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U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

AFRICA BUREAU

COMPENDIUM

ASSESSMENTS OF PROGRAM IMPACT (API)

FY 1993

VOLUME I

ASSESSMENT OF PROGRAM IMPACT (API)

FY 1993

FY 1993 API GUIDANCE 1

AFRICA-WIDE RESULTS OF FY 1993 APIS 4

COASTAL AND CENTRAL WEST AFRICA 10

- CAMEROON 11
- COTE D'IVOIRE 49
- GHANA 71
- GUINEA 95
- NIGERIA 128

SAHEL WEST AFRICA 156

- CHAD 157
- THE GAMBIA 191
- GUINEA-BISSAU 219
- MALI 266
- NIGER 320
- SENEGAL 360

PAGE 01 OF 03 STATE 353709 2305432 9021 031964 AID3079
ORIGIN AID-00

ORIGIN OFFICE AFDP-06
INFO AFEA-04 AFSA-03 AFSW-06 AFCW-04 RDPD-01 AFFE-02 AFMS-03
PPSP-01 PPAF-01 GC-01 GCAF-01 AAG-01 ES-01 AAID-01
HEAL-04 POP-06 STFN-02 AAAA-01 AFON-06 PPDC-01
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AMEMBASSY NAIROBI PRIORITY
AMEMBASSY ANTANARIVO PRIORITY
AMEMBASSY KIGALI PRIORITY
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AMEMBASSY GABORONE PRIORITY
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AMEMBASSY BANJUL PRIORITY
AMEMBASSY BISSAU PRIORITY
AMEMBASSY BAMAKO PRIORITY
AMEMBASSY NIAMEY PRIORITY
AMEMBASSY DAKAR PRIORITY

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SUBJECT: FY 93 ASSESSMENT OF PROGRAM IMPACT (API)

REFS: (A) STATE 356775
(B) FY 93 GUIDANCE ON THE API

MURPHY'S LAW STRIKES THE API. THIS IS A RETRANSMISSION OF A CABLE THAT SHOULD HAVE GONE OUT OCTOBER 26. IT HAD BEEN SENT AT THE SAME TIME BY E-MAIL TO THOSE POSTS WITH E-MAIL CONNECTIVITY (YAOUNDE, ACCRA, ADDIS, NAIROBI, ANTANANARIVO, KIGALI, KAMPALA, GABORONE, LILONGWE, PRETORIA, HARARE, BANJUL, BAMAKO, NIAMEY, DAKAR AND ABIDJAN) AND BY FAX SUBSEQUENTLY (REGRETTABLY, WITH SOME DELAY) TO THOSE NOT YET HOOKED UP BY E-MAIL (COTONOU, CONAKRY, LAGOS, BUJUMBURA, DAR, LUSAKA, NDJAMENA AND BISSAU). GIVEN THESE GLITCHES, PLEASE ADVISE YOU NOW EXPECT TO SUBMIT YOUR API SO THAT WE MAY SCHEDULE REVIEWS

SUMMARY: REFTEL A ADVISED MISSIONS THAT WERE EXPECTED TO

STATE 353709 2305432 9021 031964 AID3079

SUBMIT AN API THIS YEAR. SUBMISSION DATE HAS BEEN SLIPPED TO NOVEMBER 22. BASIC GUIDANCE (REF B) AND FORMAT USED THE PAST TWO YEARS REMAINS THE SAME. WE HAVE HIGHLIGHTED SOME LESSONS LEARNED FROM PAST SUBMISSIONS (REGARDING BASELINES, GENDER DISAGGREGATED DATA, REGIONAL VS

NATIONAL IMPACT REPORTING, AND UTILITY OF NARRATIVES) WHICH WE WOULD LIKE MISSIONS TO BE COGNIZANT OF IN FINALIZING YOUR SUBMISSION. THERE IS ONE NOTABLE CHANGE THIS YEAR, ALTHOUGH WE WOULD NOT EXPECT IT TO BE EXTENSIVE AND TIME CONSUMING: WE WOULD LIKE SOME ADDITIONAL REPORTING ON THE ADMINISTRATOR'S FOUR PRIORITY AREAS (ECONOMIC GROWTH, POPULATION AND HEALTH, ENVIRONMENT, AND DEMOCRACY AND GOVERNANCE), IF A MISSION HAS ACTIVITIES IN THESE AREAS WHICH ARE NOT CAPTURED IN YOUR BASIC REPORTING ON STRATEGIC OBJECTIVES. ABBREVIATED/MODIFIED APIS MAY BE SUBMITTED BY CERTAIN MISSIONS WHICH HAVE RECENTLY SUBMITTED STRATEGIES OR ARE UNDERGOING MAJOR CHANGES (SEE PARA 11 BELOW). THE AFRICA BUREAU'S GOAL REMAINS TO CAPTURE AS MUCH INFORMATION AS IS FEASIBLE ABOUT PROGRAM IMPACT IN A SINGLE REPORTING DOCUMENT. SUCH INFORMATION CAN BE PARTICULARLY VALUABLE DURING THIS TIME OF TRANSITION.

1. AS YOU ARE AWARE, A/AID J. BRIAN ATWOOD HAS IDENTIFIED FOUR AREAS WHICH THE AGENCY WILL EMPHASIZE IN PURSUING SUSTAINABLE DEVELOPMENT: ENCOURAGING BROAD-BASED ECONOMIC GROWTH; PROTECTING THE ENVIRONMENT; STABILIZING POPULATION GROWTH AND PROTECTING HUMAN HEALTH; AND BUILDING DEMOCRACY

(INCLUDING STRENGTHENING GOVERNANCE). IN THE PAST, A MISSION HAS ONLY BEEN REQUIRED TO REPORT IN ITS API ON PROGRESS AGAINST STRATEGIC OBJECTIVES. TARGETS OF OPPORTUNITY, WHICH ARE BY DEFINITION NOT IN THE MISSION'S MANAGEABLE INTEREST, HAVE BEEN INCLUDED AT SOME MISSIONS' DISCRETION, BUT WERE NOT REQUIRED BY THE BUREAU. HOWEVER, MUCH OF OUR ENVIRONMENTAL (I.E. NATURAL RESOURCE MANAGEMENT AND BIODIVERSITY) AND DEMOCRATIC GOVERNANCE ACTIVITIES) AND IN SOME CASES POPULATION AND HEALTH (INC. HIV/AIDS AND CHILD SURVIVAL) PROJECTS, ARE EMBODIED IN TARGETS OF OPPORTUNITY. WE WOULD LIKE TO CAPTURE MORE FULLY OUR IMPACT IN THESE PRIORITY AREAS OF THE ADMINISTRATION.

2. CONSEQUENTLY, MISSIONS ARE REQUESTED TO ADD A QUOTE SECTION IV OTHER PROGRESS IN PRIORITY AREAS UNQUOTE. THIS IS ONLY TO BE USED TO REPORT ON PROGRESS OR IMPACT IN ONE OR MORE OF THE FOUR PRIORITY AREAS WHICH ARE NOT ALREADY REPEAT NOT ALREADY CAPTURED IN SECTIONS II AND III. (NOTE: REPORTING ON ECONOMIC GROWTH IS LIKELY TO BE CAPTURED UNDER STRATEGIC OBJECTIVES). PLEASE DO NOT DUPLICATE INFORMATION ALREADY CONTAINED IN THE BASIC API REQUIREMENT SIMPLY TO TRY TO QUOTE TOUCH ALL THE BASES UNQUOTE. WE WANT TO KEEP THE API STREAMLINED, BUT THIS YEAR, IN PARTICULAR, THE BUREAU WOULD LIKE TO BE ABLE TO DEMONSTRATE HOW OUR PROGRAMS ARE FURTHERING THE A/AID'S SUSTAINABLE DEVELOPMENT OBJECTIVES BY HIGHLIGHTING

PARTICULAR IMPACTS OUTSIDE YOUR STRATEGIC OBJECTIVES, YOU CAN HELP THE BUREAU BETTER ARTICULATE IMPACT ACROSS THE

REGION. FOR THIS SPECIAL SECTION IV, MISSIONS MAY USE ANY FORMAT WHICH YOU DEEM MOST APPROPRIATE FOR YOUR PROGRAM. WE DO NOT EXPECT HIGHLY QUANTIFIED REPORTING, GIVEN THAT SPECIFIC INDICATORS AND BENCHMARKS ARE NOT REQUIRED FOR TARGETS OF OPPORTUNITY. NARRATIVE IS PROBABLY MORE FEASIBLE, INCLUDING ANECDOTAL REPORTING, NOR DOES THIS NEED TO BE EXTENSIVE. PLEASE FOCUS ON PROGRESS AND

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3. IN THIS SAME SECTION IV, WE WOULD ASK YOU TO IDENTIFY ANY BROAD, GENERALIZABLE LESSONS LEARNED OR BEST PRACTICES IN THE FOUR PRIORITY AREAS WHICH YOU BELIEVE THE AGENCY COULD BENEFIT FROM. CURRENTLY, PPC (FORMERLY POL) IS OVERSEEING THE DEVELOPMENT OF QUOTE IMPLEMENTATION GUIDELINES UNQUOTE FOR THE RECENTLY DRAFTED, AGENCY-WIDE STRATEGIES. INCLUDED IN EACH OF THESE WILL BE A SECTION ON WHAT WORKS AND WHAT DOESN'T. THE BUREAU WOULD LIKE TO OFFER ANY AFR FIELD INPUT YOU THINK WOULD BE MEANINGFUL. HOWEVER, THIS IS NOT MANDATORY; ONLY DO WHAT IS MANAGEABLE.

4. BASELINES. IN REVIEWING RECENT CPSPS/CONCEPT PAPERS, AS WELL AS LAST YEAR'S API SUBMISSIONS, MISSIONS ARE STILL TYPICALLY USING BASELINE YEARS WHICH CORRESPOND TO THE START-UP TIME OF THE RECENTLY-APPROVED STRATEGY. HOWEVER, IN MANY CASES, A MISSION HAD LONG BEEN INVOLVED IN A PARTICULAR SECTOR. CONSEQUENTLY, WE ARE NOT CAPTURING THE FULL IMPACT (OR LACK THEREOF) OF A.I.D.'S INVOLVEMENT IN A SECTOR. AS REF B GUIDANCE DIRECTED, IN RESPONSE TO THIS SAME PROBLEM, QUOTE THE BASELINE YEAR SHOULD BE DETERMINED BASED ON A MISSION'S EXPERIENCE WITH THE SECTOR FOR WHICH

IT IS ASSESSING IMPACT UNQUOTE. MISSIONS ARE ENCOURAGED TO ESTABLISH BASELINE INFORMATION FOR INDICATORS AS FAR BACK AS IS PRACTICABLE IN ORDER TO CAPTURE WHAT A.I.D. HAS BEEN DOING HISTORICALLY. ANY CHANGES FROM PAST REPORTING CAN BE NOTED IN ANNEX A.

5. CHANGES IN INDICATORS AND BENCHMARKS

A. FOR MISSIONS WITH NEW OR FORMALLY MODIFIED MANAGEMENT CONTRACTS, REVISIONS IN INDICATORS SHOULD REFLECT FURTHER ANALYSIS AND REFINEMENT OF EXPECTED IMPACT AFTER THE CPSP/CONCEPT PAPER WAS REVIEWED. FOR THESE CASES, ANNEX A SHOULD BE USED TO PROVIDE EXPLANATION FOR CHANGES IN INDICATORS.

B. LAST YEAR, SOME MISSIONS MOVED BENCHMARKS (PROJECTED IMPACT FIGURES) WITHOUT EXPLANATION, LEAVING AFR/W TO WONDER IF MISSIONS WERE MOVING THE GOALPOSTS. CHANGES

THAT REVISE PROJECTED PERFORMANCE ARE DISCOURAGED, ALTHOUGH THERE MAY BE CASES WHERE THE AVAILABILITY OF MORE RELIABLE DATA, IMPLEMENTATION PROBLEMS, OR UNEXPECTED SUCCESS DICTATES SUCH AN ADJUSTMENT. IF MISSIONS DO CHANGE BENCHMARKS (EITHER UPWARD OR DOWNWARD), PLEASE CLEARLY INDICATE AND PROVIDE EXPLANATION IN ANNEX A. LOGICALLY, IF A MISSION LOWERS ITS SIGHTS, SUCH A CHANGE MAY TRIGGER A REEXAMINATION OF THE VALIDITY OF CONTINUING TO WORK IN THAT STRATEGIC OBJECTIVE.

6. GENDER-DISAGGREGATED DATA. LAST YEAR'S APIS SHOWED PROGRESS IN GENDER DISAGGREGATION OF DATA IN THE APIS AS COMPARED WITH THE YEAR BEFORE. OF PARTICULAR MERIT WAS THE NIGER PROGRAM. HOWEVER, ON THE WHOLE, IT WAS FOUND THAT THE DATA BEING COLLECTED AND REPORTED IN THE PRODUCTIVE SECTORS IS NOT DISAGGREGATED BY GENDER ADEQUATELY TO MEASURE PROGRESS. PLEASE LOOK AT INDICATORS TO ASSESS HOW DATA COULD BE DISAGGREGATED BY GENDER.

7. LOCAL VS. NATIONAL IMPACT REPORTING. LAST YEAR THE ISSUE AROSE WHETHER MISSIONS THAT OPERATE IN A SPECIFIC

ZONE OF THEIR COUNTRY SHOULD REPORT ON LOCAL/REGIONAL CHANGES IN INDICATORS, OR NATIONAL CHANGES IN INDICATORS, OR BOTH. WHILE IT IS TRUE THAT MISSIONS CAN SHOW PEOPLE-LEVEL IMPACT IN THE NEAR-TERM BY REPORTING ON AN INTENSIVE INTERVENTION WITH A SMALL GROUP OF BENEFICIARIES, RESULTS AT THE STRATEGIC OBJECTIVE LEVEL MUST BE SIGNIFICANT, PROVIDED THAT THE ZONE OF INTERVENTION IS SUFFICIENTLY LARGE TO BE SIGNIFICANT (ARE WE MAKING A SIZEABLE DENT IN A SIZEABLE DEVELOPMENT PROBLEM?), AND IF THERE ARE CLEAR DISTINCTIONS BETWEEN NATIONAL AND REGIONAL TRENDS, MISSIONS SHOULD ATTEMPT TO DISAGGREGATE REPORTING SO AS TO SHOW CLEARLY THE IMPACT OF AIDIS ASSISTANCE.

8. NARRATIVE ON DATA REPORTED.

A. WE ARE ASKING MISSIONS TO ENHANCE THE NARRATIVE PORTION IN SECTION III TO PROVIDE GREATER UNDERSTANDING OF THE MEANING OF QUANTITATIVE DATA AND CRITICAL BACKGROUND ON THE COUNTRY CONTEXT IN WHICH THE DATA FOR THE APIS ARE BEING GATHERED. WHILE APIS INDICATE HOW THE COUNTRY IS PROGRESSING IN TERMS OF A SPECIFIC OBJECTIVE, ADDITIONAL NARRATIVE DESCRIBING HOW THE MISSION IS ACCOMPLISHING ITS OBJECTIVES OR WHY A PARTICULAR IMPACT IS (OR IS NOT) TAKING PLACE CAN BE EXTREMELY USEFUL.

B. USE THE NARRATIVE SECTION TO QUOTE TAKE CREDIT UNQUOTE FOR CHANGES DUE TO EFFORTS NOT ONLY IN THE YEAR UNDER REVIEW BUT ALSO IN PAST YEARS. RATHER THAN AN ANNUAL PROGRESS REPORT, THE API SHOULD BE AN ANNUAL SNAPSHOT OF

CUMULATIVE IMPACT RESULTING FROM YEARS OF MISSION EFFORT.

9. THE API AFFORDS THE AFRICA BUREAU ONE OPPORTUNITY ANNUALLY TO FOCUS BROADLY BUT INTENSELY ON OUR FIELD EFFORTS, AND IT IS A RICH SOURCE OF INFORMATION. ON THE OTHER HAND, IT CAN BE A VALUABLE PROGRAM MANAGEMENT TOOL FOR MISSIONS. WE OFFER THE FOLLOWING QUESTIONS FOR USE BY THOSE MISSIONS WHO WOULD LIKE TO USE THE API REQUIREMENT AS AN OPPORTUNITY FOR SELF-EXAMINATION.

--HAS THERE BEEN PROGRESS TOWARD THE OBJECTIVES? IF NOT, WHY NOT? WHAT ARE THE CONSTRAINTS?

--ARE THE ASSUMPTIONS ON WHICH THE STRATEGY IS BASED CORRECT?

--ARE THE INDICATORS TELLING THE MISSION WHAT IT NEEDS TO KNOW TO MEASURE PROGRAM IMPACT?

--IS THE MISSION LEARNING UNEXPECTED THINGS ABOUT ITS PROGRAM? HOW WILL THIS ADDED KNOWLEDGE FACTOR IN TO FUTURE ACTIVITY?

--WHAT LESSONS HAS THE MISSION LEARNED ABOUT THE MEASUREMENT PROCESS, ABOUT THE API PREPARATION PROCESS, OR ABOUT DATA COLLECTION/AVAILABILITY? IS THE MISSION BETTER ORGANIZED IN TERMS OF ITS MONITORING SYSTEM TO REPORT ON RESULTS THAN IT WAS LAST YEAR?

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--HOW IS THE MER PROCESS BEING INSTITUTIONALIZED? IS PERFORMANCE INFORMATION BEING USED FOR PROGRAM MANAGEMENT AND DECISION-MAKING?

--DOES THE MISSION FEEL THAT IT IS GETTING INTERNAL RETURNS TO DATA COLLECTION THAT ARE COMMENSURATE WITH THE LEVEL OF EFFORT REQUIRED?

--WHAT ARE THE IMPLICATIONS FOR THE USE OF THIS YEARS

MONITORING DATA FOR STRATEGIC PROGRAM MANAGEMENT? ADJUSTMENTS IN PROJECT FOCUS OR IN ALLOCATIONS OF HUMAN/FINANCIAL RESOURCES? GREATER CAPACITY FOR POLICY DIALOGUE WITH THE HOST GOVERNMENT?

10. PROGRAM "OBJECTIVE TREES": PLEASE INCLUDE A CURRENT OBJECTIVE TREE IN YOUR API. THE OBJECTIVE TREE SHOULD INCLUDE PROGRAM GOAL, SUBGOAL(S), STRATEGIC OBJECTIVES AND TARGETS, AND TARGET(S) OF OPPORTUNITY. (WE FREQUENTLY RECEIVE REQUESTS FROM SENIOR MANAGEMENT IN THE BUREAU AS WELL AS FROM OTHER PARTS OF THE AGENCY FOR A ONE-PAGE GRAPHIC REPRESENTATION OF A MISSION'S PROGRAM STRATEGY.

THEREFORE, IT IS CRITICAL THAT WE HAVE UP-TO-DATE AND ACCURATE PROGRAM INFORMATION.

11. WE REALIZE THAT SEVERAL MISSIONS WHICH HAVE BEEN REQUESTED TO SUBMIT APIS HAVE RECENTLY SUBMITTED A CPSP OR CONCEPT PAPER AND DO NOT HAVE FULLY DEVELOPED INDICATORS AND BENCHMARKS (I.E. BENIN, COTE D'IVOIRE, ETHIOPIA, SOUTH AFRICA, ZAMBIA, ZIMBABWE). OTHERS ARE UNDERGOING MAJOR PROGRAMMATIC TRANSITIONS (I.E. CAMEROON, CHAD). FOR THESE MISSIONS, WE ACCEPT THAT IT IS NOT REASONABLE OR FEASIBLE TO SUBMIT A FULL-BLOWN API. NONETHELESS, WE NEED TO CAPTURE AS MUCH IMPACT OF OUR ASSISTANCE UNDER THE DFA AS IS FEASIBLE. CLEARLY, EXCLUDING ALL EIGHT COUNTRIES, MOST OF WHICH ARE OR HAVE BEEN MAJOR PROGRAMS, WOULD RENDER A VERY INCOMPLETE PICTURE OF OUR AID TO AFRICA. CONSEQUENTLY, WE ASK EACH MISSION TO FOLLOW THE BASIC API OUTLINE, BUT YOU MAY ADAPT IT TO YOUR PARTICULAR SITUATION. THAT IS, REPORT ON THOSE SECTORS IN WHICH YOU

HAVE BEEN HISTORICALLY INVOLVED (RATHER THAN ALL THAT MIGHT BE INCLUDED IN YOUR NEW STRATEGY), AND USE A COMBINATION OF QUANTITATIVE DATA, TO THE EXTENT AVAILABLE, AND QUALITATIVE NARRATIVE (I.E. YOU DON'T HAVE TO BUILD THE API AROUND THE DATA TABLES IN SECTIONS II AND III IF SUCH INFORMATION IS NOT READILY AVAILABLE). AS A SUGGESTION REPEAT SUGGESTION FOR FOCUS

- BENIN: EDUCATION IMPACT THROUGH CLEF
- COTE D'IVOIRE: BUILDING CIVIL SOCIETY (THRU MUNIDEVI), FAMILY PLANNING
- ETHIOPIA: REHABILITATION AND RECONSTRUCTION (RAPID RESPONSE CASE?)
- SOUTH AFRICA: BUILDING CIVIL SOCIETY THRU EDUCATION (ESP. DEVELOPMENT/EXTENSION OF RADIO EDUCATION PROGRAM) AND COMMUNITY MOBILIZATION, BLACK ENTREPRENEURSHIP
- ZAMBIA: AG POLICIES; PRIVATIZATION
- ZIMBABWE: AG POLICIES AND MARKETING, FAMILY PLANNING
- CAMEROON: AG SECTOR DEVELOPMENT, FAMILY HEALTH
- CHAD: PVO INITIATIVES

12. AGAIN, THE REVISED DATE FOR SUBMISSION OF APIS IS MONDAY, NOVEMBER 22 (USAID SOUTH AFRICA DUE DATE, AS DISCUSSED IN LIGHT OF ONGOING MISSION RETREAT/MER EXERCISE, WILL BE NOVEMBER 30). PLEASE FORWARD THEM TO YOUR RESPECTIVE CDO WHO WILL BE RESPONSIBLE FOR DISTRIBUTION WITHIN AID/W.

13. THE AFRICA BUREAU MANAGEMENT GREATLY APPRECIATES YOUR

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COMMITMENT TO ENSURING THE EFFECTIVENESS OF OUR AID TO AFRICA. YOU ARE MAKING A DIFFERENCE IN PEOPLE'S LIVES, AND WE BELIEVE THE API IS A VALUABLE TOOL TO TELL THAT STORY.

CHRISTOPHER

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PAGE 01 OF 06 STATE 111338 271745Z 8963 012944 AID4358
ORIGIN AID-00

ORIGIN OFFICE AFDP-06
INFO AFEA-04 AFSA-03 AFSW-06 AFCW-04 AFFE-02 AFAR-05 WID-01
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E.O. 12356: N/A
TAGS:
SUBJECT: AFRICA-WIDE RESULTS OF FY 1993 ASSESSMENT OF PROGRAM IMPACTS (API)

1. THIS CABLE SUMMARIZES THE RESULTS OF THE AFR/W REVIEW OF FY 1993 APIS FROM AN AFRICA-WIDE PERSPECTIVE. SEPARATE CABLES ARE BEING SENT OUT FROM GEOGRAPHIC OFFICES WHICH REPORT ON RESULTS AT THE SUBREGIONAL AND COUNTRY LEVELS.

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2. PROCESS

A. NOW IN ITS FOURTH YEAR, THE API IS DESIGNED TO PROVIDE MISSIONS AN OPPORTUNITY ONCE A YEAR TO STEP BACK AND REFLECT ON THE IMPACT OF THEIR PROGRAMS THROUGH REPORTING TO AID/W ON PROGRESS TOWARDS ACHIEVING STRATEGIC OBJECTIVES AS DEFINED BY STATED INDICATORS. THIS YEAR, 21 MISSIONS SUBMITTED APIS. TWENTY APIS WERE INCLUDED IN THE BUREAU REVIEW PROCESS. RECOGNIZING THE SIGNIFICANT EFFORT THAT MISSIONS INVEST IN PREPARING APIS, WE WANT TO EMPHASIZE THAT APIS ARE THE PRIMARY SOURCE OF INFORMATION ON THE RESULTS OF OUR DEVELOPMENT EFFORTS IN AFRICA. API REPORTS ALSO SERVE TO HIGHLIGHT AND DISSEMINATE LESSONS LEARNED ABOUT CAUSAL RELATIONSHIPS UPON WHICH PROGRAMS ARE BASED.

B. APIS ARE TAKEN VERY SERIOUSLY IN THE BUREAU AND UNDERGO AN INTENSIVE REVIEW PROCESS. THE API REVIEW PROCESS IN WASHINGTON IS RIGOROUS, WELL-ORGANIZED, AND COMPREHENSIVE IN SCOPE. WHILE THE OVERALL REVIEW PROCESS WAS MANAGED BY AFR/DP, RESPONSIBILITY FOR ANALYSIS OF THE API RESTED WITH THE GEOGRAPHIC OFFICE. THE GEOGRAPHIC OFFICE TAPPED INTO TECHNICAL EXPERTISE AVAILABLE WITHIN AND OUTSIDE THE BUREAU SUCH AS ARTS, ONI, DP, G/R&D/POP, G/R&D/WID, AND PPC/CDIE AND, INCORPORATING THE TECHNICAL INPUT, STRUCTURED EACH COUNTRY ANALYSIS AROUND A COMMON FRAMEWORK.

API REVIEWS WERE CONDUCTED ON THREE LEVELS. 1) COUNTRY-LEVEL REVIEWS WERE HELD IN DECEMBER WITH EXCELLENT TECHNICAL INPUT AND BROAD PARTICIPATION. 2) SUBREGIONAL REVIEWS WERE HELD IN JANUARY WHERE THE RESPECTIVE

GEOGRAPHIC OFFICE PRESENTED BUREAU SENIOR MANAGEMENT WITH THE RESULTS OF THIS YEAR'S APIS IN TERMS OF PROGRAM IMPACT AS LAID OUT IN MISSION STRATEGIC PLANS, WHILE HIGHLIGHTING SPECIFIC COUNTRIES AND SECTORS. BRIEFINGS INCLUDED AN OVERVIEW OF PROGRESS TO DATE, GENERALIZABLE TRENDS ACROSS THE SUBREGION, AND IMPLICATIONS FOR THE FUTURE REGARDING COUNTRY STATUS, PROGRAMMING, AND RESOURCES. 3) THE API REVIEW PROCESS CULMINATED IN A TWO-HOUR WRAP-UP SESSION, WITH ATTENDEES FROM THE AFR BUREAU, OTHER REGIONAL BUREAUS, AND CENTRAL OFFICES SUCH AS PPC AND G. ANALYSIS WAS PRESENTED BY ARTS, ONI, AND R&D/WID WHICH DESCRIBED OVERALL TRENDS ACROSS THE AFR REGION IN ADDITION TO BRIEF SUBREGIONAL REVIEWS PRESENTED BY OFFICE DIRECTORS.

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3. GENERAL CONCLUSIONS

A. MISSIONS ARE TO BE COMMENDED FOR THE IMPROVED QUALITY OF APIS THIS YEAR IN TERMS OF BETTER IMPACT REPORTING AND A MORE SOPHISTICATED PRESENTATION. SOME MISSIONS HAVE REACHED A LEVEL OF MATURITY IN REPORTING THAT REFLECTS AN UNDERSTANDING NOT ONLY OF RESULTS ASSOCIATED WITH USAID RESOURCES, BUT ALSO WHY EXPECTED IMPACT HAS NOT BEEN ACHIEVED. IN OTHER COUNTRIES (PARTICULARLY THOSE WITH NEW STRATEGIES), THERE IS ROOM FOR IMPROVEMENT IN ACHIEVING AND REPORTING IMPACT. HOWEVER, IT SHOULD BE NOTED THAT IMPROVEMENT WAS ACROSS THE BOARD, AND THAT IN ALL CASES IT IS CLEAR THAT MISSIONS ARE THINKING MORE AND MORE IN TERMS OF PROGRAM IMPACT NOT JUST PROJECT OUTPUTS OR PROCESS.

B. THIS YEAR'S APIS PROVIDED A WEALTH OF INFORMATION IN A RANGE OF SECTORS. MISSIONS ACTIVELY RESPONDED TO THIS YEAR'S API GUIDANCE ASKING FOR ADDITIONAL INFORMATION ON IMPACTS IN THE FOUR AGENCY PRIORITY AREAS THAT WERE NOT CAPTURED ELSEWHERE UNDER PROGRAM STRATEGIC OBJECTIVES. THIS ADDED SECTION OF THE API PROVIDED INFORMATION ON PROGRESS IN AREAS SUCH AS DEMOCRACY/GOVERNANCE, NATURAL RESOURCES MANAGEMENT, AND HIV/AIDS THAT WAS NOT EVIDENT IN PREVIOUS APIS.

THE EXPANDED NARRATIVE REPORTING IN THE APIS THIS YEAR DEMONSTRATED THE IMPORTANCE OF BOTH NARRATIVE AND QUANTITATIVE REPORTING ON RESULTS AND THE VALUE OF LAYING OUT THE COUNTRY CONTEXT. IN ADDITION, SOME MISSIONS SUCH AS SENEGAL INCLUDED A SECTION ON LESSONS LEARNED OVER FOUR YEARS OF MONITORING PROGRESS AT THE PROGRAM LEVEL AND BETTER DEFINING PROJECT AND PROGRAM LINKAGES.

C. MISSIONS ARE AT DIFFERENT POINTS ALONG THE PATH, BUT THE APIS SUGGEST THAT THE CULTURE OF MONITORING AND EVALUATION IS DEEPENING AND THAT THE API IS SEEN LESS AS A ONCE A YEAR DISCRETE EXERCISE. THERE WAS EVIDENCE THAT MISSIONS HAVE TAKEN OWNERSHIP OF THE MONITORING AND EVALUATION PROCESS THAT FEEDS INTO THE API AND HAVE USED THE INFORMATION FOR IMPROVED PROGRAM MANAGEMENT. SOME MISSIONS, SUCH AS MALAWI AND KENYA, HAVE REPORTED ON HOW PERFORMANCE DATA REFLECTED IN THE API HAS CONTRIBUTED TO DECISION-MAKING TO MODIFY PROGRAM STRATEGIES AND ACHIEVE GREATER RESULTS. SOME MISSIONS SLATED FOR CLOSE-DOWN OR PHASE-DOWN VIEWED THE API AS A WAY TO TELL THEIR STORIES AND MAKE RECOMMENDATIONS ON WHICH PROGRAMS TO CONTINUE. REVIEWERS EMPHASIZED THE NEED TO CONTINUE TO MONITOR INNOVATIVE INTERVENTIONS AFTER CLOSE-OUT E.G. CAMEROON HEALTH CARE FINANCING.

D. THE API REVIEWS THEMSELVES WERE MORE SOPHISTICATED AND

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CRITICAL THAN IN THE PAST. REVIEWERS LOOKED MORE CLOSELY AT THE QUALITY OF INDICATORS AND DATA--WHETHER INDICATORS ARE THE BEST ONES FOR THAT PARTICULAR STRATEGIC OBJECTIVE AND HOW TO BETTER CAPTURE PEOPLE-LEVEL IMPACT. REVIEWERS WERE INTERESTED IN PROVIDING FEEDBACK TO MISSIONS I.E., ENCOURAGING MISSIONS TO CLARIFY LINKAGES, SUGGESTING CONSIDERATIONS FOR UPCOMING CPSPS, AND POINTING OUT REMAINING MONITORING ISSUES.

THE QUALITY OF THE REVIEWS DEMONSTRATED THE RETURN ON THE BUREAU'S INVESTMENT OF THE PAST FIVE YEARS IN PUTTING INTO PLACE STRATEGIC PLANNING AND PERFORMANCE MONITORING SYSTEMS UNDER THE DFA. IT WAS EVIDENT THAT REVIEWERS WERE ABLE TO MAKE SIGNIFICANT CONTRIBUTIONS BECAUSE OF THEIR KNOWLEDGE AND EXPERIENCE WITH APIS EITHER IN THE FIELD OR IN WASHINGTON.

E. IN MORE AND MORE MISSIONS, BASELINES ARE IN PLACE, DATA COLLECTION PLANS ARE IN PLACE, AND MISSIONS ARE BECOMING MORE INVOLVED IN HELPING TO SET UP HOST COUNTRY DATABASES (MANY STARTING FROM ZERO). THIS YEAR'S APIS REFLECTED FURTHER REFINEMENT OF INDICATORS USED TO MEASURE

PROGRESS AND EFFORTS TO STREAMLINE DATA COLLECTION WITH FEWER AND BETTER INDICATORS. MISSIONS ARE ENCOURAGED TO CONTINUE TO IDENTIFY THE MOST CRITICAL INDICATORS TO REPORT ON TO WASHINGTON, ALTHOUGH THE MISSION MAY CHOOSE TO TRACK MORE INDICATORS FOR MISSION MANAGEMENT PURPOSES.

F. APIS PROVIDED INSIGHT INTO OUR UNDERSTANDING OF WHAT IT TAKES TO ACHIEVE IMPACT. THE MOST APPARENT, THOUGH NOT SURPRISING, CONCLUSION IS THAT DEVELOPMENT IS A LONG-TERM PROCESS AND IT REQUIRES PATIENCE TO STAY THE COURSE. MISSION PROGRAMS WHERE WE SEE THE GREATEST IMPACT ARE THOSE WHERE THERE HAS BEEN A LONG-TERM INVESTMENT AND SUSTAINED FOCUS ON A FEW PROGRAMMATIC AREAS. THE APIS ALSO SHOWED THAT IMPACT CAN STILL BE ACHIEVED EVEN WHEN THE OVERALL COUNTRY ENVIRONMENT IS NOT THE BEST (I.E., KENYA, CAMEROON, MALAWI). ON THE OTHER HAND, POLITICAL DISORDER CAN TURN PROGRESS AROUND QUICKLY (I.E., RWANDA AND BURUNDI).

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4. REMAINING MONITORING ISSUES

A. API REVIEWS SUGGEST THAT PROGRAM PERFORMANCE MONITORING ISSUES REMAIN AND THAT WE ARE CONSTRAINED IN OUR ANALYSIS BY THE LIMITATIONS OF DATA. MISSIONS ARE STILL GRAPPLING WITH HOW TO BEST CAPTURE PEOPLE-LEVEL IMPACT PARTICULARLY IN THE PRODUCTIVE SECTORS I.E., BROAD ECONOMIC GROWTH AND HOUSEHOLD LEVEL INCOME GROWTH. MEASURING IMPACT IN DEMOCRATIC GOVERNANCE IS DIFFICULT,

AND THERE WAS AGREEMENT ON THE NEED TO DEVELOP AN ANALYTICAL FRAMEWORK TO BETTER CAPTURE THE FULL RANGE OF D/G IMPACTS. THERE IS A NEED TO DETERMINE HOW TO ANALYZE NRM PROGRAMS FOR IMPACT IN THE SHORT-TERM EVEN THOUGH THE INTERVENTION AND ANTICIPATED IMPACT IS LONG-TERM IN NATURE. HIV/AIDS PRESENTS SPECIAL MEASUREMENT PROBLEMS AS WELL AS DIFFICULTY IN DETERMINING AN EXPECTED LEVEL OF IMPACT THAT IS WITHIN THE MANAGEABLE INTEREST OF THE MISSION.

B. THERE IS A NEED TO DIFFERENTIATE BETWEEN LIMITED AND NATIONAL IMPACTS, PARTICULARLY IN AGRICULTURE AND NRM.

REPORTED IMPACT TENDS TO BE LOCALIZED. THE QUESTION IS HOW TO MAKE IT BROAD-BASED AND ADDRESS IT FROM A NATIONAL-

LEVEL STANDPOINT

C. APIS SHOULD CAPTURE CUMULATIVE IMPACT FROM USAID INVESTMENTS UNDERTAKEN HISTORICALLY I.E., BEFORE A NEW CPSP WAS PUT INTO PLACE. THERE WERE CONCERNS EXPRESSED IN REVIEWS THAT SOME MISSIONS WERE NOT REPORTING IMPACT THAT HAD TAKEN PLACE DUE TO PREVIOUS USAID INTERVENTIONS. IN A FEW CASES, BASELINES WERE TOO RECENT EVEN THOUGH THIS YEAR'S GUIDANCE EMPHASIZED PUSHING THE BASELINE BACK TO TRY TO CAPTURE WHAT USAID HAS BEEN DOING HISTORICALLY IN A SECTOR.

D. ALTHOUGH APIS ARE WIDELY USED TO DISSEMINATE IMPACT DATA ON AFRICAN COUNTRY PROGRAMS, THERE WAS A FEELING THAT THE TIME IS NOW RIPE FOR EXPANDING THE USE OF APIS TO INFORM BUREAU DECISIONS. AN EXAMPLE WOULD BE USING THE

API AS AN INDICATOR OF MISSION PROGRAM PERFORMANCE WHICH WOULD THEN FACTOR INTO THE PERFORMANCE BASED BUDGETING SYSTEM. IT WAS ALSO SUGGESTED THAT APIS BE USED TO INFORM STRATEGY DEVELOPMENT DECISIONS SUCH AS IN A NEW CPSP OR IN PROGRAMMING OF NEW STARTS.

E. SORTING OUT THE RESPONSIBILITY FOR REPORTING ON THE IMPACT OF REGIONAL PROGRAMS (E.G. SARP) NEEDS TO HAPPEN BEFORE NEXT YEAR'S API CYCLE. IMPACT REPORTING ON REGIONAL PROGRAMS TENDED TO BE SPARSE.

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5. IMPACT

A. ATTEMPTING TO AGGREGATE DATA ACROSS COUNTRIES SO WE CAN SEE HOW OUR INVESTMENT ADDS UP IS APPEALING BUT CHALLENGING. A GREAT DEAL OF EFFORT HAS BEEN PUT INTO THAT TASK USING THIS YEAR'S APIS, LIMITATIONS NOTWITHSTANDING. A BRIEF SUMMARY OF THE AFRICA REGION-WIDE RESULTS FOLLOW.

B. MACROECONOMIC CONTEXT. EVENTS OF THE LAST THREE YEARS HAVE MADE IT DIFFICULT FOR AFRICA'S EXPORT-LED GROWTH TO MAINTAIN THE EXPANSION EXPERIENCED IN THE MID TO LATE 1980S. THE SLOWDOWN IN WORLD TRADE IN 1991/92/93 RESULTED IN LOWER DEMANDS FOR AFRICAN EXPORTS; IN 1991/92 VOLUMES INCREASED BY ONLY TWO PERCENT PER YEAR AND IN 1993 WERE PROJECTED TO BE FLAT. THIS SITUATION WAS EXACERBATED BY A SERIOUS, REGION-WIDE DROUGHT IN SOUTHERN AFRICA. IN

ADDITION, WORLD PRICES FOR MOST OF AFRICA'S COMMODITIES FELL. THE END RESULT IS THAT AFRICA'S EXPORT EARNINGS DECLINED BY 2.6 PERCENT IN 1991, BY 1.6 PERCENT IN 1992, AND A PROJECTED 4.5 PERCENT MORE IN 1993.

USING FIVE ECONOMIC INDICATORS, AFR/ARTS ANALYZED COUNTRIES BY CATEGORY (FOCUS, WATCH, SPECIAL, OTHER) TO DETERMINE POSSIBLE TRENDS. FOCUS COUNTRIES PERFORMED CONSISTENTLY BETTER THAN THE AVERAGE AFRICAN COUNTRY. EXPORT VOLUMES OF FOCUS COUNTRIES GREW BY TWO TO THREE PERCENTAGE POINTS PER YEAR FASTER THAN EXPORT VOLUMES OF THE OTHER AFRICAN COUNTRIES IN 1985-87 AND 1988-91. THE PICTURE IS NOT SO CLEAR IN 1992 AND 1993.

C. PRIVATE SECTOR DEVELOPMENT. DRAWING CONCLUSIONS ON REGION-WIDE TRENDS PROVED DIFFICULT FOR TWO REASONS. SINCE FY 1992 IS THE BASE YEAR FOR MANY PRIVATE SECTOR PROJECTS, THERE WAS NOT ENOUGH DATA ON ACTUAL RESULTS TO DISCERN A CLEAR TREND. SECONDLY, SIGNIFICANT VARIATION IN INDICATORS USED TO MEASURE PROGRESS ON SIMILAR TARGETS FURTHER COMPLICATED THE IDENTIFICATION OF TRENDS.

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THE APIS UNDERSCORE THE IMPORTANCE OF A COUNTRY'S POLICY ENVIRONMENT AS A CRITICAL FACTOR IN BUILDING A SUSTAINABLE, MARKET-ORIENTED PRIVATE SECTOR. THE GAMBIA AND GHANA APIS DEMONSTRATE THAT ENERGIZING THE PRIVATE SECTOR AND FACILITATING ITS ENTRANCE INTO THE ECONOMY IS A VIABLE WAY TOWARD SUSTAINABLE DEVELOPMENT.

PRIVATE SECTOR INDICATORS USUALLY INCLUDE DATA ON EMPLOYMENT, TRADE (EXPORTS AND/OR IMPORTS), INVESTMENT,

AND POLICY CHANGES. WHILE WE KNOW THERE IS CAUSAL LINKAGE BETWEEN OUR INVESTMENTS AND INCOME AND EMPLOYMENT, THERE IS SOME DIFFICULTY ESTABLISHING PEOPLE-LEVEL IMPACT INDICATORS. INVESTMENT INDICATORS VARIED SO MUCH IN APIS THAT IT WAS DIFFICULT TO COMPARE MISSIONS TO FIND A TREND.

SIX MISSIONS HAD DATA TO REPORT ON EMPLOYMENT AND ALL SHOWED THAT EMPLOYMENT RATES INCREASED MODERATELY. KENYA, MADAGASCAR, TANZANIA, AND THE GAMBIA REPORTED INCREASES IN OVERALL EMPLOYMENT RATES WHILE MALI AND CAMEROON SHOWED INCREASES IN TARGETED EMPLOYMENT SECTORS. SEVERAL MISSIONS SHOWED INCREASES IN PRIVATIZATION OF BUSINESSES, INCLUDING CAMEROON, ZAMBIA AND MALI. MISSIONS INVOLVED IN POLICY CHANGES HAVE HAD REMARKABLE SUCCESS IN CONTRIBUTING TO AN ENVIRONMENT CONDUCIVE TO A FLOURISHING PRIVATE SECTOR. IN ADDITION, SOME MISSIONS ARE REPORTING PRIVATE SECTOR IMPACTS FROM HEALTH ACTIVITIES. IN GUINEA, CAMEROON, AND TANZANIA, FAMILY PLANNING ACTIVITIES HAVE LED TO INCREASED PRIVATE SECTOR INVOLVEMENT IN THE PROVISION OF FAMILY PLANNING SERVICES.

D. NRM/SUSTAINABLE AGRICULTURE. POSITIVE IMPACTS OVER THE LAST SEVERAL YEARS ASSOCIATED WITH USAID PROGRAMS INCLUDE INCREASES IN INCOMES TO PRODUCERS, YIELDS PRODUCED BY FARMERS, MEASURES OF FOOD SECURITY, AND AMOUNTS OF AGRICULTURAL GOODS EXPORTED. BEHIND THESE IMPACTS ARE SIGNIFICANT CHANGES MADE BY:

THE HOST GOVERNMENTS--MARKET LIBERALIZATION AND PRIVATIZATION, TENURE POLICY, DEVOLUTION OF AUTHORITY, REORIENTATION OF GOVERNMENT AGENCIES.

THE PRODUCERS--LAND USE MANAGEMENT DECISIONS, MARKET DECISIONS, INPUT USE.

USAID MISSIONS--CHANGES IN PROGRAMMATIC APPROACHES BASED UPON FIELD EXPERIENCES.

IMPACTS REFLECT THE SKILL, DEDICATION, AND HARD WORK OF MISSION AND HOST COUNTRY PERSONNEL AS WELL AS THE DECISION OF MISSIONS TO STAY THE COURSE AND BUILD ON EXPERIENCE AND SUCCESS. IMPACTS FROM A NUMBER OF MISSIONS ARE ASSOCIATED WITH THE SYNERGIES AMONG MARKET LIBERALIZATION, REFORM OF THE TRANSPORT SECTOR, CHANGES IN THE TENURE CODE, AVAILABILITY OF TECHNOLOGIES, INCREASES IN THE CAPACITY OF RURAL ASSOCIATIONS TO MANAGE ENTERPRISES, AND STRENGTHENING OF NGOS. THE RESULTS WE ARE SEEING VALIDATE THE CROSS-CUTTING APPROACH OF MISSIONS AND THE REST OF THE BUREAU IN THE SECTORS OF AGRICULTURE AND ENVIRONMENT

EXAMPLES WHERE SYNERGIES HAVE CONTRIBUTED TO IMPACT ARE MALAWI AND KENYA, WHERE THE USES OF HYV OF MAIZE SEED AND FERTILIZER ARE LINKED TO LIBERALIZATION OF MARKETS, INPUTS, AND THE TRANSPORT SECTOR. IN MALI, THE USE OF HYV SEED, MINERAL FERTILIZER, AND ENVIRONMENTAL-PROTECTIVE PRACTICES RELATE TO LIBERALIZED MARKETS AND TRANSPORT SECTOR, CHANGES IN TREE TENURE, STRENGTHENED CAPACITY OF VILLAGE ASSOCIATIONS, ACCESS TO CREDIT, AND INCREASED INFORMATION.

EXAMPLES OF IMPACT IN THIS SECTOR:

1) NRM ELEMENTS AS AN INTEGRAL PART OF A PROGRAM TO ACHIEVE SUSTAINABLE ECONOMIC DEVELOPMENT: MALAWI (AGROFORESTRY COMPONENT), MALI (SOIL-CONSERVING PRACTICES PART OF PRODUCTIVITY FOCUS), NIGER (NATURAL FOREST MANAGEMENT AS PART OF ENTERPRISE DEVELOPMENT), BOTSWANA (INCREASED LOCAL BENEFITS FROM BETTER HUSBANDRY OF RESOURCES), THE GAMBIA (NRM SUPPORTS RURAL DEVELOPMENT).

2) SUSTAINABLE AGRICULTURE: MALI, NIGER, SENEGAL.

3) ACCESS TO MARKETS, INPUTS, AND TRANSPORTATION: MALI, KENYA, MALAWI, SENEGAL, GUINEA.

4) PRIVATE SECTOR DEVELOPMENT: SENEGAL, GUINEA, MALI.

5) TECHNOLOGY DEVELOPMENT AND TRANSFER: MALI, KENYA, MALAWI.

6) AGRICULTURE MARKETING: KENYA (EMPLOYMENT IN USAID-ASSISTED FIRMS), UGANDA (VALUE OF NON-TRADITIONAL AGRICULTURAL EXPORTS, NUMBER OF NTAE ENTERPRISES, RETURNS TO RURAL PRODUCERS FROM NTAE), MADAGASCAR (POLICY REFORMS ON INTEREST RATES)

PROSPECTS FOR FUTURE SUSTAINABILITY SURFACED AS A KEY ISSUE IN REVIEWS. DATA ON RATES OF ENVIRONMENTAL DEGRADATION THAT MAY HAVE ACCOMPANIED INCREASES IN YIELDS WERE NOT GENERALLY REPORTED. THIS MADE IT DIFFICULT TO ASSESS THE SUSTAINABILITY OF THE INCREASES IN PRODUCTION. WHILE IMPACTS FROM MISSION PROGRAMS ARE POSITIVE OVER THE LAST SEVERAL YEARS, THESE IMPACTS GENERALLY REMAIN

LOCALIZED. QUESTIONS RAISED IN REVIEWS INCLUDED: WHAT ARE THE PROSPECTS THAT THE FRUITS OF USAID INVESTMENTS WILL BECOME BROAD-BASED? WILL THE INCREASES IN NUMBERS OF BENEFICIARIES REMAIN LOCALIZED OR WILL THE INCREASES TAKE ON GEOMETRIC PROPORTIONS? REVIEWERS CONCLUDED THAT IT DEPENDS TO A LARGE DEGREE ON HOW EFFECTIVELY THE BUREAU BUILDS ON THE KNOWLEDGE AND IDEAS PRODUCED BY ITS PROGRAMS AND FIELD PRESENCE. THE SUGGESTION WAS MADE THAT MISSIONS, COLLABORATORS, AND AID/W SHOULD WORK TOGETHER TO DEVELOP A CONSISTENT WAY TO REPORT ON PROGRESS AND TO SHARE IDEAS AND INFORMATION PRODUCED IN THE FIELD.

E. POPULATION. EIGHTEEN APIS INCLUDED FAMILY PLANNING AS A STRATEGIC OBJECTIVE, SOME WITHIN THE CONTEXT OF MATERNAL CHILD HEALTH AND HIV/AIDS PREVENTION. USAID COUNTRIES ARE NOW ROUTINELY TRACKING CHANGES IN CONTRACEPTIVE USE, FERTILITY RATES, AND KNOWLEDGE AND ATTITUDES TOWARD FAMILY SIZE THROUGH PERIODIC DEMOGRAPHIC AND HEALTH SURVEYS (DHS). SOME MISSIONS ARE SUPPORTING SPECIAL DATA COLLECTION APPROACHES SUCH AS SAMPLING RECORDS (ZIMBABWE) AND SUPPORTING INTERIM SURVEYS (GHANA) TO TRACK PROGRESS IN INCREASING CONTRACEPTIVE USE MORE FREQUENTLY THAN IS POSSIBLE THROUGH THE DHS.

REGARDING THE MONITORING OF CONTRACEPTIVE PREVALENCE RATES (CPR), WE RECOMMEND THAT MISSIONS REPORT ON BOTH CPR FOR MARRIED WOMEN (TO FACILITATE TREND ANALYSIS) AND FOR ALL WOMEN OF REPRODUCTIVE AGE. WE ENDORSE THE TREND TO INTEGRATE FAMILY PLANNING SERVICES WITH MATERNAL AND CHILD HEALTH. SEVERAL BILATERAL PROGRAMS ARE ALSO SEEKING TO INTEGRATE HIV/AIDS PREVENTION EFFORTS WITH MCH AND FAMILY

PLANNING.

THE IMPACT OF FAMILY PLANNING PROGRAMS IS MOST CLEARLY SEEN IN EAST AND SOUTHERN AFRICA. THE BEST NEWS THIS YEAR IS FROM KENYA, WHICH DOCUMENTED A DRAMATIC DROP IN FERTILITY. IN THE DECADE FROM THE LATE 1970S TO THE LATE 1980S, THE TOTAL FERTILITY RATE (TFR) FELL APPROXIMATELY 20 PERCENT FROM 8.1 IN 1977 TO 6.7 IN 1989. IN THE FOUR YEARS BETWEEN 1989 AND 1993, THE TFR FELL ANOTHER 20 PERCENT FROM 6.7 TO 5.4--ONE OF THE STEEPEST DECLINES EVER RECORDED. THIS HISTORIC DROP IN FERTILITY IS DUE MAINLY TO INCREASED USE OF MODERN METHODS OF CONTRACEPTION. AFTER OVER 20 YEARS OF USAID SUPPORT FOR FAMILY PLANNING IN KENYA, THE AGENCY CAN FEEL JUSTIFIABLE PRIDE IN THIS ACCOMPLISHMENT. BOTSWANA AND ZIMBABWE ALSO SHOWED HIGH RATES OF CONTRACEPTIVE USAGE. IT APPEARS THAT A DEMOGRAPHIC TRANSITION IS BEGINNING TO OCCUR IN SOME EAST AND SOUTHERN AFRICAN COUNTRIES

IN WEST AND SAHELIAN AFRICA, CHANGE HAS BEEN MUCH SLOWER AND FERTILITY REMAINS VERY HIGH. FAMILY PLANNING SERVICE DELIVERY STILL IS IN THE EARLY STAGES AS REFLECTED IN CONTRACEPTIVE PREVALENCE RATES TYPICALLY BELOW 6 PERCENT--MUCH TOO LOW TO HAVE AN IMPACT UPON BIRTH RATES. AN EXCEPTION IS GHANA, THE FIRST WEST AFRICAN COUNTRY WITH A MODERN METHOD PREVALENCE RATE OVER 10 PERCENT. IN SOME COUNTRIES SUCH AS SENEGAL, SIGNIFICANT GAINS HAVE BEEN MADE IN MODERN CONTRACEPTIVE PREVALENCE IN URBAN AREAS, THOUGH PREVALENCE IS STILL VERY LOW THROUGHOUT THE COUNTRY AS A WHOLE. ALMOST ALL WEST AFRICAN AND SAHELIAN COUNTRIES NOW HAVE POLICIES FAVORING FAMILY PLANNING.

F. CHILD SURVIVAL. TWELVE COUNTRIES REPORTED ON INFANT AND CHILD MORTALITY RATES AT THE GOAL, SUBGOAL OR STRATEGIC OBJECTIVE LEVEL. IN TEN COUNTRIES, INFANT AND CHILD MORTALITY RATES CONTINUE TO DECLINE, ALTHOUGH THE RATE OF DECLINE APPEARS TO BE SLOWING IN SOME OF THESE COUNTRIES. IN TWO COUNTRIES, NIGER AND ZAMBIA, DATA FROM RECENT DEMOGRAPHIC AND HEALTH SURVEYS INDICATE INCREASED AND VERY HIGH LEVELS OF UNDER-FIVE MORTALITY. IN NIGER, THE DATA SHOW THAT ONE OUT OF EVERY THREE CHILDREN DIES BEFORE THE FIFTH BIRTHDAY. THESE ALARMING INCREASES MAY BE DUE TO POOR OR DETERIORATING HEALTH INFRASTRUCTURE, WORSENING NUTRITIONAL STATUS IN BOTH COUNTRIES, AND HIV/AIDS AND MALARIA IN ZAMBIA.

TWO COUNTRIES REPORTED ON DIARRHEAL DISEASE CONTROL PROGRAM EFFORTS, BUT ONLY MADAGASCAR PROVIDED TREND DATA WHICH SHOWS THAT THE NUMBER OF CHILDREN RECEIVING ORAL REHYDRATION THERAPY INCREASED FROM 26 PERCENT TO 30 PERCENT BETWEEN 1992 AND 1993. ONLY THREE COUNTRIES REPORTED ON NATIONAL LEVEL IMMUNIZATION COVERAGE OF CHILDREN UNDER ONE YEAR OF AGE. MALI AND NIGER REPORTED STABLE, BUT VERY LOW COVERAGE OF LESS THAN 40 PERCENT FOR MEASLES OR COMPLETE VACCINATIONS, WITH INCREASES IN COVERAGE CONSTRAINED BY CHANGING SERVICE DELIVERY STRATEGIES.

NIGERIA REPORTED AN ALARMING DECLINE IN NATIONAL IMMUNIZATION COVERAGE FROM 60 PERCENT TO 38 PERCENT THUS RAISING THE QUESTION OF WHETHER HEAVILY DONOR-FUNDED PROGRAMS OF SHORT DURATION CAN BE SUSTAINABLE. AFTER

MASSIVE EFFORTS IN THE LATE 1980S BY UNICEF MINISTRIES, AND OTHER DONORS TO ACHIEVE HIGH RATES OF COVERAGE, FUNDING PRIORITIES HAVE SHIFTED, LEAVING AN INSUFFICIENT RESOURCE BASE TO SUPPORT ACCELERATED IMMUNIZATION PROGRAMS (E.G. MASS CAMPAIGNS). OTHER FACTORS IN THE DECLINE WERE HIGH DROPOUT RATES AND THE REDISTRIBUTION OF RESOURCES DUE TO THE CREATION OF LOCAL GOVERNMENT AREAS. THE NIGERIA EXPERIENCE POINTS TO THE NEED FOR BETTER COLLABORATION WITHIN THE DONOR COMMUNITY AND WITH THE GOVERNMENT TO

ENSURE BETTER PLANNING FOR CONTINUING SUPPORT OF PROGRAMS.

MISSIONS ARE MOVING FROM VERTICAL PROGRAMS TO SYSTEMS STRENGTHENING, AN APPROACH WHICH WILL LIKELY INCREASE THE POTENTIAL FOR SUSTAINABILITY. WE APPLAUD THIS DIRECTION AND BELIEVE THAT WITHOUT THESE TYPES OF SYSTEMS INVESTMENTS, THE EFFECTIVENESS OF VERTICAL PROGRAMS WILL BE LIMITED. AS HEALTH AND FAMILY PLANNING PROGRAMS INCREASE ATTENTION TO SYSTEMS STRENGTHENING, MANY MISSIONS ARE REPORTING ON SUBSTANTIAL INCREASES IN THE NUMBERS OF HEALTH FACILITIES PROVIDING A FULL PACKAGE OF #QUALITY, EFFECTIVE HEALTH AND FAMILY PLANNING SERVICES. I WHILE THESE DATA ARE ENCOURAGING, THIS TYPE OF PROGRESS INDICATOR SHOULD BE REVISED TO REFLECT PERFORMANCE SUCH AS PERCENTAGE OF THE POPULATION WITH ACCESS TO AND ACTUALLY UTILIZING THESE HEALTH AND FAMILY PLANNING SERVICES.

G. HIV/AIDS. OF THOSE COUNTRIES SUBMITTING APRS, SIX COUNTRIES HAVE STATED OBJECTIVES RELATED TO THE PREVENTION OF CONTROL OF HIV AIDS TRANSMISSION, AND FOUR COUNTRIES LIST HIV AIDS CONTROL AS TARGETS OF OPPORTUNITY. GIVEN THAT TWO YEARS AGO, ONLY TWO COUNTRIES REPORTED ON

HIV/AIDS IN THEIR APRS, A STRONG TREND AND IMPACT DATA ON HIV AIDS PREVENTION IS LIMITED. IN KENYA, UGANDA, AND MALAWI SIGNIFICANT RESULTS WERE REPORTED IN INCREASED LEVELS OF CONDOM DISTRIBUTION.

AS THE HIV/AIDS PROBLEM IN AFRICA CONTINUES TO GROW AND MORE MISSIONS INCORPORATE HIV/AIDS PREVENTION INTO THEIR STRATEGIC FRAMEWORKS, ISSUES HAVE BEEN RAISED CONCERNING THE LEVEL OF EXPECTED IMPACT (I.E., WHERE TO SET THE STRATEGIC OBJECTIVE) AND WHAT INDICATORS WILL BEST MEASURE PROGRESS AND IMPACT. THE BUREAU NO LONGER RECOMMENDS THAT MISSIONS PITCH STRATEGIC OBJECTIVES AT THE LEVEL OF INFLUENCING HIV SEROPREVALENCE.

WE QUESTION WHETHER ATTAINING IMPACT AT THIS LEVEL IS WITHIN THE MISSION'S MANAGEABLE INTEREST GIVEN BOTH THE LIMITED STATE OF KNOWLEDGE REGARDING THE TREND OF THE EPIDEMIC AS WELL AS THE LENGTH OF TIME THAT IS LIKELY REQUIRED TO SEE AN ACTUAL REDUCTION. THE WORLD HEALTH ORGANIZATION (WHO) AND USAID ADVISE THAT REDUCTION OF SEROPREVALENCE AS AN INDICATOR OF PROGRESS AND "SUCCESS" IS NOT APPROPRIATE GIVEN THE TIMEFRAME OF OUR STRATEGIES AND THE COMPLEX VARIABLES INVOLVED IN MEASUREMENT.

ON THE OTHER HAND, IT MAY BE QUITE REASONABLE TO AIM FOR BEHAVIOR CHANGE AFFECTING HIV/AIDS TRANSMISSION AT THE STRATEGIC OBJECTIVE LEVEL. SOME MISSIONS STATE STRATEGIC OBJECTIVES IN WORDS SUCH AS "INCREASED USE OF HIV/AIDS PREVENTIVE MEASURES BY TARGET POPULATIONS." USAID AND WHO HAVE DEVELOPED "CORE PREVENTION INDICATORS" FOR MONITORING PROGRAMS THAT FOCUS ON PREVENTION OF SEXUAL TRANSMISSION

OF HIV. AMONG THESE INDICATORS ARE KNOWLEDGE OF PREVENTIVE PRACTICES, CONDOM AVAILABILITY AND USE ESPECIALLY WITH NON-REGULAR SEXUAL PARTNERS, AND STD CASE MANAGEMENT.

BECAUSE HIV AIDS IS A NEW AND EVOLVING AREA, MISSIONS ARE EXPLORING APPROACHES TO GATHERING DATA AND DEVELOPING VALID MEASURES. ESTIMATES OF EXPECTED RESULTS ARE LESS CERTAIN AND ARE LIKELY TO BE REVISED AS MORE KNOWLEDGE AND EXPERIENCE ARE GAINED.

H. BASIC EDUCATION. APRS FOR BOTSWANA, GHANA, MALI, AND UGANDA WERE REVIEWED IN TERMS OF BASIC EDUCATION PROGRESS AND IMPACT. ON THE WHOLE, MISSIONS ARE DOING A BETTER JOB OF DESCRIBING THE CONTEXT IN WHICH EDUCATION IMPROVEMENT IS OCCURRING. THE APRS CONVEY A SENSE OF THE POLITICAL,

ECONOMIC, AND SOCIAL FACTORS WHICH DETERMINE THE CONTENT AND PACE OF EDUCATION REFORM. IN ADDITION, DATA ARE BECOMING MORE INFORMATIVE AS MISSIONS ARE BEGINNING TO REPORT ON IMPACT, NOT JUST PROCESS. THUS, MALI AND GHANA TRACK NOT ONLY LEVELS OF SECTOR FINANCING, TEACHER TRAINING AND TEXTBOOK AVAILABILITY, BUT ALSO CHANGES IN STUDENT ACHIEVEMENT.

WHILE THERE IS MORE REPORTING ON THE CROSS-SECTORAL IMPORTANCE OF EDUCATION TO OVERALL DEVELOPMENT THAN IN PREVIOUS YEARS, APIS WITH BASIC EDUCATION COULD STATE MORE CLEARLY THESE LINKAGES. FOR EXAMPLE, AN API COULD STATE THAT BROAD-BASED, SUSTAINABLE, EQUITABLE ECONOMIC DEVELOPMENT HINGES IN LARGE DEGREE ON HAVING A TRAINABLE WORKFORCE. SUCH A WORKFORCE MUST HAVE THE PROFICIENCY IN LITERACY, NUMERACY AND PROBLEM-SOLVING NECESSARY TO ABSORB

THE FAMILY LIFE AND SKILLS TRAINING THAT MAKE AFRICAN LABOR COMPETITIVE IN TODAY'S GLOBAL ECONOMY.

SOME REVIEWERS QUESTIONED THE RELIABILITY OF DATA USED FOR REPORTING. IN ADDITION, THERE WAS CONCERN THAT IN STRIVING FOR PEOPLE-LEVEL IMPACT, APIS EXHIBIT EXPECTATIONS OF STUDENT-LEVEL CHANGE THAT ARE OVERLY AMBITIOUS. SOME REVIEWERS NOTED THAT, WITH THE MANDATE TO REPORT PEOPLE-LEVEL IMPACT, THERE IS A RISK THAT WE WILL OVERLOOK SYSTEM-LEVEL IMPACTS, IN MOST CASES NECESSARY PRECURSORS TO PEOPLE-LEVEL IMPROVEMENT.

OTHER ISSUES DEALT WITH THE TIMEFRAME IN WHICH WE CAN EXPECT IMPACT. IT WAS MENTIONED THAT, METHODOLOGICALLY, A NUMBER OF YEARS IS NEEDED TO SHOW INCREMENTS OF CHANGE, AND GROWTH WILL OFTEN BE UNEVEN. FOR EXAMPLE, IN GUINEA, THREE YEARS OF IMPERCEPTIBLE CHANGE IN THE LEVEL OF GIRLS' ENROLLMENT WAS FOLLOWED BY A YEAR IN WHICH GIRLS' ENROLLMENT GREW BY FOUR PERCENTAGE POINTS. THEREFORE, WE NEED TO BE PATIENT FOR EDUCATION SECTOR IMPROVEMENT TO OCCUR.

I. DEMOCRATIC GOVERNANCE. ONLY THREE MISSIONS (RWANDA, GUINEA-BISSAU, COTE D'IVOIRE) HAVE IDENTIFIED PROMOTION OF DEMOCRATIC GOVERNANCE AS A STRATEGIC OBJECTIVE AND TWO MISSIONS HAVE D/G AS A TARGET OF OPPORTUNITY. THIS SERIOUSLY UNDERREPRESENTS THE EXTENT OF D/G ACTIVITIES BEING DONE BY OUR MISSIONS. CONSEQUENTLY, IN RESPONSE TO BUREAU API GUIDANCE ASKING FOR EXPANDED REPORTING, NEARLY ALL MISSIONS SUBMITTING APIS DISCUSSED D/G PROGRESS AND IMPACT AND DID A HIGHLY CREDIBLE JOB.

DESPITE THE EXCELLENT DISCUSSION OF D/G ISSUES, IT WAS DIFFICULT TO IDENTIFY TRENDS THROUGH API DATA SINCE THIS IS THE FIRST YEAR MISSIONS HAVE BEEN REQUESTED TO REPORT ON THE D/G ENVIRONMENT AND ACTIVITIES. THUS, OTHER INFORMATION SOURCES SUCH AS THE AFRICAN REGIONAL ELECTIONS ASSISTANCE FUND (AREAF) WERE ALSO USED IN ANALYZING TRENDS. USAID SUPPORT OF D/G IN AFRICA BEGAN ONLY THREE YEARS AGO WITH THE PRIMARY FOCUS BEING SUPPORT FOR TRANSITION ELECTIONS.

BY FAR, THE MOST SIGNIFICANT TREND RELATIVE TO THE IMPACT OF OUR D/G SUPPORT EFFORTS IN AFRICA IS THE TRANSITION TO DEMOCRACY. WHILE POLITICAL TRANSITIONS CAN BE DIFFICULT AND SOMETIMES VOLATILE, OVER THE LAST THREE YEARS, TEN COUNTRIES COMPLETED DEMOCRATIC TRANSITIONS AND ARE IN THE CONSOLIDATION STAGE. IN CONTRAST TO SEVERAL SUCCESSES, SOME DISTURBING OUTCOMES HAVE BEEN ASSOCIATED WITH ELECTIONS OVER THE PAST YEAR (I.E., KENYA, TOGO, GABON AND GUINEA) WITH FLAWED PROCESSES LEADING TO FLAWED RESULTS.

ALTHOUGH OUT OF 20 APIS, THERE WERE ONLY THREE STRATEGIC

OBJECTIVES AND NINE TARGETS AIMED AT IMPROVING D/G, FURTHER ANALYSIS REVEALED THAT OF THE REMAINING STRATEGIC OBJECTIVES COVERING A VARIETY OF SECTORS, THERE WERE SEVEN ADDITIONAL TARGETS THAT WERE GEARED TOWARD IMPROVING D/G THROUGH POLICY, LEGAL, AND REGULATORY REFORMS. FOR EXAMPLE, TANZANIA'S STRATEGIC OBJECTIVE TO "INCREASE FORMAL PRIVATE SECTOR PARTICIPATION IN THE ECONOMY" INCLUDED A TARGET TO IMPROVE THE ROLE OF THE PRIVATE SECTOR IN SHAPING PUBLIC POLICY--AN OBJECTIVE OF D/G. NOT

UNEXPECTED IT THE FACT THAT WITHIN THE CONTEXT OF IMPROVING THE ENABLING ENVIRONMENT, THE MAJORITY OF MISSIONS LINKED LEGAL AND REGULATORY REFORM TO THE GOAL OF INCREASED ECONOMIC GROWTH. THE SYNERGISTIC RELATIONSHIP BETWEEN IMPROVED GOVERNANCE AND SUSTAINABLE ECONOMIC GROWTH IS STRONGLY STRESSED IN THE GUINEA-BISSAU STRATEGIC OBJECTIVE STATED AS "PRIVATE SECTOR TRADE AND INVESTMENT INCREASED IN CRITICAL GROWTH SUB-SECTORS THROUGH IMPROVED GOVERNANCE."

