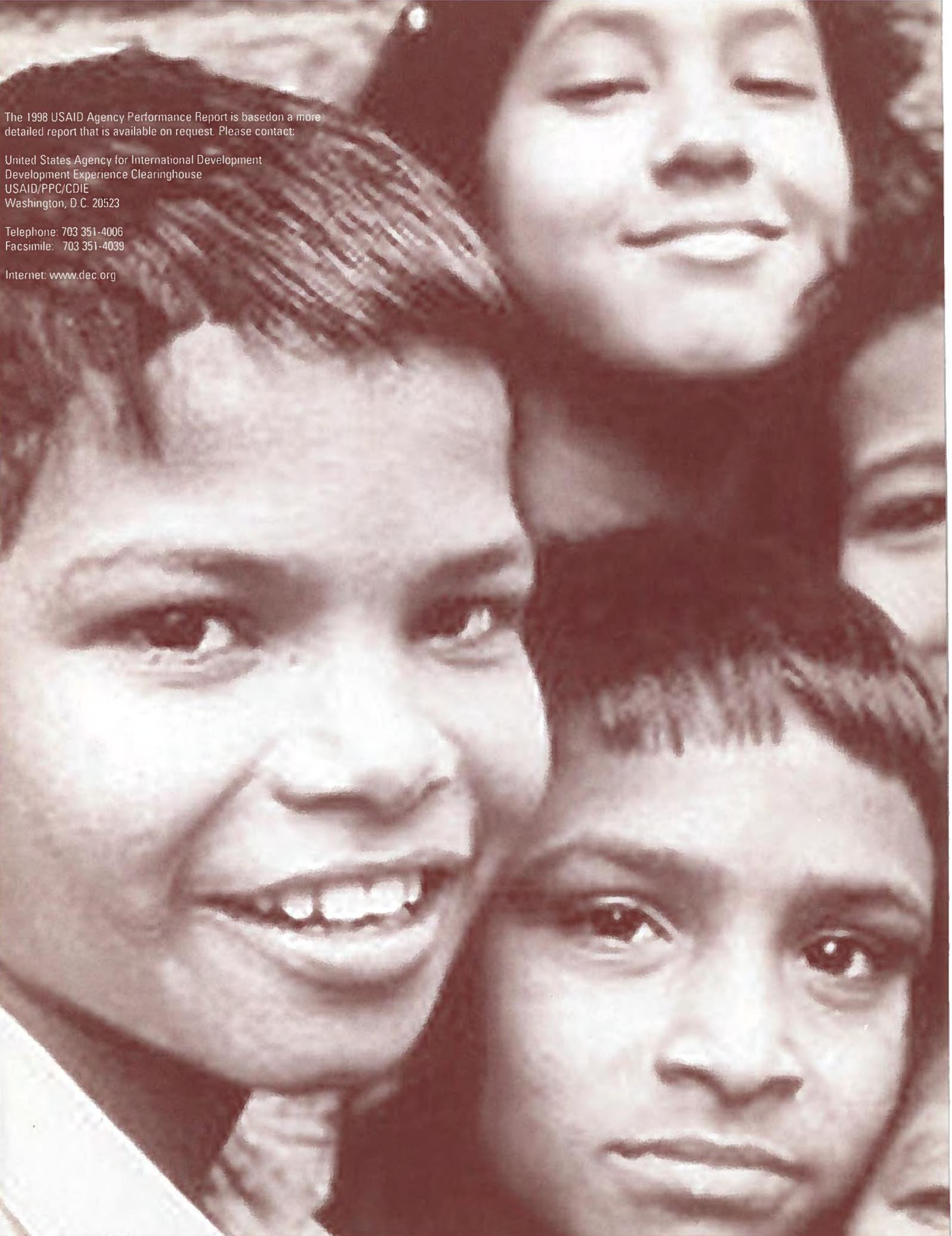


1998

Agency Performance Report
Summary

U.S. Agency for International Development



The 1998 USAID Agency Performance Report is based on a more detailed report that is available on request. Please contact:

United States Agency for International Development
Development Experience Clearinghouse
USAID/PPC/CDIE
Washington, D.C. 20523

Telephone: 703 351-4006
Facsimile: 703 351-4039

Internet: www.dec.org

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The mission of the United States Agency for International Development is to contribute to U.S. national interests by supporting the people of developing and transitional countries in their efforts to achieve enduring economic and social progress and to participate more fully in resolving the problems of their countries and the world.

—USAID Mission Statement

Freedom is expanding; for the first time in history, more than half the world's people elect their own leaders. Access to information by ordinary people the world over is literally exploding.

Because of these developments, and the dramatic increase in our own prosperity and confidence in this, the longest peacetime economic expansion in our history, the United States has the opportunity and, I would argue, the solemn responsibility to shape a more peaceful, prosperous, democratic world in the 21st century.

*Bill Clinton
February 26, 1999*



Overview: A Half-Century of Progress

This performance report, drawn from a longer report to Congress, details many of the field programs that the United States Agency for International Development (USAID) has carried out in recent years all over the world. It is thus the most recent chapter in the long, proud history of U.S. foreign assistance that began when President Truman announced the Marshall Plan in 1948.

From the first, the U.S. program of foreign assistance has reflected American self-interest as well as American compassion. President Truman and his advisers expected the Marshall Plan to discourage the spread of communism in Western Europe. Beyond that, they believed that by helping the people of the developing world build better lives, America would win friends and allies, promote international stability, open up new markets to American business and thus create new jobs for American workers.

In 1961, soon after taking office, President John F. Kennedy established the United States Agency for International Development to manage U.S. foreign economic and humanitarian assistance programs. In just a few years, USAID faced a massive challenge: a prediction, by respected experts, that widespread famine was coming in India, which had been battered by monsoons for two years. As many as 50 million Indians might starve, the experts warned, and nothing could be done about it.

Fortunately, the developed world took up the challenge. In 1968, representatives of 17 nations met at the Tidewater Inn in Easton, Maryland, to mobilize their resources on an unprecedented scale. To meet the immediate threat, the United States and other nations donated massive amounts of food to prevent starvation. Even more important, the international community made the long-term research investments that allowed India to dramatically increase its food production. This began the "Green Revolution" that enabled the world's agricultural yields to increase more in just a few decades than in the previous 1,000 years of human history.

Led by the United States, the developed nations increasingly supported not only agricultural growth, but better education, public health and economic development around the world. The results of this unprecedented effort have been dramatic. In 1998, on the 30th anniversary of the Tidewater Conference, the donor nations could point to remarkable progress in the developing world:

- The average woman gave birth to three children, not six.
- Literacy had risen by almost 50 percent.
- Infant mortality had been cut in half.
- Life expectancy had risen by a decade.
- The percentage of people living in absolute poverty had been cut almost in half.
- Smallpox had been eliminated from the world; polio was eliminated from the Western Hemisphere, and its global eradication was within view.

Of course, as some challenges are met, others emerge. Smallpox has been eliminated, for example, but HIV/AIDS is a new menace to world health.

In May 1996, looking ahead to the new century, the United States and 20 other industrialized nations agreed for the first time on specific goals for the future. Reflecting growing international concern about discrimination against women and girls, they agreed that by 2005 the gender discrimination that keeps girls from receiving even a basic education in many countries can and must be ended. The 21 nations also set goals for 2015: cut extreme poverty in half; reduce infant mortality rates by two-thirds; cut global malnutrition in half; reduce the number of mothers who die giving birth by 75 percent; and make family planning services available to all who want them.

The 1990s have been a time of particular challenge for USAID and the other developed nations, international relief agencies, and non-governmental organizations (NGOs) that address the challenge of international development. In addition to assisting the victims of natural disasters such as Hurricane Mitch, which devastated Central America in 1998, the donor nations have increasingly addressed such man-made tragedies as those in Bosnia, Rwanda and Kosovo. In addition to its traditional work in developing nations, USAID has helped nations in the former Soviet Union make the difficult transitions from communism to democracy and from planned economies to free markets.

