained staff; disorganized warehouses with poor ventilation or shelving; and unreliable transport impeding port clearance and timely delivery to peripheral areas.

The countries comprising the Organization of Eastern Caribbean States (OECS—Antigua and Barbuda, St. Lucia, St. Christopher and Nevis, Montserrat, Dominica, St. Vincent and the Grenadines, the British Virgin Islands and Grenada) have faced these and other problems that relate to their location and small population sizes.

For example, with populations ranging from 12,000 in Montserrat to 123,000 in St. Lucia (the total OECS population is just over 550,000), national drug orders were so small as to preclude discounts for volume. Few, if any, of the countries practiced competitive tendering processes that would have kept prices in a more advantageous range. A history of late or non-payment problems added surcharges and supplier special fees that inflated prices to ministries by 300-400% in some cases.

Lacking adequate information on drug formulas, approved national drug lists or sufficiently strong procurement systems, expatriot

contract physicians (who provide the bulk of health services in some of the countries) were allowed to prescribe a wide variety of brand name products. Often their preferences were not shared by the physicians who might come after them, leaving large stores of expensive, expiring brand name pharmaceuticals.

Also, inadequate drug forecasting or supply management skills have resulted in drugs being frequently out of stock and expensive emergency ordering, or, alternatively, large amounts of scarce resources tied up in overstocks of non-essential items. The ability of these smaller islands to procure emergency supplies from pharmacies and pharmaceutical manufacturers in the neighboring island of Barbados, an hour and a half away from the farthest island in the chain, provided a frequently relied upon but costly safety net for poor or negligent supply planning.

It was in this drug management environment that the Regional Pharmaceuticals Management Project was created. The project agreement was signed in August 1985 by the USAID Regional Development Office/Caribbean (RDO/C) and the St. Lucia-headquartered Organization of Eastern Caribbean States, the implementing agency. The \$3.5 million, 5-year project has three major objectives:

- to establish a drug tendering system that combines the drug needs of all of the participating OECS countries for one internationally competitive system;
- to improve the drug supply forecasting, inventory management and prescribing/dispensing systems of the participating Eastern Caribbean countries; and,
- to establish an institution to operate the regional tendering system and ancillary cost-containing activities during the project and beyond its completion date.

"This project is a very high priority in a regional office such as ours in which the basic health statistics are relatively good," says RDO/C Deputy Director Alfred

Bisset. "It combines real improvements to the health delivery systems and the people of the Eastern Caribbean through the gospel of good management and financial realism."

Activities over the first 30 months have addressed each of the project objectives: establishing a regional organization; introducing competitive, international pooled drug tendering; and upgrading drug forecasting and management systems of participating countries.

MANAGING A REGIONAL DRUG SYSTEM

As a first step, the OECS established a semi-autonomous agency, the Eastern Caribbean Drug Service (ECDS), to manage the regional drug system. The efforts of this small (three professional and five support staff) organization are being augmented by a technical assistance team from Management Sciences for Health (MSH) on a resident basis over the first 36 months and intermittently thereafter through the life of the project.

The ECDS is governed by a Policy Board comprised of the ministers of health of each of the participating countries. The board meets annually to review progress, approve the operating budget for the coming year and provide guidance in matters of establishing regional policies to direct the work of the institution. "These meetings also provide valuable opportunities for maintaining the support of the ministries for this ground-breaking enterprise," says Bisset.

The project fits well within the overall goals and objectives of the OECS. "One of the aspects of the OECS as mandated by our governments is that we should be a service organization," says OECS Director-General Dr. Vaughan A. Lewis. "To that end, the OECS attempts to do that which can be done at a regional level in a more cost-effective and efficient manner or which the national governments could not afford to undertake on their own.

"In the case of this project, we

are helping very small countries with very small markets to deal with very large, foreign pharmaceutical companies. By combining our needs, we are creating economies of scale to bring prices down."

INSTITUTING POOLED DRUG TENDERING

The ECDS has the responsibility of instituting and managing the pooled drug tendering system on behalf of and in collaboration with participating governments. Under this system, the chief pharmacists of each of the participating countries comprise a Tendering Committee that meets annually to select drugs and provide estimated quantities to be included in the internationally competitive tender invitation.

The committee also identifies suppliers who will be invited to tender on the basis of prior experience of member countries with the firms or responses by them to a qualifications questionnaire developed by the ECDS.

The ECDS sends out tender invitations and tracks the orders for their client governments. It also ensures prompt payment of suppliers through dedicated "pharmaceuticals accounts" established by each country at the Eastern Caribbean Central Bank (ECCB) as a condition to participation in the Regional Pharmaceuticals Management Project.

"The pharmaceuticals accounts at the ECCB, the monetary authority for the Eastern Caribbean currency, represent a unique and critical feature of the project's success," says Bisset.

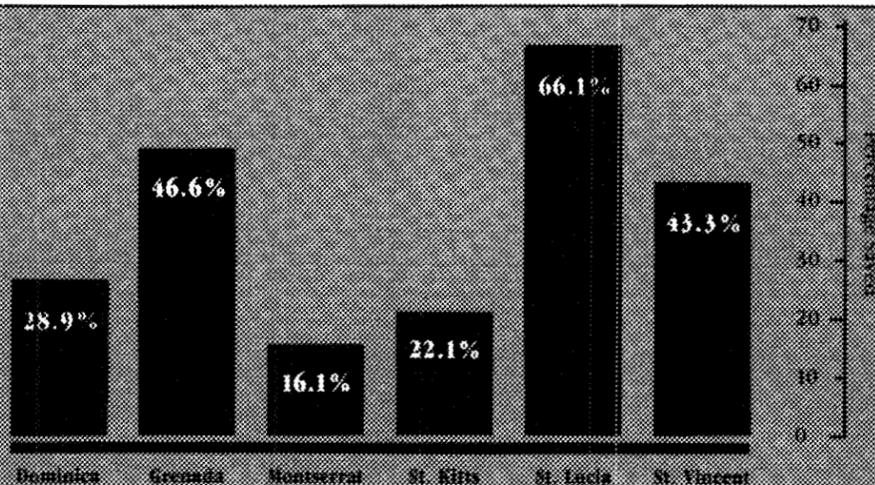
As purchase orders are submitted, the ECDS monitors the country's running balance, forwarding only those purchase orders that can be covered by the present balance. Once orders have arrived in-country, the bank is instructed to pay the supplier and to charge the government 15% of the purchase order value as an administrative fee for ECDS's management of the tendering system. Revenues from this levy are meant to ensure self-financing of the institution after the completion of USAID funding.

The responses to date from both the sellers and the buyers in the first tendering cycle (June 1, 1987—June 30, 1988) have been very positive. Of the 100 international drug manufacturers and suppliers invited to tender, 66 responded with quotations, and 25 were awarded contracts.

A comparative analysis of prices in effect immediately prior to the pooled system with tendered prices indicates that after payment of the ECDS administrative fee, governments have realized unit price savings from 16-66%. It is estimated that the pooled tendering system will have captured nearly 75% of the total drugs procured in the public sector during the first tender round, with an overall unit price savings of 44% for the region as a whole.

Contracts awarded for the second cycle during the May 1988 adjudication by the Tenders Committee provide even more advantageous prices than the first round for many items, including such critical, high volume items as intravenous solution.

