

USAID/South Africa
ANNUAL REPORT FY 2003

3/13/2003

Please Note:

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Related document information can be obtained from:
USAID Development Experience Clearinghouse
1611 N. Kent Street, Suite 200
Arlington, VA 22209-2111
Telephone: 703-351-4006 Ext 106
Fax: 703-351-4039
Email: docorder@dec.cdie.org
Internet: <http://www.dec.org>

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A. Program Level Narrative

Program Performance Summary:

Background: Eight years after the fall of apartheid and the installation of South Africa's first democratic government, South Africa has made good progress in closing the gap between its historically privileged and disadvantaged populations. Major transformations of the judicial, educational, housing and governance sectors have taken place. Yet, the absolute gap remains disturbingly large. Rooted in the legacy of apartheid, South Africa has among the highest levels of income inequality in the world. Nearly 60% of black South Africans live in poverty, compared to only three percent of whites. Similarly large disparities are found in job skills, education, health care and housing. A very high overall unemployment rate of 29% (even higher among disadvantaged groups) and negligible formal sector job creation characterize the labor market. Violent crime has become endemic; while South Africa's crime rates are among the world's highest, its eight percent conviction rate is among the lowest. With an estimated five million HIV-infected persons, the highest number in the world, and 1,700 new cases daily, South Africa's health system struggles under the weight of AIDS and related diseases. By 2005, a projected 23% of skilled and 32% of semi- and unskilled workers will be infected and there will be more than 1.3 million new orphans to care for.

With many South Africans not yet having reaped tangible benefits from the country's sharp turn to democracy and aggressive effort to integrate into the world economy, it is unclear how long South Africa's pursuit of prudent monetary and fiscal policies, public-private partnerships to deliver services, privatization, and greater international and regional trade will continue if the policies do not translate into more jobs and improved living conditions for all. The economy's sluggish growth, estimated at of 3.5% for 2002, and projections of 3.5 - 3.8% per annum for the next three years is discouraging and insufficient to create the needed jobs. A growing number of observers mark the next five years as critical for South Africa's future.

U.S. national interests in South Africa revolve around its growing role as a political and economic leader in the southern Africa region and, increasingly, the continent. Politically, South Africa has, along with Nigeria, taken the lead in the New Partnership for Africa's Development (NEPAD), which commits African states to taking primary responsibility for advancing good governance and ending conflicts on the continent. Economically, South Africa is by far the most important U.S. trading partner in sub-Saharan Africa, excluding Nigeria, and within the region, South Africa has become the largest investor in other African countries. As South Africa succeeds politically and economically, all sub-Saharan Africa benefits and U.S. interests across the continent are advanced. USAID collaborates with other U.S. agencies including Treasury, Centers for Disease Control, and the Commerce, Justice, and Agriculture Departments to achieve U.S. objectives in South Africa.

USAID's program capitalizes on South Africa's strengths and significant resources and provides key strategic inputs to help South Africa close the socio-economic gap. For example, assistance in the education sector is targeted to fill specific gaps in teacher training and skills development which are a legacy of the apartheid era. The urban environment and democracy and governance programs work with local governments to help them meet new responsibilities for delivery of a wide range of services to their citizens. In all sectors, USAID programs actively seek opportunities to leverage additional funding, through alliances with the private sector and through co-financing opportunities with other donors, with over one billion dollars being leveraged in FY 2002.

Challenges and USAID Response: To date, the regional food security crisis sweeping southern Africa has meant rising food prices in South Africa, but not widespread human suffering. South Africa has become an important partner in the response to the crisis, and has pledged 100,000 metric tons (MT) of maize for food insecure countries and has offered to mill 60,000 MT of biotech maize donated by the international community. South Africa is engaged in contingency planning for possible scenarios including a 2003 crop failure and a worsening situation in Zimbabwe resulting in large refugee flows. USAID will continue to monitor events closely.

As noted, HIV/AIDS affects every aspect of South Africa's economy and social fabric. In addition to a large health sector program which addresses HIV/AIDS, USAID's multisectoral approach to mitigating the cross-cutting impact of the pandemic addresses sector-specific challenges by integrating HIV/AIDS activities in all strategic objective (SO) programs. The health SO is expanding activities for HIV/AIDS prevention, care and support, and helping to integrate HIV/AIDS services into South Africa's basic primary health care system to ensure better access for the average South African. To address housing-related issues, USAID has helped pilot three community-based orphan care facilities, and funded prevention and home-based care services sponsored by two housing development organizations. In an alliance with four major banks, a not-for-profit insurer and thousands of new homeowners, USAID is supporting an innovative home loan insurance product that will mitigate HIV/AIDS-related risk to home financing lenders. The program targets insurance coverage for up to 35,000 low-income home owners. USAID research on the impact of HIV/AIDS on the economy led the South African Government, in its FY 2002 mid-year review of spending, to increase budgetary allocations for programs to mitigate the impact. Toward a longer-term solution, USAID has provided assistance in policy planning, advocacy and integration of HIV/AIDS into the school curriculum. Targeting youth, USAID contributed to the development of "Takalani Sesame's" HIV-positive muppet character, Kami, the first such character in any "Sesame Street" program. USAID also supports a project to strengthen the capacity of local councils to develop Action Plans and coordinate resources to mitigate the effects of the HIV/AIDS pandemic more effectively. Approximately 70% of 284 local councils currently participate in the program.