To meet the new challenges of the post-Cold War era, USAID in 1994 launched two new programs, the Center for Democracy and Governance and the Office of Transition Initiatives (OTI). The Center for Democracy and Governance has helped dozens of countries that want to embrace democracy find the best way to do so, with programs



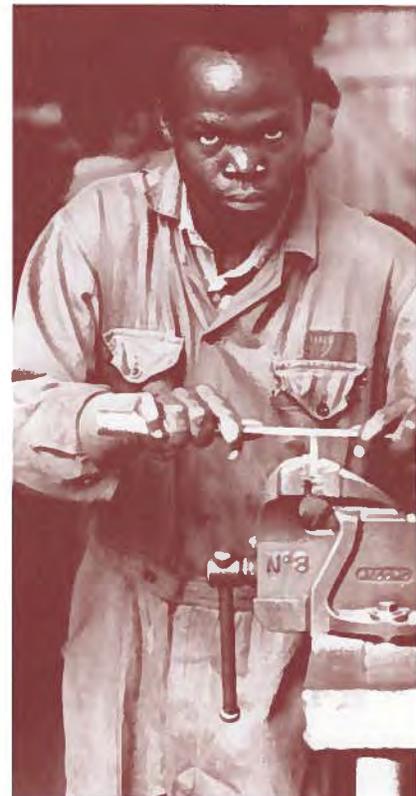
organized around four interrelated concepts: the rule of law; elections and the political process; civil society; and governance. The Office of Transition Initiatives has helped nations move from war to peace, from repression to democracy and from communism to market economies – sometimes all at the same time. In several countries, OTI's programs have helped with the difficult post-conflict problem of demobilization by providing the education and job training that can enable former combatants to enter civilian society.

In the decade following the breakup of the Soviet Union in 1989, there have been democratic openings on every continent, and, in almost every case, from Bolivia to Benin to Bulgaria, the reformers have sought assistance from the United States. With its pro-democracy programs, programs of transition assistance, and other forms of support, USAID has played a leading role in an extraordinary post-Cold War shift from the containment of communism to support for democratic expansion as a central goal of U.S. foreign policy.

Throughout the decade, even as USAID has continued its leadership in traditional forms of developmental assistance, it has put new emphasis on the role of agriculture, the education of girls, political rights for women, the war on HIV/AIDS, humanitarian assistance, and

such new initiatives as attacking the vitamin A deficiency that kills hundreds of thousands of children each year.

Americans have traditionally greeted foreign disasters with outpourings of sympathy and support, and it is often USAID's role to embody that support at the national level. After Hurricane Mitch struck Central America in October 1998, the United States launched the largest relief effort ever directed at a natural



disaster in our nation's history. At its peak, more than 5,000 U.S. civilian and military personnel were on the ground in Central America, providing relief, rehabilitation and medical services. Immediately after the hurricane struck, working through CARE/Honduras, USAID provided \$1.9 million worth of emergency food aid to feed the estimated 20 percent of the Honduran population that lacked food. This relief effort was carried out with bipartisan support in Congress, and Congress later approved President Clinton's plan for a massive program of reconstruction in Central America.

When the Kosovo refugee crisis began in March 1999, the U.S. government moved quickly to meet the urgent needs of hundreds of thousands of men, women and children who had been driven from their homes, often brutalized, and forced to seek refuge in Albania, Macedonia or Montenegro. USAID and the departments of State and Defense soon spent millions of dollars to build camps for hundreds of thousands of refugees and to support programs that provided them with food, clothing, counseling, cooking equipment and medical care. As the refugees returned to their homeland, USAID and others in the international community began programs in Kosovo to meet urgent needs for food and shelter as well

as plans for long-term reconstruction.

The agency continues to stress economic growth in the developing world and to believe that this growth is essential to the continued strength of the U.S. economy. If the U.S. economy is to continue to grow, it must have new markets, and these markets will largely be found in the developing world, where four out of five of the world's consumers now live. The bottom line is this: Poor countries make poor customers; countries moving up the development ladder are much better customers.

More than 50 nations have "graduated" from U.S. assistance programs, including such nations as France, Spain, Portugal, South Korea, Taiwan, Italy and Germany. More than 30 of these former aid recipients have gone on to become donor nations themselves. Over the years, foreign assistance programs have helped create some of our closest allies and best trading partners. For example, we now export more to South Korea in just one year than the total amount of all the foreign assistance we gave that country during the 1950s and 1960s.

The Business Alliance for International Economic Development stated the case bluntly in a 1999 report: "America's global competitors are positioning

themselves to invest in the human and economic resources of the developing world and, in effect, are securing global economic power. If the United States is serious about finding new markets and creating new business opportunities for American firms in this competitive environment, we must recognize that we have a vested interest in helping the developing world."

Foreign assistance programs are also critical in combating global problems that directly threaten the interests of American citizens, such as the spread of infectious diseases, air and water pollution, global climate change, failed states, the flight of refugees, terrorism and civil wars, and the population explosion.

To meet all these complex challenges, USAID organizes its activities around the following goal areas: broad-based economic growth and agricultural development; democracy and good governance; human capacity development; world population and health; environmental protection; and humanitarian assistance.

This report tells how USAID has met these goals in recent years. It is drawn from the agency's current, 275-page Performance Report to Congress, and it includes many case histories of specific programs that USAID supports all over the world. Most of the programs described here took place in fiscal 1997. Because of the time required to report on hundreds of complex, worldwide programs, these are the most recent evaluated results now available.

We believe these programs advance our national interests, and we want the American people to know more about them. USAID has many important allies – including other nations, international relief organizations, universities and NGOs – but none is more important than an informed public.



1

Promoting Economic Growth and Agricultural Development

In May 1996 the international development community, including USAID, adopted the formidable challenge of reducing by half the proportion of people living in extreme poverty by the year 2015. About 85 percent of the world's poor subsist in low-income developing countries and in regions where poverty is widespread.

Economic growth around the world not only helps give the poor opportunities to improve their lives, but directly benefits the U.S. economy as well. U.S. exports to developing countries in 1997 alone totaled \$275 billion, up from \$239 billion in 1996, for an annual growth rate of 13 percent. Just 10 years earlier there were only \$78 billion in exports to developing countries, and a growth rate of 9 percent. Clearly, economic performance in developing countries has a large and growing impact on the U.S. economy.

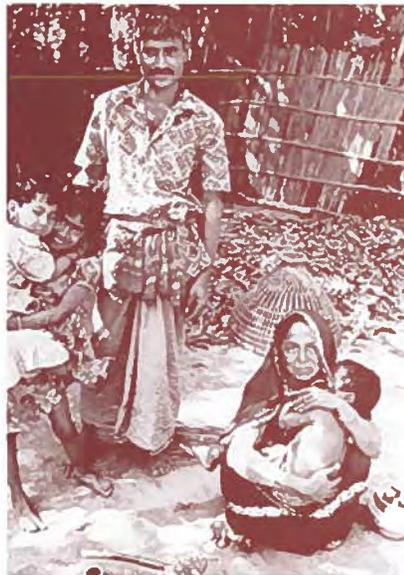
In 1997, 145 agency programs supported broad-based economic growth and agricultural development in more than 70 countries. These programs represent 29 percent of all USAID programs. Of these programs, 67 were in developing countries, 68 were in countries making the transition from communism to market economies, and 10 were globally oriented.

Highlights of Economic Growth Program Results

Many of the agency's programs to expand and strengthen critical private

markets try to improve policies and regulations (including fiscal and monetary policies) and create an enabling environment for private sector activities. Some of USAID's approaches to strengthening markets are highlighted here.

In **Romania**, the agency tried to help create a more favorable environment for entrepreneurs. In 1997, laws were passed which USAID supported governing enterprise development. The agency also strengthened the capacity of business associations to serve as conduits for training small and medium-size enterprises in management and financial planning. In 1997, sales by small and medium-size enterprises grew 43 percent, compared with 30 percent growth in 1996.



In **Ghana**, USAID supported ongoing reform in trade and investment policy. The agency helped improve private exporters' capacity to compete in international markets, contributing to a boost in non-traditional exports from \$227 million in 1996 to \$300 million in 1997. Non-traditional exports, including Asian vegetables, furniture, handicrafts, medicinal plants, and textiles, now make up 20 percent of all Ghanaian export earnings.

In **Peru**, USAID improved small farmers' access to market opportunities by providing them with the training, technical assistance, and access to credit needed to make them more productive and competitive. The agency targeted the production and marketing of such non-traditional exports as coffee, garlic, dry beans, handicrafts, alpaca sweaters, and natural vegetable dye. The export value of these products grew from \$354 million in 1995 to more than \$472 million in 1997. These exports are produced mainly by women, who directly benefit from expanded markets. The poor saw their real per capita incomes (in 1994 dollars) reach about \$507 in 1997, up from \$447 in 1994. The share of the population classified as "extremely poor" declined from 18.9 percent in 1996 to 13 percent in 1997.