AN EMERGING TREND IS GREATER EMPHASIS ON STRENGTHENING THE CAPACITY OF CIVIL SOCIETY TO EFFECTIVELY SERVE, REPRESENT, AND DEFEND THE INTERESTS OF ITS MEMBERS AS DEMONSTRATED IN THE USAID/SENEGAL TARGET OF OPPORTUNITY. SEVERAL MISSIONS IDENTIFIED DECENTRALIZATION OF GOVERNMENT SERVICES AND STRUCTURES AS AN AREA OF CURRENT OR FUTURE ACTIVITY.

REVIEWERS NOTED TWO PROBLEMS WITH D/G INDICATORS AS REPORTED IN APIS. THE FIRST IS THAT IN SOME CASES D/G INDICATORS CURRENTLY IN USE BY MISSIONS TO REPORT ON D/G IMPACTS, PARTICULARLY THOSE DEALING WITH NON-D/G SECTOR ACTIVITIES, ARE NOT ADEQUATE TO FULLY CAPTURE PROGRESS OR IMPACT. SECOND, MANY OF THE SMALL BUT CRITICALLY IMPORTANT ACTIVITIES BEING SUPPORTED BY MISSIONS USING 116E, AREAF, AND OTHER FUNDING SOURCES ARE NOT SYSTEMATICALLY REFLECTED UNDER D/G STRATEGIC OBJECTIVES OR TARGETS OF OPPORTUNITY AND THEREFORE GO UNREPORTED. THUS, THERE IS A NEED FOR FURTHER REFINEMENT IN ORDER TO MORE EFFECTIVELY CAPTURE BOTH DIRECT AND INDIRECT (CROSSCUTTING) CONTRIBUTIONS TOWARD D/G.

J. GENDER REPORTING. OVERALL, THIS YEAR'S APIS SHOW A MORE SOPHISTICATED UNDERSTANDING OF THE IMPORTANCE OF GENDER CONSIDERATIONS IN DEVELOPMENT PLANNING IN TERMS OF SECTOR-SPECIFIC PEOPLE-LEVEL IMPACTS AND OVERALL PROGRAM SUCCESS. THE EDUCATION SECTOR MOST CLEARLY DEMONSTRATES A CONCERN FOR, AND UNDERSTANDING OF, THE IMPORTANCE OF GENDER CONSIDERATIONS IN DEVELOPMENT. THE PROMINENCE OF GENDER IN THE EDUCATION SECTOR, RELATIVE TO OTHER SECTORS, MAY REFLECT A GENERALIZED UNDERSTANDING THAT GIRLS' AND WOMEN'S EDUCATION HAS A CROSS-CUTTING IMPACT ON OTHER SECTORS AND THAT FURTHERING GIRLS' ACCESS TO BASIC EDUCATION IS OFTEN AN EXPLICIT OBJECTIVE OF OUR INTERVENTIONS IN THIS SECTOR.

THE AGRICULTURE AND NRM SECTOR IS BEHIND IN TERMS OF TRACKING FEMALE PARTICIPATION AND CONTRIBUTION. MOST SIGNIFICANTLY, INDICATORS REFERRING TO FARMERS ARE RARELY DISAGGREGATED BY GENDER IN APIS. HOWEVER, AWARENESS OF GENDER ISSUES IN THE ADOPTION OF FARMING TECHNOLOGIES WAS DEMONSTRATED BY THE KENYA API, WHICH EMPHASIZED DEVELOPING TECHNOLOGIES THAT CAN BE EASILY ADOPTED BY BOTH MALE AND FEMALE FARMERS.

GENDER CONSIDERATIONS IN PRIVATE SECTOR ACTIVITIES VARIES. WHILE FEMALE ACCESS TO CREDIT AND MICROENTERPRISE DEVELOPMENT SUPPORT SERVICES WERE OCCASIONALLY MENTIONED, GENDER SHOULD ALSO BE APPLIED TO OTHER LESS TRADITIONALLY "FEMALE-ORIENTED" PRIVATE SECTOR ACTIVITIES. MANY

ACTIVITIES, PARTICULARLY CONCERNING THE ALLEVIATION OF CONSTRAINTS TO WOMEN'S PARTICIPATION IN THE EXPORT SECTOR, CONTINUE IN LARGE PART TO BE EXCLUDED IN API REPORTING.

OF THE TWELVE MISSIONS WITH PROGRAM ACTIVITIES PERTAINING TO PRIVATE SECTOR DEVELOPMENT, ONLY TWO INCLUDED GENDER-DISAGGREGATED INDICATORS.

THE LEVEL OF GENDER REPORTING IN DEMOCRATIC GOVERNANCE WAS VERY PROMISING. ALMOST EVERY API REFERRING TO DEMOCRACY AND GOVERNANCE ACTIVITIES MENTIONED THE IMPORTANT ROLE THAT BOTH MEN AND WOMEN PLAY IN THE PROCESS OF DEMOCRATIZATION. THE CHALLENGE WILL BE TO TAKE ADVANTAGE OF THIS CHANGE OF ENVIRONMENT AND HELP WOMEN GAIN THE LEVEL OF POWER AND DECISION-MAKING THEY NEED TO INFLUENCE POLICY MAKERS AND GOVERNMENTS. AS D/G ACTIVITIES ARE DEVELOPED, IT IS CRITICAL THAT GENDER BE CONSIDERED IN THE INITIAL STAGES.

APIS DEMONSTRATE A RECOGNITION OF THE SIGNIFICANT GENDER DIFFERENCES IN HIV INFECTION, AND MISSION PROGRAMS ARE CONCEPTUALIZED AND REPORTED ON IN AN APPROPRIATE FASHION. HOWEVER, MEN'S ROLE IN FAMILY PLANNING IS NOT YET MAINSTREAMED IN APIS, ALTHOUGH THERE HAS BEEN PROGRESS IN REPORTING FROM LAST YEAR.

OF THE MISSIONS SUBMITTING APIS, FIVE MISSIONS APPEAR TO BE ON THE ROAD TO INTEGRATING GENDER ROUTINELY ACROSS ALL PROGRAMS AND SECTORS. APIS FOR UGANDA, NIGER, AND GUINEA ALL INCLUDE INDICATORS REPRESENTING GENDER CONSIDERATIONS FOR EACH MAJOR PROGRAM ACTIVITY. INFORMATION ON WHY THE INDICATORS WERE CHOSEN AND DEEMED IMPORTANT WAS INCLUDED IN THE NARRATIVE SECTIONS. UGANDA'S INCLUSION OF GENDER IN ITS AGRICULTURAL EXPORT SECTOR ACTIVITIES IS ESPECIALLY NOTEWORTHY. WHILE APIS FOR MALAWI AND MALI DO NOT PROVIDE

GENDER-DISAGGREGATED INDICATORS FOR ALL OF THEIR PROGRAM ACTIVITIES, IMPORTANT QUALITATIVE INFORMATION RELATED TO EACH ACTIVITY WAS PROVIDED IN THE NARRATIVE SECTIONS. THE MALAWI API ALSO POINTED OUT GENDER-BASED LINKAGES AND IMPACTS BETWEEN OBJECTIVES, SUCH AS GIRLS' AND WOMEN'S LITERACY AND FERTILITY RATES. THE MALI API EMPHASIZED THE CONTRIBUTION OF BOTH WOMEN AND MEN TO THE SUCCESS TO THE COUNTRY'S DEMOCRATIC TRANSITION.

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6. CLOSING COMMENTS

WE APPRECIATE THE TREMENDOUS EFFORTS THAT MISSIONS PUT FORTH IN THIS YEAR'S APIS AND CONGRATULATE MISSIONS ON THE EXCELLENCE OF THE REPORTING. THE BUREAU HAS ALREADY DISSEMINATED THE RESULTS THROUGHOUT MANY PARTS OF THE AGENCY AND WILL CONTINUE TO USE THE API INFORMATION FOR MULTIPLE PURPOSES. AS PREVIOUSLY MENTIONED, FURTHER AID/W REPORTING OUT ON API RESULTS IS OR SOON WILL BE AVAILABLE THROUGH COUNTRY-SPECIFIC AND SUBREGIONAL API FEEDBACK CABLES. A COMPENDIUM OF FY 1993 APIS WILL BE SENT TO ALL AFR MISSIONS SOON. ACCOMPANYING THE COMPENDIUM WILL BE A VOLUME CONTAINING COUNTRY-LEVEL ANALYTICAL MATRICES, SUMMARY MATERIAL PRESENTED IN THE SUBREGIONAL REVIEWS, AND COMMENTS AND PAPERS FROM THE AFR BUREAU-WIDE WRAP-UP SESSION.
TARNOFF

ASSESSMENT OF PROGRAM IMPACT

FY 1993

COASTAL AND CENTRAL WEST AFRICA

CAMEROON
COTE D'IVOIRE
GHANA
GUINEA
NIGERIA

ASSESSMENT OF PROGRAM IMPACT

FY 1993

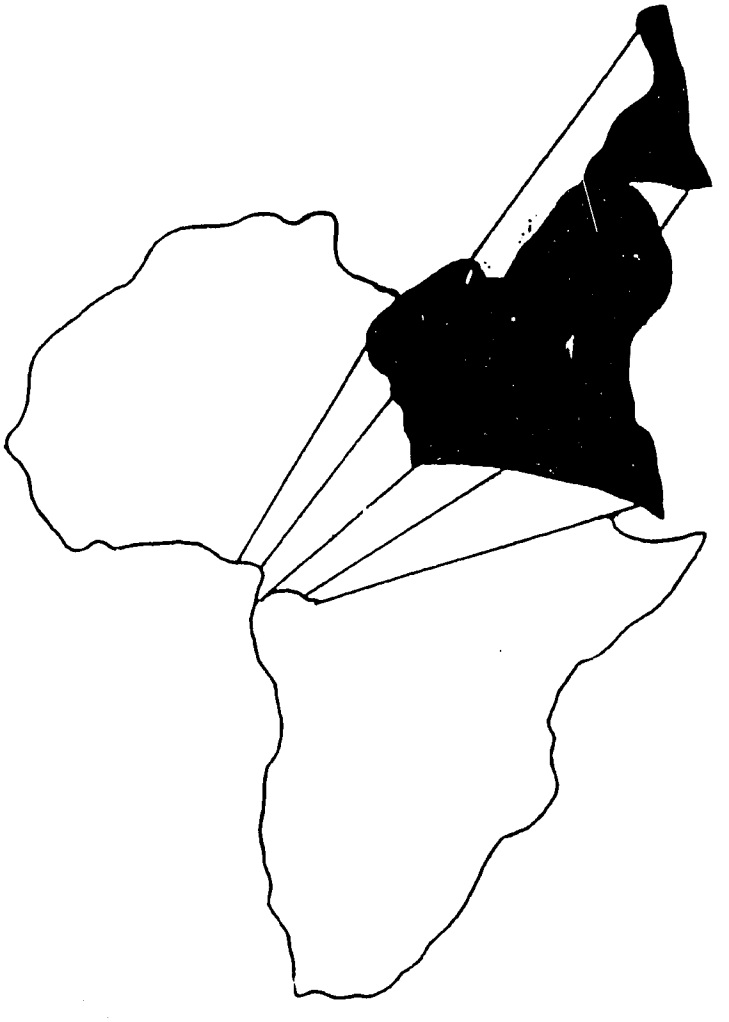
CAMEROON

12

Assessment of Program Impact (API)

USAID/Cameroon

FY 1993



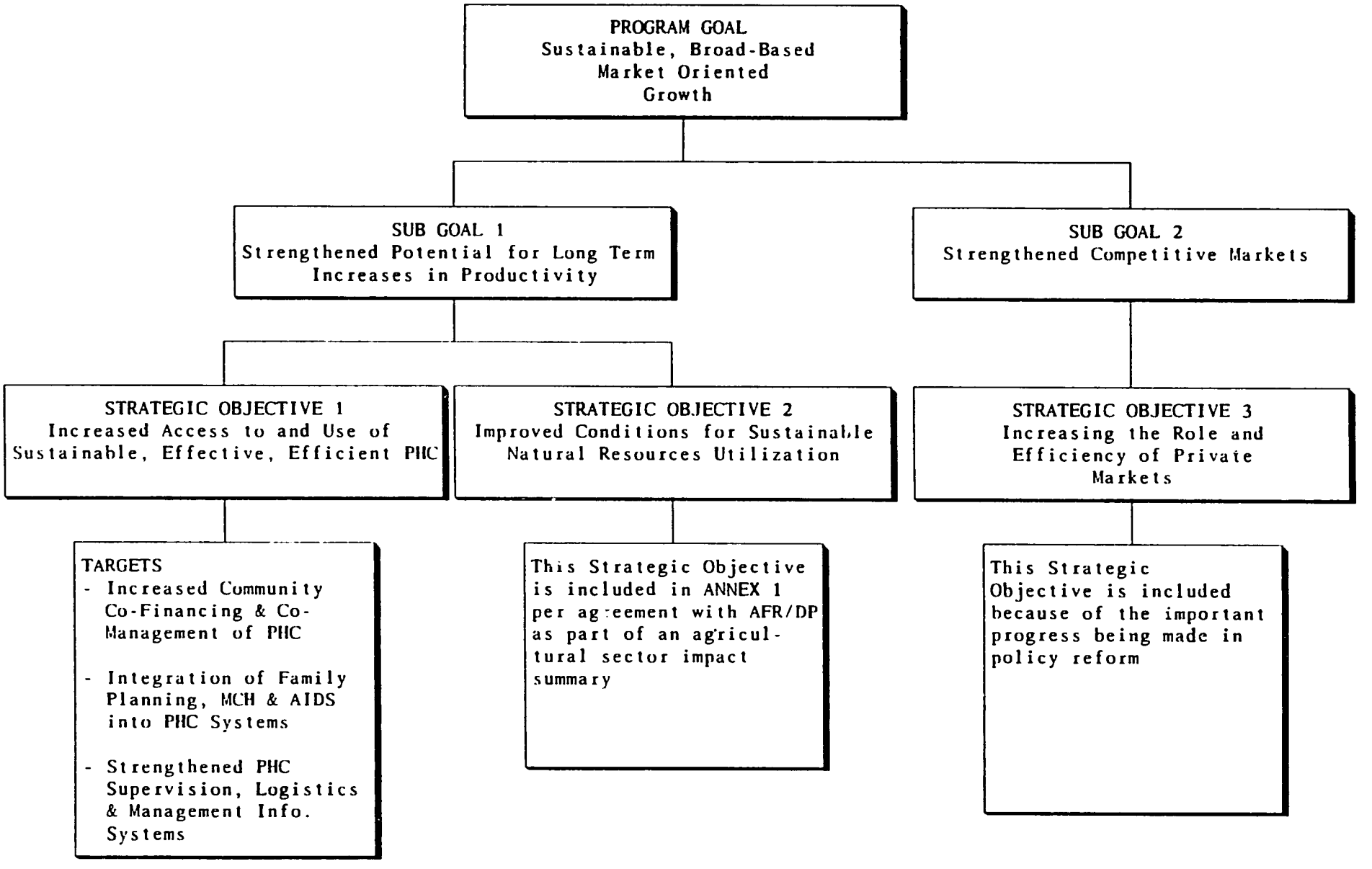
November 15, 1993

ACRONYMS AND ABBREVIATIONS

ABS	Annual Budget Submission
ACCOSCA	African Confederation of Cooperative Savings and Credit Associations
ADB	African Development Bank
AID/W	Agency for International Development in Washington, D.C.
AIDS	Acquired Immune Deficiency Syndrome
AIDSTECH	AIDS Technical Support (AID/W project)
API	Assessment of Program Impact
ARD	Agriculture and Rural Development Office
ARI	Acute Respiratory Infections
ASR	Agricultural Sector Review
BCCC	Bank of Credit and Commerce Cameroon
BICIC	Banque Internationale pour le Commerce et l'Industrie du Cameroun
BIFAD	Board for International Food and Agricultural Development
BEAC	Banque des Etats de l'Afrique Central (Central Bank of the Central African States)
CamCCUL	Cameroon Cooperative Credit Union League
CAPP	Cameroon Agriculture Policy and Planning Project
CDD	Control of Diarrheal Diseases
CFAF	Franc de la Communaute Financière Africaine (Cameroon currency)
CFD	Caisse Francaise de Developpement
CIAME	Center for the Procurement of Essential Medicines
CMR	Child Mortality Rate
COSA	Health Committee
COSADI	Health District Committee
CPDM	Cameroon People's Democratic Movement
CS	Health Center
CSM	Cameroon Social Marketing Program
CUNA	Credit Union National Associaiion
CUSS	Cameroon University Center for Health Sciences
CYP	Couple Years of Protection
D/G	Democracy and Governance
DFA	Development Fund for Africa
DFMH	Directorate of Family and Mental Health
DHS	Demographic and Health Surveys (R&D/POP Project)
DMPR	Directorate of Preventive Medicine and Rural Health
DPT	Diphtheria, Pertussis, and Tetanus Immunization
EOPS	End-of-project Status
ESF	Economic Support Fund
FAA	Foreign Assistance Act
FOB	Free on Board
FS	Farming System
FSPS	Provincial Health Fund
FSSRP	Fertilizer Sub-Sector Reform Program
GDP	Gross Domestic Product
GNP	Gross National Product
GRC	Government of the Republic of Cameroon
HCRP	Health Constraints to Rural Production Project
HIV	Human Immuno-Deficiency Virus
IBRD	International Bank for Reconstruction & Development
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
IFI	International Financial Institute
IITA	International Institute for Tropical Agriculture
ILO	International Labor Organization
IMF	International Monetary Fund
IRA	Institute for Agronomic Research
IRZ	Institute for Livestock Research

ITTO	International Tropical Timber Organization
LBA	Licensed Buying Agents
LOP	Life of Project Funding
MCH	Maternal Child Health
MCH/CS	Maternal Child Health/Child Survival Project
MCH/CS II	Maternal Child Health/Child Survival II Project
MINAGRI	Ministry of Agriculture
MINDIC	Ministry of Industrial and Commercial Development
MINPAT	Ministry of Planning and Regional Development
MOPH	Ministry of Public Health
NACS	National AIDS Control Service
NCRE	National Cereals Research & Extension Project
NDI	National Democratic Institute
NEAP	National Environmental Action Plan
NFHP	National Family Health Project
NGO	Non-Governmental Organization
NOIFZ	National Office of Industrial Free Zones
NPA	Non-Project Assistance
NPMB	National Produce Marketing Board (also ONCPB)
NRM	Natural Resources Management
NWCA	North West Cooperative Association
OECD	Organization for Economic Cooperation and Development
OICI	Opportunities Industrialization Center International
ONAPHARM	National Office of Pharmaceuticals
ONCPB	Office National de Commercialisation des Produits de Base (also NPMB)
ONCC	Office National des Chargeurs du Cameroun
OPIC	Overseas Private Investment Corporation
ORT	Oral Rehydration Therapy
PACD	Project Assistance Completion Date
PAGE	Program d'appui a la gestion economique
PHC	Primary Health Care
PHD	Provincial Health Delegate
PRAMS	Program for the Reform of the Agricultural Marketing Sector PREPS Policy Reform in the Export Processing Sector
PRITECH	AID/W Primary Health Care Technology Project
PVO	Private Voluntary Organization
RHDS	Reform of the Health Delivery System Project
ROTREP	Roots and Tubers Research Project
RPHC	MOPH Reorientation of Primary Health Care Policy
SAL	Structural Adjustment Loan
SAP	Structural Adjustment Program
SEMRY	Societe d'Expansion et de Modernisation de la Riziculture a Yagoua
SNH	Societe Nationale de Hydrocarbures
SGBC	Societe Generale de Banque au Cameroun
SIFZ	Special Industrial Free Zone
SNI	Societe Nationale d'Investissements (National Investment Corporation)
TAACS	Technical Advisor in AIDS and Child Survival
UCCAO	Union Central des Cooperatives Agricoles de l'Ouest (Central Agricultural Cooperative Union of the Western Province)
UCD	University Center at Dschang
UDEAC	Customs Union of the Central African States
WID	Women in Development
WOCCU	World Council of Credit Unions, Inc.

USAID/CAMEROON



SECTION I: SPECIAL FACTORS AFFECTING THE USAID PROGRAM

BACKGROUND

In March 1992, Cameroon was placed on the USAID watch list to be closely monitored in terms of its economic and political performance, in particular, progress towards comprehensive reforms. The FY 1993 operating year budget for USAID/Cameroon was reduced from $24 million to $20 million at that time. In September 1992, the government failed to meet conditionality for a second IMF stand-by facility. During most of 1992 and 1993 there was no IMF agreement in place. In fact, disbursements from the World Bank for the Structural Adjustment Program (SAL) were suspended twice. In October 1992 Cameroon held Presidential elections which were widely criticized as unfair. A report by the National Democratic Institute's international observer team publicly documented the election problems. Shortly after, on November 25, 1992, the U. S. Government suspended $14 million of USAID/Cameroon's $20 million operating year budget for FY 1993, pending improvements in political and human rights conditions in the country. These needed improvements were well documented at the time in an Aide-Memoire presented to the Government of Cameroon by the U.S. Government.

Cameroon's economic decline is now in its seventh year. The country's overall financial position is weakening in the face of diminishing oil revenues caused by declining reserves, reduced non-oil tax revenue resulting from tax exonerations and growing delinquencies in an already narrow-based tax and tariff structure. Given the prevailing high level of central government expenditures, the continuing decline in revenue has resulted in an unacceptably high deficit. Due to a lack of investor confidence in the government to quickly and fairly resolve its most egregious political and economic problems, there is virtually no new investment coming into Cameroon. The public investment budget which is minimal is funded with approximately 90% from external sources.

At the same time, Cameroon's political situation is growing more tense and increasingly polarized. The government has repeatedly missed opportunities for serious sustained dialogue with the opposition and, therefore, has resisted appeals to convene a national conference that would serve to reexamine the proposed constitutional reform process and provide for fundamental political reforms embodied in a new constitution. After a formal public debate and the establishment of a Commission to draft the new constitution, there still remain major questions about the draft. The document has been in the President's office since July with no indication that he is finally willing to publicly announce new initiatives resulting in political compromise and reconciliation that could begin to heal a fractured political milieu.

It is widely acknowledged that the needed investment and increased economic activity will not occur until the existing political impasse between the ruling party and opposition groups is resolved. Due to the ongoing political and economic crisis many EC donors, as well as Japan, have either scaled back or terminated selected aid activities in Cameroon.

USAID

FY 1993 was a year of rethinking strategy and consolidation of USAID's development assistance portfolio. During the first six months of 1993 the political environment remained problematic. The impasse over constitutional reform and national reconciliation continued. In Washington, a new administration was inaugurated and A.I.D initiated a wide ranging reorganization that is already impacting on overseas missions. A number of USAID programs around the world will be either downsized or closed-out during 1994-1995.

In the midst of these uncertainties, A.I.D./W approved USAID Cameroon's Concept Paper at a Washington review held in June, 1993. The key strategic objectives within which the program consolidation would be completed were agreed upon. These objectives included: (a) Health and Population, and (b) Natural Resources Management. The target of opportunity of Democracy and Governance was also approved. The PID for this activity was approved in August and delegation of authority was given for final design and approval in the field. Authority for project paper (PP) approval was also delegated to the field for the Natural Resources Management (CAMPER) project. The proposed private sector-agribusiness strategic objective was "suspended" due to the current political and economic environment in Cameroon. In September this AID/W decision followed by another not to allow disbursement of $10 million in NPA funds to support private sector and policy reform activities. Finally, the program budget was set at $11 million for each of the three years of the Concept Paper period (1994-96).

Down-sizing, and perhaps close-out of USAID/Cameroon's assistance program, has become a reality. In October 1993, the Ambassador was notified by cable (State 316701, dated October 16, 1993) to inform the government of the USG's intention to close-out the USAID Mission and assistance program in Cameroon. All design work on the two new projects, D/G and CAMPER, was halted and a draft USAID Mission close-out plan prepared and submitted for review in Washington.

As a result of these special circumstances, USAID was notified that a full-blown API submission would not be expected. Nonetheless, to help the AFR/Bureau capture as much impact of our assistance under the DFA as possible, USAID is providing a complete submission for the Health Strategic Objective. A retrospective look at the impact of the agriculture sector program is provided as Annex I. Strategic Objective 3, Improved Conditions for Private Sector Trade is included because the Mission believes the important progress being made in policy reform must be documented. Strategic Objective 2, Improved Conditions for Sustainable Natural Resource Utilization, has been dropped due to the cancellation of the CAMPER PP design.

SECTION II: PROGRESS TOWARDS OVERALL PROGRAM GOAL

The economic performance in Cameroon has been impeded by the GRC's inability to address persistent structural deficiencies. As a result, the GRC is no longer able to discharge both its external and internal debt obligations which now reach unacceptable levels. Despite some recent progress in cutting back personnel expenditures, the issue of external adjustment, led by the need for a nominal devaluation, has brought the debate on the overvaluation of the CFAF to the forefront.

Macroeconomic Indicators

Over the past year, Cameroon's macroeconomic situation has worsened. Most indicators point to an economy in steep decline as evidenced by the real GDP drop (-2.5% in FY 1993) and the 2.6% real consumption decline. A per capita GDP of USD 860 in FY 1993 placed Cameroon among the lower middle income developing countries. Real imports and exports are estimated to have dropped by 4% and 7% in FY 1993 respectively. With the persistent decline in the terms of exchange, the balance of trade has also deteriorated significantly and the current account deficit has increased from 8% to almost 9.4% of GDP. The decline of public investment (less than 3% of GDP), which is 90% financed from external sources, shows clearly why the public sector can no longer be the engine for economic development.

In spite of the foregoing and although unable to reverse the trend of its decreasing non-oil income, the GRC has managed to reduce public expenditures somewhat. Nonetheless, the following major factors have combined to exacerbate Cameroon's economic decline during FY 1993:

- 26% drop in oil revenues resulting from declining oil production and the depletion of Cameroon's modest reserve;

- 3% drop in non-oil tax revenue, in correlation with the GDP decrease (12.7% of GDP) in FY 1993. This situation results from too many tax exonerations and widespread tax delinquency (driven by political tension) in the framework of an already narrow-based tax and tariff structure; and

- Continued delays in the implementation of the Structural Adjustment Program (SAP) in spite of recent internal adjustment measures.

In the area of public finance, the GRC adopted a limited package of measures to increase revenues and control expenditures. The reduction of the public sector wage bill, expected to yield annual savings of CFAF 60 billion, is insufficient to prevent a further deterioration of the GRC financial position over the near term. The overall fiscal deficit (on a commitment basis) which totalled 7% of GDP in FY 1992 rose to 8% of GDP in FY 1993. Wages (42% of expenditures and 62% of revenues) consumed nearly all revenues, while non-wage recurrent expenses have been reduced to the minimal level. Given that oil revenues are expected to drop by another 14 percent, the economic outlook is gloomy. A residual financing gap of 7.5% (CFAF 200 billion) will remain, even under the best of circumstances.

The restructuring of the banking system is largely completed but the liquidity and solvency crisis remains severe. This crisis is mainly explained by the general economic crisis, the withdrawal of bank deposits in anticipation of nominal devaluation and more particularly, the non-fulfillment of GRC debt obligations to the banks and the public sector. The recent imposition of a 3% fee on Bank of France repurchases of CFA notes, and the recently- promulgated limited convertibility of the CFA outside its monetary zone, may correct the present illiquidity of the banking sector. The effect of these measures, however, could be diminished by an increase in foreign exchange transactions in the informal financial sector.

Some progress has been achieved in the reduction of GRC administrative heavy handedness in business decisions. For example, some of the restrictive legislation governing business activities has been cancelled. Unfortunately, efforts to reform, liquidate or privatize public enterprises have been derailed by political interference and by the shortage of investment capital. A new statute for state-owned enterprises (SOEs) should be issued by the end of 1993. Efforts are also being made to extend the wage cuts to SOEs which have been protected from open and free foreign competition, with the intention of bringing such SOEs under the general tax code.

On the legislative front, GRC's achievements during FY 1993 were significant:

- The implementing Decree of the new Cooperative Law was promulgated, followed by nationwide dissemination campaign sponsored by USAID/Cameroon;

- Tariff rates are being harmonized through a UDEAC-sponsored reform across the Central African region, effective January 1994; and

- Monopoly rights for arabica coffee marketing cooperatives were abolished.

Because of declining oil revenue and an increasing debt burden, it will be necessary for the GRC to develop and implement tight fiscal policies that will to enhance competitiveness. Until a new agreement is reached with the IMF and the World Bank on a macroeconomic framework, substantial foreign disbursements or debt relief arrangements are unlikely. Hence, the country's residual financing gap will probably be financed through the accumulation of external and internal arrears. However, the GRC may again be tempted to cover its residual financial gaps by conducting future sales that "mortgage" the disposal of some commodities, such as oil.

SECTION III: PROGRESS TOWARD STRATEGIC OBJECTIVES

Strategic Objective 1.0: Sustained Change in Health Status for Target Populations in Three Provinces

Overview:

USAID's goal in the health sector is to effect a sustained improvement in health standards for approximately 2.5 million persons living in the Adamaoua, South, and four divisions of the Far North province. USAID will achieve this objective by implementing the GRC's health sector reform program, called the Reorientation of Primary Health Care (RPHC).

Launched in 1989, the RHPC supports the development of a financially sustainable, effective and efficient PHC system to provide basic preventive and curative services to the population. The program comprises the following elements:

- community co-financing of health services through the sale of essential drugs and fees for services at health facilities;
- community co-management of health facilities through the creation of private, non-profit community health associations to administer cost recovery revenues and to enhance preventive and promotive health programs;
- establishment of provincial medical supply systems to make available essential drugs and medical supplies to health facilities, and finance provincial health management systems;
- full integration of preventive and curative services, health supervision, medical supply and health information systems; and
- coordination of public and private sector health services to facilitate health care coverage of the population.

In support of the RPHC program, the GRC has enacted two critical pieces of legislation:

- In December 1990, a drug financing law authorizing public health facilities to establish community-managed revolving fund pharmacies in which all receipts are retained locally; and
- In July 1992, a hospital financing law permitting specially-approved public hospitals to retain 50% of their revenues from fees for services (i.e., hospitalization, infant deliveries, etc) which were formerly remitted to the national treasury.

Since 1990, USAID and the other major health donors (the German, French, Belgian cooperation programs and UNICEF) have been implementing the RPHC program in all ten provinces. Plans have now been developed to implement the program in every division in the country.

Furtherance of Health Policy Reform in FY 1993

In March 1993, the Ministry of Public Health approved texts which establish a legal framework for the operation of private, non-profit community health associations at the levels of the health center, health

district and the province. The Prime Minister also signed decrees which provide operational guidance for the December 1990 Law on the sale of essential drugs at public health facilities, and the July 1992 Law on the management of revenues generated from fees for services at hospitals. Complementary in design, these decrees and official texts are important because they:

- Provide complete administrative procedures for the operation of community health and health management committees. This allows them to be officially classified as autonomous associations under the GRC's 1990 Law of Association and to be officially recognized by local administrative authorities.

- Authorize community health associations to play roles in the district-based health planning process, and in the budgeting and use of government credits which are provided to MOPH facilities and offices.

- Permit provincial health associations to be established which program excess cost recovery funds to support district health plans and provide subsidies to health facilities in under-populated rural areas.

- Authorize provincial health associations to co-manage, with the MOPH, autonomous medical supply systems within their provinces.

Program Implementation in FY 1993:

Primary Health Care: Under the RPHC program, in FY 1993 USAID helped the MOPH extend community co-financed and co-managed health services to an additional 450,000 persons in the South, Adamaoua and Far North provinces. This increased basic health care coverage in these provinces from approximately 13% in 1992 to over 30%. Despite the economic crisis, utilization of health facilities remained fairly steady, permitting over 85% of health facilities to post positive income statements and to finance over 50% of the basic, non-salaried, recurrent costs of the provincial medical supply, supervision, and health information systems. As a result, supervisory visits were consistently made (over 70% on schedule), health information reports were regularly submitted (70% on time), and there were relatively infrequent drug stockouts (less than 18%). The end result has been significantly increased childhood vaccination, well child and prenatal care coverage rates compared to the baseline of 1991.

Family Planning and AIDS: During FY 1993, as a result of USAID assistance, the number of health facilities offering family planning information and services increased from 75 to 151 sites. Contraceptive prevalence, as estimated by the indicator couple-years of protection, increased by over 30% since last year. In terms of AIDS control, annual sales of condoms by the Cameroon Social Marketing Program increased from 4.6 to 5.7 million pieces in FY 1993, with approximately 15% of these sold to high-risk individuals. Continued high use of condoms by high-risk persons is expected to result in the plateauing of the Cameroon AIDS epidemic at a much lower rate than neighboring countries. Cameroon's present HIV seroprevalence rate of two percent is one of the lowest in Sub-saharan Africa.

People Level Impact of the Community Co-financed and Co-managed PHC Program:

The results of an ongoing household survey* on the effects of community co-financed and co-managed PHC services in the Adamaoua and South provinces indicate that participating health centers do significantly better in attracting sick people than other health centers. People are directly benefitting from the introduction of cost recovery measures, since these funds are invested in the health facility and have resulted in greatly improved quality of care including the regular availability of low-priced essential drugs. This

* JLitvack et al, "User Fees Plus Quality Equals Improved Access to Health Care: Results of a Field Experiment in Cameroon," Soc. Sci. Med, pp. 369-381, 1993

finding is supported by the April 1993 external evaluation of the USAID-supported RPHC program in the Far North Province which reported that "the comparison between project-assisted and non-assisted health facilities is dramatic."

From a public health viewpoint, it is beneficial that people are increasingly choosing to use local community co-financed and co-managed health centers. At these centers, people receive proper consultation and diagnosis prior to using drugs which are not given at the local market or the pharmacy. This improves the quality of care. Moreover, by increasing the use of curative care, health facility clients are benefitting in greater numbers from cost-effective preventive and promotive health services.

The study also indicates that poor people in the study area are benefitting equally, or proportionately more, from the introduction of community co-financing and co-management of PHC. The poorest segments of the rural population benefit from the new system because they cannot afford the time and travel cost involved in seeking alternative sources of care. The essential, generic drugs available at the local community co-financed and co-managed health centers are less expensive than those found in a provincial capital.

The lesson learned is that "when a system was set up so that user fees can be reinvested in the collecting facility to improve quality, this resulted in an effective decrease in price for households and therefore utilization rose among all income groups."

Another important result is that private, non-profit community health associations with operational links to the public health sector provide a suitable institutional framework for achieving financial sustainability in the health sector.

Continued expansion of the community co-financed and co-managed program is expected to result in sustainable reductions in infant, child, and maternal mortality rates. These indicators will be measured by the planned national demographic and health survey in 1996.

Table of Indicators for Strategic Objective 1.0

Indicators 1.1. - 1.3. Infant, Child, and Maternal Mortality Rates Will Monitor Long-term Changes in Health Status			
	Baseline 1987 (Nat'l Census)	1990 World Bank Report	1996 DHS*
1.1. Infant mortality rate (Infant deaths per 1,000 live births)	88	80	65
1.2. Child mortality rate (Child deaths per 1,000 live births)	155	127	110
1.3. Maternal Mortality rate (Maternal deaths per 100,000 births)	420	NDA**	350

* Demography and Health Survey

** NDA - No data available

Target 1.1. *Sustained Expanded Access to, and Coverage of, Community Co-Financed and Co-Managed Primary Health Care*

Table of Indicators for Target 1.1.

Access to Services

Indicator 1.1.1. Increased Access to Community Co-financed and Co-managed, Integrated PHC Services in Adamaoua, South, and Four Divisions of Far North Province

	Province	9/90 Baseline	9/91	9/92	9/93 Actual	9/94 Planned	9/95 Planned	9/96 Planned
Number of community co-financed/co-managed health facilities	South Adamaoua Far North	0 0 0	15 12 0	15 12 08	26 27 24	36 37 42	46 42 55	58 47 65
Percent of population with access to community co-financed/co-managed PHC.	South Adamaoua Far North	0 0 0	15 15 0	15 15 10	36 33 21	55 50 40	65 65 60	70 70 70
Population with access to community co-financed/co-managed PHC. (000's)	Total	0	146	261	708	1311	1607	1865

Comment: Basic health center services include the availability of essential drugs, curative care, prenatal and well child care, vaccinations, health education, and health center outreach services. The non-salaried recurrent costs of these health centers are financed by sales of drugs and fees for services.

Utilization of Community Co-financed and Co-managed PHC Services

Indicator 1.1.2. Increased Utilization of Community Co-financed and Co-managed Health Facilities in South, Adamaoua, and Four Divisions of the Far North Province.

	Province	9/92 Baseline	9/93 Actual	9/94 Planned	9/95 Planned	9/96 Planned
Utilization rate as measured by percent of facility catchment population visiting facility (as a new case) during one year period	South Adamaoua Far North	29% 30% -	33% 22% 18%	25% 25% 20%	25% 25% 20%	25% 25% 25%

Comment: Financial analyses indicate that 20% utilization is the minimum level possible for economic viability in South and Adamaoua provinces and 10% utilization is the minimum level for the densely populated Far North Province. Economic viability means funding the costs of essential drugs, supervision, PHC outreach, and maintaining the medical supply and health information systems. In FY 1993, despite the ongoing economic decline, utilization of community co-financed and co-managed PHC services remained considerably above these levels.

Health Management Systems

Indicator 1.1.3. Regular Supervision Visits from Health District to Health Center Levels Conducted on Schedule in Adamaoua, South, and Four Divisions of Far North Province						
	Province	9/92 Baseline	9/93 Actual	9/94 Planned	9/95 Planned	9/96 Planned
Percent of monthly supervision visits from health district to health center levels conducted on schedule	South Adamaoua Far North	41 63 -	83 54 85	75 75 75	80 80 80	80 80 80

Indicator 1.1.4. Regular Health Information Reports Submitted by Health Centers to the Provincial Health Delegations in South, Adamaoua and Four Divisions of Far North Province						
	Province	1992 Baseline	9/93 Actual	9/94 Planned	9/95 Planned	9/96 Planned
Percent of monthly health information reports received by prescribed deadline by Provincial Health Delegation	South Adamaoua Far North	82 76 -	42 75 95	80 80 80	80 80 80	80 80 80

Indicator 1.1.5. Regular Supplies of Essential Drugs in the Medical Supply Systems in South, Adamaoua, and Far North Province					
	Province	1993 Baseline	9/94 Planned	9/95 Planned	9/96 Planned
Percent of drugs and other medical products which are out-of-stock during the year at the provincial medical supply warehouse*	South Adamaoua Far North	17 18 NDA	10 10 15	10 10 10	7 7 7

* Based on stock situation at midpoint in year.

Comment: Overall, health management systems operated effectively in 1992. The challenge for the next few years will be to improve the quality of both supervision visits and health information reports, and further reduce the rate of drug stockouts at provincial medical supply warehouses and at the health facilities.

Community Financing of Health Services

Indicator 1.1.6. Community Financing of Basic Non-salaried Recurrent Costs of Provincial Health Management Systems in Adamaoua, South, and Four Divisions of Far North Province						
	Province	1992 Baseline	9/93 Actual	9/94 Planned	9/95 Planned	9/96 Planned
Percent of basic non-salaried recurrent costs of provincial health management systems* covered by cost recovery revenues	South Adamaoua Far North	40 35 -	55 50 NDA	75 75 50	85 85 75	90 90 85

* Includes costs of supervision, health information, and medical supply systems

Indicator 1.1.7. Positive Income Statements for Community Co-financed and Co-managed Health Facilities in South, Adamaoua and Four Divisions of the Far North Province					
	Province	1993 Baseline	9/94 Target	9/95 Target	9/96 Target
Percent of community co-financed/co-managed health facilities with positive income statements	South Adamaoua Far North	88 70 100	80 80 90	85 85 90	90 90 90

Comment: During 1993, significant progress was achieved in community financing of PHC services. Approximately half of the non-salaried recurrent costs of managing functional supervision, health information, and medical supply systems for Adamaoua and South provinces were covered by cost recovery revenues. The projected coverage for FY 94 is over 70%. Regarding the coverage of basic non-salaried recurrent costs at health centers, over 85% of health centers have positive income statements (i.e., they can cover their basic recurrent costs - resupply essential drugs, pay the salary of the community drug clerk, maintain the health center refrigerator and the moped, and resupply basic health center and client health forms).

GRC Funding of Health Services

Indicator 1.1.8. GRC Allocations for Health					
	Budget 90/91	Budget 91/92	Budget 92/93	Budget 93/94	Planned 96/97
MOPH Recurrent Budget (billion FCFA)	22.76	24.36	25.95	24.37	-
Percent of total GRC budget	4.1	4.5	4.5	4.5	7
MOPH investment budget (billion FCFA)	2.5	NDA	3.15	3.15	-
Percent of MOPH Recurrent budget expended (non-salaried)	NDA	15	15	-	50
Percent of MOPH investment budget expended	28	NDA	23.2	-	50
Percent of recurrent MOPH budget allocated to salaries	81	80	NDA	76	65

Comment: Under the RPHC Program, health services are co-financed between the State and the community. In addition to important "investment" costs such as health facility construction, major building renovations, and pre-service training of personnel, the State is responsible for the salaries of MOPH personnel which staff health facilities and offices. The GRC must maintain minimum funding of these elements for the co-financed health system to function.

Target 1.2. Increased Demand for Effective and Efficient, Preventive, Curative, and Promotive Health Services

Table of Indicators for Target 1.2

Maternal and Child Health (MCH)

Indicator 1.2.1. Childhood Vaccination Coverage Against Measles in South, Adamaoua, and Four Divisions of the Far North Province							
	Province	1991 Baseline	9/92 Actual	9/93 Actual	9/94 Projected	9/95 Projected	9/96 Target
Vaccination coverage among children under one year against measles	South	35	46	55	55	60	65
	Adamaoua	37	36	40	55	60	65
	Far North	35	NDA	60	55	60	65

Indicator 1.2.2. Increased Pre-natal Care Coverage for Pregnant Women							
	Province	1991 Baseline	9/92 Actual	9/93 Actual	9/94 Target	9/95 Target	9/96 Target
Percent of pregnant women who enroll in prenatal care	South	20	66	54	65	65	70
	Adamaoua	20	78	46	60	65	70
	Far North	20	NDA	60	70	70	75

Indicator 1.2.3. Well Child Care Coverage for Children Under Five Years of Age							
	Province	1991 Baseline	9/92 Actual	9/93 Actual	9/94 Target	9/95 Target	9/96 Target
Percent of children under 5 years benefitting from well child care	South	20	90	90	80	85	90
	Adamaoua	20	90	51	80	85	90
	Far North	20	NDA	50	60	85	90

Comment: Since the launch of the RPHC program in 1991, new community co-financed and co-managed health centers in the targeted provinces have begun to demonstrate important, sustainable increases in key MCH coverage rates.

Family Planning Progress:

Indicator 1.2.4. Indicator Population Growth		
Source: Cameroon National Population Census	**1987 Census Baseline**	**1997 Census Target**
Mean Annual Growth Rate	2.9 %	Less than 2.7%
Crude Birth Rate	41 (births per 1000 population)	Less than 38

Indicator 1.2.5. Demand for Family Planning Services		
Source: Cameroon Demographic and Health Survey	**1991 DHS Baseline**	**1996 DHS Target**
Total Fertility Rate	5.8 live births	5.5
Contraceptive prevalence rate (CPR) for modern methods	4.3 %	7 %
CPR for long-lasting, clinical methods	3.1 %	4.7 %
Percent of married women who want no more children	12.4	17
Percent of married women who want to delay next birth by 2 years	34.7	45
Percent of women knowing of a modern method	62.9	80
Percent of women knowing a source for a modern method	48.4	60
Percent of women who had ever used a modern method	15	20

Comment: The GRC population policy after independence was pro-natalist with no official support for integrating family planning services into the national health system. This began to change in 1989 when the MOPH created the Directorate of Family and Mental Health (DFMH) and started to promote child spacing as part of comprehensive maternal and child health services. Further progress was made by the MOPH in 1991 by developing a family planning service delivery policy and designing in-service and pre-service family planning training programs. In 1992, the GRC formally adopted a National Population Policy. In Fy 93, the MOPH made significant progress integrating family planning into community co-financed and co-managed health facilities, launched the first mass media family planning campaigns, and successfully introduced Norplant on a trial basis into health facilities.

Family Planning Service Statistics

Indicator 1.2.6. Number of Service Delivery Sites by Type

	9/91 Baseline	9/92 Actual	9/93 Actual	9/94 Target	9/95 Target	9/96 Target
No. of service sites in public sector	38	56	102	140	170	200
No. of service sites in private sector	12	19	49	70	90	120
Total no. of service sites	50	75	151	210	260	320

Indicator 1.2.7. Range of Services Delivered

	9/91 Baseline	9/92 Actual	9/93 Actual	9/94 Target	9/95 Target	9/96 Target
No. of service points offering 4 or more methods	40	65	82	120	160	200
No. of service points offering female sterilization	6	6	15	25	30	35
No. of service points offering Norplant	0	0	3	10	20	30

Indicator 1.2.8. Contraceptive Social Marketing

	FY 91 Baseline	FY 92 Actual	FY 93 Actual	FY 94 Target	FY 95 Target	FY 96 Target
No. of condoms sold (in millions)	3.1	4.6	5.7	6.5	7.5	8.0
No. of pills sold	-	-	-	150,000	200,000	250,000

Indicator 1.2.9. Contraceptive Use Prevalence as Measured by Couple Years of Protection (CYP)

	9/91 Baseline	9/92 Actual	9/93 Actual	9/94 Target	9/95 Target	9/96 Target
CYP (In 000's)	50	65	85	100	130	170

Comment: USAID's strategy of fully integrating family planning information and services into the MOPH's community co-financed and co-managed PHC program as well into private sector facilities has permitted a rapid expansion in access and use of family planning services. The number of health facilities which offer family planning information and services increased from approximately 75 at the end of FY 1992 to over 150 at the end of FY 1993. In addition, contraceptive prevalence use as measured by the indicator couple years of protection (CYP) increased from approximately 60,000 CYP in FY 1992 to an estimated 85,000 CYP in FY 1993. The contraceptive method mix continues to evolve, reflecting increased use of more effective, longer-lasting methods as evidenced by expanded use of pills, IUDs, and female sterilization.

AIDS Control and Prevention:

Indicator 1.2.10. Reported and Projected HIV/AIDS

	9/90 Baseline	9/93 Actual	9/95 Target
HIV seroprevalence among sexually active population	0.5	2	3
Estimated HIV infections	20,000	32,000	39,000
Estimated cumulative number of AIDS cases	519	2,300*	7,500**

* Reported ** Estimated

Comment: Using an AIDS/HIV analytical model, the AIDSCAP Project has projected an increase in HIV seroprevalence and number of HIV infections from 1993 to 1995. This increase, however, represents a much lower estimate of future infections and cases than would have been the case in the absence of AIDS/HIV control efforts. Increasing use of condoms by high risk individuals is expected to result in a levelling off of the Cameroon AIDS epidemic at a much lower rate than that experienced by neighboring countries.

Indicator 1.2.11. Promotion of Condoms

	FY 90 Baseline	FY 91 Actual	FY 92 Actual	FY 93 Actual	FY 94 Target	FY 95 Target
Number of condoms sold through social marketing (000's)	2,100	3,100	4,600	5,700	7,500	8,000
Condom sales per capita	.17	.25	.41	.46	.58	.59
No. of condom service delivery points		NDA	5050	6750	7500	8000
Cost per condom sold	19 cents	NDA	11 cents	10 cents	9 cents	8 cents

Comment: In February 1993, an independent team evaluated the first Cameroon Medium Term (MTP) AIDS Plan (1988-1992). The conclusion was that the major elements of the MTP have been effectively implemented and that the overall impact has been positive. The findings show that the USAID-funded interventions have had a very favorable impact on the success of the program: the condom social marketing program has one of the highest per capita condom sales of any country in Africa, almost 10,000 prostitutes have benefitted from health education and condom promotion in four major cities, and over 90% of hospitals

in Cameroon now have the capability to screen blood for HIV antibodies before transfusion. Although the rate of HIV infection is increasing (now 2 percent of the sexually-active population), HIV seroprevalence in Cameroon is significantly lower than in neighboring countries. The findings also show that there has been a reduction in the number of reported gonorrhea cases, possibly as a result of increased condom use.

Strategic Objective 3.0: Increasing the Role and Efficiency of Private Markets

This strategic objective was "suspended" at the concept paper review. However, because of the importance of the policy reforms, USAID has included it in the API submissions.

The Mission's approach to this strategic objective consists of two sequential phases, conveniently labelled "liberalization" and "privatization." This approach is reflected in the Mission's three principal interventions that contribute to this objective, each aimed at reorienting public and private sector roles in selected (target) markets, including those of fertilizer, arabica coffee, export processing, and rural financial markets.

In execution of this two-phased approach, two underlying principles guide the implementation process. The first principle involves minimizing the social costs associated with the reforms. At both the program design and implementation levels, this principle takes the form of phased, as opposed to instantaneous, reforms, strengthening of existing economic operators affected by the reforms, and compensation for personnel displaced by the reforms. The second principle involves an "iterative" approach to program implementation. The Mission relies heavily on both government and private sector feedback to help guide program implementation, forums for which are provided by annual reviews and seminars. Recommendations and conclusions provide a basis for adjustments to program implementation strategy.

"Liberalization", the first of two sequential phases in our strategy involves the creation of liberalized policy regimes and improved regulatory environments for targeted commodities and services. Liberalization efforts initiated and maintained since 1987 continue to be reinforced by accomplishments during the FY 1993 reporting period. Dialogue with the GRC at both the regional and national levels to introduce and refine liberalized market policies for the Mission's target markets continues to produce fruitful results. Promulgation and far-reaching dissemination of a series of new laws and reforms affecting the cooperative sector and both input and output markets have furthered Cameroon's progress towards a market-based economy. An information system to foster market transparency have been put in place, providing local economic operators, including farmers, with national and world market information to better inform their choices in a new era of greater economic self-determination.

"Privatization", the second part of the phased approach involves the transition process in which the private sector assumes its new role in the market. To facilitate this process, the Mission's interventions have been aimed at strengthening existing economic operators through technical assistance and training, providing a flow of information on the nature and implications of reforms, and actively encouraging increased private sector participation. Success of the privatization efforts are measured in terms of private sector participation and competition. Despite the prevailing macroeconomic constraints, movement of the indicators during the reporting period is strongly positive for each of the Mission's target sectors. This demonstrates modest gains at both the participation and efficiency levels.

Below, selected progress indicators at the strategic objective level are presented and discussed, followed by an examination of individual, program-level targets and their associated indicators. Actual data used in evaluating progress towards the strategic objective and associated targets are presented in annotated indicator tables.

Indicator 3.1. Liberalization and Privatization of Major Factor and Product Markets

USAID/Cameroon's Fertilizer Sub-Sector Reform Program (FSSRP) and Program of Reform in the Agricultural Marketing Sector - Phase I (PRAMS I) each made highly significant progress during FY 93. These two programs represent the Mission's continuing effort to leverage the progressive liberalization and privatization of Cameroon's principal factor and product markets.

The subsidized fertilizer market in Cameroon has been liberalized and privatized since 1988, with the enactment of legislation to liberalize the market, the withdrawal of the GRC from the marketing system, and the subsequent shift and increase in private sector responsibility for domestic fertilizer marketing stimulated under the FSSRP. During FY 1993, the FSSRP continued to function well in a generally unfavorable economic climate characterized by low purchasing power of farmers and a general lack of liquidity in the banking sector. Despite these obstacles, program activities have led to the continued growth of the private sector fertilizer distribution system which is delivering the right type of fertilizer to the users when and where needed - and at competitive prices. In accordance with the objectives of the FSSRP, subsidies have been progressively reduced, dropping from 66 percent of total delivered cost (TDC) under the former state monopoly system to 16 percent of TDC during the past year. The subsidy, now at 8 percent of TDC, will end effective June 30, 1994. Efficiency gains under the FSSRP are largely responsible for the reduction in CIF costs by an average of 49 percent and for reduction in distribution costs by 27 percent to date. The end result, one of the outstanding successes of the FSSRP, is that, despite the over 85 percent decrease in subsidy since the beginning of the program, retail price increased by only 42 percent.

Under PRAMS I, the GRC implemented numerous substantive liberalization and privatization measures in FY 93. In February, in accordance with PRAMS I, the GRC completely abolished the arabica coffee monopoly buying rights of cooperatives and permitted the introduction of licensed buying agents into the arabica producing region. Also, the GRC eliminated government-approved fixed prices starting with the 1992/93 coffee campaign, thereby allowing farmers to profit from price increases in the world market. Going beyond PRAMS I requirements, the GRC enacted the Implementing Decree to the new liberal Cooperative Law in November 1992. More importantly, the GRC recently completed an ambitious nationwide campaign to disseminate the cooperative law and decree to both private and public sector participants, with financial assistance from USAID. The application decree sets the stage for liberalization and privatization of cooperatives by requiring the return of civil servants from cooperatives to government and by erasing the requirement to limit a cooperative's activities to administrative boundaries (thereby abolishing monopolies). Also, the GRC launched the innovative Arabica coffee Market Information System (AMIS) in September 1993. AMIS has exposed all segments of the Cameroonian population to the concepts of market liberalization and transparency. AMIS has started having spill-over effects as key GRC officials are considering extension of the system into cocoa and robusta coffee and other marketing sub-sectors as well, thereby leading the way to more liberal and transparent marketing practices throughout Cameroon.

Full price liberalization and final government withdrawal from direct marketing activities will be achieved prior to the start of the 1993/94 coffee growing season.

Indicator 3.2. Decreased Unsubsidized Farm-Gate Fertilizer Price

This indicator has been slightly modified for easier understanding by eliminating FOB Europe price as a basis for comparison. Farm gate price encompasses all costs associated with getting the fertilizer to the farmer: CIF cost; customs duties; port charges; transportation; handling; plus marketing margins. As such, farm gate price provides the best measure of overall efficiency of the new marketing system created under the FSSRP.

Remarkably, for the fifth consecutive year under the FSSRP, the farm gate price of fertilizer imported under the FSSRP continued its downward trend, partly reflecting continued gains in efficiency. This year, the additional increment of price reduction can be principally attributed to two principal factors: (1) importation of fertilizer in bulk and in shipload lots, and (2) downward adjustment in transportation costs due to both increased competition among transporters and to the general economic recession. This overall downward trend in unsubsidized farm gate price has continued in spite of increased taxation on fertilizer imports where customs duties have increased from four to twelve percent of CIF value since the beginning of the FSSRP.

Indicator 3.3. Increased Percentage of FOB Price for Arabica Coffee Received by Farmers

The percentage of the FOB price received by producers increased from 37% in FY 1986 to 50% in FY 1991. In FY 92, producers received 80% of the FOB price as a result of the monopsony conditions under which the 1991-92 campaign was conducted. This unexpectedly high percentage (80%) is explained by the fact that NWCA was under obligation to buy farmers' coffee at the GRC fixed price of FCFA 250 per kg despite the plummeting of world market prices. In FY 93, as a result of monumental reductions of internal marketing costs and an outstanding sales performance in a depressed market, producers received a price equal to 52% of the FOB price. Once payment of proposed end-of-year bonuses is made, the percentage will increase to 58%. Competition has forced NWCA to be more responsive to its producer-members, resulting in more timely payments and an increasing percentage of the FOB price, despite recent low world market prices.

Prior to the start of the 1993-94 coffee season, re-structuring of NWCA as conceived under PRAMS I will have been almost completely achieved with the September decision by NWCA to proceed with the determination of producer prices at the primary society level. This will entail that farmers belonging to the more efficient societies and unions will be receiving higher producer prices than those belonging to inefficient ones. This incentive to satisfy membership and thus lower costs will ensure increased percentage of FOB price for NWCA farmers.

Together, full liberalization and AMIS are expected to generate additional increases in the percentage of FOB price received by farmers after FY 93. Complete price liberalization and increased competition among cooperatives and other private buyers will lead to further efficiencies in the sub-sector, while AMIS, with its emphasis on providing price information to farmers, will be empowering them to better negotiate sale prices with individual buyers and directly benefit from these new efficiency gains.

Indicator 3.4. Increased Private Sector Employment in Export Processing Sectors

Five (5) additional companies (after the first three in FY 92) have received approval for Special Industrial Free Zone (SIFZ) status during FY 93, four (4) more companies should be approved by the end of the calendar year. Out of the eight (8) approved companies, seven (7) are operational and they are all involved in agribusiness activities. The seven operational companies have generated a total employment of 1,012.

Table of Indicators for Strategic Objective 3.0

Indicator 3.1. Liberalization/Privatization of Major Factor and Product Markets

BASELINE/DATE	ACTUAL FY 90	ACTUAL FY 91	ACTUAL FY 92	PLANNED FY 93	ACTUAL FY 93
GRC heavily controls markets for fertilizer, arabica coffee, robusta coffee and cocoa (1987)	Fertilizer market liberalized and privatized	Arabica market fully privatized and partially liberalized	Same as FY 91	Arabica/Fertilizer markets fully privatized and liberalized	Arabica/Fertilizer markets fully privatized and partially liberalized

The subsidized fertilizer market in Cameroon has been liberalized and privatized since 1988, with the enactment of legislation to liberalized the market, withdrawal of the GRC from the marketing system, and subsequent shift and increase in private sector responsibility for domestic fertilizer marketing stimulated under the FSSRP. The subsidy, now at 8 percent of total delivered cost (TDC), will end effective June 30, 1994. In the case of arabica coffee, the market remained fully privatized. The GRC completely abolished the arabica coffee monopoly buying rights of cooperative and permitted the introduction of licensed buying agents into the arabica producing region. The GRC also lifted the ceiling on producer prices, thereby allowing producers to take full advantage of increases in world market prices. An Arabica Coffee Market Information System (AMIS) was launched by the GRC. AMIS has exposed all segments of the Cameroonian population to the concepts of market liberalization and transparency.

Indicator 3.2. Decreased unsubsidized farm gate fertilizer price

BASELINE/DATE	ACTUAL FY 90	ACTUAL FY 91	ACTUAL FY 92	PLANNED FY 93	ACTUAL FY 93
FCFA 133,600 (1987)	FCFA 82,858	FCFA 79,960	FCFA 78,111	FCFA 80,000	FCFA 76,570

The farm gate price of fertilizer imported under the FSSRP continued its downward trend, partly reflecting continued gains in efficiency. This year, the additional increment of price reduction can be principally attributed to two principal factors: (1) importation of fertilizer in bulk and in shipload lots, and (2) downward adjustment in transportation costs due to both increased competition among transporters and the general economic recession.

Indicator 3.3. Increased Percentage of FOB price for Arabica Coffee Received by Producers

BASELINE/DATE	ACTUAL FY 90	ACTUAL FY 91	ACTUAL FY 92	PLANNED FY 93	ACTUAL FY 93
37% (1985/86)	37%	50%	80%	50%	58%

In FY 93, as a result of monumental reductions of internal marketing costs and an outstanding sales performance by NWCA in a depressed coffee market, producers received a price equal to 52 percent of the FOB price. Once payment of proposed end-of-year bonuses is made, the percentage will increase to 58 percent. No cooperative has paid bonuses since the beginning of the economic crisis in 1986/87. This indicator would probably improve as a result of continued cost reductions within the cooperative structure and nationwide dissemination of FOB prices under AMIS. Also, with the upcoming full price liberalization and the dissemination, under AMIS II, of producer prices offered by potential arabica coffee buyers, farmers will be better prepare to negotiate a sale price directly related to the FOB price

Indicator 3.4. Increased Private Sector Employment in Export Processing Zone

BASELINE/DATE	ACTUAL FY 90	ACTUAL FY 91	ACTUAL FY 92	PLANNED FY 93	ACTUAL FY 93
Zero employment (1990)	0	0	120	N/A	1012

Five additional companies have received approval for Special Industrial Free Zone status during FY 93. Most of these companies are large employers, explaining the sharp increase observed.

Target 3.1. Liberalization/Privatization of Fertilizer Importation and Distribution Markets

Indicator 3.1.1. Reduction in Domestic Fertilizer Distribution Costs

Distribution costs increased by 13.5 percent during FY 1993. This increase can be attributed to two factors: (1) A new five percent customs duty imposed on all imported goods; and (2) increased handling costs due to local bagging of bulk fertilizers. Despite the resultant increase, an apparently negative outcome when viewed against previous years' progress, both contributing factors were viewed as a positive development. The new minimum tax came as part of the GRC's tax reforms under the SAP, and was administered without adversely affecting the overall farm-level cost; and the local bagging operations helped to provide needed jobs to the Cameroonian market and were accompanied by a larger reduction in CIF costs due to bulk importation. The modest increase in distribution costs due to the above factors was tempered somewhat by lower transportation costs, and according to FSSRP private sector participants, lower profit margins as well.

Indicator 3.1.2. Reduction in Average Fertilizer Delivery Time

Delivery time for large orders remained at 4-6 months, probably as low as can be achieved under current conditions. However, the trend noted during FY 1992 of a shifting of marketing risks from distributors to importers continued. This shift has altered the market such that successful importers are required to maintain sufficient stocks for immediate sales, rather than simply importing to fill large orders. This means that effectively, delivery time often corresponds to the time its takes to physically transport the fertilizer to the buyer, a matter of days.

Indicator 3.1.3. Increased Participation in Domestic Fertilizer Market by Banks, Importers, and Distributors

The best measure of competition in the fertilizer sub-sector is the level of private sector participation in financing, importation, and distribution activities. Despite the continued acute economic crisis and the ensuing liquidity crisis, participation in the FSSRP by private importers and commercial banks was encouraging, remaining at the same level as FY 1992; three importers and three commercial banks handled all FSSRP transaction (two additional importers also continued sales of stocks imported during FY 1992). A newly incorporated local subsidiary of a U.S. firm imported for the first time, accounting for over half of total imports. A local Cameroonian-owned firm also imported fertilizer for the first time. Significant growth was noted in the distribution sector. Eight companies acted as primary distributors of FSSRP fertilizer, including two new firms, distributing 47% of the fertilizer, as compared to 20% last year. Secondary distribution outlets for the first time were too numerous to count, reflecting the FSSRP's success in creating market opportunities for the private sector.

Table of Indicators for Target 3.1.

Indicator 3.1.1. Reduction in Domestic Fertilizer Distribution Costs

BASELINE/DATE	ACTUAL FY 90	ACTUAL FY 91	ACTUAL FY 92	PLANNED FY 93	ACTUAL FY 93
36 CFAF/Kg. (1987)	24.8 CFAF/Kg.	23.6 CFAF/Kg.	22.9 CFAF/Kg	22.9 CFAF/kg	26 CFAF/Kg.

The 13.5 percent increase during FY 1993 can be attributed to two factors: (1) A new five percent customs duty imposed on all imported goods; and (2) increased handling costs due to local bagging of bulk fertilizers.

Indicator 3.1.2. Reduction in Average Fertilizer Delivery Time

BASELINE/DATE	ACTUAL FY 90	ACTUAL FY 91	ACTUAL FY 92	PLANNED FY 93	ACTUAL FY 93
12-18 months (1987)	4-6 months	4-6 months	4-6 months	4-6 months	0-6 months

Delivery time for large orders remained at 4-6 months, probably as low as can be achieved under current conditions. However, a shifting of marketing risks from distributors to importers means that effectively, delivery time often corresponds to the time it takes to physically transport the fertilizer to the buyer, a matter of days.

Indicator 3.1.3. Increased Participation in Domestic Fertilizer Market by Banks, Importers, and Distributors

BASELINE/DATE		ACTUAL FY 90	ACTUAL FY 91	ACTUAL FY 92	PLANNED FY 93	ACTUAL FY 93
Banks (Active)	0	5	5	7	7	7
Banks (Actual)	0	5	2	4	4	3
Importers (Active)	>20	10	10	13	13	12
Importers (Actual)	> 5	4	1	4	4	3
Distributors (Active)	>15	16	18	25	25	numerous*
Distributors (Actual)	>15	10	17	25	25	numerous
(1987 data)						

Despite difficult economic conditions, participation in the FSSRP by private importers and commercial banks was encouraging, remaining at the same level as FY 1992. Secondary distribution outlets for the first time were too numerous to count, reflecting the FSSRP's success in creating market opportunities for the private sector.

Target 3.2. Liberalization/Privatization of Internal and External Marketing of Arabica Coffee

Indicator 3.2.1. Increased Competition

In February, the GRC announced the end of monopoly conditions for the three cooperative associations, giving way to an increase in the number of entities buying coffee from producers. The approximately 70 coffee and cocoa licensed buying agents are now free to enter the arabica producing region. In this first year of open competition, the number of active arabica exporters has increased from the original three (3) to seven (7); ONCC expects more new exporters to appear before the end of the 1992-93 campaign. More buyers and exporters creates greater competition for procurement of coffee at the farm level, resulting in potentially higher prices for farmers. AMIS has begun to ensure transparency in the sub-sector. Dissemination of FOB prices and publication of producer prices offered by the different arabica coffee buyers is expected to help farmers by improving their bargaining power. Although AMIS is only in its first of three phases, its influence has already spread beyond arabica coffee. Key GRC officials have requested MINDIC and USAID to extend AMIS to other commodities such as robusta coffee, cocoa and other cash crops. Overall AMIS has generated great enthusiasm in the agricultural sector and Cameroonians have welcomed the new transparency introduced in the marketing chain. In the past, parastatal marketing boards have always treated world market information as confidential, with market information always being withheld from farmers. With the launching of the second phase of AMIS in November 1993, competition will be promoted with the dissemination of producers prices offered by arabica coffee buyers in Cameroon. With the ensuing transparency, producer prices are expected to reflect changes in world market conditions, thereby permitting producers to take advantage of any future increases in the still-depressed world market.

Indicator 3.2.2. Reduction in Marketing Cost

NWCA's marketing costs dropped from FCFA 217 per kg in FY 1992 to FCFA 150 in FY 1993, a decrease of 32 percent. A 50 percent staff reduction was attained by NWCA's 11 affiliated unions and most of the 40 primary societies, resulting in a substantial lowering of internal marketing costs. The creation of a marketing department at the NWCA has led to quicker and better sales performances on the international market, and more transparency within the entire cooperative sector. As a result, for the first time since the onset of the

economic crisis in 86/87, a cooperative (NWCA) will be able to pay bonuses to farmers. NWCA has also reduced its marketing costs by directly exporting its own coffee; it no longer retains the costly export services of the competing cooperative association UCCAO.