"The project is delivering real savings to participating governments at a time of increasing budgetary shortfalls," says Holly Wise, chief of the RDO/C Health, Population and Education Office in Barbados and



Funded by USAID RDO/C and implemented by the Organization of Eastern Caribbean States, the Regional Pharmaceuticals Management Project has enabled participating countries to cut costs of vital prescription drugs by combining their needs into one internationally competitive system.

primary architect of the program.

"Because the ECDS is self-financing, it is not another of the many regional institutions that places an added burden on governments. If the ECDS fails to satisfy the needs of member countries, they will not continue to purchase their drugs through it, and the ECDS will close its doors."

ECDS Associate Director Sherita Gregoire is similarly confident of the project's impact, even at this early stage. "We know it's working," she says, "because we have found that some suppliers who weren't awarded contracts are already trying to undermine the system by offering drugs at prices even below the tender price."

The importance of honoring the "sole source commitment" to contract suppliers except in the case of extreme emergency is one that ECDS emphasizes to purchasing officers at every training event and at each opportunity.

"We are receiving strong support from supply officers and pharmacists in the region," Gregoire reports. "These governments fully understand that if they don't adhere to the system, they won't continue to get good prices overall."

UPDATING INVENTORY, DISTRIBUTION METHODS

The project has provided significant levels of technical assistance in drug management and use at the country level. Working with the purchasing officers and supply managers in each country, logistics experts have assisted central medical stores (CMS) personnel in updating drug inventory and management systems. Activities have included "dejunking" shelves of expired stock and reorganizing drug supplies on a "first in, first out" system, as well as improving port clearance and distribution systems.

The project also has supported upgrading and renovating the physical structure of the central medical stores, resulting in improved air circulation, additional shelving and enhanced security. A microcomputer, delivery vehicle and other limited equipment and furnishings have been provided to the CMS in each country to augment productivity gains through modernized management systems.

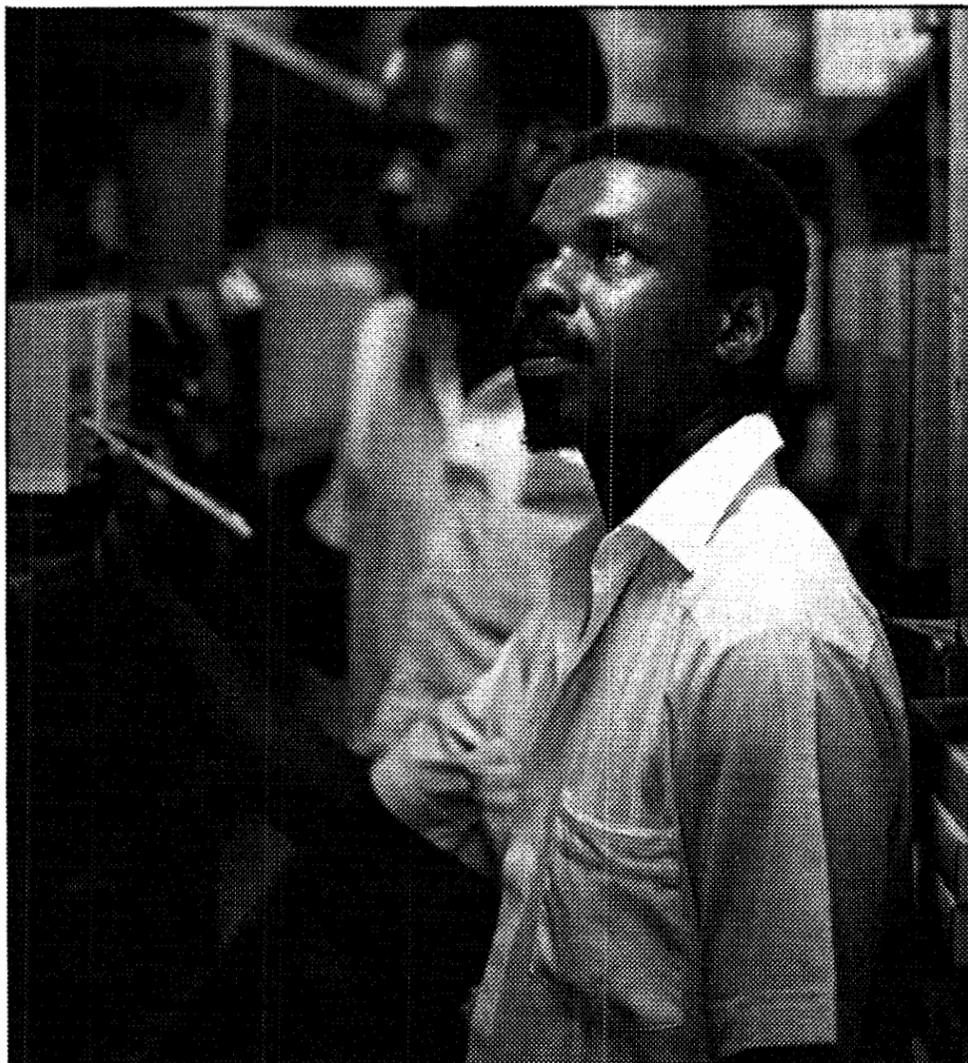
In addition to technical assistance, more than 750 person-days of training have been provided through in-country and region-wide training courses for supply managers, prescribers and dispensers.

"One of the more immediate successes of the project has been the adoption for the first time of a regional drug formulary for the Eastern Caribbean," says Wise.

The regional formulary is the result of combined efforts of national committees that have been established or revitalized through the project and a new Eastern Caribbean Formulary and Therapeutics Committee. The regional formulary body is comprised of senior physicians selected by the ministries of health from each participating country.

"Getting doctors to adopt a formulary has been a constant problem," says Permanent Secretary for Health from St. Vincent and the Grenadines Ronald Williams. "We end up with small quantities but a large number of drugs. The regional formulary should help with this problem."

Given the large number of expatriate, short-term contract physicians employed in the Eastern Caribbean, adherence to a



Updated drug inventory and management systems devised under the Regional Pharmaceuticals Management Project help Eastern Caribbean workers keep expired prescription drugs off the shelves of drug supply warehouses. In-country and region-wide training courses are offered for supply managers, prescribers and dispensers.

generically-focused, essential-drugs approach to pharmaceuticals procurement provides the opportunity for containing costs in a traditionally resource-short public sector system.

CONTAINING COSTS

Cost containment is an important goal of the Regional Pharmaceuticals Management Project. "The whole public tendering process is an example of cost containment at its best," says Management Sciences for Health Project Coordinator Maggie Huff-Rousselle.

"We are quite confident, however, that savings through improved management, inventory control, and better prescriber and dispenser habits will greatly outweigh the reductions in drug prices. For example, trying to change prescribing habits through in-country training is one of our major objectives for the coming period because physicians know very little about the costs of drugs they are prescribing."

Another project objective is fostering cost-recovery through user fees. "We hope to reduce the public sector burden of supplying pharmaceuticals and are working to discontinue the common policy of providing free public sector drugs to people who receive services in the private sector," says Wise. "This practice occurs—indeed is sometimes encouraged—in all project countries with the exception of Dominica, where it is prohibited.

"While cost recovery fee

schedules are already on the books in most Eastern Caribbean countries, the practice is honored more in its breach than in its observance. Cost recovery is a difficult issue politically for the countries in which we work," admits Wise.

"However, we believe it is key to providing self-sustainable medical services at the national level. As the quality and supply of drugs available through government health facilities improves, we can make the case with patients that there is something worth paying for and that cost sharing is essential for maintaining these enhanced services."

