

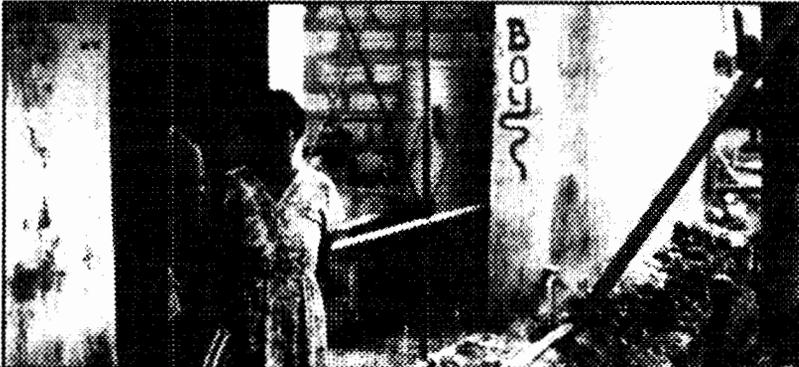
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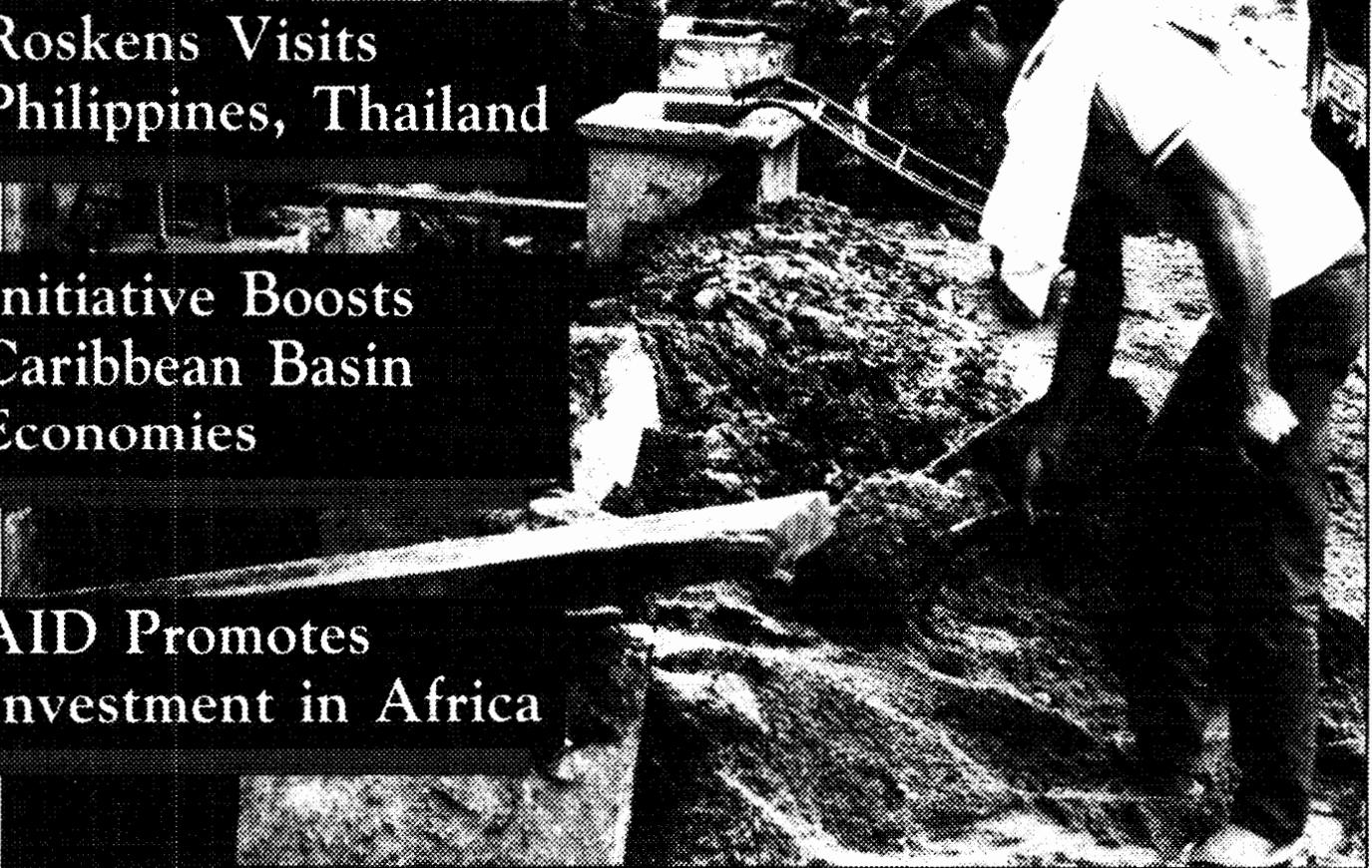
# FRONT LINES

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

PN-ACZ-574



Roskens Visits  
Philippines, Thailand



Initiative Boosts  
Caribbean Basin  
Economies

AID Promotes  
Investment in Africa



## THE FRONT LINES OF A LONG TWILIGHT STRUGGLE FOR FREEDOM—John F. Kennedy

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### Quotables

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

—President Bush, announcing the Enterprise for the Americas Initiative before administration officials and members of the business community in Washington, D.C., June 27

"One of our most important responsibilities is to pass on to future generations an environment whose health, beauty and economic potential are not threatened. Environmental challenges such as climate change, ozone depletion, deforestation, marine pollution and loss of biological diversity require closer and more effective international cooperation and concrete action."

—From the Economic Declaration issued July 11 by the leaders of the United States, Japan, West Germany, Britain, France, Italy, and Canada and the president of the Commission of European Communities at the conclusion of the 1990 Economic Summit of Industrialized Nations in Houston, Texas

"I see [development] as the ability of a group of people to influence and to manage change within a society. . . . Leadership matters and makes a difference."

—Former Nigerian head of state General Olusegun Obasanjo, before the 1989 Forum of InterAction



**Photo Credits:** Cover, Dolores Weiss; page 2, Carol T. Powers, The White House; page 3, Dept. of Defense; page 6, Roger Noriega; page 11, Clyde McNair

**Cover Photo:** During a trip to the Philippines, Administrator Ronald W. Roskens signed a Memorandum of Understanding paving the way for building roads and other basic infrastructure. Roskens also visited the Agency mission in Thailand. See story on page 2.

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# Roskens Visits Philippines, Thailand

BY DANIEL MCLAGAN

**O**n his first trip to Asia as administrator, Ronald W. Roskens traveled to the Philippines and Thailand last month to meet with the leaders of those countries and to evaluate AID programs in both countries. The administrator also attended the annual Tidewater Conference, held this year in Japan, that brings representatives of major donor nations together with international agencies and aid recipients to focus on development cooperation.