Land tenure, transfer and use are emerging issues which USAID is currently addressing within the context of its current objectives, rather than as a stand alone objective. This choice reflects the current state of debate on land tenure with South Africa and the multi-sectoral and dimensional nature of the land tenure issue. Dispossession and forced removal of black South Africans under apartheid resulted not only in the physical separation of people along racial lines, but also in extreme land shortages and insecurity of tenure for much of the black population. Eight years into the transition, these issues are still largely unresolved. Over 13 million people, the majority poverty-stricken, remain crowded into former homeland areas, where rights to land are often unclear or contested and the system of land administration is in disarray. On private farms, millions of workers, former workers and their families face continued tenure insecurity and lack of basic facilities, despite the passage of new laws designed to protect them. In the cities, the sprawling shack settlements continue to expand, beset by poverty, crime and lack of basic services. A deepening social and economic crisis in the rural areas--fuelled by falling formal sector employment, the ravages of HIV/AIDS, evictions from farms and the collapse of agricultural support services in the former homelands--is accelerating the movement of people from 'deep rural' areas to towns and cities throughout the country, while thousands of retrenched urban workers make the reverse journey. The result is a highly diverse pattern of demand for land and numerous hot-spots of acute land hunger in both urban and rural areas.

USAID is addressing land issues within the context of its ongoing strategic objectives. USAID South Africa will continue to evaluate (and keep USAID/W informed) as to whether a new strategic objective, either stand alone or cross-cutting would be more useful from the management perspective than the current approach. For example, in FY 2002, USAID worked closely with the South African and KwaZulu-Natal Departments of Land Affairs to develop alternative land tenure structures on traditional land. The parties jointly developed tradable land use rights, whereby people with land, but lacking the ability to farm (because of age, infirmity, other responsibilities), could lease their land for money. Widows now can supplement meager social welfare grants with rent, and successful farmers can increase the size of their farms, hiring more people and increasing the community's income. USAID also helped develop the draft land tenure bill, currently under discussion, which lets communities decide how to use traditional land. In FY 2002, USAID's agriculture privatization program assisted in the development of 10 public-private partnership transactions that transferred state-owned agricultural assets to historically disadvantaged farmers, creating 2,100 jobs and leveraging \$8.2 million in financing to complete the transactions. The use of common land in municipalities is also an area for potential USAID involvement in the future.

Key Achievements:

Democracy and Governance. In FY 2002, USAID helped South Africa develop and implement a decentralized court support service, an integrated case management system, and outsourcing the management of funds held in trust by the courts for child support payments. These reforms relieve prosecutors and magistrates from administrative work, enabling them to focus on the prosecution and adjudication of cases, thus reducing the backlog in criminal cases. Restructuring the South African Department of Justice has resulted in a more effective criminal justice system, with the backlog of criminal cases reduced from 118,183 in FY 2001 to 107,747 in FY 2002. A USAID-funded program which uses retired prosecutors and magistrates to tutor new prosecutors and magistrates, along with technical assistance and training provided by a senior U.S. prosecutor in the areas of complex organized crime, have contributed to this result. USAID support to strengthen civil society's engagement in policy formulation trained 1,076 non-profit organizations in how to qualify for new tax benefits and government grants. This contributed to the number of non-profit organizations that qualified for tax benefits and government grants nearly doubling to over 11,471 in FY 2002, making for a more financially viable civil society sector.

Increased Access to Quality Education and Training. The beneficiaries of USAID's education program are South African children and adults who were denied a decent education under apartheid and who need skills to participate in the modern global economy. In FY 2002, USAID's curriculum training program for teachers in over 600 disadvantaged primary schools contributed to a nine percent increase in Grade 3 performance on end of year tests, far surpassing the six percent target. Through USAID support, 221 classrooms in 30 flood-damaged schools reconstructed by USAID, received instructional resources. In four of South Africa's poorest provinces, USAID support provided box libraries to 598 schools and science kits which reached over 14,000 students, improving language skills and the practical application of science lessons. More than 3,000 principals and district officials and over 1,600 parents received training in school management and governance resulting in better financial management and a substantial increase in the collection of school fees. USAID-supported skills training programs prepared 11,400 students for employment and USAID support to tertiary institutions resulted in an additional 17 departments implementing revised curricula meeting internationally accepted standards. USAID also completed a successful adult literacy program which the South African government is now expanding nationally with \$10 million of its own resources.

Economic Capacity Building. In FY 2002, USAID training programs and technical assistance led to modernization of the South African tax system, eliminating loopholes, making the tax burden more equitable and lowering all income tax rates. With USAID support, South Africa generated substantial savings by outsourcing government commercial functions such as management of government office complexes and hospital services to the private sector. USAID's training of parliamentarians in basic economics and budget analysis has resulted in expanded support for the South African Government's macro-economic reform policy and improved oversight by Parliament of government programs. USAID support to the Department of Economics at the historically disadvantaged University of the Western Cape has more than doubled student enrollment, bringing the program closer to sustainability. The USAID-supported research program on the impact of HIV/AIDS on the economy led the South African Government in the FY 2002 mid-year review of spending to increase budgetary allocations for programs to mitigate the impact of the pandemic.

Housing and Municipal Services. In FY 2002, USAID assisted almost 600,000 historically disadvantaged households to obtain improved housing, water and sanitation, solid waste, and/or power, in large part due to \$210 million leveraged in public and private resources. Two major pieces of legislation supporting the housing sector and municipal finance, developed with USAID assistance, are in final discussion within the South African Government, one providing incentives for lending to lower income households, and the other clarifying and guiding good municipal financial management to improve the environment for infrastructure investment. As a result of USAID's climate change program, eight cities have integrated energy efficiency into housing and municipal service delivery, and public awareness of the economic benefits of renewable energy has been expanded through USAID partnerships with 16 active community and technology groups and USAID-supported climate change learning activities in over 200 schools.