A recently conducted interim evaluation of the project found that most participating governments readily accepted the importance of recovering some portion of drug costs. However, evaluators were less sanguine about the ECDS' ability to introduce or enforce user fees.

ENSURING LONG-TERM VIABILITY

The evaluation also confirmed the progress made to date and helped project managers define their goals for the next phase of implementation. "The major weakness is still in the forecasting area," explains Gregoire. "We've made a good start but still have a way to go before the countries are able to eliminate drug expiration problems on the one hand and emergency ordering on the other."

Further improvements to forecasting systems should

facilitate larger and less frequent placing of orders by participating governments, thus lessening ECDS management time required to operate the pooled tendering system.

"We'll be working out the bugs in the system, getting supply officers to do better planning and assisting with the ordering and procurement patterns while we're still here," says Huff-Rousselle. "We're also learning more about negotiating with drug companies and solidifying the financial viability of ECDS."

To ensure the long-term viability of the institution, project staff will be focusing their energies on broadening the resource base by including more countries in the scheme (Antigua and Barbuda and Associate OECS Member British Virgin Islands are soon-to-be new participants) and tendering for medical supplies.

ECDS hopes to start initially with AIDS-related supplies. Such a strategy would allow them to be responsive to the needs of their government clients while consolidating gains made thus far.

"We perceive this project as a business, even though we have social goals as well," says Huff-Rousselle. "The staff feels the need to be self-sufficient and to make this place work to keep their jobs. I think the possibility that I will be able to call ECDS on the telephone and get someone at this number 10 years from now is rather high."

The success of the Regional Pharmaceuticals Management Project is being monitored carefully as a model for regionally integrating other services. "There are a number of areas in which our countries will be able to increase productivity or reduce costs by regional coordination," reports Dr. Lewis.

"We are already looking into the possibility of agricultural diversification and greater coordination to produce larger quantities for sale abroad. If we can show with each example, such as this project, that the method of coordination works, it gives greater confidence to proceed in this manner for the benefit of the people of the region."

This view is echoed at the USAID mission in Barbados. "Without much question, this project is a good example of how collective efforts can decrease national budgets and gain a better quality product in a more efficient and timely manner than any single island can achieve," according to Bisset.

"We talk a lot about regional cooperation," concurs Wise. "It's a nice idea, but to make it work there have to be economic incentives. This project provides very clear payoffs to the small Eastern Caribbean countries through working together."

Goodridge is project manager for the Regional Pharmaceuticals Management Project.

USAID, Rotary Join Forces to Fight Polio



Last September USAID announced the largest Child Survival grant to a private voluntary organization (PVO) since the creation of the Child Survival Fund in 1985: a \$6 million cost-sharing cooperative agreement with Rotary International to support its PolioPlus program.

PolioPlus is Rotary's most ambitious service project, with the goal of controlling and ultimately eradicating polio worldwide. Through the program, the Rotarians, who are private sector business and community leaders, join with the traditional public health sector in working toward the goal of immunizing all the world's children.

In 1985 when Rotary announced the PolioPlus campaign, it pledged to raise a minimum of \$120 million in five years. Because the United States has the greatest number of Rotarians, with 6,800 clubs and nearly 400,000 members, U.S. Rotarians aimed to raise \$78 million of the total.

USAID designed the five-year agreement as a challenge grant to stimulate fund raising by U.S. Rotarians. The agreement stipulated that the Agency would contribute \$1 for every \$2 U.S. Rotarians raised beyond the U.S. share of Rotary's total fund-raising goal. The Agency's money will be used to fund social mobilization efforts for the international program as well as for the immunization programs in India and Nigeria.

"USAID hoped that by offering the grant in the form of a challenge, Rotarians would surpass the \$78 million goal," says Dr. Gerold van der Vlugt, child survival and health coordinator for the Office of Private and Voluntary Cooperation in the Bureau for Food for Peace and Voluntary

Assistance (FVA/PVC/CSH). "In fact, that's exactly what happened."

Rotarians everywhere accepted the challenge. At the organization's International Convention held in May in Philadelphia, the hard work and dedication paid off—the U.S. Rotarians alone contributed cash and pledges totaling \$119 million, going far beyond the original goal of \$78 million.

In announcing the campaign results, International PolioPlus Campaign Chairman Leslie Wright said, "Let's never forget that our fund raising has merely been a means to an end, and that end is the immunization of every child against a crippling disease—polio. For hundreds of millions of children, this campaign is just the beginning."

"The Agency played an important role in Rotary's achievement in two ways," says van der Vlugt. "First, having pledged \$6 million, the U.S. government was the largest single donor. Second, USAID was able to leverage that money by designing a challenge matching grant, thereby spurring even greater fund-raising efforts in the United States."

The international total for the PolioPlus Campaign reached \$219 million, nearly double the original minimum goal of \$120 million.

To date, Rotary grants have been approved in 70 countries for a total of almost \$80 million. The success of the fund-raising campaign enables Rotary to expand PolioPlus to reach more children in more countries. PolioPlus immunization projects already are under way, and applications from developing countries for additional Rotary grants continue to be received.

Although Rotary has chosen polio as the target disease, the "Plus" indicates that Rotary



Rotary volunteers in Cote d'Ivoire administer polio vaccine to a child as part of Rotary International's PolioPlus program. Recipient of a \$6 million cost-sharing grant from USAID, PolioPlus aims to control and ultimately to eradicate polio worldwide.

enables nations to deliver vaccines to prevent all the childhood diseases targeted by the World Health Organization's (WHO) Expanded Program on Immunization: measles, tetanus, whooping cough, diphtheria and tuberculosis. In its projects, Rotary collaborates with WHO and UNICEF in planning, funding and carrying out immunization programs as part of the Expanded Program on Immunization. With Rotary's involvement, an estimated 123 million children have been immunized through PolioPlus.

"Rotary has become an increasingly valuable partner in worldwide immunization because of its international volunteer, business and professional base," says van der Vlugt.

"PolioPlus was designed to capitalize on this volunteer base by motivating grass-roots support by Rotarians for national and regional immunization programs. Rotary's army of more than 1 million volunteers allows PolioPlus projects to save millions in administrative costs and ensures reliable on-site evaluation and implementation.

"Immunization levels are rising because national health programs are being augmented by financial aid and expertise from governments, WHO, UNICEF, Rotary and other private voluntary organizations," he notes. "These programs now prevent about 200,000 cases of polio each year and more than 1 million deaths from measles, whooping cough and neonatal tetanus."

The Child Survival and Health activities of the Office of Private and Voluntary Cooperation have provided significant support to PVOs in the effort to achieve worldwide immunization. Currently, the office's portfolio includes 67 project grants to 21

PVOs working in 21 countries.

"The Agency's Child Survival strategy has immunization as one of the four health areas of concentration," says van der Vlugt. "Therefore, PVOs working with PVC-managed cooperative agreements are given strong encouragement to work in the area of immunization. This includes technical assistance from agreements with Johns Hopkins University, PRITECH, REACH and WASH to support their efforts."

The achievements of Rotary and other organizations working for worldwide immunization prompted the World Health Organization to declare the year 2000 as the target date for global eradication of polio. The official resolution to eradicate polio by the turn of the century was adopted by the 166 member-nations of the World Health Assembly on May 13 in Geneva, Switzerland.

In commending the Rotarians for their involvement, Dr. Halfdan Mahler, former director-general of WHO, said, "It would be hard to imagine more helpful partners than you have been. As business and professional leaders, you have helped to change attitudes toward immunization, and you have given ministries of health needed advice or stimulation in making their programs more effective."