In the Philippines, Roskens met with President Corazon Aquino in Manila and expressed the Bush administration's support for economic and fiscal reforms that her government instituted in June. The measures are aimed at lowering interest rates, curtailing protectionism, increasing exports and reforming tax and tariff policies. "Given limited resources, we believe policy reform promises the greatest impact per dollar of resources available," Roskens said during the meeting.

Through its participation in the Multilateral Assistance Initiative (MAI) for the Philippines—a multidonor partnership with the private sector—the United States is seeking to provide \$1 billion in additional assistance over several years to support President Aquino's reform efforts.

During his visit, the administrator also signed a Memorandum of Understanding paving the way for building roads and other basic infrastructure in the Philippines South Cotabato/General Santos region, which will serve as a demonstration area for attracting private sector investment. AID plans to provide

up to \$105 million under the MAI for this model area. Roskens noted that this program in the southern part of the island nation is expected to benefit a wide range of Filipinos, from small entrepreneurs such as farmers and fishermen to those involved in larger business enterprises.

Roskens' visit to the Philippines came just one week before the July 16 earthquake in that country. (See story on page 3.)

While in Thailand, which the

Agency has recently reclassified as an Advanced Developing Country, the administrator met with Prime Minister Chatichai Choonhavan and with Foreign Minister Siddhi Savetsila to discuss AID programs and ways in which the Agency can help further integrate Thailand into the international economy.

The discussions culminated with the signing of a Memorandum of Understanding between the Royal Thai Government and the Agency that recognizes a change from a donor-recipient relationship to one that stresses programs of mutual benefit. AID's focus in this new relationship will be on helping Thailand overcome obstacles to its competitiveness in international markets by drawing on the

*Continued on page 9*

## White House Is Scene of Education Briefing

*Richard Bissell, assistant administrator for the Bureau for Science and Technology (S&T), thanks First Lady Barbara Bush for her leadership and support of basic education and literacy at a White House briefing in June on the World Conference on Education for All. Before the briefing, Mrs. Bush hosted a reception for the U.S. participants at the conference.*

*"I am particularly heartened to learn that early childhood development and the education and literacy of girls and women were emphasized throughout the conference," she said. "We know how important these are for family well-being." In addition to Bissell, others participating in the briefing were Roger Porter, assistant to the president for economic and domestic policy; Julie Cooke, a Barbara Bush aide and member of the official delegation to the conference; Thomas Kean, former New Jersey governor and delegation head; and Ted Sanders, undersecretary of education. Agency staff present included Antonio Gayoso, director of human resources; Frank Method, senior advisor for social sectors in the Bureau for Program and Policy Coordination; and Cliff Block, senior scientist in S&T's Office of Education.*



# Agency Responds To Philippine Quake

## *OFDA Sends Rescue Team and Emergency Equipment*

BY MAURICE BELLAN

**A**n earthquake registering 7.7 on the Richter scale hit the Central Luzon region of the Philippines on July 16, claiming the lives of almost 1,000 people. AID's Office of U.S. Foreign Disaster Assistance (OFDA) responded by sending a search-and-rescue team and \$247,815 in aid to the disaster-stricken areas.

The earthquake lasted about 45 seconds and was followed by more than 600 aftershocks, two of which measured 5.7 and 6.3 on the Richter scale. Heavy damage was sustained in several locations, especially in the cities of Baguio, Daqupan, Agoo, Cabanatuan and Central Luzon.

Richard Finley, a retired Foreign Service officer, was one of five AID personnel killed in the earthquake. He and four Foreign Service Nationals of the Philippine mission were attending a conference at the Nevada Hotel in Baguio when the earthquake caused the hotel to collapse.

The conference was one of several meetings to assist Philippine private voluntary organizations (PVOs) in increasing their participation in AID developmental activities. Finley was under contract with AID, serving as the conference controller.

The Foreign Service Nationals killed were Merlino de la Cruz, PVO specialist; Susan Doria, secretary; Maria Liza Isidro, project specialist; and Eduardo Plata, supervisory financial analyst.

According to official estimates, 938

people are confirmed dead, at least 3,060 are injured and the Philippine Department of Social Welfare and Development tabulated the homeless at more than 19,000. Hospitals overflowed with casualties in the city of Baguio, where doctors worked in parking lots until structures were determined safe.

After a disaster declaration was issued making \$25,000 available to the Philippine Red Cross, OFDA dispatched a 24-person disaster assistance response team, headed by OFDA's deputy director, Dayton Maxwell. The team included a 16-member search-and-rescue squad, four medical personnel, a consular affairs representative, a communications expert, a planning and logistics coordinator, four search dogs, and search-and-rescue support equipment.

The team began search-and-rescue operations 44 hours after the earthquake struck, preceding all other teams sent from other countries by one full day.

The U.S. team was deployed to the Nevada and Hyatt hotels. In an effort to remove trapped people, it worked alongside Philippine rescue teams and successfully extricated six survivors within the first 10 hours of work.

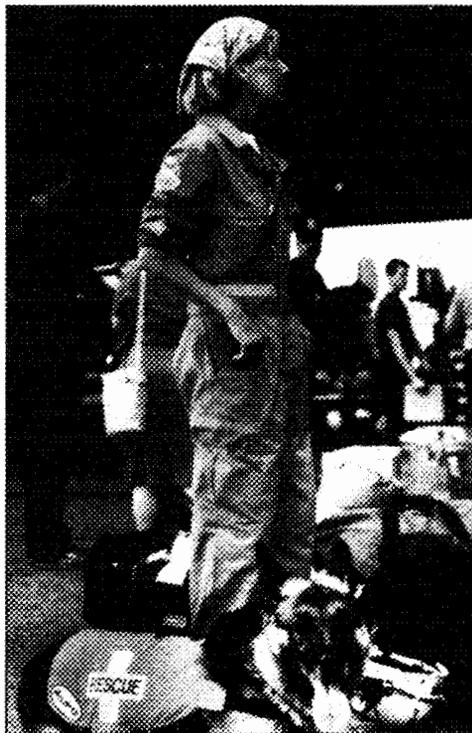
OFDA relief supplies were transported to the affected areas by aircraft from OFDA's stockpile in Guam. Supplies included 500 hard hats, 500 work gloves, 5,000 face masks, 100 tents, 100 rolls of plastic sheeting, 6,100 wool blankets and four earthquake rubble removal support kits for rescue workers.

Moreover, U.S. voluntary agencies provided \$533,885 in assistance, and the remainder of the international community provided relief assistance valued at \$2,344,026 to disaster-stricken areas.