Indicator 3.2.3. Reduction in Quality Discount of North West Arabica Coffee

The quality discount or "differential" is the amount in US cents per pound that NWCA sells its arabica coffee above or below the figure quoted on the day of sale in the New York "C" contract. The NWCA differential has moved remarkably well from a weighted average of 27.4 percent below NY "C" in 1989-90 to a more favorable 2.8 percent below the NY "C" in 1992-93. A number of factors have affected the rise in the value of NWCA arabica coffee in relation to the NY "C" Market. These include improved quality of NWCA coffee through improved handling (compared to the years when NWCA was still depending on NPMB to ship its coffee, NWCA coffee no longer remains for many months if not years unshipped, becoming "old crop" and pale). Greater reliability of shipments has improved and real improvement in the preparation of the coffee by farmers and the processing by union factories. Defending itself in the coffee-jungle, NWCA has also improved its marketing skills and its working relationship with its brokers and foreign buyers. The improved perception of the political situation in Cameroon among foreign buyers and unstable coffee situation in other producer countries also caused the Cameroon differential to move upward.

Table of Indicators for Target 3.2.

Indicator 3.2.1. Increased Competition

BASELINE/DATE	ACTUAL FY 90	ACTUAL FY 91	ACTUAL FY 92	PLANNED FY 93	ACTUAL FY 93
State controls 100 percent of internal-external marketing system in North West, and UCCAO has monopoly in West (1989)	State authorizes NWCA to market 40 percent of arabica coffee in North West. West unchanged.	State authorizes NWCA to market 100 percent of arabica coffee in North West. West unchanged.	No change	Monopoly rights abolished throughout Cameroon	Monopoly rights abolished. Launching of AMIS

During FY 1993, monopoly buying rights for arabica coffee exports were abolished, leading to the introduction of private buying agents and to more competition in the sub-sector. With the launching of the second phase of AMIS in November 1993, competition will be promoted with the dissemination of producers prices offered by arabica coffee buyers in Cameroon.

Indicator 3.2.2. Reduction in Marketing Costs

BASELINE/DATE	ACTUAL FY 90	ACTUAL FY 91	ACTUAL FY 92	PLANNED FY 93	ACTUAL FY 93
284 CFAF/Kg. (1987)	284 CFAF/Kg.	241 CFAF/Kg.	217 CFAF/Kg.	200 CFAF/Kg.	150 CFAF/Kg.

NWCA's marketing costs dropped from CFAF 217 per kg in FY 1992 to CFAF 150 in FY 1993, a decrease of 32 percent. A 50 percent staff reduction was attained by NWCA's 11 affiliated unions and most of the 40 primary societies, partly explaining the substantial lowering of internal marketing costs. The creation of a marketing department at the NWCA has led to quicker and better sales performances on the international market, and more transparency within the entire cooperative sector. As a result, for the first time since the onset of the economic crisis in 86/87, a cooperative (NWCA) will be able to pay bonuses to farmers.

Indicator 3.2.3. Reduction in Quality Discount of North West Arabica Coffee

BASELINE/DATE	ACTUAL FY 91	ACTUAL FY 92	PLANNED FY 93	ACTUAL FY 93
27.4% (1990)	8.85%	9.57%	< 10%	2.86%

Data under this indicator have been modified as complete information on NWCA's sales are now available. This is one of the most successful achievements under PRAMS I. The quality discount or "differential" is the

percentage that NWCA sells its arabica coffee above or below the figure quoted on the day of sale in the New York "C" contract. The NWCA differential has moved remarkably well from a weighted average of 27.4 percent below NY "C" in 1989-90 to 2.8 percent below the NY "C" in 1992-93. This is due to consistent improvement in the quality of coffee sold through better processing and handling and to the performance of the newly-created NWCA 's marketing department. Farmers are now receiving higher prices for their coffee in relation to the world market price.

Target 3.3. Increased Role and Efficiency of Community-Level Financial Service Markets

The Cameroon Cooperative Credit Union League (CamCCUL) has remained a recognized player in the financial markets of Cameroon and has continued to maintain the confidence of its members. The rural savings and credit cooperative movement have grown from 255 credit unions with 76,000 members and 10.9 billion FCFA in share/savings in December 1991 to 260 credit unions with 77,513 members and 11 billion FCFA in March 1993, indicating constant people-level impact. The asset management study conducted August 1993 noted that CamCCUL's biggest challenges will be: (1) to maintain its level of membership; and (2) to improve marketing and commence formal expansion into other urban and rural areas by advertising "resilience" and "asset quality". Improvement and diversification should be supported by: the work on separate legislation for credit unions; the identification and diversification of investment products; the improvement of CamCCUL's capacity to analyze investment opportunities; the improvement of loan quality at credit unions with credit analysis training; and the use of computers to improve the management of credit unions.

Although continued support to CamCCUL through a new project was judged unnecessary, USAID is presently considering short term technical assistance and training in the areas of asset and risk management and investment services. The asset management study was conducted July/August, 1993.

Technical Self-sufficiency: CAMCCUL's major contribution has been in the education, training and coaching activities. As a result, the technical proficiency and knowledge of the basics of credit union operations, bookkeeping, audit by the League staff and personal computer skills has greatly improved. They can now handle most of these activities with minimal assistance.

Regulatory Environment: CamCCUL provided technical assistance to the Committee that put together the new cooperative law. The dissemination of this new law is underway with USAID assistance. CamCCUL is planning to have a separate law for credit unions.

Rural Development: In Cameroon, credit unions have become a central focus for community development work.

Women in Development: The issue of gender has become important to the League staff and leadership began understanding the important role of women in Cameroon's economy.

Transparency: Credit union philosophy and operating principles are well-grounded on the concept of "transparency". This begins and ends with accountability to members at every level of operation.

Credit: Members obtain loans for a variety of purposes. They borrowed 30% of all loan funds in 1991 for education, while 24% was for housing construction or home improvements. Other purposes for which money is lent are trading, farming, health, and consumption. Productive credit (PC) loans, or loans for agricultural and business purposes, represent 22% of all loans granted in 1991. Development loans, or loans used for constructive, positive needs, amounted to 67% of loans; 11% of loans were for consumption purposes.

Institutional Development: Phase II Project has "institutionalized" domestic savings and will help carry on post-project credit and savings activities.

Comment: We did not report on indicators for Target 3.3 as this project was finished in FY 1992 and covered in the FY 92 API submission.

Target 3.4. Increase Efficiency/Diversity of Export Marketing

Indicator 3.4.1. Increased Number of New Private Export Investments Undertaken

A total of eight (8) enterprises have been approved for Special Industrial Free Zone (SIFZ) status. Seven (7) enterprises are fully operational and have invested a total of FCFA 4.032 billion (US$ 16.1 million). An additional FCFA 64.0 billion (US$ 256 million) is currently being invested in the process of rendering the last enterprise operational. An additional four (4) enterprises are currently having their applications reviewed.

Indicator 3.4.2. Reduced Number of Separate GRC Entities Involved in Typical Investment Approval

All investment approval under the Cameroon Free Zone Regime is carried out by a unique private regulatory body, the National Office of Industrial Free Zone (NOIFZ). The NOIFZ is operating as a one-stop shop for administrative approval.

Indicator 3.4.3. Reduced Time Required to Approve a Typical Investment Proposal

The statutory 30-day time limit for application approval by the NOIFZ and MINDIC, as stipulated in the Free Zone Law, has been fully attained.

Indicator 3.4.4. Reduced Time Required for Goods to Clear Customs

Despite overall progress in the implementation of the Cameroon Free Zone regime, the time required for goods to clear customs has remained 3-4 weeks.

Table of Indicators for Target 3.2.

Indicator 3.4.1. Increased Number of New Private Export Investments Undertaken

BASELINE/DATE	ACTUAL FY 90	ACTUAL FY 91	ACTUAL FY 92	PLANNED FY 93	ACTUAL FY 93
14 firms established (1970-1990)	PREPS Project Authorized	0	3	7	8 approval 7 operational 4 advanced in application process

Indicator 3.4.2. Reduced Number of Separate GRC Entities Involved in Typical Investment Approval

BASELINE/DATE	ACTUAL FY 90	ACTUAL FY 91	ACTUAL FY 92	PLANNED FY 93	ACTUAL FY 93
30 GRC Entities (1990)	No Change	No Change	2 Entities (NOIFZ) and Ministry of Industrial and Commercial Development	1 Entity (NOIFZ)	1 Entity (NOIFZ)

Indicator 3.4.3. Reduced Time Required to Approve a Typical Investment Proposal

BASELINE/DATE	ACTUAL FY 90	ACTUAL FY 91	ACTUAL FY 92	PLANNED FY 93	ACTUAL FY 93
6-18 months (1987)	6-18 months	6-18 months	3 months	1 month	3 months

Indicator 3.4.4. Reduced Time Required for Goods to Clear Customs

BASELINE/DATE	ACTUAL FY 90	ACTUAL FY 91	ACTUAL FY 92	PLANNED FY 93	ACTUAL FY 93
4-8 weeks (1990)	4-8 weeks	4-8 weeks	4 weeks	4 weeks	4 weeks

ANNEX I

SUMMARY OF USAID SUPPORT TO CAMEROON'S AGRICULTURAL SECTOR

Context:

The agricultural sector in Cameroon contributes approximately 24 percent of the total GDP and 27 percent of export revenues. It provides employment for roughly 75 percent of the national work force. Cameroon is blessed with a very strong agricultural resource base -- fertile soils, favorable climate, and a relatively skilled work force. USAID has contributed significantly toward assuring Cameroon's food security. Cross-border trade in agricultural commodities benefits from the country's comparative advantage. Cameroon has already achieved diversification of exports and has considerable growth potential. Without doubt, the agricultural sector remains central to successful economic growth.

USAID Cameroon's program in the agricultural sector is undergoing a major transition. This reflects the cumulation of many years of assistance in food crops research, higher education, and policy/planning. New initiatives in the environment and agribusiness were included in the Mission's FY 1994-1996 Concept Paper.

This overview highlights major accomplishments resulting from USAID's investments over the past 15 years. It also provides a summary of the current status of ongoing and recently completed agricultural projects. The overview does not include agricultural sector programs presented in the policy reform/privatization sector of the API (FSSRP, PRAMS, PREPS). USAID support, from the late seventies to the mid-eighties, to the livestock and fisheries sub-sectors is not included. This is because those programs were not maintained as part of USAID's portfolio following completion of the FY 1990-1994 Country Development Strategy Statement (CDSS).

Program, Impact and Current Status:

USAID Cameroon's support to the agricultural sector during the past 15 years has significantly contributed to national and regional food security, private sector/agribusiness development and trade, and the sustainable management of natural resources. Over the same period, USAID Cameroon placed major emphasis on strengthening the capacity of several key GRC institutions and NGOs to provide essential services to the agricultural and rural sectors. Substantial assistance was provided to reinforce sector planning and policy development, food crop technology development and dissemination, human resources development, the privatization of agricultural factor and product markets, and the provision of financial services. USAID projects have considerably reinforced the institutional capabilities of the national agricultural research institution (IRA) in cereals, grain legumes, roots and tubers, and natural resources management research and outreach; the University of Dschang (UDs) in agricultural sector analysis, training, research and outreach; and the planning and policy development departments of three GRC ministries. Large numbers of scientists, analysts, and university faculty have received long-term degree training in the United States, as well as technical training. Essential research and educational facilities have been constructed, equipped and made operational. Table 1 summarizes USAID's institutional strengthening support to GRC agricultural institutions.

This strategy of USAID and other donors during this time period, both for agricultural research and agricultural higher education, focused on the development of "flagship institutions" which could contribute to agricultural sector development priorities, including food security, economic development, and sustainable natural resources management for Cameroon and Central Africa. The creation of a "bilingual, land-grant model, agricultural university center" and "well-equipped, professionally-staffed, state-of-the-art research programs" clearly reflect this strategy. After Nigeria, Cameroon has the most developed national agricultural

research system in West and Central Africa. Until 1985, the International Seminar for National Agricultural Research (ISNAR) classified Cameroon as the country in Africa most committed to agricultural research, with a government budget of nearly 2 percent of value-added in agriculture. The ISNAR guideline is 1 percent. The University of Dschang, with its modern research and educational facilities and over 100 academic staff with graduate degrees, is one of the best agricultural faculties in West and Central Africa.

USAID's Agricultural Education II project with the University of Dschang was terminated in September 1993, primarily in response to the continued inability of the GRC to pay staff salaries and other recurrent costs (a backlog of almost eight months of accumulated salary arrears to faculty and support personnel). Other major donors (France, Belgium) have also cut back or terminated their assistance to the University. There is no clear indication that the GRC is committed to or able to resolve the University's funding crisis in the near future.

In addition to public sector institutional strengthening, since 1980 rural savings and credit cooperative development have constituted a key element of USAID support to Cameroon's agricultural sector. USAID projects included:

- Credit Union Development; $1.6 million
- Credit Union Development II; $3.2 million

These activities resulted in a significant increase in the number of credit unions/groups, membership and financial assets. A study of the evolution of credit unions shows that in 1969 there were 65 groups, 4,000 members and total financial assets of $60,000. By 1991, shortly before USAID support ended, there were 253 credit unions, 74,718 members (over one third women), and $42,150,000 in financial assets. Table 2 shows the changes in the key parameters over a five year period (1986-91).

Macroeconomic policy reform and related accomplishments in privatization/liberalization of the fertilizer sub-sector and arabica coffee marketing, cooperative development, and private sector/agribusiness development are discussed in depth in the private sector/policy reform section of this API. Another significant private sector achievement, accumulating more than 15 years of USAID assistance in seed production/marketing, was the transfer in early 1992 of a major food crop seed production/processing facility to an international private sector company (Pioneer Seed). The USAID projects include:

- North Cameroon Seed Multiplication; $1.5 million
- North Cameroon Seed Multiplication II; $13.6 million

During the two years of Pioneer's presence in Cameroon, a number of Cameroonian private businesses began to handle staple food crop and vegetable seed distribution. In mid-1993, Pioneer Seed Company announced its intention of terminating its agricultural seeds production/processing operations in Cameroon. Although this represents a setback, the GRC remains committed to pursuing privatization/liberalization of this key agricultural input, and is assessing the feasibility of a joint venture between the Cameroonian private sector and an established African or other international seed company.

Food crop production in Cameroon has increased substantially during the 1980's. Maize production from 300,000 tons in 1980/81 to 600,000 tons in 1987/88, hulled rice from 45,000 tons to 90,000 tons, sorghum and millet from 275,000 tons to 500,000 tons. A key contributor to this increased production is the availability of higher yielding, disease resistant varieties and improved production techniques which were developed under USAID supported research programs. USAID support to agricultural research includes:

- National Cereals Research & Extension, $7.7 million
- Semi-arid Grain Research & Development, $6.5 million

- Bean/Cowpea Collaborative Research Support Program, $.9 million
- National Cereals Research & Extension II, $36 million
- Tropical Roots & Tubers Research, $9.2 million

Improved varieties of cassava, sweet potatoes, cocoyams, yams and cowpeas were also developed. Major agricultural and natural resources technologies developed during the past 15 years with USAID support include integrated pest management, soil management, agro-forestry, soil and water conservation, and other agronomic practices. The impact of these technologies on both Cameroon's and the region's agricultural sector has not been fully determined. Nevertheless, it is known that both improved varieties and other technologies developed by Cameroon's agricultural research institute are being utilized in many other West and Central African countries. Furthermore, it is estimated that cowpea storage technologies, developed with support through the bean/cowpea CRSP, can reduce post harvest losses by 50 to 75 percent. Adoption of these technologies will enable this key protein food staple to be made available to consumers during a longer period of the year, and provide an incentive to small farmers for increasing production. The estimated internal rate of return for cowpea research investments (variety development, agronomic practices and post harvest) is 22 percent.

USAID has supported several initiatives, mainly through NGOs/PVOs, to enhance public awareness and knowledge of environmental issues, develop better understanding of select ecosystems, and promote adoption of on-farm natural resources management techniques. Natural resources management activities include:

- Research on and inventory of bio-diversity; $.9 million
- NGO/PVO Natural Resources Management Support; $.6 million

A national network of environmental NGOs has been established, and NGOs have received technical training (agro-forestry, soil/water conservation) and management training (developing feasible project proposals, managing implementation of small-scale community level environmental projects). USAID supported bio-diversity inventory and research in the Korup National Park, implemented by the Wildlife Conservation Society during the past five years, has provided invaluable information on the role of forest elephants in forest ecology, the diversity of fauna in Korup, and wildlife management techniques which can insure sustainable utilization of bio-diversity of global importance. More recently, USAID has coordinated with other bilateral and multilateral donors in providing support to the GRC's Ministry of Environment and Forests in environmental strategy development, national environmental awareness, and environmental education.

Notwithstanding the impressive accomplishments of USAID Cameroon's programs in the agricultural sector during the past 15 years, it should be noted that Cameroon's present economic and political crisis has seriously hampered both program implementation and prospects for program sustainability. In the case of agricultural research, support personnel have not been paid by the GRC for almost 18 months. Researchers, like other GRC civil servants, are now 2 to 3 months behind in salary payments. On a more optimistic note, a multi-donor supported program coordinated by the World Bank is being developed for the restructuring of IRA and the livestock and fisheries research institute (IRZV). This plan will be reviewed by the GRC and the donors in January 1994. As part of the "restructuring", during the past year more than 1,000 research support staff have been dismissed.

USAID's support to agricultural policy and planning activities ended on schedule in late 1993. Unfortunately, due to inadequate GRC and/or donor resources to support these programs, the significant capacity developed with USAID support in agricultural statistics, policy analysis, sector planning and monitoring is

currently under utilized. On the positive side, the quality and relevance of various reports on the agricultural sector developed by GRC ministries reflect the strong capability of Cameroonian analysts, a resource now in place due in large measure to USAID assistance.

ANNEX I
(TABLE 1)
USAID CAMEROON SUPPORT TO AGRICULTURAL INSTITUTIONAL DEVELOPMENT

Activity	Food Crop Research/Outreach	Higher Education	Policy/Planning Monitoring
1. Human Resource Development			
Number of Trained Personnel			
B.Sc. Degrees	6	0	2
M.SC. Degrees	57	36	34
Ph.D. Degrees	17	10	0
Technical Training	58	36	58
Total Trained Personnel	138	82	94
2. Infrastructure Development			
Number of and Types of Facilities Constructed And Equipped			
Office Buildings	3	0	0
Research Staff Houses	11	0	0
Laboratories	4	0	0
Dormitories	0	2	0
Amphitheater	0	1	0
Teaching Facilities (class	0	0	0
rooms, labs, offices, etc.)	0	1	0
Green House/Growth room	2	0	0
3. Institutional Capabilities	Design, implement, and evaluate food crop and natural resources management applied research programs Promote dissemination of improved technologies through development of extension materials, demostration plots, and training of extension personnel	Design, implement, and evaluate research and outreach activities Educate/teach Cameroonians to be responsive to the needs of the agricultural sector--both public and private Conduct economic and policy analyses	Conduct economic and policy analyses in the agricultural and livestock sectors Collect, analyse, and publish agricultural and livestock data

ANNEX 1
(TABLE 2)
GROWTH OF THE CAMEROON CREDIT UNION MOVEMENT
(1986–91)

Date	Parameter		
	Credit Unions	Membership	Assets *
12/86	223	60,512	$29,092,857
12/87	231	62,743	$33,153,571
12/88	237	68,986	$36,246,429
12/89	240	76,099	$39,803,571
12/90	249	74,973	$41,067,857
06/91	253	74,718	$42,150,000

* One U.S. Dollar = 280 CFA

ASSESSMENT OF PROGRAM IMPACT

FY 1993

COTE D'IVOIRE

Assessment of Program Impact for Côte d'Ivoire

FY 1993

Abidjan, Côte D'Ivoire

November 1993

Preface

This year's assessment of program impact (API) -- USAID/Côte d'Ivoire's first ever -- has been prepared in accordance with AID/W guidelines to the extent practicable. The following special considerations and departures from the standard format are worthy of the reader's attention, however.

- First, the USAID/Côte d'Ivoire Concept Paper requested by USAID/W in 1992 was completed in 1993 but not reviewed by USAID/W. The document, which was to have been presented for approval in October 1993, has been overtaken by events of the current USAID "right sizing" exercise, which has resulted in the decision to terminate the Côte d'Ivoire bilateral activities during FY 1994.

- Second, in the absence of an approved program strategy, the assessment suffers from the lack of a strategic monitoring, evaluation, and reporting (MER) system. As a result, we have had to fall back upon a combination of concept paper and project paper indicators to report on program impact.

- Finally, and again with reference to the ongoing USAID "right sizing" exercise, we have anticipated a possible future melding of USAID/Côte d'Ivoire bilateral and REDSO/WCA regional functions and activities to address global issues related to health and population, democracy and governance, the environment, and economic growth. This assessment of program impact includes discussion of our activities with the African Development Bank (an Africa Bureau regional activity managed out of REDSO/WCA) and the future design of regional activities based in part upon experience gained through USAID's bilateral program in Côte d'Ivoire.

CONTENTS

Section I: Special Factors Affecting the USAID/Côte d'Ivoire Program . . . . . - 1 -
A. Macro-Economic Environment . . . . . - 1 -
B. The Political Context . . . . . - 3 -
C. The Regional Context . . . . . - 3 -
D. The USAID Program in Côte d'Ivoire . . . . . - 4 -
E. Relation of USAID/Côte d'Ivoire Program to Agency Priorities . . . . . - 6 -

Section II: Progress Towards Overall Program Goal . . . . . - 8 -

Section III -- Progress Toward Strategic Objectives, Targets, and Targets of Opportunity . . . . . - 10 -
Strategic Objective No. 1: Increased Use of Modern Contraceptives and Essential Health Services . . . . . - 10 -
Target 1.1: Increased Distribution of Family Planning Services and Contraceptives . . . . . - 10 -
Target 1.2: Reduced Transmission of HIV Infection . . . . . - 11 -
Target 1.3: Improved MCH Service Delivery . . . . . - 12 -
Strategic Objective No. 2: Improved Governance at Local and Central Levels . - 13 -
Target 2.1: Increased Debate on Critical National Issues by a Better-Informed Public . . . . . - 13 -
Target 2.2: Increased Local Government Authority over Locally Generated Resources . . . . . - 13 -
Target 2.3: Increased Awareness of and Responsiveness to Local Needs for Public Services . . . . . - 15 -
Target of Opportunity: Environment and Natural Resources Management . . . . . - 16 -

Section IV. Other Progress in Priority Areas . . . . . - 16 -

V. Prospects for FY 1994 . . . . . - 17 -

Acronyms and Abbreviations

AfDB: African Development Bank
AFGRAD: African Graduate Fellowship Program
AIBEF: Association pour le Bien-Etre Familial; Ivorian NGO working in family planning
AIDS: Acquired Immunodeficiency Syndrome
API: Assessment of Program Impact
CDC: Centers for Disease Control
CDD: control of diahrreal diseases
CYP: couple-years of protection
DC: Department of Cadastral Surveys
DHS: Demographic and Health Survey
EEC: Eureaupean Economic Community
EPI: Expanded Program of Immunization
ESF: Economic Support Fund
ESPOIR: Ivorian NGO working on AIDS testing and counseling
FY: fiscal year
GDP: gross domestic product
GOCI: Government of Côte d'Ivoire
HFPP: Health and Family Planning Project
HIG: housing investment guarantee
HIV: Human Immunodeficiency Virus
HRDA: Human Resource Development for Africa project
KAP: knowledge, attitudes, and practice
MCH: maternal and child health
MDSP: Municipal Development Support Project
MER: monitoring and evaluation system
MMTP: Municipal Management Training Program
MOH: Ministry of Health
NEAP: national environmental action plan
OICI: Opportunities Industrialization Center International
PSI: Population Services International
PVO: private voluntary organization
REDSO/WCA: Regional Economic Development Service Organization, West and Central Africa
UNDP: United Nations Development Program
UNICEF: United Nations Children's Fund

SECTION I: SPECIAL FACTORS AFFECTING THE USAID/CÔTE D'IVOIRE PROGRAM

A. Macro-Economic Environment

Côte d'Ivoire's economic performance since the late 1970s has been disappointing, particularly when viewed against the backdrop of the late 1960s and early 1970s, when per capita GDP grew at an annual rate of 5.5 percent. Since then, GDP growth has fallen well behind population growth, with the result that nominal GDP per capita has fallen by over 35 percent since the start of the eighties. Consumer prices, meanwhile, have risen by some thirty percent. Current per capita GDP of about $775, in turn, is significantly overstated because of the overvalued exchange rate of the CFA franc.

Between 1980 and 1990, employment in the formal private sector, which had been an important creator of high paying jobs in the previous two decades, declined by 127,000. During this same period, civil service employment increased by 42,000; the agricultural and informal sectors have had to absorb 700,000 and 400,000 workers respectively in marginal, low-paying jobs; and unemployment has increased by 500,000. By 1990, 13 percent of the labor force was unemployed.

Along with declining income and employment has come increasing debt. By the end of 1991, Côte d'Ivoire's external debt totaled $18.5 billion, one of the highest per capita levels of indebtedness in the world. The country's debt service obligations equal 60 percent of its export earnings.

Although a major cause of the Ivorian recession is the sharp drop in terms of trade, the economy's continued lack of competitiveness is due largely to excessive government involvement in economic activity. Initially, many of the controls placed on economic activity were based on valid development concerns. Producer price controls on agricultural exports were intended to protect farmers from widely fluctuating world prices; import substitution industries were protected in order to give them time to become established and competitive; and the justification for government participation in certain industries was to assure adequate control over industries that were considered vital to national interests.

These same controls, however, were also well suited to Côte d'Ivoire's system of patron/client relationships. Political supporters could be, and were, well rewarded with preferred access to the lucrative agricultural export trade; equity participation and highly paid management positions in export-oriented agribusinesses and import substitution firms; licenses to import products that could then be sold in controlled markets at guaranteed profits; and large government construction contracts.

As a result, there is now a strong vested interest among many highly influential Ivorians in maintaining the existing system of controls and regulations. These privileged individuals have more to gain from continuing to exchange favors in a protected economic environment than they

do from returning the economy to competitiveness and sustainable growth. This is a major reason why there has not been more progress in implementing the economic liberalization measures called for in the Medium-term Policy Framework.

Ivorians are being paid more than the value of what they are producing. Most Ivorian exports have become too expensive to compete on world markets. Manufactured goods produced for local markets cannot compete with imports. In international economic terms, Côte d'Ivoire's currency has become overvalued by an estimated 50 percent. There are two ways to reduce Côte d'Ivoire's real effective exchange rate: *(a) lower the official exchange rate* so that it accurately reflects the country's already devalued currency, or *(b) reduce the total of incomes paid to Ivorians* to a level that is equal to the value of the goods and services they are producing. Although in macro-economic terms either of these measures has the same result, changing the official exchange rate, which reduces the cost of domestic inputs used in production, is a more readily achievable way of stimulating economic competitiveness.

Future economic prospects for the Côte d'Ivoire are clouded. Production per capita can be expected to continue to decline for the next three to four years. If no corrective action is taken by the government, the downward trend will continue indefinitely until Côte d'Ivoire joins the ranks of other low income West African countries. With virtually no resources for fixed investment, the country's productive and infrastructure base that was built up during the 1960s and 1970s will be permanently lost.

This bleak economic scenario is countered, however, by some opportunities for development. First, the country has a strong comparative advantage in export agriculture. The growing conditions for a wide range of tropical crops are among the best in the world, and three decades of experience in exporting to world markets have produced a pool of trained workers and an effective network of the support services required for modern high-productivity agriculture.

Second, despite the apparent failure of the country's industrialization policies, there are important opportunities here as well. The country has the most developed infrastructure (air, road, and marine transportation, electricity, and telecommunications) in West Africa, and one of the region's most literate and skilled workforces. This exceptional infrastructure and human resource base provides industries in both the formal and informal sectors with opportunities that are unmatched in West and Central Africa. Finally, although Côte d'Ivoire does not have a large mineral sector, changing world markets are providing important opportunities for the development of gold and gas reserves. The most important action necessary to take full advantage of this opportunity is for the government to implement its Medium-term Policy Framework.

As economic reform measures are put into effect, donor assistance will be needed not only to help mitigate the resulting social disruptions, but also to help individual industries restructure and become viable in a free market environment.

B. The Political Context

In sharp contrast to the poor economic performance of the country over the past ten years or so, progress toward democratization and decentralization has been positive. Although there is still ample room for improvement, there is no equivalent elsewhere in West and Central Africa (with the qualified exception of Senegal) for the steps taken by the Ivorian government to pave the way for decentralization[1]. Responsibility for a limited range of activities (e.g., the administration of markets and solid waste disposal) has been handed over to the communes. The human resources available to the communes have increased in size and quality. Finally, the capture of power at the communal level has emerged as a significant prize in the unfolding political competition between the incumbents and the opposition.

Significant opportunities exist for furthering the trend towards decentralization. There is a rich variety of non-governmental associations in Côte d'Ivoire including cooperatives, trade unions, professional, and ethnic associations. Although it is not clear how the roles of such associations will evolve, the structure of civil society in Côte d'Ivoire offers a wider range of opportunities for political participation than most other states in the region.

In contrast to these positive aspects of Ivorian politics, Côte d'Ivoire does face important uncertainties with regard to political leadership at the top, given the president's declining health and long absence from public life. Moreover, recent mass violence agains non-Ivorians living in Côte d'Ivoire reveal the persistence of ethnic tensions that can create serious disruptions when they coincide with growing unemployment and disparities of wealth and income.

C. The Regional Context

USAID's program in the Côte d'Ivoire has important regional implications for west and central Africa. For example, Côte d'Ivoire is at the epicenter of the HIV/AIDS epidemic in West and Central Africa. The first cases of HIV/AIDS to be diagnosed in Niger, Guinea, and Burkina Faso have been traced to Côte d'Ivoire, which is not surprising given Côte d'Ivoire's role as a regional economic center and its traditional openness to migration across its borders. The fact

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[1]Decentralization comes in a variety of forms, all of which can be grouped under one of the following four headings: (1) administrative decentralization, (2) spatial decentralization, (3) economic or market decentralization, and (4) privatization and deregulation. The form of decentralization being discussed here is administrative decentralization, which can be subdivided into three types: (a) deconcentration which is the redistribution of decision-making authority and financial management responsibilities for providing public services and infrastructure among different levels within central government; (b) delegation which is the transfer of central government responsibility for decision-making and administration of public functions to semi-autonomous organizations not wholly controlled by the central government, but ultimately accountable to it; (c) devolution which is the transfer of authority for decision-making, finance and management to autonomous units of local government with corporate status (i.e., municipalities or communes).

that USAID's HIV-AIDS prevention activities in Côte d'Ivoire have regional implications cannot be denied.

In population, Côte d'Ivoire's family planning program has developed a model that may be relevant to other West African countries. Under this approach, private sector service delivery enjoys the support and cooperation of the Ministry of Health and the rest of the government. A strong social marketing program focuses on urban areas, which account for 4.4 percent of Côte d'Ivoire's population and are growing faster (5.3 percent) than the national rate of population increase (3.8 percent).

In governance, a USAID-funded study carried out during FY 1993 indicates that the decentralization movement in Côte d'Ivoire is among the most advanced in the region. This experience of devolving functions (e.g., making administrative and developmental budgets, issuing birth and marriage certificates, building and maintaining local infrastructure) to the local level -- fueled in no small measure by our relatively modest bilateral program -- may serve as a model for other countries in the region.

Finally, USAID assistance in the institutional development of the African Development Bank has obvious implications for the region and for the continent. The current focus of our activity is to strengthen the AfDB's capacity to conduct pre-approval environmental impact assessments and to expand private sector lending, both of which affect all of Africa.

D. The USAID Program in Côte d'Ivoire

Historically A.I.D. has been a relatively minor donor in Côte d'Ivoire ($6-7 million per year DFA funding[2]). Prior to the 1980s nearly all U.S. bilateral assistance was limited to housing investment guarantee (HIG) loans and long-term training for hundreds of Ivorians in the U.S. under AFGRAD, the African Manpower Training Project, and the Human Resources Development for Africa Project.

Our strategy has been to focus on priority development problems where we can make a difference with relatively small amounts of resources. Implementation of the strategy is guided by three simple principles: (1) select development problems that require priority attention in Côte d'Ivoire and also have a high priority for A.I.D.; (2) focus on complementing whenever possible the activities of other donors; and (3) build on A.I.D.'s strengths and past experience in Côte d'Ivoire.

USAID's current assistance to Côte d'Ivoire concentrates on two sectors, municipal development and health and family planning. USAID's $5 million **Municipal Development Support Project (MDSP)** was originally approved in 1990 and amended during FY 1993.

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[2]In 1991, the major donors to Côte d'Ivoire were the French ($412 million), the World Bank ($187 million), AfDB ($139 million), the IMF ($45 million), and the EEC ($36 million).

MDSP supports the government's decentralization program by helping to increase the autonomy, effectiveness, and responsiveness of municipal governments. MDSP focuses on training in municipal management, construction of self-financing urban amenities in secondary cities, and technical assistance and training aimed at improving local resource mobilization, in part through improved local tax collection. All told, 34 towns comprising a total population of approximately 1 million are affected by this project. The project has begun to place more emphasis on increased private sector and community involvement in the delivery of municipal services, mainly by assisting municipal governments to work with community groups and administer service delivery contracts with private firms.

USAID programs in health and family planning began in the mid-1980s as regional activities. They informed the design of the present $20 million **Health and Family Planning Project,** which began in late 1991. The project has three components: improving the delivery of family planning services, improving maternal and child health care, and preventing the transmission of HIV/AIDS. Côte d'Ivoire's position as the epicenter for the HIV/AIDS epidemic in West and Central Africa adds dramatically to the urgency and regional importance of our interventions in this area. The high rate of population growth in Côte d'Ivoire is fueled not only by high fertility rates but also by heavy in-migration of young adults from neighboring countries seeking employment and higher living standards. Côte d'Ivoire's contracting economy is no longer able to sustain this rate of population increase. Social tensions have exploded during recent months into mass violence against "foreign" workers and their families. Slowing the rate of population growth has urgent implications for regional political stability. The USAID/CI Health and Family Planning project utilizes a private sector service delivery framework that, once tested, could serve as a model for other countries in the region.

The Health and Family Planning project seeks to increase public and official awareness of health and population issues and expand cost-effective service. The maternal and child health component works primarily with public sector clinics, whereas the other two components rely mostly on the private sector and private voluntary organizations.

USAID's third principal activity in Côte d'Ivoire comprises assistance to Africa's premier development lending institution, the **African Development Bank** (AfDB), which is headquartered in Abidjan. Since 1968, USAID has obligated $30.9 million for assistance to the Bank. During the first phase of assistance (1968-1989), USAID provided technical assistance to perform some tasks which the Bank staff could not do with existing staff, and to train bank staff and member country officials in project design, monitoring, and evaluation. The second phase of assistance to the AfDB (1989-1993) provided training, computerization, and advice on policies and procedures in order to improve Bank management of its enlarging portfolio. The current assistance program for the AfDB concentrates on developing the bank's capacity to expand private sector lending and conduct rigorous environmental impact assessments for its loans.

USAID also manages a small regional Municipal Management Training Program (MMTP). MMTP provides technical assistance and training to missions and host governments in the

WCA region. It is intended to strengthen local government units, support decentralization programs, and promote good governance. The program is active in five countries and has carried out 35 events involving over 1,200 participants from 16 countries over the last four years.

Three other activities are part of our program although peripheral to our proposed long-term strategy. First, during FY 1993, USAID concluded its $15 million **ESF program** in support of the Côte d'Ivoire's structural adjustment program. These funds helped provide balance of payments support through payment of Ivorian arrears on U.S. and multilateral debt, thereby freeing up new resource flows. Second, we are about midway through a $2.6 million grant to the US PVO, **Opportunities Industrialization Center International (OICI)** to provide vocational training in an important agricultural area of central Côte d'Ivoire. Finally, in addition to training under the health and family planning, municipal development, and OICI projects, USAID trains Ivorians under the regional **Human Resource Development for Africa project (HRDA).** All of this training is short term, and most of it takes place in Côte d'Ivoire.

E. Relation of USAID/Côte d'Ivoire Program to Agency Priorities

The matrix presented on the following page shows the numerous cross-linkages between USAID/Côte d'Ivoire's three principal activities (MDSP, HFP, and AfDB) and the four Agency priority areas of economic growth, health and population, environment, and democracy and governance.

USAID/Côte d'Ivoire Strategic Matrix

	Municipal Development Support Program	Health and Family Planning	African Development Bank II
Democracy and Governance	Improving transparency between local government officials and citizens and accountability of officials to citizens. Facilitating citizen participation in the decision-making process and management of community affairs. Strengthening local government capacity and efficiency in the provision of public services. Building open and responsive local units of government.	Promoting freedom of reproductive choice for Ivorians. Increasing educational opportunities, particularly for women.	Promoting women's integration into development programs and projects. Increasing chance of education for disadvantaged people. Strengthening local government capacity and efficiency in the provision of public services.
Environment	Educating decision makers to the importance of environmental issues at the local level. Improving environmental conditions affecting the general public through improved solid and liquid waste management, road improvement and erosion control. Increasing citizen's awareness of environmental issues and involving citizens in urban environment improvement activities.	Reducing the rate of degradation and/or depletion of natural resources through reduced population growth.	Improving the capacity of AfDB to carry out environmental impact assessments and environmental policy analysis. Accelerating the awareness of the rapid degradation of the African environment among AfDB senior management.
Economic Growth	Supporting private sector involvement in municipal service delivery and construction of public facilities leading to job creation and improved efficiency. Improving municipal revenue collection through improved collection of market and business taxes, property taxes, and user fees. Enhancing municipal service delivery capacity, above all to groups of economic operators.	Improving household earnings. Releasing pressure on scarce resources to improve social services. Giving women more opportunities to engage in economic activities. Fighting losses of educated workforce due to HIV/AIDS.	Strengthening the AfDB's private sector unit.
Health and Population	Educating citizens in general sanitation practices which contribute to improved health. Improving hospital and medical clinic capacity to appropriately dispose of hazardous medical waste. Improved health of the urban population through better management of solid waste collection and disposal and through regular maintenance of municipal infrastructure.	Slowing the rate of population growth. Slowing the spread of HIV/AIDS in the region Improving health of children and mothers	Improving the Bank's health and population policies and procedures through training and studies.

SECTION II: PROGRESS TOWARDS OVERALL PROGRAM GOAL

The USAID/Côte d'Ivoire program goal is Equitable and Sustainable Economic Growth, with twin program sub-goals of Improved Well Being of Low and Middle-Income Ivorians and Improved Enabling Environment. Given the recent formulation (1993) of our program goal, the relatively small size of the bilateral program in Côte d'Ivoire, and the far greater importance of external factors on macro-economic growth in Côte d'Ivoire, it is unrealistic to try to attribute any changes in goal or sub-goals to our program. The following table shows changes in GNP per capita and changes population over the most recent 10-year period for which we have data.

Recent Demographic and Economic Indicators for Côte d'Ivoire

Year	GNP/Capita	Pct. Change Over Previous Year	Percent Population Growth	Pct. Change Over Previous Year
1980	$1,180		3.56	
1981	$1,160	-2%	3.45	-3%
1982	$1,000	-14%	3.32	-4%
1983	$800	-20%	3.30	-1%
1984	$710	-11%	3.43	4%
1985	$670	-6%	3.64	6%
1986	$730	9%	3.78	4%
1987	$780	7%	3.89	3%
1988	$860	10%	3.93	1%
1989	$820	-5%	3.96	1%
1990	$750	-9%	3.94	-1%
1991	$690	-8%	n/a	
1992	n/a	n/a	n/a	
1993	n/a	n/a	n/a	
Total		-42%		

Source: World Annual Report & World Development Tables (1980-1993)
World Bank

Average GNP per capita change per year, 1980-1991: -4.30 percent

Average population growth per year, 1980-1991: 3.65 percent

Projected population growth rate per year, 1991-2000: 3.30 percent

SECTION III -- PROGRESS TOWARD STRATEGIC OBJECTIVES, TARGETS, AND TARGETS OF OPPORTUNITY

Strategic Objective No. 1: Increased Use of Modern Contraceptives and Essential Health Services

Target 1.1: Increased Distribution of Family Planning Services and Contraceptives

Côte d'Ivoire's rapid population growth constitutes a serious development constraint. The Ivorian population has increased from 3 million in 1960 to about 13 million today, and is now estimated to be growing at 3.8 percent a year (including migration). Even with no net in-migration, the Ivorian population will triple to 39 million by 2025 at current rates of growth. The country has a total fertility rate of 7.4 percent, and only about three percent of the reproductive population uses contraceptives. Not only does Côte d'Ivoire's high population growth result in a high dependency ratio (the ratio of non-productive to productive population), it also creates requirements for urban amenities and social services that draw scarce resources away from directly productive investments, thus reducing the overall economic growth rate.

The Health and Family Planning project (HFP) has made significant progress in four areas leading to the increased distribution of family planning services and contraceptives.

- First, as a direct result of the project, the Ministry of Health has established a national family planning coordinator's office at a high level within the ministry to underline the importance of family planning and coordinate national efforts to increase awareness and make contraceptives and services widely available. The ministry has assigned four professionals to this office and provided excellent office space. The ministry has also called for separate space in clinics and full-time personnel for family planning. The level of public emphasis placed on family planning is unprecedented in Africa, and a strong measure of the seriousness with which the GOCI is addressing the problem of rapid population growth.

- Second, imports and distribution of contraceptives in Côte d'Ivoire have been simplified through the concentration of these functions in a local NGO ("AIBEF") and an American PVO (Population Services International--PSI). In effect, the GOCI has "contracted out" the importation and distribution of A.I.D.-supplied contraceptives to the private sector, which should lead to greater efficiency, fewer stock-outs, and reduced waste. At present, A.I.D. supplies about 95 percent of all donor-supplied contraceptives in Côte d'Ivoire.

Since it began, the project has imported $1.5 million worth of contraceptives for distribution by AIBEF and PSI. To date AIBEF has distributed contraceptives equivalent to an annual rate of about 26,000 couple years of protection (CYP). PSI has produced 79,000 CYP in

one year; thus, the total produced between the two organizations is 105,000 CYP per year. At the current rate of expansion, the fifth year HFP target of 184,000 CYP per year will be exceeded easily. Data on national contraceptive prevalence rates will not be available, however, until completion of the Demographic and Health Survey (DHS) within the next six months.

- Third, USAID has provided institutional and capital support to AIBEF. AIBEF has moved into a newly purchased building that will house, beginning in FY 1994, a high-caseload clinic in Abidjan. The pre-existing AIBEF clinics in two other cities now have full time staff paid for by the project.

- Fourth, the project has begun establishing family planning services in ten (of an eventual thirty) urban MOH clinics in urban centers nationwide.

Target 1.2: Reduced Transmission of HIV Infection

The first case of HIV/AIDS in Côte d'Ivoire was diagnosed in 1985. The national sero-prevalence survey carried out in 1989 showed an infection rate of 6.4 percent in the general population (4 percent in rural area and 7 percent in urban). Studies conducted in 1992 reported a further increase in the spread of AIDS: 12 percent of blood donors were HIV infected, youth and young adults (between 20-39 years old) being the most affected; 12 percent of women attending prenatal clinics in Abidjan were seropositive; and AIDS patients currently occupy 70 percent of hospital beds in infectious disease wards.

The HFP project has made progress on three fronts:

- First, since June 1992, nearly 7 million condoms have been sold, for an average of 424,000 condoms per month[3]. The current monthly average, if continued, will result in total sales of 21.2 million over five years. Condom use, as measured by sales (not including free samples) has increased from less than 1 percent to 8 percent among the population at risk.

- Second, the HFP project opened an HIV/AIDS counseling and testing center and provided technical assistance in organizational development through the Centers for Disease Control (CDC). The USAID-assisted NGO ("ESPOIR") currently sees approximately 20 clients per day, a rate which is expected to grow to 75 clients per day (or close to 20,000 per year) following initiation of a media campaign scheduled to get underway in early 1994. There is strong supposition (which will be measured by CDC) that the combination of counseling and testing will lead to measurable behavior changes over time.

[3]These condom sales are in addition to the contraceptives that have been distributed by AIBEF and PSI under the family planning component of the project.

- Third, the project has strengthened the National AIDS Committee through technical assistance and training. To date, fieldwork on three research studies has been completed : a study on sero-prevalence of high school students in Bouaké, Korhogo, and Man; a knowledge, attitudes, and practice (KAP) study of high school students in the 10 communes of Abidjan; and a study of the economic impact of HIV/AIDS in Côte d'Ivoire.

Target 1.3: Improved MCH Service Delivery

Changes since the project's design plus some design weaknesses have led to less satisfactory progress than we hoped for in improving MCH service delivery. Reportable impacts to date are the following:

- In Expanded Program of Immunization (EPI), USAID participated in a WHO-UNICEF evaluation of the cold chain and provided two freezers for the storage of vaccine at the central level. In the meantime, UNICEF and the EEC have assumed major responsibility for EPI in accordance with the wishes of the Ministry of Health.

- In Malaria Control, USAID played a key role in assisting the MOH to produce a national policy on malaria prevention and treatment and a five-year workplan. In addition, USAID sponsored the training of 56 laboratory technicians in order to upgrade the surveillance system.

- In Control of Diarrheal Diseases, the project has played a key role in assisting the MOH in formulating a policy on CDD and a five-year workplan. In addition, the ORT training in Treichville has resulted in better case management in Abidjan clinics.

- In Maternal Health, the services at the two Abidjan maternities (Yopougon and Abobo-Sud) have been reorganized. Staff has been trained at Yopougon. Staff from Abobo-Sud will be trained in November 1993. Ninety-five percent of the equipment for the two maternities has been delivered. The MOH has been so impressed with the improvements at Yopougon that it has asked USAID to do the same in eight additional Abidjan maternities. USAID also supported the printing of 100,000 Carnets de Santé, which serves as a record of prenatal visits, delivery, and the health of the child.

- In Operations Research, USAID has supported the development of four research studies out of ten planned: a KAP study on diarrhea in the home; a KAP study on respiratory infections; a study on home use of medication; and a study on the prevalence of Vitamin A deficiency in the northwest. Field work has been completed on a study of pharmacists' prescriptions for malaria. Preliminary results of all of these studies will be available during FY 1994.

Strategic Objective No. 2: Improved Governance at Local and Central Levels

Theory and experience tell us that good governance is a critical prerequisite for sustainable development. By governance, we mean the effective, transparent, and accountable management of public resources for development with the active participation of an informed and responsive body politic. Our second strategic objective therefore is to bring about improved governance at local and central levels. At the central level, the strategy is to bring affected groups into the public debate on economic transformation. At the local level, the strategy is to bring affected groups into local governments' decisions about what services and facilities to provide and how best to provide them.

Target 2.1: Increased Debate on Critical National Issues by a Better-Informed Public

This target is to be addressed through a FY 1995 start entitled "Enabling of Economic Policy Reform" and is, therefore, not applicable to this year's API submission.

Target 2.2: Increased Local Government Authority over Locally Generated Resources

Côte d'Ivoire's declining economy has resulted in a serious decline in the GOCI's ability to support its municipalities. At the heart of the problem is the system known as "*unité de caisse*," whereby locally generated revenues must be remitted to the central treasury. All local taxes (e.g., market taxes and small business taxes) and specified percentages of what are considered central taxes (e.g., property taxes) are earmarked for eventual return to the originating municipality. As the so-called "liquidity crisis" has pinched the central government's room for fiscal maneuver, however, less and less of these resources are finding their way back to the municipalities. And since the resources that do flow back to the local level are disbursed at the discretion of a central treasury agent, they are being consumed by central government salaries and entitlements, leaving less and less for municipal operations and maintenance. The sine qua non of true decentralization, however, is increased local fiscal autonomy. Accordingly, USAID has pressed strongly for abandonment of the *unité de caisse* principle and the retention of municipal resources at the local level where citizens can see a direct correlation between services provided and taxes and fees paid.

As a step in this direction, USAID's Municipal Development and Support project, in close collaboration with the Department of Taxation and the Department of Cadastral Surveys (DC), has developed a cheaper and more rapid method of identifying property and assessing taxes with the goal of increasing the overall tax base and thereby the pool of resources that can be shared between the central and local level. To date, USAID and the DC, working with private surveying firms, have conducted

surveys for seven towns, and an additional four are planned over the next twelve months.

USAID has complemented these surveys by providing the DC with the computers and software they need to prepare tax rolls and generate tax bills, and has financed a comprehensive study on the tax collection process.As part of this activity, the mission has held a number of small workshops on the surveys with mayors, senior officials of the Ministry of Interior and the Department of Cadastral Surveys where issues such as the percentage of property taxes returned to the municipalities and collection methods have been discussed at length.

Our efforts have paid off in the following ways:

- There is currently before the National Assembly, as part of the this year's new Financial Law, a proposal to institute a 10 percentage point increase (from 25 percent to 35 percent) in the percentage of locally generated property taxes that must be returned to the municipalities by the Treasury. This law will come into force by the end of calendar year 1993.

- In testament to the long-term sustainability of our work, the Department of Cadastral Surveys has, on its own initiative, utilized the methodology and the computer materials USAID provided to undertake additional simplified cadastral surveys using its own resources in other Ivorian municipalities, including some with the largest populations. They have completed four surveys, and will complete ten more by early January. These surveys have on average increased municipal tax bases by 50 to 100 percent in cities where surveys were updated and between 500 and 1000 percent in cities being surveyed for the first time. It is anticipated that commensurate increases in tax revenues will be available to the municipalities.

The primary vehicle that USAID has used in persuading the GOCI to abandon the *unité de caisse* principle is, however, the Donor Decentralization Coordination Committee, which USAID founded three years ago. The committee includes all of the major donors active in the field of urban development in general and decentralization in particular (i.e., the World Bank, the European Economic Community, the UNDP, French Cooperation, Japan, Belgium, Canada, etc.). In May 1993, the committee proposed that funds collected at the local level and destined for local level use should remain at the local level. In the wake of intensive discussions with Ivorian municipalities, in July 1993, the Ministry of Economy and Finance finally agreed, in principle, to the creation of independent bank accounts for the municipalities to use for locally collected funds (e.g., market fees, small business taxes). The donors, as a result of the economic crisis, now collectively provide a high proportion of the resources invested at the municipal level. The donor

committee therefore has significant policy leverage and is urging the Ministry of Interior to implement the decision rapidly.

Target 2.3: Increased Awareness of and Responsiveness to Local Needs for Public Services

As citizens' access to government increases, their demands for government services will also increase. These demands will oblige the government to intensify its efforts in both resource mobilization and service delivery. We expect this, in turn, to lead to increased willingness to pay the necessary additional fees and taxes.

The training component of MDSP deals directly with the issue of increased awareness of and responsiveness to local needs for public services. Indicators which demonstrate the project's impact on this target include the following:

- Some 1,230 units of management training instruction have been provided over the past 18 months to central and local level elected officials and agents, including 47 preparatory studies, 60 seminars in resource mobilization and service provision topics, and 40 reinforcement, monitoring, and evaluation interventions.

- Community representatives comprise ten percent of participants in all MDSP training activities and are heavily represented in all resource mobilization training (e.g., activities concerned with the collection of fees for services) and in some service delivery training in eleven communes. The result has been increased community involvement in decisions regarding resource mobilization. At MDSP seminars, community representatives have provided municipal authorities with input on the amount of fees to be paid, preferred methods of fee collection, and the types of services they expect in public facilities, such as markets, in return for regular fee payments.

- Twenty neighborhood community action groups comprising 350 individuals in five core project communes are now involved in community-wide solid waste management activities. They work with municipal authorities in defining their role in solid waste collection and facilities in their neighborhoods. For example, the groups have provided suggestions on where to collect garbage, the groups' responsibility for utilizing and maintaining the pick-up areas, the amount of fees to cover garbage collection, and the groups' willingness to provide labor or work with private companies on solid waste activities.

- Solid waste management and collection has been improved in five towns through the following interventions:

    - Construction of hospital waste incinerators in four towns;

    - Removal of illegal garbage dumps in seven towns;

- Construction of 39 sheltered areas for the deposit of garbage cans by community groups in five communes; and

- Observable increases in the frequency of garbage collection and in the amounts of garbage collected by communes (exact calculation of amounts/percentages underway by trainers and municipal agents).

- Private sector and community groups have joined together in pilot projects to provide municipal services (e.g., pre-collection of garbage, cleaning of streets, drainage canals and public places) in three municipalities.

Targets 2.2 and 2.3 thus logically complement each other. As Target 2.2 works towards increasing local government access to resources, Target 2.3 improves local government utilization of resources in response to expressed local needs. By training local officials in better ways of generating revenues, our activities structure and increase the exchange of views between local officials and local community client groups which pay the fees and taxes required by local governments.

Target of Opportunity: Environment and Natural Resources Management

Côte d'Ivoire's natural resources, especially its forests, are becoming degraded at an increasing rate, but neither the government nor donors have yet begun taking decisive action to address the problem. The World Bank has begun to work with the government and donor agencies on preparation of a National Environmental Action Plan. This alone will not be sufficient to assure that effective action to protect the country's natural resource base will be taken, but it will increase official and public awareness of the seriousness of the problem.

Supporting the development of the NEAP, and helping to form a multi-donor consensus for policy reforms in the sector, will provide USAID with an avenue for ultimately playing a more central role in natural resources policy formulation. We have begun to establish AID's credibility in the sector by sending three key Ivorian officials on a NEAP study tour to France, the US, and Madagascar (which has the most advanced National Environmental Action Plan in Africa)

SECTION IV. OTHER PROGRESS IN PRIORITY AREAS

The USAID grant to the African Development Bank has contributed to the Agency goal of "Encouraging Broad-Based Economic Growth." The grant has supported the improvement of design, implementation, and evaluation of economic development projects. Management information systems funded by USAID enabled the bank to generate revenues through improved portfolio management and secure funds for lending to the least-developed borrower countries. Training AfDB personnel in economic development issues such as private sector

financing, structural adjustment program design and financing, and alternative methodologies for project design, implementation, and evaluation has also helped the bank's staff to deal better with the complexity of the African economic environment.

V. PROSPECTS FOR FY 1994

With the USAID world-wide "right sizing" exercise not yet complete, REDSO/WCA cannot predict with certainty its future direction and mandate in the West and Central Africa region. On November 19, 1993, USAID/W announced the decision to terminate the bilateral assistance program to Côte d'Ivoire, and, during the next few months, REDSO will be working out the details for an orderly phase-out of the bilateral program. A significant amount of thought and analysis on pending changes has already taken place within REDSO/WCA, the major outlines of which are described in the points that follow:

- First, the MCH component of the Health and Family Planning project must either be eliminated or re-designed to rationalize the choice of interventions, focus energy, and ensure measurable impact.

- Second, alternative arrangements will be needed to implement the Health and Family Planing project under a scenario of reduced FTEs. REDSO/WCA is examining options, including possible restructuring of the activity for implementation under the auspices of an institutional contractor or US PVO.

- Finally, a regional health and population project should be designed if program activities are to be continued in WCA countries where a bilateral presence is phased out. Conceptual work on the design of such a project is already underway, including consideration for folding the current bilaterally funded health and population activities for Côte d'Ivoire -- particularly in HIV/AIDS and family planning -- into the larger framework.

ASSESSMENT OF PROGRAM IMPACT

FY 1993

GHANA

API

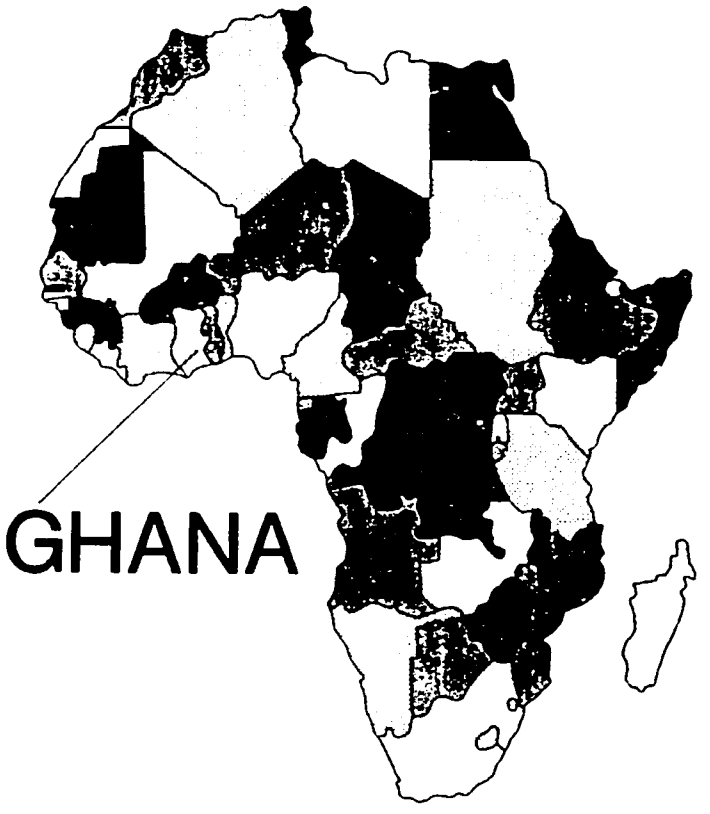


Table of Contents

SECTION I: FACTORS Affecting USAID/GHANA program

SECTION II: Progress toward overall country program goals

SECTION III: Progress toward strategic objectives and progress indicators

SECTION IV: Other progress in priority areas

ANNEX A: Revision of Indicators and Expected Levels of Achievement

ANNEX B: List of acronyms

ANNEX C: USAID/GHANA program logical framework

SECTION I

SPECIAL FACTORS AFFECTING USAID'S PROGRAM IN GHANA

The period Oct 1, 1992-Sept 30, 1993 saw continued political and economic changes in Ghana. On the political front, elections were held in November 1992 and J.J. Rawlings was elected President of Ghana's Fourth Republic with 58% of the vote. The international groups monitoring the election, the Commonwealth Observer Team and the Carter Center Team (which was funded, in part, by A.I.D. and USAID) concluded that the results were valid, despite some irregularities in election procedures. The principal problem was a seriously inaccurate voters' register, a problem acknowledged, by all, to exist before the election.

The opposition parties were unhappy with the results of the presidential elections and with the irregularities, and chose to boycott the December, 1992 Parliamentary elections. Hence, Rawlings' party and its smaller coalition partner won 198 out of 200 seats in Parliament, with two independents holding the remaining seats. On January 7, 1993, with the inauguration of the Fourth Republic, Ghana peacefully became a nascent constitutional democracy, albeit without an opposition in parliament.

At present a dialogue between the Government and the opposition is starting. Distrust exists on both sides but early evidence of an independent judiciary, accepted by the Government, is helping to build confidence. For example, the Supreme Court has handed down four decisions in a row which were favorable to the opposition. Individual liberties are defended and the private press is not restricted. However positive these developments, for the longer term, the issue of the voter register must be resolved before the next Presidential elections. This is recognized by all sides but developing a new register will be expensive and will require donor support.

On the economic front, the economy grew at a 3.9% rate in 1992, a decline from 5.3% in 1991. This was principally caused by a 0.6% decline in agricultural output as a result of unfavorable weather condition. Government revenues also dropped due to decline in prices for Ghana's two main exports, cocoa and gold. This deterioration in the terms of trade was exacerbated by an unusually small cocoa harvest, caused by the poor weather condition cited earlier.

While revenues deteriorated, government expenditures accelerated. Government workers, sensing that the best time to press the Government for wage increases was just prior to the elections, negotiated a 70% wage increase. Workers also convinced the Government of Ghana (GOG) to pay 20 billion cedis (roughly $40 million) of their end of service benefits (EOSB) during that period. (EOSB is deferred compensation equal to at least a month's salary for each year of service.) The GOG also made large capital expenditures on infrastructure in order to build political support. As a result, the government - which enjoyed a budget surplus for five consecutive years - suddenly recorded a deficit equal to 6% of GDP.

This in turn fueled inflation and depreciation of the cedi. Inflation, which had declined to 13.3% in 1992, increased significantly in early 1993, rising to over 34% during the first six months of the year. The increase in inflation was accompanied by a rapid and sustained depreciation of the cedi from 520 to the dollar at the beginning of 1993 to present level of 720 to the dollar.

In early 1993, the GOG quickly took stern macroeconomic measures to correct the deficit and reduce inflationary pressures: the gasoline tax was increased by a dollar a gallon to raise revenue, interest rates were pushed from 20% to 35%, and a special additional 15% reserve requirement was instituted for banks. The 1993 budget calls for further tax measures, spending cuts, and accelerated divestiture. (The Government plans to close the budget gap by selling 25% of Ashanti Gold Fields, the largest producer of gold in Ghana, for an estimated $250 million. However, the sale has been postponed until early in 1994.)

The objective of the 1993 program was to rapidly restore macroeconomic stability by eliminating the fiscal deficit in one year. The economic performance for the first half of 1993 suggests that this will not be achieved. Based upon the first six months performance, economic growth is at a 4.4% annual rate and the budget deficit will, under present circumstances, be reduced from 6% of GDP to 2%: a major improvement but short of the goal of a balanced budget. The principal problem has been the shortfall in revenue generated by the increased gasoline tax and the unwillingness of Parliament to approve a further increase this year. Inflation accelerated in the first half of the year but now seems to be declining although for the year it will be at least double the 1992 level. The depreciation of the cedi has dampened demand for inputs while increasing the attractiveness of exports. Improved weather this year has improved food crop and cocoa production, helping to hold food prices down while increasing government revenue and foreign exchange prospects.

74

SECTION II

PROGRESS TOWARD OVERALL PROGRAM GOALS

PERFORMANCE INDICATORS	UNIT OF MEASUREMENT	BASELINE DATA		EXPECTED AND ACTUAL RESULTS									
				1991	1992	1993		1994		1995		1996	
		YEAR	VALUE	Actual	Actual	Expd	Actual	Expd	Actual	Expd	Actual	Expd	Actual
Goal: Promote sustainable, market-oriented economic growth.													
Indicators:													
Annual percentage change in real GDP per capita	%	1992	0.8	2.1	0.8	1.4	NA	1.9		2.8		3.3	
Private sector investment as a percent of GDP	%	1992	12.5	13.9	12.5	16.3	NA	17.1		17.6		18.2	
Life expectancy	# of years	1990	55	NA	NA	55	NA	55		56		56	

The overall Program Goal is considered to be outside the Mission's manageable interest, but these indicators of performance will be monitored over time as a check on the accuracy of important assumptions and the continued relevance of the Mission's program. The indicators and targets are ambitious, but they accurately reflect the Government of Ghana's plans for accelerated growth fueled (and sustained) by the private sector, and their concerns that the benefits of growth be shared broadly across Ghanaian society. Life expectancy is included as a broad measure of economic and social well-being which is highly correlated with sustainable economic growth. Life expectancy in Ghana has increased only gradually (from approximately 50 years in the early 1970's) and, while life expectancy is among the highest in West Africa, it lags significantly behind many other developing countries.

Economic growth slowed in 1992 due to a decline in agricultural production. The increase in Government spending described in Section I "crowded out" private sector investment, which fell from 13.9% to 12.5% of GDP. Much of the increased spending was for imported goods rather than locally produced goods or productive investment.

The difficulties in the economic environment have not significantly impeded the day-to-day operation of the Mission's programs. However, macroeconomic stability is of critical importance to the Mission's goal of promoting sustainable, market-oriented economic growth. Private sector investment must increase for Ghana to accelerate, or even maintain, the five percent GDP growth it has averaged during the ERP. The Government deficit effectively crowded out private sector investment in 1992, and the high interest rates and tight money policies adopted by the Government have inhibited private sector activity in 1993. Nonetheless, prospects for 1993 are good, primarily because rainfall appears to be adequate and the outlook for cocoa has improved. Hence, the official government projections call for 4.5% growth in real GDP, which translates into 1.4% growth in per capita GDP.

While private sector investment declined slightly in 1992, there are encouraging signs that it will begin to grow as more firms become aware of the opportunities in the export sector. In this regard the Mission's Trade and Investment Program (TIP) and Human Resources Development Assistance (HRDA) project as well as the World Bank's Private Enterprise Export Development project (PEED) are having a catalytic effect on exports. Foreign investment is increasing, as reflected by the $10 million Star Kist investment in a tuna canning operation that will begin exports to the European Community in early CY 1994. This activity is expected to provide $25-30 million in non-traditional exports per year. Hong Kong Chinese investment, already in place in Ghana in the form of the Akosombo Textile plant, is increasing as exemplified by the recent opening of the Volta Garment Factory focused entirely on production for export. If this 200 machine pilot operation is successful it can be anticipated that further investment will occur in the textile sector.

75

PERFORMANCE INDICATORS	UNIT OF MEASUREMENT	BASELINE DATA		EXPECTED AND ACTUAL RESULTS									
				1991	1992	1993		1994		1995		1996	
		YEAR	VALUE	Actual	Actual	Expd.	Actual	Expd	Actual	Expd	Actual	Expd	Actual
Subgoal 1: Increase income and employment in the non-traditional export sector.													
# of new jobs created in the non-traditional export sector.	thousands of jobs	1992	0	0	0	2		20		35		60	
Comment: It is still too early in the life cycle of the Mission's Trade and Investment Program for its impact to be measurable at the subgoal level.													
Annualized percentage change in per capita income for workers (FTE) in the non-traditional export sector.	%	1993	NA	NA	NA	NA		5.0		5.0		5.0	

In mid-1993, a baseline report determined that the income per employee (defined as valued-added per full time equivalent employee) in the export area was 1.296 million cedis, or roughly $200 per month. (Value added includes salaries, profit, and depreciation.) The details of the survey show that workers do pretty well by local standards: full time males earn 27% more in export industries than their counterparts in non-exporting firms. Females do even better, earning 42% more than their counterparts.

Surprisingly, in export firms, the typical full time female employee earns 20% more than the typical male. This appears to be because women own a large percentage of export firms. Specifically, though women comprise only 5% of full time employees, they own 24% of the exporting firms (43 firms out of a total of 177.) The survey looked particularly at four industries - horticulture products, wood, textiles/garments, and handicrafts. In each industry, the percentage of women-owned firms was higher than the percentage of women workers. One possible explanation is that many of the exporters do not, themselves, produce products, but instead buy goods from others for packaging and shipping. This role is close to the role traditionally played by market women, and it appears that they have just expanded their operation. Certainly successful market women have the key ingredients to be successful exporters: substantial expertise in trading, good contacts, and adequate financing.

Subgoal 2: Improve the quality of the human resource base.													
Adult literacy rate.	%	1990	60	NA	NA	60	NA	60		61		62	
Population growth rate	%	1990	3.1	NA	NA	3.1	NA	3.1		3.1		3.1	

As of 1990, adult literacy was estimated to be 60% for the total population and 51% for women. Estimates of increases in Ghana's literacy rates are based on projections of the impact of the primary education program on adult literacy (defined as individuals 15 years old and older). Since the Mission's Primary Education Program (PREP), deals with children age 6-12, it will take several years before our program's success in raising the literacy rate of primary school children will affect adult literacy. Nonetheless, if PREP achieves its targets, the program will add one percentage point per year to the rate of adult literacy starting in 1995.

The population growth rate is unlikely to slow in the near term, simply because the number of women of child-bearing age has been expanding faster than the population at large. With the rise in modern contraceptive prevalence from 5% in 1988 to 15% in 1993, and a projected increase to 25% by 2000, the Mission expects to be able to measure a decline in population growth by the year 2010.