In **Egypt**, USAID's efforts to liberalize the agricultural sector through privatization, policy dialogue, and the promotion of agricultural exports helped increase the private sector's share in agricultural gross domestic product from 62 percent in 1996 to 74 percent in 1997. They also helped boost total growth in agricultural production to 3.4 percent in 1997.

In **Bolivia**, projects to promote food security were designed to improve rural infrastructure including farm-to-market roads and irrigation systems. As a result, incomes of assisted rural households rose more than 50 percent, from \$713 in 1996 to \$1,136 in 1997.

USAID programs promote expanded and more equitable access to economic opportunity for the rural and urban poor. They do this by stimulating microenterprise, improving the policy and enabling environment for small farmers and businesses, and increasing access to credit and technology.

In **Uganda**, where overall economic performance has been strong, nearly 14,000 small rural enterprises and microenterprises borrowed money under USAID's program in 1997. That represents a dramatic increase over the 1995 level of 3,800. The average loan size was under \$1,500, and an estimated 70 percent of borrowers were women. By contrast, program results in **Tanzania**—where economic performance was weak—fell short of expectations. The level of investment in urban small firms and microenterprises rose from \$200,000 in 1996 to \$1.7 million in 1997, but investment in rural enterprises fell short of the \$2.5 million target.

Results in USAID's microenterprise development program in **Bolivia** remained impressive in 1997. The number of active borrowers increased from about 130,000 in 1996 to 163,000 in 1997, exceeding the target of 150,000. Among the 1997 borrowers, 72 percent were women.

2

Advancing Democracy

USAID emphasizes the following four goals in its strategy for strengthening democracy and governance:

Rule of law and human rights. A predictable legal system with a fair, transparent, and effective judiciary protects citizens against the arbitrary use of state authority and lawless acts of individuals or organizations. Improving the administration of justice helps guarantee the fair application of existing laws. Together, improved administration of justice and a sound legal system ensure that all people, including women and minorities,

enjoy equal rights and protection under the law.

Credible and competitive political processes. Free and fair elections help consolidate democracy by providing a vehicle for the peaceful transfer of power in accordance with expressed public will. Citizens and opponents to ruling governments have a voice in the political process when they can vote and participate in campaigns and election monitoring. Moreover, by allowing voters to endorse or reject their political leaders, elections encourage governing institutions to be accountable and responsive.

A politically active civil society. One of the hallmarks of democracy is a vibrant civil society. It helps ensure good governance by facilitating citizen participation in, and oversight of, government actions. Civil society includes many kinds of organizations independent of the government, such as cooperatives, labor unions, business associations, religious groups, and women's organizations.

Transparent and accountable government institutions. Public accountability, responsiveness, and transparency play an essential role in consolidat-

ing democracy. Decentralization initiatives, for example, which promote democracy at the local level, encourage broader citizen participation and create mechanisms for addressing community concerns. Strengthening the legislative and executive branches, establishing civilian control over the military, and promoting transparency and ethical standards in government build public confidence in political processes and institutions.

In 1997, 85 percent of USAID's country and regional programs provided assistance to democracy and governance.

Highlights of Democracy Program Results

Rule of Law and Human Rights

USAID and its partners help countries formulate and implement legal reforms, improve the administration of justice, and increase citizens' access to justice. The agency also provides funding, training, and organizational support to civil society organizations that promote public awareness of citizens' rights and pressure governments to respect human rights.





Elements of judicial reform are featured in all democracy programs in Latin America and the Caribbean. In the **Dominican Republic**, for example, the agency funded and helped organize forums and events that highlighted the importance of the transparent, non-politicized selection of Supreme Court justices. Civil society organizations formed a coalition that worked with major newspapers and television stations to press the National Judicial Council to publicly solicit nominations for the new Supreme Court. In response, the Judicial Council held public hearings live on national television. This process culminated with live coverage of the council's vote on the 16 new justices. Twelve of the 16 selected had the support of civil society; five were women. This remarkably open and transparent process for selecting the Supreme Court was unprecedented in Dominican history.

Although judicial systems in the Europe and Eurasia region have made progress, many problems remain. Difficulties range from continued limits on judicial independence to inadequate financial support for essential judicial reform. In **Russia**, for example, USAID efforts

launched in 1993 to promote a jury trial initiative faltered when the Russian government failed to provide the funding needed. In 1997 the agency revised its strategy and shifted to one of training lawyers in commercial law, an activity that does not require government financial support.

In the Africa and Asia and the Near East regions, USAID provided only limited rule-of-law programming but achieved important results in 1997, especially in women's rights. With agency organizational and financial support, five women's legal rights

organizations in **Tanzania** conducted sensitization campaigns through workshops, seminars, and women-only focus groups. At the time, the Tanzanian Parliament planned to enact legislation that discriminated against women in land inheritance. After one of these workshops, as part of an effort funded by several donors, women's NGOs formed a coalition to draw public attention to the weaknesses of the proposed bill.

Acknowledging the coalition's concerns and lobbying efforts, Parliament delayed adoption of the bill—a remarkable achievement for the women's groups.

Free and Fair Elections

Successful elections require a certain institutional capacity and citizens who understand the electoral process. USAID and its partners offer advice on legislation for election reform and help build the capacity of the electoral administration and election monitors. We also provide training to strengthen the organization and professionalism of political parties and to promote civic education aimed at creating a better informed electorate.



In the Latin America and Caribbean region, the agency has considerable experience providing assistance to help ensure free and fair elections. In **Paraguay**, technical assistance to the Electoral Tribunal and to local NGOs contributed to the success of Paraguay's May 1998 elections. In 1997 the Electoral Tribunal met an ambitious target: to add 250,000 voters to the national voter list. To achieve this objective, NGOs for the first time used data collected to target for registration the most disenfranchised segments of the population. As a result, about 80 percent of the eligible electorate, 45 percent of them women, registered to vote. The Organization of American States and other experts in international elections described this process as among the "cleanest" in Latin America.

While free and fair elections have become routine in many countries in Latin America, in other parts of the world citizens continue to struggle for this basic democratic right. In 1997 a wide array of politically active **Kenyan** NGOs (many of them USAID-funded) formed a coalition with religious groups and opposition parties to demand electoral and constitutional reform. In response to this pressure, the incumbent government implemented electoral reforms and agreed to discuss changes to the constitution. After four and a half years of delays, this concession was a formidable achievement for the coalition. Although the December 1997 election was still flawed, the campaign-monitoring group reported less intimidation and more freedom for people to express their views than during the 1992 campaign.

In Asia and the Near East, USAID works to increase the participation of women and the disadvantaged in elections. In **Bangladesh**, USAID provided assistance and funding to NGOs working to increase voter awareness in target communities through group meet-



ings, mass rallies, radio, television, and village theater productions. As a result of these efforts, 306 members of village-based associations of the poor won seats on local elected bodies in the December 1997 elections. This was well above the 1996 baseline of five members. The election of these villagers will help ensure that the needs of the poor and disadvantaged are addressed by local government.

In Europe and Eurasia, USAID assistance for election reform combines support for the electoral commission with public education and the promotion of domestic monitors and independent media. In **Kyrgyzstan**, during 1997 the agency worked closely with the electoral commission, encouraging it to sponsor the first-ever televised debate between candidates competing in an election. Six candidates vying for one seat participated in a 90-minute debate broadcast on television and radio throughout the country. Televising the debate raised citizens' awareness of the issues and the electoral process. The candidates described the event as an example of democracy in action and called for similar debates in future elections.

Politically Active Civil Society

Civil society organizations play an essential role in democratic political systems. Worldwide, they serve as public advocates, participate in policy debates, and provide services. Many of them tackle such difficult issues as corruption in government, exploitative labor practices, destruction of the environment, and equality for women and the disadvantaged. Others help citizens find their own solutions to problems, rather than rely on government action. Forming associations and coalitions allows members of civil society to share their experiences and have more impact on national policy.