"The exciting thing about the Rotary project," says van der Vlugt, "is that it marries the power of the private sector with that of the government and international sectors, often for the first time. Working together, we can make much greater strides toward improving the health of the world's children."

Author Kelly Barfield, a student at Duke University, is a summer intern in FVA/PVC/CSH.



Mothers bring their children to a PolioPlus vaccination post in Mexico for immunization against polio. The PolioPlus program also enables nations to deliver vaccines to prevent measles, tetanus, whooping cough, diphtheria and tuberculosis.

WORKSHOP STRESSES NEED TO MEASURE PROJECT IMPACT

The development of new evaluation procedures to assess the impact of Agency projects was the focus of USAID's first Impact Indicators Workshop held in June.

Sponsored by the Center for Development Information and Evaluation (CDIE), the workshop brought together technical experts from the private sector, the academic community and 60 Agency staff to discuss methods to refine and improve the evaluation process beyond implementation to include project effect on household income, food consumption and nutrition, and the natural resource base.

"The need to measure actual project impact is a subject of increasing importance within the Agency and in our dealings with

"Grappling with impact indicators is critical, because they begin to answer the question, 'What are we really achieving?'"

other donors and the Congress," observed Alexander R. Love, counselor to the Agency, in the keynote address.

"We continually face the problem of deciding which sectors and activities to fund," Love said. "Grappling with impact indicators is particularly critical, because they begin to answer the question, 'What are we really achieving?'"

Workshop chairman Haven North, associate assistant administrator of CDIE, concurred in the importance of impact indicators. "In the past, we sometimes felt that the real objective of the evaluations has not been met—either because our methods of analysis were inadequate or because the data available focused on inputs and not on the results of our efforts."

North underscored that CDIE has worked on implementing impact evaluations for several years but has been frustrated by the problem of how to assess project effectiveness.

The workshop represented an important step in assisting CDIE to meet its objectives, noted North. "CDIE is particularly interested in building an information system into programs and projects to provide more useful and accurate country data to aid project managers and senior staff," he explained.

Workshop coordinator Krishna Kumar of CDIE outlined the key issues and concerns relevant to impact assessments. "It is necessary to collect quantitative data at the project level that investigators can aggregate and compare," said Kumar.

"However, any reporting system that the Agency decides to adopt must include qualitative studies, which provide useful insights into



the relationship between observed changes and Agency interventions.

"We need not conduct large-scale, sample surveys, nor is it necessary to evaluate more than a small number of projects to arrive at well-founded conclusions about the effects of the Agency's assistance efforts," he stressed. "Indeed, low-cost, rapid appraisal techniques can provide planners with timely information, especially during periods when resources remain tight within the Agency."

Emmy Simmons of the Africa Bureau presented a paper on measuring household income impacts written by Beatrice Rogers of

ample, participants noted that whoever controls income often has a significant effect on the well-being of other family members.

"Agricultural development aimed at increasing production and income will not necessarily lead to improvements in the food consumption and nutrition status of the poor in developing countries," observed Patricia O'Brian-Place of the Nutrition Economics Group in the U.S. Department of Agriculture's (USDA) Office of International Cooperation and Development.

Ralph McCracken, former deputy chief of USDA's Soil Conservation Service, provided the background paper on natural resource impact assessment.

"USAID and other donors have come to realize that the development of agriculture cannot proceed blindly without considering how we affect the quality of air, soil, water, plants and animal habitats on which our very existence depends," said McCracken. "There is a great need for increased international cooperation to share in the cost of data collection and to standardize assessment methods so we can make use of the information that is generated."

McCracken was joined by William Larson of the University of Minnesota and M. Gordon Wolman of Johns Hopkins University, who also gave their observations on the link between agricultural development and resource management.

Tufts University School of Nutrition. Rogers' paper noted that "attempts to directly assess income status may prove difficult, because of the sensitivity of the topic or the respondent's inability to accurately recall information. Investigators should look to other indirect measurements of well-being, including wealth assets, expenditure, consumption and quality-of-life indicators."

Unfortunately, such indicators are often sensitive to cultural differences, making it difficult to aggregate and compare data. For ex-

"Assessing impacts on natural resources poses a special set of challenges to the Agency," emphasized Wolman, who reviewed the need for extensive baseline resource inventories and sustained data collection efforts over longer time periods. "Cooperative efforts between donors and developing countries are essential. USAID can not take on the burden of these tasks alone."

Larson also offered guidance on selecting impact areas to focus on. "In the final analysis, what really counts is our impact on agricultural productivity and the conservation of those resources that will ensure that productivity for years to come."

Organizational issues and concerns relevant to establishing a systematic reporting system for impact evaluation were addressed by Nena Vreeland of CDIE who emphasized that "the task of managing such efforts must be located centrally within the Agency in Washington."

Participants also discussed the need to first identify the end users of the information that a reporting system would generate. Determining target audiences would allow impact evaluations to address their specific needs and concerns.

CDIE will prepare a summary of major topics discussed at the workshop and will ask the authors of each background paper to clarify and expand certain issues in light of workshop proceedings. These papers will be published in a separate volume.

CDIE will also produce several videotapes of the workshop that will be available to missions. To obtain additional information on the workshop, call Krishna Kumar at PPC/CDIE.

—Ernest Carter

Chief Economist Is Named

Administrator Alan Woods has announced the appointment of Gordon Rausser as chief economist for the Agency.

Rausser, who is the Robert Gordon Sproul Distinguished Professor of Agricultural and Resource Economics at the University of California at Berkeley, will serve the administrator as a high-level economic adviser on strategic economic issues. In particular, Rausser will concentrate on matters related to the economic soundness and effectiveness of Agency policy guidance and overall development strategies.

"Making good on our commitment to economic growth in the developing countries depends to a significant degree on our ability to analyze developing country economies, identify impediments to growth and broad-based participation in the development process, and help countries structure and implement effective reform programs," Woods said. "As our new

chief economist, Dr. Rausser will augment our capacity for economic analysis and the development of sound policy reform strategies."

In his position at Berkeley, Rausser has developed research programs on public policy in food and agriculture, economic forecasting in food and commodity asset evaluations, public policy in the natural resource systems as they relate to agriculture, and commodity futures markets.

In 1986-87, Rausser was a member of the President's Council of Economic Advisors.

In addition to serving as an adviser to the administrator, Rausser will help establish a strong research base for promoting economic growth in recipient countries and will work to enhance staff capacity in economic analysis.

He also will create and chair a new Agency Economic Council intended to increase the contribution of economists to USAID programs.

Bangladesh

From page 1

ORS production facilities. The factories are expected to produce more than 200,000 packets of oral rehydration salts a day.

"The problem again, like food, is going to be getting it to the people who need it," he added.

Speaking at a news conference in Washington before his departure, Morris said USAID has a multi-faceted approach in dealing with the flood problem.

First, USAID has been training the Bangladeshi government in disaster preparedness for the past 20 years. As a result, Morris said they now have an excellent communication and storm-warning system.

Secondly, USAID has been working on an extensive reforestation program in the region in cooperation with the governments of Nepal and India.

Deforestation is a major problem in the Himalayas and contributes to the runoff of water that exacerbates the floods.