Progress toward Sustainable, Market Oriented Growth via Increasing Income and Employment in the Non-traditional Export Sector and Improving the Quality of the Human Resource Base

Ghana's GDP grew 3.9% in 1992, thus recording its ninth consecutive year of increase. Paradoxically, because Ghana averaged 5% growth during that period, growth of "only" 3.9% (which translates into 0.8% growth in GDP per capita) has been met with concern rather than joy.

GOG policy makers are now looking to the example of the Newly Industrialized Countries of East Asia and are calling for similar "accelerated" growth for Ghana. If Ghana grows just 5% per year, it will take until 2010 before it joins the ranks of lower middle income countries. If growth can be accelerated two percentage points per year, Ghana can achieve the same result well before the end of this decade. To be sustainable, the source of accelerated economic growth must be the private sector.

If the private sector is to be the engine of accelerated growth, then foreign investment will need to increase significantly as will the need to expand and diversify exports. A further increase in the average economic growth of three percent per year will require an increase in investment of around nine percent of GDP, which in turn will require a comparable rate of increase in savings. A major share of this increased investment will have to come from foreign private investment.

In all likelihood, the majority of that investment will go into the export sector. Ghana, with a population of 15 million and a per capita income of $400, is too small a market to attract much investment for domestic consumption. The attraction must be production for export due to cost, natural resource availability or market accessibility considerations. At the same time the increased export production will help to close the trade gap that is at present $500 million. However, the private sector - and especially private sector investment - has not grown enough to sustain accelerated growth in GDP.

In light of the long history of consistent adherence to economic reform programs, some Ghanaians are surprised and disappointed with the response of the private sector. However, the fact is that private sector investment has almost tripled, from 4.3% of GDP in 1985 to 12.5% of in 1992. With the liberalization of foreign exchange rate, nontraditional exports have increased from $1 million at the start of the recovery program to $68 million in 1992. In response to the liberalization of the investment code for minerals, gold production has been growing more than 20 percent per year. Three private sector banks have opened in Ghana in the last two years, along with a leasing company, two discount houses, and a host of other businesses.

How Mission Programs Help Ghana to Grow

The glue that binds together the Mission's program is the "Ghana, Inc." concept in which business, government and the educational community join together to make Ghana competitive in world markets. Making that concept a reality is the primary mission of Ghana's HRDA project which provides public and private sector training. During FY93, HRDA ran innovative programs such as a study tour that allowed representatives of the executive branch and legislative branches of the government, business and the universities to see how other nations attempt to increase exports and foreign direct investment. The tour was not only informative, but it also helped break down some of the barriers that have existed between the private and public sectors in Ghana and helped key leaders in each group to appreciate the problems and perspectives of the other groups.

The election of a 200 person Parliament has added another dimension to Ghana, Inc. (along with at least 200 players.) The Mission has taken a number of small steps to help new Parliamentarians better understand the need for cooperation between government, business and educational establishments. These include hiring local university professors to provide technical assistance to Parliamentarians on economic issues, and sending selected Parliamentarians to visit U.S. democratic institutions so that they can see how those institutions function.

These steps, important though they are, are ephemeral and it is difficult to measure their impact. More concrete results are expected from the Mission's $80 million program to encourage trade and investment through policy reform and technical assistance to the private sector. This new project has not yet generated macro-level results.

Similarly, the program to improve primary education (PREP) is only three years old, and has not had sufficient time to affect the indicator on the adult literacy rate. However, in the second half of this decade, as primary school graduates become adults, the percentage of adults who can read and write will rise roughly one percentage point per year due to USAID efforts.

The importance of slower population growth on the welfare of Ghanaians cannot be overemphasized: each one percent reduction in annual population growth will increase GDP per capita by around one percent per year. USAID is the leading donor involved in family planning in Ghana, and USAID's population program (FPH) has made impressive gains in the last five years. Unfortunately, the total fertility rate is only affected

after a long lag, and after substantial progress has been made in the acceptance and use of family planning. Many indicators, however, reveal the substantial progress that has been made:

* overall use of contraception by currently married women has increased from 13 to 24%;

* use of modern methods of contraception has nearly tripled from 5.2% to 15%;

* couple years of protection has tripled since 1987;

* the social marketing program supported by USAID distributes 80-90% of all contraceptive commodities in the commercial sector;

* since 1987, there has been a doubling of the number of condoms, oral contraceptives, and foaming tablets distributed; and

* the desired number of children has dropped from 6.4 per family in 1987 to 5.3 at present, indicating the success of the information, education and counseling campaigns.

These results demonstrate that the Mission has been able to make progress at twice the pace anticipated when the family planning project was designed three years ago.

In sum, the Mission portfolio has had only a small impact on broad, macroeconomic indicators to date. This is largely because the Ghana program was quite small as recently as six years ago, and most of the programs are still in their infancy. Nonetheless, the achievements of the most mature program - family planning - is extremely promising and the Mission is optimistic that future programs will be equally successful.

SECTION III

PROGRESS TOWARD STRATEGIC OBJECTIVES

PERFORMANCE INDICATORS	UNIT OF MEASUREMENT	BASELINE DATA		EXPECTED AND ACTUAL RESULTS											
				1991	1992	1993		1994		1995		1996		1997	
		YEAR	VALUE	Actual	Actual	Expd	Actual	Expd	Actual	Expd	Actual	Expd	Actual	Expd	Actual
Strategic Objective 1: Increase private sector non-traditional exports.															
Indicators:															
$ value of non-traditional exports	Millions of $	1990	62.3	62.6	68.4	75	NA	95		130		180		250	
Non-traditional exports as a % of total exports	%	1990	6.9	6.3	6.9	7.4	NA	8.0		10.1		12.9		16.5	

After growing rapidly from $1 million in 1983 to $62 million in 1990, the annual value of non-traditional exports has grown only $6 million in the following two years. Discussions with exporters lead the Mission to believe that the initial surge in exports was due to the market response to the liberalization of foreign exchange, plus special factors such as a one-time export finance program, which temporarily accelerated export sales.

The "one-time" program was started in July of 1990 with the creation of a parastatal called the Export Finance Company (EFC). EFC paper was guaranteed by the Bank of Ghana. This guarantee allowed them to raise $10 million which they, in turn, lent to exporters for 30-180 days at a tiny markup over cost. Partially due to the inflow of such credit, exporters increased sales from $35 million in 1989 to $62 million in 1990. However, while some of the borrowers repaid, many of the exporters needed medium-term loans which they effectively obtained from the EFC simply by not repaying their short-term loans. The EPC is now practically insolvent. The new World Bank PEED program, designed in cooperation with USAID, will address the financial constraints in a more complete, systematic manner which uses the private sector to the maximum extent possible.

Within the past few months there has been significant progress on the policy front due to USAID's Trade and Investment Program (TIP). The Foreign Investment Advisory Service (FIAS) has visited the Ghana under TIP and helped the GOG to fashion one of the best investment codes in the world: the code has been sent to Parliament for approval and passage is expected by year end. As a result of intensive policy dialogue, the Ghana Investment Council has made significant progress in transforming itself from a regulatory agency to an investment promotion agency. For example, during the last six months, it has taken the lead in coordinating the AID/OPIC investment mission and the subsequent investment missions by California, Colorado, and West Orange, New Jersey. One indication of the change in attitude of the GOG concerning foreign investment is that President Rawlings spent over two hours talking to the mission from West Orange.

Changes in policy have already filtered down to exporters. For example, exporters are now are able to retain 100% of their export earnings and sell the foreign exchange at the highest available market rate; last year, they could only retain 35%. The Ghana Export Promotion Council has entirely eliminated their minimum price guidelines which used to prevent exporters from selling below prices set by the GEPC. Price guidelines sometimes made exports uncompetitive (for example, there were seasonal swings in horticulture prices which the GEPC would not recognize, which resulted in exporters being unable to export at certain times of the year.) The Manufacturers Industry Act of 1971 was repealed, thus eliminating the need for industries to get licenses, and shortening the process of registering a firm to 49 days. A number of other legal changes to improve the "enabling environment" for business are in progress.

79

PERFORMANCE INDICATORS	UNIT OF MEASUREMENT	BASELINE DATA		EXPECTED AND ACTUAL RESULTS											
				1991	1992	1993		1994		1995		1996		1997	
		YEAR	VALUE	Actual	Actual	Expd	Actual	Expd	Actual	Expd	Actual	Expd	Actual	Expd	Actual
Target 1.1: Improve infrastructure needed for export expansion.															
Indicators:															
Kilometers of feeder roads rehabilitated	cumulative # of kilometers	1989	301	876	1034	1514	NA	1999		2484					
Kilometers of feeder roads maintained	#s of kilometers.	1989	1070	1400	2000	4900	NA	6100		7300		8500			
Domestic resource costs at wholesale level for:	Index	1992													
yams			.59	NA	.59	.56	.58	.50		.50		.50		.49	
peppers			.76	NA	.76	.75	.76	.72		.72		.72		.71	
pineapple			.90	NA	.90	.84	.68	.69		.69		.69		.63	
cassava			1.78	NA	1.78	1.70	1.48	1.46		1.46		1.46		1.37	
plantain			.85	NA	.85	.84	.80	.80		.80		.80		.78	

The Mission has conducted two surveys of feeder roads - one last year before construction started, and one this year, to determine the people-level impact of feeder road rehabilitation. Three of the five roads surveyed were not completed before this year's survey took place. Consequently, the full impact of the roads is not yet evident.

In some instances, however, marked changes still occurred. For example, on the Chirra Tanom road, 95% of those interviewed in 1992 said that motorized transportation was difficult to get; this year 95% said it was easy to get. Perhaps related to this reason, extension services were rated as being very poor last year, whereas this year, 95% of respondents said services were good. Also, in 1992, half the farmers sold their produce in the local market. In 1993, only one quarter of the farmers sold their crop in the local market; the rest went to more distant markets which presumably offered better prices.

Although the sample size was small, the survey shows a direct link between feeder road construction and income to farmers which allows them to purchase additional food and improve their food security. This evidence is particularly important since the feeder road rehabilitation is financed through Title III food assistance, the purpose of which is to help countries like Ghana improve their food security.

The DRC (or domestic resource cost) is the ratio of the costs to produce a good locally divided by the cost of that same product on the international market. Hence, DRCs must be less than one before it is profitable to export these products. Ghana exports each of these crops, though not always from the areas covered by the feeder roads in the study. Since transport represents half the production cost of the typical item, improving the road network should have a significant impact on the DRC, which would imply that additional food could profitably be grown and exported. (In Ghana, the limiting factor on food production is often the market, not inadequate production capability.) If DRCs decline as expected, it should result in significantly increased food production for export of some commodities. On others, such as cassava, the DRC will always be too high to generate exports from the areas near these particular roads. However, the USAID road program is nationwide, and results from this survey cannot be generalized to other, less remote areas.

PERFORMANCE INDICATORS	UNIT OF MEASUREMENT	BASELINE DATA		EXPECTED AND ACTUAL RESULTS											
				1991	1992	1993		1994		1995		1996		1997	
		YEAR	VALUE	Actual	Actual	Expd	Actual	Expd	Actual	Expd	Actual	Expd	Actual	Expd	Actual
Target 1.2: Improve enabling environment for export expansion.															
Indicators:															
# of days required to register a foreign export firm	# of days	1993	49.2	NA	NA	49.2	49.2	45		40		30		20	
# of days required to clear non-traditional export shipments	# of days (Mid-Year)	1993	4.1	NA	NA	4.1	4.1	4.0		3.5		3.0		2.5	
% of non-traditional exporters using the duty relief system	%	1992	.1	.1	.1	.1	NA	5		10		15		20	

A survey conducted by the Mission found that it took firms an average of 49.2 days to register during the last year. Based on policy dialogue carried out by the Mission with the Ghana Export Promotion Council (GEPC), the portion of this time attributed to approvals from the GEPC has already dropped from seven days last year to about 4 days this year.

Other improvements in the enabling environment are also evident. With the help of AID contractors, Ghana's previously moribund duty drawback scheme is working: in September and through mid-October, $40,000 in duties were returned to exporters. This is more than was returned in the previous six years.

Target 1.3: Improve capacity of assisted firms to export.															
Indicators:															
# of new exporters with business plans that are exporting by year end	#	1992	0	NA	0	50	NA	300		700		1100		1500	
# of existing exporters assisted by AID which increase the value of their exports by 20% per year	#	1992	0	NA	0	0	NA	50		300		700		1100	
$ value of exports from assisted firms	Millions of $	1992	0	NA	0	4	NA	35		75		125		175	
$ value of additional investment from assisted firms	Millions of $	1992	0	NA	NA	14	15e	20		20		20		20	

Since the TIP contractors responsible for providing assistance to exporters have only arrived during the past half year, no information is available as of yet on the dollar value of exports from assisted firms. However, some interim results are worth reporting. AMEX, one of the TIP contractors, has provided technical assistance to four pineapple exporters so that they can qualify to obtain a combination of medium- and short-term loans from a local bank. The Mission views this as an important breakthrough in an economy where medium-term credit is rarely given without financial support from a donor.

The African Project Development Facility (APDF) is an offspring of the World Bank. It works with a firm to develop a business plan, improve its management, and obtain funding. With the help of TIP financing, the APDF opened an office in Accra in May, 1993. By year end, the APDF expects to obtain financing for 8 projects. That constitutes more projects than have been done in any other country in a single year even though the office was open only seven months. This proves the private sector in Ghana is alive and well, and has lots of bankable ideas.

PERFORMANCE INDICATORS	UNIT OF MEASUREMENT	BASELINE DATA		EXPECTED AND ACTUAL RESULTS									
				1991	1992	1993		1994		1995		1996	
		YEAR	VALUE	Actual	Actual	Expd	Actual	Expd	Actual	Expd	Actual	Expd	Actual
Strategic Objective 2: Reduce Fertility.													
Indicators:													
Total fertility rate	# of projected births	1988	6.4	NA	NA	6.0	NA					5.7	
Comments/Notes: The Mission does not have any means of accurately measuring fertility until the Demographic and Health Survey is completed at the end of 1993. The DHS will be used as a baseline for future studies to enable annual estimation of fertility to meet people-level impact reporting requirements.													

Target 2.1: Increase the use of modern methods of family planning.													
Indicators:													
Modern method contraceptive prevalence rate.	%	1988	5.2	NA	NA	10	14.8					19.2	
Couple years of protection by sector: CYP: Ministry of Health CYP: GSMP CYP: PPAG	Years of protection (in thousands)	1988	 27 51 29	 102 68 53	 122 67 41	 TBD TBD TBD	 206e 68e 44e	 TBD TBD TBD		 TBD TBD TBD		 TBD TBD TBD	
Unmet need	%	1988	65.9	NA	NA	60	64e					TBD	

The Family Planning and Health Project completed a baseline survey in July which shows a 14.8% prevalance rate for modern contraceptive methods, almost triple the 5.2% modern contraceptive prevalence rate (CPR) found in the DHS of 1988, only five years ago. The baseline survey uses the same techniques as the DHS, although on a reduced sample. The 1993 DHS results will be available in January 1994, at which time the baseline survey results can be verified. Estimates for 1993 CYP are based on extrapolation of quarterly data obtained for the first six months of 1993.

The rapid increase in the CPR indicates not only success of USAID's program (USAID being the largest donor to Ghana's population program), but the existence of a strong demand for family planning services. The sharpest increase in the CYP in the last year occurred among clients served by the Ministry of Health. This is, in large part, due to a nearly three-fold increase in distribution of oral contraceptives in early 1993. The Mission believes that the increase stems from resolution of earlier stock-out problems which were caused by a slowdown in clearing contraceptive supplies through the port. On a longer term basis, a twenty-fold increase in the use of condoms since 1988 accounts for much of the increase in the prevalence rate. It is hard to tell how much of this surge is attributable to increased awareness of AIDS. Nevertheless, the benefits to the family planning program are obvious.

Unmet need is defined as the percentage of currently married women who are not using contraception but have nonetheless said that they (1) want no more births, or (2) want to postpone their next birth by at least two years, or (3) are unsure of whether they want another birth. Unmet need is defined slightly differently in the DHS survey, which formed the baseline estimate, than in the consumer survey which forms the basis for the 1993 estimate. The difference in definitions is such that when the new DHS is published, it is likely to show slightly more progress than indicated by the current estimate.

PERFORMANCE INDICATORS	UNIT OF MEASUREMENT	BASELINE DATA		EXPECTED AND ACTUAL RESULTS									
				1991	1992	1993		1994		1995		1996	
		YEAR	VALUE	Actual	Actual	Expd	Actual	Expd	Actual	Expd	Actual	Expd	Actual
Target 2.2: More appropriate contraceptive method mix.													
Indicators:													
% of modern method CPR derived from longer acting methods	%	1988	25	NA	NA	19.6	19.6	22		24.6		28%	
% of CYP derived from longer acting methods	%	1988	21	NA	NA	38	38	42		46		50	
Comments/Notes: All indicators except the baseline are for the year ending 6/30. This new target is designed to monitor the progression of the Ghanaian population program as it develops from the "launch" phase of 5% to 15% modern CPR through the "growth" phase of 16% to 25%. In order to achieve this progression, couples will have to switch from short term contraceptive methods such as condoms, vaginal foaming tablets and oral contraceptives, to longer acting and permanent methods such as IUDs, Norplant, injectables and sterilization. Two measures are used to indicate progress: the ratio of the use of longer acting contraceptive methods to all modern methods as measured by (1) the contraceptive prevalence rate (CPR) and (2) as measured by Couple Years of Protection (CYP). CPR is based on what respondents say in a survey, and CYP is based on sales of contraceptive supplies. The 1993 FPHP baseline survey indicates the ratio has declined from 25% in 1988 to only 19% in 1993. This is a counter intuitive result given that sales of longer lasting devices have soared compared to shorter term methods. The Mission believes that the 1988 baseline is inaccurate. The 1988 survey found that about 20% of the CPR was due to sterilization. Since sterilization was then, and is still, fairly uncommon, Mission believes the actual baseline should be a fraction of the 25% reported here.													
SubTarget 1: Increase availability of family planning services and commodities.													
Indicators:													
% of fixed MOH service delivery sites which offer a set of services TBD.	%	1993	TBD									TBD	
# of MOH outreach sites which offer family planning services	# of sites	1992	4567	NA	4567	4567	4567	4600		4800		5000	
# of GSMP retail sales outlets	# of outlets in thousands	1992	4.5	NA	4.5	6	5	9.5		10		10	
# of GRMA members providing family planning services	# of members	1992	284	NA	284	284	275	375		475		600	
Comments/Notes: All indicators are for the year ending 6/30.													

The follow-on family planning project which is currently being designed will encourage individuals to shift to longer lasting contraceptive methods. The first SubTarget 1 indicator will measure the extent to which MOH service delivery sites are able to provide a yet-to-be-determined set of contraceptive services.

A significant expansion in retail sales outlets is expected with the addition of two new distribution agents in 1993. The Mission has convinced a major soap producer to distribute contraceptive products to the same outlets which receive their soap. This will add a type of outlet which will make the products available in many frequently visited places. It was expected that the new distributors would commence operations in June, 1993. In fact, the distributors did not start moving products until September, 1993, so the number of outlets was 1000 less than planned for mid-year. The 1996 target is still attainable.

Both the current and previous health projects have been training members of the Ghana Registered Midwives Association. The reduction in the actual number of GRMA members providing family planning services is a result of the retirement and death of 9 members during the period since the baseline was measured at the end of 1992. Additional training is planned which will train 100 practitioners each year.

83

PERFORMANCE INDICATORS	UNIT OF MEASUREMENT	BASELINE DATA		EXPECTED AND ACTUAL RESULTS									
				1991	1992	1993		1994		1995		1996	
		YEAR	VALUE	Actual	Actual	Expd	Actual	Expd	Actual	Expd	Actual	Expd	Actual
SubTarget 2: Increase family planning knowledge and approval. Indicators													
% of women citing lack of knowledge as reason for not using contraception	%	1988	23.7	NA	NA	19	18					15	
% of married women whose husbands approve of family planning	%	1988	52	NA	NA	60	NA					65	
% of husbands who approve of family planning	%	1988	77.4	NA	NA	81	NA					85	
Comments/Notes: The baseline are from the 1988 DHS. 1993 estimates are based on roughly comparable questions from the 1993 consumer survey. The consumer survey did not have a question which was sufficiently comparable to the DHS to provide an estimate for two of the three indicators.													

The 1993 consumer baseline survey documents the effectiveness of the Information, Education and Communication (IEC) campaigns. Since the 1988 DHS, the percentage of women who are aware of at least one method of modern contraception has risen from 74% to 81%; awareness of condoms increased from only 49% to 70%. The large increase in condom awareness was probably due, in part, to the emphasis in the IE&C campaign on AIDS prevention. Awareness of the other common method of birth control, pills, showed a much smaller increase in awareness, rising from 60% in 1988 to 65% in 1993. Similarly, the absolute percentage of the population who are aware of condoms is much higher than awareness of other methods, including injectables (50%), IUDs (34%), female sterilization (35%), male sterilization (10%), and Norplant (4%).

Knowledge of how to use the method, as opposed to general awareness, follows the same pattern with 48% of the women having basic knowledge about the condom and how it works, 34% for the pill, 26% for injection, and 22% for IUD. There still continues to be a gap between awareness and knowledge, and between knowledge and use, though progress is being made on all three through targeted campaigns aimed at specific audiences, campaigns that provide specific knowledge on use of the product, and providing refresher courses for suppliers of contraceptive devices.

STRATEGIC OBJECTIVE 3: BASELINE, EXPECTED RESULTS AND ACTUAL RESULTS

PERFORMANCE INDICATORS	UNIT OF MEASUREMENT	BASELINE DATA		EXPECTED AND ACTUAL RESULTS									
				1991	1992	1993		1994		1995		1996	
		YEAR	VALUE	Actual	Actual	Expd	Actual	Expd	Actual	Expd	Actual	Expd	Actual
Strategic Objective: Improve the quality of primary education.													
Indicators:													
% of children completing P6 who pass a criterion referenced test for English	%	1993	Boys 28	NA	NA	28	28	35		40			
			Girls 25	NA	NA	25	25	30		35			
% of children completing P6 who pass a criterion referenced test for Math	%	1993	Boys 24	NA	NA	24	24	30		35			
			Girls 19	NA	NA	19	19	25		30			

This indicator examines the percentage of children in P6 who pass a Criterion-Referenced Test (CRT) developed for Ghana. The test is designed to measure how well students have mastered the material taught in grades 4 through 6. The first CRT was administered in August 1992 to approximately 11,500 students, representing a systematic sampling of 5% of all primary schools (one out of every 20 schools). A similar test given in Botswana (which has a good school system and innovative programs) found that about 50% of children are able to answer at least a third of the questions correctly. The Ghana test results are not as high: 22% of students were able to achieve that criterion for math, and 27% were able to achieve that criterion for English. In the disadvantaged regions of the country, both girls and boys did worse than average, but the performance of girls suffered more. The most extreme example was in English. For the nation, 28% of the boys passed, compared to 25%, 25% and 15% of the boys in the Northern, Upper East, and Upper West regions. For girls, the scores were only 7%, 9%, and 9%, respectively. In other words, two thirds fewer girls passed the test in the disadvantaged regions than in the country as a whole.

The test results were disappointing in the sense that educators believe that students should get 55-60% of the answers correct to be fully adequately prepared for, and capable of fully benefitting from instruction at the next level. Only 2% of the students met that criterion in English, and 1% in math. Given the difficulty of the test, however, the results are not surprising. As will be demonstrated in Target 3.3, few of these children even had textbooks when they started the fourth grade three years ago. Many schools still do not have adequate material for students and teachers, desks, chairs, or classrooms with roofs that do not leak when it rains.

The Minister of Education was advised of the test findings, as were the Director of Teacher Education, the Director of Curriculum Development at the MOE's Planning Division, and the Ghanaian cabinet. Furthermore, seminars and meetings were held to provide data to all regional and district education directors. As a result, educators in Ghana and high-level education officials have taken actions to address some of the factors hindering progress in primary education. The school day has recently been extended by one hour, to a five hour day, and an order has been issued banning school closures due to minor cultural, political, sports, and social events. In the past, schools were often closed for funerals, football matches, and festivals, but this will no longer be the case. The MOE's Curriculum Research and Development Division has also established a committee to examine the feasibility and appropriateness of decreasing the number of subjects presently being taught in primary school, from nine to three. The three subjects taught would be English, Mathematics, and Life Skills (which includes good citizenship, nutrition, hygiene, and assimilation of social values).

PERFORMANCE INDICATORS	UNIT OF MEASUREMENT	BASELINE DATA		EXPECTED AND ACTUAL RESULTS									
				90/91	91/92	92/93		93/94		94/95		95/96	
		YEAR	VALUE	Actual	Actual	Expd	Actual	Expd	Actual	Expd	Actual	Expd	Actual
Target 3.1: Improved qualifications of primary school teachers.													
Indicator:													
% of primary school teachers who are trained to minimum standards.	%	1988/89	51	56	66	70	84	75		90			

There has been steady progress toward achieving the EOP target of providing in-service training to 90% of all primary school teachers. By the end of the 1992/93 training year, 84% of teachers had received some kind of in-service training since the beginning of the project. This result is misleading because these teachers have not all necessarily received training in both English and Mathematics. For example, since the inception of PREP, only P4 teachers have received training in the teaching of English and P1, P2, and P3 teachers have been trained in Mathematics. Given the poor English and Mathematics scores achieved on the CRT, the Mission is working with the MOE to see that more regular training is offered in these two subject areas.

Target 3.2: Improved access in the Northern, Upper East and Upper West Regions.													
Indicators:													
% of eligible children attending school in	%	1988/89											
Northern Region			30	32	39	40	40e	45		50			
Upper East			31	33	35	40	36e	45		50			
Upper West			32	34	35	40	36e	45		50			

The reported results are part of the Equity Improvement Program that is included as part of PREP. The concept behind the program is to try out a variety of approaches to see which are most successful at increasing enrollment among disadvantaged groups. To date, the most successful program is the Scholarship for Girls Pilot. The four schools in the project experienced a 40% increase in enrollment from 1991/92 to 1992/93, as well as 100% retention of girls. The Community Involvement Pilot was also a marked success. Under this program, four schools established Parent Teacher Associations and mobilized rural communities to take a keener interest in their schools. The four schools recorded an average increase of 13% enrollment over the past year and no dropouts.

PERFORMANCE INDICATORS	UNIT OF MEASUREMENT	BASELINE DATA		EXPECTED AND ACTUAL RESULTS									
				1991	1992	1993		1994		1995		1996	
		YEAR	VALUE	Actual	Actual	Expd	Actual	Expd	Actual	Expd	Actual	Expd	Actual
Target 3.3: Increased availability of educational material.													
Indicators:													
% of primary students with textbooks	%	1988/89	10	21	50	55	71	75		90			
% of teachers with instructional materials.	%	1988/89	10	21	50	60	56	80		90			

Distribution and enrollment data from the PREP Logistics Unit indicate that 71% of the students have English texts, 83% have social studies books, 94% have science books, and 100% have math books. The indicator therefore shows that enough texts have been distributed to provide 71% of the children with complete sets of text books.

The MOE has reported that 100% of all teachers have received basic teaching materials, such as chalk, pens, pencils, erasers, rulers and paper. Approximately 75% of the teachers have received syllabuses and 56% have received teacher's guides. The indicator therefore shows that enough supplies have been distributed to provide a complete set of material to 56% of teachers. While this is a smaller number that anticipated, it should be relatively easy to provide additional teacher guides, so that the program goal may well be reached a year earlier than anticipated. The same applies to textbooks.

Despite the impressive aggregate results, the AID-funded Improving Educational Quality project (IEQ), which conducted independent research to examine what was happening at the school level, found that pupils' textbooks and teachers' guides for English, mathematics and science were in short supply in the Central region. This finding suggests that in some cases the distribution chain had broken down and texts were only slowly filtering down to students. It also found that even though all the schools had math textbooks and workbooks, the supply was inadequate in urban schools, although sufficient and in some cases excessive in rural schools. Therefore, whereas the MOE is reporting 100% distribution of math books, it appears that there has been an uneven allotment.

The Mission has already taken several steps to address the issue of slow distribution. A workshop was held in July for textbook officers, to sensitize them to the importance of faster allocation. Furthermore, a one-day seminar for District Education Officers will be held in December to explore means by which to accelerate distribution of textbooks. Plans are also underway to contract with a private transport company, by the end of the year, to undertake conveyance of books to the district depots. Finally, the Mission has written to the Director General of the Ghana Education Service, recommending that the MOE contract with transport owners at the district level to cart books to the schools.

Target 3.4: Increased management capacity at district level.													
Indicators:													
% district education officers hired and trained	%	1988/89	10	72	72	100	81	100		100			
% of circuit supervisors hired and trained.	%	1988/89	0		94	100	93	100		100			
% of circuit monitoring assistants trained and placed.	%	1988/89	0		100	100	100	100		100			

Now that teaching materials are more available, the need to improve school management takes on added significance as the next most important constraint. Though the MOE has nearly achieved the targets it set earlier, the system is not proving to be as effective as it might. In particular, the management team does not have sufficient rank or authority to effectively manage the schools within the districts. The Ministry is currently examining alternative, cost effective options, such as increasing the rank of supervisors, increasing the number of circuit supervisors to 400 from the 250 originally planned, and reducing the number of circuit monitoring assistants (who have little authority or training) from 250 to 110.

SECTION IV

OTHER PROGRESS IN PRIORITY AREAS

Protecting the Environment

Natural Resource Conservation and Historic Preservation Project

The purpose of this project is to help Ghana protect and preserve two of its most important national assets: its natural resources and world class historical buildings. As a result of the project, 370 sq. km. of tropical forest has been officially set aside as the Kakum National Park. Logging and hunting has been banned in the park to prevent degradation. A tourism program has been started which will contribute to the long run sustainability of the park. There are now 50 visitors to the park per month - half of them foreign. Camping facilities are near completion.

Nearby, work has begun to preserve three historic monuments - Fort St. Jago, and the Elmina and Cape Coast Castles. These facilities were used to transport a large percentage of the slaves sent to the Western Hemisphere, and have an important historical and cultural significance. The project goal - to stop further deterioration of the sites and prepare them as tourist attractions - is well underway. Moreover, the project will seek to develop sustainable financial mechanisms to preserve the park and castles through the use of endowment funds.

Stabilizing Population Growth and Protecting Human Health

Awareness of HIV/AIDS Risk in Ghana

The Mission initiated its HIV/AIDS activities in 1992 and the prime contractor is now finishing its first year of work. Most of the activities to date are directed at increasing awareness of the AIDS risk in Ghana and convincing Ghanaians to change their behavior to reduce their risk of HIV/AIDS infection. Approximately $10 million will be devoted to AIDS over a five year period, including $3.5 million in NPA, $5 million in project assistance and $1 to $1.5 million for the purchase of condoms.

Although the project is quite new, results are already apparent. A National AIDS Knowledge, Attitudes, Beliefs and Practices (KABP) survey was done in early 1992 with the help of the centrally-funded AIDSCOM and AIDSTECH projects. A follow-up survey in 1993 demonstrated an increase in knowledge and awareness. The percentage of people who had heard of AIDS rose from 89% in 1992 to 95% in 1993. Fewer people were under misconceptions about AIDS, also. The percentage of people who thought that AIDS could be transmitted through insect bites dropped from 61% in 1992 to 39% in 1993; the percentage who thought it could be transmitted by kissing dropped from 57% to 34%, and by sharing utensils from 55% to 31%. Perhaps more importantly, the percent of respondents saying that anyone could get AIDS increased from 39% to 50%

It appears that the increased knowledge is changing sexual behavior. In order to avoid catching AIDS, 14% of young people said they would postpone having sex, 10% said they would use condoms and 64% would try to stick with one partner.

USAID is also developing four public health laboratories in different areas of the country to perform blood testing. The project handles every aspect of the labs, including construction of the facility, providing the equipment, developing the curriculum and training the staff. The first lab is scheduled to open in November, 1993.

Building Democracy

USAID/Ghana is planning to develop a bilateral democracy/governance project in FY 94 to address the problem of the voter register noted in Section I. A team is currently in country to develop an overall D/G support strategy and to recommend specific project options.

The Mission has already gained some experience in the D/G area through a number of activities to assist and strengthen Ghana's democratic transition. Most notable among these were the sponsorship of twenty international observers recruited with the help of the Carter Center to participate in monitoring last year's presidential election.

Other activities have been supported from the Democracy and Human Rights Fund (116E). The Fund was used to provide a course to improve political reporting among journalists through the Ghana Journalist Association. The course focused on ethics and the need for responsible reporting. This year, three new 116E projects to increase public knowledge of human rights have been approved. In one case, a legal association is explaining human rights to the public. In another, an NGO is spreading information on activities by human rights activists and current human rights abuses. In the third, another NGO has held a seminar to educate chiefs and local officials about their role under the new constitution. The last initiative is particularly interesting in that it attempts to strengthen the role of a local institution, the chiefs, as arbiters and conciliators.

The Mission is also using PD&S funds to undertake D/G initiatives. These funds are currently supporting pilot programs which provide economic expertise to new members of Parliament and training for women Parliamentarians.

APPENDIX A

REVISION OF INDICATORS AND EXPECTED LEVELS OF ACHIEVEMENT

There were significant changes in the indicators this year due to an extensive review by a team from PRISM (Program Performance Indicators for Strategic Management) which are outlined below.

Indicators for Strategic Objective 1: Increase private sector non-traditional exports

The indicators used last year, the number of new jobs created in the non-traditional export sector and per capita income for workers in the non-traditional export sector, are now reported as indicators of progress at the subgoal level. The indicators for Strategic Objective 1 are now:

$ value of non-traditional exports.
Non-traditional exports as a % total exports.

Target 1.1: Improve infrastructure needed for export expansion.

Performance Indicators for Target 1.1 were also changed slightly. The indicator "trained, private sector contractors operating using labor intensive construction techniques" has been deleted since it was actually a measure of an input rather than output. The other indicators are unchanged.

Target 1.2: Improve enabling environment for export firms.

The original indicator, number of NTE exporters, was dropped as this did not directly measure the changes, or the effects of the changes, in policy and regulation. The new indicators are:

# of days required to register a foreign export firm.
# of days required to clear non-traditional export shipments.
% of non-traditional exporters using the duty relief system.
% of non-traditional transactions receiving duty relief.

These will measure the impact of changes being sought in three key areas: the foreign investment code, the clearances required for export, and the duty relief system. By measuring these changes rather than the simple enactment of a law or regulation, the focus is on expected results, not actions. These indicators, therefore, are proxy indicators which capture the intermediate results of change rather than the specific changes themselves.

In addition to these indicators which were suggested by the PRISM team, the Mission has decided to add an indicator on the amount of additional investment attributable to USAID/Ghana activities.

Target 1.3: ***Improved capacity of assisted firms to export.***

The original indicator, the dollar volume of non-traditional exports, is now used as an indicator for strategic objective 1. A new set of performance indicators have been established. These are:

 # new exporters with business plans that are exporting.
# of existing exporters increasing the value of their exports by 20% per year.
$ value of exports from assisted firms.

These new indicators, which cover only those firms assisted through TIP, are more direct measures of the capacity of NTE firms than was the previous indicator, value of non-traditional exports. The first indicator attempts to explicitly capture capacity by tracking the number of exporting firms with business plans. The remaining indicators, although not as direct as the first, are also indicative of changes in the institutional capacity of exporting firms. All three indicators will be gender disaggregated.

Indicators for Strategic Objective 2: Reduce Fertility

Target 2.1: Increase use of modern methods of family planning

While the target remains unchanged, two indicators have been added. The first - couple years of protection (CYP) by public sector, commercial sector, and private voluntary sector - provides the Mission with an annual measure of progress toward achieving the strategic objective of reduced fertility.

The other new indicator, unmet need or the percentage of women who do not wish to become pregnant and yet are not contracepting, enables the Mission to monitor the potential demand.

Target 2.2: ***More appropriate contraceptive method mix***

Now that the Ghana family planning program has been so successful as to that it has moved through the "launch" phase and is entering the "growth" phase. In this phase, it is important for couples to switch from short term contraceptive methods to longer acting and permanent methods. Hence, measures which address this issue are appropriate. The indicators selected were:

Percent of modern method CPR derived from longer-acting methods of contraception.
Percent of annual CYP derived from longer-acting methods of contraception.

Subtargets

Two subtargets have been added.

Subtarget 1: ***Increase availability of Family Planning (FP) services and commodities.***

Performance Indicators

Percent of fixed MOH FP service delivery sites which offer ___ services
Number of MOH outreach sites which offer FP services

Number of GSMP retail sales outlets
Number of GRMA members providing FP services

For Ghanaians to realize their family planning intentions, they must have access to reliable and consistent sources of FP services and commodities. Since there are geographic, financial, and socio-cultural barriers to access to family planning, USAID is helping to increase the supply of services through both the public and private sectors. The first indicator, the percent of MOH fixed facilities providing a requisite mix of FP services, measures the percentage of MOH fixed FP service delivery sites which offer a given critical set of services. The criteria for services will be established following the situation analysis in 1993 and monitored through situation analysis in 1995. The second indicator, MOH outreach sites offering FP services, measures progress in extending service delivery beyond fixed MOH FP delivery sites, an important public sector goal. The third and fourth indicators show progress in increasing FP availability through two important private sector venues.

Subtarget 2: Increase FP Knowledge and Approval

Performance Indicators

Percent of women citing lack of knowledge as main reason for not using contraception
Percent of women reporting that their husbands approve of FP
Percent of husbands who approve of FP

Earlier studies and surveys have reported that lack of information about contraception has been a major barrier to contraceptive use by women who are at risk of pregnancy (i.e., these women say that they would be unhappy if they were to become pregnant and yet are not contracepting). Therefore, an important part of the Mission's assistance strategy is to increase knowledge of specific methods and sources of contraceptives. The first variable will measure progress in overcoming this barrier to contraceptive practice. Another barrier which has been cited is the perceived and/or actual attitude of Ghanaian men to family planning. Male attitudes are examined in two ways: first as reported by their wives and secondly, as reported by themselves.

Indicators for Strategic Objective 3: Improve the quality of primary education

Last year, the Mission used a performance indicator as follows: "% of children completing P6 who are literate & numerate." The Mission did not have the information needed to provide a baseline estimate of literacy and numeracy for P6 graduates, so, as a proxy, it used an estimate taken from the Ghana Living Standards Survey of 1987. The test used in the project, however, does not measure literacy and numeracy per se. Rather, it is a criterion reference test, whose purpose is to determine where the curriculum is weak and needs to be strengthened. Such tests have relatively stringent standards, and students who pass them are more capable than is connoted by the terms literacy and numeracy. Passing is defined as answering 33% of the questions correction. The performance indicator is modified to read:

% of children completing P6 who pass a criterion referenced test for English.

% of children completing P6 who pass a criterion referenced test for mathematics.

In the text, this indicator will be disaggregated by gender.

Target 3.4: ***Increased management capacity at district level.***

The previous target was to "rationalize the school administration system. This was changed to better reflect the intent of the target which is decentralize school administration to the district and local levels. The Ministry of Education is committed to decentralization and has already initiated the process. The focus of USAID/Ghana's efforts is to put in place an administrative capacity at the local level.

Performance Indicators:

% of district education officers hired and trained.
% of circuit supervisors hired and trained.
% of circuit monitoring assistants trained and placed

These three indicators measure the placement of the key administrative personnel in the field, the first step of the decentralization process. Following the recommendations of the PRISM team, the indicators were changed from numbers to percentages to more easily reflect progress toward full placement in the field.

Two additional topics that appeared in the previous mission strategy have been dropped.

Target 3.5: ***Develop and implement criterion reference testing (CRT) program.***

This target was dropped because it was an input to measuring the strategic objective, rather than a target in its own right. The CRT program has been tested and will be used to measure the literacy and numeracy of primary school children.

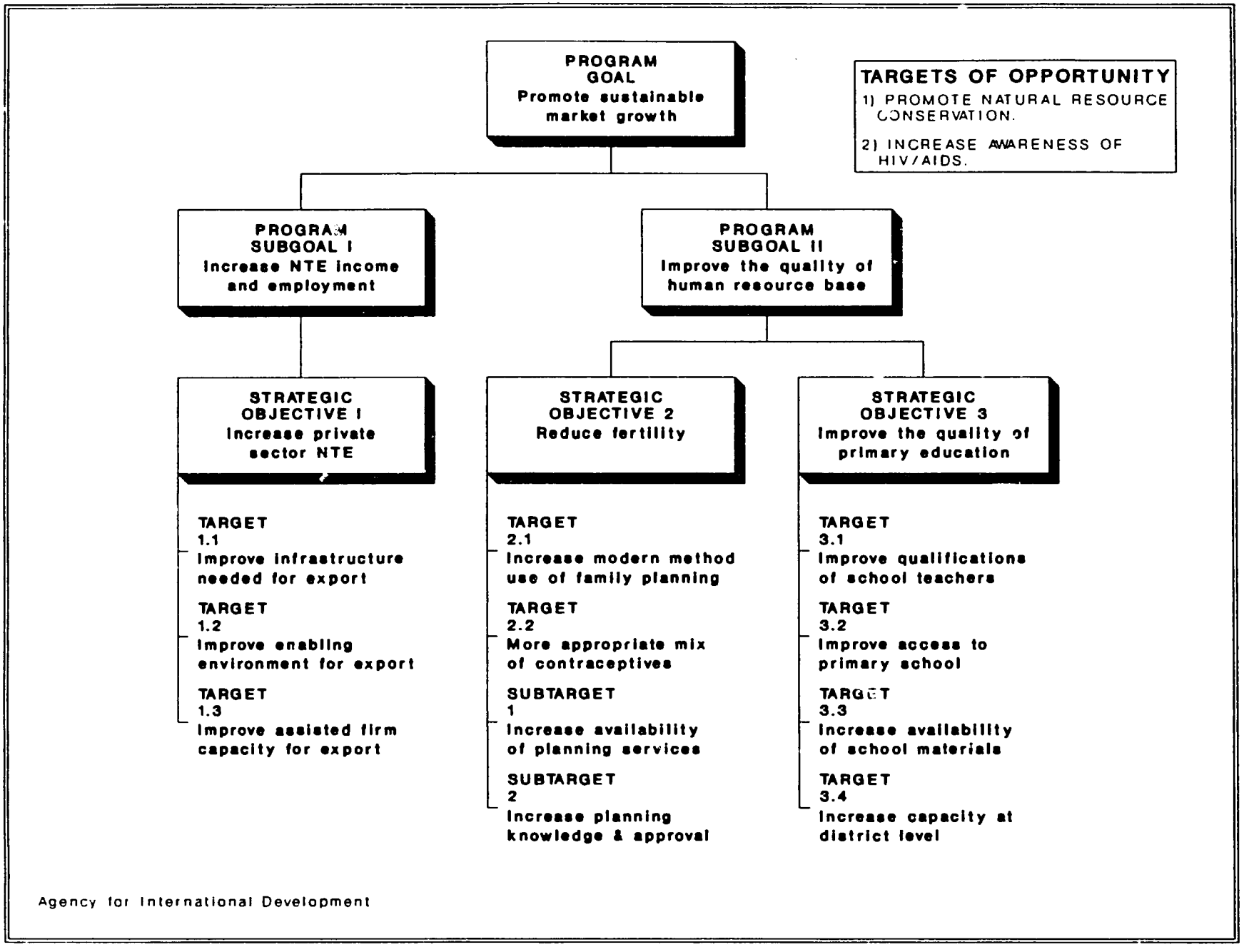
Target 3.6: ***Rationalize education budget.***

This target was dropped as virtually all conditions precedent were met by the Government of Ghana (GOG). The last API showed that the GOG met or surpassed the budgetary goal of at least 38% of the budget going to basic education since FY 90. In addition, the gap between budgeted and actual spending, which was 30% in FY 88 was reduced to 2% in FY 91, surpassing its target of 6%. The indicator that 6% of the basic education budget was to be spent on instructional material has also been achieved. Hence it makes little sense to continue to report on this target. The Mission will continue to monitor these indicators as part of the conditions precedent even though they will not be reported in the API.

APPENDIX B
ACRONYMS

API	Assessment of Program Impact
CDIE	Center for Development Information and Evaluation
CPR	Contraceptive Prevalence Rate
CPSP	Country Program Strategy Plan
CS	Consumer Survey
CRT	Criterion Reference Testing
CYP	Couple Years of Protection
DRC	Domestic Resource Cost
DHS	Demographic and Health Survey
FHA	Bureau for Food and Humanitarian Assistance
FP	Family Planning
GEPC	Ghana Export Promotion Council
GDP	Gross Domestic Product
GES	Ghana Education Service
GOG	Government of Ghana
GRMA	Ghana Registered Midwives Association
GSMP	Ghana Social Marketing Program
HPN	Health, Population & Nutrition Office
HRDA	Human Resource Development Assistance
IMR	Infant Mortality Rate
MOH	Ministry of Health
MSI	Management Systems International
NGO	Non-governmental Organization
NTE	Non-Traditional Exports
PPAG	Planned Parenthood Association of Ghana
PRISM	Program Performance Indicators for Strategic Management
SO	Strategic Objective
TAPSO	Trade, Agriculture, Private Sector Office
TFR	Total Fertility Rate
TIMU	Trade and Investment Management Unit
TIP	Trade and Investment Program
UNDP	United Nations Development Program
WID	Women in Development

ANNEX C


PROGRAM GOAL
Promote sustainable market growth
TARGETS OF OPPORTUNITY
1) PROMOTE NATURAL RESOURCE CONSERVATION.
2) INCREASE AWARENESS OF HIV/AIDS.
PROGRAM SUBGOAL I
Increase NTE income and employment
PROGRAM SUBGOAL II
Improve the quality of human resource base
STRATEGIC OBJECTIVE 1
Increase private sector NTE
STRATEGIC OBJECTIVE 2
Reduce fertility
STRATEGIC OBJECTIVE 3
Improve the quality of primary education
TARGET 1.1
Improve infrastructure needed for export
TARGET 1.2
Improve enabling environment for export
TARGET 1.3
Improve assisted firm capacity for export
TARGET 2.1
Increase modern method use of family planning
TARGET 2.2
More appropriate mix of contraceptives
SUBTARGET 1
Increase availability of planning services
SUBTARGET 2
Increase planning knowledge & approval
TARGET 3.1
Improve qualifications of school teachers
TARGET 3.2
Improve access to primary school
TARGET 3.3
Increase availability of school materials
TARGET 3.4
Increase capacity at district level
Agency for International Development

ASSESSMENT OF PROGRAM IMPACT

FY 1993

GUINEA

ASSESSMENT OF PROGRAM IMPACT

1993

USAID GUINEA

Conakry, Guinea
November 1993

Assessment of Program Impact -- 1993

Guinea has sustained moderate progress in economic, social and political development during the past year despite uncertainty over the pace of democratic transition. The USAID program has clearly contributed to improvements in the quality of life of the Guinean people. With USAID support: the GOG has made real progress in preparations for its first democratic elections since independence in 1958; primary school enrollment has increased dramatically; small and micro- enterprises are being created and are enjoying increasing access to credit; awareness of family planning and use of contraceptives are increasing rapidly; a growing number of Guineans are gaining improved access to markets and services through rural roads and highway projects; the banking system has been strengthened, especially in the area of improved bank regulation; the GOG has become more accountable for public expenditures; and, a significant number of Guinean professionals in the public and private sectors have completed high-quality professional short- and long- term training.

I. Special Factors Affecting the USAID Program

Democratization: Multi-party legislative and presidential elections which were previously expected for late 1992 and early 1993 were postponed by broad consensus. The presidential election is to be held by the end of the year, with legislative elections to follow shortly thereafter. Under the 1990 Constitution, a democratically elected National Assembly is to meet by April 1994. An important step in that direction was made on October 6, 1993 with a presidential decree establishing a broadly-based Electoral Commission to manage the election process.

Uncertainty over the timing and outcome of these elections has had a direct impact on the willingness of the current government to make difficult decisions in managing the economy -- macroeconomic policy performance slipped during 1993, particularly in the sensitive areas of increasing public revenues and privatizing state-owned enterprises. At the same time, the pre-election uncertainty has slowed the pace of private sector investment.

Governance: Guinea's development is constrained, in part, by limited local capacity to plan and manage development activities. USAID's experience over the past year appears to be representative of similar problems throughout the country. Counterpart funds, generated from the sale of rice under USAID's

PL-480, Food for Peace Program, are used to finance a variety of rural development projects. Over the past year, the GOG has established a new Counterpart Fund Management System (CFMS) to improve the programming and accountability for counterpart funds. Our experience is showing that, even with improved central management, most of the GOG agencies and non-governmental organizations that are slated to receive counterpart funds have weak administrative and financial management systems. The CFMS is addressing these institutional weaknesses through training and careful monitoring. However, the net result is that, in the short run, some development activities are not able to absorb financial resources as quickly as expected. This means that the pace of some development activities, in basic education and agricultural development, for instance, is slower than we had hoped.

II. Progress Towards Overall Program Goal

The goal of USAID's program in Guinea is "improved economic and social well-being in a participatory society." The present section will discuss country trends and recent progress towards this goal.

Broad-Based Economic Growth: According to our best estimates and anecdotal information, Guineans have benefitted from increased economic stability and moderate increases in income in the recent past. Per capita income grew at an estimated rate of 0.4 percent in 1992 compared to 1.5 percent in 1990 and negative 0.3 percent in 1991, as measured by inflation-adjusted GDP. The recent slowdown is explained largely by a persistence of low export prices for bauxite coupled with reduced output of bauxite and gold. The value of mining output is projected to increase in 1993. Consequently, we project an increase in aggregate GDP per capita of one percent or more.

National accounts figures in Guinea should be interpreted with caution, however. It is difficult to measure economic activity in the informal sector and few Guineans are directly touched by the ebb and flow of the mining sector. Non-mining GDP data shed some light on the economic status of the majority of the population and suggest that a slow diversification of the economy, away for heavy reliance on the mining sector, is underway. Non-mining GDP per capita increased by an estimated 1.5 percent per capita in 1992. Guinea's private sector continues to reap the benefits of increasing liberalization of the economy since 1984, especially in agriculture, commerce and construction.

Concern in advance of the presidential elections is leading some traders to limit inventories in their warehouses and the pace of new investment, including direct foreign investment, has slowed.

While agricultural activity appears strong, growth in the service sector (including commerce) is weak. It appears that there has been some resurgence in non-governmental investment in 1992 and early 1993, but this is coming primarily from the mixed mining sector. Growth in non-mining private investment is slow; the GOG estimates that non-mining private investment will increase to 7.4 percent of GDP in 1993, compared to 6.9 percent in 1992. As a result, we project that growth in non-mining GDP per capita will slip to about 0.5 percent in 1993. Nonetheless, we firmly believe that many of the conditions are in place for a new wave of private investment and economic growth, providing the upcoming elections lead to greater political stability and security.

After a period of improved performance in the second and third quarters of 1993, the GOG's implementation of its IMF-supported structural adjustment program has been mixed. Notable progress has been made in stabilizing exchange rates, in reducing inflation and in reforming the financial sector. Lower inflation and a stable exchange rate have helped to minimize shocks to those participating in the market economy, the majority of Guineans. A liberal foreign exchange regime helps Guinea to maintain stability in its balance of payments and permits broad access to hard currency. Nevertheless, most families and many businesses still find it difficult to obtain needed credit to finance expansion of their local and external activities.

The Guinean Franc has depreciated by only 5 percent vis-a-vis the dollar since October 1, 1992 (appreciating, after accounting for inflation). The inflation rate has declined from 16 percent in 1992 to under 10 percent in 1993. This is the result of a combination of restrained monetary policy and, we believe, a greater acceptance of the formal banking system in light of sustained reforms in monetary policy.

The Central Bank of the Republic of Guinea (BCRG) has worked with two troubled banks: one has recently been recapitalized while efforts to restructure the second are still underway. In addition, with USAID assistance, the BCRG is improving its prudential regulation of Guinea's six commercial banks. In June 1993, the GOG introduced 90-day treasury bonds, to reduce its need for inflationary monetary financing as well as to absorb excess liquidity in the banking system. This is part of its effort to promote greater savings and lending.

In contrast, the GOG's performance continued to lag in the area of increasing public revenues. The current government appears unwilling to take the necessary steps to dramatically increase non-mining tax revenues (primarily customs and fuel taxes). To achieve significant increases would likely entail political costs that are difficult in light of the coming elections. The result is a combination of reductions and shifts in spending which skew the allocation of public resources. The GOG's personnel and

operating expenditures consume most of the budget while public investment (especially in the social sectors) and repayments of bilateral debts are lagging. Domestically-financed public investment expenditures are budgeted at $63 million in 1993, compared to $40 million in 1992. However, only $26 million or little more than 40 percent of the 1993 investment budget had been disbursed as of September 30, 1993. One-third of these disbursements is in the form of PL-480 counterpart funds.

The GOG's progress is also slow in the privatization of state-owned enterprises in the electricity, telecommunications and transport industries. This results in a further drain on the GOG's scarce resources.

Guinea's external current account position (excluding grants) is expected to improve from a deficit of $440 million (13.5 percent of GDP) in 1992 to a deficit of $390 million (11 percent of GDP) in 1993. This improvement is largely the result of increases in the recorded sales of gold and diamonds as several private dealers have recently been licensed to trade legally in these commodities. The overall balance of payments position is expected to show a slight surplus in 1993 after posting a deficit of $100 million in 1992.

Official development assistance (grants and loans) is expected to decline from $350 million in 1992 as donors respond to a slow-down in the pace of economic reforms and the limited absorption capacity of the public sector. Guinea benefitted from $380 million in debt relief at the end of 1992. Guinea's actual debt service in 1992 amounted to $130 million or about 21 percent of export earnings. Guinea was current in debt service payments to multilateral organizations at the end of June 1993, though it is accumulating arrears to bilateral creditors.

Health and Population Status: The GOG has made sound policy choices with respect to health and family planning. It was one of the first countries to adopt the Bamako Initiative on community managed and financed primary health care. The GOG has recently abandoned a pro-natalist position and has adopted a population policy advocating smaller family size. By 2010, the birth rate is to be reduced by 25%, contraceptive prevalence is to increase to 25%, and the population growth rate is to fall to 2% a year. This population policy was developed with USAID technical assistance.

The delivery of health services, however, is limited. The infant mortality rate remains high at 145 per thousand live births. Life expectancy is about 42 years. The 1992 UNDP Human Development Report estimated the maternal mortality rate at 1,000 per 100,000 live births. The main causes of mortality are clandestine abortions, hypertension, and hemorrhaging. Additional studies revealed other detrimental factors such as

lack of infrastructure and transportation, the isolation of certain areas, the custom of giving birth alone at home, and the practice of traditional medicine. AIDS will have a serious effect on the fate of children in Guinea. The current HIV prevalence rate of 1 percent will generate a population of between 40,000 and 50,000 orphans over the next 5 to 10 years.

Some improvements in health status have been made, nonetheless. UNICEF reports that the proportion of children vaccinated for major diseases has increased from 30 percent to 49 percent since 1990.

Education Status: Through the Guinean educational reform program (PASE), the GOG, with the support of USAID and other donors, has made significant progress in addressing many of the problems of basic education in Guinea. The Ministry of Pre-University Education and Professional Training (MEPU-FP) has demonstrated its commitment to expanding the coverage of primary school education by increasing its share of the national budget from 11% in 1988 to 26% in 1993, by increasing the amount spent per primary school student from GF 63 to GF 17,000 during this same period, and by redeploying secondary teachers to primary education teaching positions. In addition, the PASE has initiated a social awareness campaign directed at increasing the primary school enrollment of girls and children in rural areas. As a result of these policy and budgetary choices, primary school enrollment has increased as has the proportion of girls in primary schools.

While Guinea is making steady progress in reforming its basic education system, in most areas there continues to be a great need for improvement. In its efforts to expand the coverage of primary education, MEPU-FP is constrained by very high student teacher ratios, sometimes as high as 100 to one in elementary schools. A lack of instructional materials is also a constraint. For the 420,000 elementary school students in 1992/93, there were only 400,000 textbooks compared to the 1.7 million needed to assure a complete set for each student. Improving teacher training, revising curriculum to more adequately address the needs of the population, and up-dating pedagogical methods are all issues that need to be addressed in the coming years for Guinea to improve the quality of education for an increasing number of school children.

Democracy and Governance: A new constitution, *La Loi Fondementale* was adopted by a 90 percent majority in a referendum that was held in December 1990. This constitution set the stage for democratic elections , for the first time since Guinea's independence from France in 1958. Although the elections were originally scheduled for the end of 1992, opposition parties were not sufficiently well-established to stand in national elections and the current government was not sufficiently advanced in its

institutional and physical preparations to assure free and open elections. As a result, the government's decision to postpone elections met with little, if any, resistance. There are now 43 legally registered political parties and eight presidential candidates representing the broad spectrum of political views.

Guinea's nascent free press enjoys substantial editorial freedom. One example of the recent openness is the access of opposition parties to state-run television for short statements during prime time. Furthermore, the independence of the judiciary was strengthened in October 1992 with the appointment of an independent Supreme Court.

The recent establishment of an Electoral Commission with representatives of the government, the political parties and social leaders is seen as a positive step to assure the quality of upcoming elections. USAID is providing direct support for the presidential election in the form of technical expertise, election supplies (i.e. indelible ink), training of poll workers, and financing of the printing of ballots and election guides. A quid pro quo has been evidence of the government's commitment to free and fair elections.

Uncertainty over the timing and outcome of the elections, the lack of dialogue between the GOG and the opposition parties, and the disarray in the opposition parties themselves have all fueled insecurity in Guinea. This has challenged the government's commitment to freedom of assembly as well as its success in guaranteeing human rights. We have also noted back-sliding in efforts to control corruption, especially tax evasion and mismanagement of public enterprises and public procurements. In addition, we are concerned that greater effort needs to go into assuring rule of law, through judicial and legal reforms leading to greater transparency and improved enforcement of contracts.

Human Resource Development: USAID has provided technical and long term training in Guinea, other African Countries and the United States to over 1,200 Guineans, through the Human Resources Development Assistance Project (HRDA). This project is also helping to build the capacity of three public and private training institutions in Guinea. In addition, USAID is assisting 12 Guineans to obtain advanced degrees.

Women account for nearly half of the Guineans participating in HRDA training programs. The project has provided training in business management to 200 female, small-business owners in rural areas, many of them representing women's associations that work in the informal sector. As a result of their training, many of these women are finding new local and international products for their products. Others are using their training and experience to help other women get started in business.

A partnership between the ports of Guinea and Philadelphia led to a USAID-supported study tour of American markets. This tour is contributing to the modernization of Guinea's port management systems. Similarly, the Association for International Democracy, a civil rights organization, was created after a USAID-financed study tour to the United States. This group is helping to influence Guinea's current transition to democracy. The HRDA project is also contributing to improved governance at the municipal level and in seven key ministries.

III. Progress Towards Strategic Objectives

A. No. 1: Growth and Increased Efficiency in Agricultural Markets

Guinea has made significant progress in the effort to increase growth and efficiency and agricultural markets over the past year. USAID has contributed through promotion of private investment, increasing credit to small holders and rural enterprises, assisting the GOG to improve the policy and regulatory environment for private enterprise, improving rural infrastructure, and experimenting with improved land management practices and technologies. However, many of USAID's interventions are relatively new and quantitative data on program impact in the agricultural sector is, at best, piecemeal.

Market Growth: A cornerstone of USAID's strategy in the agricultural sector is the promotion of private investment. USAID's Agricultural Marketing Investment Project (AMIP) is already beginning to have an impact on agricultural markets. With AMIP assistance, the Agricultural Marketing Foundation (AMF) was established in April 1993 as a Guinean non-governmental organization. The AMF has 352 original members who together have paid over $60,000 in membership dues. Thus, an important private sector, civic organization, based on the principles of democracy transparency, and accountability to its private sector membership, was born. The AMF will promote growth in agricultural marketing and agri-business development through market analyses and business services. It will serve as an important forum for private sector dialogue with the GOG on improving the policy and regulatory environment for agricultural investment, marketing and trade. In addition, it will play a significant role in helping its membership to reap the benefits of other USAID interventions geared to improving financial intermediation.

AMIP helped a Guinean firm (SOPAG) to identify potential buyers for its aromatic oils. This led to an initial $7,000 export contract, the first for this company in over three years. Other firms have reportedly concluded agreements to export red palm oil and other spices to the U.S. after receiving leads from AMIP,

however the value of these exports is has not been disclosed. Moreover, a number of producers have approached USAID for commercial loans to increase production and exports. AMIP's loan guarantee component is expected to be operational in early 1994 and should help to address this need.

Agricultural export activity, especially for fruits (mangoes and pineapples) and vegetable exports to Western Europe, experienced a growth spurt during 1992-93. According to major traders, pineapple exports increased from 272 metric tons to 700 tons and mango exports increased from 57 tons to 480 tons between 1991/92 and 1992/93. A number of export contracts are reported to be under negotiation and four significant contracts have recently been concluded with European importers. One notable contract is for the export of 250 tons of green beans to the Netherlands and France during the November to December 1993 season.

USAID sponsored seven participants to the West African Pineapple Export Workshop in June 1993. This resulted in a number of additional business leads for pineapple planters and traders. For example, a French wholesaler visited Conakry in September and met with producers, traders and USAID. The wholesaler was seeking to import one 40 foot container of pineapples per month during 1994. However, Guinea's supply of exportable pineapples falls somewhat short of this level of demand.

Although we believe that Guinea achieved growth in agricultural production during the 1992/93 crop year, there is little direct quantitative information. This is due, in part, to a lapse in donor funding for the agency responsible for collecting agricultural statistics. The last national production survey was conducted in 1991/92.

Policy and Regulatory Environment: The policy and regulatory environment for agricultural marketing continues to improve. The Central Bank (BCRG), with USAID assistance, has completed and put into use a procedures manual for bank inspections and improved systems for commercial bank supervision. Improved standards have led to the restructuring of two commercial banks and the repatriation of over $7 million in hard currency held abroad illegally by commercial banks. The BCRG also maintained positive real interest rates in 1992 and 1993, thereby encouraging savings and avoiding unsustainable hidden subsidies to agricultural and commercial enterprises. In addition, the GOG introduced new 91-day Treasury Bills in June 1993. To date, over $13 million in treasury bills, with interest rates of 22 percent, have been sold.

A new Land Tenure Code was approved by the GOG in March 1992. Implementation of this code is considered as a necessary condition for rural and agricultural development in Guinea. However, its implementation will take time in light of the need

to prepare implementing regulations, with seven GOG agencies involved, and the practical necessity of waiting until a new Government is formed to finalize policy in this sensitive area. In the meantime, the GOG has formed an Inter-Ministerial Committee (IMC) to survey current land tenure practices and systems of conflict resolution and to draft implementing regulations or "*Texte d'Application*." USAID has finalized plans to support the IMC in the preparation of the implementing regulations and to train personnel in the concerned agencies. These activities will begin in early 1994.

The GOG has made progress in using its Public Investment Program as a means to rationalize and control public investment expenditures and reduce off-budget spending. Counterpart funds generated from the sale of PL-480 rice are coordinated through this mechanism. The result is that public expenditures are becoming increasingly transparent. It is unfortunate, however, that GOG efforts to control spending have fallen disproportionately on the investment component of the budget.

Financial and administrative systems have also been improved at the Ministry of Agriculture and Animal Resources (MARA). With USAID assistance, under a Cooperative Agreement with the National Association of Schools of Public Affairs and Administration (NASPAA), new systems for management of human, material and financial resources have been designed and documented, and designated employees have been trained in their application.

In general, the process for obtaining business licenses and permits has been considerably simplified and opened in most sectors, although this is less true in mining, telecommunications and industrial fishing.

Credit and Investment: Lack of access to credit continues to be perceived as a major constraint to investment in agricultural production and marketing. Domestic lending to the private sector by Guinea's six commercial banks totals only $110 million, of which only 14 percent is term lending and only 14 percent is provided directly to the agricultural sector.

USAID is addressing this constraint through technical assistance to the Central Bank of the Republic of Guinea (BCRG) to improve management with in the financial sector and through specific measures to increase lending. USAID supports the Rural Enterprise Development Project (PRIDE) through a grant to the U.S. PVO, Volunteers in Technical Assistance. PRIDE has provided valuable training in entrepreneurship to 243 Guineans since August 1992; 22 percent of all participants in the entrepreneurship workshops have been women. In addition, as of September 30, 1993, PRIDE has made 4,485 small loans totaling over $930,000 -- an average of $208 per loan. Repayment rates

are 100 percent. Over 66 percent of all loans have gone to women.

Local currencies generated from past USAID commodity and cash transfer programs have been programmed to support PRIDE as well as other lending institutions. As of June 30, 1993, Credit Rural's lending totaled $1.6 million to over 16,000 clients, or $100 per loan. Counterpart funds generated from USAID assistance have provided funding of $680,000 or more than one-third of Credit Rural's lending. A credit line through the *Banque Popularie Maroco-Guineene* (BPMG) has financed a few loans totalling $200,000. The BPMG's credit line would permit an addition $1 million in lending but the bank has been very selective in the choice of borrowers. Recently, women's non-governmental organizations have become eligible to establish credit lines, using counterpart funds, for their members. As a complement to these local currency lending programs, AMIP's $6.0 million hard-currency loan guarantee program should be operational in early 1994.

Farm-to-Market Transportation: Assessment of the impacts of USAID's three roads projects is premature. As of September 1993, 102 km of roads and 14 bridges have been completed under the Forecariah Farm-to-Market Roads Project which is managed through a grant to the American PVO, AFRICARE. Data for analysis of project impact is still being studied. However, observations and discussions with Guineans in the project area indicate positive changes directly imputable to the road construction: increased commercial and passenger traffic between the villages, the weekly and bi-weekly markets and the prefectoral capital, Forecariah; larger vehicles on the roads; and, a reduced sense of isolation. The positive response to the roads and the increased traffic they are generating has resulted in a formal request for additional roads in the region which is known for the production of high value crops: fruits, vegetables, rice and palm oil.

The Rural Roads project will ultimately construct or rehabilitate over 1,200 km of roads. To date, work has been completed on an initial 50 km, while construction activity is already under contract for an additional 875 km. The long-term technical assistant responsible for implementing the monitoring and evaluation component of this project arrived in September 1993; we expect base line data collection to begin in early 1994. Similarly, data collection and analysis are underway for the Agricultural Infrastructure Project. This project involves the reconstruction of 100 km of national highway in the productive Coastal Region.

B. No. 2: Increased Ability of Families to Determine Household Size

USAID's Family Planning Options (FAMPOP) project is helping Guinea to establish self-sustaining family planning services which are integrated into the country's primary health care system. The project is being implemented by the American PVO, Population Services International (PSI), and is active in 64 of the 119 health zones in the Upper and Forest Regions of Guinea. Since its inception in September 1991, there has been an enormous increase in the distribution and use of condoms and other contraceptives, largely due to effective, nation-wide, mass media campaigns. Guinea's National AIDS Committee (NAC) reinforces the awareness campaign through widespread interpersonal communications. Advertising, including messages promoting the Prudence condom have increased public awareness of family planning and AIDS issues. They have opened up public discussion of human sexuality and condom use, essential steps in the "stronger family campaign" which is now being developed by the project.