Primary Health Care and HIV/AIDS Prevention and Mitigation. In FY 2002, USAID assistance was instrumental in making services for preventing mother-to-child transmission (PMTCT) available at all public health clinics in Soweto. Reaching over 90 % of pregnant women in Soweto, a community with a population of three million, the PMTCT program is one of USAID's largest in the world. In one of South Africa's poorest regions, the Eastern Cape, USAID support helped increase the number of primary health care facilities offering voluntary counseling and testing (VCT) from eight to 136. USAID support also led to increasing the availability of effective TB diagnosis through the innovative use of taxis, cell phones, and motorbikes to facilitate communication and lab sample transport between clinics and TB laboratories. USAID also supported training of 7,000 health workers to implement the guidelines for managing opportunistic infections to ensure appropriate care and support for HIV patients nationwide.

Employment Creation. In FY 2002, by successfully linking resources and markets embodied in South Africa's modern manufacturing and service sectors with historically disadvantaged small businesses, USAID's program expanded the number and value of business deals completed and jobs created by such firms. Attributable to USAID support, over 5,000 new jobs were created in the Small Micro and Medium Enterprise (SMME) sector. USAID activities to increase SMME and agribusiness access to business development services and to identify new business opportunities, resulted in deals worth \$194 million. USAID-supported programs helped small-scale urban and rural businesses access approximately \$25 million in private financing.

Trade Capacity Building: In FY 2002, USAID provided assistance to the Department of Trade and Industry (DTI) to help interpret country responsibilities under GATS (general agreement on trade and services) and helped frame DTI's responses to "requests" submitted to it for liberalization. USAID conducted a week-long course for government departments, NGO think tanks and the private sector on the importance of GATS, South Africa's related responsibilities, and potential modifications to GATS. USAID also assisted DTI in researching the impact of the African Growth Opportunities Act (AGOA) on South African exports and on obstacles within South Africa to further expansion of clothing exports to the U.S. Finally, USAID helped DTI research the impact of potential new trade agreements and gather input from the private sector for the negotiations. The World Trade Organization, the U.S. Embassy, U.S. Department of Commerce and U.S. Trade Representative's Office collaborated in this assistance.

Alliances: In FY2002, USAID entered into eight strategic alliances with private sector and non-governmental organization (NGO) partners. USAID, the South African Department of Justice and Business Against Crime, an association of major corporations, formed a partnership that combines resources to implement a major restructuring of the criminal justice system. USAID partnerships with the private sector, the South African Government, South African universities, and a U.S. think tank strengthened South Africa's intellectual property rights and helped universities to improve funds management. An alliance between USAID, four major banks, a non-profit insurer and thousands of new homeowners, by utilizing a Development Credit Authority guarantee, is supporting an innovative home loan insurance product that will mitigate HIV/AIDS-related risk to home financing lenders and provide coverage for up to 35,000 borrowers. Another USAID-supported alliance between the World Bank, the Cities Alliance, the South African Government, and several bilateral donors is helping to establish a learning network among the country's nine largest cities, which collectively represent approximately 40% of South Africa's population and 75% of its economy. The network will address problems facing cities in HIV/AIDS, service delivery and transport. Another alliance assisted the City of Johannesburg in implementing a municipal services partnership with an American company for the purchase and rehabilitation of a major power plant, bringing better and cleaner power to more than three million residents.

Environmental Compliance: The mission reviewed all strategic objectives and determined that all current activities are in compliance with approved Initial Environmental Examinations (IEEs), Environmental Assessments, and Categorical Exclusions and all required mitigations and conditions are being followed.

Plans for new or amended Initial Environmental Examinations or Environmental Assessments:

674-002: Technical adjustment to the education strategy and design of follow-on basic education activity (amendment to IEE-February 2003)

674-004: Strategy update for economic capacity program (amendment to IEE--January 2003)

674-008: Technical adjustment to the health strategy (amendment to IEE-January 2003)

Country Closeout & Graduation:

D. Results Framework

674-001 Democratic Consolidation Advanced

SO Level Indicator: Percentage of a nationally representative sample preferring democracy over all other forms of government

IR 1.1 A more effective and accessible criminal justice system

IR 1.1.1 Improved Management of Justice Sector Institutions

IR 1.1.2 Improved Case Processing and Court Efficiency

IR 1.1.3 Crime and Violence Prevention Strategies Implemented

IR 1.1.4 Better Prosecutor-led Criminal Investigations

IR 1.2 Effective and democratic local governance*

IR 1.2.1 Selected Policies and Programs that Enable Effective and Democratic Local Governance are in Place

IR 1.2.2 Local Governments Perform their Functions with Increasing Effectiveness, Transparency and Accountability

IR 1.2.3 Citizens Exercise their Rights and Meet their Obligations to Local Government

IR 1.3 Strategic CSO-Government Partnerships Strengthened for Improved Policy and Service Delivery

IR 1.3.1 CSO-Government Capacity for Partnering Improved

IR 1.3.2 Access Increased to Better Information

IR 1.3.3 Enabling Environment for Partnerships Enhanced

Discussion: SO 1 has developed a new IR indicator based on public opinion of local government performance in order to reflect the progression of USAID's support for South Africa's local government system from legislation to institution. The SO will report on this indicator every two years. Indicator data will be based on assessments commissioned by USAID. The FY 2002 baseline for this indicator is 31% while the FY 2003 target is 45%.