Nigeria provides a good example of how the agency promotes coalitions, networks, and partnerships among NGOs. In 1997, local citizens' organizations formed a coalition to oppose traditional practices degrading to women. As a result of coalition efforts, the compulsory mourning period for widows was reduced from one year to six months in one state, and another state ruled that widows could inherit their late husband's estate. Massive public awareness campaigns and the activities of legal clinics established

under USAID's democracy and governance program led to a landmark judgment in favor of women's inheritance rights. In Nigeria's heavily patriarchal eastern region, this development was revolutionary.

In 1997, civil society organizations achieved notable success in **Romania**. USAID helped more than 425 NGOs in that country form a national coalition that successfully advocated enactment of a new sponsorship law. This law provides tax deductions for individual contributions to NGOs, increases the tax deduction for corporate contributions, and provides tax concessions for radio and television stations that air public service announcements for NGOs. Encouraged by this success, these NGOs have developed another coalition to advocate passage of more comprehensive NGO reform legislation.

In the **Philippines**, USAID helped bring together coalitions of the disadvantaged to heighten the impact of their participation in the public policy arena. In 1997, agency-supported indigenous ethnic groups for the first time came together to comment on the proposed Indigenous Peoples' Rights Act. Before the bill was signed in October 1997, both the Senate and House addressed the issues raised by the ethnic groups. Passage of the act fulfilled a longstanding constitutional mandate to recognize indigenous peoples' cultural, political, and economic rights.

In **Peru** the agency funded a civic awareness activity in which an NGO provided survey data and other information to the Women's Commission in Congress and the Ombudsman's Office of Women's Rights. This contributed to passage of legislation mandating that women make up at least 25 percent of the party lists of candidates for town council and the Congress.

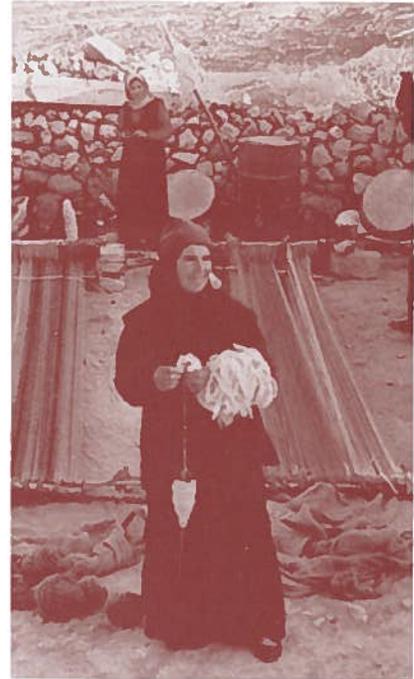
Transparent, Accountable Government Institutions

To help strengthen government institutions, USAID provides training to members of the executive and legislative branches, both nationally and locally. It also promotes greater understanding between institutions in government and civil society through training sessions and organized exchanges that bring groups from civil society and decision-makers together.

After receiving training from USAID, parliamentary committees in **Namibia** have increased the number of public hearings held. In 1997, 42 percent of the bills considered received public comment, well above the target of 25 percent. The National Assembly used public comment to shape amendments to eight of nine bills it reviewed in 1997. In addition to promoting citizen participation, the National Assembly asserted its oversight role by amending the national budget for the first time.

Agency efforts to strengthen government institutions also try to improve transparency and accountability. USAID helped the independent audit agency in **El Salvador** improve its ability to conduct and enforce audits. As a result, the agency adopted a more aggressive auditing program to tackle government corruption. In 1997, it completed 286 audits, a significant increase over the 75 conducted since the program began in 1995. The number of audits performed and wider dissemination of audit findings demonstrated the agency's commitment to greater transparency in public finance.

Decentralization depends on local governments having enough funds to carry out their mandates. In **South Africa** the agency helped the government of the Northwest Province implement a revenue collection program that increased



local income by millions of rands. The program decreased the province's dependence on revenue sharing with the central government. Three other provinces have now expressed interest in replicating the system.

In 1997 the National Association of Mayors in **El Salvador** achieved its first major policy success. A broad-based coalition of mayors lobbied to secure passage of a law granting a fixed 6 percent budget transfer from the central government to municipalities. Encouraged by this achievement, the association is pressing for other items on its policy reform agenda, such as broadening local taxing authority, strengthening citizen participation, and improving relations with the private sector.

3

Building Human Capacity

A decent education is crucial in the modern world; without it, children become adults with limited opportunities. In poor countries, improving education leads to faster, more sustainable economic and social development and helps strong democratic institutions emerge.

To strengthen basic education, USAID works to expand access to quality basic education for underserved populations, especially girls and women. The agency places special emphasis on expanding and improving primary education.

In 1997, USAID allocated most of its funding for human capacity development to basic education. The agency provided about \$128 million for basic education in three regions—Africa, Latin America and the Caribbean, and Asia and the Near East. Of that, \$123 million went to basic education for

children. The remaining \$5 million supported adult literacy programs.

To strengthen higher education, the agency tries especially to help host-country institutions of higher education contribute more to sustainable development. Colleges and universities in many developing and transitional countries could support development more by training the next generation of political and professional leaders, conducting research on scientific and social problems, and providing fuller access to the world's rapidly expanding store of scientific and technological knowledge. USAID creates partnerships between host-country colleges and universities and their local business and government counterparts, as well as the U.S. higher education community.

Full Primary Enrollment

The United States is committed to the target of full primary enrollment by 2015. A country is considered on track if its net primary school enrollment ratio is increasing at a rate fast enough to reach full enrollment by 2015 *if that rate is sustained*.

Reduced Gender Gap in Primary Enrollment

USAID supports eliminating the difference between boys' and girls' enrollment rates in primary school. To track progress toward this goal, USAID calculates a gender gap measure for each USAID-assisted country. Regional averages show a gradual narrowing of the gender gap in Africa, Latin America and the Caribbean, and Asia and the Near East. Despite progress, however, the gender gap remains large in much of Africa and in many countries in Asia and the Near East.

Highlights of Education Program Results

Throughout Africa, communities are increasingly involved in educational reform, particularly in school management. With USAID assistance, communities in **Ethiopia, Ghana, Guinea, Mali, and Malawi** have formed committees of parents, teachers, and community leaders to evaluate and address the development and maintenance needs of local schools.

With USAID sponsorship, a U.S. private voluntary organization (PVO) actively promoted community-school partnerships in **Mali** and **Malawi**. The goal was to establish primary schools in remote areas where none had existed. Teachers for these schools, unlike teachers for traditional government schools, are selected by the community from among its own members and typically have no more than a primary school certificate. Teachers often give instruction in the local language and scale down and adapt the curriculum to local needs. Classes are restricted to 30 in Mali and 50 in Malawi. Teachers receive substantial supervision and in-service training. Schools are provided with supplies and teaching and learn-



ing materials. The school calendar is adapted to local needs, and more effort is made to promote community participation than is typical in government schools. In both countries, villagers have become responsible for school construction; in Mali, villagers must pay teachers' salaries, too. In all subjects, children in the targeted schools performed as well as, or better than, children in government schools. Repetition and dropout rates in targeted schools were lower than in government schools, and promotion rates were higher.

Food Aid Used to Boost School Completion

In **Bolivia**, USAID's Food for Education program supported a school feeding program designed to encourage poor rural families to keep their children in school rather than allow them to drop out before graduation. Grade completion rates for boys and girls rose from 84 percent in 1996 to 89 percent in 1997 in agency-targeted schools. For girls alone, the completion rate rose from 86 percent to 90 percent, while

the dropout rate for both genders fell from 11 percent to 7 percent.

Higher Literacy Rates for Women

Basic education programs supported by the Bureau for Asia and the Near East concentrate on educating girls and illiterate women. In **Nepal** the agency supported literacy programs for adult women and out-of-school adolescent girls. These programs, implemented by local and international NGOs, helped raise the literacy rate among adult women in the targeted districts from less than 22 percent in 1991 to 28 percent in 1996. In 1997, more than 100,000 women learned to read, write, and count in USAID-sponsored literacy classes.

Sustained Quality of Education

For many years, USAID has supported efforts by the Ministry of Education in **Honduras** to improve the quality of education. Among other things it has funded training in improved teaching methods and the development and

adoption of improved textbooks. These efforts contributed to a 280 percent improvement in standardized test scores from 1990 through 1997. The improved quality of schooling helped boost sixth-grade completion rates from 55 percent in 1986 to 73 percent in 1997.

