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**Office of Transition Initiatives (OTI)**

**ANNUAL REPORT**

**FY 2002**



**Political transitions successfully  
advanced in priority, conflict-prone countries.**

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MARCH 2002

## **Please Note:**

The attached RESULTS INFORMATION is from the FY 2002 Annual report, and was assembled and analyzed by the country or USAID operating unit identified on the cover page.

The Annual Report is a “pre-decisional” USAID document and does not reflect results stemming from formal USAID review(s) of this document.

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The attached results information is from the FY 2002 Annual Report for the Office of Transition Initiatives (OTI) and was assembled and analyzed by the OTI.

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## GLOSSARY

BELE	Building Empowerment, Leadership and Engagement
CDF	Community Development Fund
CIC	Community Improvement Council
CISP	Community Infrastructure Service Program
CMRC	Conflict Management Resource Center
CRESNET	Conflict Resolution Stakeholders Network
CTO	Cognizant Technical Officer
DDR	Disarmament, Demobilization and Reintegration
GOSL	Government of Sierra Leone
IDP	Internally Displaced Person
INL	Bureau for International Narcotics and Law Enforcement
IOM	International Organization for Migration
KTI	Kosovo Transition Initiative
OTI	Office of Transition Initiatives
PSC	Personal Services Contractor
MVP	Mass Voucher Privatization
NGO	Non-governmental Organization
TEPS II	Transitional Engagement for Population Support
TRC	Truth and Reconciliation Commission
UNCEN	Cendrawasih University
YRTEP	Youth Reintegration Training and Education for Peace Program

### **PART III: PERFORMANCE NARRATIVE**

OTI made significant strides during FY 2001 and recognizes that there are areas that require continued efforts. The Office-wide achievements for FY 2001 and challenges for FY 2002 include:

**Innovations in responding to conflicts:** Since its inception, OTI has worked in conflict-prone countries promoting political settlements, supporting the process of peace and reconciliation, and enhancing the capabilities of communities to resolve disputes. OTI's innovative work continued this year in several countries. In Nigeria, OTI supported the development of resources that Nigerians can draw on to help resolve internal conflict. Among the elements of this conflict management infrastructure is an association of 300 trained conflict management professionals, a network of nine conflict management resource centers, and two university-based conflict research centers. These resources were involved in responding to local-level conflict throughout the country with a special emphasis placed on promoting dialogue between Christian and Muslim populations in Lagos and the northern states. Statewide peace committees have been established to continue information sharing and reconciliation between representatives of the two faiths.

**Progress in civilian-military relations:** In Indonesia and Peru, OTI's programs emphasized civilian control of the military. In December 2001, the Indonesian parliament passed the State Defense Bill, which was drafted by an OTI-funded team of civilian-military experts. With the new Bill, the military's departure from politics has taken a step forward. It provides for a clear separation between defense and domestic security, establishes new civilian control mechanisms over the armed forces, and demands unprecedented budget transparency. The involvement of civilians in the drafting process made the bill highly acceptable in the Indonesian media and society as a whole.

**Reintegrating child soldiers:** OTI continued its successful Youth Reintegration Training and Education for Peace Program (YRTEP) in Sierra Leone and launched a new initiative to reintegrate child soldiers in Colombia. The YRTEP program is an anchor for the Government of Sierra Leone's disarmament, demobilization and reintegration (DDR) program that engages, tracks and monitors all registered ex-combatants, and provides them with training opportunities. At the end of FY 2001, OTI reintegrated approximately 35,000 ex-combatants and war-affected youth. In Colombia, under a grant to the International Organization of Migration, two specialized treatment centers for ex-combatant children and a reception center were opened; a third USAID-funded specialized treatment center is to open soon. Over 450 children have benefited from the program, exceeding the initial target.

**Re-targeting to address critical needs:** Working within a limited timeframe of approximately two years and focused on dynamic transition issues, OTI has consistently emphasized the need for programs to remain as flexible as possible. For example, following the overthrow of the Milosevic regime in October 1999, OTI's Serbia-Montenegro program responded to the dramatically changed political landscape by shifting to a focus on promoting democratic reforms. In East Timor, OTI shifted its emphasis from one of post-conflict reconstruction to preparing for East Timor's next phase of democratic development and civic education leading up to the Constituent Assembly.

**Leveraging resources:** In FY 2001, OTI continued to leverage significant resources from both local communities and other donors. In Kosovo, a total of \$14.3 million contributed by other donors, implementing partners and local communities increased the OTI's \$15.2 million contribution by 94 percent. In Serbia-Montenegro, OTI's FY 2001 program also leveraged \$5 million in matching funds from other donors.