674-002 Increased Access to Quality Education and Training

SO Level Indicator: Number of departments within HDIs implementing revised curricula

SO Level Indicator: Performance of Grade 3 students in USAID-sponsored primary schools

IR 2.1 Improved Quality of Primary Education

IR 2.1.1 Improved Curriculum Practices

IR 2.1.2 Improved Education Management

IR 2.1.3 Enhanced School Governance

IR 2.1.4 Improved Physical and Education Resources

IR 2.2 Increase access to market-oriented training

IR 2.2.1 Increasing Training Opportunities in Further Education and Training

IR 2.2.2 Skills Development System Effectively Implemented

IR 2.2.3 Adult Basic Education and Training Improved

IR 2.3 Improved quality of higher education and training

IR 2.3.1 Improved Quality of Teaching and Administrative Staff

IR 2.3.2 Improved Research Capacity of Teaching Staff

IR 2.3.3 Academic Development Programs Designed and Implemented

IR 2.3.4 Three-year Rolling Plans Effectively Developed by HDIs

Discussion: The indicator the number of learners/trainees enrolled in USAID sponsored skills development programs was used in FY2002 to track the number of educators trained to increase their skills levels in teaching maths and science. The SO is reviewing this indicator and exploring the development of a co-indicator to track students' performance levels in math and science in targeted schools. This will also assist the SO to track whether the programs targeting the improvement of student performance in math and science are addressing equity issues in the system and assisting the Department of Education to develop and implement appropriate performance measures.

674-004 Improved Capacity to Formulate, Evaluate and Implement Economic Policies

SO Level Indicator: Weighted average of all IR indicators

- IR 4.1 Strengthened human resources in economics and policy analysis for key government entities
- IR 4.2 Strengthened government departments that deal with economic policy matters
- IR 4.4 Strengthened centers of economic training in teaching and research at HDUs
- IR 4.3 Strengthened think tanks to formulate and deal with economic policy options

Discussion: The results framework is being revised.

674-006 Increased Access to Shelter and Environmentally sound Municipal Services

SO Level Indicator: Number of households receiving municipal services (disaggregated by water, sewage, solid waste, electrical/gas, and housing services) - cumulative

SO Level Indicator: Progress in addressing constraints in housing and municipal policy (ranked 1 - 5)

SO Level Indicator: Rand value of municipal services (disaggregated by water, sewage, solid waste, electrical/gas, and housing services) - cumulative*

- IR 6.1 Improved policy environment for facilitating access to shelter and urban services
- IR 6.2 Previously ineligible households, developers/builders and municipal service providers obtain access to credit
- IR 6.3 Increased non-credit forms of assistance made available to the HDP
- IR 6.4 Improved capacity to apply sustainable participatory environmental management principle to local-level urban development

Discussion: *Policy progress is measured against a set of constraints identified in 1998. As the policy environment has developed, so have the constraints changed (HIV/AIDS being a significant new constraint not initially included in the matrix); to remain relevant, the matrix needs to be revised with new constraints and projections based on current issues. This revision will be undertaken in 2003.

**Value of municipal services and housing is reported in Rands leveraged (not in US\$), because it represents the trend analysis more accurately and reflects the impact of the program. Converting into dollars over time distorts the results reported.

674-008 Increased Use of Primary Health Services and HIV/AIDS Prevention/Mitigation Practices

SO Level Indicator: Contraceptive prevalence rate

SO Level Indicator: HIV prevalence rate

SO Level Indicator: Immunization coverage rate

- IR 8.5.4 Increased HIV/AIDS programs through the private sector
- IR 8.5.5 Increased HIV/AIDS programs through the urban sector
- IR 8.4.2 Documentation and dissemination of lessons learned
- IR 8.4.3 Enhanced enabling environment
- IR 8.5 Expanded multi-sectoral response for prevention and mitigation of HIV/AIDS
- IR 8.5.1 Increased HIV/AIDS programs through governance channels
- IR 8.5.2 Increased HIV/AIDS programs through Education channels
- IR 8.5.3 Increased number of economic impact studies
- IR 8.1 Increased access to integrated PHC & HIV/AIDS, STI, RH & TB prevention and mitigation services and practices
- IR 8.1.1 Improved Referral System
- IR 8.1.2 Increased availability of PHC package of services at clinics
- IR 8.1.3 Improved logistical management system

- IR 8.1.4 Increased access to community- based HIV -AIDS, STI, RH & TB prevention and treatment programs
- IR 8.2 Increased demand for HIV/AIDS, STI, and TB prevention and treatment services
 - IR 8.2.1 Improved Knowledge, attitude and practices towards HIV/AIDS, STI, RH and TB prevention and transmission
 - IR 8.2.2 Improved Health seeking behavior
- IR 8.3 Improved Quality of Integrated PHC, HIV/AIDS, STI, and TB Services and Practices
 - IR 8.3.1 Improved Training program
 - IR 8.3.2 Improved supervision
 - IR 8.3.3 Improved health workers' attitude towards clients
 - IR 8.3.4 Improved health and management information systems
- IR 8.4 Expanded use of better practices in PHC, HIV/AIDS, STI, RH & TB outside initial pilot area
 - IR 8.4.1 Increased use of evidence-based information in PHC, HIV/AIDS, STI, RH & TB

Discussion: The SO strategy is being updated to incorporate greater emphasis on HIV/AIDS prevention, treatment, and mitigation. In accordance with USAID/W guidance, standard indicators which relate to program interventions will be integrated in the Results Framework in FY 2003. Baseline data will be collected in FY 2003 and performance reporting will occur in FY 2004.