Commodity Delivery and Demand: The FAMPOP social marketing program has successfully met its initial objectives and has sold large quantities of Prudence condoms to wholesalers and retailers during its first year. In the absence of a local commercial distributer, PSI has recruited an enthusiastic team of 10 sales representatives who have effectively covered all of the major urban centers. By the end of September 1993, over 4 million condoms had been sold to wholesalers and retailers. Reliable data on actual retail sales is just beginning to become available. The 1991 Demographic and Health Survey, which was partially supported by the FAMPOP project, is presently being analyzed and interpreted and will provide important information on knowledge and use of contraceptives as well as socially transmitted diseases (STDs) and AIDS in Guinea. However, increases in contraceptive prevalence will not be measurable until the next Demographic and Health Survey (scheduled for 1995).

Knowledge and Awareness: Considerable progress has been made in the dissemination of information on contraception and prevention of socially transmitted diseases and AIDS. The main focus has been on educating the public about AIDS and promoting the Prudence condom for AIDS/STD prevention. Radio and television spots are aired almost every day: fifteen national television spots have been produced and aired in four languages; in addition there have been 20 national and 84 regional radio spots in five languages. These efforts have been supported with billboards and promotional and educational materials. As a result, awareness about AIDS and Prudence has increased, particularly in the coastal areas by the national media and in the urban centers in the interior that are reached by rural

radio. Indications are that most people purchasing Prudence thus far fall into the groups at highest risk for STDs and AIDS.

Family Planning Policy: FAMPOP has also been effective in the area of policy development. USAID assistance contributed to the development and adoption of a national population policy in 1992. In addition, FAMPOP has also supported the development of a family code which is currently before the Council of Ministers. This code has far-reaching implications for reproductive rights and improvements in the status of women. In addition, the Johns Hopkins' Program for International Education in Gynecology and Obstetrics has worked with the University of Conakry's Faculty of Medicine to develop a reproductive health curriculum and improved teaching methodology. This experience has highlighted the need for similar assistance to the schools of nursing and midwifery.

HIV/AIDS Prevention: The first cases of AIDS in Guinea were identified in 1986. Sero-prevalence rates have increased slowly, however, so the country is still in the early phase of an AIDS epidemic. In Guinea, AIDS is spread primarily by heterosexual contact. Both types of the AIDS virus (HIV-1 and HIV-2) are present, with HIV-1 accounting for over 90 percent of all HIV infections.

The cumulative total of AIDS cases reported in Guinea to the World Health Organization (WHO) from January 1986 to December 1992 was 694 including 20 pediatric cases. This compares to the 10,792 cases reported in the Ivory Coast as of January 1992. The majority of cases in Guinea are adults in their most productive years, with 61 percent in the 30-49 age group. The male-to-female ratio is 1.42:1. An increasing number of women will become infected as would be expected from heterosexual transmissions.

FAMPOP's strategy of cooperating with a particularly active NAC to address prevention of HIV/AIDS has provided an effective entry point for the project's broader population and family planning objectives. The NAC has developed a network of community-based educational groups which have received training in AIDS prevention education through 13 workshops. The 593 leaders trained from a wide spectrum of local groups have, in turn, produced over 1,800 educational sessions with more than 66,500 persons country-wide.

C. No. 3: Increased Enrollment in Primary Schools, with Emphasis on Rural and Female Participation

Primary School Enrollment and Equity: Within the first three years of the PASE, primary school enrollment has increased dramatically, by over 30 percent, though Guinea remains below average for Sub-Saharan Africa. The primary school gross enrollment ratio (GER) has progressed from 28 percent in 1989/90

to 31.9 percent in 1991/92 and 36.5 percent in 1992/93. Approximately 106,000 students have been added to the system during this time period.

The percentage of first grade admissions has doubled, from 22.9 percent of the six year old population in 1990/91 to 47.0 percent in 1992/93. In 1992/93, over one-fifth, 22.7 percent of primary school students were newly enrolled. The growth rate for new enrollments between 1989 and 1993 was 67.1 percent, with the fastest growth taking place in rural areas and among girls (31.7 percent for girls compared to 17.5 percent for boys).

The highest growth rates in enrollment have taken place in predominantly rural areas. While the GER growth rate in urban Conakry was 2.6 percent between 1989/90 and 1991/92, rates in the rural regions of Middle Guinea and Upper Guinea reached 23.4 percent and 23.1 percent, respectively. The rate was lowest in Forest Guinea, 13.9 percent. In the more developed Maritime Region, the GER growth rate was 17.5 percent.

In 1990/91, the GER for girls was 19.4 percent; in 1991/92 it was 19.6 percent; by 1992/93 it rose to 23.1 percent. The growth rate of girls' enrollment has out-paced that of boys in three of the four rural regions by up to 8 percent.

There are two significant indicators of quality improvements in the schools between 1989 and 1991: First, the promotion rate (to seventh grade) has increased from 55.1 percent to 62.1 percent. Second, the repetition and drop-out rates have fallen as has the number of cycles per student.

Budgetary Resources for Primary Education: The GOG has increased its budgetary allocations to MEPU-FP in accordance with the conditions set forth by USAID and the World Bank under the PASE: Education now accounts for 26 percent of the GOG's non-debt recurrent budget, as compared to program conditionality requiring 21 percent. Of this, 35 percent is allocated to primary education. The GOG has consistently provided an increasing portion of the funding for primary education from its own budgetary resources since the PASE began in 1990. In addition, per-pupil and per-administrator spending targets were met or exceeded in 1991/92 and 1992/93. However, general austerity in government spending, the result of poor revenue collections and strict deficit spending targets, has constrained the pace of progress under the PASE. Primary education has been hurt particularly by delays in host country financing. Disbursement tends to come late in the year, while forward funding is necessary to assure that textbooks and materials are in place before school starts each year.

Financial and Administrative Management: With the technical assistance of USAID, MEPU-FP has accomplished (or is in the

process of accomplishing) major gains in the areas of financial and administrative reform. These improvements are seen as necessary, albeit not sufficient, conditions for increasing school enrollments and improving the quality of basic education.

Among the administrative and personnel reforms: MEPU-FP is being computerized. This includes automation of personnel files of all pre-university teachers, nation-wide. In addition, the Ministry has redeployed 1,806 secondary teachers to elementary schools and plans further redeployment in the 1993/94 school year to assure more efficient use of manpower. Furthermore, all local accountants are being retrained and accounting procedures throughout the Ministry are being standardized.

The Ministry's budgeting process is being refined and a central budget unit has been created. This unit will track expenditures and facilitate the decentralization of financial management responsibility to the district level. MEPU-FP now has the capacity to produce a detailed, line-item budget, thus contributing to improved financial management and minimizing off-budget expenditures.

IV. Other Progress in Priority Areas

Guinea's progress and program impact in three of AID's priority areas -- Economic Growth, Population and Health, and Democracy and Governance -- have been discussed above. This section explores program performance in AID's fourth priority area, Protecting the Environment, and highlights lessons learned from the program implementation.

Protecting the Environment: Guinea is dealing with protection of the environment through two approaches: First, at the policy level, Guinea is in the process of preparing a National Environmental Action Plan (NEAP). This activity is funded by the World Bank. USAID plays an observer's role. After initial problems with the plan's preparation, the NEAP preparation process is back on track. Several working groups have been established and training sessions conducted. It is reported that the plan document will be ready by mid-1994. The plan appears ambitious and it is unlikely that the GOG will be able to find sufficient national and donor resources at the scale envisioned by those preparing the NEAP.

Second, various donors are funding direct interventions, focussing on improved management and conservation of soil, water and forest resources by local populations. These programs involve technology transfer and educational activities, and employ a participatory approach. The USAID-funded Natural Resources Management Project is implemented in three of the country's twelve watersheds. These watersheds feed three of West Africa's major rivers. Thus, the project's benefits reach beyond

the population of the immediate area, improving water levels and river flows in the countries down-stream. This contributes to sustainable economic activity in agriculture, livestock and fisheries throughout the region.

Lessons Learned: Macroeconomic policy matters. The Guinean economy continues to reap the benefits of market-oriented reforms in the mid-1980's: per capita GDP has grown by nearly 1 percent each year since 1986. The elimination of price controls and liberalization of production and commerce have greatly benefitted virtually all Guinean's, and particularly the majority of Guinean's engaged in agricultural production and marketing. Recent progress in stabilizing exchange rates and reducing rates of inflation are also benefitting the population. Where macroeconomic performance is the weakest, in increasing public revenues and rationalizing public expenditures, the adverse effects are most apparent: public investment, especially in the critical social sectors, is notably weak.

The state has an important role in assuring the presence of basic infrastructure to create the conditions for growth in the private sector. USAID has placed emphasis on raising the level of rural road infrastructure to facilitate the marketing of agricultural produce and access to social services. The World Bank plays a leading role in assistance in the key areas of telecommunications and energy. In our experience, the best results are obtained when the state is involved in identifying critical interventions which are then addressed through contracts with private firms, for services such as road and school construction.

Sound macroeconomic policies and basic infrastructure are necessary but not sufficient for economic growth and development. Guinea's experience teaches that advances in AID's priority areas of economic growth, population and health, and protecting the environment require enhanced efforts to improve Governance. Guinea has made notable progress in market liberalization and reducing the role of the state in the economy. It is now face-to-face with the difficult task of building institutional capacity. First, capacity for sound administration and management of public resources must be strengthened at the national as well as local levels. Second, improvements in the judicial system which will yield timely, consistent and equitable resolution of disputes are needed to ensure the enforceability of contracts and promote private investment. Finally, continued progress in democratic reforms is required for the long-term accountability of the Guinean government and stability of the environment for economic growth and development.

ANNEX A: Revisions in Indicators and Expected Levels of Achievement

USAID Guinea's Country Program Strategic Plan was reviewed in Washington in October 1991. On January 24, 1992, the Mission submitted elaborated program indicators and levels of achievement to the Africa Bureau. Technical revisions were documented in Annex A to the 1992 Assessment of Program Impact. Through program implementation and the application of these indicators, it is again necessary to introduce minor revisions, either in specification of individual indicators or in the expected levels of achievement. Per 91 State 273190, these are summarized below. Current data are reported in Table 2 of this Assessment of Program Impact.

Program Goal

Indicator 5: Study postponed to late FY 1994, after elections, to allow more time for change to be achieved.

Sub-Goal 1

Indicator 4: Formerly Indicator 5; the indicator on child nutrition has been dropped as USAID does not directly intervene in this area and has no mechanism for collecting relevant data.

Strategic Objective 1

Indicator 1: Upon review it was found to be extraordinarily difficult to gather accurate data on informally-traded tree crops such as cola nuts and mangoes.

Indicator 2: Commodity-specific trade data by market are not readily available.

Indicator 3: No reliable source of data has been identified on pesticide use; pesticide use is minimal.

Indicator 4: Restated for greater clarity.

Target 1.1

Indicator 1: Data on market interest rates revised per IMF reports.

Strategic Objective 2

Indicators 1 and 3: Data now reported on U.S. fiscal year basis, based on per project reporting.

Target 2.2

Indicator 2: Revised project outputs.

Strategic Objective 3

Indicator 1: Gross enrollment ratio reported in lieu of percentage increase in numbers of students enrolled. This change has been recommended by education specialists and is consistent with GOG reporting.

Target 3.1

Indicator 1: Planned levels of achievement are now consistent with Education Sector Reform Program (675-0222/223) End of Project Status indicators.

Target 3.2

Indicator 3: Corrects minor oversight (planned level of achievement failed to address 7 regional offices in addition to 36 prefectures).

Table 1: USAID/Guinea
Country Program Strategy
Objective Tree

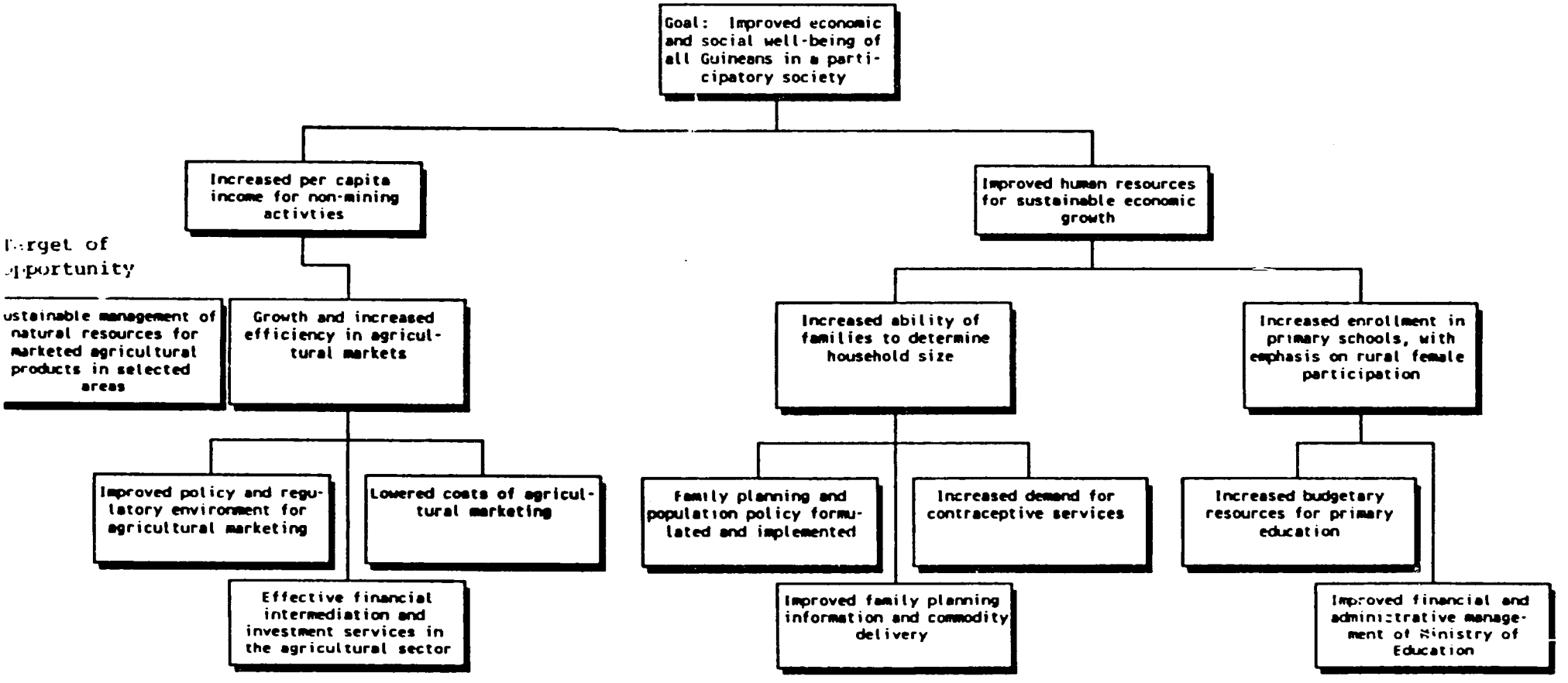


Table 2:
USAID/Guinea
Country Program Strategy

GOALS/OBJECTIVES/ TARGETS	INDICATORS/ SOURCES	BASELINE	ACTUAL 1990	ACT/PLAN 1991	ACT/PLAN 1992	ACT/PLAN 1993	PLANNED 1994	PLANNED 1995	PLANNED 1996	PLANNED 1997
MISSION PROGRAM GOAL:	INDICATORS:									
Improved economic and social well-being of all Guineans in a participatory society.	1. Increase in real economic growth (growth rates):	1989 =								
	– GDP	$2.75 million	4.3%	2.5%/4.0%	3.2% est. /5.0%	3.8% proj. /5.5	5.5%	5.0%	5.0%	5.0%
	– GDP per capita	$430	1.5%	–0.3%/1.2%	0.4 est./2.1%	1.0%/2.6%	2.6%	2.1%	2.1%	2.1%
	2. Decrease in under-five child mortality rate (per 1,000)	1989 =			The GOG and UNICEF have set a performance standard of 90 per 1,000 by the year 2000.					
	– Female	224	221	215/NA						
	– Male	249	245	239/NA						
	3. Increase in literacy rate (% of adults)	1990 =								
	– Total	24%	24%	26%/NA	29% est./NA	NA/30%	32%	33%	34%	35%
	– Female	13%	13%	15.5%/NA	18% est./NA	NA/19%	22%	23%	24%	25%
	4. Institutionalization of a freer, more open society and accountable government:	1990 =	Scale of 1 to 10: 0 = Poor, 10 = Excellent							
	– Electoral Competition	0	0	4/NA	5/NA	8/8	8	8	8	8
	– Freedom of the Press	2	2	2/NA	3/4	8/6	6	6	6	6
	– Freedom of Association	0	0	0/NA	2/4	5/4	4	5	5	6
	– Human Rights	2	2	2/NA	4/NA	6/8	8	8	8	8
	– Decentralization	2	2	3/NA	4/5	6/6	6	7	7	8
	– Control of Corruption	2	2	2/NA	2/6	3/3	4	4	5	6
	– Rule of Law	2	2	2/NA	3/3	2/2	6	6	6	6
	– Independent Judiciary	1	1	1/NA	1/1	4/2	3	4	5	6

GOALS/OBJECTIVES/ TARGETS	INDICATORS/ SOURCES	BASELINE	ACTUAL 1990	ACT/PLAN 1991	ACT/PLAN 1992	ACT/PLAN 1993	PLANNED 1994	1995	1996	1997
	5. Increase in share of public investment resources managed at the Rural Development Committee (CRD) level (public investment in selected CRDs in $US):	1990 =					Performance standards to be analyzed in FY 1994.			
	– 6 CRDs	NA	NA	NA	NA/$145,000	NA				
	. Kolaboui CRD	$12,000	$12,000	$47,000/NA	NA/$42,000	NA				
	. Missira CRD	NA	NA	$11,000/NA	NA/$19,000	NA				
	. Sangaredi, Kona, Fouiou & Donquel Signon CRDs	0	0	0	NA/$84,000	NA				
	– Yambering CRD	$20,000	$20,000	$20,000/NA	NA/NA	NA				

DATA SOURCES:

1 World Development Report, 1991; International Monetary Fund (IMF), 1991 & 92; Ministry of Plan andFinance (1992).

2 World Bank, World Development Reports and GOG, National Action Program (Draft, 1992).

3 World Development Report, 1992; Ministry of Plan and Finance, PADSE (for 1991); Ministry of Primary Education (MEPUFP) and USAID (projections). Note: Only adult literacy is presently reported.

4 US Embassy and USAID assessment

5 USAID (Special Study), Ministry of Plan & Int'l Cooperation (MPIC) and Ministry of Interior and Decentralization (MID)

SUB-GOAL No. 1	INDICATORS:									
Increased per capita income from non-mining activities.	1. Increase in real per capita non-mining-GDP (growth rate)	1989 = $323	2.7% est.	0.7%/2.4%	1.5% est./ 2.1%	0.5% proj./ 4.0%	3.3%	2.8%	2.8%	2.8%
	2. Increase in public investment for rural development ($ millions)	1989 = 24.7	17.8	NA/22.7	NA/22.8	NA/24.6	26.3	27.0	27.8	28.6
	3. Increase in private investment (% of GDP)	1989 =								
	– Total	8.9 Rev.	8.4 Rev.	8.6/10.9	9.8 est./11.0	9.8 proj./11.2	9.3 Rev.	10.0 Rev.	11.0 Rev.	11.8%
	– Non-mining	5.4 Rev.	5.9 Rev.	5.6/NA	6.9/NA	7.4 proj./NA	7.4 proj./7.0	NA	NA	NA
	4. Increase in expenditure by rural households ($US per capita)	1991 = $67.2	NA	$67.2	NA/$70	NA/$70	$75	$75	$80	$80

DATA SOURCES:

1 World Bank, 1990 Country Economic Memorandum and World Bank estimates of growth rates

2 Ministry of Plan and International Cooperation – National Development Budget for Rural Development and Public Works

3 Ministry of Plan and Finance (1992)

4 Ministry of Plan and Finance (PADSE Project); survey of 9,000 households nation-wide; results may tend to underestimate due to categories of expenditure recorded

116

GOALS/OBJECTIVES/ TARGETS	INDICATORS/ SOURCES	BASELINE	ACTUAL 1990	ACT/PLAN 1991	ACT/PLAN 1992	ACT/PLAN 1993	PLANNED 1994	PLANNED 1995	PLANNED 1996	PLANNED 1997
SUB-GOAL No. 2	INDICATORS:									
Improved human resources for sustainable economic growth	1. Increase in number of people completing 6 yrs of primary schooling by gender (annual growth rate):	1989/90 =	1990/91 =							
	– Female	7,209	NA	2%/NA	2%/NA	NA/3%	3%	4%	4%	5%
	– Male	29,954	NA	5%/NA	7%/NA	NA/8%	8%	9%	10%	10%
	2. Decrease in primary school repeaters (percentage):	1989/90 =	1990/91 =							
	– National	73,298	6.1%	5.72%/5%	NA/5.0%	NA/5.0%	4.8%	4.5%	4.3%	4.0%
	– Female	27,203	7.2%	6.64%/NA	NA/6.0%	NA/6.0%	5.8%	5.5%	5.3%	5.0%
	3. Increase in numbers of people receiving post-secondary training:	FY 1991 =								
	– All donors	NA	NA	NA	NA	NA	Other donors to be determined from UNDP data; performance standards to be developed in FY 1994.			
	. Females	NA	NA	NA	NA	NA				
	– USAID	543	NA	543/NA	710/NA	NA				
	. Females	259 (47.7%)	NA	259 (47.7%)/ NA	437 (61.5%)/ NA	NA				
	4. Decrease in total fertility rate	1989 = 6.5		6.5	6.5	6.0	Demographic and Health Survey results to be analyzed in FY 1994 and 1996.			
	DATA SOURCES:									
	1,2 Ministry of Pre-University Education (MEPU)									
	3 USAID, UNDP and other donors									
	4 World Development Report, 1991; DHS									

GOALS/OBJECTIVES/ TARGETS	INDICATORS/ SOURCES	BASELINE	ACTUAL 1990	ACT/PLAN 1991	ACT/PLAN 1992	ACT/PLAN 1993	PLANNED 1994	1995	1996	1997
STRATEGIC OBJECTIVE No. 1	INDICATORS:									
Growth and increased efficiency in agricultural markets	1. Increase in agricultural production, for selected commodities (tons):	1988/89 =	1989/90 =		1991/92 =	1992/93 =	1993/94 =			1996/7 =
	. rice (milled)	390,000	403,000	406,000/NA	365,000/NA	416,000 est.	420,000 proj.			500,000
	. maize (dry)	108,000			116,000/NA	NA	NA			NA
	. Coffee	12,000	13,000			NA	NA			25,000
	. Pineapples	18,000				NA	NA			40,000
	. Peanuts (in shell)	44,000	44,000		100,000/NA	NA	NA			60,000
	2. Increase in agricultural exports by commodity group ($US millions):	1990 =								
	. Coffee	$25	$25			NA				$58.0
	. Fruits & Vegetables	<$5.0	<$5.0			NA				$30.0
	3. Increase in use of key agricultural inputs	1987-8 av. =								
	– Fertilizer imports (MT)	3425	4044	3889	NA	NA				
	– Land under cultivation (thousands of ha)	1988/89 = 1100			1991/92 = NA	NA				
	. o/w principal crops on family farms	728			852	NA				
	4. Decrease in differential between rural/(semi-)urban prices for rice between key markets (ratio of consumer price to producer price in percentage):						Baseline data and performance standards to be developed through monitoring and evaluation components of Rural Roads, Farm-to-Market Roads and Agricultural Infrastructure Projects during FY 1994.			
	– Conakry/Kolaboui					NA				
	– Conakry/Forecariah			170.0%		NA				
	– Conakry/Faranah			146.6%		NA				
	– Gaoual/Koundara				159.2%	NA				
	– Pita/Telimele				136.7%	NA				
	– Nzerekore/Sinko					NA				

119

GOALS/OBJECTIVES/ TARGETS	INDICATORS/ SOURCES	BASELINE	ACTUAL 1990	ACT/PLAN 1991	ACT/PLAN 1992	ACT/PLAN 1993	PLANNED 1994	1995	1996	1997
	5. Increase in competition among intermediaries for selected agricultural commodities (number of exporters and traders):	1992 =					Performance standards to be developed during Agricultural Marketing Investment Project Implementation			
	– Coffee	22			22					
	– Fruits and vegetables	39			39					
	. Mango	28			28					
	. Pineapple	26			26					
	DATA SOURCES: 1, 2 World Bank; IMF; Ministry of Commerce, Transport and Tourism (MCTT) Ministry of Agriculture and Animal Resources (MARA), Port Statistics and Survey Data on key domestic markets 3, 4 MARA. 5 Management Consultants (survey of Agricultural Exporters, 51 firms, 1992)									

TARGET No. 1.1	INDICATORS:									
Improved policy and regulatory environment for agricultural marketing	1. Implementation of key policies & regulations to enable marketing & investment	Scale of 1–10 with high score indicating full implementation								
		1990 =								
	– Market–determined Interest Rates									
	. real interest rate	–0.4	–0.4	2.4 Rev.	5.4 Rev./3.0	18.4 est./3.0	3.0	4.0	4.0	5.0
	. score	1.0 Rev.	1.0 Rev.	5.7 Rev.	10.0/6.7	10.0/6.7	6.7	8.3	8.3	10.0
	– Land Tenure Code	0	0	0/5	5/5	5/8	8	8	9	10
	– Public Investment Program	NA	NA	NA/3	NA/6	5/10	10	10	10	10
	– Treasury Bills	0	0	0/0	0/0	9/5	5	7	8	10
	– MARA's Financial and Administrative Systems	2	2	3/NA	4/5	5/6	7	8	9	10
	2. Decrease in number of collection points for informal taxes (Conakry–Labe corridor):	1991 = 14		14		2/NA		1		0

GOALS/OBJECTIVES/ TARGETS	INDICATORS/ SOURCES	BASELINE	ACTUAL 1990	ACT/PLAN 1991	ACT/PLAN 1992	ACT/PLAN 1993	PLANNED 1994	1995	1996	1997
	3. Decrease in time & cost of obtaining licenses and permits and other formal & informal fees to establish and operate a business			< 6 months (90% of sample)		One-stop registration center opened, 1993	Performance standards to be developed in FY94 by Agricultural Marketing Investment Project			
	DATA SOURCES: 1 USAID assessment based on Economic Policy Reform Support Project and PL-480 Title III implementation. 2 USAID estimates. 3 PRIDE, Baseline Study, 1992.									
TARGET No. 1.2 Effective financial intermediation and investment services in the agricultural sector	INDICATORS: 1. Increase in private sector agricultural lending through USAID-assisted intermediaries: - Microenterprises .Credit Rural & PRIDE .Pride .Female (PRIDE) - Small & Medium Enter. .PRIDE - BEC .Female - Large Enterprises .Female	1989 = $32,000	$329,000	$675,000/NA	$1,001,000/ NA $218,000/NA 63%/NA	$3,000,000 proj./NA $1,140,000 proj./NA 66%/NA $12,700/NA 30%/NA	$2,500,000 $92,300 30%	$3,50,000 $128,000 35%		Levels of Achievement to be determined through Implementation of Agricultural Marketing Investment Project, PRIDE, Credit Rural and Banque Populaire Maroco-Guineene Credit Lines during FY 94
	2. Increase in equity investments by clients of USAID-assisted intermediaries (GF): - Microenterprises .Male .Female - Small & Medium Enter. - Large Enterprises	1993 = $650 $480				$650/NA $480/NA	Performance standards to be developed through credit projects in FY 1994.			

GOALS/OBJECTIVES/ TARGETS	INDICATORS/ SOURCES	BASELINE	ACTUAL 1990	ACT/PLAN 1991	ACT/PLAN 1992	ACT/PLAN 1993	PLANNED 1994	PLANNED 1995	PLANNED 1996	PLANNED 1997
	3. Increase in employment by clients of USAID-assisted intermediaries (numbers of jobs created):	1993 (employees per enterprise) =					Performance standards to be developed through credit projects in FY 1994.			
	– Microenterprises									
	.Male	1.2				1.2				
	.Female	0.6				0.6				
	– Small & Medium Enter.									
	– Large Enterprises									
	4. Increase in the number of clients accessing investment and market information from USAID projects			Levels of achievement to be determined through implementation of Agricultural Marketing Investment Project during FY 1994 and, for microenterprises, PRIDE surveys, in 1994.						
	– Microenterprises	0	0							
	.Female	0	0							
	– Small & Medium Enter.	0	0							150
	.Female	0	0							75
	– Large Enterprises	0	0							50
	.Female	0	0							20
	5. Sustained high repayment rates by clients of USAID- assisted intermediaries					Performance standards to be determined through implementation of Agricultural Marketing Investment Project, PRIDE, Credit Rural and Banque Populaire Maroco-Guineene Credit Lines during FY 1994.				
	– Microenterprises (PRIDE)				100% Rev./ 99.9%					
	.Female				100% Rev./ 99.9%					
	– Small & Medium Enter.									
	.Female									
	– Large Enterprises									
	.Female									
	DATA SOURCES: 1,2,3,4,5 Ag Marketing Investment Project; MAPS & PRIDE Surveys for microenterprise activities									

GOALS/OBJECTIVES/ TARGETS	INDICATORS/ SOURCES	BASELINE	ACTUAL 1990	ACT/PLAN 1991	ACT/PLAN 1992	ACT/PLAN 1993	PLANNED 1994	1995	1996	1997
TARGET No. 1 ?	INDICATORS:									
Lowered costs of agricultural marketing	1. Decrease in transportation tariffs per kilometer per ton between key markets:	1990 =					Additional baseline data and performance standards to be developed through monitoring and evaluation components of Rural Roads, Farm-to-Market Roads and Agricultural Infrastructure Projects during FY 1994.			
	-Kolaboui - Conakry	0.152	0.152	0.146	NA/$0.145					
	- Forecariah - Conakry	0.109	0.109	0.099	NA/$0.088					
	- Faranah - Conakry	0.120	0.120	0.107	NA/$0.102					
	- Gaoual - Koundara									
	- Pita - Telimele									
	- Sinko - Nzerekore									
	2. Decrease in travel time between key markets (speed, km/hr)	1990 =								
	-Kolaboui - Conakry	28.5	28.5	35.0	NA/40.5	NA/60.0				
	- Forecariah - Conakry	33.3	33.3	50.0	NA/50.0					
	- Faranah - Conakry	38.1	38.1	38.1	NA/65.3					
	- Gaoual - Koundara									
	- Pita - Telimele									
	- Sinko - Nzerekore									
	3. Increase in volume of products and goods transported (tonnage) between key markets.	Additional baseline data and performance standards to be developed through monitoring and evaluation components of Rural Roads, Farm-to-Market Roads and Agricultural Infrastructure Projects during FY 1994.								
	-Kolaboui - Conakry									
	- Forecariah - Conakry									
	- Faranah - Conakry									
	- Gaoual - Koundara									
	- Pita - Telimele									
	- Sinko - Nzerekore									
	DATA SOURCES: 1,2,3 Ministry of Commerce, Transport & Tourism (MCTT), Africare, and MARA - Rural Engineering									

GOALS/OBJECTIVES/ TARGETS	INDICATORS/ SOURCES	BASELINE	ACTUAL 1990	ACT/PLAN 1991	ACT/PLAN 1992	ACT/PLAN 1993	PLANNED 1994	1995	1996	1997
STRATEGIC OBJECTIVE No. 2 Increased ability of families to determine household size.	INDICATORS: 1. Increase in contraceptive commodity sales (in '000 of units sold) – Private Sector . Condoms . Oral Contraceptives – Public Sector . Condoms . Oral Contraceptives . IUD's . Spermicide	1990 = negligible	negligible	negligible	FY 1992 = 1921/750.0 0.0/0.0 340.0/16.0 0.0/10.4 0.0/0.3 0.0/8.0	FY 1993 = 2116/1500 0.0/30.0 11.2/64.0 5.3/41.6 0.7/1.1 7.3/32.0	FY 1994 = 1213 Rev. 10.0 Rev. 44.8 Rev. 21.2 Rev. 2.8 Rev. 29.2/64.0	Levels of Achievement to be determined through Population and Health Project design during FY 1994			
	2. Increase in contraceptive prevalence rates – National – Project Areas	1990 < 2% 1990 < 2%			NA 1.7%/NA	NA NA	5% 10%	Increase in contraceptive prevalence rates will be determined in Demographic and Health Survey scheduled for 1995.			
	3. Increase in couple years of protection (CYP) – Private Sector – Public Sector	1990 = negligible	negligible	negligible	FY 1992 = 12,807 Rev./ 7500 0.0 Rev./ 1600	FY 1993 = 14,107/NA 1028/ 6400	FY 1994 = 8087 Rev. 1500 Rev.	Levels of Achievement to be determined through Population and Health Project design during FY 1994			
	DATA SOURCES: Ministry of Public Health and Population/Health Center Information System (MSPP/HCIS) – for Public Health Care Centers. Population Services International (PSI) records – for Private Sector Health Care Outlets									

GOALS/OBJECTIVES/ TARGETS	INDICATORS/ SOURCES	BASELINE	ACTUAL 1990	ACT/PLAN 1991	ACT/PLAN 1992	ACT/PLAN 1993	PLANNED 1994	1995	1996	1997
TARGET No. 2.1	INDICATORS:									
Family planning/population policy formulated and implemented.	1. National Population Policy articulated and implemented by the Ministry of Plan	Scale of 1 – 10: 5 = articulation; 10 = full implementation								
		NA	1	3	5/5	7/7	10	10	10	10
	2. Legislation passed and enforced giving increased rights to women over their fertility	Scale of 1 – 10: 5 = passed; 10 = full implementation								
		NA	1	1	3	8/5	9 proj./7	10	10	10
	3. Legislation passed and enforced permitting promotion of family planning products and services through the public and private sector	Scale of 1 – 10: 5 = passed; 10 = full implementation								
		NA	1	1	5/3	8/5	9 proj./7	10	10	10
	DATA SOURCES: PSI Records, MSPP, USAID assessments									

GOALS/OBJECTIVES/ TARGETS	INDICATORS/ SOURCES	BASELINE	ACTUAL 1990	ACT/PLAN 1991	ACT/PLAN 1992	ACT/PLAN 1993	PLANNED 1994	PLANNED 1995	PLANNED 1996	PLANNED 1997
TARGET No. 2.2	INDICATORS:									
Improved family planning information and commodity delivery	1. Increase in the number of family planning information and commodity delivery centers/sites in public Primary Health Care centers (total)	1991 = 0	0	0	16/16	50/48	64	64	64	
	2. Increase in the number of private family planning information and commodity delivery sites (total):									
	– Traditional Outlets	1991 = 0	0	0	40/65	145/130	75 Rev.			
	– Non-Traditional Outlets	1991 = 0	0	0	300/100	340/200	300			
	– Community-based Outlets	1991 = 0	0	0	–	80/NA	20 Rev.			
	DATA SOURCES:									
	1 PSI Records; Note: Provision of training in commodities is underway in 16 centers in 1992.									
	2 MSPP/HCIS, PSI Records									
TARGET No. 2.3										
Increased demand for contraceptive services	1. Increase in the number of people having specific knowledge of contraceptive methods and uses (percent surveyed in project area)	1992 =					Increase in contraceptive knowledge will be determined in Demographic and Health Survey scheduled for 1995.			
	– Female									
	. Forest Region	15.9%			15.9%					
	. Upper Guinea	13.9%			13.9%					
	. Conakry	61.0%			61.0%					
	DATA SOURCES:									
	Guinea DHS									

GOALS/OBJECTIVES/ TARGETS	INDICATORS/ SOURCES	BASELINE	ACTUAL 1990	ACT/PLAN 1991	ACT/PLAN 1992	ACT/PLAN 1993	PLANNED 1994	1995	1996	1997
STRATEGIC OBJECTIVE No. 3	INDICATORS:									
Increased enrollment in primary schools, with emphasis on rural female participation.	1. Increase in primary school enrollment: Gross Enrollment Rate	1989/90 =	1989/90 =	1990/91 =	1991/92 =	1992/93 =				
	– National	27.5%	27.5%	31.3%	31.9%	36.5%				
	– Girls	17.0%	17.0%	19.4%	19.6%	23.1%	Levels of Achievement to be determined through			
	– Rural	NA	NA	20.6%	24.0%	27.4%	project redesign in FY 1994			
	DATA SOURCES: Ministry of Pre–University Education (MEPU), Department of Statistics and Planning									
TARGET 3.1	INDICATORS:									
Increased budgetary resources for primary education	1. Increase in share of GOG budget to education:	1989 =								
	– % of recurrent budget	12.9%	14.0%	25%/NA	25.0%/25.0%	NA/25.0%	25.0%	25.0%	25.0%	25.0%
	– % investment budget	5.9% est.	NA	NA/12.7%	NA/11.6%	NA/9.3%	8.0%	8.0%	8.0%	8.0%
	2. Increase in share of education budget to primary education (% of recurrent education budget)	1989 = 34%	30%	35%/NA	36%/35%	35%/35%	NA/35%	35%	Performance standards for 1996 and 1997 will be developed during program redesign in FY 1994.	
	3. Increase in share of primary education budget to non–salary operating expenses (% primary ed)	1990 = 7%	7%	26%	28%/17%	18%	18%	18%		
	DATA SOURCES: MEPUFP/DAAF/SAAF, MPCI and World Bank Economic Memorandum, 1990									

GOALS/OBJECTIVES/ TARGETS	INDICATORS/ SOURCES	BASELINE	ACTUAL 1990	ACT/PLAN 1991	ACT/PLAN 1992	ACT/PLAN 1993	PLANNED 1994	PLANNED 1995	PLANNED 1996	PLANNED 1997
TARGET No. 3.2	INDICATORS:									
Improved financial and administrative management of Ministry of Education.	1. Improved reporting system on local primary school expenditures which follows estimated budget line items through to actual expenditures established and satisfactorily implemented in all 36 prefectures and 7 regional offices	1989 = None		None/None	None/None	21/Designed	35 Rev.	40 Rev.	43 Rev.	43 Rev.
	2. Improved national procurement procedures established and implemented (implementation rated 1–10)	1989 = None		None/None	None/None	Designed/ Designed	2	5	10	10
	DATA SOURCES: MEPUFP/DAAF/SAAF									

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NIGERIA

129

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NIGERIA

FY 1993

December, 1993
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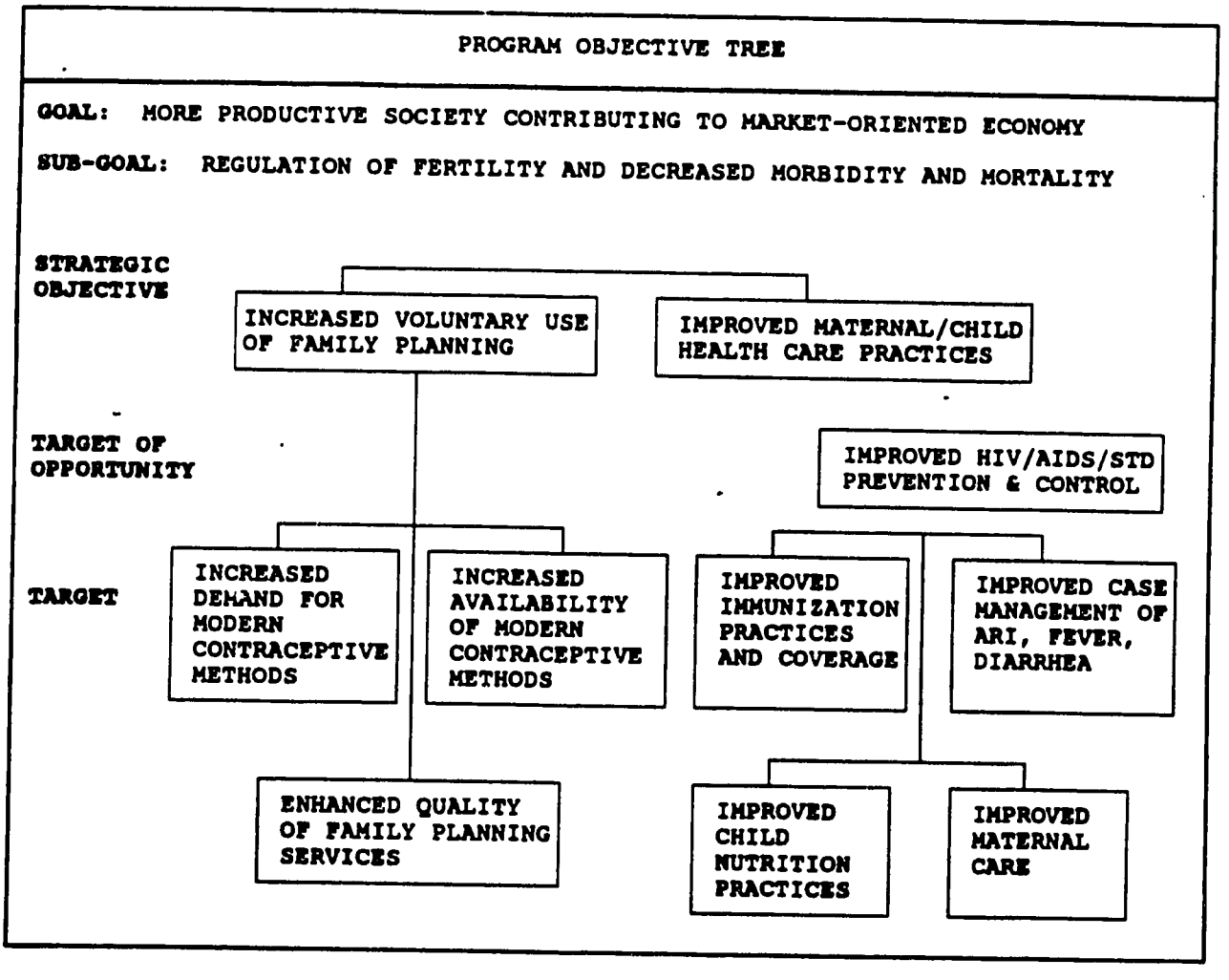
births per woman which is consistent with the ideal family size of 6. The 1990 NDHS data on TFR will be updated by the 1994 NDHS which will begin its field work later this year. TFR data is only available through the DHS. Thus, indicators of contraceptive use will be used to measure impact in the FY 93 API, since a rise in contraceptive prevalence rates should result in a reduction of TFRs.

The second indicator is increased life expectancy at birth for males from 49.5 to 51 years by 2000 and for females from 48.5 to 51 years by YR 2000. Great strides have been made through the Nigerian immunization program and child survival activities. The rate of measles is down 28%; pertussis has decreased 21%. However, many problems still persist such as high infant mortality (90/1,000) and childhood mortality (115/1,000). Diarrheal diseases, malaria, TB and, for women, childbirth complications continue to be hold life expectancy to low levels. Data for reporting progress in meeting sub-Goal level objectives must wait for the 1994 DHS.



SECTION THREE: PROGRESS TOWARDS STRATEGIC OBJECTIVES AND RELATED PROGRESS INDICATORS

(Table 1.:- Program Logframe for Strategic Objectives and Target Levels Status of Achievements, Nov. 1993 - in Annex 1.

Family Planning. The objective of the Family Health Services Project (FHS - 1987-1994) is to increase the accessibility and availability of family planning information and services thoughout Nigeria in both the private and public sectors. Toward the end of 1992, the FHS project began to implement new approaches to direct project resources for greater impact. First, responsiblity for strategic planning and implementation was devolved to four Zonal Offices. Second, five key States were selected for intensification efforts, bringing to bear in these States the full range of resources and technical assistance offered by FHS. An assessment of these new approaches can provide insights on ways that the follow-on NFHS can effectively expand and strengthen family planning programs in Nigeria. The achievements of the targets of the FHS project are presented in Table 2, in Annex 1.

Child Survival. The objective of the CCCD project (PACD 9/93) and its follow-on NCCCD project (start date 10/93) is improvement in maternal and child health practices in the public and private sectors. Success of the project is dependent on enhancing the availabitiy and use of PHC intervention strategies already known to be effective such as EPI, CDD, ARI and malaria control. Success also depends on improving PHC infrastructure, especially at the local/LGA level. NCCCD interventions for strengthening infrastructure aim to: (a) improve management of health resources at the local level; (b) foster continuing education and in-service training systems; (c) establish a program of quality assurance throughout the PHC system; (d) strengthen health education and communication (IEC); (e) improve HIS system at all levels; (f) support operations research in the area of child survival interventions; and (g) stimulate private sector delivery of PHC.

NCCCD focuses on nine States programs, home to 29.5 million people, one-third of Nigeria's population. An estimated 5.1 million children under age five and 5.9 million women of reproductive age are involved. The project will intensively with 60 LGAs (of the approximately 120 in the nine States) to develop PHC delivery capacity.

Data Sources for measuring progress

NDHS: 1990, 10,000 women;
Federal Office of Statistics:
Nigerbus Surveys: 4,000 respondents every 6 months

The CPSP identifies several data sources to measure changes in the family planning indicators and targets. The most reliable data source is the Nigerian Demographic and Health Survey of 1990; the next NDHS survey will begin in the summer of 1994. During the interim period, the Mission is using a semi-annual National Contraceptive Prevalence Surveys administered by the Federal Office of Statistics (FOS) to assess progress. Another source is Nigerbus, a bimonthly

omnibus survey of 4,000 adults conducted at 28 locations in 21 States by a Lagos-based consumer marketing research firm working with and closely monitored by JHU/PCS.

The 1990 NDHS provides pre-NCCCD project status levels. Subsequent NDHS reports (1994, 1998) provide with impact levels. In addition, the Mission is using a combination of facility based assessments, household and community surveys, management audits, and sentinel surveillance surveys to assess baseline and annual attainment levels within the NCCCD LGAs. While attainment of project outputs at the national level may appear minimal and slow in coming, it is expected that attainment of project outputs within the focus LGAs will be significant, relatively rapid, and sustainable.

Through the assistance of the HIS activities of both the FHS and the CCCD projects, and other donor efforts, Nigeria is rapidly moving from a data-poor situation into a data-rich nation. Hence, in the narrative that follows the emphasis is on base-line indicators for the NCCCD project, indicators that are available in large part due to A.I.D. support in development of Nigeria's HIS network.

Table 3: CCCD Project Objectives and Achievements is presented in Annex 1.

STRATEGIC OBJECTIVE #1: Increased Voluntary Use of Family Planning

Contraceptive prevalence rates (CPR). Despite the political crises which has slowed down project activities over the past six months, and perhaps as a result of the continuing deterioration of the economy, the demand for family planning services is growing rapidly. Among currently married women, use of any method was 5% in 1981 (Nigeria Fertility Study, 1981/82) with 1% modern use. CPR increased to 6% percent in 1990 (Nigeria Demographic and Health Survey, 1990) with 3.5% modern use, a tripling of the rate of modern contraceptive use among married women over the ten year period. Greater increases can be observed among all women of reproductive age where 7.5% use any method and close to 4% use modern methods. In absolute numbers, 750,000 women were using modern contraceptive means in 1990 as opposed to 300,000 in 1981.

Analysis of the Federal Office of Statistics contraceptive prevalence surveys show that from 1990 to 1992, among all women of reproductive age, use of any methods increased from 7.5% to 14.6%; the use of modern contraceptive methods is believed to have increased from 3.8% to 7.8%. In a more recent (April, 1993) Nigerbus sample. 46% of respondents could name specific family planning/child spacing methods that can be used top prevent pregnancy; 11.6% of all survey respondents said that they had used a family planning

ACHIEVEMENT: Contraceptive Prevalency Rates were 5% in 1981 and 6% in 1990. From 1990 to 1992, use on any contraceptive method increased from 7.5% to 14.6%, with the use of modern contraceptives increased from 3.8% to 7.8%.

method during the last two months. Regionally, this figure ranged from 17% in Lagos to 5.4% in the north.

The dissemination of the National Population Policy in 1988 is partly responsible for this surge (the policy assured individuals, families and the commercial private sector that government supports family planning), though the worsening economic situation is generally credited with being the key motivating factor in the increase in contraceptive use. During this period the FHS project was working at full capacity in providing family planning services and information through the government, NGO and commercial outlets.

Contraceptive prevalence, overall, remains low. However, Nigeria is a vast country with significant economic and cultural differences. The North is largely agrarian, with lower literacy/educational levels, particularly among females, less developed infrastructure, and Muslim influenced. The South is more economically developed, with an industrial base, educational levels among females are higher, and the influence is Christian. These characteristics may help explain the vast differences in CPRs. Data desegregated by region shows that the FHS project achieved its objectives entirely in the Southeast and Southwest, but was less successful in the North. The data, which graphically illustrates the vast regional differences in the country, has generated the development of different strategies in the family planning program.

The FHS project has worked with several levels of government to refurbish and upgrade clinics to provide long-term family planning methods. Efforts have also focused on private sector outlets (clinics, hospitals, patent medicine shops and social marketing of two condom brands). The 1990 NDHS showed that 37% of current users of modern family planning receive their supply from government facilities (in 1990, there were 1,415 public family planning sites; in 1993 there are 1,785 sites). Forty-three percent of current users obtain their services through private sector outlets. The Planned Parenthood Federation of Nigeria (PPFN) provides about 4% of the national users with family planning services. The program is increasing the involvement of the private sector in the program, including strengthening PPFN to provide more and improved services.

The private sector provides mostly temporary methods such as pills, condoms, vaginal foaming tablets while the public sector is the major provider in long-term methods, including IUCDs, sterilization and NORPLANT. Using sales, distribution and consumption data of USAID-financed contraceptives, couple year of protection (CYP) figures can be calculated. These figures standardize all contraceptive use into one measure to allow for: similarity between different contractive types and comparison between project sectors (private/public) and other country programs.

CYP Generated 1988-1993

	1988	1989	1990	1991	1992	1993*
PRIVATE	14,752	64,317	128,332	214,328	217,516	240,318
PUBLIC			433,710	337,848	365,868	210,196
TOTAL	14,752	64,317	172,042	552,176	583,384	450,514

*Data is only for the time period Jan-Aug.

TARGET #1.1: Increased Demand for Modern Contraceptive Methods

In 1988, the Nigerian Population Policy was enacted. At that time, it was considered "taboo" to discuss family planning in public. Family planning is now openly discussed in all of the media, the result of very successful IE&C efforts largely undertaken by FHS.

The first step in increasing demand is to induce behaviour change through awareness and knowledge creation programs. In 1992, a National Family Planning Logo campaign was launched by the MHSS and the states, with substantial financial and technical support from FHS. The logo was posted at 40,692 sites to identify them as family planning service delivery sites. IEC materials (posters, billboards, danglers and indoor stickers with the message "Child Spacing Services Available Here") were given to each facility. Television and outdoor advertising continue to complement the campaign. In June, 1992, three months after the start of the logo campaign, 30% of Nigerbus respondents had seen the symbol, of which 6% could describe it accurately. As recently as the April, 1993 Nigerbus survey, four months after the advertising campaign ended, 24% of all respondents had seen or heard about the log, and 56% of these could describe it accurately.

Achievement: The family planning logo, developed with the assistance of the FHS project, played a significant role in opening the discussion on family planning.

More important, as a measure of how attitudes towards family planning are changing in Nigeria, among the 46% of the April, 1993 Nigerbus respondents aware of specific family planning/child spacing methods, over 87% approve of couples who use these methods.
Data from a nationwide survey (FOS survey in 1992) shows that, by the end of the campaign in December 1992, 33% of men and women interviewed had heard of the campaign, and 66% of these could describe it accurately. The FOS quarterly survey also reflects an increase in awareness, the most recent data suggesting that 77% of people interviewed have heard of family planning. IEC efforts will henceforth focus of increasing method and source specific knowledge to increase demand for family planning services.

At the clinic level, materials for client instruction and counselling have been produced in several local languages. However, for these materials to continue to be available, it is essential to establish and maintain a system to reprint and re-supply these materials on a regular basis. FHS has worked towards developing this type of system by strengthening the institutional capability of several organizations to develop and produce media and client materials.

TARGET #1.2: Increased Availability of Modern Contraceptive Methods

Availability of contraceptives consists of three factors results from accessibility to health facilities (e.g. distance, trained provider, open during appropriate hours, etc.); access to contraceptives (e.g. commercial outlets); and full range of contraceptives.

Availability of health facilities: Since 1988, FHS has equipped 1,200 clinics to provide IUCDs and temporary methods (injectables, pills, VFTs and condoms). Before 6/30/94, FHS plans to upgrade 70 clinics to provide the full range of family planning services including VSC and NORPLANT and 187 clinics to provide IUCDs and temporary methods. Improving these clinics should facilitate meeting the rising demand for family planning.

The 1990 DHS report indicates that 31% of clients must go 0-4 miles for services, 14% must go 5-9 miles, and 37% must go more 10 miles. An update of this data will be provided by DHS 94. We have no information, as of yet, on whether distance from services is a major impediment of increased contraceptive use.

Access to contraceptives: During the family planning logo distribution exercise in March-June, 1992, 40,692 sites were identified as actual or potential locations/outlets for family planning products or services. Of this number, 33,180 or 81.5% said that they offer family planning products, services or information. Among this group, 81% said they offer condoms; 71.3% orals; 44.7% VFTs; 25.5% injectables; 14.1% IUDs; and 3.3% sterilization. There are significant regional differences. However, the program has been plagued by commodity stock-outs in both the public and private sector. Of the 33.180 locations identified during the logo campaign as offering family planning services or products, over 28,000 indicated difficulty in obtaining products.

USAID and FHS are working with the FMOH and private sector organizations to ensure that there is enough commodity supply in country, that there is timely distribution to service delivery sites, and that contraceptive needs are forecast and procured enough in advance to avoid stock-outs. FHS is assisting the Ministry of Health to build warehouses, to provide storage of commodities at the zonal level.

The private sector in Nigeria is extremely entrepreneurial and has relatively been untapped by the family planning program. The benefit of the social marketing campaign has greatly enhanced the market for family planning goods. In 1990, 2.3 million condoms were sold annually; in 1993 approximately 3 million condoms are being sold per month. Plans are being developed to also socially market pills in 1994, which will enhance consumers access to the product. The ability of USAID to procure injectable contraceptives will increase the availability of this method, which is well accepted in Nigeria but has been plagued by stock-outs. Lastly, USAID/Nigeria anticipates that NORPLANT, readily accepted in trials over the past five years, will be approved by the Nigerian Food and Drug Commission sometime in late 1993.

Service providers. Since 1988, FHS has trained approximately 15,000 service providers. The main training areas include: interpersonal communication, non-clinical and clinical family planning methods, supervision, management, MIS, financial management and counselling. The project has begun to institutionalize training capabilities by working with university teaching hospitals and establishing of a network of Nigerian trainers.

To increase CPRs, the FHS project has worked with several levels of government and with

NGOs to refurbish and upgrade clinic sites to provide greater access to long-term family planning methods. Efforts have been focused on the private sector outlets (clinics, hospitals, patent medicine shops and social marketing of two condom brands).

The graph on page 10 presents a summary of total quantities of contraceptives shipped into Nigeria from 1988 through 1992.

Full range of contraceptives: FHS has improved the copntraceptive method mix by providing more long-term methods to users, such as VSC and NORPLANT. By increasing, the facilities that can provide long-term methods, the number of trained providers, IE&C materials at the clinic level client counseling, and commodities supply USAID/Nigeria expects to increase the availability of these services with a parallel rise in contraceptive prevalence rates.

TARGET # 1.3: Enhanced Quality of Family Planning Services

Since 1988, FHS has trained approximately 15,000 service providers and will train an additional 350 before 6/30/94. The main training areas include: interpersonal communication, non-clinical and clinical family planning methods, supervision, management, MIS, financial management and counselling. The project has tried to institutionalize training capabilities by working with university teaching hospitals and establishing of a network of Nigerian trainers. Training of providers is extremely important to increase the quality of care being provided to consumers. In particular, counselling is essential for a client to understand all the options, side effect and make an informed choice. Better counselling practices would dispel rumors and educate the client on what to expect while using a specific method. FHS has trained many cadres of health personnel in counselling and will continue to do so. Counselling and provider attitudes could greatly reduce the present high discontinuation rates. In addition, IE&C materials must be available for client instruction and to identify service delivery points.

There are many reasons that woman who intend to use contraception, do not; for example, distance to the provider, rude providers, client waiting time, no available supply, side effects religion and husband's disapproval. In recent surveys, it was reported that client continuation of family planning methods is very low. After the first month of use, 30% of clients had not returned and after one year 70% had dropped-out from using contraception.

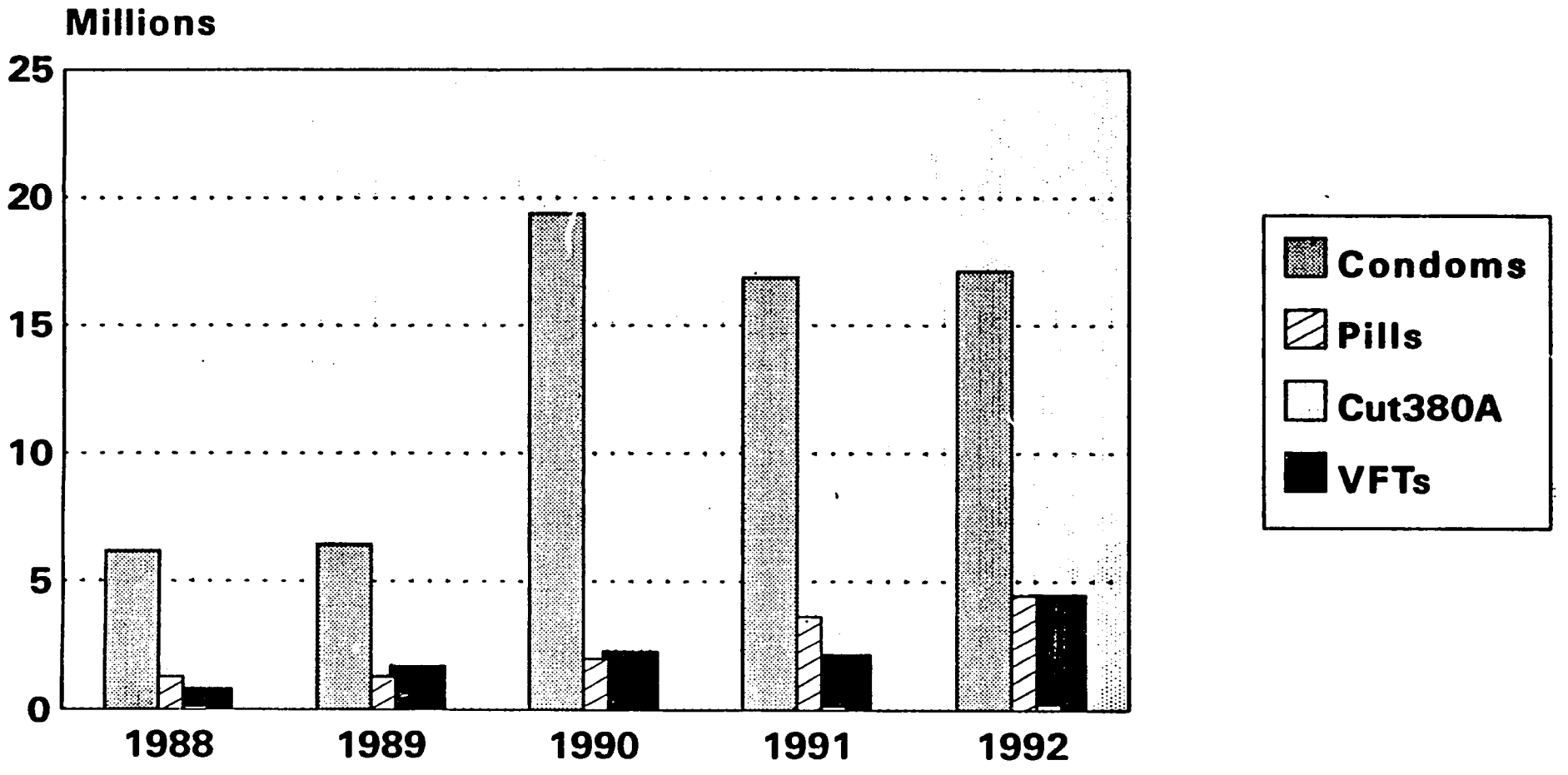
The Nigerian Family Planning Situation Analysis explored a number of areas concerning the quality of family planning services. Some results form this analysis are presented below.

- The analysis showed that the client waiting time did not appear to be a barrier to service; 39% of clients had no waiting time; 39% waited less than 30 minutes; and only 5% of the clients felt they waited too long.

- Duration between the provider and client was substantial: For new clients an average time of 33 minutes was spent with the provider, and for revisits for check-ups and resupply the mean duration was 19 minutes.

FHS PROJECT COMMODITY SHIPMENTS FROM AID/W TO NIGERIA 1988 - 1992

PRIVATE & PUBLIC SECTORS



FHS/CLMD

- Mechanism to encourage continuity were used by many providers: 91 % of clients were told by providers when to return and 76% were provided a memory prop for the revisit. However, 62% were not told what to do if there were problems and 43 percent were not to where to go for resupply.

- Client satisfaction was high when clients were asked about the services they received at the clinic; very satisfied 56%, satisfied 42%. However, clients did not always get what they asked for when they entered the clinic. Approximately 50% of clients who would have preferred another method had an IUCD inserted, 15% received injectable and 14% received combined pill. Not getting one's preferred method may lead to discontinuation, showing client satisfaction many not be as high as clients' initial verbal response, and that there may be provider bias in choice of method.

It is very difficult to estimate the number of complications that arise from family planning. Most IUDs in Nigeria are inserted by nurses/midwives, but they are trained to deal with complications. Doctors, on the other hand, are not trained to insert IUDs but are responsible for complications. FHS is trying to equip more physicians be more involved to deal with these complications.

STRATEGIC OBJECTIVE #2: Improved Maternal and Child Health

Nigeria has high rates of infant mortality (90/1000), child mortality (115/1000), and maternal mortality (15/1000).. Yet, measurable progress has been made since a 1960 World Bank report which indicated a child mortality rate of 204/1000.

High rates of infant mortality are the consequence of many factors, including socioeconomic conditions, interbirth interval, prenatal care, conditions of delivery, infection, and malnutrition. High child mortality rates reflect the interaction of poverty infection (malaria, ARI, diarrhea), undernutrition, and limited access to quality health care. The first years of USAID project support have vastly expanded the available network of trained PHC providers, equipped facilities and supportive local leaders. The new NCCCD project is poised now to delivery the promise of available, acceptable quality PHC services.

NCCCD has the opportunity to make significant progress in the reduction of child mortality in the project's focus states and LGAs through implementation of planned child-survival interventions. Priority attention is directed to five preventive child-survival issues: immunization, infant and child nutrition, safe motherhood, maternal nutrition, and child spacing. These priorities are translated into targeted interventions, as presented in Table 1.

Each focus state is assigned a Nigerian State Based Epidemiologist (SBE) employed by the project to direct implementation of these targeted interventions at the state and LGA levels.

TARGET #2.1: Improved Immunization Practices and Coverage

The Nigerian immunization program began in 1966. Like so many other developing countries, Nigeria's experience has been characterized by profound swings in the rates of coverage. Immunization rates have gone from an overall high of 80% in 1990, to a current low of 30%.

A series of National Immunization Days (NIDs) became the major instrument for raising the immunization rate from 10% in 1983, to 20% in 1987, and to 75% in 1988. The reports that the NIDs peaked in 1988 when the Federal Government decided to boost the coverage by declaring three consecutive NIDs in March, April, and May. A key feature of these NIDs was the fact that they were financed outside the normal budget of the Federal, State, and LGA health budgets, and details are sketchy about how much was actually spent. Government reports estimate that $6 million were contributed by States and LGAs. UNICEF was the lead donor, providing financing for the strengthening of the national cold chain, procurement of vaccines, and training of relevant EIP providers. UNICEF's Lagos office reports that between 1990 and 1991 its support to EIP dropped from $17 million to $3.2 million, with current spending on EPI remaining low.

Nigeria's volatile and evolving political transition has also contributed to the current drop in immunization rates. While the transfer of key responsibilities to local authorities was seen as a positive step, the fledgling local governments lacked trained personnel (from fiscal planners to service providers) to carry out the program. The Table on page 13 presents the general decline in coverage. The 1990 data reflects the period of intense federal and donor contributions to EPI. The NIDs were preceded by national awareness campaigns; the cold chain system was reinforced; vaccines were centrally procured; local health care providers were rigorously trained in EPI procedures. In 1991, with the decentralization of authority for primary health care services, the main responsibility for EPI was thrust upon the LGAs. Residual effects from the former federally based approach were still impacting immunization efforts (e.g., most cold chain equipment were still functional, health care personnel were still in place). However, LGAs were not adequately prepared to forecast and budget appropriately for vaccines. Thus, implementation of continuous EPI services at the LGA level did not have a smooth beginning. By 1992 new states and LGAs were created (going from a base of 350 LGAs, to a total of 593), with the newly created units deprived of adequate cold chain equipment, trained health care providers, and fiscal planning to support the EPI program...a problem that has yet to be resolved. The 1993 figures are of concern. However, we note the relatively higher coverage rates present in the CCCD focus states. In areas were the percentages are reported as being above 100, there is speculation that the local population was underestimated at the time of the census.

Presently, only two of four national EPI cold stores are functioning and approximately half of the states require new or replacement cold chain equipment. Preliminary estimates from a recently constituted Technical Committee (10/93) which is reviewing the current low EPI rates suggests that about $27 million will be needed in 1994 to revitalize the EPI infrastructure (particularly the cold chain) and raise coverage rates by approximately 30%.

ANNUAL EPI REPORT FOR 1993 SHOWING % COVERAGE OF INFANTS

NATIONAL AND NCCCD FOCUS STATES

VACCINE	NATIONAL	ANAMBRA	ENUGU	KEBBI	LAGOS	NIGER	OSUN	OYO	PLATEAU	SOKOTO
BCG	15	10	27		16		68	62	73	
DPT1	13	10	23		17		65	71	27	
DPT2	11	9	24		16		55	49	22	
DPT3	10	8	21		15		54	44	19	
POLIO 0	10	7	23		11		55	49	19	
POLIO 1	12	11	24		17		64	49	40	
POLIO 2	11	9	22		16		56	50	21	
POLIO 3	9	8	21		15		51	27	19	
MEASLES	11	8	19		15		58	50	32	

ANNUAL EPI REPORT FOR 1992 SHOWING % COVERAGE OF INFANTS

NATIONAL AND NCCCD FOCUS STATES

VACCINE	NATIONAL	ANAMBRA	ENUGU	KEBBI	LAGOS	NIGER	OSUN	OYO	PLATEAU	SOKOTO
BCG	63	45	77	121	44	50	138	136	38	43
DPT1	56	45	136	113	48	49	127	116	32	39
DPT2	51	37	68	97	45	35	115	100	26	35
DPT3	49	36	75	107	41	31	110	94	24	37
POLIO 0	29	17	64	0	30	33	120	98	15	0
POLIO 1	57	47	71	110	47	48	274	111	33	39
POLIO 2	47	37	70	97	44	36	115	94	27	37
POLIO 3	44	36	76	109	41	30	122	88	22	36
MEASLES	49	32	53	127	37	37	122	92	33	52

ANNUAL EPI REPORT FOR 1991 SHOWING % COVERAGE OF INFANTS

NATIONAL AND NCCCD FOCUS STATES

VACCINE	NATIONAL	ANAMBRA	ENUGU	KEBBI	LAGOS	NIGER	OSUN	OYO	PLATEAU	SOKOTO
BCG	60	48			45	46		127	63	28
DPT1	54	41			53	45		106	53	27
DPT2	48	43			50	37		99	43	26
DPT3	48	53			50	31		99	41	30
POLIO 1	55	55			51	44		105	55	26
POLIO 2	48	42			48	36		102	44	25
POLIO 3	48	53			49	30		98	46	29
MEASLES	48	44			39	34		83	62	37

ANNUAL EPI REPORT FOR 1990 SHOWING % COVERAGE OF INFANTS

NATIONAL AND NCCCD FOCUS STATES

VACCINE	NATIONAL	ANAMBRA	ENUGU	KEBBI	LAGOS	NIGER	OSUN	OYO	PLATEAU	SOKOTO
BCG	109	62			43	96		160	158	166
DPT1	99	60			47	89		120	127	139
DPT2	81	52			43	66		99	103	127
DPT3	78	54			40	54		97	96	145
POLIO 1	99	59			48	88		122	127	142
POLIO 2	80	49			43	64		99	103	128
POLIO 3	78	55			40	54		100	95	145
MEASLES	91	50			38	67		112	121	162

NOTE: 1. In 1993, kebbi, Niger and Sokoto did not send any routine EPI data.