The aftershocks and landslides, which plagued relief efforts, were being monitored and investigated by an OFDA-funded five-person scientific team, under the auspices of the U.S. Geological Survey (USGS), in support of Philippine government counterparts.

In an effort to help the Philippine government rebuild and regain its

losses, Paul Bell, one of OFDA's regional advisors, was sent to the Philippine mission. Bell, who has considerable experience in earthquake relief, assisted in initial planning for the rehabilitation and reconstruction of the affected areas.



*Caroline Hebard, head of the OFDA Disaster Assistance Response Team's canine search unit, and her partner, Aly, prepare to search for survivors of the Philippine quake.*

# Agency Encourages Investment in Africa

BY LAURA HESS

**B**etween \$125-150 million of trade and investment is now under discussion between Malawi, Mauritius, Swaziland and the United States as a result of a recent AID-sponsored trade and investment mission to those three countries. If finalized, the new trade and investments will lead to the sale of U.S. goods and services, transfer of U.S. technology, creation of new managerial and skilled jobs, improved foreign exchange positions and creation of new international markets for local products.

Sponsorship of the trade and investment mission is part of AID's overall support of private sector development in Africa. "The enthusiasm for the mission demonstrated in-country by both the public and private sectors is the result of a long process," says Dean Bernius, deputy director of the Office of Market Development and Investment, Bureau for Africa (AFR/MDI). "We have shown that we are serious about private-sector-to-private-sector development, first by generating data on African private sectors, then by supporting modest, rapidly implemented initiatives and policy reform efforts, and now by helping them make contacts and promote investment with U.S. firms interested in possible joint ventures."

Representatives of 19 U.S. firms and one association participated in the mission, the first such effort sponsored solely by AID. The firms rep-

resented such diverse sectors as retail sales, construction, cogeneration (use of sugar waste to produce electricity), hotels and tourism, telecommunications, handicrafts, franchising, pharmaceuticals and hydrology. Most of the U.S. firms that went on the mission are small to medium-size companies for whom participation on a high visibility mission such as this one provided an immediate entree to local business and government leaders.

"The legwork was already done," says Mani Iyre, chief executive officer of M and M Enterprises in Colorado, which has interests in hotels and tourism. "Extensive publicity in-country assured that people were eagerly awaiting our arrival. If I had gone out there alone, it would have taken me forever to meet the right people. It may take time to solidify the contacts, but at least the first step has been taken."

Several factors led to the enthusiasm

and preparedness of local business people: The AFR/MDI and the Office of International Trade and Investment Promotion (now the Office of International Business Staff in the Bureau for Private Enterprise)-sponsored pre-mission trade and investment conference held April 16-18 in Washington, D.C.; a previous mission to the region led by the Overseas Private Investment Corporation; and the growing realization by African government and business leaders that economic growth leads to development.

The pre-mission conference, at which 57 high-level representatives from Malawi, Mauritius and Swaziland met with representatives from more than 120 U.S. firms, was important to the success of the investment mission, according to Bernius. Forty-three of the African delegates were business representatives from some 35 companies. The delegations were led by the Malawian minister of finance, the Mauritian minister of industry and industrial technology, and the Swazi minister of commerce, industry and tourism.

Another major factor in the success of the mission was the extensive groundwork done in-country by AID Washington and mission staff. The AID team collaborated with the local Chambers of

Commerce in all three countries and MEDIA, the Mauritian export development agency, to set up appointments for the U.S. participants and, in one case, an exhibit hall where U.S. and local business people could meet. The investors who went to Malawi, for example, had a total of 123 appointments in two-and-a-half days.

Despite the small size of these countries, the sheer volume of business opportunities meant that the participants were on the go day and night. "If anything, I met too many people," comments Norma Roby of



*King Mswati III of Swaziland greets U.S. businessman Ermond Norris during a reception held by the king for participants of a recent AID-sponsored investment mission. USAID/Swaziland Director Roger Carlson also is pictured.*

Classic Concessions, Inc., a Texas firm that has interests in airport and hotel retail sales, as well as in general marketing of handicrafts. Roby is also on the board of directors of Fort Worth's Black Chamber of Commerce. "What surprised me was the quality as well as the quantity of contacts. Usually it takes 10 leads to get a good one, but on this trip, the majority of the leads were good."

While most of the firms that participated in the mission had not done business in Africa before, several others used the mission to augment their current African business activities.

"We have been doing business in other countries in Africa . . . and from my point of view, it is much easier with AID's assistance," says Robert Young of Theragen Pharmaceuticals, a small business based in Washington, D.C.,

that manufactures and markets generic pharmaceuticals.

As a result of the mission, Theragen has submitted a letter of intent to the Swaziland development corporation to do a feasibility study for fabrication of pharmaceutical tablets, capsules and topicals in-country for local and regional markets. This study may result in a joint venture for which Theragen will supply technology, formulations and marketing systems. Theragen now has a \$3 million tender with the government of Malawi for medical supplies and generic pharmaceuticals.

F.C. Shaffer and Associates of Louisiana, consulting engineers in the agribusiness and energy sectors, used the mission to further contacts made two years ago when it participated in a study of alternative energy use in the region. The firm has performed work in the

Sudan, Kenya, Uganda and Mozambique and went on this mission to assess all three countries' sugar industries and the potential to increase production of ethanol from residual bagasse fiber (cogeneration). A number of projects are now in the works as a result of the mission.

"We know our markets and the countries, but this mission provided us with the opportunity to meet decision-makers in a short time," says Nigel Williams of F.C. Shaffer.

The Agency targeted small and medium-size U.S. firms for participation in the conference and mission.

The changing African investment climate makes doing business in Africa potentially profitable for smaller U.S. firms, but the lack of information in the United States about Africa joint venture

*Continued on page 10*

## Education Is Focus of Seminar

**E**ducators from throughout the United States were brought together in Washington, D.C., this spring by the Bureau for Asia, Near East and Europe (ANE) and the National Governors' Association (NGA) to discuss U.S. education reform movements and their potential application in ANE countries.

The seminar, held at the National Press Club, was the first phase in the bureau's plan to develop a human capital resources strategy to guide its program development.

When the strategy is completed, ANE will have a policy in place to direct its human resources program decisions in an era of constrained resources and rapidly changing economic and political developments.

"In many of the countries in our region, we are watching governments adopt sound economic policies and increasingly open systems," ANE Assistant Administrator Carol Adelman told

seminar participants. "However, international and domestic investors alike constantly come up against the stone wall of manpower shortages. Education systems are simply not geared up to provide the necessary training at either the managerial or technical levels."