**Incorporating monitoring and evaluation:** In FY 2001, OTI continued to emphasize the importance of routine monitoring and evaluating of country programs. Baselines were conducted in Peru and Serbia, mid-term assessments took place in Nigeria, Zimbabwe, Lebanon, and Serbia-Montenegro, and final evaluations occurred on OTI programs in Kosovo, Nigeria, Colombia, DROC, and the Philippines. Also, OTI began to build performance-monitoring plans into each of its country programs. These plans enable staff in country to more systematically and routinely gauge the effectiveness of the programs and to re-target programs as necessary. Based on the Agency's performance management policy, OTI also

developed a Monitoring and Evaluation Guide for use by both Washington and field-based staff. This guide will be updated continually.

**Speed:** OTI knows that a key to maintaining speed and flexibility is its ability to recruit and hire new Personal Services Contractors (PSCs), its cadre of Senior Field Advisors who are available for surge capacity, and the ability to initiate a new country program within six weeks of making a 'go' decision. OTI's on-going challenge for FY 2002 is to continue to be able to respond to events as quickly and efficiently as possible.

**Procurement:** OTI now requires its PSCs to become certified Cognizant Technical Officers (CTOs) through the Agency's four part series of CTO training. In FY 2002, OTI will continue to ensure that Washington-based staff increase their understanding of the procurement process, and will design targeted procurement training for staff as needed.

**Administrative close-outs:** In FY 2001, OTI recognized the importance of providing technical assistance as OTI closes down a country program. The technical assistance provided by OTI management staff to the programs in Nigeria and Kosovo greatly facilitated OTI's smooth exit and hand-over of activities to the USAID Mission.

**Lessons learned about new program start-ups:** Not only has OTI learned how to more effectively hand-off programs to the USAID Mission and other donors, but how to better initiate new country programs. The most seamless start-ups are those that engage USAID colleagues in Washington and the field early on in program planning. OTI intends to build on these lessons learned.

**OTI continued emphasis on staff development:** In FY 2001, OTI increased efforts to meet the needs of new staff by conducting a second five-day orientation for new U.S. PSCs and Foreign Service Nationals and a three-day office-wide retreat. Through these events staff learned about OTI's programs and management issues and allowed the Office to share lessons learned and develop new strategies.

**COLOMBIA -- Overall Challenges:** OTI's challenge in FY 2001 was the country's on-going search, which began with high expectations, to end its decades-old civil war. Throughout OTI's three-year tenure, the peace process has since proceeded at a slow pace. There is general consensus among the populace that the guerrillas are not serious about peace and are merely trying to position themselves for further negotiations with the next government, or with the one after that. Colombia's volatile security situation restricted OTI's ability to travel outside the capital.

**Target:** Strengthen the role of non-governmental organizations (NGOs) involved in the peace process on the national and local level. (Met target) **Achievements:** OTI provided sub-grants through International Organization for Migration (IOM) to 26 local NGOs working in various geographic and programmatic areas. Several of the project's sub-grants have had a significant impact. For example, the "Guides on Municipal Development" activity reached thousands of local-level decision-makers and managers, and will contribute to USAID's larger effort to address corruption and mismanagement in the country's municipalities. A separate project provided website support and journalism training ensuring accurate, objective reporting in an environment too-often characterized by error, deliberate distortion and rumor. Outreach to neglected sub-groups such as the Afro-Colombian community may, in the long term, help to create a leadership cadre. In another sign of the project's success, OTI was asked by the U.S. Embassy in Bogota to assist in its own small grants initiative.

**Target:** Reintegrate child ex-combatants. (Met target) **Achievement:** In March 2001, USAID and IOM executed a two-year, \$2.5 million cooperative agreement to address the needs of former child soldiers. The program supported the GOC pilot initiative by improving existing and creating new centers through additional funding, technical training and information management. These centers offered the children assistance in education, and mental and physical health care. IOM's key counterpart in the project was the GOC Family Welfare Institute, known by its Spanish initials as ICBF. Under this grant, two specialized treatment centers for ex-combatant children and a reception center were opened; a third USAID-funded specialized treatment center is to open soon. Over 450 children benefited from the program, exceeding

the grant's initial target. The most obvious impact of the project has been its central role in creating the prospect of safe, constructive lives for the young people who have been reached thus far by the activity.

**Target:** Manage programs to assist internally displaced persons (IDPs) and stabilize communities where they have settled. (Met target) **Achievement:** Through February 2001, OTI managed USAID/Colombia's \$27.5 million strategic objective to assist IDPs. OTI developed an overall framework for the program, worked through its legal and procurement processes, and had the program "package" ready for funding upon availability of the Mission's funds. OTI's country representative completed these tasks and the Mission executed all five grants within 24 hours of receiving the program funds.