2. Coverage above 100% could be due to immigration or outmigration, and over reporting or under reporting.

3. In 1991 and 1990 CCCD only had six focus States.

NCCCD efforts, which will be reflected in the work plans now in development, are focused on increasing the local government infrastructure and personnel capacity to effectively implement the immunization program, including procurement of vaccines, and the maintainence of a operational cold chain system.

TARGET # 2.2: Improved Case Management of ARI, Fever and Diarrhea

Research supported by CCCD indicates that overlap between symptom complexes is common throughout Nigeria (e.g., 90% of children with pneumonia also met the case definition for malaria). During this first year of NCCCD, improved assessment and treatment strategies are expected to emerge to cover the three major causes of childhood morbibity and mortality; i.e., fever (malaria), ARI, and diarrhea. This is in line with WHOs current emphasis on a more holistic approach to clinical assessment and treatment. One of the NCCCD SBEs has developed a wall chart/flow chart which can be used in clinic settings as a quick reference in implementing this comprehensive approach to initial patient symptom reviews.

> Malaria: UNICEF (1990) reports Nigeria's malaria mortailty for children under 12 months at 12.5%, and a malaria mortality rate of 7% for children under five years of age.

The NCCCD malaria initiative will collaborate with the MHSS, participating SMOHs and LGA Health Departments to utilize a multidisciplinary approach to reduce: (a) mortality in young children by proper management of malaria illness and by reduction of the frequency of low birth weight; and (b) morbidity in young children as measured by the duration of acute illness, frequency of recurrent illness, and the prevalence and degree of malaria-associated anemia.

The malaria control strategy will emphasize: (a) integration of the management of pediatric malaria, along with diarrhea and ARI, into a comprehensive program for the treatment of the sick child; (b) early recognition and adequate treatment of cases to reduce deaths and duration of illness; (c) prophylactic use of effective antimalarial drugs during pregnancy to prevent severe malaria and anaemia in the mother, particularly, during first and second pregnancies; (d) periodic training of health workers to implement recommended malaria control activities; (e) provision of adequate quantities of recommended antimalarial drugs; (f) community mobilization and health education; (g) maintenance of trained Malaria Control Staff at the MHSS and State Ministries of Health (SMOHs) for planning and monitoring guidance; and (h) support of operations research leading to improved malaria control.

> Control of Diarrheal Diseases (CDD): A FMOH report (1989) estimated 83.2 million annual cases of diarrhea among children under five years of age, with an estimated diarrhea mortality rate of 4/1000 episodes.

The diarrheal disease component of NCCCD will: (a) integrate case management strategies and

interventions for diarrhea along with fever (malaria) and ARI into a comprehensive program for the treatment of the sick child; (b) improve case management of infants and children presenting with diarrheal disease; (c) reinforce the promotion of ORS and use of home fluids; (d) promote the use of breastfeeding and weaning foods; (e) integrate nutrition and child feeding into the Nigeria CDD program, including comprehensive promotion of breastfeeding and child feeding; (f) involve the private sector in weaning food production and marketing; and (g) undertake other CDD activities linked to nutritional concerns, such as growth monitoring.

CDD interventions will include: (a) development of a Diarrhea Treatment Unit (DTU) in each focus state; (b) distribution of ORS to health facilities in focus states; (c) establishment of an ORT corner in each hospital or clinic in all focus LGAs and ORT corners in at least fifteen non-focus LGAs in focus states; and (d) institutionalization of CDD training through CEU programs.

Acute Respiratory Infections (ARI): The objectives of the ARI program are a reduction of: (a) mortality attributable to pneumonia in children under five years of age; (b) inappropriate use of antibiotics and other drugs for the treatment of ARI in children; and (c) the incidence of acute lower respiratory tract infections. As ARI cases are often accompanied by malnutrition, NCCCD will prepare and institutionalize protocols for treating malnourished children with ARI.

ARI program strategy will emphasize case management - the early detection and treatment of pneumonia cases in children under five years of age, while stressing the importance of high coverage rates for immunization against measles and whooping cough. Efforts will be directed to the development of appropriate preventive strategies and interventions subject to appraisal of effectiveness, cost, and feasibility. In view of data demonstrating that Vitamin A supplementation reduces pneumonia mortality, pilot studies to document Vitamin A effectiveness in Nigeria will be considered. NCCCD will work with the MHSS, participating SMOHs and LGAS, and other donors, particularly UNICEF, to assure the availability of ARI drugs in both the public and private sectors.
ARI training units (ATU) will be developed using the same sites as those established for the diarrheal disease training units (DTU). The ATUs will be used for the training of trainers for smaller training units established in model LGAs. The ATUs will demonstrate the application of ARI treatment protocol in inpatient and outpatient settings and serve as venue for the practicum during clinical management training courses on ARI.

A phased Information, Education, and Communications (IEC) program will play an important role in the ARI program to educate health workers on the standard case management protocol and create an awareness among mothers on home care for children with simple coughs and colds and early signs of pneumonia.

TARGET #2.3: Improved Child Nutrition Practices

Nutritional status is widely accepted as an indicator of general well being. The 1990 NDHS documented both chronic malnutrition (stunting: 39.1%) and acute malnutrition (wasting: 5.0%).

Rates were higher in the two northern health zones regarding chronic malnutrition (NW: 46.1%; NE: 45.8%). Acute malnutrition was highest in the NE at 7.6%. This data reflects the status of childres aged 1 to 59 months.
The NCCCD project will focus on the improvement of the nutritional status of children under thirty-six months of age with special emphasis on the reduction of protein energy malnutrition and micronutrient deficiencies. Nutrition initiatives will include education and communications, training and research and studies. The five planned initiatives are breastfeeding promotion, child feeding (weaning), nutrition and the reduction of diarrheal, ARI, and measles mortality, case management protocols, and growth monitoring and promotion.

Because of the high prevalence of micronutrient deficiencies in Nigeria and the linkages of these deficiencies to child morbidity (particularly with respect to diarrhea and ARI) and mortality, the nutrition intervention will (a) focus on assessing the geographical distribution of these problems and (b) design follow-up pilot projects to test the cost-effectiveness of Vitamin A, iodine (I) and iron interventions in focus LGAs.

TARGET 2.4: Improved Maternal Care

Nigeria continues to have one of the highest maternal mortality rates in the world (800/100,000 births). While statistically strong data is hard to come by, maternal death rates of 1 per 100 deliveries have been postulated. High mortality rates reflect the cumulative risk of high fertility, short birth intervals, lack of attended delivery, lack of referral facilities for obstetrical emergencies. SOGYN, Nigeria's ob/gyn association recommends at least six prenatal visits. However, in Nigeria the majority of women (52%) recieved only two prenatal visits. In addition, Nigerian women tend to initiate prenatal care rather late in their pregnancy; 42% sought prenatal care in the sixth month of pregnancy.

The majority of all births (61%) take place at home, while 31% occur in a health facility. Maternal mortality is likely to be reduced if a trained medical person attends the delivery. In Nigeria,

36% of all births are attended by a doctor,
20% of all births are attended by nurse/VHW/TBA,
35% of all births are not attended by medical personnel.

In light of these statistics, NCCCD will implement three initiatives to improve maternal care:

1. Maternal Nutrition (Clinical and operations research; ethnographic research on constraints to improved maternal nutrition and development and implementation of health education and communications approaches focused on maternal nutrition).

2. Child Spacing.

3. Safe Motherhood to reduce maternal and infant mortality associated with delivery.

TARGET OF OPPORTUNITY: Improved HIV/AIDS/STD Prevention and Control Practices

Data on HIV/AIDS in Nigeria. AIDS in Nigeria was put on the national agenda by former Minister, Prof. Ransome-Kuti, who convinced the military president, General Babangida, to hold a national conference to launch a "War on AIDS". The program has moved to the point where there is now wide discussion and good knowledge of AIDS, though accepted thinking continues to be that Nigerians are immune from the disease. A National AIDS and STD Control Program (NACP) is functioning, particularly with A.I.D. support through local currency funds. All 30 States have, nominally, set up AIDS committees and many are undertaking awareness campaigns.

While Nigeria has consistently ranked at the bottom of the list of HIV/AIDS afflicted countries, this may be due to bad data rather than bad blood. Most experts believe that there is gross under-reporting and misdiagnosis. Lack of blood screening equipment continues to be a major impediment both to obtaining data and to stopping the spread of the disease (20% of blood donors have been found to be HIV positive). The rate of infection among commercial sex workers (CSW) is running 40 to 50% of CSWs tested. The observed increase in the number of AIDS cases is a reflection of the HIV status of the nation with a steep epidemic J-curve. Data is beginning to be more refined and accurate. Data from the WHO AIDS surveillance report, Sept. 1993, shows the following:

Cumulative AIDS cases, 1986-93	917
New AIDS cases, 1992	367
1993 (6 months)	212
Males	62%
Females	38%
Pediatric age group	3.5%
20-39 age group	66%

Mission AIDS intervention: A.I.D.'s response has been through the centrally funded AIDSCAP project (FHI is the contractor), and a mission/REDSO contract with PSI for condom social marketing. Africare is a sub-contractor to FHI to develop NGO's working in AIDS. The project is working in four states which are most at risk because of population and high industrial and military presence.

While the AIDSCAP project has been slowed because of the political situation, it has been able to undertake the following major tasks:

- establish an office in Lagos, and branch offices in two other States.
- negotiate, fund and begin implementation of three sub-projects with AIDS related NGOs.

- assist the NACP to run the fist HIV/AIDS epidemiology and surveillance course for 30 State AIDS Program Coordinators.
- provide technical assistance to several States on AIDS workshops and awareness campaigns.
- conduct workshops for NGOs participating in the program.

The PSI condom social marketing program has expanded rapidly. In 1988, condom shipments to Nigeria totalled about 5 million pieces for both public and private sectors. In 1993, PSI's conservative estimated need for the private sector alone is 30 million pieces, even before the PSI marketing/advertising campaign begins.

The Nigerbus survey of approximately 4,000 people now includes questions on AIDS knowledge, awareness and practices. In the June, 1993 Nigerbus, 82% of respondents stated that they had heard of an illness called AIDS; 81% thought that AIDS is a significant problem in Nigeria, though 82% thought they could not get AIDS; 54% have made some changes in life style to avoid contacting AIDS; and over half of the respondents have heard about AIDS on radio and TV.

Annex I, Table 1/1

Program Logframe for Strategic Objectives and Target Levels
Status of Acheivements, November, 1993

CPSP OBJECTIVE OR TARGET	CPSP: API INDICATORS • QA/PROCESS SUB-INDICATORS	BASELINE (as of year and source of data)	Prelim. 1992	Proj. 1993	Proj. 1994	Proj. 1995	Proj. 2000
Strategic Objective 1: Increased voluntary use of Family Planning	**Increased CPR among women of reproductive age.**	7.5% (1990 DHS)	15%				19%
	Increased prevalence of modern method of contraception • *Increased average number of methods provided per SDP* • *Increased proportion of SDPs stocking 6 or more methods*	3.6%	6% 4.5 23% (1992 Sit. An)				16% 6.0 >80%
	Increasing prevalence of long-acting and clinical methods • *Increased proportion of women at SDPs who have heard of female sterilization* • *Increased proportion of clinics with basic equipment (ie sterilizers)* • *Increased proportion of FP providers trained in VSC counseling*	2.3%	57% 55% 11% (1992 Sit. An.)				16% 80% 80%
	Increased CYP • *Reduced unmet need for FP* • *Increased demand for FP services*	1.8 MIL 20.9% 26.8% (1990 NDHS)	3.6 MIL				5.3 MIL
Target 1.1: Increased Demand for Modern Contraception	**Increased proportion of all women of reproductive age knowledgeable of at least one modern method of FP**	43.6%					80%
	• *Increased use of health talk with FP at SDPs* • *Increased proportion of new users with FP method preference*		31% 55% (1992 Sit. An.)				60%
	Increased proportion of men knowledgeable of at least one modern method of family planning						80%
	Increased proportion of all women of reproductive age knowledgeable about family planning and approving of family planning • *Increase proportion of women at SDPs who have heard of FP*		80% (1992 Sit. An.)		95%		100%
	Increased proportion of all men knowledgeable about family planning and approving of family planning • *Decreased % of couples who have never discussed FP* • *Increased proportion of women who discussed FP with husband* • *Reduced % of couples where husband disapproves of FP*	58.1% 41.% 2.6% (1990 NDHS)					
	Increased proportion of all currently married women wishing to space or limit their number of children • *Increased proportion of providers recommending methods for spacing* • *Increased proportion of providers recommending methods for limiting*	48%	47% 54% (1992 Sit. An)				70%
Target 1.2: Increased Availability of Modern Contraception	**Increased proportion of all women of reproductive age knowing a source of modern contraception**	33.2%					80%
	• *Increase proportion of women attending clinic who know FP is available* • *Reduced median time to source for FP users*	30.4 min (1990 NDHS)	77% (1992 Sit. An)				>90%

	Increased volume of imported contraceptives	Condoms = 17 MIL Pills = 2 MIL IUDs = 86,000	33 MIL 4 MIL 130,600				45 MIL 10 MIL 650,000
	Increased number of service sites in public and private sector providing the full range of long-acting and clinical methods	All Private SDPs = 36,771 All Public SDPs = 6,323 (LGA = 4,439; State = 669; Federal = 215)	1,786				
	• *Reduced proportion of SDPs with no clients*		6%				<1%
	• *Reduced proportion of clients bypassing nearest SDP for services*		41%				10%
	• *Increased proportion of SDPs offering services 6 or more days/week*		3%				80%
	• *Reduced proportion of SDPs opening late*		31% (1992 Sit. An)				<5%
Target 1.3: Enhance Quality of Family Planning Services	Increased client continuation rates	70% after 1 month 30% after 1 year					
	• *Reduced proportion of clients stopping or switching*		7%				<1%
	• *Increased proportion of clinics with privacy*		62%				95%
	• *Increased proportion of SDPs that are "clean"*		65%				100%
	• *Increased proportion of clients who received desired services*		86% (1992 Sit. An)				
	Increased number of new clients referred by previous clients	242,283	222,342				
	• *Increased proportion of clients who heard of services from friends and family*		20%				60%
	• *Increased proportion of clients given IEC materials to take home*		12%				
	• *Increase proportion of FP providers explaining procedures to clients*		68%				
	• *Reduced proportion of client who say they wait too long for service*		5%				
	• *Decreased proportion of clients who wanted another method*		23% (1992 Sit. An)				
	Decreased numbers of complications resulting from previously received services						
	• *Reduced proportion of clients at SDPs with complications*		10%				<2%
	• *Reduced proportion of clients with complications due to IUD*		62%				<5%
	• *Increased proportion of providers trained to provide F.P. at SDPs*		91%				
	• *Increased proportion of client given information about problems*		62 % (1992 Sit. An)				
Strategic Objective 2: Improved Maternal and Child Health Practices	Decreased infant mortality	90/1000	87/1000				75/1000
	• *Reduced number of children even born to teenagers*	0.3					
	• *Reduced numbers of small and very small infants*	16.2% (1990 NDHS)					
	• *Reduced neonatal mortality rate*	45/1000 (UNICEF, 1990)					
	Decreased child (1-4) mortality	204/100 (1990 World Bank) 115/1000 (1990 NDHS)					90/1000
	• *Increased proportion of children with signs of ARI taken to health facility*	34.6%					
	• *Reduced prevalence of diarrhea in 2 weeks before survey*	17.9% (1990 NDHS)					
	Decreased rate of severe malnutrition	9.1%					5%
	• *Reduced percentage of children 1-59 mos who are stunted*	43.5% (1990 NDHS)					
	Decreased rate of high risk births	79%					60%
	• *Reduced % of births to high risk women*	38.6% (1990 NDHS)					
	Decreased rate of maternal mortality	15/1000					10/1000
	• *Urban maternal mortality*	6/1000					
	• *Rural maternal mortality*	18/1000 (UNICEF, 1990)					
Target 2.1: Improved Immunization Practices and Coverage	8 of 10 critical EPI elements performed correctly						
	80% of children <1 have received scheduled DPT1, OPV and measles vaccinations	14.1% (1990 NDHS)					80%
	• *Increased proportion of FP clients counseled about immunizations*		5% (1992 Sit. An)				

148

	Measles morbidity reduced	156.1/100,000 (UNICEF, 1981-86)					
	Polio incidence reduced	40/100,000 (UNICEF, 1981-86)					1/1000
	75% of women delivering have received protective levels of TT in last 12 months • *Increased proportion of women with TT 2 or more at delivery* • *Tetanus morbidity*	*40.9% (1990 NDHS)* *2.9/100,000 (UNICEF, 1981-86)*					75%
Target 2.2: Improved Case Management of ARI, Fever (Malaria) and Diarrhea	Increased correct home case management of fever by child caretakers • *Malaria under 1 mortality* • *Malaria under 5 mortality*	60% *12.5%* *7% (UNICEF, 1990)*					80%
	Increased correct home case management of diarrhea by child caretakers • *Increased proportion of mothers who know about ORS* • *Increased proportion of mothers who used ORS for child's diarrhea* • *Est proportion of population with access to ORS*	30% *14.4%* *12% (1990 NDHS)* *25-30% (FMOH, 1991)*					80%
	80% of children <5 seen at health facilities with ARI, fever(malaria) and diarrhea received care meeting standards re: clinical assessment, treatment and counseling by year 2000 • *Increased proportion of children with fever taken to health facility* • *% within four kilometers of health services (urban/rural)* • *Est number of cases of diarrhea among children <5 yr* • *Est diarrhea mortality among children <5 yrs*	*30% (1990 NDHS)* *75%/30% (UNICEF, 1990)* *83.2 million* *4/1000 episodes(FMOH, 1989)*					80%
Target 2.3: Improved Child Nutrition Practices	Infants 0-4 mos. exclusively breast-fed increased from 1% to 10%. • *Increased proportion of FP clients counseled about breast feeding* • *Increased proportion of women breast feeding on first day* • *% mothers breast feeding children 12-23 mos (urban/rural)*	1% *49.9% (1990 NDHS)* *52%/69% (1990 UNICEF)*	1.3% *5% (1992 Sil. An)*				10%
	Mothers feeding nutritious food to infants 6-9 months increased from 70% in 1990 to 90% by Yr. 2000. • *Average daily protein intake in grams*	70% *43 gms*					90%
	Vitamin A and Iodine deficiency in <5s decreased	Vitamin A. = N/A Iodine = 39%					
Target 2.4: Improved Maternal Care	Pregnant women with 2 prenatal visits from trained health providers increased from 62% in 1990 to 75% in year 2000.	62%					75%
	Births attended by trained attendants increased from 30% in 1990 to 50% by year 2000. • *Reduced proportion of births with no one in attendance*	30% *67.7% (1990 NDHS)*					50%
	Postpartum women informed and offered birth spacing information and services increased from <10% to 25% by year 2000	<10%					25%
	Postpartum women using modern methods of contraception increased from <5% in 1990 to 20% by yr 2000	<5%					20%

Cross Cutting Target: Improved Planning and Management of Public and Private Health Systems	**Public Sector personnel at the Federal, State and LGA level will routinely: develop workplans and budgets, monitor the collection and analysis of project specific data, design implement and assess IEC programs and strategies; use OR to address relevant MCH/FP program and policy issues; implement and monitor effective logistics systems; ensure sufficient numbers of staff are trained; collect analyze and disseminate epidemiological and program data related to AID supported interventions.** • *Increase proportion of SDPs with service statistics* • *% FP facilities reporting/month* • *Increased proportion of SDPs with client records in "good condition"* **Private sector personnel will routinely offer clients MCH/FP services the comply with practice standards; provide data to the FMOH on client acceptance of MCH/FP services**		***84% (1992 SitAn)*** ***11.8% (NPHCDA/M&E)*** ***85% (1992 Sit. An)***				
Target of Opportunity: Improved HIV/AIDS/STD Prevention and Control Practices	**Increased availability of condoms** **Improved knowledge, attitudes and behavior concerning HIV transmission** **Increased identification and treatment of HIV, AIDS and STDs.**						

FHS PROJECTS TARGETS AND ACHIEVEMENTS

ANNEX I
TABLE 2/1

	MAJOR FHS I TARGETS	*FHS ACHIEVEMENTS*
1.	A national contraceptive prevalence rate of approximately 12%	The 1992 FOS contraceptive prevalence survey indicates a total CPR of 14.6% with 7.8% of this attributed to modern method use.
	80% of the population aged 15-49 will have a knowledge of family planning concepts. Attitudinal changes favoring smaller family norms. IEC activities/materials developed to support private and public family planning services. National, state and LGA level action programs developed for private and public sector.	General: The 1992 FOS contraceptive prevalence survey indicates that 77% of the population of reproductive age is aware of family planning as a concept. The RMS 1992 Nigerbus data indicates that of respondents who know about family planning, over three quarters approve of it. Specific: Two national multimedia campaigns implemented in collaboration with PPFN and the FMOH. Over 6,000,000 motivational and information materials produced and distributed to more than 30,000 public and private sector health facilities and outlets. Multimedia campaigns executed or ongoing in 15 states Produced over 1,000 television, radio, newspaper/magazine advertisements, feature programs and live dramas. Standard curricula developed and used for training in counseling; FLE; materials development and formative research. Training video produced to complement counseling training. 1,200 press kits for journalists produced and ready for distribution. Public relations and other activities with journalists supported. Over 30 workshops for journalists, traditional and religious leaders and other special target groups executed. Audiovisual equipment provided to over 30 institutions.

TABLE 2/2

2.	Family Planning information, services and/or commodities provided through approximately 2,000 private sector outlets. 70% of contraceptive users served through the private sector. Distribution network established to provide private interests with commodities. Private sector trained in providing family planning information, services and/or commodities.	General Over 6,600 private sector health facilities and outlets have been provided commodities and training for personnel Specific More than 4,500 distributors and trading companies are selling family planning commodities. Nearly 30 trainers equipped to train private sector providers. 2,250 nurses from private sector trained in clinical services including IUCD insertion. 4,395 pharmacy personnel trained in family planning methods and counseling. Over 1,400 vendors trained to provide family planning counseling and services. Advertising campaign executed for Right Time Condom. OCs advertised through trade journals.
3.	Family planning and health-related information and services provided through at least 3,600 public service delivery points. 30% of contraceptive users served through the public sector. Clinical service delivery points equipped. Public sector health personnel trained to provide improved information, services and program management. Management systems for family planning programs developed and/or improved.	General: Over 3,000 public sector staff trained in service delivery and 500 facilities equipped for family planning services including IUCD insertion. Specific: Standards of Practice for family planning developed and distributed in collaboration with Federal Ministry of Health. Standard family planning curricula developed, pretested, and finalized for pre-service training in Schools of Midwifery and Schools of Health Technology. Curriculum development underway for Schools of Nursing and Medical Schools. Standard curricula developed for CSPs, CHEWs, VHWs and physicians. National MIS system for family planning developed and operational under primary health care system. Training provided in public sector for 1,623 midwives; 84 physicians; 1,415 CHEWs; 1,062 VHWs. Refresher training provided for 219 midwives and 50 physicians. Management, supervisory, MIS, organizational development and commodities management training provided for over 1,500 public sector employees.

TABLE 2/3

4.	A capability for policy implementation and strategic planning for the national family planning effort. National, state and LGA family planing program policies, strategies and action plans established. Positive support from influential and constituency groups and NGOs for family planning expansion. Establishment of processes for evaluation policy and program acceptability.	General: Over strategic planning and constituency building workshops executed with government officials, religious and traditional leaders and non-governmental organizations. Numerous studies undertaken to assess cost recovery, leadership opinion and contraceptive requirement trends. Specific: Further Analysis Group convened and supported to produce and publish Policy Analysis of the Nigeria Demographic and Health Survey. Over 1,300 representatives of government, non-governmental, and religious and traditional groups oriented on family planning and the population policy. Strategic planning workshops conducted in ten states; Fact Finding missions conducted in eight states. Publications of "Pop Talk" and "Family Health" developed and distributed to over 5,000 constituency groups and opinion leaders. Population policy translated and printed in three vernacular languages. Public sector cost recovery survey conducted.

153

ANNEX 1
TABLE 3/1

Nigeria ASCI-CCCD Achievements 1992-93

Major Interventions/Strategies	Achievements in the Last Year
Expanded Program on Immunizations (EPI)	• Sponsored LID activities in key focus LGAs (ie. Ojo) • Sponsored local theater drama to facilitate campaigns in eight LGAs • Technical assistance to FMOH in administrative re-organization of EPI program. • Technical assistance to EPI teams in focus local governments to develope cold chain management strategies. • Inventory of EPI supplies and cold chain equipment in focus LGAs • Procurement of EPI and Cold Chain equipment for focus LGAs • Coordination of EPI program activities with UNICEF • Collaborated with WHO on investigations of Measles epidemics in Plateau state. • Conducted training in cold chain maintenence for LGA workers • Supported preliminary work on urban EPI strategy for 11 LGAs in Lagos State • Study of EPI coverage (including TT) in Barkin Ladi LGA. • KAP study of mothers and EPI in Plateau state. • EPI managers/supervisors training in Plateau and Enugu states. • EPI technical/management skills taraining for PHC workers in Niger, Plateau and Enugu States. • Developed protocol for "Missed Opportunities" Study in Kaura Namoda LGA
Control of Diarrheal Diseases (CDD)	• Established ORT corners in health facilities in focus states and LGAs • Established ORT demonstration and training unites in Osun and Kaduna States. • In-service training and supervision of ORT clinical trainers in Niger State • Collaborated with WHO in CDD program managers training course. • Finance and logistics support for distibution of 300,000 sachets of ORS for use in northern Nigeria. • Study of diarrheal incidence and mothers knowledge of SSS in Plateau State. • CDD Managment/supervisory skills training for LGA managers in Plataeu, Enugu and Niger States

A3

TABLE 3/2

Malaria/Fever	• Malaria and vector control training of patent medicine vendors in Enugu, Lagos, Osun and Oyo States. • Technical case management training for facility health workers throguth state CE programs. • Supported impregnanted bednets and curtin research study in Nsukka LGA. • Equpped research study site in Enugu State. • Technical assistance to local research team in malaria control. • Provided technical assistance to update national Malaria control guidelines. • Logistics review and drug quality studies in Plateau state. • KAP study of treatment and referral practices among mothers of young children. • Participated in National Malaria technical meeting in Port Harcourt.
Training/Continuing Education	• Trained community health workers on used of home-based records and clinic master cards. • Local dissemination of facility assessment survey findings in Sokoto, Niger and Kebbi States. • Technical assistance for incorporation of CE program into CHAN network. (CHAN provides 40% of health care services in Nigeria) • Developed proposal for TOT training of CEU tutors form Nigeri, Palteau, Enugu and Lagos States. • Routine CE training for LGA managers and health workers in focus states and LGAs. • Supported model community CE committee in Niger State. • Collaborated with PCV on review of CEU coordination activities. • Supported HIV/AID surveilland workship in May 1993. • Sponsored four Nigerian officials at CDC International HIV/AIDS surveillance course in U.S. • Conducted orientation training for staff of Lagos State School of Health Technology • Training for model LGA based CE program in Ojo LGA. • Collaborated with Project REACH in EPI/TOT workshop ;anning. • Supported publication of CEU bulletins in focus states. • Field tested patient education training materials for LGA managers and facility health workers. • Established CEUs in Kebbi and Oyo States
Health Education	• Equipped Niger and Plateau State Health Education Units • Collaborated with FMOH on study of "Effective Health Education Interventions in Nigeria" • Supported development of Modificable Risk Fastor Tracing Systems (MRFTS) by African Regional Health Education Centre (ARHEC) • Supported mobilization of LGA community development committee in Egbeda LGA • Conducted 40-cluster community survey in Barkin-Ladi LGA, Plateau State to focus on immunization coverage, diarrhea and fever treatment practices, breastfeeding and weaning practices, and nutrition.

TABLE 3/3

Operations Research	• Explored OR reseach potential for case managment of sick children at ABU Hospital in Zaria • Developed algorithm and wall chart on Management of the Sick Child. • Provided computer equipment and support for FMOH OR secretariate . • Supported quarterly OR secretariate meeting to review 14 proposals resulting in approval of nine studies.
Institutional Development	• Established new CCCD field offices in Plateau and Niger State • Conducted National Sustainability Assessment
Health Information Systems/Management Information Systems	• Maintained NICARE system. Continued support for development of local MIS competence in use of NICARE data. • Published National Nigerian Bulletin of Epidemiology (Vol. 2, No. 3) • Published special edition of quarterly "Health Watch" Bulletin to issue alert about Lassa Fever Outbreak and control guidleines. • Established editorial board for Niger State "Health Scope", a joint quarterly HIS/Continuing Education newsletter , Lagos State "Bulletin of PHC and Disease Control" and Plateau State Bulletin • Provided computer equipment for CHAN, Jos with training for staff in use of EPID and NICARE • Provided computer equipment and staff training for FMOH Epidemiology division for monitoring vaccine supply and distribution at National Cold Store (Oshodi) • Provided computer software update for Commodities Logistics Management unit. • Support for Lagos State HIS coordinating committee • Technical assistance for computerization of Hospital records at Lagos Mainland Hospital and Minna General Hospital, Niger State (includes production of reports) • Published disease notification data for key LGAs and States. • Technical assistance to Federal Ministry of Health, Dept. of Planning, Research and Statistics for analysis of notifyable disease reports. • Field tested supervisory check list for Montoring and Evaluation activities in Primary Health Care. • Conducted quarterly HIS workshop at Kaduna field office for State and LGA based HIS staff on use of EPID and NICARE. • Technical and financial assistance to FMOH for training of State and LGA workers for PHC Monitoring and Evaluation. • Established computer training centers at Sokoto SMOH and Othman-Danfodio University Teaching Hospitals. • Participated in PHC Sentinal Surveillance Training Workshops for Zones C & D.

156

ASSESSMENT OF PROGRAM IMPACT

FY 1993

SAHEL WEST AFRICA

CHAD
THE GAMBIA
GUINEA-BISSAU
MALI
NIGER
SENEGAL

ASSESSMENT OF PROGRAM IMPACT

FY 1993

CHAD

CHAD
ASSESSMENT OF PROGRAM IMPACT
FY 1993

OCTOBER 31, 1993

INTRODUCTION

The 1993 Assessment of Program Impact comprises 3 sections. Section one sets up the context in which activities took place and discusses the overall political, social and economic situation Chad. Section two looks at the extent to which progress has been made in the Program Goals. Section III discusses the strategic objectives, targets and indicators to demonstrate the extent to which impacts have been made in specific areas.

SECTION I: Special Factors Affecting the USAID/Chad Program

Democratization in much of Africa is an innovation. As such, democratization, like any other innovation, is not always readily adopted. Adoption of an innovation is influenced by many factors: the attributes of the innovation itself, change in the mentality of the potential adopters' mentality, the political, economic and social context in which the innovation is introduced. Having said this, it is useful to put democratization as an innovation in an historical context of adoption and diffusion of other innovations. Throughout most of Africa, democratization began roughly three years ago. How much progress has been made? What can be measured? How? Can we afford hasty conclusions that in most of those countries not much progress has been made and consequently, we should cut back? Or should we work the African people themselves to define the concept of democratization within their socio-political and economic context and help them set up measurable objectives? Where do we go from here?

In responding to these questions, it may be useful to remind the readers that most African countries only became independent after 1960. It is also well known that since independence, the political landscape of Africa has been characterized by frequent coups d'état, political unrest, and dictatorship. The African people did not have many opportunities to exercise their rights under lawful conditions. It is safe to argue that a new era of democratization has begun and with it comes a series of complications. Political leaders have to adjust their way of thinking, public servants have to learn new ways of conducting business, becoming increasingly accountable. Decisions have to be made, adopted and implemented by vote not guns. Where power is in the hands of few people, it needs to be shared. To accomplish this, long term support is needed.

The developed nations, especially the United States, have opportunities to lead the way toward the establishment of a sustainable democracy throughout the world, and particularly Africa. This task poses many challenges. It will neither be easy nor fast. It takes time and we must be willing to stay the course. It is within this context that Chad must be viewed. Since 1990 slow progress towards a more democratic society and government has been made. There have been many setbacks and the situation remains fragile. In 1993 a national conference was held and transmitted live on Chadian radio and Television. Seven months later the interim government was dismissed for failing to implement the requirements. But it was done legally, not with guns. While not stalled, the process towards election is slow and painful. Also fragile is the physical environment, with the threat of drought ever present and a minimum of infrastructure due to low investment levels since independence.

Political Climate

The democratization process, that began three years ago, has resulted in the establishment of some 40 political parties, freedom of press, freedom of speech and a proliferation of associations and other organizations. USAID/Chad played an important role in helping the Chadians to hold their national conference through the 116 (e) contribution of $75,000. This national conference, which began on Jan 15 and ended on April 7, resulted in a National Charter of Transition with three major outcomes: (1) the elaboration of the Terms of Reference (Cahier de Charge) for the transitional government; (2) the election of a prime minister who heads the transitional government; and (3) and the formation of the Higher Council of Transition (Conseil Superieur de la Transition).

1. **Cahier de Charge:** This basically lays out the road to follow during the transition. It deals with political, social and economic matters and provides standards against which progress will be measured.

2. **Conseil Superieur de la Transition (CST):** This Council is working diligently to set up the legal framework leading toward the legislative and presidential elections. It serves as a legislative body, overseeing the implementation of decisions made during the National Conference and checking the operation and progress made by the government. It also settles conflicts between the two executive branches (presidency and primature).

3. **The Transitional Government:** Has a mandate, in collaboration with the Presidency, to direct and manage the political, social and economic activities during the transitional period.

The transitional government faces several serious problems: lack of cash badly needed to pay salaries and lack of control of the army. The lack of cash and non-payment of salaries has resulted in several strikes organized by labor unions from various sectors and by students.

Two important events occurred in October 1993: 1) the CST called the Prime Minister and his government to explain publicly progress made since the national conference; and 2) based upon the report the CST censured the government which resulted in its disolution. The three-day exercise provided many the opportunity to exchange ideas on how things were run and how they should ran for the remainder of the transitional period. Progress made by the government to date was determined to be too little. In this situation, a new prime minister was elected on November 5, took office on November 10 and designated his government on November 13. People speak freely without fear of retribution and several independent and private newspapers have been established and are operational. Over 40 political parties are legalized and many have offices throughout the country. They speak freely and criticize the leading party currently in power without much fear.

Despite these positive events, the political, social and economic environments have experienced many disturbences over the last year. The political environment has been complicated by a series of unfortunate events such as the massacre of the population in the southern regions of Chad, the skirmishes in Chokoyam in the Ouaddai region and the killing of more than 120 people in Ndjaména when inhabitants originating from the Ouaddai gathered to protest the killing of their kin in Chokoyam. Despite these setbacks, the political situation in Chad had evolved, albeit haltingly, and experienced some positive accomplishments.

Fiscal Performance

The new government has not been able to stem declining revenues or increasing recurrent costs. The Prime Minister in concert with opposition parties and unions tried to work out a new budget by slashing government salaries, retiring government and military personnel, and renewing efforts at the Customs Bureau. In both letter and spirit the Government has held firm on these actions. In order to reduce expenditures, the Ministry of Finance has delayed payment on government salaries and as of September 1993 was in arrears in excess of 6 months in the capital N'Djaména, and 9-12 months in the provinces.

As expected, the opposition and unions have reacted negatively, calling for nationwide strikes (ignored for the most part) until all Government workers' salaries are paid. Although the GOC has not backed down on the face of these demands, the public administration has experienced a partial slowdown, in effect hampering the efficiency and effectiveness of all sectors of the economy.

By all accounts, revenue collection continues to decline, reflecting, the mixed investment climate and government corruption. The GOC is falling further and further behind in salary payments and the deficit gap is widening. Only a handful of bilateral donors, namely France and the United States, have provided budgetary support to pay some segments of the civil servents. Some payment is made to the military at the financial detriment of the civilian employees. The USAID Mission provides budgetary support for salaries to the Ministry of Agriculture and Environment. As of 12 November approximately 400,000,000 FCFA or $1,390,000 have been disbursed; the remainder is expected to be disbursed by the end of December 1993.

Crop Harvest

The 1993 rainy season has been characterized by erratic rains with irregular intervals and poor rainfall distribution. The cropping season has also experienced pest outbreaks. These two factors have caused inadequate harvest prospects. In some areas of the country, no harvest was possible. Food shortages are expected. The shortfalls will primarily be covered by local stocks but food assistance, preferably using locally purchased grains, may be required in 1994.

Population

A first ever census to determine the population of Chad was conducted in April 1993. The Mission played an important role by providing computer hardware, software and training. Preliminary statistics show a total population of

6,288,261 inhabitants. This population is further broken down as follows: 1,327,570 inhabitants living in urban areas or 21.1 percent; 4,601,622 inhabitants living in rural areas or 73.2 percent; and 359,069 nomads or 5.7 percent. These statistics provide the opportunity for decision-makers, planners and development workers to design programs more narrowly focused on known numbers. Given that the Chadian population is mostly rural with the primary occupation of agriculture, USAID/Chad's goal to

> **improve the quality of life through sustained market oriented and broad based economic growth, accompanied by the improvement of health status of chadian infants, children and women of child bearing age**

remains relevant.

SECTION II: PROGRESS TOWARD OVERALL PROGRAM GOALS

In March 1992, the AID Representative presented USAID/Chad's strategy update and program logframe to AID/W. The strategy and program logframe were approved and it was agreed that annual performance and progress would be measured through the annual Assessment of Program Impact (API). This section discusses progress toward the overall program goal and its impact at the national level by looking at three broad areas: economic indicators, health/population statistics, and food aid distribution.

The Program Goal agreed upon by the Mission and AID/W in FY 1992-1994 is:

To improve the quality of life through sustained market oriented and broad based economic growth.

This goal will be achieved through two strategic objectives and a target of opportunity discussed later in Section III.

Macro-Economic Indicators

Data presented in the table below indicate the Chadian economy's performance over the last few years.

STRUCTURE OF THE GDP BY SECTORS

Economic Trends	1988	1989	1990	1991	1992	1993
Total GDP (Bill. 1977 CFA)	196.8	199.0	202.9	219.8	227.8	239.0
Per Capita GDP (000 1977 CFA)	36.4	36.0	35.8	37.8	38.4	37.9
Real Growth Rate	18.0	1.1	2.0	7.9	7.6	3.6

The data indicate that total GDP has been increasing for the last 5 years. However, the performance of Per Capita and Real Growth is mixed. Per Capita GDP remained below $200.00 a year. Real growth rate plumetted from a high of 18% in 1988 to an anemic rate of 3.6% in 1993. The increase of the GDP is the result of multilateral and bilateral aid accounting for more than 50 percent of the national GDP.

Real growth rate by sector (in percent)

Trend indicators	1988	1989	1990	1991	1992	1993
Primary sector	21.9	-3.9	-15.7	34.3	15.4	3.5
Secondary Sector	11.9	25.6	9.4	-13.4	-4.5	-1.2
Tertiary Sector	8.7	7.8	-1.7	2.8	3.3	-1.2

Data in the table above show the performance of the three sectors of the economy over a six-year period. The Primary sector comprises agriculture and livestock; the secondary sector comprises industries, mining and electricity; and the tertiary sector comprises commerce, transport and communications. In all cases, growth rate has been poor. Growth in

the primary sector dropped from 34.3 percent in 1991 to 15.4 percent in 1992. Although growth in the other two sectors has been improving, it is nonetheless poor. Growth in the secondary sector improved from -13.4 percent to -4.5 percent; and growth in the tertiary sector improved from 2.8 percent to 3.3 percent. The primary and tertiary sectors which benefit from the Mission's inputs will be discussed in the following sections

Overview of the Primary sector

The primary sector is dominated by agriculture practiced by 73.2 percent of the population living in rural areas. Although agriculture is Chad's leading income generating activity, it is still dominated by subsistance farming and depends heavily on the rainy seasons. Since the 1993 rainy season was poor, crop yields dropped. Production of industrial crops such as cotton and sugar dropped as well. Cotton production fell from 67,700 tons in 1992 to 49,200 tons in 1993. Sugar production dropped from 27,121 tons in 1991 to 23,838 tons in 1992 but increased slightly to 25,593 tons in 1993. Drop in cotton production can be partially attributed to low price on the international market forcing farmers to look for alternative crops. Drop in sugar production is partially explained by the fact that sugar faces stiff competition from smuggling. Price of smuggled sugar is significantly lower than that of sugar produced nationally. In fact the sugar industry is facing severe cash shortage and is currently undergoing restructuring. Not much has happened in livestock domain. Growth rate in this segment of the economy (livestock) remained stable at 2.7 percent for both 1991 and 1992 and is projected to stay the same for 1993. A number of activities have been designed to work to improve the realization of this sector mainly horticultural and cereal crops: the PVO development initiatives, the Agricultural Marketing and Technology Transfer, and the Agricultural Trade Policy Reform Project. Each project will be discussed in detail in appropriate sections found in the various target areas.

Overview of the Tertiary Sector

The tertiary sector comprises commerce, transport and communication. USAID/Chad has contributed significantly to improving the road infrastructure and is heavily involved in policy reforms in the transportation subsector. The various indicators supporting the Mission's inputs and impacts will be discussed under the appropriate strategic objectives.

Health/Population and Food Indicators

Health/Population and Food Aid Indicators Related to Program Goal						
Areas	1988	1989	1990	1991	1992	1993
Infant Mortality per 1,000 (0-11 month)	—	180	127	180	129	
Child Mortality	—	250	214	219	190	
Maternal Mortality per 100,000 live births	956	710	n/a	800	194-800*	
Population Growth Rate	2.3	2.3	2.3	2.3	2.33	
Food Aid Distribution (MT)	26,000	12,000	18,000	25,000	23,000	14,000
Emergency Distribution	16,000	3,000	3,000	15,000	3,000	3,000
On-going sales	10,000	9,000	15,000	10,000	20,000	11,000

* Indicates the extent to which data on Maternal Mortality vary. The 2 figures presented in the table show the rate for N'Djamena (194), and those of other prefectures (800). It needs to be emphasized here that the problem of lack of data has not been completely solved. The lower rate reported for N'Djamena may be due to improved health message delivery and better trained technicians. It may be further undescored by the fact that urban

dwellers are likely to apply knowledge gained from various health related campains than those in the rural areas. The Chad Child Survival Project is playing an important role in training and equiping technicians from the Ministry of Health with tools to collect reliable data. This has been partially achieved by annual publication of the statistical year book on health. The extent to which lack of data will be overcome will be discussed below.

Discussion of Health Statistics

Chad is divided into 46 health districts of which 29 or 63 percent benefit from either budgetary support or contribution from multilateral or bilateral donors, non government or religeous organizations. In terms of health facilities, not much has changed during the last 15 years. For example the MOH statistics yearbook reports that while the population increased from 3,800,000 inhabitants in 1975 to 6,288,261 inhabitants in 1993 (48 percent increase), the number of beds in hospitals only increased from a minimal 3,464 in 1975 to 3,954 beds in 1993 or 14 percent. It can easily derived that these beds are extremely inadequate for the population amounting to 1593 inhabitants/bed or 70 beds per 100,000 inhabitants. The situation of hospitals is not much better. There are currently 33 hospitals and 229 social health centers in the public sector. Of the 33 hospitals, 16 or 49 percent are in good shape, 16 or 49 percent are usable and 1 in extremely bad shape. Of the social health centers, 81 or 35 percent are in good shape, 74 or 32 percent are usable and 72 or 32 percent are in bad shape. The health sector (both private and public) comprises 4867 agents of which 4301 agents are in health and 566 agents are in social services. There are 226 are medical doctors, 405 upper level nurses and 182 midwifes. Of the health workers who treat patients, 999 technicians are not adequately trained to carry out their assignment. This lack of qualified personnel coupled with small budgetary contribution from the GOC (5 to 8 percent) makes the health sector extremely ineficient and inadequate to carry its important mandate. Qualified medical personnel, namely doctors are unevenly distributed throughout the country. In fact 80 percent of the medical doctors are located in N'Djamena. The scarcity of financial, human an material resources make the collection analysis and interpretation of data difficult.

Much progress has been made in the collection and analysis of data on health statistics. Improvements made in the collection, analysis and interpretation of health data are in large part attributed to the commitment made by USAID/Chad. Furthermore, the health sector like many other sectors in the Chadian economy, suffers from lack of adequate human, material, and financial resources. The extent to which the Mission has been involved in the health sector is discussed briefly below.

In terms of material: USAID/Chad has rehabilitated 10 health structures with 4 additional to be rehabilitated in 1994 and 6 to be rehabilated by 1995. The renovated structures include a training center, a social affair district headquarter and a regional pharmacy. Medical supplies and equipment have been procured.

In terms of personnel: The Mission has continued its long term commitment of institutional building. The Mission funded project implemeted by the Harvard Institute for International Development trained and equiped technicians to collect, analyse and disseminate health statistics. The Mission has taken additional steps to train health technicians and selected a critical mass of 416 technicians from MOA. Since 1987, 198 technicians have been trained. Although the percent of trained since 1990 (74 of 416) compared to targeted is small, it will increase significantly over the next 2 years because most of the training will be based on short-term courses to be held in country. Specific training activities with number of participants will be discussed in sections of Strategic Objective 2.

In terms of financial support: The Mission is among the major donors providing significant contribution. Through the various projects such as Combating Childhood Communicable Diseases, Family Health Initiatives II, and Child Survival Project, the Mission will have contributed more than $20 million through 1997.

The proportion of the national budget alloted to the health sector is extremely small. In 1991, only 5.1 percent of the national budget was alloted to the health sector. Of this amount, 71.4 percent is spent on personnel salaries.

The situation has not improved by much in 1992. The proportion increased from 5.1 percent to 6.0 percent of which 72.3 percent is used again for salaries. It can be seen that small gains made in the allocation of resources to the health sector are easily offset by an increase in the proportion in salary payment. According the MOH book of statistics, the 1992 health budget increased by 27 percent compared to 1991 and salary payment went up by 26 percent compared to 1991. It should be noted here that the proportion of total allocations to the health sector from the GOC is only 17.1 percent.

Although the percent of the GOC contribution is shown to be increasing, the absolute amount of money allocated by the GOC to the health sector dropped by 23 percent in 1992. Most of the expanditures are supported by bilateral and multilateral donors (8 billion CFCA) in 1992 among the major donors are the EEC, French Cooperation, USAID, Swiss AID, WHO and several private voluntary organizations.

Discussion of Population Indicators

USAID/Chad continues to lead and play a major role in the promotion of family planning and the formulation of a national population policy. Through the efforts of the Mission, 1,529,600 contraceptives have been provided on a regular basis through a contraceptive logistics management system during the last 3 years. In addition, Chad's first family planning association was created with the help of IPPF (the International Planned Parenthood Federation). An inter-ministeriel committee of high government officials has been established to formulate a national population policy. These high government officials have been trained through RAPID to manipulate data themselves. These trained individuals will be able to establish connection between population growth and key development sectors such as health, education, finance, agriculture, employment and natural resources. RAPID has done preliminary work and will be back in January 1994. It is worth noting that the recently published census results gives a better picture of population growth rate that will be useful to future efforts in program development.

Discussion of Food Aid Indicators

In terms of food distribution statistics presented in the table, the total amount has decreased steadily from a high of 26,000 MT in the drought year of 1990/91, to 14,000 MT in 1992/93 when national cereal production levels were satisfactory. The diminished levels of food distribution reflect the efficacy of Chad's food aid coordinating committee (CASAU) which mobilizes resources and allocates food to at-risk populations. It has appropriately scaled down the level of food distributions as production levels have risen. However, irregular rainfall and crop pests have severely compromised rainfed crop production for the current 1993/94 crop year, resulting in a natiion-wide deficit of 150,000 MT which is likely to necessitate increased levels of assistance. It is expected that most of the food aid to be distributed in 1993/94 will be drawn from the national food security stock, a multidonor effort led by USAID.

SECTION III: PROGRESS TOWARD STRATEGIC OBJECTIVES AND RELATED PROGRESS INDICATORS

Background

As noted in last year's API, this strategic objective focuses upon the removal or mitigation of 4 agricultural marketing contraints: (1) low farmer productivitey, (2) an inadequate road system, (3) government policies and regulations that discourage private sector participation in agricultural marketing, and (4) limited markets for Chadian agricultural projects. To alleviate the aforementioned constraints, the Mission designed and implemented the Agricultural Marketing and Technology Transfer (AMTT), the Agricultural Trade Reform Policy Project (ATPRP) with a Non-Project Assistance' component, the Private Entreprise Project (VITA/PEP), the IRIS project and the Private Voluntary Organizations' Initiatives. These projects cover a wide spectrum of activities designed to remove or alleviate factors constraining the development of the private sector and agricultural marketing.

This year, with the end of the Road Rehabilitation Project, USAID will no longer remain a key player in assuring that Chad's road system is maintained. As a result that target has been removed from the strategy. In addition, the first Performance indicator has been modified to reflect the areas in which USAID/Chad's program will affect lowered costs of transportation.

STRATEGIC OBJECTIVE 1: IMPROVE THE EFFICIENCY OF THE AGRICULTURAL MARKETING SYSTEM

Chad's internal network of roads has been characterized by a multitude of illegal barriers significantly impeding and adding to the cost of transport of goods from one region to another. A 100 km road segment could have as many as 10 barriers and could cost a transporter anywhere from 1,000 FCFA to 100,000 FCFA. For example, it has been reported that a trucker pays a fee of 50,000 fcfa for an empty run, and 50,000 fcfa for a full run on 700 km route between N'Djamena and Ngoundere (USAID/Chad and AMTT/DAI, September 1993). A six-hundred kilometer-run between N'Djamena and Abeche was reported to cost transporters up to 375,000 fcfa. Barrier payments vary from one region to another and within region, and taken as a percentage of transportation cost, vary from 0.8 percent to 18.7 percent. The following specific example illustrates the case:

> **An economic operator pays 500 fcfa to transpost one sack to weekly market on a 50-km segment between Sarh and Danamadji. The economic operator also pays an additional 77 fcfa per sack to illegal barrier (15.4 percent of cost).**
>
> **Between Abeche and Marchout (38-km segment) transportation cost is 500 per sack and illegal barrier payment is 4 fcfa or 0.8 percent**
>
> **Between Sarh and Goundi (175-km segment) transportation cost is 750 per sack and illegal barrier cost is 140 fcfa or 18.7 percent**

The illegal payments not only reduce the profit margin, but also increase the economic operator's frustration level. More significantly, they can lead to significant loss of revenues if the commodities transported are fresh produce that need to reach the market to be sold at specific time (tomatoes for example). The Mission recognized the urgent need to alleviate those constraints under the Agricultural Marketing and Technology Transfer Project (AMTT). The AMTT team undertook a series of short studies throughout Chad to determine the nature of the problems impeding the flow of agricultural goods throughout the country. The results of the studies helped formulate strategies and led to the signing of a presidential decree in July 1993, declaring most internal barriers illegal. Although concrete data on the extent to which illegal barriers have been removed do not exist yet, it is known that many barriers have already been dismantled. As shown by the above, the removal of illegal barriers ultimately will result in reducing the margin of transportation cost. The above projection is based upon the assumption that barriers will remain down and not spring up again due to continued non payment of salaries.

A second area in which the Mission has made significant impact is the removal of taxes levied on agricultural products moving from one region to another. To achieve this objective, the Mission funded the Agricultural Trade Policy Reform Project, with a NPA-Component. The GOC has met all conditions precedent to the disbursment of the first tranche by declaring that all taxation of agricultural products moving from one region to another is now prohibited. The GOC

further stated that legal actions will be taken if such actions were to continue. The long-term impact of both these policies will be at least a 20% cost reduction in transport costs and increased investment in the agricultural sector.

Performance indicator 1	Base Year	Act 1993	Plan 1994	Act 1994	Plan 1995	Act 1995
1A. Reduce in-country transportation cost due to illegal barriers from 20 percent in 1993 to less than 10 percent by 1995	1993	20%	15%		<10%	

Performance indicator 1	Base 1993	Plan 1994	Plan 1995	Plan 1995
1B. Reduce tariff burden on agricultural sector and shift trucks and spare parts to lower the duty rate under UDEAC	GOC forcefully defended these proposals in UDEAC meetings	move certain goods from Cat IV to Cat II, others from Cat III to Cat I	put export regulations and tax reforms into law	Assist GOC to implement changed laws

Discussion of Performance Indicator 1: Under the current UDEAC regime, Chadian customs impose a 70 percent tariff on many imported goods which include trucks and spare parts. Several other UDEAC member countries have been persuaded to agree with Chad's position on the issue of transport vehicles moving from luxuary to utility status, since it has been determined that other countries' industries are facing the same problem. A final decision is being discussed at current UDEAC meetings in Brazzaville. The Mission has provided technical assistance to guide and assist the Chadian delegation to prepare for the UDEAC meetings. It was reported that the professionalism and the capacity of the Chadian delegation to discuss matters at the UDEAC meeting was applauded and remarked upon by other countries in other forums. Baseline data against which progress on increased purchase of trucks and spare parts is measured will be available in 1994 after the total UDEAC reform package is adopted.

Taxation levels for the different categories of goods are to be reduced, particularly category IV, which decreased from 70 percent to 50 percent, effective January 1, 1994. This and other tax reductions in essence improve incentives to Chadian traders and transporters to invest in capital goods and make Chadian agricultural products more competitive in domestic and external markets.

Performance indicator 2	Base Year	Act 1992	Plan 1993	Act 1993	Plan 1994	Act 1994	Plan 1995
Increase marketed quantities of selected agricultural commodities by 50 percent over the base year quantities in target areas by 1995	1991						
2A. Vegetables							
Abéché							
2.1 Onion (Sacks)	27580	49248	35854	35449	38612		41370
2.2 Tomatoes (Sacks)	16384	38582	21169	28743	22938		24576

Discussion of Performance Indicator 2: Production and marketing of tomatoes and onions increased significantly in the Abéché area from 1991 to 1992. Although marketed figures for 1993 are lower than those of 1992, they are still significantly higher figures from the baseline year (1991). The 1993 marketed quantities of onion increased by 28.5 % over the base year, while marketed quantities of tomato increased by 75.4 % over the baseline year. This increase could be

partially attributed to the technological and marketing interventions resulting from a Mission funded project operating in the area since 1987. Africare project has also collected and disseminated price data on horticultural crops and trained farmers to use price data for their decision-making in marketing their produce. Progress on this indicator will be measured by monitoring the production and marketing of two cereals (millet and sorghum) and two vegetables (tomatoes and onions) over a 5-year period. The Mission has taken a leading role by financing projects dealing with a host of issues in policy reform, technology transfer and credit schemes likely to encourage production and marketing of those commodities.

Performance Indicator 2	Base Year	Act 1993	Plan 1994	Act 1994	Plan 1995	Act 1995
2B. Cereals Increase marketed quantities of millet and sorghum from 17 percent in 1993 to 21 percent nationwide by 1995 by showing a 2 percent increase each year (tons)	1993 Total Prod'n 777175	17% 132000	19%		21%	

Production of millet and sorghum for the 1992-93 season is 777,175 tons (Ministry of Agriculture and Environment). It should be noted that these commodities are produced under rainfed and cool season conditions. Preliminary findings from a study conducted by AMTT revealed that 17 percent of both commodities is sold. Baring a drought, this percent is projected to increase by at least 8 percent over the next 4 years as a result of the marketing information system and agricultural policy reform supported by USAID/Chad funded projects. The 1992-93 growing season is used as a base. Total production of both millet and sorghum is used for the computation (777,175 * 0.17 (17 %) equals 132,112 tons sold. Since production varies from one rainy season to another, it is not useful to calculate proportions to be sold in the future from the 1992-93 base. As production data become available at the end of each growing season, percent sold will then be calculated using the increments shown in the table above.

Target 1: Improve the farmers' efficiency in producing and marketing farm products in target areas.

General Note: The Mission's funded Agricultural Marketing and Technology Transfer (AMTT) has been gathering and disseminating data on price. These efforts are conducted through the Market Information System component of the AMTT. During the last quarter, the MIS with the collaboration of the Ministry of Agriculture, has gathered and disseminated price information for five cereals and six horticultural crops over the national radio. Dissemination of these prices provide producers and sellers timely information so they can maximize their margin of profit. Broadcasting information price on radio has the added benefit of reducing price differential between farm gate and wholesalers. Although no absolute increase of producer price has been documented, the gap between commercial and farmer prices has been significantly reduced. The 1992 average producer/wholesaler price ratios for dried tomatoes, onions and garlic were 0.51, 0.35 and 0.36, respectively. The 1993 ratios for the same produce were 0.83, 0.91, and 0.93 respectively. This might suggest that farmers are receiving better price as a result of training and market information provided through the projects. More specific data on profit emanating from the MIS will become available in CY1994.

Indicator 1.1	Base 1992	Plan 1993	Act 1993
Increase average wholesale price of Karal fresh tomatoes in N'Djaména from 2600 cfa per case in 1992 to 3100 per case in 1993	2600	3100	2652

The USAID/Chad funded project supporting agricultural marketing activities in Karal was completed at the end of March 1993. Although average price did not achieve the projected levels, it did increase by 52 FCFA. This modest increase is attributed to the positive effect of the project, which introduced grading techniques that allowed farmers to sort tomatoes before they are shipped to the market. Though the pilot project no longer operates, farmers continue to use the sorting techniques to improve the quality of their marketable produce.

Indicator 1.2	Base 1990	Act 1991	Act 1992	Plan 1993	Act 1993	Plan 1994	Act 1994
Increase average producer price of dried tomatoes in Abéché from 2,900 FCFA in 1990 to 3,500 FCFA per sack by 1995	2900	3000	3100	3100	2750	3200	

Data from the table above indicate that average price of tomatoes dropped from 3100 FCFA per sack to 2750 FCFA per sack in 1993. This drop was due to a number of factors: good harvest during the last two seasons, shortage of fuel to facilitate the transport of tomatoes to other locations for sale, and lack of purchasing power of the consumers who are mostly civil servants who have salary arrears of 6 to 8 months. (Sources: USAID, World Bank, MOP, MOA). However current indicators are that prices are again beginning to rise.

Indicator 1.3	Base 1991	Act 1991	Plan 1992	Act 1992	Plan 1993	Act 1993	Plan 1994
Increase adoption of improved cultural and/or post-harvest technologies from 0 farmers in 1991 to 2000 farmers in target areas (Moyen Chari, Ouaddai)	0	700		1078	1200	1252	1400

The proportionate number of farmers newly adopting improved cultural and/or post-harvest technologies is smaller this year compared to previous years. Four projects have either terminated or relocated. CARE ended its operations in the Kanem and the Mayo Kebbi, ACDI ended in the Chari Baguirmi, and ORT relocated from N'Gouri to the Moyen Chari. Nevertheless, an increasing number of farmers continue to adopt better technologies. The 1993 target has been exceeded. A total number of 1252 farmers have been reported to adopt or continue using improved methods of production and packaging. Africare continues with its post-harvest and marketing interventions in the Ouaddai, and ORT will be testing potatoes, onions and garlic and improved water lifting technologies in the Moyen Chari. A hundred and thirty farmers will benefit from the testing of the three crops in the Moyen Chari and are projected to increase their income from the new interventions by at least 20%.

Target 2: Support improved transportation system in target areas.

The Mission's direct and this target is being eliminated. The National Road Office (OFNAR) supported by USAID/Chad since 1983, is being converted to a private entity called SNER (Societe Nationale d'Entretien Routier) is not operational yet. The World Bank is heavily involved in phasing out OFNAR and setting up SNER. USAID/Chad will conduct an evaluation in June 1994 to determine the extent to which SNER is keeping up with its mandate.The Mission sent a representative to the Paris meeting in November 1992 where World Bank, UNDP and other donors discussed the adjustment of the transport sector.

Target 3: Identify and remove policies and regulations constraining market efficiency

Indicator 3.1	Base 1993	Plan 1994	Act 1994	Plan 1995	Act 1995
Reduce import tax on agricultural inputs and eliminate export tax on agricultural products from 90 percent in 1993 to 30 percent by 1995	90%	70%		30%	

The Mission has financed the Agricultural Trade Policy Reform Project which commenced operations in September 1993. Data are not available yet but GOC has already demonstrated willingness to reform policies. The Calendar Year 1994 will serve as a base for impact measurement.

Indicator 3.2	Base 1993	Plan 1994	Act 1994	Plan 1995	Act 1995
Reduce business registration process time to one-step by CY 1995	25%	75%		100%	

A Mission funded study completed in September 1992 identified the constraints encountered by the private sector in the registration and establishment of a business. Findings from the study were used to organize a roumd table which resulted in a series of activities to be undertaken in order to facilitate the registration process. In addition the National Conference adopted these recommendations. Two actions have been undertaken: restructuring of the Chamber of Commerce and the signing of a decree designating the directorate general of the Ministry of Commerce to be the sole signator of the licence. The new process will be implemented in CY1994. (Sources, Mission reports, AMTT quarterly reports). The political situation discussed above, resulting in frequent change of government, have delayed finalizing the process.

Indicator 3.3	Base 1993	Plan 1994	Act 1994	Plan 1995	Act 1995
Simplify access to Regime A of the Investment Code by CY1993.	Study done	Change law			

Regime A of the Investment Code which provide benefits to small and medium entreprises is extremely complicated due to unecessary bureaucratic procedures. This complication discourages economic operators from entering the economic environment and establishing successful businesses. The simplification of access to Regime A of the Investment Code will facilitate entry of economic operators into business environment. A study was done on Regime A in September 1993. Based on the results, USAID is working with the Investment Code Committee to implement some of the recommendations.

Target 4: Increase private sector participation in domestic and export market system in target areas (N'djamena and Moundou)					
Indicator 4.1	Base 1993	Plan 1994	Act 1994	Plan 1995	Act 1995
Increase the number of domestic and export agribusinessess from 6 in 1992 to 10 by CY1995	2 major studies completed	2		4	

The Mission is the major bilateral donor working to promote the private sector. Three projects are funded with the private sector. Both the Agricultural Marketing and Technology Transfer (AMTT) and the Agricultural Trade Policy Reform Project (ATPRP) have components targeting expansion of agribusinesses in Chad. The IRIS project is also working to improve the environment to encourage such expansion.

Indicator 4.2	Base 1991	Act 1992	Act 1993	Plan 1994	Plan 1995
Increase the number of loans to SMEs by 20 % each year until 1995	48	74	90	108	130

The Mission has made a strong committment to the informal sector through funding made available to Volunteers in Technical Assistance (VITA) through the Private Enterprise Development subproject. Since its establishment, VITA has played an important role in providing loans to Small and Medium Enterprises (SME) and micro enterprises. Credit application procedures have been improved to facilitate disbursement of funds to potential applicants. As a result of these improvements, the volume of loans has increased significantly. VITA has almost doubled disbursement in two years. In addition to SMEs loans, VITA provided 1,653 micro loans in FY93. More than 90 percent of the loans were given to the agricultural sector, with 70 percent to women. A success rate of 95 percent loan repayment has been achieved. Given these accomplishments, indicator 4.2 has been adjusted upward to 20 percent compared to 15 percent initially. These loans created nearly 2000 jobs so far and it is estimated that about 1000 additional jobs will be created by the end of the project. Preliminary census results show that N'Djamena has an urban population of 529, 555 inhabitants. Given that the informal sector accounts for 23 percent of the urban population or 121, 798 people actively participating in economic activities, the provision of 2000 jobs in urban centers is quite substantial. (Sources: The 1993 Census, VITA's special and quaterly reports)

Target 5: Increase GOC's efficiency to design, manage, and evaluate agricultural marketing projects									
Indicator 5.1	Base Year	Plan 1991	Act 1991	Plan 1992	Act 1992	Plan 1993	Act 1993	Plan 1994	Act 1994
Train 400 technicians or 20 percent (400 out of 2000) of the Ministry of Rural Development and Environment by 1995	1990 67 17%	0	0	110	102 33%	10	11 5%		
Train 40 technicians or 20 percent (40 out of 200) of the Ministry of Plan by 1995	5 25%	20	18 90%	6	24 120%	4	10 50%		

This target has changed from last year and more accurately reflects the training plan established in 1990 as well as reductions in the number of ministries. A review of this plan is set for December 1993. In country seminars will be used to finish training of Ministry of Rural Development and Environment employees.

To date, about 500 civil servants have benefitted from the whole training program. These training activities equip technicians with better management and technical tools likely to improve their performance on the job. Although numerical impact can not be determined at this time, a recently completed evaluation concluded that the training brought about changes in the attitudes of the trainees and improved their performance on the job. Based on these accomplishments and the fact that most new training will be based on short seminars organized in Chad, the new target is adjusted to 20 percent instead of 10 percent set initially.

As shown in the table above, the Mission has exceeded its training target in the Ministry of Plan and Cooperation. This has been accomplished by funding in-country short term seminars. The target from the Ministry of Agriculture and Environment is about right and will be met or exceeded given the fact that most training will be short term and organized in country. So far 180 technicians (45 percent) from the MOAE have been trained. Fifty five percent remain to be trained.

STRATEGIC OBJECTIVE 2:
IMPROVE THE HEALTH STATUS OF CHADIAN INFANTS, CHILDREN AND WOMEN OF CHILD BEARING AGE IN THE MOYEN CHARI, SALAMAT AND LOGONE ORIENTAL PREFECTURES

Chad has one of the highest infant/child and maternal mortality rates in the world. Statistics on these figures vary from one source to another. Some sources show infant/child mortality of 129/1,000, and maternal mortality varying from 200 to 800 to 1000/100,000. The Ministry of Health reports that diarrhea, fever (malaria) and cough (ARI's) are the three most frequent health problems in infants and children to the age of four years throughout Chad, and together account for over 50% of the morbidity rate in these age groups. (Sources: MOH Yearbook of Statistics, 1992).

USAID/Chad contributed significantly to reducing errors in data collection and closing the gap in the various sources reporting statistics on health. The Mission's project implemented by the Harvard Institute for International Development trained technicians of the Ministry of Health and equipped the technicians with tools that have proven useful in data collection, analysis and reporting. Through the efforts of the Mission, the Ministry of Health puts out an annual yearbook of health statistics, considered to be the most reliable source of information available and used throughout the country by other donors and government officials.