674-009 Increased Market-Driven Employment Opportunities

SO Level Indicator: Number of business transactions completed

SO Level Indicator: Value of business transactions completed

SO Level Indicator: Value of finance leveraged

- IR 9.1 More rapid growth of existing SMMEs
 - IR 9.1.1 Market for SMME employment Growth Identified
 - IR 9.1.2 SMME Capacity to Respond to Market Opportunities Enhanced
 - IR 9.1.3 SMME Access to Capital Resources Increased
- IR 9.2 Increased commercial viability of existing small & medium agribusiness
 - IR 9.2.1 Market for Agribusiness Employment Growth Identified
 - IR 9.2.2 Agribusiness Capacity to Respond to Market Opportunities Enhanced
 - IR 9.2.3 Agribusiness Access to Capital Resources Increased

Discussion: For this reporting period, the Mission will not report on rural employment opportunities created. Having identified data quality issues related to the definition and consistency of data reported by implementing partners, USAID South Africa is working to develop a uniform methodology for counting employment creation. A recent consultation by the Africa Bureau's Performance Monitoring and Evaluation Specialist helped the Mission and its partners to work toward developing solutions on how to improve data quality. The Mission hopes that these efforts will culminate in a data quality assessment, to be conducted by independent consultants with significant input from USAID/Washington in February 2003, and result in the standardization of definitions and methodology -- which will allow the Mission to report on this important indicator in the next reporting period.

Selected Performance Measures - South Africa

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Indicator (all data should pertain to FY or CY 02)	OU Response	Significant Result: Description of the significant result for a strategic objective	Data Quality Factors: Information relevant to the collection of this indicator data, e.g. "this data was not collected last year because it is only collected every five years."
Pillar I: Global Development Alliance			

Did your operating unit achieve a significant result working in alliance with the private sector or NGOs?

674-001 Democratic Consolidation Advanced	Yes			<p>SO established one (1) alliance in FY 2002. The alliance included USAID, the South African Department of Justice (DOJ) and Business Against Crime (BAC), an organization comprising major corporations such as banks and food retail chains in South Africa. USAID provided funding and technical assistance to DOJ efforts to fight crime through BAC. The partnership has improved the DOJ's effectiveness and accessibility; in 2002, the backlog in criminal cases declined from 118,183 in 2001 to 107,747 -- which meets USAID's target reduction of 10%.</p>	<p>Formal documentation of bilateral agreement, agreements, and contracts with listed organizations exist. Data on backlogged criminal cases have been assessed and meet reasonable standards of quality.</p>
674-002 Increased Access to Quality Education and Training	Yes			<p>SO established two (2) alliances in FY 2002 including an alliance with various South African enterprises and businesses from the private sector to implement the Takalani Sesame radio and TV programs, which are accessed by millions of South African children. The programs, which are especially popular among black South Africans, have helped children who do not attend formal pre-schools to prepare for school. The alliance also contributed to the development of Kami, the HIV/AIDS positive Muppet character which addresses issues of stigma in radio and television broadcasts. Another alliance with the Amy Biehl Foundation Trust, national and provincial governments, and private sector firms provided jobs and training, as well as condoms and foodstuffs. It also subsidized after-school and tutoring programs, focusing on historically disadvantaged groups.</p>	<p>Formal documentation of bilateral agreement, agreements, and contracts with listed organizations exist.</p>

674-004 Improved Capacity to Formulate, Evaluate and Implement Economic Policies	Yes		SO established two (2) alliances in FY 2002. A key alliance with the International Intellectual Property Institute (a U.S. think tank), South African universities, the South African Government, and private companies focused on intellectual property rights and research funds management. The second alliance with a US think tank (Joint Center), donors (USAID, DFID, AusAID), and various local think tanks and universities increased understanding of the impact of HIV/AIDS on the national economy.	Formal documentation of bilateral agreement, agreements, and contracts with listed organizations exist.
674-006 Increased Access to Shelter and Environmentally sound Municipal Services	Yes		SO supported three (3) key alliances in FY 2002, as listed in the next section. These included: a DCA-supported alliance between USAID, four major banks, and a not-for-profit insurer (Home Loan Guaranty Corporation) to provide HIV/AIDS insurance coverage for up to 35,000 home owners and an alliance between the World Bank, the South African government, several bilateral donors, and Cities Alliance (a collaboration of development agencies and the world's global associations of local authorities working in urban issues) helped establish a learning network among the country's 9 largest cities, collectively representing about 40% of South Africa's population and 75% of its economy. The network is addressing problems facing cities in HIV/AIDS, service delivery and transport. In addition, an alliance with the Johannesburg Housing Co., in conjunction with the Johannesburg Metro, resulted in a credit guarantee that allowed banks to finance low-income rental housing for 7,000 people.	Formal documentation of bilateral agreement, agreements, and contracts with listed organizations exist. Data have been assessed and meet reasonable standards of quality.
674-008 Increased Use of Primary Health Services and HIV/AIDS Prevention/Mitigation Practices	N/A			
674-009 Increased Market-Driven Employment Opportunities	N/A			

a. How many alliances did you implement in 2002? (list partners)	8			SO 1 - 1 total (USAID, BAC, & Dept of Justice). SO 2 - 2 total (includes USAID alliances with (a) Takalani Sesame, Sanlam, South African Airways, South African Broadcasting Corp., Dept of Education, Sesame Workshop and (b) Amy Biehl Foundation Trust Fund, Pick-n-Pay (national food/grocery chain store), Southern Cape beer distributors, and the national and provincial governments.) SO 4 - 2 total (includes USAID alliances with (a) the International Intellectual Property Institute (a US think tank), SARIMA (South African Research and Innovation Managers Association -- an alliance of South African universities), the South African government, and private companies; (b) HIV/AIDS studies with DFID, AusAID, universities & private sector think tanks). SO 6 - 3 total (includes USAID alliances with the (a) Home Loan Guaranty Corporation & four banks; (b) Cities Alliance, World Bank, South African Government & other donors; (c) Johannesburg Housing Co., Johannesburg Metro, & banks).
b. How many alliances do you plan to implement in FY 2003?	8			All SO alliances established in FY 2002, as described above, will be continued in FY 2003. SO 2 (Education) plans to expand alliances to include an information technology component. The SO will also include a commercial partner (South African Breweries) in the Amy Biehl Foundation alliance and is expected to reach three new metropolitan areas in the Western Cape with condom deliveries.
What amount of funds has been leveraged by the alliances in relationship to USAID's contribution?	1.53E+08			SO 1 - approximately \$8.1 million leveraged. SO 2 - \$0.93 million leveraged.* SO 4 - approximately \$5.29 million leveraged. SO 6 - approximately \$139 million leveraged. TOTAL LEVERAGED IN FY 2002 = \$153 million* This total does not include the whole value of funds leveraged through the Amy Biehl Foundation Alliance. This figure will be provided at a later date.