Among the issues that must be resolved, Adelman said, are the questions of how to improve the quality and relevance of education to the economy, as well as how to finance the growing demand for education.

Other key problems, she said, are preparing people for the skills they need as democracy and development progress and also how to reach girls, who have been under-served by the education system in many countries.

The more than 20 seminar speakers included Chester Finn Jr., director of the Educational Excellence Network and professor of education and public policy of Vanderbilt University; Allan Odden, director of policy analysis for Califor-

nian Education and a faculty member at the University of Southern California; Kenneth Ashworth, Texas state commissioner of higher education; and Stephen Heyneman, chief of the human resources division of the Economic Development Institute at the World Bank.

"What is critical to our AID strategy is using the United States' comparative advantage in educational reform," according to Charles Aanenson, ANE human resources officer.

Printed proceedings of the conference will be available soon, and a draft strategy will be distributed for comment in September. In the autumn, a team composed of AID officials, NGA representatives and academicians will visit several countries in the ANE region to discuss the strategy proposal with people in the field.

A final strategy document should be ready for distribution around the end of the year.

*—Clyde Linsley*

# Initiative Helps Transform Caribbean Economies

BY JANE SEVIER JOHNSON

Things aren't quite the way they used to be in Jamaica. For one thing, the job market is booming. Manufacturing alone is producing more new jobs annually than the entire economy did in an average year between 1972 and 1984. In places like Montego Bay and Kingston, the apparel industry today provides jobs for more than 25,000 people. The Caribbean Basin Initiative (CBI) is a large part of the reason why.

The CBI went into effect in 1984 as a 12-year effort to increase U.S. trade with the 27 nations of the Caribbean and Central America. The initiative offered a duty-free market to many types of products, excluding several categories such as clothes and shoes.

AID-assisted countries in the region included under the CBI are Belize, Costa Rica, El Salvador, Guatemala, Honduras, the Dominican Republic, Jamaica and the nations of the Eastern Caribbean.

AID's support of the CBI includes:

- *Financial assistance for short-term stabilization and economic recovery.* Most of the resources provided finance imports of raw materials and intermediate goods for the private sector.
- *Improving the business climate.* AID supports policy reforms and incentives meant to restore domestic business

confidence, rationalize interest rates, attract foreign investment and develop new trading patterns. The Agency also helps to improve public administration and upgrade the infrastructure needed to attract private investments.

- *Assistance to the business community.* AID funds pro-

grams to upgrade human resource skills and managerial capabilities; to link local and U.S. businesses and business associations together for the purpose of stimulating trade and investment; to overcome technical, marketing and export obstacles; and to capitalize financial intermediaries that provide credits to indigenous business enterprises.

The results in countries like Costa Rica, Guatemala, the Dominican Republic and Jamaica are dramatic. All have, for example, averaged an annual growth rate of 20% or more per year in manufacturing exports. Jamaica, despite

substantial hurricane-related losses in 1988, has had an average growth rate of 50% for manufactured exports.

CBI has not been a one-way street. It has also benefited American business. "The CBI placed the Caribbean Basin on the map," explains Aaron Williams, director of AID's Barbados-based Regional Development Office for the Caribbean.

"Before, U.S. business knew little about the Caribbean and looked to the Far East and the larger countries in South America as potential partners for investment and trade."

Many American companies now are finding Caribbean countries a ready market. U.S. exports to AID-assisted CBI countries rose from \$3.6 billion in 1983 to \$5.1

billion in 1988, moving the U.S. trade balance with the region from deficit to surplus. And U.S. firms are discovering that the Caribbean is a good place to set up business operations.

U.S. firms are finding the lower wages, the same time



*Many U.S. manufactured goods are sent to Caribbean countries for final assembly, benefiting both economies and providing jobs for Caribbean workers such as these Costa Rican women.*

zone and lower shipping costs—all part of the package in the Caribbean—to be a real boon to business. The Conair Corporation, a Princeton, N.J.-based manufacturer of blow driers and other small appliances, estimates that it saves several million dollars a year in duties alone by shifting its manufacturing from the Far East to the Caribbean. The firm employs 250 people in Costa Rica and plans to expand its employee base to 600 in the next year.

“The CBI helps American business become more competitive vis-a-vis the rest of the world,” explains Williams. And, for some U.S. firms like Nashville, Tenn.’s W.F. Stephens Manufacturing Company, which set up off-shore manufacturing operations in the Dominican Republic, the possibilities offered in the Caribbean literally meant staying in business. “There are former competitors who did not make the move and are no longer in business,” notes Stephens President Walter Marianelli.

“Caribbean Basin firms are much more likely than Asian firms to use U.S. machinery and materials,” says Jim Fox, senior economist in the Bureau for Latin America and the Caribbean. “Thus, an increasing two-way trade has been established with the region. In 1987, the U.S.

supplied 66% of all exports from industrial countries to the AID-assisted CBI countries, up three percentage points from 1980. The share of Japan and Western Europe fell.”

The Caribbean Basin Initiative has made a significant difference in many areas of the region’s economies. Most apparent of all, however, is its impact on the development of non-traditional exports—that is, exports other than bauxite, beef, coffee, sugar and bananas.

“These exports have been growing at 17% a year since CBI began,” says Fox.

Non-traditional exports to the United States from AID-assisted CBI countries grew at an annual rate of 17.5% over the last five years, increasing from \$1.3 billion in 1984 to almost \$3 billion in 1988. “This growth far exceeds projections at the time the CBI was introduced.”

Virtually all CBI countries have developed additional non-traditional exports, but some have been notably more successful than others. Costa Rica, Jamaica, the Dominican Republic and, since 1985, Guatemala have reached annual growth rates of 25% or more in non-traditional exports.

“These rates are reminiscent of the ‘Asian Tigers’—countries like Taiwan and South Korea—during the early stages of their development,” says Fox.

Much of the new export growth has been in free-zone products, pointing to the fact that export production has

sharply diversified in the last five years. “We are seeing a substantial reorientation of export production and a promotion of a dynamic restructuring of the economy,” Fox explains. “If current trends continue for the 12-year life of the initiative, this growth will substantially alter the productive structure, increase employment and income and enhance the growth prospects of CBI countries.”

In the most successful CBI countries, employment has already grown rapidly. Overall, about 200,000 jobs have been created in the region since 1984. In Jamaica, job creation since 1984 has been more than double the average for the last 15 years. In the Dominican Republic, employment in free-trade zones is reported to have risen by 60,000 between 1983 and 1988. In Guatemala, employment in apparel

export grew from 1,500 to 15,000 in the same time period.

“The economic success of these CBI countries is closely related to their willingness to introduce policy and institutional changes to support export growth,” notes Fox. “Over the next decade or so, such changes can help produce sustained economic growth.”