4 Stabilizing Population Growth and Protecting Human Health

Population, health, and nutrition have been major USAID concerns since the agency was established. USAID has also taken on the challenges of reducing maternal mortality, reducing the impact of the HIV/AIDS pandemic, and reducing the threat of infectious diseases that pose serious public health risks.

Family planning remains a major part of the agency's population-health portfolio. USAID-supported country programs benefit from the agency's global experience in increasing awareness, acceptability, and use of family-planning methods. USAID concentrates on improving the quality and availability of services by strengthening programs run by government or local voluntary and for-profit organizations, or offered through commercial distribution channels. It conducts interpersonal and mass-communication programs to inform and motivate behavior change. To widen access to family-planning services, the agency supports commercial marketing and community distribution of contraceptives. Finally,





it develops innovative training methodologies to strengthen the managerial and technical skills of family-planning and health personnel.

In child health, the agency supports cost-effective programs that promote breast-feeding, the control and treatment of diarrheal diseases, the control of pneumonia and meningitis, food supplementation, immunization against childhood diseases, and provision of potable water and sanitation.

Some 600,000 women die each year from complications of pregnancy and childbirth. When a mother dies, the risk of death for her children under age 5 increases markedly. Agency programs in maternal health, therefore, serve a dual purpose, promoting the health of both women and children. Programs

that concentrate on family planning and reproductive health, maternal nutrition, sexually transmitted infections, prenatal care, and the accessibility and quality of maternal health services reduce the morbidity and mortality associated with pregnancy.

The HIV/AIDS pandemic is an increasingly serious threat to health, as well as economic and social development. In 1997 the worldwide incidence of new HIV infections was estimated at 5.8 million among adults and children. USAID is the largest single donor in HIV/AIDS prevention. The agency has communications programs to encourage behavior change, social marketing programs to encourage the use of condoms, and programs to control sexually transmitted infections. It also supports behavioral research, the develop-

ment of epidemiological survey systems, monitoring and evaluation, and policy reform.

Other infectious diseases persist in the developing world, predominantly among infants and children. The agency reduces morbidity and mortality by promoting basic child health services, such as vaccination, treatment of acute respiratory infections, prevention and treatment of malaria, and control of diarrheal diseases with oral rehydration therapy. In recent years, adult health has been increasingly threatened by infectious diseases such as malaria and tuberculosis. Treatment is becoming more difficult because of antimicrobial resistance to drugs. In 1997, USAID, with other donors, began developing a global strategic plan to address four areas: malaria, tuberculosis, the containment of antimicrobial resistance, and the improvement of surveillance systems.

In its strategic plan, USAID established performance goals for each major area of population, health, and nutrition. By the year 2007, USAID, along with other partners, is expected to achieve the following:

- A 20 percent reduction in average fertility rates.
- A 25 percent reduction in average mortality rates for infants and children under 5.
- A reduction in the proportion of underweight children under 3.

Highlights of Population/Health Program Results

USAID-supported interventions achieved significant results in each of the five goal areas (family planning, child health, maternal health, control of HIV/AIDS, and control of other infectious diseases).



Fewer Unintended and Mistimed Pregnancies

Egypt's modern contraceptive prevalence rate rose from 45 percent in 1995 to 52 percent in 1997. More than 61 percent of **Indonesian** women now use modern family-planning methods. In **Peru**, local NGOs provide family-planning and reproductive health services to more than 200,000 users.

In **Bolivia** in 1997, 40,000 new users of reproductive health services were registered in non-governmental health network programs that receive funding and technical support from the agency. This was a 110 percent increase over 1996. The agency-funded social-marketing program doubled contraceptive sales over 1996 levels: Condom sales increased from 2.5 million to 5 million, and oral contraceptive sales increased from 350,000 to 600,000 cycles.

Reduced Mortality for Infants and Children

The proportion of children fully immunized by age 1 rose from 43 percent in 1996 to 49 percent in 1997 in

28 agency-assisted countries. In 1997, USAID launched a primary health care initiative, Integrated Management of Childhood Illness, in 41 countries. The agency supported research to develop more effective vaccines for polio, malaria, and acute respiratory illness.

Under a partnership between Providence Hospital in Rhode Island and the Kosice Teaching Hospital in **Slovakia**, USAID provided support for training and equipment for the Slovakia

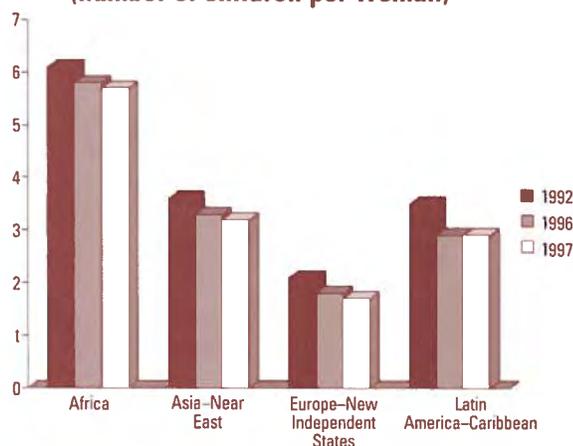
hospital's neonatal intensive care unit. Early identification of high-risk mothers and infants lowered neonatal mortality from 24.2 per 1,000 newborns in 1995 to 7.2 per 1,000 in 1997.

Honduras has had remarkable results improving child health. As of 1997 it had the best record in Central America for children vaccinated against diphtheria, polio, tuberculosis, and measles—at or above 95 percent since 1993. USAID completed its 17-year rural water and sanitation construction program. Under that program, the agency built more than 1,440 water and sanitation systems in rural areas, providing more than 858,600 people with safe drinking water. Health improvements were dramatic: Diarrheal diseases dropped from the leading to the third cause of death among infants. This suggests that agency successes in child survival are being sustained over the long term.

Reduced Maternal Mortality

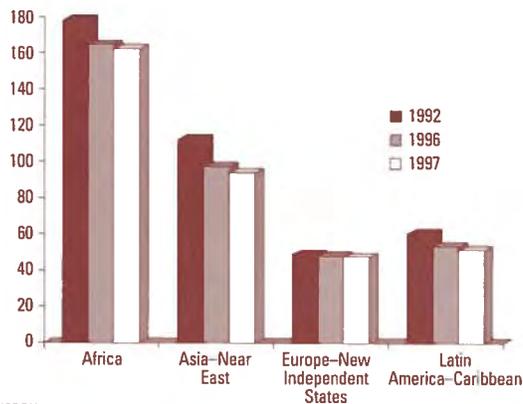
Morocco has achieved unprecedented advances in reducing maternal mortality. In three years maternal mortality fell

Figure 1. Regional Total Fertility Rates (number of children per woman)



Source: U.S. Census Bureau.
Weighted averages for USAID-assisted countries.

Figure 2. Regional Under-5 Mortality Rates (per 1,000 live births)



Source: U.S. Census Bureau.
Weighted averages for USAID-assisted countries.

from 332 to 228 per 100,000 births. Contributing to this success was a two-pronged government strategy: a sophisticated public education and advocacy campaign coupled with the introduction of improved essential obstetric care in hospitals in two regions.

In **Nepal**, a USAID-sponsored field study found that vitamin-A supplements to pregnant women reduced maternal mortality by nearly 40 percent. USAID committed itself to helping extend vitamin-A coverage to all districts of Nepal by the year 2001.

In **Russia**, USAID has sponsored model family-planning centers, which provide services to the community and serve as training sites. In six pilot sites, the number of abortions dropped significantly in the first three quarters of 1997 (compared with the same period in 1996). The drop was highest in Vladivostok (36 percent), followed by Inanovo City (22 percent) and Leningradski (14 percent).

Reduced Spread of HIV/AIDS

In July 1997 in **Zimbabwe**, USAID launched a female condom, under the brand name CARE. This was the culmination of an aggressive national cam-

paign waged by Zimbabwean women to pressure the government to approve the female condom. In the first four weeks, 46,000 female condoms were sold in three cities; within a year, 126,000 were sold.

In **India** two complementary programs, one in the public sector and one in the private, brought about significant behavioral changes. Two of the three male risk groups—truck drivers and their helpers and male factory workers—said they had had fewer non-regular sexual partnerships in the past year. The percentage of truck drivers and their helpers who reported visiting at least one sex worker during the past year dropped from 38 percent to 27 percent. Moreover, the proportion of men who used condoms with their non-regular sex partners increased from 37 percent to 47 percent in 1997.