Pillar II: Economic Growth, Agriculture and Trade

USAID Objective 1: Critical, private markets expanded and strengthened

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

674-004 Improved Capacity to Formulate, Evaluate and Implement Economic Policies	Yes			SO supported tax reform in several sectors including mining, gaming, and retirement benefit and developed land tenure reform legislation, which is currently under review. SO activities also facilitated the separation of the seaport authority from seaport operations and concessioning of all seaport operations. Furthermore, SO promoted new regulations requiring all government departments, national, and provincial government entities to compare the effectiveness of in-house vs. private sector involvement in program implementation. SO promoted new regulations on the rights of the disabled in the workplace as well.	Data were collected at the IR level by USAID contractors and clients and verified by USAID through relevant policy studies received. Data are reliable as assessed and meet reasonable standards of quality. Documentation is available.
674-006 Increased Access to Shelter and Environmentally sound Municipal Services	Yes			Through technical assistance and training, SO encouraged banks and alternative lenders to initiate housing and urban services for low income families.	Significant result measured by funds leveraged. Data were verified through site visits and meetings with partners and meet reasonable standards of quality. Documentation is available.
674-009 Increased Market-Driven Employment Opportunities	Yes			Every dollar invested in the SMME development program has created \$32 worth of transactions and leveraged \$4 in financing. The program has assisted small, medium and micro-enterprises owned by historically disadvantaged entrepreneurs to identify new markets and meet the standards demanded by these markets. This approach generated over \$122 million in business transactions and created and preserved over 5,000 employment opportunities during FY 2002.	Data were collected at the IR and sub IR levels by SMME and agribusiness partners. Information was reviewed by CTOs and Africa Bureau's Performance Monitoring and Evaluation specialist. No data quality issues were identified in this component of the program. Documentation is available.

USAID Objective 2: More rapid and enhanced agricultural development and food security encouraged

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

674-009 Increased Market-Driven Employment Opportunities	Yes			SO's agribusiness program strengthened agricultural markets and supported approximately \$63 million in business transactions for emerging farmers.	Data collected at the IR and sub-IR levels and verified by the CTO through regular meetings and extensive site visits. Data meet reasonable standard for quality. Documentation is available.
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USAID Objective 3: Access to economic opportunity for the rural and urban poor expanded and made more equitable

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

674-006 Increased Access to Shelter and Environmentally sound Municipal Services	Yes			SO programs increased household income as formal housing represents households' single largest asset. Housing construction activity also created jobs and allowed the transfer of construction-related skills.	Data on households assisted with housing tracked by SO team. Data were assessed for quality through site visits and meetings and accuracy of records was verified. Data meet reasonable standards of quality. Documentation is available.
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674-009 Increased Market-Driven Employment Opportunities	Yes			Approximately 5,000 jobs created or preserved in urban and peri-urban SMME's through the Mission's business linkage programs.	Data were verified through sample site visits and interviews with a sample of beneficiaries during the reporting period. This information was cross-checked with quarterly reporting documents. The SO is undertaking a Data Quality Assessment later in the year and confirming consistent definitions. Documentation is available.
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USAID Objective 4: Access to quality basic education for under-served populations, especially for girls and women, expanded

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

674-002 Increased Access to Quality Education and Training	Yes			SO's key basic education project, the District Development Support Program (DDSP), improved the learning environment of approximately 250,000 students in 2002. This program provided curricula training to over 7,700 primary education teachers in 600 disadvantaged schools, which resulted in a statistically significant 9% increase over 2001 scores in student achievement in numeracy and literacy as measured by a Grade 3 student assessment instrument. More teachers improved their classroom practices and are maintaining classroom records and actively engaging students in the learning process.	Data were collected by the contractor and meet reasonable standards of quality. Documentation is available.
a. Number of children enrolled in primary schools affected by USAID basic education programs (2002 actual)	124,541 Male	128,430 Female	252,971 Total		Data are preliminary and from a secondary source (Department of Education district level information systems). This is the only data source available on this indicator. Documentation is available.
b. Number of children enrolled in primary schools affected by USAID basic education programs (2003 target)	0 Male	0 Female	0 Total		DDSP program ends in 2003; follow on program will establish new targets.

USAID Objective 5: World's environment protected by emphasizing policies and practices ensuring environmentally sound and efficient energy use, sustainable urbanization,

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

674-004 Improved Capacity to Formulate, Evaluate and Implement Economic Policies	Yes			SO developed a market for tradable carbon sink credits and supported an analysis of the economic impact of alternative environmental programs to reduce pollution by vehicles in urban areas.	Data were assessed and meet reasonable standards of quality. Documentation is available.
674-006 Increased Access to Shelter and Environmentally sound Municipal Services	Yes			SO-leveraged resources benefited almost 600,000 households with improved energy efficient housing, water, or sanitation. Two final major pieces of legislation were drafted. USAID promoted environmental technologies at the World Summit.	All data tracked and independently verified by USAID through site visits and meetings. Data meet reasonable standards of quality. Documentation is available.
a. Hectares under Approved Management Plans (2002 actual)					Data not tracked.
b. Hectares under Approved Management Plans (2003 target)					Data not tracked.