**EAST TIMOR -- Target:** Access to objective information increased. (Met target). **Achievements:** During FY 2001 OTI/East Timor's media program worked in concert with USAID/Jakarta/East Timor's media program. OTI supported the daily distribution of 200 copies of the Timor Post in refugee camps in West Timor. By providing news and information about conditions in East Timor, this project helped promote the return of thousands of refugees. OTI also supported a radio station, which was used by UNHCR to disseminate information into West Timor. Returning refugees from border areas in West Timor confirmed that the radio station and newspapers were major sources of information. OTI, along with The World Bank, funded Radio UNTAET to deploy reporters to every East Timor district. These reporters feed daily news into Radio UNTAET in Dili for incorporation into national programs. News reports from the districts produce three shows and for regular news bulletins and are picked up by television, radio, and a leading newspaper.

**Target:** Citizen participation in governance increased. Part I - (Met target). **Achievements:** During FY 2001, OTI supported civil society to conduct civic and voter education initiatives at the national and district levels. Over 200,000 copies were printed of the pamphlet that explained the steps of the political transition and was distributed through the civil voter registration centers. In addition, start-up funds were provided to the NGO Forum, an umbrella organization of 132 NGOs, to create District Liaison Officers thereby increasing communication and coordination among NGOs. Also, OTI funded an Ainaro District student group to hold 17 village-based training sessions on human rights, reconciliation, democracy, and conflict resolution. More than 1,900 people attended. As a result of the training there was greater willingness among villagers to accept returnees from West Timor as well as a better understanding of multi-party democracy. OTI support for an East Timorese women's organization resulted in the production and publication in Tetum of Buibere (The Voice of East Timorese Women). In the book, women tell their own stories of the violence they suffered under the Indonesian military regime including rape and murder of family members. The women's group re-interviewed all the witnesses and published 20,000 copies of the book. The Tetum version is currently being used all over East Timor for trauma counseling, women's rights advocacy, education, and grassroots self-healing programs.

**Target:** Citizen participation in governance increased. Part II - (Did not meet target). **Achievements:** Beginning in September 2000, the Transitional Engagement for Population Support Program (TEPS II) and Building Empowerment, Leadership and Engagement (BELE – meaning "to be able" in Tetum) projects were initiated to rehabilitate infrastructure and support income-generating projects as well as to strengthen local governance structures through community participation. As of December 2001, TEPS II and BELE had provided 149 small grants resulting in 117 infrastructure projects, which involved communities in all 13 districts and benefited a total of 315,709 people. Projects included: community buildings, schools, markets, roads, and water/sanitation; support for 43 income-generating groups agro-processing, fisheries, brick making, carpentry, and mechanics; 215 men and women trained in technical, management, and/or marketing skills; 70 men and women trained in infrastructure maintenance; and the establishment of six new groups for project implementation and management. Local partners included cooperatives, farmer's groups, government, local NGOs, school committees, and women's and youth groups. **Challenges:** While the program rehabilitated communities, it was less successful at helping communities gain access to and participate in political processes. Part of the explanation for this is that indicators for this objective had not been clearly defined and thus it was difficult to assess the program's effectiveness on this dimension.

**Target:** Reinsertion of Ex-FALINTIL into civilian life promoted. (Met target). **Achievements:** OTI, in collaboration with The World Bank, Office for the Development of the East Timor Defense Force, and the FALINTIL High Command, conducted a reintegration program for ex-FALINTIL combatants. By early February 2001, all FALINTIL members had been brought from their home districts to be registered after which the 1,300 beneficiaries received the first payment of what would be a five-month total of \$500 for shelter, food, clothing and health. These payments helped to jump-start the economy, promote stability and security, provide shelter and food for ex-FALINTIL family members, and give hope for a better future. A survey taken after this phase found that 35 percent of the beneficiaries had used the payments to start their own businesses, 64 percent knew what project they wanted to do, and 86 percent knew what steps to take to start his project. By October 2001, a total of 964 (74percent) of the beneficiaries had projects underway such as farming, carpentry, transportation and in-season coffee trading. Also, another 140 beneficiaries had projects approved with payments pending and 71 had submitted project proposals and were waiting approval. By January 2002, all but four of the ex-FALINTIL beneficiaries were participating in projects.

**EL SALVADOR -- Target:** Rebuild a total of 915 homes destroyed by earthquakes in January and February 2001 (Met target). **Achievements:** To assist with reconstruction after the earthquakes, OTI provided the USAID Mission \$2 million, which was given to CARE, a U.S. PVO, for housing reconstruction. In total, USAID provided \$3.3 million to CARE, including the OTI contribution of \$2 million, to build 915 homes. In FY 2001, physical construction started on 315 homes, and construction of 88 additional homes commenced in December 2001.

**INDONESIA -- Target:** Support civil society organizations to mobilize peaceful political participation and address ethnic and religious conflicts through dialogue and mediation (Met target). **Achievements:** In FY 2001, OTI disbursed 261 grants, of which many were conflict prevention and resolution trainings provided by local civil society groups and NGOs. A survey conducted in March 2001 found that of the 92 percent who took action following a training, 81 percent formed citizens fora which met regularly and 63 percent initiated open dialogues to obtain ideas about how to solve conflict. Ninety-one percent of the participants also noted that the OTI-sponsored activities gave them a deeper understanding of local issues/sources of conflict and parties involved.