Employees Urged to Review SEL

Along with a paycheck every two weeks, USAID employees receive another important document—a Statement of Earnings and Leave (SEL). The SEL is the official record of an employee's pay, leave and deductions. Understanding the information on the form enables employees to identify a potential problem or error in their employment record and bring it to the attention of the Personnel and/or Payroll Office.

To be sure that personnel records are accurate and up-to-date, the Payroll Office urges each employee to take a few minutes when the SEL form arrives each payday to check the information and compare it to the previous SEL.

First, read the printed information on the back of the SEL form. At the top, in all capital letters, is a statement that leave balances and premium salary for full-time employees are recorded one pay period late. For example, if an employee works overtime in pay period 10, the hours and earnings for the work are shown on pay period 11's SEL.

Another statement advises employees to check their SEL carefully every pay period. If the form shows changes from the

previous SEL that the employee does not understand, an inquiry should be sent immediately to the Payroll Office.

The box in the lower left corner of the form explains the number shown in the net pay line on the front of the SEL. The number "1" indicates that the employee's check is transmitted by direct deposit/electronic funds transfer to his or her bank, "2" means that the check is mailed to the employee's home and "3" that the check is given to the employee at the office.

On the front of the SEL form is a line marked "Retirement" in the deductions column. The four letters in brackets indicate the retirement system the employee is under. The four major systems are as follows:

- CSRS—Civil Service Retirement System;
- FSRD—Foreign Service Retirement and Disability System;
- FERS—Federal Employees Retirement System; and,
- FSPS—Foreign Service Pension System.

The first two relate to the old retirement systems, while the last two are the new systems for employees hired after January 1, 1984. Employees should contact their PFM/PM backstop officer if the SEL shows a retirement system other than the one they think they are enrolled in. The Payroll Office cannot change employee's retirement plan without an official SF-50, Notification of Personnel Action.

—Tom Mundell

Agency Supports Effort 'To Make a Difference'



As part of its community outreach program to minority civil rights organizations, the Office of Equal Opportunity Programs (EOP) coordinated USAID participation at the recently held annual meetings of the National Urban League and the National Association for the Advancement of Colored People (NAACP).

Agency representatives were among the 16,000 people "Working Together to Make a Difference" at the 1988 National Urban League Conference, held July 30-Aug. 4 in Detroit, Mich.

USAID was one of 400 exhibitors in the "Showcase for Commitment to Equal Opportunity," a program designed to give private and public sector organizations an opportunity to recruit job applicants, distribute information and sell products.

As part of the Agency's effort to recruit minorities and women, copies of job announcements in the International Development Intern Program were submitted to the computerized job bank. A number of applicants were interviewed by Agency representatives, and applications will be referred to the recruitment staff.

Agency employees also were on hand at the 79th Annual Convention of the NAACP, held July 9-14

in Washington, D.C., which included the 19th Commerce and Industry Show and the First Annual Job Fair for Youth Nationwide.

The Agency was one of 200 private and public sector employers participating in the Commerce and Industry Show. The 11 Agency representatives discussed job and contracting opportunities and USAID programs and projects with persons who visited the Agency's exhibit.

At the Job Fair for Youth, four USAID employees served as presenters at seminars on subjects such as "How to Seek a Job," "Academic and Professional Preparation for Careers" and "Resume Writing."

For additional information on the conferences, contact the Office of Equal Opportunity Programs.

—Voncile Willingham

HOTLINE

EOP has established a hotline to provide counseling to USAID employees on any aspect of sexual harassment in the workplace. Counselors can be reached at 663-1341.

All calls are strictly confidential.

Conference Focuses on Cooperative Health Issues

"One of the most effective ways to promote growth and to assist the poor is to invest in people," said Julia Chang Bloch, assistant administrator for the Bureau for Asia and Near East (ANE), in an address at the Third Takemi Symposium on International Health in Tokyo, Japan, July 1-2.

In her remarks before international health experts, Bloch noted that education, health and family planning are vital international concerns, and health care issues are far more complex than one donor can address alone.

"For that reason, nations and multilateral organizations must be prepared to work together on these issues," Bloch said. She also stressed the importance of having a broad approach that ensures participation by the community, the private sector and non-governmental organizations as a necessary part of any successful program.

"While resources are important, leadership may be more critical," she said, "because without leadership, nothing happens."

Co-hosted by Japan's Institute of Seizon and Life Sciences (ISLS) and Harvard University, the sym-

posium focused on cooperative health efforts among developed and industrialized nations. Many of the conference papers offered recommendations for closer donor collaboration on specific health programs. Topics included "The

"Although resources are important, leadership may be more critical, because without leadership, nothing happens."

Evolution of International Cooperation for Health in Developing Countries: Bilateral and Multilateral;" "AIDS and Ethnomedicine in Africa: Toward a Strategy of International Cooperation for Disease Management;" and "From CT Scanners to Malathion: Japanese and U.S. Assistance to the Health Sector in Sri Lanka."

Other sessions at the symposium reviewed priorities for international health cooperation, evaluated current international health activities and explored future opportunities for international health cooperation.

Although multilateral cooperation among the developed nations

was the major concern of this year's symposium, there was heightened interest in bilateral efforts by the United States and Japan to help less developed Asian nations solve continuing health problems and poverty.

Sue Gibson, deputy chief of ANE's Technical Resources Division of Health, Population and Nutrition, also addressed the symposium. Gibson noted that the expanding role of Japan in the area of international health deserves the same level of recognition as its role in the world economy. "It seems logical that a nation as technologically advanced as Japan would want to share its technical expertise and resources to confront critical health problems impeding national development, such as malaria, in addition to preventing epidemics and pandemics such as hemorrhagic fever and Acquired Immune Deficiency Syndrome (AIDS)," she said.

"Cooperation among donor organizations and government officials from many developing countries has enjoyed some success. One has only to look at the measurable progress made in child survival programs to realize that donor cooperation works."

Over the years, the Agency has worked with and supported the World Health Organization (WHO) to improve health in the poorest countries and presently is involved with WHO in a global effort to control the spread of AIDS.

The symposium was named after the late Dr. Taro Takemi, former president of the Japan Medical Association and a leader in the international health field. Takemi considered health issues to be part of the broader view of "seizon" or human survival and included economics, ethics and other disciplines as factors linked to health solutions.

ISLS, in cooperation with Harvard University, the Japanese government and international private donor organizations, will host a continuing series of health symposiums that will focus on key health issues and assemble health experts from around the world.

—Irene Ricks



Since it began in 1985, USAID's Water Supply and Sanitation Sector Project in Sri Lanka has moved beyond the provision of commodities and training to the successful institutional restructuring of the National Water Supply and Drainage Board (NWSDB).

The four-year project, which was recently extended to 1990, focused on strengthening NWSDB's accounting and budgeting functions and strategic and financial planning. The project also addressed NWSDB's dependence on government subsidies, lack of community participation in planning the water systems and insufficient emphasis on operations and maintenance.

The long-term technical assistance contractor, Engineering Sciences, has provided five resident advisers. In addition, the project has had assistance from USAID's Water and Sanitation for Health (WASH) Project. WASH helped design the project and conducted a project start-up workshop. It also carries out yearly monitoring visits, oversees a management development program and provides periodic technical assistance.

Although some NWSDB officials were initially resistant to the proposed changes, by the second year of the project good working relationships had been established. The project's training focus was altered to emphasize on-the-job

Water Project Aids System Management

training. Using NWSDB officers as trainers, 30 senior managers participated in a three-phase program to achieve a common managerial viewpoint. As the training progressed, the board began to appreciate the project objectives and recognize the benefits of organizational change.