Pillar III: Global Health

USAID Objective 1: Reducing the number of unintended pregnancies

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

674-008 Increased Use of Primary Health Services and HIV/AIDS Prevention/Mitigation Practices	N/A			
Percentage of in-union women age 15-49 using, or whose partner is using, a modern method of contraception at the time of the survey. (DHS/RHS)	%			Data on this and similar indicators are only available from DHS conducted in 1998. A repeat DHS is scheduled for 2004.

USAID Objective 2: Reducing infant and child mortality

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

674-008 Increased Use of Primary Health Services and HIV/AIDS Prevention/Mitigation Practices	Yes			SO improved quality assurance in the provision of clinical services including PHC and HIV related services.	Data based on surveys conducted annually on a sample of clinics in Eastern Cape Province. Data were assessed and meet reasonable standards of quality. Documentation is available.
Percentage of children age 12 months or less who have received their third dose of DPT (DHS/RHS)	Male	Female	Total		Data on this and similar indicators are only available from DHS conducted in 1998. A repeat DHS is scheduled for 2004.
Percentage of children age 6-59 months who had a case of diarrhea in the last two weeks and received ORT (DHS/RHS)	Male	Female	Total		Data not available.
Percentage of children age 6-59 months receiving a vitamin A supplement during the last six months (DHS/RHS)	Male	Female	Total		SO initiated a Vitamin A program in June 2002-- actual data are not yet available.
Were there any confirmed cases of wild-strain polio transmission in your country?	N/A				

USAID Objective 3: Reducing deaths and adverse health outcomes to women as a result of pregnancy and childbirth

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

674-008 Increased Use of Primary Health Services and HIV/AIDS Prevention/Mitigation Practices	N/A			
Percentage of births attended by medically-trained personnel (DHS/RHS)	%			N/A

USAID Objective 4: Reducing the HIV transmission rate and the impact of HIV/AIDS pandemic in developing countries

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

674-008 Increased Use of Primary Health Services and HIV/AIDS Prevention/Mitigation Practices	Yes			SO trained Department of Health (DOH) nurses in PMTCT and the training of lay counselors and supported condom logistics system.	Data have been assessed and meet reasonable standards of quality. Documentation is available.
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a. Total condom sales (2002 actual)	3.58E+08			Condoms were distributed by the South African public health sector free of charge in 2002 . This figure represents a 75% increase over 2001 data; SO does not expect this level of increase to continue. Data are based on secondary sources (i.e. the South African National Department of Health). Documentation is available.
b. Total condom sales (2003 target)	3.6E+08			See note above.
National HIV Seroprevalence Rates reported annually (Source: National Sentinel Surveillance System)	24.8%			Data based on secondary source (Department of Health survey reported in June 2002). The seroprevalence rate is based on national surveys of women attending public antenatal clinics. Documentation is available.
Number of sex partners in past year (Source: national survey/conducted every 3-5 years)per DHS or other survey)				Data not available.
Median age at first sex among young men and women (age of sexual debut) ages 15-24 (Source: national survey/conducted every 3-5 years) per DHS or other survey)	0 Male	0 Female	0 Total	Current data not available.
Condom use with last non-regular partner (Source: national survey/conducted every 3-5 years)per DHS or other survey)	%			Condom use during last sexual intercourse by those with multiple partners was 48.6% among men and 43.2% among females. This data are based on the Nelson Mandela/Human Sciences Research Council national survey on HIV/AIDS. Data have been assessed and meet reasonable standards of quality. Documentation is available.
Number of Clients provided services at STI clinics				Data not available.
Number of STI clinics with USAID assistance				Data not tracked.
Number of orphans and other vulnerable children receiving care/support	15000			Data have been assessed and meet reasonable standards of quality. Documentation is available.
Number of Orphans and Vulnerable Children programs with USAID assistance				USAID supported 24 community and home based care programs -- all of which assisted orphans and vulnerable children. To avoid double counting, however, this figure was reported only in the "Number of USAID-assisted community and home-based care programs" indicator below.
Number of community initiatives or community organizations receiving support to care for orphans and other vulnerable children	20			These organizations are receiving support through the USAID grant to the Nelson Mandela Children's Fund. Data have been assessed and meet reasonable standards of quality. Formal agreement is available.

Number of USAID-supported health facilities offering PMTCT services	1			USAID provided assistance to the Chris Hani Baragwanath Hospital PMTCT site in Soweto. Data have been assessed and meet reasonable standards of quality. Formal documentation/agreement exist.
Number of women who attended PMTCT sites for a new pregnancy in the past 12 months	30000			Data are from the Wits Health Consortium and meet reasonable standards of quality. Documentation is available.
Number of women with known HIV infection among those seen at PMTCT sites within the past year.	10000			Data are from the Wits Health Consortium and meet reasonable standards of quality. Documentation is available.
Number of HIV-positive women attending antenatal clinics receiving a complete course of ARV therapy to prevent MTCT (UNGASS National Programme & Behavior Indicator #4)	6000			Data are from the Wits Health Consortium and meet reasonable standards of quality. Documentation is available.
Number of individuals reached by community and home-based care programs in the past 12 months				Data not yet available. Standardization of definition required across implementing partners.
Number of USAID-assisted community and home-based care programs	24			USAID supported 24 community and home based care programs -- all of which assisted orphans and vulnerable children. Formal documentation/agreement is available.
Number of clients seen at Voluntary Counseling and Testing (VCT) centers				Data not yet available.
Number of VCT centers with USAID assistance	150			136 VCT sites were supported in the Eastern Cape Province. An 14 additional VCT sites were supported in PMTCT sites in Soweto. Data have been assessed and meet reasonable standards of quality.
Number of HIV-infected persons receiving Anti-Retroviral (ARV) treatment	0			Data not available.
Number of USAID-assisted ARV treatment program	1			Formal documentation/agreement is available. Data have been assessed and meet reasonable standards of quality.
a. Number of individuals treated in STI programs (2002 actual)	0 Male	0 Female	0 Total	Data not yet available.
b. Number of individuals treated in STI programs (2003 target)	0 Male	0 Female	0 Total	Data not yet available.
a. Is your operating unit supporting an MTCT program?	Yes			The SO is supporting a MTCT program through the Chris Hani Baragwanath Hospital in Soweto. Formal documentation is available.
b. Will your operating unit start an MTCT program in 2003?	Yes			
a. Number of individuals reached by community and home based care programs (2002 actual)	0 Male	0 Female	0 Total	Data not yet available.