**Target:** Support peace negotiations and human rights in Aceh (Met target). **Achievements:** In Aceh, OTI's work focused primarily on supporting peaceful dialogue between the Government of Indonesia and the Free Aceh Movement through the Henry Dunant Center, as well as strengthening the capacity of approximately 30 local NGOs. The capacity-building program included the donation of needed supplies and equipment, technical assistance, and training. Specialized trainings included investigating and documenting cases of rape and sexual violence, documenting human rights violations, and security management.

**Target:** Increase the capacity of media outlets to cover political processes (Met target). **Achievements:** In partnership with Internews, OTI conducted a Communication for Humanity program that helped community leaders engage the media in pre-conflict and post-conflict situations. Through this program, the media has helped "lower the temperature" in tense situations and promote peaceful dialogue within communities. In West Timor, OTI's support for the West Timor Journalist Association allowed for comprehensive coverage of East Timorese politics, including the August 2001 election in East Timor. This coverage was critical for West Timor-based East Timorese, to help them make an informed decision about repatriation.

**Target:** Promote democratic participation and effective local governance (Met target). **Achievements:** In Papua, OTI achieved a notable success with its efforts to support the drafting and passage of a Special Autonomy Bill. OTI/Indonesia's local grantee, Cendrawasih University (UNCEN), compiled the original draft bill and provided the special parliamentary committee on special autonomy for Papua with a quantitative needs analysis for the Province. In total, OTI provided four grants to UNCEN, as well as six grants to other local groups to seek the public's input and also inform the public about the ongoing process. According to Agus Sumule, head of the UNCEN team, OTI's support for their efforts directly influenced their achievements. In addition to the passage of the bill, the annual budget allocation for the

province from the Indonesian central government was increased by approximately 100% to 7 trillion rupiah (about \$700 million).

**Target:** Promote the return home of internally displaced people through stabilization initiatives such as reconstruction of community infrastructure (Met target). **Achievements:** In North Maluku, OTI's assistance was directed at helping the government facilitate the return of people displaced by a 1999 conflict. Through agreements with the local government, OTI provided basic building materials to assist approximately 4,200 returning IDP families and community members whose homes and facilities had been destroyed. In addition, OTI paid for and distributed 4,000 local newspapers each week for six months to those who had little or no access to formal news. According to the Indonesian Red Cross, returnees explained that the dissemination of accurate information aided in their decision to return to their home villages. In West Timor, OTI supported programs that provided refugees with information on conditions in East Timor, helping to dispel rumors and promote informed decision making on whether or not to return. Journalists were sent to East Timor to record live interviews with residents, which were then relayed as public service announcements in West Timor. OTI also disseminated information on repatriation and reconciliation through weekly radio programs.

**Target:** Improve civilian capacity for military oversight and control (Met target). **Achievements:** In FY 2001, OTI's civilian-military program focused on the institutional reform process, supporting changes to Indonesia's legal and political framework that will reduce the political role of the armed forces. A team of civilian experts on military reform, which was coordinated by OTI's local NGO partner Propatria, drafted a new State Defense Bill. The Bill was passed by the Parliament in December 2001, replacing earlier security laws imposed by former President Soeharto's administration, and defines the Indonesian military's role as an external defense force. The broad acceptance of the OTI-supported team within the civilian elite reduced public resistance towards the potentially sensitive legislation and led the armed forces to give up its initial opposition.

**KOSOVO -- Target:** Engage Kosovars in community councils designed to increase citizen participation, encourage political diversity and enhance citizens' influence in political and community affairs (Met target). **Achievements:** OTI's program helped to develop democratic participatory processes at the community level. The final evaluation said: "Communities now have locally elected governance structures, grassroots organizations articulating needs to elected officials, accountability, and transparency becoming more important issues, and issues of diversity in representation being addressed." Kosovo's first-ever municipal elections, held in October 2000, were significant for OTI's program. More than 130 members of OTI-supported Community Improvement Councils (CICs) stood for election and at least 25 won seats. According an independent evaluation conducted by the Center for Development Information and Evaluation, "OTI helped prepare the population for participation in the more formalized system of representative and accountable government." OTI supported more than 25 election-related activities, including sponsorship of political party debates, youth forums, and roundtable discussions on elections issues. In several instances, voters explicitly stated that watching and participating in debates not only helped them decide for whom to vote, but changed their opinions about the capabilities of candidates. In early 2001, two CIC members were appointed to serve as municipal chief executives in Gjakova and Decan municipalities.