In less than four years—a relatively short timespan for institutional development—the project helped NWSDB to make major changes in the way it does business. One of the best indicators of success has been the dramatic increase in user fee collections from 31% in 1984 to a current 75%. Other positive steps include:

- using performance indicators at all levels;
- improving basic management competence;
- introducing effective delegation of authority, collaborative work organization and employee evaluation procedures;
- establishing a strategic policy planning process that is now the major forum for policy development and implementation;
- continuing efforts to significantly restructure the organization and decentralize many functions;



USAID is helping Sri Lanka restructure its water supply system.

- increased monitoring of water quality; and,
- reducing the lag time in billing from six months to 30 days.

The success of the project is the result of a focused project design, says WASH Project Manager John Austin of the Office of Health, Bureau for Science and Technology. "The project was not

sidetracked by adding capital development, commodities and other elements that are not central to an institutional development project. Once NWSDB and Engineering Sciences understood the nature of the changes needed, they placed in key positions persons who were able to institute these changes.

"WASH has played a catalytic and supportive role in assisting the board and contractor, and USAID/Sri Lanka understood that a true institutional development project is very different from other types of projects and made decisions with that understanding in mind."

USAID and the World Bank collaborated closely on this endeavor and agreed that the bank would tie its future capital investments to progress made in the Agency-funded institution-building project.

"As the proving-ground for valuable lessons, the Sri Lanka Water Supply and Sanitation Sector Project can serve as a model for other institutional development projects," said Austin.

WASH has documented some of these successful experiences in WASH Technical Report No. 49, *Managing Institutional Development Projects: Water and Sanitation Sector*. Copies are available directly from WASH Associate Director for Human Resources Development Fred Rosensweig at (703)243-8200 or from Austin at (703)875-4613.

ICORT III Set, to Focus on Sustainability

Representatives from 50 developing countries are expected in Washington, D.C., on Dec. 14-16 for the Third International Conference on Oral Rehydration Therapy (ICORT III).

The conference, which is sponsored by USAID in cooperation with UNICEF, the U.N. Development Program, the World Bank

U.S. non-governmental organizations, universities, donor agencies and the private sector will be invited to attend.

"Tremendous progress has been made in the accessibility of ORT since 1978, when an article in the British medical journal *The Lancet* announced ORT as potentially the most important medical advance of

the '90s—Ensuring Sustainability," will focus on how to continue to make oral rehydration therapy available at a time of decreasing resources and competing priorities.

The conference is structured so that conferees can participate in in-depth working panels to debate issues and discuss solutions to the challenges ahead. Panel members will be charged with developing practical methods of sustaining and expanding the availability and use of ORT.

"We want to leave this conference with ideas that work,"

says Woods. "It is important that we find practical solutions to the problems that confront us."

Simultaneous translation into French and Spanish will be provided throughout the conference. Proceedings will be available in English for those who are unable to attend.

For more information, contact Danuta Lockett, ICORT III Staff, Creative Associates International, Inc., 3201 New Mexico Ave. N.W., Suite 270, Washington, D.C. 20016, (202)966-5804 or Telex: 440523 CREA, Fax: (202)363-4771.

"Tremendous progress has been made in the accessibility of ORT since 1978 when it was announced as potentially the most important medical advance of the century."

and the World Health Organization, is aimed at identifying strategies for sustainable worldwide use of oral rehydration therapy in the 1990s.

"Ministers of Health have expressed their concern to me about their ability to sustain ORT and immunization programs," says Administrator Alan Woods. "For that reason, we have identified the issue of sustainability as the focal point of this conference."

Health ministers and other leaders from developing countries as well as representatives from

the century," says Nyle Brady, senior assistant administrator for the Bureau for Science and Technology.

"Since then, USAID has made available \$160 million to support 175 ORT projects in 60 countries. It is estimated that more than one million childhood deaths from diarrheal diseases are prevented each year because of this lifesaving therapy."

Two earlier conferences, ICORT I and II, highlighted program successes and provided implementation models. ICORT III, "ORT in

OUTLINE OF ICORT III ACTIVITIES

- | | |
|--------------|---|
| Day 1 | Plenary Session (scheduled for 600 participants) to include opening addresses by internationally recognized leaders and descriptions of successful ORT programs |
| Day 2 | Panel Discussions/Working Groups (scheduled for 325 participants) on <i>Elements Critical to the Success and Sustainability of ORT Programs</i> .
Practice of Mothers
Health Worker Behavior
Communication Strategies
ORS Production, Supply, Distribution
Program Policy, Planning, Financing
Evaluation, Monitoring, Research
Linkages with Other Programs |
| Day 3 | Technical Update, Donor-Policymaker Discussion, Report on directions for the future/plan of action, Closing Remarks |

RETIRED

Benedicto Deolazo, Swaziland, supervisory financial management officer, after 17 years

Leland Hunsaker, Pakistan/Mgt, supervisory executive officer, after 27 years

Arthur Lezin, COMP/FS/R/AIDW, mission director, after 26 years

Luke Malabad, Costa Rica/Mgt, executive officer, after 22 years

Dora Meeks, M/SER/MS/EMS, administrative officer, after 14 years

Gerald Mulderig, M/SER/OP/COMS/M, international trade specialist, after 21 years

Janice Parker, M/SER/OP/W/FA, secretary stenographer, after 10 years

James Procopis, AFR/SWA/SRO, program officer, after 29 years

Roy Stacy, Comp/FS/DS, mission director, after 24 years

Donna Trogler, AA/FVA, secretary, after 21 years

Bendeguz Viragh, Asia/Regional, commodity management officer, after 21 years

Years of service are USAID only.

PROMOTED

Linda Bazemore, M/SER/OP/O/LAC, secretary typist

Diane Carter, M/SER/MO/PA/PB, management analyst

David Conner, RIG/A/II, supervisory auditor

Dona Mari Dinkler, RIG/A/II, inspector

Elizabeth Donargo, AFR/PD/SA, clerk typist

Stephen Duster, RIG/A/II, auditor

Tim Elkins, RIG/A/II, auditor

James Gilling, RIG/A/II, inspector

John Gomez, PFM/PM/LMR, labor relations specialist

Judith Hawkins, PFM/FM/BUD, budget assistant

Pauline Hildebrandt, M/SER/IRM/WS, computer system analyst

Alicia Lupita Hilton, IG/ADM, clerk typist

Rolanda Jackson, GC, secretary typist

Lee Jewell, IG/PPO, auditor

Tess Johnson, LAC/DR/RR, clerk typist

Melinda Anne Keenan, AA/LAC, special assistant

Walter Kindred Jr., RIG/A/II, inspector

Donald Kruszewski, RIG/A/II, auditor

Wanda Lewis, SDB/OD, general business specialist

Veronica Lockard, M/SER/MS/EMS, clerk typist

Consuelo Lockett, M/SER/MO/TTM, traffic manager

Michelle Mathis, LAC/EMS, clerk typist

Denise Murray, PPC/DC, secretary typist

Jeremiah Joseph Perry Jr., M/SER/MO/PA/RM, management assistant

Lorilal Russell, LAC/PSA, administrative operations assistant typist

Joan Scott, PFM/FM/WAOD/CAC, supervisory accounting technician

WHERE? IN THE WORLD ARE USAID EMPLOYEES

Walter Shepherd, RIG/A/II, auditor

Lynnetta Taylor, PFM/PM/FSP/EE, clerk typist

Eugene Van Dyk, RIG/A/II, supervisory auditor

Marinda Vinson, ANE/TR/PHN, program operations assistant

REASSIGNED

Charles Antholt, India, supervisory agricultural development officer, to commodity management officer, COMP/FS/R/AIDW