b. Number of individuals reached by community and home based care programs (2003 target)	0 Male	0 Female	0 Total		Data not yet available
a. Number of orphans and vulnerable children reached (2002 actual)	0 Male	0 Female	0 Total		Data not yet available.
b. Number of orphans and vulnerable children reached (2003 target)	0 Male	0 Female	0 Total		Data not yet available.
a. Number of individuals reached by antiretroviral (ARV) treatment programs (2002 actual)	0 Male	0 Female	0 Total		Data not available.
b. Number of individuals reached by antiretroviral (ARV) treatment programs (2003 target)	0 Male	0 Female	0 Total		Data not available.

USAID Objective 5: Reducing the threat of infectious diseases of major public health importance

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

674-008 Increased Use of Primary Health Services and HIV/AIDS Prevention/Mitigation Practices	Yes			SO assisted in development of a strategy on the national TB Directly Observed Treatment Short course (DOTS) system.	2002 data on the DOTS program, which is implemented by the National Department of Health, with assistance from USAID, is not yet available. In 2001, the DOTS was in place in 74% Demonstration and Training Districts (DTS) nationally.
a. Number of insecticide impregnated bed-nets sold (Malaria) (2002 actual)					Data not available
b. Number of insecticide impregnated bed-nets sold (Malaria) (2003 target)					Data not available
a. Proportion of districts implementing the DOTS Tuberculosis strategy (2002 actual)	%				Data not available
b. Proportion of districts implementing the DOTS Tuberculosis strategy (2003 target)	100%				Department of Health target. Documentation is available and data meet reasonable standards of quality.

Pillar III: Democracy, Conflict and Humanitarian Assistance

USAID Objective 1: Strengthen the rule of law and respect for human rights

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

674-001 Democratic Consolidation Advanced	Yes			SO programs strengthened the rule of law and respect for human rights by improving the efficiency and effectiveness of the criminal justice system. As of the end of September 2002, the backlog in criminal cases was reduced from 118,183 in 2001 to 107,747 for the third straight year. This exceeded USAID's and the DOJ's target of 108,180. USAID supported initiatives in the areas of prevention of domestic violence and violence against women and children, as well as juvenile justice and offender diversion programs.	Data on the backlog of criminal cases are from the National Prosecuting Authority (NPA) and have been verified for consistency, accuracy and integrity. Data meet reasonable standards of quality. Documentation is available.
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USAID Objective 2: Encourage credible and competitive political processes

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

USAID Objective 3: Promote the development of politically active civil society

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

674-001 Democratic Consolidation Advanced	Yes			SO supported strong civil society engagement in policy formulation by helping train 1,076 nonprofit organizations qualify for the tax benefits provided for under the law. This program contributed to the number of non-profit organizations that qualified for tax benefits and government grants nearly doubling to over 11,471 in FY 2002, making for a more financially viable civil society sector.	Data based on reports by implementing partner and the South African Government's Non-Profit Organizations Directorate registry. Data have been assessed and meet reasonable standards of quality. Documentation is available.
674-006 Increased Access to Shelter and Environmentally sound Municipal Services	Yes			USAID-assisted NGOs actively engaged national and local government to expand service delivery of shelter and municipal services, and, in some instances, were able to improve the policy and regulatory environment.	Data based on bi-annual surveys of broad housing policy constraints and implementation. These data were assessed against data from other institutions and stakeholders and meet reasonable standards of quality. Documentation is available.

USAID Objective 4: Encourage more transparent and accountable government institutions

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

674-004 Improved Capacity to Formulate, Evaluate and Implement Economic Policies	Yes			SO assisted in out-sourcing and privatization (restructuring) of government activities in a transparent and accountable manner, with proper disclosure of processes and results in place.	Data were assessed and meet reasonable standards of quality. Documentation is available.
674-006 Increased Access to Shelter and Environmentally sound Municipal Services	Yes			SO provided policy support in enhancing the municipal bond market and housing sector and supported the property rates bill. Transfer of national government assets also increased transparency and public debate.	Data are tracked and collected every two years through policy constraints and implementation index indicators which are then compared against data from other institutions and stakeholders. Data meet reasonable standards of quality. Documentation is available.

USAID Objective 5: Mitigate conflict

Did your program in a pre-conflict situation achieve a significant result in the past year that is likely to contribute to this objective?

Did your program in a post-conflict situation achieve a significant result in the past year that is likely to contribute to this objective?

Number of refugees and internally displaced persons assisted by USAID	0 Male	0 Female	0 Total		N/A
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USAID Objective 6: Provide humanitarian relief

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

674-006 Increased Access to Shelter and Environmentally sound Municipal Services	N/A				
Number of beneficiaries					N/A
Crude mortality rates	%				N/A
Child malnutrition rates	%				N/A
Did you provide support to torture survivors this year, even as part of a larger effort?	N/A				N/A
Number of beneficiaries (adults age 15 and over)	0 Male	0 Female	0 Total		N/A

Number of beneficiaries (children under age 15)

0 Male	0 Female	0 Total	
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N/A