**Target:** Respond to critical community-identified needs, including school reconstruction, water, electricity, and local infrastructure repair (Met target). **Achievements:** By the program's closeout in September 2001, OTI had implemented 696 locally identified and prioritized projects, directly or indirectly benefiting an estimated 1.2 million Kosovars out of a population of roughly 2 million. OTI's ability to deliver needed resources to Kosovar communities helped the program gain credibility and engage people in the decision-making process. OTI established close cooperation with the USAID Mission's Community Infrastructure Service Program (CISP) when it began in December 2000. The Kosovo Transition Initiative (KTI) field offices helped identify 14 infrastructure projects totaling \$1.8 million by July 2001. These projects included road upgrades and rehabilitation, electrical upgrades and school reconstruction. This close cooperation with the CISP program helped to lay the foundation for a successful hand-over of KTI programming and staff to the Mission. Following OTI's closeout in September 2001, USAID Kosovo retained six out of seven KTI field offices, staffed by 16 of KTI's field staff for three additional years.

**Target:** Promote the development of independent media and a strong civil society (Met target). **Achievements:** Although only 15 percent of OTI program funds were spent in the media sector, it achieved levels of impact similar to that of the other program areas, according to the final evaluation. The eleven regional radio stations that were launched with OTI support are now providing news and information in their respective broadcast areas. Local media partners disseminated information about elected officials and their responsibilities and roundtable discussions, live radio broadcasts of municipal assembly meetings and call-in shows allowed communities to question their elected officials. Each of these initiatives was unprecedented in Kosovo. **Challenges:** While KTI supplied important equipment to several media outlets in the critical early stages of the program, there was not sufficient coordination and follow-up with other donor efforts to make sure that the media outlets received the necessary training to maximize usage.

**Target:** Build positive relationships between citizens and their elected governments through jointly implemented projects (Exceeded targets). **Achievements:** In FY 2001, instead of working primarily through CICs, OTI focused on building relationships between citizens and their elected representatives. In Ferizaj, OTI worked closely with the Municipal Assembly, which quickly learned the value of holding public meetings to seek community input. Their level of government-community interaction exceeded that mandated by the United Nations Mission in Kosovo. Instead of the two community meetings per year, the Assembly legislated that they would have six. **Challenges:** Although OTI met this target, it did not succeed in having as great an impact in minority communities. This was due in part to reticence on the part of certain minority communities to engage with the international community as well as security concerns. Most of OTI's work promoting Kosovar democratic development was focused on the Albanian majority.

**NIGERIA -- Target:** Establish the Conflict Resolution Stakeholders Network (CRESNET), both at the national and zonal levels, as model resources for conflict mitigation intervention, advocacy and training (Met target). **Achievements:** OTI successfully supported the establishment of what is the only viable, nation-wide civil society network devoted to peace building and conflict resolution in Nigeria. CRESNET is a professional membership association engaged in providing individuals with the skills to mitigate conflicts in their communities. Since its creation in February 2000, it has become a cornerstone of OTI's program. OTI supported CRESNET through a participatory process in which it developed a constitution and held formal elections for regional and national positions. In cooperation with OTI and other organizations, CRESNET members have succeeded in conflict resolution by intervening with religious and local government leaders, establishing a peace committee, and facilitating policy dialogue at the local and national level. **Challenges:** Although OTI met its target in this area, with the closing of the program in January 2002, the future of CRESNET is more precarious. CRESNET must seek additional funds, either from the USAID Mission or other sources. Although the program has been handed off, there will inevitably be a learning curve before the Mission can provide similar hands-on assistance in capacity building.

**Target:** Leverage other donor efforts in good governance by providing conflict mitigation interventions and trainings at the federal, state and especially the local level (Met target). **Achievement:** OTI worked with a number of organizations to introduce conflict management skills training into other training or capacity building efforts. OTI's collaboration with The Center for Development and Population Activities on its Model Local Government Initiative added a conflict management and joint-problem solving component to a program designed to improve relations between local government councilors and their constituents in six states. MLGI participants ranked the OTI-sponsored component as the most useful initiative during the first year. The success of programs like this encouraged the Mission to merge conflict management into its strategy for supporting civil society development.

**Target:** Support civil society efforts to respond to destabilizing conflicts in key areas (Lagos State, oil host communities in the Delta) or on key issues (Sharia) (Met target). **Achievements:** The media campaign for peace and tolerance in Oko-Oba shows OTI's flexibility and rapid response. Though initially planned to convey a general message of peace and tolerance in the New Year, the program was quickly adapted to respond to the increasing tension in the Lagos State slaughterhouse. Within 24 hours after the tensions first surfaced, new radio messages were on the air in English, Hausa, and Yoruba. The eruption of

violence in southern Nasarawa State occurred just as a series of OTI-supported conflict management workshops was set to begin in another part of that state. OTI effectively leveraged its reputation, relations, and resources in helping the governor develop a strategy for dealing with the outbreak of violence in his state that relied on seeking negotiated settlements rather than forceful suppression. **Challenge:** Given its limited resources, OTI was unable to intervene in all Nigerian conflicts, choosing instead to select those most destabilizing. With the departure of OTI, there is not yet any consistent source of resources available for groups like CRESNET to address conflicts as they arise.