“The key is to identify and address bottlenecks to exporting. As each bottleneck is cleared,

new products become export-competitive, producing further gains in income, employment and productivity.”

Even relatively small changes in policies can further growth. In Guatemala, for example, four years ago there were two cargo flights a week to the United States. Now there are eight. Not only is it easier to find cargo space for business, but transport links also are better established, and more people are trained in the kinds of skills that are needed. It’s an easier climate for bringing in new businesses.

While CBI has been successful beyond reasonable expectations, it has not solved the balance-of-payment problem of many countries in the region. Traditional exports have performed relatively poorly because of low world prices for these commodities. And, not all the countries in the region have taken steps to benefit significantly from CBI.

“It is important to convince those governments that with the right policy environment, the same kind of success could happen in their countries that is now happening in Costa Rica and Guatemala,” says Fox.

“The opportunity is clearly there. The U.S. market is open—CBI countries now account for only 1% of U.S. imports of manufactures. With a continued favorable external environment, the right mix of policies as well as infrastructure and institutional development, regional economic growth and prosperity can be a reality in the years ahead.”

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***“Caribbean Basin firms are much more likely than Asian firms to use U.S. machinery and materials. . . . Thus, an increasing two-way trade has been established with the region.”***

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# Financing Strategies Improve Health Care

BY CLYDE LINSLEY

**A** new health-care study in Burkina Faso, conducted by AID in cooperation with the World Bank, is helping that country develop mechanisms for financing health services.

The program is one of a number of success stories for health services in the Central African country. "We have one of the biggest and most effective health programs in Central Africa," says Richard Greene, who has just returned from a four-year tour as health/population officer in Burkina.

A study of personal health-care expenditures, conducted through AID's Strengthening Health Planning Capacity Project, indicated that the residents of the Garango area of Burkina's Boulgou Province were spending about \$10 annually out-of-pocket for health care. Virtually all expenses went toward the purchase of uncontrolled drugs in the local market or on consultations with untrained traditional practitioners.

Low-income countries typically spend less than 5% of their central government budgets on health care. Burkina Faso, by contrast, allocated an average of 6.7% of its national government budget to public health during 1983-86. But even that sum was not enough to finance the activities of the country's existing health facilities, much less to provide the money needed for expanding capacity.

The nation's health budget, roughly 34 cents per capita, is insufficient to cover the normal functioning and maintenance costs of the nation's health-care centers. Virtually no central government funds are available for new

investments in the health sector.

As a consequence, most of the nation's health centers are constricted by inadequate and insufficient equipment and supplies, by unskilled health-care workers and by many dilapidated buildings. The state of the nation's health centers resulted in poor quality health care, which led, in turn, to a low rate of use among the population as a whole—particularly in rural areas.

The AID study tested a number of health financing strategies designed to help Burkina recover the recurring costs, other than staff salaries, of the government-run health centers. An additional objective was to increase the use rate at the province health zone's 10 health centers by at least 50% by the end of the study period.

Several cost-recovery mechanisms were tried, including revolving-fund drug stores; patient fees for laboratory tests; and fees for hospitalization and maternity services.

Health committees were organized, through which communities could participate in the financial and resource management of the health centers. The committees selected village pharmacists and supported them while they received a month of training at Tenkodogo, the provincial capital, and Garango, capital of the health zone. The committees also provided space in which the pharmacies could operate when space was not available in the health centers, nominated candidates for midwife training and, in at least one instance, mobilized the community to build housing for the midwife.

Pharmacists adjacent to each medical center are supervised by nurses from the health centers. The committee-

selected village pharmacists serve as sales personnel.

"The government's Ministry of Health has developed diagnostic and treatment protocols, which assure correct use of the essential drugs provided under the program," says Greene.

The district pharmacy in Garango supplies stock to each local pharmacy and buys additional stock for the entire zone at wholesale prices. Local pharmacies make 25% profit from retail sales, a sum that already exceeds total national and provincial government contributions to the health zone.

"These pharmacies, besides their potential to finance most of the recurrent cost of health facilities in the zone, have made geographic and economic access to drugs infinitely better," reports AID health economist Abraham Bekele. "Before their establishment, patients in the zone traveled an average distance of 20 kilometers one way to purchase drugs. At these pharmacies, prices are from one-third to one-half cheaper than [at] other pharmacies in the province."

As a result of the cost-recovery program, use of the pharmacies has increased significantly, says Greene, as has the use of maternal and child services.



*Use of maternal and child health services has increased in Burkina Faso following an AID-sponsored program.*

# Iowa Trade Mission To Visit ASEAN Nations

BY CLYDE LINSLEY

In November, a group of Iowans led by Gov. Terry Branstad will embark on a trade mission to Thailand, Malaysia and Singapore in search of new business.

The trip was organized by the Iowa Department of Economic Development, assisted by Jim Schill, a longtime AID Foreign Service officer currently on loan to Gov. Branstad's Governor's Commission for Economic Development under the auspices of the Intergovernmental Personnel Act of 1977.

Schill's objective in Iowa is to open up markets in the developing world for Iowa-based businesses. His job is to provide information to Iowans interested in doing business with the developing world. The result, the Agency hopes, will be beneficial not merely for the businesses involved, but also for the developing nations in which AID works.

"This is a unique undertaking," Schill says, enthusiastically. "If it proves useful, then it's going to be a pilot for other projects like this."

Invitations have been sent to more than 150 Iowa business leaders in the food processing and agro-based biotechnology industries because they are key industries for exports to the three targeted countries. About 10 companies will be selected to go along on the trip.

"It's very exciting and challenging," says Schill. "It'll be a small, compact and tight unit, and we will obviously pick up some leads for potential sales."

The ASEAN nations, Schill points out, have been growing at an average rate of about 7% a year, and some have had growth rates in double digits. They don't

have trade deficits, and most are keen on getting into the U.S. business market.

Iowa has its eye on Eastern Europe, as well. Branstad recently announced the creation of a new foundation, named for the late president, Iowan Herbert Hoover, to coordinate the state's efforts to establish relations with Eastern Europe.

The Herbert Hoover Freedom Foundation, as envisioned by Branstad, would consist of business, education, farm, trade and

church leaders chosen on a bipartisan basis to bring together the state's various resources and develop trade possibilities.

"This started out with just an idea,"

Schill says.

"Now it's developed into something that other people think is worth keeping an eye on.

"Good business is good for development.

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***"Good business is good for development. American companies can provide incentives for development in the countries we work in."***

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American companies can provide incentives for development in the countries we work in."