Paul Armonstrong, IG/RIG/A/W, supervisory auditor, to RIG/Dakar

Robert Bonnaffon, Peru, controller, to supervisory financial management officer, PFM/FM/WAOD

Allison Ann Brown, COMP/FS, IDI (agricultural development), to agricultural development officer, Sri Lanka

Francis Buige, IG/PPO, auditor, to RIG/Cairo

Letitia Kelly Butler, ANE/DP/E, program officer, to development coordination officer, Asia/Regional/Philippines

Alfred Ciavelli, IG/RIG/A/W, auditor, to RIG/A/Singapore

Tony Cully, PFM/FM/LMD, financial management officer, financial analyst, to supervisory financial management officer, RFMC/Kenya

Ronald Curtis, COMP/FS, agricultural economics officer, to agricultural development officer, ROCAP

Frank Denton, COMP/FS/R/AIDW, general development officer, to agricultural economics, Egypt

Vernita Fort, COMP/FS, agricultural development officer forestry, to program economics officer, LAC/DP

Edward Greeley, AFR/DP/PPE, supervisory program officer, to project development officer, Indonesia

Angella Greene, PFM/PM/FSP/RSS, MPR/information specialist, to public affairs specialist, XA/PI

Willard Grizzard, COMP/FS/R/AIDW, controller, to financial management officer financial analyst, AFR/Cont

John Hardy Jr., PSC/OD, private enterprise officer, to supervisory private enterprise officer, PRE/I

Benjamin Hawley, ANE/MENA/JWBG, program officer, to supervisory program officer, Yemen Arab Republic

Robert Henrich, RFMC/Kenya, supervisory financial management officer, to controller, ANE/DP/F

Phillip Holt, RIG/A/Nairobi, auditor, to IG/PPO

Barbara Howard, COMP/FS/LT/TRNG, supervisory program of-

ficer, to program officer, Rwanda

Robert Jordan, LAC/DR/SA, project development officer, to supervisory project development officer, Philippines

Donald Kennedy, COMP/FS/R/AIDW, project development officer, to trade development officer, LAC/PSA

Frederick Kalhammer, RIG/A/Teguc, supervisory auditor, to RIG/Cairo

Marjorie Lewis, COMP/FS/LT/TRNG, controller, to financial management officer financial analyst, PFM/FM/ASD

Ann McDonald, ANE/SA/B, program officer, to special projects officer, ROCAP

Diane McLean, COMP/FS, agricultural development officer agronomy, to supervisory agricultural development officer

Carol Payne, Zaire, health development officer, to health/population development officer, ANE/TR/PHN

Ivan Peterson, PFM/FM/ASD, financial management officer financial analyst, to controller

Diane Ponasik, COMP/FS/R/AIDW, rural development officer, to supervisory program officer, ANE/DP/E

John Rogosch, S&T/POP/FPS, supervisory population development officer, to population development officer, Indonesia

Lee Roussel, LAC, supervisory housing/urban development officer, to housing/urban development officer, PRE/H/O

Gale Rozell, AFR/SA/ZZMS, program officer, to supervisory agricultural development officer, LAC/DR/OD

David Rybak, COMP/FS/R/AIDW, program officer, to supervisory project development officer, SDB/OD

Barbara Sandoval, COMP/FS/R/AIDW, foreign affairs officer, to assistant director, Lesotho

Frederick Shieck, Philippines, mission director, to deputy assistant administrator, AA/LAC

James Schill, project development officer, to trade development officer, LAC/PSA

Arthur Schoepfer Jr., LAC/DP/DPD, program officer, to supervisory program officer, Haiti

Bastiann Schouten, COMP/FS/LT/TRNG, deputy mission director, to mission director, COMP/FS/R/AIDW

Dennis Smith, IG/PSA, auditor, to supervisory auditor, RIG/A/II

Thomas Totino, LAC/CONT, financial management officer budget/accounting, to supervisory financial management officer FA, RFMC/Kenya

Frank Henry Wade, IG/RIG/A/W, auditor, to RIG/Nairobi

Theresa Anne Ware, Egypt, rural development officer, to program officer, AFR/SA/ZZMS

James Widdows, RIG/A/Singapore, auditor, to IG/RIG/A/W

Edmund Wise, PSC/OD, special assistant, to general business specialist, PRE/I

Eric Zailman, COMP/FS/LT/TRNG, supervisory project development officer, to program officer, PPC/PB/CD

MOVED ON

Larnardo Acker, COMP/CS/R

Frederick Ahearn, COMP/CS/DS

Sharron Bratrud, LAC/CEN

Fernando Bren, PFM/PM/OD

Cindy Lee Burger, COMP/CS/R

Peter Chandler, XA/PL

Cherise Crawford, COMP/CS/R

Jody Cunningham, S&T/AGR

Matilde Ensign, S&T/H

Peggye Forster, M/SER/OP/COMS/O

Angela Faye Guinn, LAC/DR/CEN

Jonathan Halpern, ANE/TR/ARD/RSEA

Cecelia Hughes, ANE/TR/PHN

Augustus McKoy, M/SER/MO/PA/RM

Ralph Oser, GC/CCM

Lisa Pickle, COMP/CS/R

H.C. Wagstaff, IG/PSA

Test Your Ethics IQ

Q: Knute Triton, a USAID employee, is in a real estate partnership with another Agency employee, R. Earl Development. Knute is on the bureau's awards committee, and Earl is being considered for a cash award. Knute asks, "Does this situation present a problem?"

A: Yes, it does. While Knute may serve on the committee to evaluate the performance of other employees for awards, he cannot participate

in the consideration of an award for Earl. One of the criminal conflict-of-interest statutes, Section 208, prohibits an employee from participating in matters that will affect the financial interests of, among others, a business partner.

Thus, Knute cannot rate or review Earl's performance, approve his travel orders, recommend cash awards or involve himself in any other matter affecting the financial interests of Earl.

Research May Halt Waterborne Scourge



Sudanese peasants tending their rice plants in the flooded paddy present an idyllic scene. But tragedy may lurk

beneath the water's calm surface. Flooded fields, irrigation canals and dam impoundments—anywhere there is static fresh water—can become breeding grounds for the small snails that serve as an intermediate host for the schistosomiasis parasite.

While this problem is not new—schistosome eggs have been found in the kidneys of Egyptian mummies—it is ironic that the same water development projects that bring rural prosperity often increase the spread of this endemic tropical disease. Nearly 200 million people are afflicted worldwide.

But through USAID's Program in Science and Technology Cooperation (PSTC), advances have been made toward stopping the destructive progression of the disease. Dr. Edito Garcia of the School of Public Health at the University of the Philippines-Manila was awarded a PSTC grant in 1985 based on his hypothesis that certain antibodies can inhibit maturation of *S. japonicum* eggs deposited in tissues, prevent severe hepatosplenic disease and serve as the basis for the development of a vaccine.

The schistosome life cycle involves several stages. First, free-swimming larvae (miracidium) hatch from eggs excreted by infected humans. The larvae then penetrate and infect an appropriate local snail species, where they multiply through other larval stages. The parasites then exit the

snail in large numbers as a second free-swimming form (cercariae) and penetrate human skin where they transform into small young worms (schistosomula) that enter the bloodstream.