5

Supporting Sound Environmental Management

Environmental changes often go unnoticed until a crisis erupts. Rapid population growth, industrialization, and urbanization all increase the demands made of the Earth. The effects are alarming. Productive croplands disappear, deserts enlarge, rich oceans are overfished, and large inland lakes are drained or polluted. Wetlands are lost to urban sprawl and agricultural expansion. Essential ecosystems such as tropical forests and coral reefs are often destroyed or severely damaged for short-term economic gain.

USAID works closely with its development partners worldwide to pursue five objectives: 1) reduce the threat of global climate change, 2) conserve biological diversity, 3) promote improved urbanization and better pol-

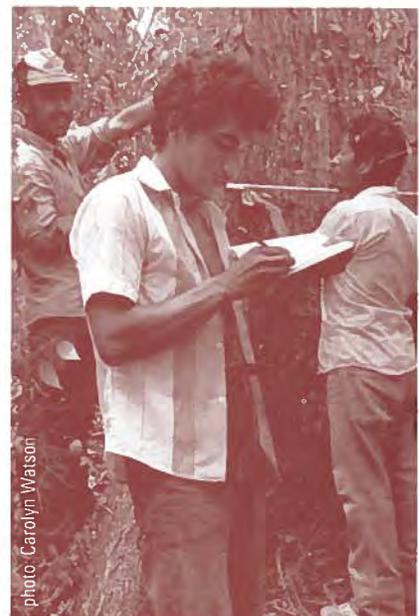


photo: Carolyn Watson



lution management, 4) expand the provision of environmentally sound energy services, and 5) promote sustainable natural resource management. In 1997 the agency helped prevent or lessen environmental damage in more than 60 countries worldwide. New environmental programs in Africa and Latin America and the Caribbean accounted for most of this progress. The agency increased efforts to slow global climate change, improve natural resource management, and improve energy services. These changes reflect, in part, the agency's increased attention to transborder issues, such as global climate change.

National Strategies

The strength of a country's environmental policies reflects the priority its government assigns to environmental degradation. Many countries have completed national environmental action plans or similar environmental strategies in the past decade. Of USAID-assisted countries, 83 percent have completed them in **sub-Saharan Africa**, 71 percent in the **Asia-Near East** region, 53 percent in **Latin America and the Caribbean**, and 48 percent in **Central and Eastern Europe and the new independent states of the former**

Soviet Union. Another 10 percent of USAID-assisted countries are preparing action plans. Still more are updating existing plans.

National Protected Areas

Biodiversity is essential to environmental and economic sustainability. The approach most countries have taken to conserving biodiversity is to establish systems of national parks, wildlife refuges, forest reserves, marine sanctuaries, and other formally protected areas. More than 900 million hectares (3.5 million square miles) of the Earth's

surface are officially designated as protected, an area nearly equal in size to the continental United States.

Some experts recommend setting aside 10 percent to 15 percent of lands as protected areas. As of 1994, the most recent data available, **sub-Saharan Africa** has 6.8 percent (78 million hectares, or 300,800 square miles) of its area protected, **Asia-Near East** and **North Africa** have 6 percent (46 million hectares, or 177,000 square miles), **Central and Eastern Europe and the states of the former Soviet Union** have 4 percent (83 million hectares, or 319,000 square miles), and **Latin America and the Caribbean** have 9 percent (74 million hectares, or 285,000 square miles). Each of these protected areas is at least 1,000 hectares (four square miles) and includes national parks, natural monuments, nature reserves or wildlife sanctuaries, protected landscapes and seascapes, and scientific reserves with limited public access.

Reduced Carbon Dioxide Emissions

Trends for carbon dioxide emissions, energy efficiency, renewable energy sources, and climate change are not



Photo: Eric Fajen

encouraging. Global energy use has risen nearly 70 percent since 1971 and is expected to continue rising over the next several decades. As energy use rises, so do greenhouse gas emissions. Fossil fuels supply roughly 90 percent of the world's commercial energy and account for more than 80 percent of carbon dioxide released into the atmosphere.

Commercial energy consumption in developing countries will contribute about 40 percent of the world's carbon dioxide output by 2010. Much of this will come from China and South Asia, which depend heavily on coal. Unfortunately, market conditions favor reliance on cheap fossil fuels. Actions needed to improve energy efficiency include replacing fossil fuels with cleaner fuels and developing and adopting renewable energy technologies.

Urban Access to Safe Water and Sanitation

With rapid migration to the cities, the world's urban population is growing at four times the rate of the rural population. More than half of the world's population lives in urban areas. Urban growth rates are exceptionally high in the Asian Pacific and Africa. Seventeen of the world's 21 "mega-cities" (more than 10 million people) are in developing countries.

Two of the main global indicators the agency uses to measure progress toward sustainable urbanization are access to safe drinking water and access to sanitation services. In USAID-assisted countries, 63 percent of the urban population has access to safe water in sub-Saharan Africa, 67 percent has access in Asia–Near East and North Africa, and 80 percent in Latin America and the Caribbean.



Of USAID-assisted countries, 60 percent of the urban population has access to sanitation services in sub-Saharan Africa, 60 percent in Asia–Near East and North Africa, and 71 percent in Latin America and the Caribbean.

Annual Change in Total Forest Area

This is just one indicator the agency considers in its approach to sustainable management of natural resources. From 1980 through 1995, the developing world lost nearly 200 million hectares (770,000 square miles) of forest. The greatest threats to forest areas come from roads, mining, accidental fires, unchecked logging, slash-and-burn agriculture, and the conversion of land to cattle ranching and cash crops.

Highlights of Environment Program Results

Reduced Threat of Global Climate Change

Forestry programs are being used to fight greenhouse gas emissions in **Russia**, which accounts for more than

22 percent of the world's forested areas and 21 percent of its estimated timber volume. Russia's forests, which provide the largest land-based carbon storage or "sink" in the world, are a critical resource for buffering the effects of global climate change. Because these forests are threatened by logging and massive forest fires, USAID in 1997 initiated a reforestation program that increased the production of seedlings from 6,500 to more than 1.2 million. These seedlings are badly needed to replenish vast areas suffering from deforestation.

Conservation of Biological Diversity

USAID supports one of the most comprehensive biodiversity conservation programs of any donor nation. The agency has helped safeguard biological diversity through its efforts to 1) improve the management of biologically significant areas, 2) promote the sustainable use of biological resources, and 3) support the conservation of genetic diversity.

In Africa, **Uganda's** diverse ecosystems make it an important country for the agency's biodiversity work. USAID, in partnership with the World



photo: Binnhagen

Bank–Global Environment Facility, developed and supported the Bwindi Trust. One important outcome of trust activities in 1997 was the much anticipated mountain gorilla census. Conducted in the Bwindi Impenetrable National Park in Uganda, the trust census found 292 gorillas living in the park, meeting the 1997 target of 282 to 300 animals. Compared with 1991 data, these figures suggest that the gorilla population is stable, an indication of stability in the ecosystem.

Urban Pollution Management

In 1997, USAID worked in 40 countries in Asia and the Near East, Africa, Europe, and Latin America to promote urbanization and improve urban pollution management. Under the Urban and Environmental Credit Program, more than 528,000 poor urban families received financing for mortgages, home improvement loans, potable water hookups, or sanitary sewer connections. To improve urban management, USAID worked with more than 40 city governments on raising revenues, implementing new financial accounting procedures, and applying tariff and fee reforms with the aim of recovering the

costs of environmental improvements. To reduce urban pollution in 1997, the agency promoted the adoption of 270 cleaner production policies and manufacturing processes in **Bolivia, Ecuador, Egypt, Indonesia, and Paraguay.**

Another way USAID has addressed environmental issues in Asia is through an interagency program, the United States–Asia Environmental Partnership (US-AEP). In **India**, for example, an NGO–business partnership supported by US–AEP reduced solid waste from mango-processing plants by 90 percent. Each of 27 food-processing factories was dumping more than 2,000 tons of waste every harvest season. After training and consultation on clean production, the plants generated almost no solid waste and converted the small amount remaining into other products.