## ROSKENS

(continued from page 2)

expertise of the U.S. private sector. Another key area of AID support is assistance in expanding bilateral trade and identifying specific investment opportunities.

The administrator also visited Thai villages along the Cambodian border that have been adversely affected by continuing hostilities in Cambodia. At one of these villages, Ban Pa Rai Mai, Roskens praised cooperation between the Thai and U.S. governments in the AID-sponsored Affected Thai Villages (ATV) Program. The program provides development funds and expertise to residents of the troubled border areas.

"The American people are very aware of the hardships that you have endured," Roskens told the villagers. "We

hope for the day when this conflict will come to an end, and you can live your lives in harmony with your neighbors."

At the Tidewater Conference (named for the Tidewater Inn on Maryland's eastern shore where the first conference of aid donors was held in 1969), Roskens urged donors and developing countries to adopt private sector solutions to development problems. Topics addressed at the conference included economic policies, legal and regulatory systems, banking, delivery of basic services and privatization.

### EOP Hotline

EOP has established a hotline to provide counseling to AID employees regarding sexual harassment in the workplace. Counselors can be reached at 663-1341.

# New Mission Directors Appointed to Posts

BY MAURICE BELLAN

**A**ID recently announced the appointment of new directors for five missions: Charles Costello, Ecuador; Janet Ballantyne, Nicaragua; William Kaschak, Guinea; Terrence Brown, Guatemala; and David Cohen, Haiti.

Costello, sworn in this month, had been director of the Office of Central American Affairs since 1987. He will direct an assistance program in Ecuador of more than \$25 million.

Costello joined AID in 1975 as an attorney advisor in the Office of the General Counsel and later served as regional legal advisor in Bolivia and assistant general counsel for legislation in Washington, D.C. His Foreign Service career includes positions as deputy mission director in Kenya in 1981 and mission director in Guatemala in 1982. He returned to Washington in 1986 to direct the Office of Caribbean Affairs.

Costello earned his law degree at the University of California, Berkeley, School of Law, and received bachelor's degrees in political science and economics from the University of Michigan.

Ballantyne, who has been associate assistant administrator for the Bureau for Program and Policy Coordination since 1988, heading the Center for Development Information and Evaluation, was named director of the Agency's newly reopened Nicaragua mission. She was sworn in last month.

She will direct one of AID's largest programs in Latin America, which is designed to support the government of Nicaragua in economic

revitalization and social reconciliation.

Ballantyne joined AID in 1976 as a project development officer in the Bureau for Latin America and the Caribbean. From 1978 to 1982 she served as a general development officer in Peru and later served as deputy mission director in Morocco and Nepal before returning to Washington.

She has a doctorate in international economics from Cornell University, a master's degree from Syracuse University and a bachelor's degree from Cornell.

At USAID/Guinea, Kaschak will direct a \$25 million program that focuses on basic education, road construction and maintenance, natural resources management and Food for Peace commodities and technical assistance.

Kaschak joined AID in 1974 and before his new assignment was associate director of the mission in El Salvador. Previous posts include director of project development in Honduras and deputy director of project development in Bolivia.

He has a doctorate and a master's degree from the University of Massachusetts and a bachelor's from the University of San Francisco.

Brown, who assumed the Guatemala mission post last month, will direct a \$113 million assistance program that has a dual focus on economic and democratic development and is designed to enable Guatemala to use its rich natural resources and expand its democratic institutions.

Brown, who joined AID in 1972, held posts in El Salvador, Washington, Bolivia, and in the Regional Office for the Caribbean in Barbados. In Barbados, where he was deputy director, he assisted in developing the Caribbean Basin Initiative and carrying out the assistance program for Grenada.

Brown has a master's degree in economics from Tufts University's Fletcher School of Law and Diplomacy and a bachelor's degree from Kalamazoo College, Mich.

Cohen, a 21-year veteran of the Agency, was appointed head of the Haiti mission after serving most recently as director of AID's Office of Caribbean Affairs. Sworn in last month, Cohen will direct an assistance program of more than \$50 million.

He joined AID in 1969 as an international development intern. From 1969 to 1974 he served as an economic advisor and an assistant program officer in Brazil. Cohen has served as mission director in Bolivia and Panama and as acting director in Guyana.

Cohen has master's degrees from Cornell University and New York University and a bachelor's degree from Rutgers University.

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## Investment

(from page 5)

possibilities, and in Africa about potential U.S. investors, has been a major hurdle to investment until now, according to Bernius.

"The United States is built on small companies, but we Malawians don't have the resources to find these small com-

panies on our own," says John Batson, managing director of Chillington Agrimal Ltd. of Malawi, whose interests include manufacture of hand tools and coffee and tea estates. "By sponsoring this conference, AID has played a very useful role in helping us make contacts with smaller U.S. companies."

*Hess is a freelance writer working in the Washington, D.C., area.*

## Breast Cancer Support Group Meets Biweekly

The State Department Office of Medical Services sponsors an ongoing psychoeducational support group for women with breast cancer. The group, which has been in existence since 1984, meets in room 3243 every other Monday from 12 to 1 p.m. to discuss the psychosocial issues of breast cancer.

Civil and Foreign Service employees and their immediate family members may participate. However, before attending, an individual consultation is required. For further information, call Edith Bennett, 647-4929.

## IN MEMORIAM

### RICHARD FINLEY

Richard Finley, 58, a retired AID Foreign Service officer, was killed during the earthquake that struck the Philippines July 16.

Finley, a resident of Washington, D.C., was on temporary duty serving as controller of an AID conference held in Baguio at the Nevada Hotel, which collapsed during the earthquake.

Finley joined AID in 1969 as an accounting technician and in 1975 transferred to the Foreign Service. He served in Cote d'Ivoire, Cameroon and Barbados. He was AID controller in Tanzania until he retired in 1988.

Finley is survived by his wife, Virginia; his mother, Quindora; and his daughter, Debra. Condolences may be sent to Mrs. Finley at 1214 4th St., S.W., Washington, D.C. 20024.