To respond to the problem of infant/child and maternal mortality, the Mission decided to assist this important segment of the population with a 5-year health project entitled Chad Child Survival Project (CCSP). The purpose of the project is to improve the administration and delivery of maternal and child health care services, and to reinforce the capacity of the Ministry of Public Health to operate and maintain a national health information system, essential to the planning and administration of health care services.

In 1991 the focus of the Chad Child Survival Project changed from a national to a regional scope, focusing more narrowly on the Moyen Chari Prefecture. This narrower scope is more manageable and provides an opportunity to design more effective and efficient activities likely to translate into concrete results for better impact. It should be noted that in the 1992 API, AID/W suggested that USAID/Chad may want to redirect the health project to increase the likelihood of achieving meaningful outcomes. Those comments were taken into account and used to redirect the focus of the Chad Child Survival Project. AID/W comments have also been used to rearrange the 1993 API to reflect the new orientation. It is within this context that Strategic Objective #2 will be discussed for the 1993 API.

Based upon these revisions, the following indicators are being put into place to better measure impacts of this project on the target population. Progress towards these measures in 1993 is hard to measure for two major reasons: due to non-payment of salaries health workers have been on strike for quite some time; and the project technical assistnace team did not fully get into place until April 1993. However, with progress being made under the project as indicated below, measurements will be easier to make by the end of 1994. In addition with some salary arrearages being paid, health workers are back at work. This objective is divided into two distinct sections. Section one which follows immediately presents 4 tables indicating the extent to which quantifiable indicators on people level impact will be achieved. Section two discusses process indicators that are put in place to allow meaningful measurements of people level impact indicators.

Section one

Section one presents the four major areas of people level-impact indicators. These indicators are presented here to show the reader what is expected. It should be noted that the Mission hired a monitoring and evaluation officer who joined post in September 1993. He is working with the TA team to determine the extent to which the objectives are meaningful and achievable. A more refined strategic objective 2 will be presented by February 1994. Percentages presented in the 4 tables below are computed from data reported in the MOH annual yearbook of statistics. Figures reported for base year are totals. Figures reported in the planned colums represent percentages (with actual numbers). When appropriate, these numbers are derived by a 2-step process:

1. figures from the base years are multiplied by population growth rate (2.33 percent) not shown in the tables;
2. the results from 1 are then multiplied by indicated in the columns to arrived at numbers reported in planned columns. The + sign indicates the number of additional people who will be treated over the years. Let us illustrated this process. In the table below, 19413 people are reported to receive effective treatment of mild or moderate ARI. With the implementation of the project, it is projected that 2642 additional people will receive effective treatment in 1994 and 5200 people will receive effective treatment in 1995. By the end of 1995, 19413 + 2642 + 5200 or 27255 will have received effective treatment.

Expected Achievements in Acute Respiratory Infections (ARI) in the Project Area

People level impact	Base 1992	Plan 1994	Act 1994	Plan 1995	Plan 1996
Ninety percent of 103 health workers in the project zone are trained to correctly identify mild, moderate and severe ARI as defined by W.H.O. protocols	0	23 23%		46 45%	93 90%
Fifty percent of mild or moderate ARI's are managed through effective treatment in project dispensaries	19413	+2642 13%		+5200 25%	+10642 50%
Ninety percent of children diagnosed as having severe ARI are referred to a physician or the next level of care	3836	+923 23%		+1849 45%	+3783 90%
Ninety percent of 57 dispensaries and social centers provide health education for mothers and caretakers in preventive and supportive care measures for ARI and the need for treatment for severe cases	0	13 23%		26 45%	52 90%

Expected Achievements Pertaining to ORT in the Project Area

People level impact	Base 1992	Plan 1994	Act 1994	Plan 1995	Plan 1996
Seventy percent of diarrheal cases presented to health facilities will receive effective diarrhea case management	13358	+2517 18%		+5009 35%	+10251 70%
13358 children with diarrhea correctly treated with ORT	13358	+2517 18%		+5009 35%	+10251 70%
Ninety percent of project-trained health and social workers will be able to explain effective diarrhea case management correctly	0	23 23%		46 45%	93 90%
Twenty percent of mothers who report children under 5 as having diarrhea during the last two weeks will have used ORT	87013	+4555 5%		+9323 10%	+19081 20%

Expected Achievements in Malarial Care in the Project Area					
People level impact	Base 1992	Plan 1994	Act 1994	Plan 1995	Plan 1996
Sixty percent of suspected cases of malaria presented to health centers receive appropriate treatment	39004	+6126 15%		12537 30%	25659 60%
Fifty percent of pregnant women who present themselves to health centers take malaria prophylaxis	16769	2282 13%		4491 25%	9192 50%
Less than 10 percent fewer cases of fever are reported to the health centers in the project area as a result of prevention education					

Expected Achievements in Child Spacing in the Project Area					
People level impact	Base 1993	Plan 1994	Act 1994	Plan 1995	Plan 1996
The contraceptive prevalence rate increases from less than one percent to three percent	1783	1824 1%		3734 2%	5732 3%
A. Sixty percent of women can name at least three advantages of child spacing	178330	27372 15%		56020 30%	114651 60%
B. Forty percent of men can name at least three advantages of child spacing	178330	18248 10%		37347 20%	76434 40%
A. Forty percent of women can name at least two modern contraceptive methods	178330	18248 10%		37347 20%	76434 40%
B. Twenty five percent of men can name at least two modern contraceptive methods	178330	10947 6%		24275 13%	47712 25%

Section two

This section discusses the preliminary process that must be put in place leading to the measurement of quantifiable indicators for people-level impact to be achieved later. The Chad Child Survival Project (CCSP) has itself been divided into seven distinct areas. These areas are as follows:

Area 1. Training. It has been determined that training or staff development constitutes the most important activity of the project. As such, several sessions have been designed to equip health technicians at the Prefecture level with techniques allowing them to train and supervise other health technicians. More specifically six district teams, each consisting of the Medical Officer, one senior nurse and one social worker, will receive appropriate training. They will then conduct training sessions for other participants with the technical supervision of the TA team. The emphasis on training builds the institutional capability of the health sector which has so far suffered from lack of qualified personnel.

Training material for in-service training activities was developed by the team with the active participation of health technicians a. , authorities in the Moyen Chari. The in-service training will benefit all para-medicals working at the primary health care level in that region. Technicians from the public and private sectors will benefit from these training activities. This joint venture ensures that materials and training activities will not be considered imposed from outside; rather, they will be seen as activities based on stakeholders' inputs. These trainers/supervisors will play an important role in future training activities. An evaluation will be conducted at the end of each training session to determine the extent to which participants have mastered the material, and how likely they will be able to teach others.

Area 2. Cost recovery. The concept of cost recovery is new to health planning in Chad. Although an interministeriel decree was signed in 1990 authorizing the concept of cost recovery in Chad, not much has been accomplished, though some forms of cost recovery have been used in some parts of Chad since 1991. Through the CCSP, the project is designing a cost recovery approach to be used in three health districts. The concept of cost recovery is based on two assumptions: willingness and ability of target populations to pay for medical treatment and perception that the service rendered is commensurate with fees. It requires a legal framework establishing legitimate village organizations and appropriate financial and management tools necessary for the establishment and operation of purchasing drug supplies. It further requires upgrading the clinical and managerial skills of health personnel at the dispensary level.

Area 3. Strengthening management and administrative capability of the Prefectoral Delegation. To plan and execute effective programs at the prefecture levels, both qualified manpower and decentralized decision-making are essential. It has been determined that most decisions are made at the national levels usually without input from local technicians. The CCSP has proposed and obtained approval of a plan to reorganize the Prefecture Sanitaire. This reorganization will allow the Prefecture Sanitaire to plan, execute and evaluate health related programs at the local level. Significant progress has been made. The chief medical officer has been designated and will be in place by mid-November. The concept of a regional prefectoral pharmacy has been approved and the regional pharmacy is near completion. It will be operational in CY1994. Management tools are being presently designed and tested.

Area 4. Establishment of a health information system. A unit has been designated and is currently being set up to collect and analyze local health information. Technicians will be trained in data collection, analysis and interpretation by CY199.

Area 5. Rehabilitation and equipment of health structures. As a necessary first step to the improvement of service delivery, the Mission is rehabilitating 20 dispensaries. So far 10 have been renovated, 4 will be completed in CY1994, and 6 additional will be done by 1995. Renovated structures include a training center in Sarh, the Social Affairs district headquarter, and a regional pharmacy. Medical supplies and equipment, as well as a supply of basic medicines has been procured and is presently in storage in a health department warehouse in Sarh, the capital city of the Moyen Chari Prefecture. Office furnishings and equipment are in place, and the project team is in place.

Area 6. Coordinate other donors' assistance in the health domain in the Moyen Chari. The technical team is playing an important role by helping the Prefecture Sanitaire coordinate health related activities. The technical team sits on several committees that determine the most efficient use of donors' programs.

Area 7. Operational research. Conduct baseline study to establish standards against which project achievements can be measured. One study to determine knowledge, attitudes and practices of medical personnel has been completed to date. The study revealed that most health workers have not received in-service training and their skills have not been upgraded for the last five years. The results from this study have been used to design training activities for both public and private health and social work personnel. With improved skills, they will be able to deal better with maternal and child/infant health related problems.

Based upon these seven areas the targets and their indicators have been redesigned and will be discussed below. These targets and indicators differ slightly from those presented in 1992. **Most of the indicators are process indicators that must be put in place to allow measurements of quantitative outputs.** The new targets and indicators have been worked out jointly by the Mission, the Mitchell Group, the contractual and executing firm, and the GOC. As a reminder, the focus of the project has not changed; it is narrowly defined to provide clear guidance so that meaningful and measureable indicators will be achieved. Those achievements will be replicable and sustainable and will serve as a model for planning health related projects nationwide.

Target 1. Improve the quality of available health services through training and supervision of health and social center personnel

The following table presents the initial aspect of the institutional building activities designed jointly by the TA team and health authorities in the Moyen Chari. These training activities provide the basis for measuring the above noted people level impact.

Preliminary process activities							
Training indicators	Base Year	Plan 1993	Act 1993	Plan 1994	Act 1994	Plan 1995	Act 1995
Trainers designated in writing by Health Council	1993	21	21				
Long term training plan approved and 6-month schedule of training adopted	10/93	1	1	2		2	
Thirteen teaching aids developed and replicated for each technique taught by 1995	10/93	2	2	5		6	
Sessions of training of trainers and/or supervisors to be conducted by 1995	10/93	4	4	20		20	
Design supervisory tools related to each CCSP training module (total 10)	10/93	1	1	5		4	
Number of dispensaries in project areas supervised according to agreed upon supervisory schedule (21 total)	1993	0	0	5		15	

The Chad Child Survival Project's training activities focus on the training activities of the training center. After the initial training, co-trainers will be responsible for follow up and supervision of other trainees in each designated dispensary throughout the Moyen Chari. The co-trainers will also develop modules and curricula for each clinical and managerial topic included in the training plan. These modules and curricula set the standards for future training activities and performance indicators at the PMA and at the dispensary level. These training modules will be used as refresher courses for para-medicals who will be assigned to the Moyen Chari.

In addition to the broader areas mentioned in the table above, more focused training activities will be conducted to equip technicians with tools likely to lessen ailments leading to infant/child and maternal mortality in the Moyen Chari. Those specific training activities are found in the table below.

Preliminary skill upgrading activities							
Training activities	Base Year	Plan 1993	Act 1993	Plan 1994	Act 1994	Plan 1995	Act 1995
Number of health care workers trained in:	1993						
adult learning techniques/supervision techniques		21	21	21		0	
treatment and prevention of Acute Respiratory Infections (ARI)		21	21	45		45	
treatment and prevention of Diarrheal Diseases		0	0	66		45	
detection, treatment and prevention of malnutrition		0	0	66		45	
treatment and prevention of malaria		0	0	66		45	
Expanded Program of Immunization (EPI)		0	0	0		66	
Information, Education and Communication techniques (IEC)		0	0	66		45	
clinic management		0	0	0		21	
cost recovery		0	0	15			
management and prescription of essential drugs		0	0	21		45	
detection and management of high risk pregnancy		0	0	21		45	
pre and post-natal care/family well-being		0	0	21		45	

Target 2: Improve health data collection and analyses in target area

This indicator has been partially achieved. The health statistical report has been published annually since 1991. However, the statistical report does not include data on cost recovery in target areas as the concept of cost recovery has not been fully operationalized. Data reported on indicators 2.1 through 2.4 all emanate from the improved data collection and analyses supported by USAID/Chad.

Indicator 2.1	Base 1991	Plan 1992	Act 1992	Plan 1993	Act 1993	Plan 1994	Act 1994
Increase usage of health services by women/children as measured by new clients per year (000)	243	243			277	300	

Although the preliminary activities of the Chad Child Survival Project are not yet fully underway, the Mission's intervention has shown some progress. More women and children are using health services as indicated in the table above. The percent of pregnant women who register for prenatal visit has also increased slightly. This increase may be due the support the Mission provides to the Ministry of Health in the area of training and equipment. The margin of increase due to specific project activities in the Moyen Chari will become available in 1994.

Indicator 2.2	Base 1991	Act 1991	Plan 1992	Act 1992	Plan 1993	Act 1993	Plan 1994
Increase percentage of pregnant women who register for prenatal visit	10.3%	10.3%	10.3%	11.0%	13%		

As shown in the table above, the percentage of pregnant women who register for prenatal visit increased slightly from 10.3 percent to 11 percent. Although it is difficult to attribute this modest increase to specific project activities, it can be easily inferred that it is resulting from training, and also demonstrates better data collection funded by the Mission.

Indicator 2.3	Base 1992	Plan 1993	Act 1993	Plan 1994	Act 1994	Plan 1995	Act 1995
Increase percentage of new and repeat visits for preventive health care services for infants 0-4 years	53638						

Indicator 2.4	Base 1992	Plan 1993	Act 1993	Plan 1994	Act 1994	Plan 1995	Act 1995
Increase percent of new and repeat visits for pre-natal health care and delivery services for pregnant women	43308						

No data are available for both indicators 2.3 and 2.4. Fiscal Year 1992 is used as a base year. As reported in the annual statistical report, 53,638 infants below the age of four were reported to have visited health centers for preventive health care; and 43,308 pregnant women were reported to have visited health care centers for prenatal care. These numbers are expected to increase when the preliminary process activities are put in place. These data will be available when the specific training activities discussed earlier are completed and put in place. Data will be available in 1994.

Target 3: Promote decentralization and introduce cost recovery in centers in target areas

The Chad Child Survival Project analyzed the structure of the Prefecture Sanitaire of the Moyen Chari and found that most decisions made at the national level could easily be made at the regional level. Decisions made locally have a better chance of reflecting specific needs to which solutions are sought. The Technical Assistance Team has proposed a new organizational plan which has already been approved by the Prefecture and is currently pending at the Ministry of Health. These village-based organizations have the added advantage of involving target beneficiaries in the planning and decision-making of health related activities likely to improve their well-being. The CCSP proposes to help establish and train health workers to operate in at least five areas of responsibilities by the end of the project.

Decentralization Indicator	Base 1993	Plan 1994	Act 1994	Plan 1995	Act 1995
Establish health zones (ZR*) with functioning village associations from 0 in 1993 to 5 by 1995	0	2		5	

Note: Health zones are called ZR Zone de Responsabilité in French. It is the term used by the Ministry of Health.

No data yet. Data will become available at the end of 1994 and will be reported in 1995.

The following paragraphs discuss preliminary activities to be undertaken in the initial phases of the Chad Child Survival Project. These activities are grouped in two areas; (1) awareness; and (2) knowledge. These activities are deemed necessary and provide foundations upon which quantified objectives are based. They are discussed below.

Awareness Indicators

Awareness indicators	Base Year	Plan 1993	Act 1993	Plan 1994	Act 1994	Plan 1995	Act 1995
Number of health zones (ZR*) where IEC activities are being held on child and maternal health care and family well-being	1993	0	0	5		10	
Number of health zones (ZR*) where IEC activities are being held on health care cost recovery	1993	0	0	2		5	

Note: Health zones are called ZR Zone de Responsabilité in French. It is the term used by the Ministry of Health.

These intermediate process indicators will allow the project team to organize the target populations into smaller village based health organizations. The teams will collect data to determine the extent to which the target population has understood the message on child and maternal health related issues. These data will further help to determine the extent to which the beneficiaries are willing to pay for the provision of services in the three districts targeted to pilot test the concept of cost recovery. Data will be available by CY1994.

Knowledge Application Indicators

This section of knowledge application indicators focuses on the application of knowledge gained from the training material and training activities implemented by the end of October. To the extent that the training material and the training were relevant, those who benefited from training sessions should be able to apply successfully what they learned. Trainers and supervisors must be able to demonstrate their full understanding of the process by conducting training sessions for additional trainees and supervising them in their daily work activities. Nurses must demonstrate their knowledge by applying techniques taught during the training sessions. Committees that are formed in the zones of responsability should be able to promote health care activities with limited or no supervision. The table below presents an overview of scheduled activities.

Knowledge Application indicators	Base Year	Plan 1993	Act 1993	Plan 1994	Act 1994	Plan 1995	Plan 1996
Trainers/supervisors will successfully apply techniques learned from the training (tot. 21)	1993	0	0	9		15	21
Trainers/supervisors will successfully use the formative supervision techniques learned from the training (tot.21)	10/93	0	0	9		15	21
The trained nurses of the peripheral levels will apply the primary health care techniques learned (tot. 90)	10/93	0	0	30		60	90
Committees formed in the health zones (ZR*) and alternate zones will promote child and maternal and family well-being (tot.26)	10/93	0	0	5		12	26

Cost Recovery

Progress on Activities: Some preliminary but important actions that set up conditions precedent to the establishment of cost recovery have been completed in 1993. A baseline study on cost recovery in Chad and in one district in the Moyen Chari was conducted. A manager/accountant for cost recovery has been hired, trained and is currently working at the Prefecture Sanitaire. The list of essential medecines to be used in the first phase of the program has been established. Fifty two medical kits ordered through UNICEF have arrived and will be distributed shortly.

Three performance indicators in cost recovery have been identified and are presented in the tables below.

Cost recovery performance Indicator 1	Base 1993	Plan 1994	Act 1994	Plan 1995	Act 1995
Establish and operate three target dispensaries to collect user fees for health services by 1995	0	1		2	

One of the 3 target dispensaries will become operational in 1994. The other 2 will be completed in 1995. No data will be available until then.

Cost recovery performance indicator 2	Base 1994	Plan 1994	Plan 1995	Act 1995
Establish and operate five target dispensaries which replenish drugs on a scheduled basis through cash and procurement from the Prefecture's Pharmacy (PPA) by 1995	0	0	3	

Data will become available in 1995.

Cost recovery performance indicator 3	Base 1993	Pla 1994	Act 1994	Plan 1995	Act 1995
Publish annual financial report related to cost recovery by the Prefecture's Direction des Resources	0	0		1	

No data yet. The first edition of the annual report is scheduled for 1995 after the cost recovery concept is applied.

PROGRESS TOWARD TARGET OF OPPORTUNITY										
Target of Opportunity 1: Improve food security for at-risk populations										
Indicator 1.1.	Base Year	Plan 1991	Act 1991	Plan FY92	Act FY92	Plan FY93	Act FY93	Plan FY94	Act FY94	Plan FY95
Maintain national food security stock at a minimum of 5,000 MT by 1992.	1991	5000	7900	5000	8000	5000	9000	5000		

Significant progress has been made in this area. The target has been, and continues to be, met. Due to donor efforts led by USAID, the food security reserve was maintained at an average level of 8,000 MT during FY 1992, and at 9,000 MT in FY 1993. It currently stands at 13,500 MT, of which 70% is of USAID origin (Title II food aid imports from 1990 and local cereals bought from Title III wheat flour sales proceeds).

The maintenance of this stock has greatly enhanced food security efforts. It has allowed the GOC/donor food aid coordinating committee to respond in a timely manner to acute food shortages which have arisen as a result of failed harvests and armed conflict. For example, in August 1993 the International Committee of the Red Cross (ICRC) was authorized to use security stocks to feed victims of armed conflict in the South. In September, the Chadian Red Cross distributed 400 MT from regional warehouses for relief operations in the East. Localized areas of crop failure in the northern fringe of Chad's sahelian zone, identified to the GOC/donor coordinating committee by the EC-funded early warning project, also received discrete amounts of food aid drawn from these strategically-prepositioned stocks. Approximately 114,000 persons benefitted from these relief operations.

Using counterpart funds generated from an FY 1991 Title III flour grant, the GOC was able to buy 6,000 MT local cereals (corn, sorghum and millet) during 1993 from surplus areas to replenish and add to the national food security reserve. Counterpart funds were also used to defray some of the management costs associated with maintaining the security stock, as well as cover transport and distribution costs incurred by implementing partners such as the Chadian Red Cross and World Food Program.

Crop prospects for the 1993/94 agricultural season are bleak and though the magnitude of the deficit is still being assessed, the FEWS project states that there will be a need for relief operations. The importance of a food security reserve which is in-country and available for immediate distribution cannot be overstated.

Target of Opportunity 2: Increase famine preparedness										
Indicator 2.1.	Base Year	Plan FY91	Act FY91	Plan FY92	Act FY92	Plan FY93	Act FY93	Plan FY94	Act FY94	Plan FY95
Increase GOC capacity to project and monitor food needs at national and subnational level through improved data collection and nutrition surveys	1991	n/a	14	2	0	2	3	2		2

At least 2 nutrition surveys per year should be conducted by the National Nutrition Unit (CNNTA) of the Ministry of Health. Three studies were performed by the CNNTA during 1993 which included a nutritional analysis. The studies were undertaken at the request of World Vision, International in the Tandjilé, Logone Occidental and Logone Oriental prefectures. USAID, however, had no connection with these studies. Efforts undertaken by USAID since 1992 to reach an agreement with CNNTA on the use of counterpart funds for a regular program of nutritional surveys have not yet met with success.

The target of opportunity to improve famine preparedness is, however, being met as Title III counterpart funds have been used to support activities of the weather service, the agricultural statistics division and the crop protection service, all of which have provided the GOC and donors with objective data for use in monitoring crop conditions and food availability. Three counterpart fund activities were executed during FY 1993 with host country entities, resulting in:

- timely rainfall data from the meteorological service,
- cereal price data from the market information system, and
- desert locust situation reports and related information on pest-induced crop damage.

Information thus generated has been used by FAO/ECLO in its crop and locust monitoring responsibilities, as well as by FEWS and other donor institutions which attempt to mobilize famine relief resources in anticipation of impending crises.

While efforts continue with the CNNTA to organize nutrition surveys, the Mission will pursue activities with other GOC departments which provide information enhancing famine preparedness.

Indicator 2.2.	Base Year	Plan FY91	Act FY91	Plan FY92	Act FY92	Plan FY93	Act FY93	Plan FY94	Act FY94	Plan FY95
Shorten response time from need assessment to delivery of food from 10 to 6 months by 1993	1990	6mos	n/a	6mos	n/a	6mos	n/a	6mos		6mos

The e were no emergency food aid imports in 1992 or 1993.

SECTION IV. DEMOCRACY AND GOVERNANCE

USAID/Chad, despite limited resources to date, has played a key role in Chad's progress towards democracy as outlined in the introductory section to the API. This has occurred at both the national and local level in five key areas:

1.) National Conference Funding ($75,000 and 1 consultant)
2.) Funding fo Associations for programs on human rights and democracy ($50,000)
3.) Private Sector Round Table (IRIS Project)
4.) Development of a Federation of Groupements (ACDI Project)
5.) Training

The impact of these efforts goes far beyond the modest amount of funding spent directly or indirectly on these efforts. First and foremost they have given the USG a significant role in the policy dialogue surrounding democracy, including such issues as rule of law, constitutional development, elections, and development of a civil society. Contributing to the shape of the thinking of people with respect to democracy (i.e. changing attitudes) is perhaps the most significant and lasting impact one can have in this area. Until people accept the democratic process as the sole legitimate means of decision making and resolving conflicts, little will change on the African continent (witness Nigeria, Rwanda and Burundi).

Following are some significant impacts following from the above mentioned areas:

1. National Conference Funding. Provision of funds enabled complete radio/television coverage of the entire conference, with archaival tapes now available for research. This single fact helped an entire Chadian population become much more politically aware. That the population stayed tuned was evident from the lack of radios for sale in the country and the high visibility of radios everywhere. (Imagine both moped riders and camel caravans proceeding on their way with radios glued to their ears).

A second important result was the total access of USAID to the Conference itself and to all Conference documents. This enabled a policy dialogue to take place which continues to this day. What is unknown now is the effect the announced phase out will have on this dialogue. The Chadians view the reasons given as unwarranted, especially in light of what is happening in other countries where AID is remaining (i.e. Burundi and Rwanda). Therefore it is unclear how much continued effect this funding will have.

2. Funding of Associations. One set of funds was used to help a local organization give two seminars on rights under democracy outside of the capital (Moundou/Abéché). These seminars were well organized and very well attended. Participation was active and vocal, reflecting the new atmosphere of free speech in Chad. Taking such activities outside of N'Djamena is an important aspect of the institutionalization of the democratic process. It also spreads the impact of minimal USAID assistance.

3. Private Sector Roundtable. USAID was, with the French, the sponsor of this round table. The contribution of this round table to the democratic process was both direct and immediate. For the first time the Government adopted a clear policy of what should properly be the role of the government and what should be left to the private sector. In so doing it established concrete actions that needed to be taken to reinforce the private sector's role in Chadian life.

Secondly, establishment of a rule of law was acknowledged as the basis of a democratic society where a private sector flourished. Focus on assistance to the Ministry of Justice was prominent, based upon a paper prepared by an IRIS consultant.

While these are important steps two other unplanned effects also have to be noted. For the first time, there was a real dialogue established between the public and private sectors. As a result the final documents (strategy and action plan) were truly joint products. Secondly, the strategy and action plan were adopted by the National Conference as part of their charge to the transition government to implement.

4. Development of a Federation of Groupements (ACDI). **AGDERUMKA is a grassroots-based rural organization regrouping 1000 members.** It was born from the efforts of USAID/Chad, with Agricultural Cooperative Development International (ACDI). Although the initial objectives of the project were the introduction of post harvest technologies that will increase the profit margins of marketed vegetables, farmers decided to organize themselves and form a federation regrouping 61 groupements from 18 villages. During the project implementation, project vehicles helped bring together members from various villages for monthly and bimonthly meetings. When the project ended in March 1993, skeptics thought that the Federation would not survive. Chief among the difficulties facing the Federation was lack of transportation. It must be recognized that lack of transportation, although a problem, did not hamper the sustainability of the Federation.

In addition, many thought that local authorities would impede progress of the Federation by either sabotaging its activities or creating tensions among its members. However, the Federation continued its operations and took matters in its own hands. It succeeded in establishing itself as a viable organization capable of representing and defending the interests of its members. The Federation accomplished a number of objectives which are discussed below:

In terms of business: it discusses business with the GOC's Ministry of Commerce and Industry and has been used as a model by that ministry to encourage others to organize and operate in similar fashion. The Federation succeeded in obtaining a loan of 1,000,000 fcfa from the Ministry of Commerce and Industry. With those funds, it bought maize, resold it, and made a profit of at least 100,000 fcfa. It printed identity cards and is selling them to its members. The card allows its holder to avoid been hustled by unauthorized and illegal taxes levied on agricultural goods transported through the region and to markets in other locations.

In terms of governance and democracy: the Federation elects new members based on vote in a democratic manner. On the early days of the Federation, meetings were characterized by incoherent discussions. Any member could get up and talk when that individual disagreed with what had been said. Through a difficult but fruitful process, members learned how to respect and appreciate parliamentary procedures during meetings. For example, when someone disagrees with what is said, he raises his hand, and is given the opportunity to speak. When a member from the executive body finds himself in a situation that requires action based on decisions that must be taken by a group, that individual convenes a meeting and the proper course of action is then taken.

In terms of Empowerment: the Federation has become an important force and is playing an important role in the rural communities it is serving. For example, the Federation can now ask the extension agent who has been making decisions without consulting the beneficiaries to change his work habits. He has been asked and has indeed included the Federation in his work plan. In fact, the Federation now tells the extension agent that his work plan should be based on the target population's needs, not on what he feels should be done. This is important for several reasons: (1) just a year ago, it was inconceivable to challenge the extension agent on anything; (2) in several meetings, some members have challenged development workers asking them to explain why things have not changed for the last 10 years; (3) Federation members went as far as telling development workers to change their approach to development. Farmers stated that they need concrete results from now on and will not wait another 10 years. They further stated that if things do not change and their well-being does not improve they will ask that extension agent and other development workers operating in their areas to be removed.

This newly found confidence provides the Federation the opportunity to look ahead for the future. The Federation is now considering transforming itself into a medium-sized private enterprise and soliciting funds for development projects. The Federation is currently seeking funds to start a new project in the commercialization of gum arabic found to be the most profitable activity in the Federation's zones of influence. The Federation is further seeking training for some of its key members who will in turn train other members. It is encouraging and extremely important to note that the Federation held an annual general assembly at headquarters in Karal which was well attended. It invited officials from USAID/Chad, Ministry of Agriculture and Environment, Ministry of Commerce and Industry and many other people from private voluntary organizations and other institutions. The GOC and USAID/Chad are proud of the Federation which is often quoted as a model for others to follow. The Federation serves the useful purpose of demonstrating the extent to which empowerment is important for the establishment and management of projects with a higher probability of sustainability. It further underscores the unique opportunity to encourage and help democracy at the grassroots.

5. Training. As part of its commitment under the Round Table, USAID sent 4 magistrates to three other African countries to review their court systems, with particular attention to the constitutional court. Their report has been widely circulated and will help shape the judicial branch under the new Constitution.

It should be emphasized that these efforts are a part of a Mission wide effort to help the Chadians implement their stated goals towards a democratic state. There is a democracy committee which is currently working on an overall plan for the next year, using all available resources. Such coordination among the USG agencies in country is imperative, as is coordination with donors. During the National Conference phase, USAID worked with both the French and UNDP. Such collaboration will continue.

The most important lesson learned is that this process is a slow, often tortured one. For many, democracy is a new, skin-deep idea. It is not deeply implanted in the social or political fabric of society. Therefore, we need to be very sensitive to what can and cannot be done and the pace at which it can be successfully done., In addition we need to seek new way of helping Africans who want democracy to define it in terms where it can be sustainably implanted in their societies.

ANNEX A. REVISION OF INDICATORS AND EXPECTED LEVELS OF ACHIEVEMENT

Rationale for changes in targets and indicators for Strategic Indicator #1.

Indicator 1.

Bacground: Transport in Chad is extremely difficult and complicated. It is difficult because Chad lacks adequate infrastructure and movement of goods from one region to another is costly. It is complicated because of the combined burden of high in-country transport costs and high duty rate levied on trucks and parts imported from other countries. Given this complicated situation, it was deemed necessary to break indicator 1 into two components. Component 1 discuses problems and cost associated with in-country difficulties and component 2 deals with import duty rates.
Consequently old indicator 1: **Reduce transportation costs by 5% from 1992 to 1996** becomes:

Indicator 1A. Reduce in-country transportation cost due to illegal barriers from 20 percent in 1993 to less than 5 percent by 1996. It has been found that transportation cost of goods is elevated by at least 20 percent from illegal payment imposed by military at illegal barriers. When those barriers are removed the proportion of cost associated with them is removed as well. The Mission has made significant progress in that respect (Details are found in the text).

Indicator 1B. Reduce tarrif burden on agricultural sector and shift trucks and spare parts to lower the duty rate under UDEAC. The Mission has funded a number of studies that led the GOC to discuss this matter at UDEAC meetings. Some trucks and parts will be shifted to lower categories thus reducing import taxes.

Indicator 2.

Background: The Mission has been very active in the Ouaddai region through the Africare project. In fact Africare has been operating in the Ouaddai region since 1987 and much progress has been made in production and marketing of tomatoes and onions. On the other hand, the involvement of the Mission in cereals has been minimal. It is more useful to separate commodities by group so that impact can easily be determined. Consequently old indicator 2: **Increase marketed production of selected agricultural commodities by 5 percent in target areas by 1997. (Target area: sorghum/millet-nationwide; tomatoes/onions in Ouaddai prefecture)** becomes:

Indicator 2A. Increase marketed quantities of selected agricultural commodities by 50 percent over the base year in target areas by 1997. Vegetables

Indicator 2B. Increase marketed quantities of millet and sorghum from 17 percent in 1993 to 25 percent nationwide by 1997 by showing a 2 percent increase each year. Cereals. The Mission has just established that 17 percent of sorghum/millet is sold nationwide. This figure serves as a baseline against which progress will be measured. It should be noted that production of these commodities are rain dependent and could not be project over the years. The proportion marketed will be computed each and compared to 17 percent.

Indicator 3.2 Old--Reduce business registration process time to one step by CY 1993. New--Only CY1993 changed to CY94. Not much happened in 1993 due to frequent strikes and changes of governments.

Indicator 4.2: Old--Increase the number of loans to Small/Medium Enterprises (SMEs) by 10 percent each year to 1996. Significant progress has been made in this area. The indicator has been adjusted upward to 20 percent better reflecting improvment in the process.
Indicator 5.1: Old--Train 10 percent of the Ministry of Rural Development and Ministry of Environment and Tourism by 1993; 20 percent by 1995. The two ministries are combined into one. Tourism went to Ministry of Economics. The new department became **Ministry of Agriculture and Environment.** Much progress has been has been achieved. The Mission will be organizing in-country seminars thus increasing the number of participants who will benefit from the training activities. This indicator has been adjusted upward to reflect that. New Indicator--Train 20 percent of the Ministry of Agriculture and Environment by 1995

AGRICULTURAL PROGRAM: ASSESSMENT OF PROGRAM IMPACT

OBJECTIVES	INDICATORS	BASELINE YEAR	PROJECT IMPACT: PLANNED AND ACTUAL FY91 Planned	FY91 Actual	FY92 Planned	FY92 Actual	FY93 Planned	FY93 Actual	FY94 Planned	FY94 Actual	FY95 Planned	FY95 Actual	FY96 Planned	FY96 Actual	DATA SOURCE
STRATEGIC OBJECTIVE Improve the efficiency of the agricultural marketing system	1 Reduce in-country transportation cost due to illegal barriers from 20% in 1993 to less than 5% by 1996	1992	N/A		NA		Baseline 20%		15%		10%		<5%		AMTT baseline Impact monitoring
	2 Reduce tariff burden on agricultural sector and shift trucks and spare parts to lower the duty rate under UDEAC.	1995	N/A		NA		Baseline 70%	70%	55%						NPA baseline Impact monitoring
	3 Increase marketed quantities of agricultural commodities by 50% over the base year quantities in target areas by 1997 Vegetables in Abéché	1991	Dried tomatoes / onions increased by 28.5% / 75.4% from 1991 to 1993												Africare quarterly reports
	4 Increase marketed quantities of millet and sorghum from 17% in 1993 to 21% by 1995 by showing a 2% increase each year (of total production)	1993					Baseline 17%	17%	19%		21%				AMTT monitoring
TARGET 1 Improve the farmers' efficiency in producing and marketing farm products in target areas	Increase average wholesale price of Karal fresh tomatoes in N'Djamena from 2,600 CFA/case in 1992 to 3,100 CFA by 1998	1992		2,600	2500	2,600	2,700	2,652	2,800		2,950		3,100		ACDI baseline and annual reports and AMTT reports
	2 Increase average producer price of dried tomatoes in Abéché from 2,900 CFA/sack in 1990 to 3,500 CFA/BACK by 1998	1990	2,900	2,900	3000	3,100	3,100	2,750	3,200		3,350		3,500		Africare baseline and annual reports
	3 Increase adoption of improved cultural and/or post-harvest technologies from 0 farmers in 1991 to 2,000 in 1998 in target areas (Moyen Chari, Guéra)	1991	0	799	1000	1,078	1,200	1,252	1,400		[illegible]		2,000		CARE, Africare, ORT annual reports
TARGET 2*															
TARGET 3 Identify and remove policies and regulations constraining market efficiency	1 Reduce import tax on agricultural inputs and eliminate export tax on agricultural products from 90% in 1993 to 30% by 1996	1992	Mission is working with GOC to reduce import tariffs on agricultural inputs and eliminate export tax on agricultural products												UDEAC publication GOC decree, NPA quarterly reports
					99! 10%	90%	30%	90%	30%		30%				
	2 Reduce business registration process time to one-step by CY 1993	1992	Study of current business registration process was completed in 9/92. The results and recommendations of the study have been presented to GOC for implementation. The Cellule Technique d'Appui has recommended to the High Commission that the Administrative Authorization be eliminated along with all related fees.												Min of Commerce publication, AMTT quarterly reports
	3 Simplify access to Regime A of the Investment Code by CY1993 (Target area: Nationwide)	1992			99!		1993	Study done and to be presented to GOC							Min of Commerce publication, AMTT quarterly reports
	It Increase the proportion of the GDP														

*Target 2 has been met and thus deleted from the spread sheet

TARGET 4 Increase private sector participation in domestic and export marketing system in target areas	1 Increase the number of domestic and export agribusinesses from 6 in 1992 to 10 by 1995	1993			Baseline	6	0	0	2		4				AMTT and NPA baseline surveys and annual reports
	2 Increase the number of loans to SMEs by 20% each year to reach 130 by 1995	1991	28	48	53	74	56	60	108		130		192		VITA 1990 baseline and annual reports
TARGET 5 Increase GOC's efficiency to manage and evaluate marketing programs	1 Train400 technicians or 20% (400 out of 2000) of the Ministry of Agriculture and Environment by 1995	1990	0	3	110	102	10	actual 11	120		100				HRDA annual training statistics
	2 Train40 technicians or 20% (40 out of 200) of the Ministry of Plan by 1995	1990	20	16	8	24	4	10	With a total of 52 people trained this target has been met already						

188

189

HEALTH PROGRAM: ASSESSMENT OF PROGRAM IMPACT

OBJECTIVES	INDICATORS	BASELINE YEAR	PROJECT IMPACT: PLANNED AND ACTUAL FY 91 Planned	FY 91 Actual	FY 92 Planned	FY 92 Actual	FY 93 Planned	FY 93 Actual	FY94 Planned	FY94 Actual	FY95 Planned	FY95 Actual	FY96 Planned	FY96 Actual	DATA SOURCE
STRATEGIC OBJECTIVE #2 Improve the health status of Chadian infants, children and women of child-bearing age in the Moyen-Chari	1. Increase No. of new cases of diarrhea, malaria(fever) and ARI's seen and treated in infants from 0-11 months by 1% per annum	1991	16297	16297	16888	16476	16924		17391		17888				
	2. Increase No. of new cases of diarrhea, malaria(fever), and ARI's seen and treated in children from 1-4 year by 1% per annum	1991	25439	25638	25791	30457	30791		31088		31408				
	3. Decrease No. of assisted deaths	1991	8512	8512	9000	8054	8987		8383		8862				
TARGET 1: Improve the quality of maternal/childhealth services	1. Increase usage of health services by women/children as measured by per clients per year	1991	243050	243050	N/A	277081	304800		335288						
	2. Increase the % of pregnant women at register for prenatal visits	1991	10.3%	10.3%	N/A	11%	12%		13%						
	3. Increase availability of services for prevention and treatment of diarrhea, ARI and malaria centers	1992	0	0	3	N/A									
	4. Increase % of new and repeat visits to family planning services	1992	0	0	0	N/A									
TARGET 2 Improve health data collection and analyses in target areas	1. Increase No. of dispensaries reporting on family planning activities	1991	0	0	1	1									
	2. Increase % of dispensaries reporting on child morbidity data	1991	52.8%	52.8%	80%	84%									
	3. Establish a health statistical year book that includes child survival, family planning and contraceptive data	1991	1	1	1	1	1		1						
	4. Implement 1 KAPB Survey	1991	0	0	1	1									
TARGET 3 Improve the quality of available health services through training and supervision of health and social center personnel	1. Increase the No. of supervisory visits to dispensaries by 5% each year project														
	2. Increase % of health workers trained to recognize, treat and/or refer mild, severe and severe ARI's and malaria	1994	0	0	0	0	0	21	23		46				
	3. Reduce % of cases of dehydration due diarrhea through training in dietary management of diarrhea														
	4. Increase % of health care workers trained to identify and treat problem pregnancies	1994							21		45				
TARGET 4 Promote decentralization and increase cost recovery in centers in the target areas	1. Increase % of dispensaries costing user fees for health services														
	2. 1st Medical Officer assigns sufficient funds at prefecture level to permit renting of essential drugs*														

At present, dispensaries are not equipped with laboratories and most cases of fever are considered to be malaria.

*To be implemented by the end of the project

190

TARGET OF OPPORTUNITY. ASSESSMENT OF PROGRAM IMPACT

OBJECTIVES	INDICATORS	BASELINE YEAR	PROJECT IMPACT PLANNED AND ACTUAL FY 91 Planned	FY 91 Actual	FY 92 Planned	FY 92 Actual	FY 93 Planned	FY 93 Actual	FY 94 Planned	FY 94 Actual	FY 95 Planned	FY 95 Actual	FY 96 Planned	FY 96 Actual	DATA SOURCE
TARGET OF OPPORTUNITY															
1 Improve food security for at-risk populations	1 Maintain national food security stock at a minimum of 5,000 MT by 1992.	1991	5,000	900	5,000	8 000	5,000	9 000	5 000		5,000		5,000		ONC monthly reports
2 Increase famine preparedness	1 Increase GCC capacity to project and monitor food needs at national and subnational level through improved data collection and nutrition surveys.*	1991	N/A	14	2	0	2	3	2		2				CNNTA nutrition surveys
	2 Shorten response time from needs assessment to delivery of food from 10 to 6 months by 1993 **	1990	6 mo	N/A	6 mo	N/A	6 mo		6 mo		6 mo		6 mo		AID cables/ receiving reports

ASSESSMENT OF PROGRAM IMPACT

FY 1993

THE GAMBIA

192

USAID/BANJUL

ASSESSMENT OF PROGRAM IMPACT

November 22, 1993

THE GAMBIA

193

USAID/BANJUL

ASSESSMENT OF PROGRAM IMPACT

NOVEMBER 22, 1993

THE GAMBIA

TABLE OF CONTENTS

SECTION	DESCRIPTION	PAGE
	INTRODUCTION	1
	USAID/BANJUL PROGRAM LOGFRAME	4
I	SPECIAL FACTORS AFFECTING THE USAID/BANJUL PROGRAM	5
II	PROGRESS TOWARD OVERALL COUNTRY PROGRAM GOALS	6
III	PROGRESS TOWARD STRATEGIC OBJECTIVES AND RELATED PROGRESS INDICATORS	11

INTRODUCTION

Having successfully completed a structural adjustment program, the Government of the Gambia is now focusing on structural development and modernization. The objective is to expand income-generating activities so as to improve the well-being of the country's population, all within the framework of a free-market economy oriented towards exports. As stated in the document outlining the country's Programme for Sustained Development, "The cornerstone of the new philosophy was the belief that the main source of economic development in the future would be private economic agents acting within a framework of political and economic freedom, responding to price signals that as far as possible reflect genuine economic costs and benefits." In formulating the Mission's program to support the Government's approach, our basic strategy has been to help establish a policy, legal and institutional framework supportive of private sector activities. Our program focuses on broad-based sustainable economic growth, environmental protection, and strengthening governance. We cooperate with and provide capacity-building support to four key institutions -- Central Bank (CB), Ministry of Finance and Economic Affairs (MFEA), Ministry of Justice (MOJ), and Ministry of Natural Resources and Environment (MNRE) -- and are working with our Gambian partners to enact an enabling environment within which the private sector can respond to available economic opportunities. The key elements of the Mission's enabling environment program are supporting and strengthening macroeconomic stability, an efficient financial system, an operable legal system, and arresting environmental degradation through participatory policy reform and community-based village programs.

There is ample evidence to show that the many reforms carried out since 1985 have had a positive impact on the lives of Gambian citizens. The number of firms, level of employment, and real wages in the formal private sector have all shown respectable growth. Banks are lending out a greater proportion of their assets, and savings deposited with banks have increased as a proportion of GDP. Horticulture and tourism, both labor intensive industries, are growing rapidly, creating jobs, tax revenue and foreign exchange earnings. The Government continues to withdraw from productive type activities that can better be accomplished by private firms

However, neither we nor the Gambian Government is satisfied with the modest progress being made. For the majority of people living in the rural sector, the benefits have mainly been indirect. Rural families have benefitted from seasonal employment in the greater Banjul area, from remittances from family members who have found permanent employment in the greater Banjul area and from increased production and marketing of livestock. Agricultural productivity remains very low and agricultural inputs like fertilizer, seeds,

herbicides and insecticides are scarce commodities. Even for the formal private sector outside of greater Banjul, the impact of the reforms has been modest. Both the number of firms employing five or more workers and the number of their employees are basically unchanged between our survey years of 1990 and 1992. Real wages in Farafenni showed a substantial increase but that was due to a rise in wages for only one industry - finance. In the urban sector, low literacy, a lack of human resource skills, inadequate infrastructure, limited natural resources, and a small domestic market all retard the growth and development of industry. The rapidly growing population exacerbates the problems and the investment requirements for a meaningful and sustainable increase in income. We will continue to focus on improving the enabling environment without which private firms will not have the incentive to play the crucial and needed role of expanding job opportunities.

COUNTRY PROGRAM ELEMENTS

Each of the Mission's three major programs, initiated in fiscal years 1991 and 1992, the Mission's continuing Human Resources Development (HRDA) project, and the monetized food aid program are intended to overlap and support each other. All support the Agency's priority areas.

-- The **Financial Sector Restructuring Program (FSR)** provides a $5.0 million cash grant conditioned on policy reform and a $1.8 million support project designed to increase bank competition, improve bank supervision and improve debt collection procedures.

-- The **Financial and Private Enterprise Development Program (FAPE)** provides a $9.0 million cash grant conditioned on policy reform and a $8.35 million support project designed to promote sound macroeconomic policy, enact a favorable legal and regulatory climate, improve the efficiency of the oilseeds industry, including privatization, and support Gambian entrepreneurs in starting or expanding business enterprises.

-- The **Agriculture and Natural Resources Program (ANR)** provides a $10.0 million cash grant conditioned on policy reform and a $12.5 million support project designed to strengthen the national policy and institutional framework governing natural resources, create an enabling framework that will allow local communities to assume management control of, and benefit financially from, local land-based resources, and further the adoption of improved natural resource technologies.

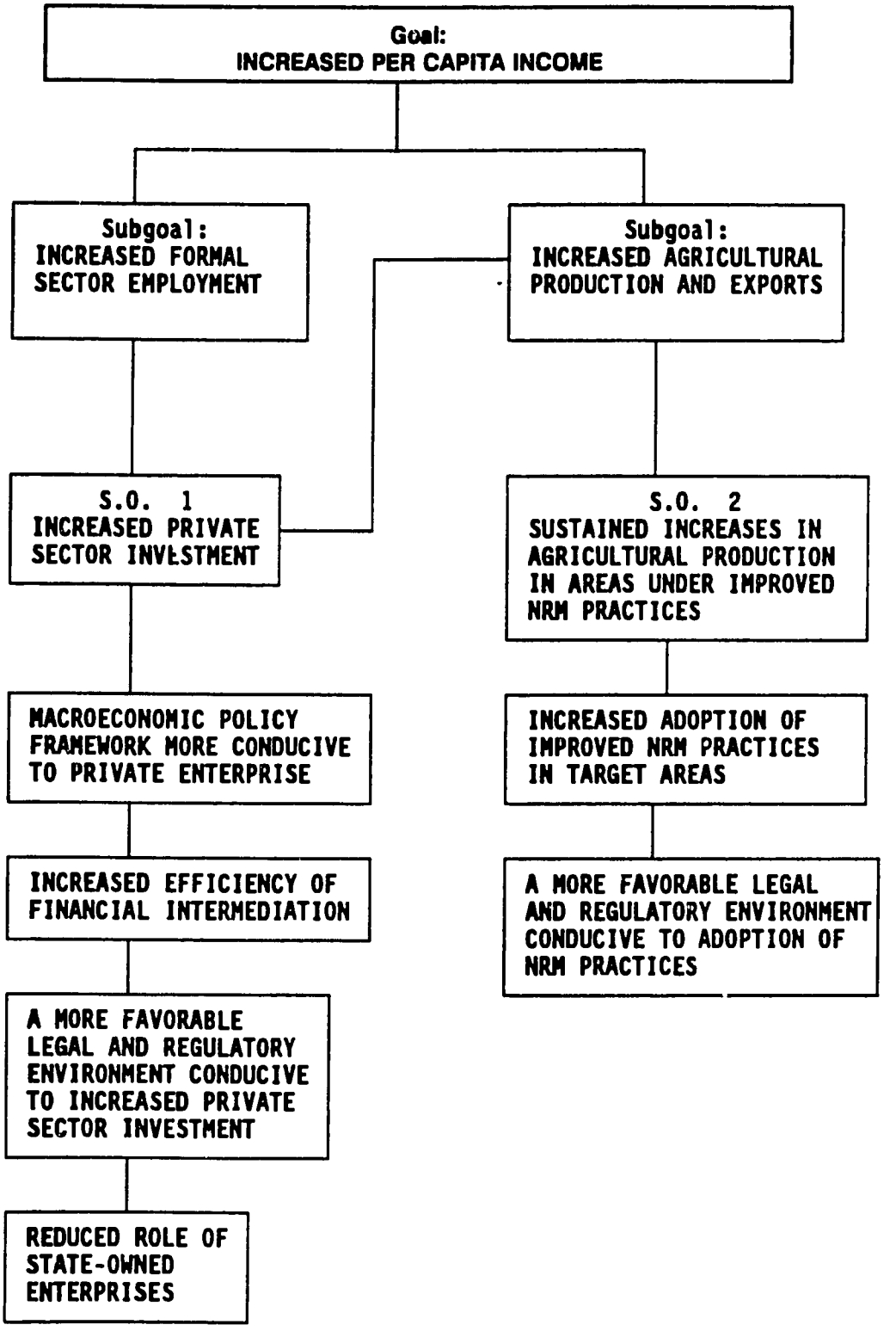
-- The **Human Resources Development for Africa Project (HRDA)** provides $2.5 million over six years in training assistance for strengthening the policy reform process and for capacity building at those Ministries implementing activities

related to the Mission's country program. In addition, we provide training for private businesses to support domestic investment and exports.

-- The **PL 480 Title II Program** provides almost $2.0 million a year in food commodities to improve the nutritional status of rural Gambian women and their children and to expand income earning opportunities for rural women. Approximately 25,900 rural Gambian women and their children benefit from these activities.

*Preparations for this year's API benefitted greatly from a TDY technical assistance mission from CDIE and the PRISM project. The TDY team provided the Mission with a computerized reporting system and a refinement of our progress indicators. The Mission is grateful for their assistance.

The Gambia Program Logframe



SECTION I

SPECIAL FACTORS AFFECTING THE USAID/BANJUL PROGRAM

RAPID POPULATION GROWTH: Preliminary data from the 1993 Population Census indicates that the population growth rate for the period 1983 to 1993 increased dramatically to 4.1 percent from the already high previous level of 3.4 percent. Since the start of the Economic Recovery Program in 1985, recorded economic growth has averaged about 3.5 percent a year. Consequently, the new population figures indicate that per capita income has been falling instead of holding constant or slightly increasing as previously believed. Some observers suspect that the national income accounts are underrecording economic activity. Support for this position is indicated by the very high migration rates into the country which are believed to result from the availability of increased economic opportunities. Migration into The Gambia from neighboring countries increased population on average by 0.5 percent a year over the last 10 years.

The much higher population growth rate increases the investment requirements in the country for infrastructure and social services. The country is already inadequately served by schools, hospitals, and basic services like electricity and water. Consequently, achieving the Mission's goal of increasing per capita income will be much more difficult to achieve than was planned when our program strategy was designed.

SENEGAL SUBSIDIZES GROUNDNUTS: For the last two years Senegal subsidized groundnut prices above world market levels. In consequence Gambian farmers sold their groundnuts to Senegalese traders rather than to GOPMAC, the Gambian groundnut processing facility. GOPMAC could not operate and The Gambia lost the value added from processing groundnuts. While this had a negative impact on GDP over the two-year period, the Mission feared that the real long-term impact would be to derail the Mission's program to privatize GOPMAC. An international buyer was found (Alimenta) and it took over the company in August 1993. This is expected to have a positive impact on groundnut production and processing in the years ahead, unless Senegal's pricing policy continues to induce Gambian growers to sell across the border. If the CFA were to be devalued, Alimenta's competitive position would be strengthened and groundnuts could possibly move from Senegal to The Gambia.

SENEGAL CLOSES BORDER FOR TRANSHIPMENT: Shortly after the CFA was made nonconvertible for holders outside of the CFA zone, Senegal closed its borders with The Gambia to traders desiring to transship goods from The Gambia to countries bordering on Senegal. While making the CFA nonconvertible undermined Gambia's re-export trade, the border closing was devastating. Traders have begun to divert goods away from The Gambia, warehouses are full with unsold goods, and some traders are speculating that they will have to leave the country. Since the border closing occurred after this reporting period, the

indicators discussed in this report will not show any impact. However, if the re-export trade is permanently injured, then The Gambia's growth and development will be significantly reduced in the future until the economy diversifies successfully. Already the GOTG is reducing its Public Investment Program and the recurrent expenditure budget. The value of re-exports is equivalent to one-third of GDP, accounts for 80 percent of total exports, and is a major source of tax revenue.

SECTION II

PROGRESS TOWARD OVERALL PROGRAM GOALS

The Mission's country program goal is to increase per capita income. There are two performance indicators for measuring progress - real per capita income and formal sector real wages. As already discussed in Section I, the 1993 Census of Population revealed that population has been growing rapidly over the last 10 years at 4.1 percent a year, much higher than previously believed. Since the start of the Economic Recovery Program in 1985/86, real per capita income has declined at an average annual rate of 0.7 percent.

BASIC DATA ON THE GAMBIA

POPULATION, 1993 (million)	1.0
PER CAPITA GDP, 1992	$340
ADULT LITERACY RATE	27%
POPULATION GROWTH RATE	4.1%
MANUFACTURING, % OF GDP	6.0%
IMR, 1991 (per 1,000)	135
HUMAN DEVELOPMENT INDEX	.086

When we developed our country program strategy and Action Plan, the prevailing view was that per capita income was increasing modestly and we were optimistic that with additional policy reforms, new private investment would be forthcoming that would have a significant positive impact on per capita income. Given the new population data, the investment requirements to raise per capita income are much greater than previously believed. Although the challenge is greater, we are still optimistic that investment will increase enough to raise per capita income. Complementing the need to raise income is the need to reduce population growth rates. The GOTG has responded by passing in Parliament a National Population Policy which includes programs for family planning, surgical sterilization, and social marketing of contraceptives.

With respect to the most recent fiscal year, per capita income declined by 1.9 percent between 1991/92 and 1992/93. Real GDP increased by 2.1 percent but population increased by 4.1 percent. Only two sectors had a decrease in real output, crop production (-19.5%), due to uneven distribution of rainfall, and hotels

and restaurants (-12%), due to the decline in tourism brought about by the recession in Europe. All other sectors experienced an increase with significant increases occurring in communications (16.4%), transport (15%), electricity & water (11.1%) and construction (8%).

Performance Indicator: Real Wages - The other performance indicator tracked by the Mission is average monthly **real wages** for firms hiring five or more employees in eight sectors. Between 1988 and 1992, real wages on average for all eight sectors have increased by 5.5 percent a year. By sector, the average annual increase in real wages were: industrial fishing 2.7 percent, horticulture 12.3 percent, manufacturing 11.3 percent, construction 11.0 percent, tourism 3.0 percent, transport 5.5 percent, trade 2.0 percent, and finance 20.8 percent. These are encouraging figures demonstrating that for the formal sector at least, real wages are increasing in response to the many reforms that have taken place. Over the same four-year period, real per capita income for the country as a whole showed no change. The major declines in real per capita income occurred between 1986 and 1988 and between 1992 and 1993.

Wages by Gender - Starting in 1993 the Mission began collecting data on wages by gender for each of the eight sectors. This will be continued in future years and the Mission intends to collect the data annually instead of every two years. Comparing average female wage rates with average male rates for 1992 shows that for all eight sectors male wage rates were only 6.6 percent higher than for females. Unfortunately, the data does not differentiate by skill level. There was great diversity by sector. Comparing average wage rates by sector shows that male rates were 65 percent higher in industrial fishing , equal in horticulture, 24.6 percent lower in manufacturing, equal in construction, 12.6 percent higher in tourism, 16 percent lower in transport, equal in trade, and 10.5 percent higher in finance.

Wages in Urban Areas Outside of Greater Banjul - Starting in 1989, the Mission began surveying employment, wages and the number of firms employing five or more workers in the two major towns outside of the greater Banjul area. For 1992 average wages in Basse were 79 percent of average wages in greater Banjul and in Farafenni were 70 percent. Average female wages were 67 percent higher than male wage rates in Basse and 45 percent higher in Farafenni. However, female employment in the two towns was extremely low (see subgoal 1 below) and there was no distinction made in skill levels. Gender wage differences must be interpreted with caution. Between 1990 and 1992 average nominal wages increased by 26 percent in Basse and by 54 percent in Farafenni. Over the same two year period, consumer prices in Banjul increased by only 16 percent indicating that real wages increased substantially in Farafenni and slightly less than in the greater Banjul area for Basse.

SUBGOAL 1: INCREASED FORMAL SECTOR EMPLOYMENT

Besides the encouraging increase in the overall real wage rate for the eight sectors, there was a corresponding encouraging increase in **employment**, which is the performance indicator for the Mission's first subgoal, increased formal sector employment. Over the four year period 1988 to 1992, aggregate employment in the eight sectors increased at an average annual growth rate of 4.7 percent. Female employment increased at the average rate of 10.2 percent whereas male employment increased at 3.3 percent a year. It is important to note that our data on the formal sector covers only eight sectors and only private firms hiring five or more employees. As seen in the table, the total employment level is only 6,632 workers, indicating the small size of the formal private sector.

Employment Levels Outside of Greater Banjul - Between 1990 and 1992, total employment in firms hiring five or more workers increased by only six percent in Basse and decreased by five percent in Farafenni. The number of female workers in Basse increased from one to five and in Farafenni from five to six. In 1992 total male employment in Basse was 133 workers and in Farafenni was 59. The major sectors in which firms qualified to be included in the survey for the two towns were manufacturing (cotton gin, carpentry and metal workshops, and bakery), transport, tourism, and finance.

	BASELINE	ACTUAL 1991/92	ACTUAL 1992/93	PLANNED 1993/94	PLANNED 1994/95	PLANNED 1995/96
GOAL: INCREASED PER CAPITA INCOME.						
Performance Indicators:						
1) Real per capita income.	D597 (1985/86)	D575	D564	D575	D586	D600
2) Formal sector real wages. Definition: Average monthly wage in 8 sectors reported by Social Security, deflated by CPI, as of December 31. Only firms employing five or more workers are included.	D55.9 (1988)		D69.2 (1992)		D75.0	
SUBGOAL 1: INCREASED FORMAL SECTOR EMPLOYMENT						
Performance Indicators:						
1) Formal sector employment (gender disaggregated). Definition: Number of employees in 8 sectors reported by Social Security, as of Dec. 31. Total does not equal sum of genders since not all data for firms could be gender disaggregated.	4,368 male 1,065 female 5,510 total (1988)		4,975 male 1,568 female 6,632 total (1992)		7,200 total (1994)	
SUBGOAL 2: INCREASED AGRICULTURAL PRODUCTION AND EXPORTS						
Performance Indicators:						

1) Nongroundnut exports as percentage of total export earnings. Definition: Total exports excludes re-exports.	30.4% (D 30.0/986) (1987/88)	50.0% (D52.1/104.1)				
2) Value of nongroundnut domestically produced exports, in millions.	D30.1 (1987/88)	D52.1	NA	D55	D60	D65
3) Real per capita agricultural production Definition: Sum of crop, livestock, and forestry production at 1976/77 prices divided by population.	D137 (1985/86)	D115	D95	D115	D115	D115

SUBGOAL 2: INCREASED AGRICULTURAL PRODUCTION AND EXPORTS

For The Gambia, the re-export trade is a major sector providing jobs, foreign exchange and tax revenue. Re-exports are equivalent to one-third of GDP and they account for 80 percent of total exports. The major domestically-produced export is groundnuts, which accounted for 90 percent of total domestically-produced exports in the early 1980s. A decline in the world market for groundnuts or an external shock affecting re-exports, as recently occurred with the Senegalese closing of the border for Gambian transhipment of goods, will adversely affect Gambian incomes. A second subgoal for the Mission is increased agricultural production and exports in order to help diversify the economy and make it less dependent on groundnuts and re-exports. The first performance indicator is **nongroundnut exports as a percentage of total exports**, excluding re-exports. Good progress has been made and nongroundnuts accounted for over 50 percent of total exports in FY 1991/92 compared with 30 percent in FY 1987/88. Unfortunately, data is not yet available for FY 1992/93. Part of the reason for the significant increase has been stagnation and decline in groundnut production, partially due to poor weather. Nevertheless, nongroundnut exports have almost doubled in value since the baseline year (see second performance indicator). The major nongroundnut exports are cotton, seafood, and fruits and vegetables. Although increases were seen in all three categories, seafood and horticultural products, two of the Government's priority sectors and which the Mission is supporting, accounted for 88 percent of the increase. Although data is not yet available for FY 1992/93, we expect a temporary drop in horticultural exports due to limited airfreight frequency and capacity affecting horticulture. There have also been reports of a significant decline in cotton production. The Mission anticipates that groundnut production and exports will be revitalized with the privatization of the groundnut processing plant. We are also working very closely with Catholic Relief Services to develop and market sesame as an alternative oil seed crop and as a new export earner.

Performance Indicator: Real Per Capita Agricultural Production - The final performance indicator for this subgoal is **real per capita agricultural production**, comprising crop, livestock and forestry production. Since the baseline year of 1985/86, per capita production has deteriorated greatly. Production has increased modestly but the high population growth rate overwhelms the production increase. Since uneven distribution of rainfall in 1992/93 hurt agricultural production that year, we are expecting production to rebound in 1993/94. However, the projected stability in per capita production in the near future is questionable due to the high population growth rate. Our new ANR program is now establishing the conditions for increased agriculture production but significant increased in production from this program are not expected for at least five years.

SECTION III

PROGRESS TOWARD STRATEGIC OBJECTIVES AND RELATED PROGRESS INDICATORS

STRATEGIC OBJECTIVE ONE - INCREASED PRIVATE SECTOR INVESTMENT

FSR NPA ASSISTED ACHIEVEMENTS

LARGEST BANK PRIVATIZED
CREDIT CEILINGS ELIMINATED
3 DEBT RECOVERY LAWS MODERNIZED

The Mission's first strategic objective is to increase private sector investment, and there are two programs which complement each other in achieving this objective. The first program is the Financial Sector Restructuring Program (FSR) which is designed to improve the efficiency of financial intermediation in promoting savings and investment and in allocating savings to their most productive uses. The reforms achieved to date through the Financial Sector Restructuring (FSR) program are expected to increase bank competition and to improve debt collection procedures.

Before the reforms, the existence of credit ceilings resulted in banks being unwilling to attract deposits, since they could not lend out the money, and in banks not competing with each other for customers, since they could only lend to a new customer by reducing lending to existing customers. In addition, the laws and court enforcement procedures affecting debt collection were outmoded, with some relating to U.K. laws dating back to the late 19th Century, and created uncertainty about the rights of creditors and debtors. While we are encouraged by the progress shown in many of the performance indicators, we realize that further reforms are needed in order for the financial sector to play a greater role in economic growth and development.

For example, although the laws affecting debt collection (Insolvency Act and Mortgage Act) and the enforcement of court judgements (Sheriffs Act) have all been modernized through the FSR Program, interminable delays are still a major impediment affecting bank-lending decisions. These delays, for what appear to be the most frivolous of reasons in ongoing court debt cases, frustrate bankers and make them reluctant to extend term loans. The GOTG is concerned about these delays and has requested the Mission to undertake an assessment of the judicial system, including administrative procedures, to determine if court delays are due to poor or inadequate procedural laws or to inefficient practices in managing court processes.

Complementing the FSR program is the Mission's FAPE program which is intended to enhance the enabling environment for increased private investment and growth

of private enterprises. Like the FSR program, it has a major component addressing legal reforms, including modernizing the Companies Act, the Business Registration Act, the Partnership Act, and preparation of a Commercial Code and other Acts covering hire/purchase, Bills of Exchange, Contracts, and Bills of Lading. Computerized court reporting will be introduced in The Gambia under this USAID program to accelerate the process of hearings in court. Technical support is also provided to the MFEA to increase the capacity of the Ministry to analyze and formulate economic policies. Finally, direct support is provided to private firms in the form of technical assistance and training. The reforms anticipated under the program are expected to increase the role of the private sector in the economy.

FAPE NPA ASSISTED ACHIEVEMENTS

LARGEST MANUFACTURER PRIVATIZED

Since the start of the ERP in 1985, **gross domestic investment as a percent of GDP** has increased from 15.4 to 19.2 percent. The increase is solely due to **private investment** increasing from 8.2 percent of GDP to 12.2 percent. The final performance indicator for this strategic objective is **private savings as a percent of GDP.** As can be seen in the table, private savings is now positive but is at an extremely low level. There is a great need to increase private savings and the Mission, through its FSR Program, is seeking to strengthen the financial sector so it can play a larger role in savings mobilization.

	BASELINE	ACTUAL		PLANNED		
		1991/92	1992/93	1993/94	1994/95	1995/96
SO 1: Increased Private Sector Investment **Performance Indicators:**						
1) Gross domestic investment as % of GDP	15.4% (1985/86)	19.0%	19.2%	19.5%	20.0	20.5
2) Private sector investment as % of GDP	8.2% (1985/86)	13.7%	12.2%	12.5%	13.0%	13.5%
3) Private sector savings as % of GDP	-2.4% (1985/86)	2.2%	NA	2.5%	3.0%	3.3%
Narrative Comments/Notes: Private sector investment and savings includes public enterprises.						

TARGET 1.1 - MACROECONOMIC STABILITY

A key requirement for increased private investment is macroeconomic stability. The Mission has been involved in building capacity through long-term technical assistance in economic policy formulation and analysis at the MFEA since 1985. The GOTG's commitment to macro stability is quite evident in the three indicators selected to track performance. The first performance indicator shows the dramatic drop in **inflation rates** in the country. The 11.2 percent annual inflation rate for the FY ending in June 1993 was not representative and a more representative rate is the 5.4 percent rate for the year ending September 1993.

	BASELINE	ACTUAL		PLANNED		
		1991/92	1992/93	1993/94	1994/95	1995/96
TARGET 1.1: Macroeconomic Policy Framework Conducive to Private Enterprise Performance Indicators						
1) Rate of inflation	70.4% (1985/86)	11.8%	11.2%	5.0%	5.0%	5.0%
2) Fiscal deficit as % of GDP Definition: Government budget as percentage of GDP, excluding grants	-4.1% (1985/86)	-4.1%	-2.0%	-1.8%	-1.8%	-1.8%
3) Real interest rate Definition: End of June Treasury bill rate minus annual percentage change in Consumer Prices	13.2% (18.5-5.3) (1990/91)	7.2% (19-11.8)	5.8% (17-11.2)	5.8%	5.5%	5.0%

Performance Indicator: Fiscal Deficit - The reason for the reasonably good price performance has been effective monetary control by the Central Bank. This has been made easier by reasonably good fiscal control which is the Mission's second performance indicator for this target. The **budget deficit**, excluding donor grants, has been reduced from 4.1 percent of GDP at the start of the ERP to two percent in the most recent fiscal year. If donor grants were to be included, The Gambia had a budget surplus this FY of 1.3 percent.