More Environmentally Sound Services

Most developing countries must expand their energy supplies to support sustainable development. USAID economic assistance programs are designed to foster private investment

in clean energy, energy efficiency, and renewable energy in developing countries and economies in transition. These programs also foster a favorable environment for select U.S. exports and investment.

In 1997, for example, USAID helped form a partnership between Columbia Gas and the **Russian** utility Penzagaz to develop an automated customer information and payment system. Columbia helped Penzagaz establish a direct payment center to avoid costly bank transaction fees. This resulted in savings of more than \$61 million for Penzagaz.

In **Indonesia**, USAID worked with the government to establish policies and practices for a cleaner, more efficient power supply by tracking installed generation capacity from all renewable sources, including biomass, geothermal, solar, water, and wind. These new policies helped three geothermal plants generate more than 3,700 megawatts of new renewable energy in 1997.

Management of Natural Resources

Natural resources are degraded, depleted, and used inefficiently in many parts of the developing world. Sustainable management depends on striking a workable balance between the preservation and renewal of resources and their use for economic well-being. Agency natural resource programs include 1) improved management of coastal zones, forests, and water resources; 2) increased use of sustainable agricultural practices; and 3) enhanced public and community awareness of issues affecting the sustainability of natural resources—and how to address them.



6

Providing Humanitarian Assistance

Humanitarian assistance is an act of national conscience and an investment in the future. It is a response to U.S. values and ideals as it saves lives, reduces suffering, and protects health. USAID's humanitarian assistance goal is to save lives, reduce suffering associated with natural or man-made disasters, and re-establish the conditions necessary for political or economic development. Three principles guide agency programs in humanitarian assistance:

- Emergency response, centered on saving lives and reducing suffering, should simultaneously lay a founda-

tion for returning to sustainable development.

- Prevention and mitigation of the effects of future disasters should be built into response programs.
- Timely, effective assistance to countries emerging from crisis may make the difference between a successful or failed transition.

USAID provides humanitarian assistance in three broad categories: natural disasters, man-made disasters, and complex emergencies. Natural disasters are caused by physical hazards such as drought, earthquake, fire, flood, and the outbreak of pests or disease. Man-made disasters are caused by human error in design, implementation, operation, or management, as when a building collapses or an industrial accident occurs. Complex emergencies are often caused or com-

plicated by civil strife. They are manifested in hunger, injury, death, armed conflict, and displaced populations.

Traditionally, humanitarian assistance programs have stopped when basic needs of the people affected have been met. With the rise in importance of complex emergencies, the agency has learned that a different kind of "humanitarian assistance" is needed if people are to make the transition from prolonged crisis and conflict to resuming progress toward development. This transition assistance can include demobilization of combatants, removal of landmines, or beginning to restore functioning governments and economic infrastructure.

In all its humanitarian assistance efforts, the agency works closely with other donors, international organizations, private voluntary organizations, and other U.S. agencies. Its partnerships with other groups enable USAID to leverage and share resources. All results described below represent the combined effects of agency and other donor resources and activities.

Highlights of Program Results

In 1997, USAID reached more than 11.5 million people with emergency food aid, implemented primarily by private



photo: CIHL

Number of People Assisted by Bureau for Humanitarian Response

Region	OFDA (percent reached, of those affected)	FFP (percent reached, of those targeted)
Africa	15,606,000/4,890,000 (59)	(61)
Asia and Near East	1,470,000/3,718,000 (13)	(83)
Europe and Eurasia	1,539,000/2,982,000 (68)	(95)
Latin America and the Caribbean	143,000 ^a (61)	
Total	18,758,000/11,590,000	

Note: OFDA is the Office of Foreign Disaster Assistance; FFP is Food for Peace. In some emergencies, different USAID programs may reach the same beneficiaries.

^aNo emergencies in this region required emergency food aid in 1997.

U.S. voluntary organizations and the World Food Program in 28 countries in Africa, Asia, and Europe (see table, next page). The program provided 781,360 metric tons of emergency food aid, valued at \$404 million.

The agency's Office of U.S. Foreign Disaster Assistance provides emergency assistance primarily as health, sanitation, shelter, and water services. In 1997 the office spent \$140 million to help more than 18 million victims of 48 officially declared disasters in 46 countries. Of these, 13 were complex emergencies, 27 were natural disasters, and eight were man-made emergencies.

USAID's Office of Transition Initiatives tries to strengthen democratic processes by rapidly implementing interventions designed to meet specific needs. In 1997 the office promoted political transitions in **Angola, Bosnia, Guatemala, Liberia, and Rwanda.**

In 1997 the Bureau for Europe and Eurasia supported more than 8.4 million of the most vulnerable populations in that region, at a cost of more

than \$79 million. All the countries in this region were undergoing economic, political, and social transitions. Several—**Armenia, Azerbaijan, Bosnia–Herzegovina, Georgia, and Tajikistan**—were also in conflict.

Natural Disasters

On Nov. 12, 1996, an earthquake struck the Pacific Ocean close to Lima, **Peru**, the worst to strike the region since 1940. It killed and injured people in several cities, affecting more than

81,000. USAID provided emergency relief supplies, such as tents and blankets, for 56,000 displaced persons.

In early January 1997, drought in **Kenya** caused widespread crop failure, water scarcity, and deteriorating pasture, affecting 1.6 million people. USAID provided \$1.8 million to support drought relief and promote recovery. Through the World Food Program, the agency provided 5,800 metric tons of emergency food aid, valued at more than \$2.5 million.

Man-Made Disasters

Although man-made disasters do not generally cause significant physical damage, they do affect people's lives. Often countries and communities do not have the capacity to respond to them. A fire in **Guinea–Bissau**, for example, left an entire community homeless, killed domestic animals, and destroyed grain stores. USAID restored people's homes and livelihoods by providing repair materials and replacing livestock.

After the collapse of high-risk investment schemes, **Albania** was plunged into armed chaos in March 1997. Individuals and families suffered significant financial losses, and demonstrations escalated into violence. More





USAID activities in southern **Sudan** illustrate how the agency links relief assistance to longer-term objectives.

USAID programs facilitated the resettlement of 80,000 internally displaced persons in their original areas and the gradual repatriation of 90,000 Sudanese refugees from northern Uganda. The agency provided food and agricultural assistance to 25,000 former refugees and internally displaced persons. These programs aimed to increase local capacity for food self-reliance and to facilitate viable resettlement options. By reducing ration sizes and distributing seeds and tools, the programs encouraged local production, even among internally displaced people who did not know where they would resettle.

In southern Sudan, agency resettlement activities coincided with the provision of agricultural tools, seeds, and medical services. In 1997, USAID programs provided primary and secondary health care to 1.8 million war-affected victims in government-held areas and to 2.6 million victims in rebel-held areas in the south. A locally trained

than 2,000 people were seriously wounded and 180 killed. Thousands fled by boat across the Adriatic Sea to Italy. USAID provided supplies to hospitals that had an influx of victims of the armed violence.

Complex Emergencies

Complex emergencies involve a combination of factors, including political and ethnic violence and a breakdown of governance and social infrastructure. Affected populations need relief assistance while economic, political, or social

issues are being resolved. In **Azerbaijan**, for example, there were more than 700,000 refugees and internally displaced persons as a result of the continued dispute between Azerbaijan and Armenia over the Nagorno Karabakh region. USAID implemented new programs during 1997 to handle emergency repairs (for health, safety, and sanitation) to public buildings used to house refugees and internally displaced persons. More than 21,000 families benefited from rehabilitated and winterized housing with safe electrical systems and working plumbing.





mobile medical team provided public health care for an additional 144,080 war-affected people in areas where security was threatened.

Liberia illustrates both the challenges of a complex emergency and the potential for progress. Throughout 1995 and 1996, because of a civil war, close to 2 million people required emergency assistance. That number began to drop in 1997 as the disarmament process took hold and a new president was elected. USAID then shifted its emphasis from emergency assistance to the post-war transition and the rehabilitation of institutions and infrastructure. For example, in partnership with other donors, such as the European Union and the U.N.

Food and Agriculture Organization, USAID had permanently resettled 150,000 internally displaced persons in rural areas by the end of the year.

7 [REDACTED] New Directions

In recent years, USAID has begun two new programs, Operation Day's Work and Lessons Without Borders, that work to involve Americans more in foreign assistance and to bring home the lessons and benefits that foreign assistance has provided to other countries.