## AID Briefs

### AID Employee Pleads Guilty In Bribery Case

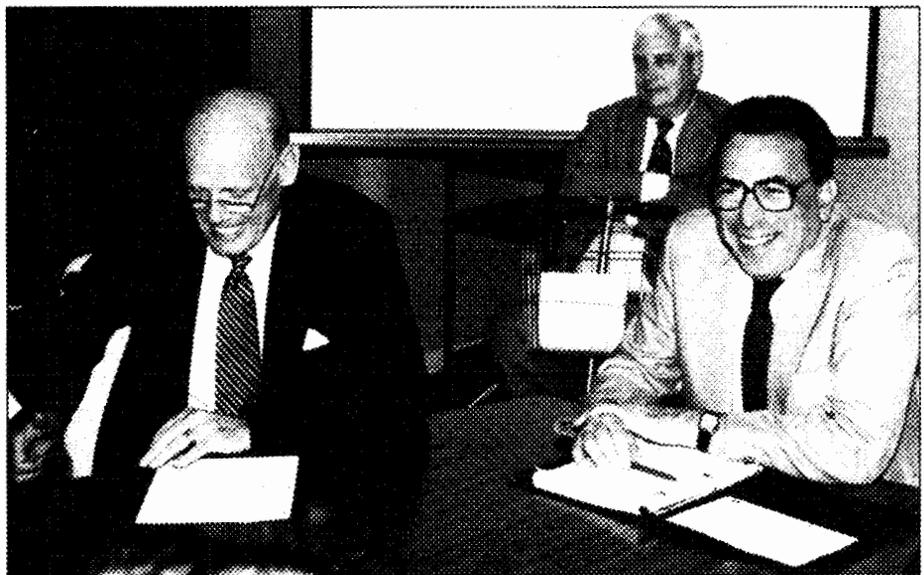
Donald Enos, a 12-year veteran of AID, recently pled guilty in the U.S. District Court to accepting bribes from a U.S. contractor.

Following an 18-month investigation by AID's Office of the Inspector General, Enos, 47, admitted to receiving and soliciting over \$93,000 in bribes from Kraus International Co., a New York-based contractor doing business with AID in Central America.

Enos' dealings with Kraus International began in 1985 when he was assigned to AID's mission in El Salvador. Since November 1988, Enos, as deputy director of the AID Task Force on Humanitarian Assistance in Honduras, received \$33,000 from the company.

"AID has managed nearly \$150 million under that humanitarian program in a very difficult environment, and over a two-year period this is the only significant act of wrongdoing noted," said AID Inspector General Herbert Beckington. AID's regional inspector general in Honduras videotaped Enos accepting a bribe from George Kraus, president of the firm.

Enos is charged with two counts of bribery and faces a maximum of 30 years in prison and up to \$279,000 in fines. His employment with AID was terminated. Furthermore, AID officials have terminated all contracts Kraus International had with the Agency.



*Erich Bloch (right), director of the National Science Foundation, addresses AID senior staff last month at the invitation of Administrator Ronald W. Roskens (left). Bloch urged AID to concentrate its funding of research projects in fields such as biotechnology, new materials creation and information technologies such as telecommunications.*

# WHERE



## MOVED ON

**Cassandra Claggett**, OFDA/OD  
**Patricia Hausafus**, AFR/TR/EHR  
**Benjamin Hawley**, Yemen Arab Republic  
**Margery Kemper**, TDP/PEP  
**Aileen Kishaba**, OIT/PP  
**Monica Lenyon**, S&T/HP/POP/PPD  
**Tu-Hue Mong Mahan**, Pakistan  
**Jacqueline Marks**, MS/MO/CPM/M  
**Carlton McGowan**, XA/PI  
**Dean Moody**, RDO/Caribbean  
**Ida Murdock**, AFR/DP  
**Camilla Reene Palmer**, LAC/EMS  
**Leon Polk**, MS/MO/RM/AP  
**S.S. Resseguie**, BIFAD/S/CP  
**Alberto Ruiz-De-Gamboa**, COMP/FS/R/AIDW  
**William Moore Schauflier**, MS/IRM/WS  
**Janine Scott**, AA/S&T  
**Suzanne Frances Sikes**, Sudan  
**Steven Sinding**, Kenya  
**Edna Warren**, OFDA/OS  
**Alton White**, PFM/PM/TD/AST  
**Joanny Yameogo**, Liberia

## PROMOTED

**Pamela Arrington**, S&T/MGT, clerk typist  
**Palma Berry**, PFM/PM/ADM, file clerk typing  
**Doris Nicole Casteel**, COMP/CS/R, clerk typist  
**Michelle Lynn Chandler**, AFR/TR/PRO, clerk typist  
**Edna Coates**, IG/SER/PSI/ES, personnel security specialist  
**Grace Cooke**, LAC/DP/DPD, secretary typing

**Norma Doig**, MS/OP, secretary stenography  
**B. Bradley Druhot**, ANE/DP, program analyst  
**Mary Pamela Foster**, OFDA/AE, disaster operations specialist  
**Carolyn Gay**, PFM/FM/LM/AR, financial management assistant  
**Tamra Halmrast-Sanchez**, OFDA/AE, disaster operations specialist  
**Roger Hong-Nhung**, RIG/L/LAA/W, secretary typist  
**Terri Jackson**, ANE/TR/ARD/APA, clerk typist  
**Emmalita Jefferson**, FVA/PPM/PMS, program analyst  
**Crystal Johnson**, AFR/TR/HPN, clerk typist  
**Deborah Ann Johnson**, ANE/TR/PHN, secretary typist  
**Sharon Kellam**, ANE/EMS, administrative operations assistant typist  
**Cynthia McDougald**, AFR/DP/PAR, clerk typist  
**Merle Mukai**, AFR/MGT/HRM, administrative officer  
**James Nindel**, MS/OP/W/HPF, contract specialist  
**Charles North**, Kenya, IDI program  
**Sharon Patrick**, AFR/MDI, clerk typist  
**Nicole Peters**, S&T/HP/H, clerk typist  
**Magdalena Reynolds**, S&T/HP/POP, secretary typist  
**Constance Robinson**, LAC/DR, secretary typist  
**Mary Satterwhite**, PFM/PM/CSP/SS, staffing clerk typist  
**Carolyn Starks**, PFM/PM/PSPE, information analyst  
**Cristal Verner**, PFM/PM/CSP/SS, staff assistant typist  
**Mark Walker**, MS/OP/W/HP, contract specialist

## REASSIGNED

**Michael Adler**, ANE/EA/PB, international cooperation specialist, to special assistant, A/AID  
**Vivian Anderson**, S&T/PO/AE, supervisory program officer, to COMP/FS/R/AIDW  
**R. Douglass Arbuckle**, COMP/FS/