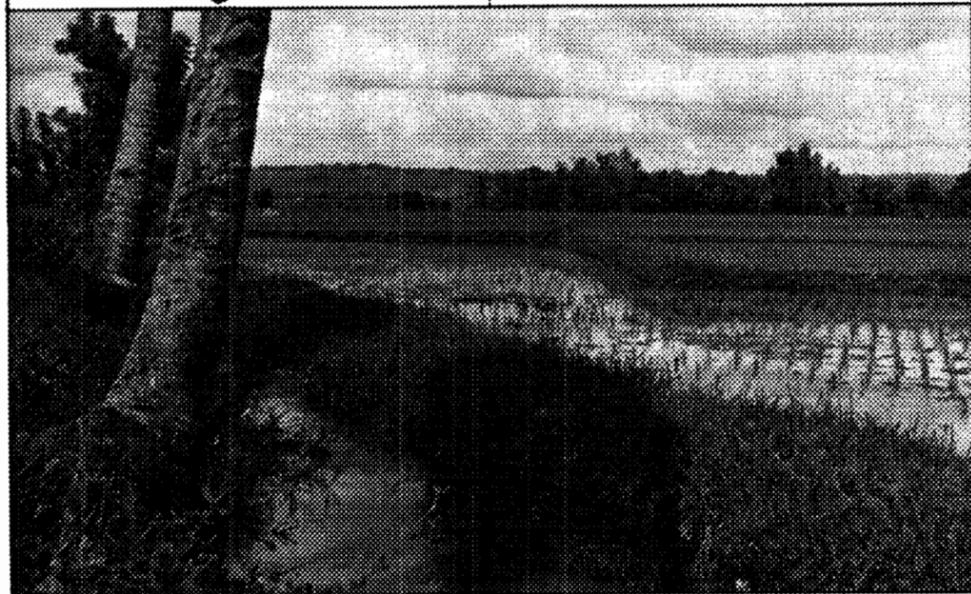
Both male and female worms migrate first to the lungs and then to the liver, where they mature and mate. The couples move as mating pairs to the mesentery and then to specific veins, depending on the species, where they deposit their eggs. Only when the infection is well-established do the telltale eggs appear in the urine and stool.

Among the symptoms of schistosomiasis are fever, weight loss and bladder damage. But the most devastating effect is caused by the eggs that are carried back to the liver. When mature, the embryo forms within the egg, and the egg's surface antigens trigger an immune response in the human host that causes granuloma formation and fibrosis. The liver and spleen become enlarged—sometimes grossly so—and function and circulation are impaired. But the immature eggs have no such effect.

Dr. Garcia proposed to develop a vaccine that would help the body attack the schistosome egg during the vulnerable period when embryo formation was still under way and that would prevent the body's subsequent attacks that lead to granuloma formation.

He first set up aqua-terraria to grow the split-pea-sized *Oncomelania quadrasi* snails that serve as hosts in rice-field canals. The snails were then crushed to release the cercariae and used to infect rabbits. Large numbers of eggs were produced and then harvested from the rabbits' livers. The eggs were then used to "sensitize" (vaccinate) laboratory mice. Finally, fresh cercariae were used to "challenge" (infect) the mice to see how effective the whole-egg vaccine was in protecting them from liver damage.

Working with Dr. Graham



USAID-sponsored researchers are searching for a vaccine that would stop the destructive progression of schistosomiasis, a disease that afflicts 200 million people worldwide and is contracted from snails (shown in top photo) that thrive in static freshwater fields.

Mitchell of the Walter and Eliza Hall Institute of Medical Research and other researchers, Dr. Garcia obtained encouraging results. The whole-egg vaccinated mice did not develop hepatosplenic disease, while the unvaccinated control group did. Liver granuloma formation also was greatly reduced in vaccinated mice. Only 39% of the eggs showed any granuloma formation compared to 92% in the control group.

In addition, portal venous pressure was lower (averaging around 122 mm-H₂O compared with 207 mm-H₂O. Spleen weight and portal pressure in the vaccinated group were normal.

The next step is the isolation and testing of smaller and more specific antigen preparations. But these dramatic early successes already hold out hope for vitiating the major clinical sequelae of this scourge of the tropics.

—Irv Asher

PSTC GRANTS AWARDED

The Agency's Program of Scientific and Technological Cooperation (PSTC), administered by the Office of the Science Advisor (SCA), is a highly competitive grant program that seeks to stimulate innovative research on problems that confront developing countries. PSTC will fund 57 projects in 26 countries in fiscal 1988.

Thailand remains the leading competitor for these grants, with seven new projects this year. Pakistan, Peru, Chile, Mexico and the Philippines also have received several grants each.

Thirteen of the grants are in the Chemistry Applied to World Food Needs module. For example, O. A. Ileperuma of the Institute of Fundamental Studies in Sri Lanka will study a new process for fixation of nitrogen from the air. The proposed research involves the study of semiconductors that, when exposed to sunlight, transform gaseous nitrogen into compounds plants can use. Eventually, such research might lead to the development of new and efficient small-scale processes for nitrogen fertilizer production.

Ten grants have been awarded under the new PSTC module that focuses on the diversity of biological resources. They range from the molecular study of the common bean (*Phaseolus vulgaris*) genes to understand the geographic diversity of the species to research on the diversity of Asian tree species needed to improve forest management.

In one project, Stan Morain of the University of New Mexico will combine the newest computer technology with the most traditional agriculture. Morain and his colleagues will use automated analysis of aerial and satellite photos to feed computer mapping

and geographical information systems to guide the collection and preservation of germplasm from the traditional crops of the Andes.

The germplasm of the crops domesticated in pre-Columbian times has potential value to crop breeders, but the sources of this breeding material are threatened by the diffusion of modern crops in South America. This new technology will speed efforts to gather and protect the traditional crop germplasm before it is lost.

A small grant will allow Pornchai Chuthamas of the Royal Chitralada Palace Project in Thailand to use new laboratory techniques to conserve the threatened germplasm of the rattans of Asia and to propagate the most useful varieties economically.

The PSTC program retains its strong emphasis on biotechnology with 15 new projects—eight dealing with plant systems, five with medical applications and two with microbial applications.

Among the most notable in this year's medical biotechnology grants is a cluster of projects that seek to improve the understanding of leprosy and to develop new tools to help physicians and public health officials better understand the disease.

Six biomass conversion projects also will be funded this year. In one, a group of developing country researchers led by Graham Allen of the University of Washington is developing a new technique to produce non-leaching nitrogen fertilizer from biomass with large amounts of lignin such as the stovers from field crops.

In a new engineering effort, American and Turkish researchers are exploring a new process that uses waste heat to upgrade lignite into coke suitable for metallurgical applications.

Thus, the biomass conversion module is expanding from research on fuel to research on other valuable products, while the engineering premodule continues to fund selected energy projects.

The Office of the Science Advisor, with the assistance of the Agency's sector councils, has completed the review of 429 preproposals for possible PSTC funding in fiscal 1989. SCA has requested full proposals from 139 researchers representing 47 countries, including 15 from Thailand, eight from the Philippines, seven from Nepal, five from Kenya and five from Guatemala.

The PSTC program currently is being reorganized and integrated with the National Academy of Sciences-BOSTID research program. "The increasing quality of the proposals we receive requires that the program maximize the research opportunities for innovative scientists in developing countries," says Dr. Howard Minners, USAID science advisor.

—John Daly and Rhonda Smith