**Target:** Coordinate with bilateral and multilateral donors, the GON, and non-government organizations for the effective continuation of conflict mitigation, interventions, advocacy and training, and reform of the National Police (Met target). **Achievements:** Before handing off its program to the USAID Mission, OTI helped create a network of nine Conflict Management Resource Centers (CMRCs) around the country. OTI provided each CMRC with resource materials on conflict management and Internet access equipment. In addition to concluding memorandums of understanding with each of the organizations hosting a CMRC, OTI awarded a grant to the West African NGO Network, a Lagos-based NGO to provide IT support to the network. On police reform, OTI concluded a ten-month effort that resulted in the creation of a strategic planning document that charts the way forward. Working closely with the British Department for International Development, OTI facilitated the strategic planning process, which involved the combined efforts of the Ministry of Police Affairs, the National Police Force and civil society. OTI also worked with G/DG, USAID/Nigeria, and the Bureau for International Narcotics and Law Enforcement (INL) to identify specific projects that will lay the foundation for long-term reform as well as address immediate needs. The program was handed off to State/INL.

**PERU -- Overall Challenges:** Although the OTI/Peru program started-up in February 2001, Peru's permanent government did not take office until July when President Toledo and the Congress were sworn in. The transition government, led by Valentin Paniagua, received praise for its work in supporting the transition to a democracy, however, few major policy decisions were made during that time. Further challenges to the overall program include wide-spread social unrest, competing priorities, and continuing corruption scandals, which has in turn made it vital that OTI remain highly flexible and abreast of the fluid political situation.

**Target:** Increase capacity of civilians and civilian institutions to provide oversight of the Peruvian military (Did not meet target). **Achievements:** Further support is needed to strengthen the Peruvian Congress's oversight capacity. In part due to OTI's support for information campaigns and public discussion, the Peruvian Congress is now seriously discussing military justice reforms. For the first time, civilians and active-duty military met in three key provinces in an open dialogue to discuss the role of civilian self-defense committees in peacetime. **Challenges:** One of the greatest challenges to successfully implementing the civilian-military affairs component has been the successive rounds of purges and changes in key officials in both the military and the ministry of defense. OTI has also been challenged by the on-going need to strengthen the Peruvian Congress' oversight capacity.

**Target:** Support the Congressional reform process (Did not meet target). **Achievements:** OTI was one of the first donors to begin providing institution-building support to the new Congress. More than 70 newly-elected Congresspersons, the majority of whom are serving in Congress for the first time, and staffers attended an OTI-funded orientation workshop prior to taking office. OTI also funded a diagnostic assessment of Congress by a highly-respected Peruvian NGO, which was well-received by the Congressional leadership. OTI also funded the development of educational materials for use by local community leaders in teaching community members about the role and functions of Congress. **Challenge:** Peru's Congress was installed in July 2001, and while OTI has supported some key activities enhancing congressional reform processes, it is too early to fully assess progress in this area.

**Target:** Support the Truth and Reconciliation Commission (TRC) through information campaigns and targeted technical assistance (Met target). **Achievements:** OTI supported the development of a series of expert recommendations on how to work with victims of political violence, which have been shared with the Truth Commission and will be very important as the Commission begins its field work with human rights abuse victims in remote areas of the country. OTI is also providing training in the preservation and

handling of new forensic evidence resulting from the discovery of mass graves. Through its support to selected Peruvian NGOs, OTI has also provided critical and timely information about the Truth Commission to citizens in all of the areas of the country most seriously affected by terrorist violence. **Challenges:** Although the TRC was officially established in June 2001, members were not named until September.

**SERBIA-MONTENEGRO -- Target:** Improve citizen participation in government decision-making (Exceeded target). **Achievements:** In FY 2001, OTI directly affected the lives of over 270,000 families across Serbia and Montenegro. Within 54 municipalities, OTI provided municipal officials and citizens with a new model for jointly identifying and implementing community projects. OTI leveraged \$5 million in matching funds. Building on the success of this program, 34 percent of the OTI Community Development Groups (representing 77 percent of the Municipalities with which OTI worked) were continued as part of the five year USAID Community Revitalization through Democratic Action program. In December 2000, armed ethnic Albanians in the Presevo Valley region of Southern Serbia launched attacks on the Serbian military and demanded the right to join Kosovo. In response, OTI began rapid identification and implementation of community improvement projects to ease tensions and allow ethnic Serb and Albanian negotiators time to resolve the conflict peacefully. Presevo Valley local municipal authorities, the Serbian government, and local citizens worked together to identify and address problems through the collaborative implementation of projects that included the rehabilitation of roads, schools and clinics. OTI made use of these projects to communicate positive messages of progressive change among Serbian authorities and to help moderate community leaders reestablish credibility through Community Development Groups. **Challenges:** Working in the volatile Presevo Valley proved to be one of OTI's greatest challenges during FY 2001. The tensions between the largely Albanian citizenry and the Serb authorities often made developing joint programs between the two groups a challenge. At times, even traveling in the area was impossible for OTI staff due to security concerns. In addition to the political instability of the valley, OTI experienced difficulties in finding and hiring skilled engineers to provide the appropriate technical expertise in implementing community projects.