Operation Day's Work, which began operations in the 1998-99 school year, is based on successful volunteer programs that originated in Norway and Sweden in the 1960s. The idea of the program is simple. Students study a country in the developing world, and devote a day of work to raise money to help people in that country. In the short term, the program helps people in need. In the longer run, it also teaches young people about world problems and involves them in solving those problems.

Early in 1998, when Brian Atwood, then USAID's administrator, learned of the programs in Scandinavia, he approved a similar USAID initiative in this country. Eight schools were chosen for a pilot project during the 1998-99 school year: Macfarland Middle School, Washington, D.C.; Thetford Academy, Thetford, Vermont; Broad Meadows Middle School, Quincy, Massachusetts; Shorewood Intermediate School and Pius XI High School, Milwaukee, Wisconsin; Olson Middle School and St. Louis Park High School, Minneapolis, Minnesota; and Schroeder Middle School, Grand Forks, North Dakota.

Representatives from these schools met in Washington in April 1998 and chose Haiti as the country they would study and help. Later, some of them visited Norway to observe Operasjon Dagsverk and find ideas to adapt in the United States. In April and May 1999, the eight schools had their initial "Day's Work." By such jobs as washing cars, mowing lawns and working in offices, they earned more than \$30,000 for a program of livestock training for young people in Haiti that was developed by CARE and the World Concern Development Organization.

In Minneapolis, the Star-Tribune reported:

"The dozens of 14-year-olds selling cosmetics, cleaning espresso machines and guarding buildings around

Minneapolis on Wednesday were not a sign that workers are getting even younger. None of the teens was toiling for another Abercrombie & Fitch T-shirt; they won't even keep the salaries earned in the three-hour shifts.

"Instead, the combined \$3,000 from the work done by more than 100 students from Minneapolis' Olson Middle School will be sent to a Haitian relief project. "It's part of a new foreign aid initiative called Operation Day's Work. The Olson eighth-graders ran the entire project, which is what helps make this project rare. It's not only for young people; it's run by young people."

Even as the eight pilot projects were unfolding, more than a hundred other schools were making plans to take part in Operation Day's Work in the 1999-2000 school year. In July 1999, about 150 students met near Philadelphia for a Constitutional Convention that would define the new program and map its plans for the future. Their goal is an annual national event, designed and implemented by students in hundreds of communities. Operation Day's Work was also chosen as one of the White

House Millennium Projects that dramatize leadership for the new century.

USAID's other new program, Lessons Without Borders, had its origins in a talk that Brian Atwood had with Marian Wright Edelman, the founder of the Children's Defense Fund, in the spring of 1994. Atwood was struck by how similar the health problems facing poor American children were to those in developing nations. In fact, in some cases the problems in America were worse than those abroad. For example, measles vaccination rates among American inner-city children under age 2 were about 40 percent, less than those in such countries as India, Sri Lanka and Indonesia, where USAID programs had helped push childhood immunization rates to 70 percent or 80 percent.

During a C-SPAN interview a few days later, Atwood mentioned that although USAID was prohibited by law from financing programs in the United States, he wanted the agency to take lessons and techniques it has developed overseas and bring them home to help Americans. By chance, an aide to

Baltimore Mayor Kurt Schmoke saw the interview, and the mayor quickly called Atwood and said his city would welcome USAID's help.

In June, USAID kicked off its new Lessons Without Borders program with a daylong meeting of its health and development experts and their counterparts in the Baltimore city government. Mayor Schmoke made it clear that, despite his city's well-known "urban renaissance" in the Inner Harbor area, thousands of citizens not far away suffered from high rates of AIDS, illiteracy, unemployment, family breakdown and drug addiction. At the conference, and in the weeks ahead, the federal and local officials focused on two areas of concern: immunization and unemployment.

It became clear that Baltimore had social-service programs that its citizens were not using. One problem was that written materials were being used to advertise the programs, but more than 20 percent of the city's population was functionally illiterate. USAID operates in many countries where illiteracy is a given, and its experts urged the Baltimore officials to try other means of reaching people, such as televised cartoon characters, radio jingles, and going door to door. This strategy paid off, as Baltimore launched a massive outreach campaign that raised the city's immunization rate for school-age children from 62 percent to 96 percent.

To challenge inner-city unemployment, Baltimore began a small-loan program modeled on USAID's microenterprise programs. After a fact-finding trip to Kenya, a new group called Women Entrepreneurs of Baltimore (WEB) began a peer-lending program to help low-income women finance businesses that range from catering to child-care. To date, more than 350 Baltimore women have successfully started their own small busi-



nesses with loans averaging about \$1,400.

Lessons Without Borders has worked with other cities as well. In Boston, a local group, patterning its effort on a USAID program in Bangladesh, has trained welfare recipients to serve as volunteer health workers in their inner-city communities. In addition to the benefits to their communities, the program has helped many women move from welfare to work. A 1999 Lessons Without Borders conference in Ames, Iowa, stressed ways that U.S. farmers can benefit from agricultural research first used to help developing nations. Another 1999 conference in Chicago brought together women small-business entrepreneurs from around the world to share experiences and ideas. Other programs in Seattle, Knoxville and Augusta, Maine, have led to exchanges between local officials and international development experts. These programs moved the Washington Post to write: *"After decades of work abroad, AID has learned many lessons. This experiment can usefully teach Americans another lesson: Images of Third World deprivation are universal; they can be even found on U.S. soil."*

8

Looking Ahead

USAID strives to remain a premier bilateral development agency—indeed to be the best development agency in the world. Being best doesn't mean being the biggest or most assertive, but rather being the most dynamic and productive. It means helping lead the development community in responding to the most significant challenges, identifying the most worthwhile objectives, operating the most efficiently and effectively, being recognized as a valued partner,

achieving consistent successes, and having the greatest possible impact.

Since the earliest days of the agency, USAID has provided leadership in development. There has been a constant stream of research that, when applied, has changed the face of the globe: the eradication of smallpox and the "Green Revolution" are two examples of this. Currently, USAID is the leader in family planning, girls' education, and the environment, among many other goal areas.

USAID's ability to achieve results depends largely on the quality of the partnerships it forges. From day-to-day delivery of grass-roots services to collaboration among governments on international mandates, the agency works closely with many kinds of institutions. It forms alliances with other donors to ensure that policies are harmonious, goals consistent, and programs complementary. It forms partnerships with host country governments to make sure agency objectives are fully understood and supported and that its programs contribute as much as possible to host country goals. It forges partnerships with businesses, private voluntary organizations, non-governmental organizations, and educational institutions to ensure a commitment to common strategies and tactics.

The most effective way to implement development assistance is often through private voluntary organizations and non-governmental organizations, especially at the grass-roots level. In 1997, the agency obligated 34 percent of its development assistance through PVOs and NGOs, up from 31 percent in 1995.

Polls show that when Americans object to foreign assistance, it is usually because they think the government spends too much money on it. However, the same polls reveal that most people are seriously misinformed

about how much is being spent. The polls show that most people think the federal government spends from 15 percent to 20 percent of its budget on foreign aid. Asked how much we should spend on foreign aid, people say between 5 percent and 10 percent of the federal budget. In fact, less than one-half of 1 percent of the budget is now spent on foreign assistance. Poll after poll has shown that the American people support substantially higher levels of U.S. foreign assistance than now exist, and that their support is primarily based on humanitarian concerns. In one poll, 80 percent of those questioned agreed with the statement "The U.S. should be willing to share at least a small portion of its wealth with those in the world who are in great need."

Throughout its existence, the agency has been a leader in the development community. More than 50 years ago, with the Marshall Plan, the United States began a new era of international development. For years, the United States was the undisputed leader of the development community. Today, we still provide strategic and intellectual leadership, but other countries are investing more money and a higher percentage of their national wealth in development. We believe it is clear that development pays off in tangible ways, in markets opened and jobs created, and in a reduction of such global dangers as infectious diseases, global climate change, failed nations, and civil wars. But we as a nation must decide if we want to maintain our leadership in international development and seize the opportunities presented by the post-Cold War world. Our decision will do much to shape the world that our children and grandchildren will inhabit during the 21st century.

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1300 Pennsylvania Avenue, N.W.
Washington, D.C. 20523

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Internet E-Mail: pinquiries@usaid.gov