ENTRY/T, IDI administration, to Zambia  
**Denise Awad**, India, IDI administration, to supervisory executive officer, Ghana  
**James Baird**, RDO/Caribbean, supervisory engineering officer, to engineering officer transportation, Tanzania  
**George Barwicke**, financial management officer financial analyst, to controller, Burkina Faso  
**Indira Biswas**, Malawi, IDI program, to program officer  
**Linda Brown**, COMP/FS, project development officer, to Madagascar  
**James Burke**, Guinea-Bissau, executive officer, to COMP/FS/ENTRY/T  
**David Carr**, ANE/DP/EA, program economics officer, to COMP/FS  
**Richard Castro**, IG/COMP/LWOP, auditor, to IG/PSA  
**Barnett Chessin**, COMP/FS/R/AIDW, supervisory executive officer, to executive officer, MS/MS/OM  
**Robert Coulter Jr.**, COMP/FS/LT/TRNG, deputy mission director, to deputy director, ANE/MENA  
**William Darkins**, COMP/FS/LT/TRNG, project development officer, to COMP/FS/R/AIDW  
**Wilma Ditter**, PFM/PM/FSP/ERB, personnel officer, to supervisory executive officer  
**Vance Elliott Jr.**, AA/AFR, special assistant, to AA/PPC  
**Shirley Erves**, Liberia, program economics officer, to program officer, Uganda  
**Patrick Chilion Fine**, Swaziland, IDI education, to education development officer  
**Laurence Foley Sr.**, COMP/FS/ENTRY/T, IDI administration, to Bolivia  
**Douglas Franklin**, Thailand, controller, to El Salvador  
**Philip-Michael Gary**, COMP/FS, program officer, to deputy mission director, Yemen Arab Republic  
**Viviann Pettersson Gary**, COMP/FS, supervisory Food for Peace officer, to supervisory program officer, Yemen Arab Republic  
**William Gelman**, PRE/H/O, supervisory housing urban development officer, to housing urban development officer,

Jamaica

**Ernest Gibson**, Niger, supervisory agricultural development officer, to Cameroon

**Richard Goldman**, supervisory agricultural development officer, to private enterprise officer, Pakistan

**David Grossman**, PRE/H/PS, housing urban development officer, to supervisory housing urban development officer, PRE/H/PS

**Charles Habis**, REDSO/WCA, population development officer, to COMP/FS/R/AIDW

**Robert Hansen**, Honduras, IDI program, to program officer, Jordan

**Richard Harber Jr.**, Madagascar, program economics officer, to COMP/FS/R/AIDW

**John Hicks**, Liberia, mission director, to director, AFR/SWA

**David Himelfarb**, Republic of South Africa, special projects officer, to project development officer

**Edith Humphreys**, COMP/FS/ENTRY/T, IDI administration, to Honduras

**Charles Johnson**, Morocco, mission director, to Republic of Zaire

**Yashwant Kainth**, Senegal, IDI administration, to executive officer, Rwanda

**Barbara Kennedy**, Peru, supervisory general development officer, to deputy mission director

**Simon Klosky**, Egypt, IDI financial management, to financial management officer financial analyst

**Jay Knott**, COMP/FS, legal officer, to REDSO/WCA

**Vara Lee LaFoy**, AFR/PD/CCWA, project development officer, to El Salvador

**James Leo**, India, supervisory executive officer, to El Salvador

**Robert Leonard**, Jamaica, controller, to Thailand

**Nancy Ferebee Lewis**, AA/XA, secretary, to executive assistant, Tunisia

**Raymond Lewman**, COMP/FS/ENTRY/T, financial management officer budget analyst, to financial management officer financial analyst, PFM/FM/CAR/CA

**Mary Frances Likar**, ANE/SA/PAK, program officer, to private enterprise

officer, PRE/PD

**Frederick Machmer Jr.**, Sudan, deputy mission director, to mission director

**Sally Mavlian**, COMP/CS/R, secretary typist, to ANE/EA/PB

**Debra Dewitt McFarland**, LAC/DI, special projects officer, to supervisory special projects officer, Panama

**Lawrence Meserve**, COMP/FS, Food for Peace officer, to REDSO/WCA

**Steven James Meyers**, PRE/I, general business specialist, to special assistant, COMP/CS/DS

**J.R. Eugene Morris**, COMP/FS/R AIDW, supervisory project development officer, to project development officer, ANE/PD/EA

**Patricia Mose**, LAC/DR/HPN, health development officer, to Philippines

**Daniel Rathbun**, Egypt, supervisory project development officer, to project development officer, Republic of South Africa

**John Rifembark**, Egypt, rural development officer, to supervisory rural development officer

**Rafael Rosario**, LAC/DR/RD, agricultural development officer, to agricultural economics officer, Honduras

**Michael Rugh**, PPC/PB/CD, program officer, to mission director, Somalia

**Stephen Ryner**, PFM/PM/FSP/CD, supervisory project development officer, to deputy director, Uganda

**Carole Scherrer-Palma**, ANE/SA/SLNM, program officer, to supervisory program officer, Chad

**Monica Katherine Sinding**, REDSO/ESA, deputy regional director, to director, ANE/SA

**Hugh Smith**, COMP/FS/LT/TRNG, supervisory program officer, to deputy director, PFM/PM/EPM

**Donna Stauffer**, Madagascar, project development officer, to program officer, ANE/SA/I

**Nicholas Studzinski**, ANE/TR/PHN, health population development officer, to LAC/DR/HPN

**Mary Ellen Duffy Tanamly**, COMP/FS/LWOP, general development officer, to health population development officer, LAC/DR/HPN

**John Thomas**, LAC/DR/HPN, health

development officer, to COMP/FS

**Michael Crooks Trott**, Swaziland, executive officer, to COMP/FS/R/AIDW

**Carole Tyson**, PFM/PM/EPM, acting director, to director, LAC/CAR

**Eugene Van Dyk**, RIG/A/I/Honduras, supervisory auditor, to auditor, IG/COMP/FS/M

**Marta Velazquez**, COMP/FS/ENTRY/T, legal officer, to Nicaragua

**R. Max Walton**, Republic of Zaire, executive officer, to Swaziland

**William Wanamaker**, Nepal, supervisory executive officer, to Philippines

**John Richard Westley**, supervisory program officer, AFR/DP, to mission director, Kenya

**Cam Wickham**, Burundi, program officer, to COMP/FS/R/AIDW

## RETIRED

**Jeanette Allen**, TDP/PEP, secretary stenographer, after 9 years

**Ruth Green**, MS/MS/OD, secretary typist, after 13 years

**Richard Holland Jr.**, MS/MO/RM/PPM, administrative operations assistant, after 13 years

**Marilyn Jane Jacobs**, S&T/TRI, secretary stenographer, after 22 years

**Frances Brigham Johnson**, AFR/MDI, program analyst, after 40 years

**Wilbert Lewis**, MS/IRM/PE, management analyst, after 22 years

**Leticia Peoples**, EOP/OD, special assistant, after 6 years

**Edwin Tolle**, LAC/DR/EHR, development training officer, after 24 years

*Years of service are AID only.*

## I.G. HOTLINE

Use the AID Inspector General Hotline to report theft or misuse of Agency resources: (703) 875-4999.

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