**Target:** Support groups that promote government reform and responsiveness to citizens (Did not meet target). **Challenge:** Continued political in-fighting between the various political parties limited the implementation of important democratic reforms. In FY 2002, OTI will work at the local and republic levels to engage citizens in activities to increase the pace of reform.

**Target:** Magnify democratic gains through the media (Met target). **Achievements:** In FY 2001, OTI approved 74 media grants, most of which were to support media outlets to develop program content and highlight the positive effect of community improvement projects. Local officials used media, including radio call-in shows, to reach citizens and determine community priorities. In Montenegro, OTI sponsored a highly popular pre-election television show. The International Media Institute and the Association of Young Journalists said that the shows were the only programs aired in Montenegro that presented a constructive dialogue of the various political opinions. Working with USAID partner PriceWaterhouseCoopers and a Montenegrin marketing agency, OTI helped increase public awareness and discussion of the mass voucher privatization (MVP) process in Montenegro. MAPA produced four 20-25 minute programs about key components of the MVP process, presenting a coherent explanation of the complicated process and how it relates to democratization and reform efforts. **Challenge:** Intransigence on the part of the government to reform Milosovic-era media laws has resulted in an unsettled media environment.

**Target:** Promote a transparent electoral process that encourages active and informed citizen participation (Met target). **Achievements:** OTI/Serbia disbursed 127 grants worth a total of over \$2.5 million in the weeks prior to the December 2000 parliamentary election. Election activities included independent election monitoring and an information campaign against voter intimidation, inserts published in daily newspapers, billboards and posters, video spots, radio jingles, and production of radio programs. Some projects especially targeted Albanian speakers via independent bilingual radio stations. In Montenegro, OTI-funded CDT - a group of independent election monitors - released their first results just before midnight with 99 percent accuracy, with excellent coordination with OSCE and other independent

monitoring groups. **Challenge:** The Serbian Republic and Federal governments have yet to enact critical electoral reform legislation to enhance transparency in the election process.

**SIERRA LEONE -- Target:** Assist civil society (Did not meet target) and government (met target) to build leadership and renew national values. **Achievements:** The Sierra Leone Nation Building Program for Building Responsive Citizens and Leaders is targeted at local government officials, civil servants, civil society activists and other community leaders from the four major geographic regions of the country. The program involves participants in a series of modules designed to advance peace building and the rebuilding of civil society and governmental institutions. A total of 180 civil servants, traditional and religious leaders, civil society leaders, and leaders of professional groups, youth groups and women's groups have participated in the program. **Challenges:** OTI did not fully achieve its target of assisting civil society through its small grants program, in part due to a lack of oversight from OTI and its partner, World Vision. The goal of the cooperative agreement with World Vision was to make small grants to local organizations in order to help build peace in Sierra Leone. Because the agreement did not provide for OTI concurrence or input into the program and because the security situation precluded OTI from opening field offices, OTI staff had little opportunity to provide direction. Although the grants were generally successful, OTI believes they could have been more closely targeted at the needs of the peace process.

**Target:** Assist the design, implementation and monitoring of a diamond certification system (Exceeded target). **Achievement:** In FY 2001, OTI, within the Government of Sierra Leone (GOSL), created a diamond certification regime that reduces the incentives for smuggling and transforms the diamond sector into one in which acceptable standards of good business are practiced. To achieve this result, OTI and MSI designed a certification regime and implemented a comprehensive training program for natural resource ministries. OTI and MSI further developed a plan for the GOSL to earmark export taxes for a Community Development Fund (CDF) that would enable mining communities to become stakeholders in Sierra Leone's diamond exports. Under this program, .075% of diamond export revenues would go to Chiefs in diamond mining communities. The goal of the program was to provide diamond export revenue for community improvement projects and show that legal mining benefits an entire community, whereas illegal mining benefits only a handful of individuals. To disseminate information about the Community Development Fund and the disbursement of revenue to local communities, OTI funded Talking Drum Studio to air radio programs, which helped bring accountability and transparency to the CDF process. When during the first disbursement from the CDF to local Chiefs it was discovered that one Chief did not use the revenue for the community Talking Drum Studio discovered this abuse and encouraged the community to approach the Chief and demand an accounting of the misplaced revenue. **Challenges:** Although OTI achieved its target, an on-going challenge was the high level of corruption and the lack of institutionalized local government within Sierra Leone. OTI responded to this challenge by facilitating a conference of NGOs on monitoring the disbursement of CDF revenues to local Chiefs. This group is now working together on the "Campaign for Just Mining" and serves as a watch-dog for attempted abuses of the CDF.

**Target:** Reintegrate ex-combatants and war-affected youth (Exceeded target). **Achievements:** The YRTEP program is an anchor for the Government of Sierra Leone's DDR program that engages, tracks and monitors all registered ex-combatants, and provides them the opportunity to participate in a training. The two-year YRTEP program was designed to include a total of 40,000 participants, 50 percent of who were to be ex-combatants. Efforts were made to begin the program by giving priority to locations of highest density of ex-combatants, beginning in the areas near Freetown where most of the ex-combatants were located. In FY 2001, OTI had reintegrated approximately 35,000 ex-combatants, almost meeting in one year its two-year target. A YRTEP participant said: "The training is more important than the monthly stipend because the training will stay with us forever, but the stipends are just relief therapies that are short lived. This is the first training for youth with a very big difference, because it focused our attention on self-discoveries, in terms of our attitudes and behaviors in our respective communities. It has also helped us to reflect on what we used to be before the training." **Challenges:** Slow disarmament and demobilization in the initial stages of the program resulted in fewer ex-combatants participating, but since May 2001 the number of ex-combatants has increased dramatically.

## PART IV: PERFORMANCE DATA TABLE

Country	OTI Country Program Targets	Achievement of Targets <i>Exceeded/Met/Did Not Meet Targets</i>
<b>Colombia</b>	Strengthen the role of NGOs involved in the peace process on the national and local level.	Met target
	Reintegrate child ex-combatants.	Met target
	Manage programs to assist internally displaced people and stabilize communities where they have settled.	Met target
<b>East Timor</b>	Increase access to objective information.	Met target
	Citizen participation in governance increased (Part I)	Met target
	Citizen participation in governance increased (Part II)	Did not meet
	Reinsertion of ex-FALINTIL into civilian life promoted	Met target
<b>El Salvador</b>	Rebuild 915 homes destroyed by earthquakes in January and February 2001.	Met target
<b>Indonesia</b>	Support civil society organizations to mobilize peaceful political participation and address ethnic and religious conflicts through dialogue and mediation.	Met target
	Support peace negotiations and human rights in Aceh.	Met target
	Increase the capacity of media outlets to cover political processes.	Met target
	Promote democratic participation and effective local governance	Met target
	Promote the return home of internally displaced people through stabilization initiatives such as reconstruction of community infrastructure	Met target
	Improve civilian capacity for military oversight and control.	Met target
<b>Kosovo</b>	Engage Kosovars in community councils designed to increase citizen participation, encourage political diversity, and enhance citizens' influence in political and community affairs.	Met target
	Respond to critical community-identified needs, including school reconstruction, water, electricity, and local infrastructure repair.	Met target
	Promote the development of independent media and strong civil society.	Met target
	Build positive relationships between citizens and their elected governments through jointly implemented projects.	Exceeded target

Country	OTI Country Program Targets	Achievement of Targets <i>Exceeded/Met/Did Not Meet Targets</i>
<b>Nigeria</b>	Establish CRESNET, both at the national and zonal levels, as model resources for conflict mitigation, intervention, advocacy, and training.	Met target
	Leverage other donor efforts in good governance by providing conflict mitigation, interventions, and training at the federal, state, and especially the local level.	Met target
	Support civil society efforts to respond to destabilizing conflicts in key areas (Lagos State, oil host communities in the Delta) or on key issues (Sharia).	Met target
	Coordinate with bilateral and multilateral donors, the GON, and non-government organizations for the effective continuation of conflict mitigation, interventions, advocacy and training and reform of the National Police.	Met target
<b>Peru</b>	Increase the capacity of civilians and civilian institutions to provide oversight of the Peruvian military.	Did not meet target
	Support the Congressional reform process	Did not meet target
	Support the Truth and Reconciliation Commission through information campaigns and targeted technical assistance.	Met target
<b>Serbia-Montenegro</b>	Improve citizen participation in government decision-making.	Exceeded target
	Support groups that promote government reform and responsiveness to citizens.	Did not meet target
	Magnify democratic gains through the media.	Met target
	Promote a transparent electoral process that encourages active and informed citizen participation.	Met target
<b>Sierra Leone</b>	Assist civil society and government to build leadership and renew national values.	Did not meet [civil society], Exceeded Target [community leaders]
	Assist the design, implementation and monitoring of a diamond certification system.	Exceeded target
	Reintegrate ex-combatants and war-affected youth.	Exceeded target

## **PART VII: ENVIRONMENTAL COMPLIANCE**

Pursuant to USAID authority ADS 204.1(4) the Office of Transition Initiatives is subject to an exemption of environmental compliance of its Strategic Objective and its activities, under Title 22 CFR 216.2(b)(1)(i), which covers international disaster assistance.