Performance Indicator: Real Interest Rate - The final performance indicator is the **real interest rate** which has declined from 13.2 percent in June 1991 to 5.8 percent in June 1993. Part of the decline is due to the high rate of inflation for the

period ending in June. If the annual inflation rate ending in September had been used instead, real rates would still be a very high 11.6 percent. A high real interest rate should encourage savings which is good for mobilizing domestic resources but it also discourages borrowing and investing. Since borrowing rates at commercial banks are at least five percent higher than the T-bill rate, real borrowing costs are at least 11 percent, an extraordinarily high rate for businesses wishing to expand. The reason given for the continued high interest rates in the country vary depending on the authority asked. The Central Bank attributes the high rates to the lack of competition in the banking sector. Bankers blame the high rates on Central Bank policy. As described in the next target, the Mission will be assessing the financial sector early in CY 1994.

TARGET 1.2 - INCREASED EFFICIENCY OF FINANCIAL INTERMEDIATION

Financial intermediaries in The Gambia are not doing an adequate job in mobilizing savings. This can be seen in the very low level of savings and time deposits in commercial banks. Since the start of the FSR program in 1991, these **deposits as a percentage of GDP** have risen from 9.5 to 10.3 percent in June 1993. The decline shown in the table for FY 1991/92 is due to the privatization of the largest commercial bank in June 1992 which resulted in some deposits being liquidated and some not being counted. Although there has been an increase as shown in the table, financial intermediation is not occurring on a scale to promote the needed investment to raise per capita income. Much of the reluctance of the banks to mobilize more savings is due to their reluctance to extend loans. Bankers complain of the uncertainty related to their ability to collect on collateral pledged as security on loans. As stated earlier, reducing this uncertainty is a major focus for the Mission.

Performance Indicator: Spread Between Lending Rate and Deposit Rate - The uncompetitiveness of the banking sector is quite evident in the wide **spread between lending rates and deposit rates**, which is the Mission's second performance indicator for this target. As can be seen in the Table, the spread between the prime lending rate and the savings deposit rate has declined from 11 percent in June 1991 to eight percent currently. The cost of funds for banks is much lower than that given by the savings deposit rate since banks also mobilize demand deposits on which no interest is paid. These high spreads plus the service fees collected by banks make them highly profitable. The two largest banks have a return on equity after taxes of over 40 percent! While these high returns would be expected to attract additional banks, it is important to note that the absolute level of profits for the most profitable bank is just over one million dollars. Multinational banks likely would not find that level of profits to be a sufficient inducement to set up operations in the country.

Performance Indicator: - Loans as a Percentage of Assets - The final performance

indicator for this target is **commercial bank loans as a percentage of commercial bank assets.** In the past, banks were very reluctant to extend loans, particularly since they could place their excess funds in the t-bill market which would earn a risk free return of over 19 percent. However, it is encouraging to note that since the elimination of credit ceilings, loans as a percent of assets have increased from 25 percent in 1991 to 44 percent currently. Bankers reported to us that the upsurge was for financing imports of trade goods that were self-liquidating in 90 days. Besides earning interest, the banks also earned foreign exchange service fees. Whether loans as a percentage of assets will continue to rise in the future will depend in part on what happens to the re-export trade and on whether bankers gain confidence in the legal system and extend term loans based on the pledge of collateral.

Although a number of reforms associated with the FSR Program have been achieved in the financial sector, the sector is still not playing the essential role needed to support broad-based sustainable economic growth. Borrowing costs from banks are extremely high (in excess of 22 percent with modest inflation rates) and banks are reluctant to extend loans for other than quick turn around type activities. Increases in savings mobilized by the banking system have been modest. We will soon fund an evaluation of the financial sector to provide guidance to the GOTG on what further reforms or institutional changes are needed. In particular, the evaluation will focus on identifying impediments to lower interest rates, to greater access to term loans, and to greater savings mobilization.

	BASELINE	ACTUAL		PLANNED		
		1991/92	1992/93	1993/94	1994/95	1995/96
TARGET 1.2: Increased Efficiency of Financial Intermediation Performance Indicators						
1) Savings and time deposits in commercial banks as % of GDP	9.5% 1990/91	8.4%	10.3%	10.5%	11.0%	11.5%
2) Spread between prime lending rate at major bank and the savings deposit rate.	11% (23.5 - 12.5) 1990/91	10.0% (22.5 - 12.5)	8.0% (20.5 - 12.5)	7.8%	7.5%	7.0%
3) Commercial bank loans as a percentage of commercial bank assets	25.2% 1990/91	29.4%	44.4%	45.0%	47.0%	50.0%

TARGET 1.3 - MORE FAVORABLE LEGAL AND REGULATORY ENVIRONMENT

As part of the strategy to improve the legal environment in the country, the Mission is funding the introduction of modern court reporting technology and equipment, including the training of court reporters. Presently, judges must transcribe in long-hand all court proceedings, an extremely time consuming and lengthy process. Introducing modern court reporting should speed up court proceedings and, thereby, improve the efficiency of the courts. The performance indicator selected to measure progress is the number of witnesses heard in court during one session. A survey will be undertaken shortly to determine the baseline from which progress can be measured. The start-up date for the modernized court reporting is October 1994.

	BASELINE	ACTUAL		PLANNED		
		1991/92	1992/93	1993/94	1994/95	1995/96
TARGET 1.3: More Favorable Legal & Regulatory Environment Performance Indicators: 1) Increased number of witnesses heard in court	1993/94	NA	NA			
2) Number of firms of 5 or more employees paying into Social Security	94 (1988)		147 (1992)		165 (1994)	
3) Company tax as % of total tax revenue	7.7% 1985/86	8.4%	10.8%	11.0%	11.5%	12.0%

The remaining two performance indicators are designed to measure whether the Mission's activities to improve the enabling environment are having a positive impact. If the enabling environment has improved, then one should expect more private firms engaging in economic activity. As can be seen in the table, the **number of firms employing five or more employees** in eight sectors paying into Social Security have increased from 94 in 1988 to 147 in 1992, an average annual increase of almost 12 percent. As indicated earlier, there have also been corresponding encouraging positive impacts on employment and real wages.

Firms Operating Outside of Greater Banjul - The Mission's survey of economic activity outside of greater Banjul indicates that the number of firms employing five or more workers grew from 14 to 16 between 1990 and 1992 in Basse but declined from 10 to 9 in Farafenni.

Performance Indicator: Company Tax as a Percentage of Total Tax Revenue - The last performance indicator for this target measures **company profit taxes paid by firms as a percentage of overall tax revenue.** If entrepreneurs are responding favorably to available economic opportunities, then the tax base will be broadened and mobilization of resources for the government enhanced. As can be seen in the table, company taxes as a percent of total tax revenue has increased from 7.7 percent at the start of ERP to 10.8 percent currently. The Mission anticipates this figure to increase in the future due not only to more firms operating in The Gambia but also due to a major tax administrative reform effort the Mission is supporting. The tax system is being computerized with all firms being assigned one tax

identification number. This will allow the Central Revenue Office to exchange information with the Customs Office and improve tax compliance. However, once the tax administrative reform is completed by June 30, 1994, the GOTG is expected to reduce the Company's tax from 50 percent to 35 percent in line with one of the tax policy reform measures recommended as part of the Mission's FAPE NPA program. This will tend to reduce the level of taxes any one firm pays, but the Mission anticipates that the overall impact from tax reforms and improvements in the enabling environment will result in more tax revenue being generated by the addition of new firms and increased activities from existing firms.

TARGET 1.4 - REDUCED ROLE OF STATE-OWNED ENTERPRISES

Over the past two years, key privatizations include the sale of the Gambia Commercial and Development Bank and the Gambia Produce Marketing Board, both associated with the Mission's NPA programs. In addition, the Gambia Utilities Company and Kotu Automotive Workshop were leased and are under private management. As part of our new ANR program, the GOTG repealed the Livestock Marketing Act in 1993 and offered the newly established Livestock Marketing Company for sale on the open market. Of the remaining 18 operating SOEs, four have a GOTG minority share holding, four are under performance contracts, three are actively for sale, and two are under liquidation. The five remaining include the Civil Aviation Authority (100% GOTG), Gambia Airways (60% GOTG), Government Printing Office (100% GOTG), Old Atlantic Hotel (100% GOTG), and Senegambia Hotel (52% GOTG).

	BASELINE	ACTUAL		PLANNED		
		1991/92	1992/93	1993/94	1994/95	1995/96
TARGET 1.4: Reduced Role of State-owned Enterprises Performance Indicators						
1) Number of Operating State-owned enterprises	23 (1984/85)	21	18	16	14	12

STRATEGIC OBJECTIVE TWO - SUSTAINED INCREASES IN AGRICULTURAL PRODUCTION IN AREAS UNDER IMPROVED NRM PRACTICES

Actions towards Strategic Objective 2 will be carried out largely through the Mission's Agriculture and Natural Resources (ANR) Project, and, in turn, through

the activities of the prime institutional contractor. The contractor was selected and deployed in June 1993, marking the beginning of intensive implementation of the Project. Under the contract, a community-based natural resource management program will be implemented, largely through grants to NGOs. Program impacts, as defined by the API performance indicators, will ultimately be achieved through activities conducted under these grants. Subsequent API reports will reflect the results of these activities. (An action plan for tracking these indicators has been prepared, and will be the checklist for gathering data required for API reporting).

ANR NPA ASSISTED ACHIEVEMENTS

NATIONAL ENVIRONMENTAL ACTION PLAN ADOPTED
LIVESTOCK MARKETING BOARD ACT REPEALED

In the interim, the Mission issued a pilot grant to an international NGO operating in The Gambia, the objective of which is to provide practical experience around which future grants can be structured. Through the extension of known technologies (anti-salinity dikes, contour bunding, etc.), NGO personnel are working with participating communities to help them think beyond the immediate term, and develop medium- and long-term natural resource management plans. More specifically, activities under the grant are providing guidelines concerning: (i) the format, content, and process of negotiating Community Resource Management Agreements (CRMAs); (ii) a system for monitoring and evaluating NGO program impacts; (iii) Government-NGO-community coordination; and (iv) NGO grant selection criteria and program implementation strategies. Progress to date has been encouraging. The NGO helped to negotiate one CRMA, and, after the first season, one village's rice cultivation, previously lost to salt intrusion, has been reclaimed. Plans are now underway to carry out follow-up activities for the second season. Only with these subsequent activities will we be able to assess our success in moving away from single-year plans towards multi-year, longer-term programs. This is the course necessary to achieve <u>sustainable</u> natural resource management.

For such community-based programs to succeed, particularly those which incorporate management of government-controlled resources, the national policy environment must be conducive to the negotiation of CRMAs between government and communities of resource users. Towards this end, we have initiated a policy dialogue within GOTG to determine where the policy constraints lie and to begin to identify options for alleviating the most binding constraints. While these activities are not directly measured through performance indicators, they are an indispensable precursor to successfully implemented CRMAs.

	BASELINE	ACTUAL/PLANNED				
		1995	1996	1997	1998	1999
SO 2: SUSTAINABLE INCREASES IN AGRICULTURAL PRODUCTION IN AREAS UNDER IMPROVED NRM PRACTICES **Performance Indicators:** Comparison of production in project-affected areas with unaffected areas.						
a) Crop Production Definition: Weighted average of kg/ha in managed areas versus non-managed areas.	1994					
b) Forest production. Definition: Volume (cubic meters/ha) of useful (e.g. fuelwood, forage, construction, food, etc.) biomass on managed lands versus non-managed lands	1994					
c) Range production Definition: Weight of useful biomass on managed lands versus non-managed lands	1994					
2. Rainfall in Project targeted areas a. Project areas A b. Project areas B	1994					
Target 2.1 Increased Adoption of Improved NRM Practices in Target Areas						
1) Impact of increased adoption of improved NRM practices						

	BASELINE	ACTUAL/PLANNED				
		1995	1996	1997	1998	1999
a) soil fertility 1. contour ridges 2. alley cropping 3. other practices to be measured in consultation with NGOs Definition: soil fertility on managed lands compared with soil fertility on nonmanaged land. Fertility is measured by P, K, EC, and Ph as determined by soil testing	1994					
b) soil erosion Practices to be determined at a later date. Definition: Rate of soil erosion on managed lands compared with the rate soil erosion on nonmanaged land. The rate of degradation is measured by the Universal Soil lost equation or alternative means.	1994					
c) forest resources Practices to be determined at a later date.	1994					
d) range resources Practices to be determined at a later date	1994					
TARGET 2.2: More Favorable Legal and Regulatory Environment. Indicators:						
1. Number of approved community resource management agreements (CRMAs) in project areas:						
a) agricultural agreements	1994					
b) forestry/range agreements	1994					

	BASELINE	ACTUAL/PLANNED				
		1995	1996	1997	1998	1999
2. Number of hectares managed per community resource management agreements (CRMAs) in project targeted areas in the following subsectors:						
a) crop land	1994					
b) forest management	1994					
c) range management	1994					
3. Number of approved Community resources management agreements in nonproject areas.						
a) agricultural agreements;	133 (1992)					
b) forestry/range agreements.	3 (1992)					
4. Increased hectares under NRM practices outside ANR targeted areas.						
a) forest lands	1994					
b) range lands	1994					
c) crop land						

219

ASSESSMENT OF PROGRAM IMPACT

FY 1993

GUINEA-BISSAU

USAID/Bissau

Assessment of Program Impact 1993

220

USAID/Bissau

Assessment of Program Impact 1993

INTRODUCTION i

WHAT IS THE CGS MATRIX AND HOW DOES IT WORK? ii

I. SPECIAL FACTORS AFFECTING THE USAID PROGRAM 1
- DEMOCRATIZATION -- Steady Progress 1
- ECONOMIC REFORM -- Back to Basics 1
- TRANSITION IN THE USAID PROGRAM 3
- NOTES ON THIS ASSESSMENT OF PROGRAM IMPACT 3

II. PROGRESS TOWARD OVERALL PROGRAM GOAL 4

III. PROGRESS TOWARD THE STRATEGIC OBJECTIVE 8
- TARGET 1 12
  - SUB-TARGET 1.1 16
  - SUB-TARGET 1.2 16
- TARGET 2 17
  - SUB-TARGET 2.1 21
  - SUB-TARGET 2.2 23
  - SUB-TARGET 2.3 25
  - SUB-TARGET 2.4 25
  - SUB-TARGET 2.5 26
  - SUB-TARGET 2.6 26
- TARGET 3 27
  - SUB-TARGET 3.1 27
  - SUB-TARGET 3.2 29
  - SUB-TARGET 3.3 29
  - SUB-TARGET 3.4 30
- TARGET 4 31
  - SUB-TARGET 4.1 33
  - SUB-TARGET 4.2 34

221

INTRODUCTION

Improved Governance leads to Economic Growth

That statement summarizes the USAID/Bissau program. Guinea-Bissau is moving from a closed command economy controlled by a single-party State to an open, export-oriented economy and a participatory elected government. This transition is difficult enough by itself, but would be impossible (and certainly not sustainable) if Guineans were not also moving to create and strengthen the institutions and decision-making processes that characterize a democratic government: policies openly debated; laws proposed and debated in a representative legislative body; regulations that implement those laws fully vetted with the parties most affected and fairly enforced; and adjudication of conflicts done openly and fairly. Those in Guinea-Bissau leading the transition have realized that each of these institutions and decision-making processes must be in place for the government to play an effective, rather than limiting or damaging, role in an economy based on private enterprise.

This link of improved governance leading directly to economic growth is at the heart of the USAID/Bissau program. Through our flagship project, Trade and Investment Promotion Support (TIPS), we are supporting improved, participatory policymaking; technically competent drafting of and participatory debate of legislation and regulations; independence of a better-trained judiciary and other channels of adjudication; and stimulus to private sector associations that will ensure that the government keeps private sector interests in mind. All of these activities reflect and join with changes already occurring in Guinean society; we are simply offering a helping hand. To focus our efforts and to consistently promote the economic benefits of improving governance, all TIPS activities are related to the policies, laws, regulations, courts, or civic associations that are involved in trade and investment in the sectors most critical to the rapid growth of the economy: rice, cashews, fish products, forestry products, fruits and vegetables, commerce and services (Critical Growth Sub-Sectors - CGS). We believe that Guineans who see immediate economic payoffs from democratization will never be willing to go back to the bad old days.

Thus our program logframe, which we report against in this API, has as its Strategic Objective "Private Sector Trade and Investment increased in critical growth sub-sectors through Improved Governance". The targets, moving through a logical progression agreed with the Africa Bureau when the Program Strategy was approved in May 1992, call for creating the platform of research, analysis and planning of trade and investment reform; improving and making more participatory the policy, legal and regulatory environment; improving the adjudication of conflicts over laws and regulations through reform of the judicial system; and improvement of the ability of private sector associations to stand up to the government and not only respond to but actively participate in the formulation of policy, legal and regulatory changes.

USAID is putting a greater emphasis worldwide on consolidating new democracies. We believe that the USAID/Bissau program is an excellent example of an actual governance program that is off the drawing boards and currently being implemented in a country in transition. We are learning lessons that will be valuable to all those interested in governance.

292

WHAT IS THE CGS MATRIX AND HOW DOES IT WORK?

The Strategic Objective of the USAID/Bissau program is "Private Sector Trade and Investment (T&I) increased in critical growth sub-sectors through Improved Governance". In order to measure whether or not our program is having a positive impact, we need to know if the levels of economic activity in the critical growth sub-sectors (CGS) have increased over the CPSP period. We use the CGS Matrix to measure this.

The critical growth sub-sectors are those areas of the Guinea-Bissau economy that will lead economic growth. We have identified six areas of goods (rice, cashews, fruits, vegetables, forest products, and fish products) that are critical to economic growth in Guinea-Bissau. We think of economic activity around these products as divided into six areas: production, processing, domestic marketing, marketing for export, and product-specific commerce and services. We add on commerce and services in the generalized economy to get a coherent, wholistic picture of all economic activity around these products. If we measure all economic activity in these eight areas for these six products, we account for approximately 65% of the Guinea-Bissau economy.

A graphic representation of these eight areas of economic activity across these six products is the CGS Matrix.

CGS Areas of Economic Activity		CGS Products					
		Rice	Cashew	Fruit	Veg	Forest	Fish
		1	2	3	4	5	6
Production	A						
Processing	B						
Marketing/Domestic	C						
Marketing/Export	D						
Commerce/General	E						
Commerce/Product Specific	F						
Services/General	G						
Services/Product Specific	H						

Each box in the CGS Matrix contains a measure, or measures, of private sector economic activity. For example, box B2 contains some measure of the level of cashew processing. Box E and Box G contain measures for generalized Commerce and generalized Services, respectively. One might think of this matrix as extending to the right to add additional columns as one adds additional goods. Eventually, one would describe the entire Guinea-Bissau economy. But the CGS Matrix is restricted to those six types of goods that are critical to growth in Guinea-Bissau.

223

Now for a more concrete example of how this collection of measures against the 38 cells of the CGS matrix might be grouped. If we wanted to look just at cashews, we would look at the measures of level of activity in each of the six specific areas of economic activity for cashews. For an idea of progress (or not), we would look at these measures across time. So, matrix boxes A2-D2, F2 and H2 would appear as in the table below.

Critical Growth Sector: Cashews								
Indicators, by Area of Economic Activity		1992	1993	1994	1995	1996	1997	1998
Production: Value of Cashew Production	A2	Baseline						
Processing: Value Added by Cashew processing	B2	Baseline						
Marketing/Domestic: Value of Cashews marketed domestically	C2	Baseline						
Marketing/Export: Export Earnings for Cashews	D2	Baseline						
Commerce/Cashews: (a measure of supporting commerce for cashews)	F2	Baseline						
Services/Cashews: (a measure of supporting services for cashews)	H2	Baseline						

There is no "bottom line" that results from a table like this. But it should give us an idea over time if the cashew sector is growing or not. If it is, and the other five product sectors in the CGS are growing, then we are achieving our Strategic Objective and Guineans are better off.

A word of caution to those regarding the CGS Matrix with a healthy skepticism. This is by no means an input-output matrix. We are not looking for any computation across cells, nor any uniformity in the indicators across cells. This is not a mathematical tool; rather, it is a conceptual and measuring tool to help us think about and track progress in the most important areas of the Guinea-Bissau economy. It is towards these economic areas that our governance and other private sector activities must be focused, in order to bring about rapid returns on improved governance for Guineans.

Reporting against the CGS Matrix: An Innovative Approach

USAID Missions, especially in the Africa Bureau, are accustomed to striving for and reporting people-level impact. Contractors are not. Their objectives and reward systems are different from ours. Often we resolve this divergence of objectives by making contractors responsible for inputs into a project, while retaining responsibility people-level impact ourselves. With TIPS, USAID/Bissau has taken a different approach. We have made our master contractor responsible for having an impact on the people of Guinea-Bissau through increased levels of economic activity in the critical growth sectors. The "contract primary objective" of the TIPS master contract is "**Increase the levels of sustainable private sector economic activity (T&I) in each of the 38 cells (elements) of the CGS matrix.**" Success or failure of the contractor will be measured by how much (or how little) levels of sustainable private sector economic activity increase in the 38 cells of the CGS matrix. Under TIPS, our contractors' objectives are the same as our own, in a clearly and unambiguously defined way.

224

To ensure that the contractor is not deficient, we have required that the TIPS contractor report to USAID/Bissau annually against the contract goal (the TIPS project goal), the "contract primary objective", and the analytical/strategic planning agenda. The reports against the contract goal will be identical to Section II of this API. Reporting against the contract objective will report against historical and current levels of activity in the CGS Matrix, which USAID/Bissau will then translate into reporting against the Strategic Objective for the API. Reporting against the analytical/strategic planning agenda will be divided into two categories: potential for increased levels of activity in the CGS matrix and constraints against increased levels of activity in the CGS matrix. The constraints reporting will be divided into the following categories: 1. Policy, 2. Legal/Regulatory, 3. Judicial/Administrative Adjudication, 4. Direct Assistance. TIPS will also prepare Target and Sub-Target reporting against the Program Logframe.

Thus we have established a system whereby the contractor will provide us with all of the information we need to manage the program toward success (people-level impact) and prepare our API reporting to USAID/Washington. We think that this is an innovative approach in that our contractor is not solely motivated by the contract requirement to report, but rather by the contract requirement to have people-level impact. They will discover that they need these impact reports just as much as we do. TIPS initiates full field operations in January 1994. Their first comprehensive report covering the areas noted in the paragraph above is due in March 1994. Regular annual reporting will be initiated in September of the same year. For this API we are drawing on our own resources and information systems.

295

I. SPECIAL FACTORS AFFECTING THE USAID PROGRAM

Guinea-Bissau continued its political and economic transition in 1993. While unquestionable progress has been realized on both fronts, still much needs to be done so that the Guinean people can have confidence that the government will carry out full economic reform and a transparent and fair democratic election. USAID identified the following processes, all moving forward at present, as the most influential factors on the performance of our program: Democratization, Economic Reform and Transition in the USAID. Reversal or significant delay in any of these processes would have a negative effect on our program.

DEMOCRATIZATION -- Steady Progress: Guinea-Bissau has made remarkable progress in political liberalization since the command economy/single-party period (1974-89) which followed the liberation war against the Portuguese. The constitution has been amended to permit multiparty democracy, a free press, and independent trade unions with the right to strike. Today there are 12 legalized parties planning to contest elections in March 1994 for the legislature and the presidency. The human rights league has 3,000 members. There is an active Chamber of Commerce and other civic institutions which are active in debates about policy (See Targets 2 and 4). There are still problems, including violations of human rights. But the changes from the Marxist-Leninist period are substantial and can be consolidated through free elections and an independent, strengthened judiciary.

Reaching this point has not been easy. The pace of progress since the Year of Democracy (1991) toward the first presidential and legislative elections has been slow. Each necessary element (Constitutional changes, electoral laws, establishment of an electoral commission, electoral census to build voter rolls, etc.) has been debated extensively between the opposition and the government. Election dates have been postponed from a general timeframe of 1992 to a more specific timeframe of November/December 1993 to a very specific date of March 27, 1994. It is not clear at this point that this latest deadline will be met. The U.S. position is one of support for movement in the process but not concern over the delays. Guineans must arrive at this election at their own pace; it is better that a fair process lead to general acceptance of the results of the elections.

USAID is now poised to assist the democratically elected government, particularly the democratically elected National Assembly and newly independent Judiciary, with TIPS technical assistance and training. We are fortunate in that we are prepared ahead of time to assist in the strengthening of a new democracy.

ECONOMIC REFORM -- Back to Basics: The short history of independent Guinea-Bissau (since 1974) is dominated by the years of socialism, a command economy, and single-party rule. Private ownership of the soil, subsoil, water, minerals, forests, energy resources, industrial production, infrastructure, transportation, information and communications, banking and insurance was banned. For a country with minimal resources and considerable war damage, this was not a wisely chosen political economy. The GOGB began to recognize as early 1983 that the command economy was not an effective model for development elsewhere in the world nor in Guinea-Bissau. By 1987, it was painfully obvious that Guinea-Bissau was lagging far behind in development. The liberalization of the Guinea-Bissau economy was effectively launched with the signing of a structural adjustment program (SAC-I) with the IMF/World Bank. The reaction of the long-suppressed economy was immediate and dramatic. GDP growth soared to an average of 5.8% per year between 1987 and 1989. A second structural adjustment credit was negotiated in 1989 (SAC-II). While the GOGB has since gone through some rough times with the Bretton Woods institutions due to lack of compliance with key conditions, the effects of the structural adjustment programs have undoubtedly been positive, particularly trade reform and price liberalization. An economy that was at a standstill has been reinvigorated and now grows steadily at 3-to-6% annum. Private enterprise has sprung back to life, though it is still mostly informal.

8226

The government's biggest difficulties with economic reform have been on the credit/monetary policy side. Macroeconomic stabilization remains a serious problem. An expansionary monetary and credit policy, stemming from the government's inability to bring spending under control, resulted in 87% inflation in 1992. This is a dangerous policy in a country where the foreign debt burden is staggering -- for 1993 total debt service is about $48 million, twice the estimated value of exports. Both SAC-I and SAC-II attempted to address these problems, but the GOGB continued to commit policy "errors", eventually leading to long delays in disbursement of the third tranche and, finally, movement of Guinea-Bissau to a shadow program (currently in operation). The shadow program has sought to address the basic management and implementation skills necessary for the GOGB to administer its finances, while continuing to push for the proper mix of stabilization policies. The shadow program recognizes that the recommended policy changes cannot succeed unless the GOGB has the capacity to implement them. USAID/Bissau would argue that another requirement is that the policies be vetted in a participatory manner so that Guinean private sector can give its views of the policy changes; we are pursuing that through our TIPS project.

While little hope was held out for progress under the shadow program when it was negotiated in the Spring of 1993, the November 1993 IMF/World Bank annual review concluded that the government is making significant progress and that a Paris Club rescheduling should be encouraged (c.f. 93 Bissau 03019). In essence, the team found that growth is still positive at 3% per annum, and the GOGB is bringing spending under control and taking appropriate measures to increase revenues. The World Bank team reported GOGB progress in setting up the most basic tools for managing its finances, as follows:

- Budget Reform -- the government now has a system whereby all requests for funding within the government pass through the Public Accounting Office in the Ministry of Finance, which records the request, determines whether or not funds are available, and if so forwards the request on to the Treasury. Under the previous system, the Ministries made purchases, sent the bill to the Treasury, which forwarded it to the Central Bank, which paid it in whatever way it could (often by printing money).

- Civil Service Reform -- Two important steps -- civil service layoffs and automation of the payroll system -- will be done in a more rational way once a census of workers is completed. At present it is difficult to tell who works for the government. Each Ministry is also drafting an organic law (a document explaining the structure and function of each Ministry), to be merged into a government-wide organizational decree.

- Debt Management -- The Ministry of Finance is building a database to determine precisely what debts are owed to whom. The government is seeking a Paris Club meeting to reschedule the bilateral debt. At present, only multilateral debts (to IBRD, IMF, and ADB) are being serviced.

- Revenue Collection -- The government has now automated the customs service, so that it can collect back duties owed by importers.

- Privatization -- Seven firms have been privatized to date; three more will be privatized in the next six months. One complication has arisen in the auction process: private holders of debt of the GOGB are including that debt in their winning bids. The GOGB benefits in that this debt is paid off; however, the government is disappointed in that it is not seeing new capital, one of the primary motivations for privatizing.

The basics of managing a government -- this is what the GOGB and the Bretton Woods institutions are now pursuing. It is a very positive sign for our program, in that a GOGB more capable of keeping its own house in order is a GOGB less capable of damaging the nascent Guinea-Bissau private sector through mistaken policies.

227

TRANSITION IN THE USAID PROGRAM -- From Planning to Implementation: Over the past two years, USAID/Bissau has moved from an intensive planning and project design stage to implementation stage. USAID's Country Program Strategic Plan and the TIPS Project Paper were approved in May of 1992. The TIPS PP is the CPSP and the TIPS Project Purpose is the Program Strategic Objective. In the course of CPSP approval, AID/W suggested changes to the program logframe. It is this modified program logframe against which we are reporting in the API. The RFP for the TIPS Master Contract was published in January, 1993, and the contract awarded in July, 1993 to a consortium led by Labat-Anderson, Inc. The TIPS long-term technical assistance team has just prepared its first workplan. They are an excellent, well-experienced team (led by a former U.S. Ambassador to Guinea-Bissau). The entire team should be in place in January 1994, which is when TIPS will officially "kick-off". USAID/Bissau has employed the time between CPSP approval and the arrival of the team by funding many studies and analyses (see Target #1), assisting reform working groups (see Target #2), pushing for judiciary reform (see Target #3), and assisting private sector associations with getting started (see Target #4). We used various sources of funds (PD&S, IPC project, 116(e), etc.) for these activities. We also took care of many of the logistical details for the start-up of the TIPS team. In sum, we have set up TIPS so that the contractor need not lose time "getting up to speed". They can hit the ground running, and be ready to offer the new, freely elected government of Guinea-Bissau their services.

NOTES ON THIS ASSESSMENT OF PROGRAM IMPACT: As we are reporting for the first time since our Program Strategy was approved, we have found that there are some indicators which no longer fit the situation here in Guinea-Bissau. We have found others that have proved impossible to collect, and still others that we are expecting the TIPS contractor to collect for us. The TIPS contractor is required to provide extensive impact reporting to the Mission (Introduction to this API), but the first report is not due until March 15, 1994. Thus this first API contains considerable narrative in the place of quantitative reporting. Those who read this API closely will notice where we have struggled with appropriate indicators for progress under the governance targets. We welcome USAID/W feedback on these indicators and suggestions for changes that fit the situation here in Guinea-Bissau.

228

II. PROGRESS TOWARD OVERALL PROGRAM GOAL

MARKET-ORIENTED ECONOMIC GROWTH THAT IS BROAD-BASED AND SUSTAINABLE

USAID/Bissau is tracking a number of macroeconomic indicators over the CPSP period to ensure that our assumptions about the Guinea-Bissau economy are correct, and that our program is consistent with and contributing toward realization of the Goal. Each of these indicators serves to measure part of the goal statement, as follows:

1. Economic Growth: GDP real growth rate.
2. Broad-Based: Rural households' "income".
3. Market-Oriented: a. Rural households' money income.
   b. Administratively determined prices.
4. Sustainable: a. Current account deficit.
   b. Government budget deficit.

Goal Indicator 1. Economic Growth: Real GDP increases by at least 25% over the CPSP period.

REAL GDP	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
Growth Rate (yearly % change)	1.0	5.6	6.8	5.0	3.0	2.8	3.0	3.0					
Growth Index (1992 = 100)	-	-	-	-	-	-	100	103					125

(Source: IMF/World Bank)

After the failed, Marxist, central planning years of the 1980s, late 1986 marked the almost total opening of the Guinea-Bissau economy to private sector activity. The response was quick and significant: from 1987 to 1989 real GDP growth averaged over 5.8% per annum. By 1990, however, the constraints imposed by unclearly defined or unreformed policies, laws, regulations and judicial systems began to operate and real growth rates dropped significantly. Due in large part to our program and our close collaboration with other donors, particularly the World Bank, these constraints are now well recognized by the Guinea-Bissau public and private sectors, and are exactly those which our program will continue to attack now that the TIPS contract is initiating field activities.

229

Goal Indicator 2. Broad-Based: In each year of the CPSP period, at least 60% of rural households report increased "income" over the previous year.

RURAL HOUSEHOLDS	1992	1993	1994	1995	1996	1997	1998
% reporting increased "income" over previous year	n.a						

The World Bank financed Guinea-Bissau's first national household survey in 1990/91. It has the potential of providing USAID/Bissau with the information for this indicator. We have contracted out with a specialist in the United States to analyze the raw data and determine what information we can glean from it regarding market-orientation and participation in growth. If results are positive we will finance future surveys, perhaps on a biannual basis.

Goal Indicator 3(a). Market-Oriented: In each year of the CPSP period, the number of rural households reporting money income increases by at least 3.0%.

RURAL HOUSEHOLDS	1992	1993	1994	1995	1996	1997	1998
Number reporting money income	n.a.						
Yearly % change	--						

See narrative for Goal Indicator 2. One of the early and tentative results of our contractor's analysis of the IBRD survey data is that only 4% of Guineans participate fully in the money economy, i.e. earn "all" their income in money and use money to purchase "all" the goods and services they require. We are not convinced of this result. But we do expect a low level at the beginning of the CPSP period. Much of the trade that goes on outside of the city of Bissau is by barter, often using rice as the medium of exchange. Moving to a money economy will permit Guineans to trade in more goods at a higher volume, thus bettering lives.

Goal Indicator 3(b). Market-Oriented: In each year of the CPSP Period, the number of administratively determined prices does not increase above 1992 levels, and those that are administratively determined continue to reflect world price.

	1992	1993	1994	1995	1996	1997	1998
# of Administratively Determined Prices	4	3					

By 1992, the only prices that were administratively determined were for water, electricity, and petroleum products. In addition to these prices, the Ministry of Commerce and Industry publishes an "indicative" peso price for local rice. (Unfortunately, it is interpreted in rural areas as the only peso price for rice, not merely as indicative). USAID/Bissau is classifying this practice as an administratively determined price and promoting, through the TIPS project, an end to this practice. In 1993, the government liberalized the prices of petroleum products, leaving only 3 administratively determined prices. The general perception is that these prices are in line with the world market prices for these products. In fact, due to inefficiencies in the electrical power production process, electricity costs in Bissau are among the highest in Africa. Other donors are attacking the energy constraint to increased private sector investment.

230

Goal Indicator 4(a). Sustainable: Over the CPSP period, the current account deficit is reduced at an average annual rate of at least 3.0%.

CURRENT ACCOUNT	1991	1992	1993*	1994	1995	1996	1997	1998
($US millions)	-44.97	-72.27	-20.93					
- yearly % change	--	+60.0	-71.0					
- average annual % change (since 1992)	--	--	-71.0					-3.0%
Elements of the Current Account Deficit								
Trade (net)	-47.03	-77.04	-31.05					
- Imports	-67.47	-83.51	-65.00					
- Exports	20.44	6.47	33.95					
Services (net)	-33.77	-38.28	-26.49					
of which:								
- Interest	-17.04	-13.25	-12.44					
- Fishing Licenses	13.49	13.50	14.05					
Transfers (net)	35.83	35.05	36.61					
- Official	39.96	35.69	35.61					
- Private	-4.13	-0.64	1.0					

(Source: Ministry of Finance)

As the table shows, 1992 was a very odd year. The current account deficit climbed sharply, due mainly to the poor performance of the trade balance (deficit of $77 million) while the services and transfers accounts remained relatively stable. Cashews, the leading foreign currency earner, suffered a strong setback, posting $3 million in earnings when the original projection was $15 million. This was the result of cashew exporters holding back their exports in protest against the level of the export tax (see S.O. Indicator 2(a)). The sharp rebound of exports in 1993 reflects the expectation (already mostly borne out) that the exporters will bring their product out of the warehouses. This will, in turn, result in a sharp reduction in the 1993 current account deficit.

It is important to note that rice is a considerable and growing portion of imports ($16 million in 1992; $22 million in 1993). Rice is Guinea-Bissau's basic cereal crop and is used extensively as a medium of exchange: this is why we view it as one of the critical growth sector products. Note also that the economy is still heavily dependent on fishing licenses (for industrial fishing) and official transfers. Were donor support to drop precipitously, Guinea-Bissau would have little chance of reaching its economic and democracy goals. As to industrial fishing, the quantities taken by foreign fleets may have a value of from $100 to $200 million. Thus, the inclusion of fish and fish products in the CGS Matrix.

231

* For 1993, figures are full-year projections based on data from first three quarters.

Clearly, Guinea-Bissau cannot continue to maintain such a current account deficit for long. The GOGB has come to realize that fact. The most recent IMF/World Bank review was very positive about the GOGB's progress under the shadow program. These efforts must continue over the long term. TIPS will have an impact as it stresses the marketing (for export) component of the CGS matrix.

Goal Indicator 4(b). Sustainable: Over the CPSP period, the share of GOGB current expenditures covered by tax revenue is increased at an average annual rate of at least 3.0%

	1991	1992	1993**	1994	1995	1996	1997	1998
Tax Revenue (billions of current year pesos)	56.3	60.2	169.0					
Current Expenditure (billions of current year pesos)	172.2	236.0	302.8					
Tax Revenue/Expenditures (%)	32.6	25.5	55.0					
annual % change	--	--	218.0					
average annual % change since 1992	--	--	218.0					3.0%

(Source: Ministry of Finance)

The above table demonstrates one of the reasons why the IMF/World Bank is so upbeat about Guinea-Bissau's performance under the shadow program. In the period under analysis, tax collection has improved enough to contribute to the dramatic increase in revenues. This strong performance reflects the government's announced decision to step up its efforts in collecting last year's tax import credits and to eliminate most tax exemptions. The government also expects that the export tax contribution to revenue will increase by the fact that two years of cashew exports will be exported in 1993 -- from which the GOGB currently gains a 20% export tax). This increasing growth of tax revenue is paired with a declining rate of growth of expenditures, meaning that the GOGB is beginning to take control of its spending. The IMF team recently in Bissau observed that discipline in cutting back spending has been excellent, enforced by the Ministry of Finance. The World Bank is giving the Ministry of Finance the tools (training, computer systems) to bring spending under control.

The increasing importance of tax revenue as a source of government revenue can also be seen through the dynamic in the structure of public revenue. From 1992 to 1993, tax revenue's contribution to total government revenue increased from 36% to 49%, while non-tax revenue share went down from 53% to 44%. External revenue share also declined from 11% to 7%. This demonstrates that the government is reducing its reliance on unsustainable sources of revenue, i.e. external finance, fishing licenses, and borrowing from the Central Bank.

This part of stabilization/structural adjustment is very hard for formerly socialist economies. It is even harder for Guinea-Bissau, where the level of development and the poverty of the government is such that systems for control never really existed. To pull itself out of its debt and monetary crisis, and reduce the over-sized public sector, the GOGB must maintain over the long term the positive progress made in the last year.

292

** For 1993, figures are full-year projections based on data from first three quarters.

III. PROGRESS TOWARD THE STRATEGIC OBJECTIVE

PRIVATE SECTOR TRADE AND INVESTMENT (T&I) INCREASED IN CRITICAL GROWTH SUB-SECTORS THROUGH IMPROVED GOVERNANCE.

The following general indicators of Strategic Objective attainment were established at the time our Program Objective Tree and associat approved (May 1992):

1. Domestic Trade
   a. Formal sector
   b. Semi-formal sector
   c. Informal sector
2. External Trade
   a. Exports
   b. Productive component of imports
3. Investment
   a. Approvals under new investment code
   b. Private investment as % of GDP

These remain valid. However, since then, we have also developed the Critical Growth Sectors (CGS) Matrix, which identifies explicitly the economic sectors in which we expect to generate increased private sector economic activity as a direct result of our program and the TIPS project. TIPS provides some 80% of the resources for our program. Full field implementation of TIPS will begin only in January 1994. The primary objective of the TIPS contract is to "Increase the levels of sustainable private sector economic activity (T&I) in Guinea-Bissau's critical growth sub-sectors (CGS). The CGS are defined as per the CGS Matrix illustrated below (see Introduction for more information on the CGS Matrix and how it will be used to provide future API reporting at the Strategic Objective Level). Until such TIPS contractor data and reporting is available, we will still use our original S.O. indicators.

CGS Areas of Economic Activity		CGS Products					
		Rice	Cashew	Fruit	Veg	Forest	Fish
		1	2	3	4	5	6
Production	A						
Processing	B						
Marketing/Domestic	C						
Marketing/Export	D						
Commerce/General	E						
Commerce/Product Specific	F						
Services/General	G						
Services/Product Specific	H						

235

Strategic Objective Indicator 1. - Domestic Trade

Indicators		1992	1993	1994	1995	1996	1997	1998
a. Formal sector. # of commercial firms registered increased by 25% over the CPSP period.	Number	1,919						
	Index	100						125
b. Semi-formal sector. # of applications for stalls at formal markets increased by 25% over the CPSP period.	Number	n.a.						
	Index	100						125
c. Informal sector. # of rural households reporting (i) money income, (ii) part of production sold, and (iii) part of consumption purchased increased by 25% over the CPSP period.	Number	n.a.						
	Index	100						125

a. According to the Ministry of Commerce, registered commercial establishments and individuals increased by 27% over the 18 month period July 1991 to December 1992, reaching a total of 1,919 registrations.

b. We are going to have some difficulties capturing information under this indicator. The intent of measuring across the range of informal/semi-formal/formal was to see how the economy was formalizing (or not) and how each was contributing or participating in growth. However, a recent USAID study of the informal sector in Guinea-Bissau (Crowley, 1993) showed us that firms do not necessarily move slowly through this range or only in one direction; that is, small firms will "formalize" (get permits, pay taxes) for the sake of a major transaction or two, then "lapse" back into informality. The specific indicator, applications for stalls at formal markets, is also problematic, in that each formal market (in urban and rural areas) is surrounded by informal operators. Sorting them out will be quite a job.

c. See notes under Goal Indicators 2 and 3(a). To report on this indicator, we must sort through the information in the World Bank survey. If that survey is not useful to reporting on this indicator, we may need to change the indicator.

234

Strategic Objective Indicator 2. - External Trade

Indicators	1991	1992	1993*	1994	1995	1996	1997	1998
a. Export earnings increased by 25% over the CPSP period for: ($millions/FOB)								
Cashews	14.1	3.0	30.4					
Fish and Fish Products	2.6	0.8	0.9					
Wood and Wood Products	1.4	1.3	1.1					
Fruits and Vegetables	n.a.	n.a.	n.a.					
Other	2.4	1.3	6.1					
TOTAL Exports	20.4	6.5	38.4					
Index	---	100	590					125
b. Productive input (capital goods) component of imports increased by 25% over CPSP period.	26.3	32.2	31.5					
Index	---	100	99					125

(Source: Central Bank)

a. Overall, the performance of the above products has been satisfactory. Note that the leading export products are exactly those in the CGS. Cashews, the leading foreign-currency earner, continues to perform strongly and is expected to do so in next couple of years as recent major plantings start producing (and should the world market price stabilize). However, in 1992, cashew export earnings registered only $ 3.0 million, a drop of 78% from the previous year, $14.1 million. This poor performance was due to two factors: (1) a drop in the world price for cashews, and (2) a conflict (policy dialogue in our terms) between the government and the cashew exporters over the level of the export tax -- some of the cashew exporters perceived the current level of the export tax (20%) to be unfairly high. Both factors led exporters to keep their products in warehouses. That is the reason for the high projection for export for 1993, which will include last year's and this year's crops. It now appears that the private sector may have won the "dialogue": World Bank staff report that during 1994 the cashew export tax will be further reduced. As recently as 4 years ago, before the USAID NPA in that area, it had been 40%.

The other products have not shown consistent performances but are expected to improve in the next few years as TIPS helps their respective production, processing and export-marketing sub-sectors to better organize. The registered export levels of fruits and vegetables are still insignificant; thus, they are reported in aggregate in the "Other" category. We believe that some portion of the $6.1 million exported in the "Other" category in 1993 is fruit. Earlier, this year, USAID financed a pilot mango export program and put together a small group of mango producers and exporters who formally exported 2.6 tons of mangos to Portugal. While the volume exported is insignificant, the lessons that these exporters learned about market penetration were considerable. With newer trees moving into production now and over the CPSP period, we estimate that by 1998 mangos alone could provide between $1.0 and $1.5 million in export earnings. Up to 10 modern, large-scale producers are about ready to move now. Smaller producers will be drawn into the system as markets and marketing channels are established. TIPS currently has a leading Brazilian fruit exporter in the field to develop our plan of action for these in the short and medium term.

235

b. While 1993 did not see a rise in the import of capital goods, we expect to see this figure grow in future years as the economy grows and the private sector takes more initiative. Note again that the import bill is dominated by rice; lowering the amount of foreign exchange spent on rice (through TIPS-promoted increased local production, processing and domestic marketing) will increase the amount available for productive inputs.

Strategic Objective Indicator 3. - Investment

Indicators		1992	1993	1994	1995	1996	1997	1998
a. # of foreign and domestic firms granted customs exemptions under new investment code increased by 100% over 1992.	Number	28						
	Index	100						200
b. Private investment increased to around 5% of GDP.	Percent	n.a.						5

a. According to the Investment Promotion Department (GAI) in the Ministry of Finance, both local and foreign investors are demonstrating their confidence in the economy and country. Twenty-eight firms have been awarded exemptions provided under the 1991 Investment Code. Nearly 70% of the investors are foreigners, with local partners; 30% are completely foreign-owned.

b. Indicator b will be difficult to collect, as there are no national income accounts. Our TIPS project will try to get estimates or develop a proxy indicator for aggregate private investment.

Finally, again note that in future years we hope to report progress at the strategic objective level employing the CGS Matrix format and data provided by the TIPS contractor.

TARGET 1

Technical/analytical base for planning T&I policy, legal and regulatory reform and for providing direct T&I support to the private sector improved in the critical growth sub-sectors.

Planning and implementing any reforms of the fundamental and comprehensive scope envisioned by our program and the TIPS project without a solid information (technical/analytical) base would not only be foolish but dangerous as well. Too often we are encouraged to press rapidly forward based on knowledge of what worked elsewhere and without adequate information as to the complexities of the local situation. Our program explicitly recognizes this danger and has established Target #1 to ensure that we, other donors, the GOGB, and the Guinea-Bissau private sector have the most comprehensive and best possible data and analyses available to us for planning and actually investing our extremely scarce resources.

As little as 4 or 5 years ago, the Guinea-Bissau economic knowledge base was almost non-existent. Until about 2 or 3 years ago, there were almost no data or studies on the private sector. This is not surprising given Guinea-Bissau's history, its level of development, and its very recent turn from a centrally-directed to a market-oriented economy. The old system required production data at most. It did not require a knowledge base to set policy and develop market friendly laws and regulations. It did not require a fair and impartial judiciary, and it did not have to understand market potential and penetration, cost control, profit and loss, and many other key economic concepts that we take for granted.

The technical/analytical base for planning policy, legal, regulatory and judicial reform, and for providing direct support to the private sector, has improved greatly over the past few years. The GOGB now publishes regular budget, balance of payments, and monetary statistics. Studies and research, a large share planned and financed by USAID, now cover most areas of concern to our program. There are still gaps, and both the quality and scope of knowledge can and must be constantly improved. Some "facts" repeated over and over by other donors, the GOGB, the private sector and by us, have proven to be simply false after closer scrutiny. In other areas, after more in-depth research, we found our original views to be somewhat simplistic.

Because of our efforts over the past few years, we are confident that we have taken the lead in working with other donors, the GOGB and the Guinea-Bissau private sector to develop the best technical/analytical base possible for planning and transforming Guinea-Bissau's future. Our development library, organized based on the information needed for our program, is recognized as the most comprehensive in the country. Much research was financed directly and completely by us. In other cases we collaborated in partially financing studies. In still other cases, we have used our influence to shape the research strategies of others. In sum, we do not care who (what donor, what GOGB entity, what private sector association) actually executes the work. Our first concern is that quality, properly-targeted, and timely research/analysis gets executed. Where there are gaps, or where we have a comparative advantage, we take direct action. Our second critical concern is that all information, regardless of source, is distributed as widely as possible and that it actually gets used in the planning and execution of specific program-related reforms and actions. The second concern is reflected in Targets #2, #3, and #4.

Note: Until now USAID/Bissau has employed PD&S, IPC, and other central and regional resources to execute its research/analysis agenda. With the initiation of TIPS field activities in January 1994, the major burden for developing and executing the analytical agenda for 1994-98 will fall to the TIPS master contractor. USAID/Bissau must, of course, approve that agenda.

237

Progress under Target 1 will be measured by the status of research/analysis/knowledge of (a) private sector activity related directly to the CGS products (Indicator 1), and (b) private sector activity in general (i.e., issues or areas of interest which are cross-cutting or have impact on all CGS products or private sector activity in general (Indicator 2).

Target 1, Indicator 1 - Status of research/analysis/knowledge specific to CGS products.

To measure the status of research/analysis/knowledge, we use a scale from 1 to 7. Criteria for the scale are, in general:

0 No information.
1-3 Starting to understand the information necessary for planning reform or planning direct T&I support (i.e, current status and potential for increased production, processing, and marketing; limited knowledge of constraints).
4-5 Firm enough ground to initiate broad action in reform or to initiate direct T&I support (i.e., more knowledge about the constraints).
6-7 Firm enough ground to work in detail on the reforms or to expand direct T&I support activities (i.e., almost complete knowledge about the constraints).

	1992	1993	1994	1995	1996	1997	1998
	Actual	Actual	Plan (TIPS starts)	Plan	Plan	Plan	Plan
Rice	3	3	4	6	6	6	6
Cashews	3	3	5	6	6	6	6
Fruits	0	4	6	6	6	6	6
Vegetables	0	1	3	6	6	6	6
Forestry	1	2	4	5	6	6	6
Fisheries	1	4	5	6	6	6	6

See narrative under indicator 2.

238

Target 1, Indicator 2 - Status of research/analysis/knowledge for general private sector constraints and issues.

To measure the status of research/analysis/knowledge, we use a scale from 1 to 7. Criteria for the scale are, in general:

0 No information.
1-3 Starting to understand the information necessary for planning reform or planning direct T&I support.
4-5 Firm enough ground to initiate broad action in reform or to initiate direct T&I support.
6-7 Firm enough ground to work in detail on the reforms or to expand direct T&I support activities.

	1992	1993	1994	1995	1996	1997	1998
	Actual	Actual	Plan (TIPS starts)	Plan	Plan	Plan	Plan
Policy	4	5	6	6	6	6	6
Laws:							
- property (land laws)	5	6	6	6	6	6	6
- Investment Code	6	6	6	6	6	6	6
- Commercial Code	2	4	6	6	6	6	6
- modern/traditional links	2	4	6	6	6	6	6
Regulations:							
- Investment Code implementation	1	4	6	6	6	6	6
- business registration	2	4	5	6	6	6	6
- business licensing	2	4	5	6	6	6	6
Judicial System	3	6	6	6	6	6	6
Private Sector:							
- services needs	2	4	6	6	6	6	6
- T&I promotion needs	2	4	6	6	6	6	6

In addition to searching out and gathering what we now believe to be almost all the data/information currently available on the areas listed in indicators 1 and 2, we have also financed the following major research efforts:

- A New Land Law for Guinea-Bissau: Needs and Opportunities, 1992, Land Tenure Center

239

- Relations between Ponteiros and Tabancas: Implications for a New Land Law in Guinea-Bissau, 1991, C. Tanner
- Guinea-Bissau Legal Sector Assessment, 1990, I. Pires
- Chamber of Commerce of Guinea-Bissau Institutional Analysis, 1990, N. Currie
- A Review of the Cashew Sub-Sector in Guinea-Bissau, 1990, KSU
- Rice Production and Marketing in Guinea-Bissau: A Contribution for Policy Dialogue, 1990, KSU
- How Recent Political and Governance Developments will Affect the TIPS Project, 1992, TIPS
- Administrative Implications for Guinea-Bissau Gleaned from the IFES Appraisal Mission to the Congo, 1992, J. Blacken
- Guine-Bissau Politicas Sectorials: Evolucao Recente e Perspectivas ate 1994, 1992, M. de Andrade
- Guinea-Bissau: Legal Considerations for a New Land Law, 1992, I. Pires
- The Ponteiro Census: Descriptive Results and Economic Analysis, 1992, University of Arizona
- Rice Marketing in Guinea-Bissau: A Study to Develop Information for Policy Makers, 1992, KSU
- Programa de Exportacao de Frutas, 1992, J. B. de Morais Neto
- Land Value in Guinea-Bissau, 1992, LTC
- Relatorio Sobre a Primeira Fase do Programa de Exportacao de Mangas, 1993, A. Cesana
- Indicators of Investment in the Cash Economy and Quality of Life in Guinea-Bissau, 1993, D. Nasatir
- O Mercado Fronterico e a Balanca Commercial da Guine-Bissau: Situacao e Perspectivas, 1993, INEP
- RRA Method for Tabanca's Land Demarcation, 1993, LTC
- GPS Pilot Study: Guinea-Bissau, 1993, LTC-MSI
- Customary Land Use in Guinea-Bissau, (ongoing), LTC
- Cacheu River Estuary Shrimp/Prawn and/or Oyster Resource Potential Assessment, 1993, TRD
- The Informal Sector: Production, Processing and Marketing Systems for the CGS, (ongoing), E. Crowley
- Establishing Priorities for Legal Reform, 1993, Checchi
- Portugal as a Market for Fresh Agricultural Products from Guinea-Bissau, 1993, REDSO/WCA Ag. Export Marketing Studies
- Traditional Conflict Resolution Systems (to start shortly)

One of the first tasks of the TIPS contractor is to review all available information, identify data gaps, and, based on this, develop its analytical (research) agenda for the remainder of 1994. Similar agendas will be developed and executed during each year of the CPSP. As noted previously, USAID must approve the agenda.

240

SUB-TARGET 1.1

Private/Public sector commissions coordinate process of developing and executing research/analysis agenda.

Sub-Target 1.1, Indicator 1. Commissions established
Sub-Target 1.1, Indicator 2. Number and type of commissions meetings, by topic.
Sub-Target 1.1, Indicator 3. Number and type of research/analysis work groups established, by topic.
Sub-Target 1.1, Indicator 4. Number and type of work group meetings, by topic

Nothing to report. See below.

SUB-TARGET 1.2

Private interest groups and appropriate government units participate in process of developing and executing research/analysis agenda.

Sub-Target 1.2, Indicator 1. Number and type of groups/units participating in commissions/work group meetings, by topic
Sub-Target 1.2, Indicator 2. Number and type of groups/units participating in research/analysis, by topic

Nothing to report.

At this point, most Guinean private economic interest and reform groups are more interested in the specific policies, laws, or regulations they are facing as problems rather than directing research. After initial USAID research, discussions with other donors, the GOGB and, most important, dialogue with private sector groups to understand their problems, USAID plays a very large role in setting the research/analysis agenda, as described in the narrative under Target 1. We expect that, in future years of the CPSP period, private groups will take more interest in directing the research/analysis agenda. If formal participation (i.e., via Commissions) does not naturally develop, or is found to be unnecessary, USAID will drop Sub-Targets 1.1 and 1.2.

TARGET 2

Policy, legal and regulatory environment for increased private T&I in the critical growth sub-sectors improved.

Even at this early stage of our program and the TIPS project, we can already perceive that the private sector environment in Guinea-Bissau has improved dramatically.

1. With our help, the private sector is getting organized. The number of private sector economic interest associations has mushroomed over the past two years. (See Sub-Target 2.2 for more details).

2. The GOGB is now open to dialogue with the private sector. Three years ago the Ministries would not have even thought of inviting the private sector to key policy planning or strategy sessions. Now it is generally recognized that the private sector is and must be the engine of growth in Guinea-Bissau. The Ministry of Agriculture, for example, now insists on private participation in all its significant debates. We are confident that others, the Ministries of Justice and Commerce and Industry, will do likewise shortly.

3. For the first time, we are able to draw different Ministries into our actions and debates. As TIPS cuts across normal ministerial branches, we have been able to promote collaboration between Ministries, i.e. representation on work groups, participation in seminars and workshops.

4. The private sector now feels confident enough, and has a firm enough information base, to want to dialogue with the government. True, some dialogue is now really confrontation, but it is surely becoming more and more constructive.

In sum, through our new program and with our planning for TIPS, we have been able to promote an opening in the way both the public and private sectors think. There is recognized a commonality of interests and an ever-increasing willingness to work together to satisfy those common interests. This is a major change in Guinea-Bissau, and without it we would have no chance of actually reforming policy, laws, and regulations in a participatory and, thus, sustainable manner.

Using the indicator for this Target that was approved with the Program Logframe in May, 1992, we will measure impact according to progress through the following steps in the policy, statute, regulation sequence:

(1) Review of research/analysis from target (Output) # 1.
(2) Policies (re)formulated.
(3) Policies/statutes consistency review.
(4) Statutes (re)formulated.
(5) Statutes/regulations consistency review.
(6) Regulation (re)formulated.
(7) Analysis/review of regulatory implementation.
(8) Improved regulatory implementation.

242

Target 2 Indicator (May, 1992) - Policy, statute, regulation steps completed by Project Year.

	1993		1994	1995	1996	1997	1998
	Actual	Planned	Planned	Planned	Planned	Planned	Planned
Policies: General Private Sector	Step 1		Steps 1-2				
Policies: CGS-Specific	--	Step 1	Step 2				
Statutes: Land Tenure	Steps 1-4	Steps 1-3	Step 4				
Statutes: Commercial Code	Steps 1-3	Steps 1-3	Steps 4-5				
Statutes: CGS-specific	--			Steps 4-5			
Regulations: Land tenure/transfer	Steps 5-6			Steps 5-6	Steps 7-8		
Regulations: Business registration	--	Steps 5-7	Step 8				
Regulations: Investment	--	Step 5	Steps 6-8				
Regulations: Tax administration	--			Steps 5-6	Steps 7-8		
Regulations: CGS-specific	--			Steps 6-8			

Comments on the above indicator:

Given a solid technical/analytical base (i.e. firm knowledge as to potential and constraints), it is both logically and intuitively appealing to think of the following as a set of almost "required" sequential steps:

1. good information leads to (provides the base for) good policy;
2. good policy leads to (provides the base for) good laws;
3. good laws lead to (provide the base for) good regulations;
4. good regulations lead to (provide the base for) good regulatory implementation.

The above seems to imply that when approaching policy, legal and regulatory reform, we are starting with a clean slate -- nothing exists, there is no history, there are no specific problems (constraints) being felt by the private sector today. In fact, it seems to imply that we are not talking reform, rather formulation.

Unfortunately, our initial attempts to force this logic in Guinea-Bissau and on our program (i.e, the initial logic for Target #2 of our approved Program Logframe) have proved to be not very realistic.

First, private sector interest in promoting policy, legal, or regulatory reform does not usually initiate with policy, or even with legal reform. Rather it initiates with problems related to regulatory implementation or conflict resolution: e.g it is difficult to create and register a new firm, it is difficult to get

an import permit, it is difficult to collect a debt, it is difficult to force compliance with a contract.

Second, almost all of those in the private sector do not initially seem to recognize the logical linkages (forward or backward) between information-policy-laws-regulations-regulatory implementation problems or conflict.

Third, even where outside experts may judge that policies are "good" (clear, market-friendly and private sector oriented) and laws and regulations are all consistent with policy and with each other, the local private sector may have a very different and very negative view. This, we have learned, has two causes: (1) lack of information on all elements of the policy/legal/regulatory environment, and (2) a feeling that since the private sector did not participate in policy/legal/regulatory formulation, that which exists must *ipso facto* be bad.

Fourth, in the contrary situation, where outside experts may judge that policies, laws, and regulations are "bad" and inconsistent, the local private sector may have no opinion at all. This, we have learned, is because the local private sector (or at least significant components of it) have no (or very little) knowledge of what the current policies, laws and regulations are, and have no (or very little) contact with these systems.

As a result of the above, we have concluded that:

(a) our original "logical sequence of steps" indicators for Target #2 (policy reform -> legal reform -> regulatory reform) cannot be meaningfully employed to judge progress. Indicators for Target #2 have thus been reformulated. We now look at policies, laws, regulations and the implementation of regulations as individual elements, each having impact on the private sector environment individually. The logical links become apparent only at the operational level of reform, e.g. where policies, laws and regulations are already in place, regulatory reform (removal of the perceived constraint) may require legal reform, and legal reform may require that policies be clearly defined: where laws are the perceived constraint, and thus the initial target for reform, such legal reform may require both policy and regulatory reform, or perhaps neither.

(b) participation by the private sector (all types of associations and interest groups) and by the GOGB (various Ministries, from the Minister down to the clerks responsible for regulatory implementation) is even more important for each element (policy, legal or regulatory) than we had originally thought. Thus, we have reformulated our indicators at the sub-target level to even more concretely demonstrate interest group establishment and participation in policy, legal and regulatory reform processes.

Given these problems, we are attempting to develop a better measure of the status of the policy, legal and regulatory environment. One possibility is presented here. We welcome USAID/W feedback and suggestions for measuring our impact in this important governance area.

Proposed Target 2 Indicator - Status of policy, legal and regulatory environment for private sector activity in general.

The general bodies of policies, laws, and regulations are each looked at from four perspectives:

a. degree to which they are clearly defined;
b. degree to which they are private sector and market friendly;
c. degree to which they are widely understood; and
d. degree to which they are accepted (complied with).

A seven point scale (1, 2,....7) is used to indicate degree, where 1 indicates least satisfactory and 7 indicates most satisfactory.

	1992	1993	1994	1995	1996	1997	1998
	Actual	Actual	Plan (TIPS starts)	Plan	Plan	Plan	Plan
Policy							
a. clear	4	5	5	6	6	6	6
b. friendly	6	6	6	6	6	6	6
c. understood	3	4	5	6	6	6	6
d. accepted	3	4	4	5	6	6	6

245

	1992	1993	1994	1995	1996	1997	1998
	Actual	Actual	Plan (TIPS starts)	Plan	Plan	Plan	Plan
Laws							
a. clear	5	5	5	5	6	6	6
b. friendly	3	3	3	3	4	5	6
c. understood	2	3	4	5	5	6	6
d. accepted	2	2	3	4	4	5	6
	1992	1993	1994	1995	1996	1997	1998
	Actual	Actual	Plan (TIPS starts)	Plan	Plan	Plan	Plan
Regulations							
a. clear	2	2	2	3	4	5	6
b. friendly	2	2	2	3	4	5	6
c. understood	2	2	2	3	4	5	6
d. accepted	2	2	2	3	4	5	6

Again, we welcome USAID/W feedback and suggestions.

SUB-TARGET 2.1

Private/public sector commissions and/or working groups coordinate process of policy, legal and regulatory reform.

We initially envisioned that the formal establishment of high-level presidential public/private commissions would be necessary to promote policy, legal, and regulatory reform. The President still stands ready to do this to support TIPS. However, we have learned that such formal commissions are neither necessary nor sufficient to get the job done. In fact, a number of such commissions promoted by other donors simply have not worked at all. Two examples: the commissions centered on the Tropical Forestry Action Plan and the National Resources Management Plan. Whether or not the National Environmental Council (CNA) will work or not remains to be seen. The way to get things done in Guinea-Bissau is to identify the best and brightest who are interested in some policy, legal or regulatory area and have the potential to influence that area, and help get them organized and working with highly qualified Portuguese-speaking expatriate experts. Once working together on a topic of interest to them, these groups tend to develop a momentum of their own. Once momentum is developed, periodic reinforcement from the outside is all that is required to keep things moving and on track.

246

Sub-Target 2.1, Indicator 1. Public/private sector commissions and/or working groups established, by area of program interest/activity.

USAID-financed Implementing Policy Change Project has assisted in the creation of three participatory reform working groups: (1) Judicial Reform, (2) Commercial Reform, and (3) National Agricultural Sector Strategy. (4) The Land Tenure Law Working Group was established some time ago, but has worked closely with USAID over the past three years.

Land Reform: The land reform working group was established 4 or 5 years ago but was mostly inactive until USAID (using PD&S funds and the Land Tenure Center (LTC) of the University of Wisconsin) initiated its activity in this area in 1990-91. The group initially consisted only of public sector lawyers not familiar with land tenure issues or their economic implications. With our assistance, it has now been expanded to include the Ministry of Agriculture (planning and technical staff) and other governmental units currently responsible for land concessions and registration, as well as members of the private sector. Local NGOs are also becoming more involved in this area and will join the group shortly. With repeated LTC technical assistance, research, and training inputs, a fourth draft of the new law has been produced. Each draft has been made more private sector and market friendly. LTC work with this working group will continue under TIPS.

Judicial Reform: IPC helped in the formation of a working group for judicial reform in October 1992, consisting of members from the Ministry of Justice, the Faculty of Law, judges, and an outside lawyer. This group began promoting a Constitutional amendment to separate the judiciary from the executive. By February 1993 the National Assembly had passed the Constitutional amendment; however, this separation is *de jure* but not yet *de facto*, since the implementing legislation has not been approved and the government is still in the same budget year (the judicial system is still funded by the Ministry of Justice). The working group has now prepared ten organic laws that would implement the Constitutional amendment; both the Minister of Justice and the President of the Supreme Court view these drafts positively and hope that the National Assembly will approve them before the March elections. This working group benefitted from a USAID sponsored study tour in the United States and Brazil on Organization of Courts, and from a widely-attended seminar held in Bissau by a Montgomery County judge on the role of the judiciary in a democracy. The group has been highly effective in pushing for judicial reform.

Commercial Reform: This reform working group is focused on reforming the Ministry of Commerce and Industry so that it better serves the private sector. It is led by the Secretary-General of the Ministry, and includes the legal advisor to the Minister, the head of the Department of Research, and an IPC advisor. Private Sector participation in the working group is only on a "consultative" basis; for example, private sector operators were recruited to interview fellow entrepreneurs about the efficacity of the Ministry (assuming that sending a Ministry representative to do the survey would not have drawn straight answers). The working group has prepared a report on the obstacles to commerce imposed by the Ministry and recommended changes to the Ministry organization and staffing, and will soon hold a roundtable and a series of workshops to build public support for the reform.

National Agricultural Sector Strategy: This reform working group, consisting of technicians from the Ministry of Agriculture, two private sector members (the National Association of Agriculture Producers (ANAG) and the Chamber of Commerce, Industry and Agriculture (CCIA)) and USAID, has undertaken the redrafting/updating of the National Agricultural Sector Strategy. The group has just gotten started. USAID assistance will continue under TIPS.

SUB-TARGET 2.2

Private interest groups and appropriate governmental units participate in process of reviewing and (re)formulating policies, statutes and regulations.

Sub-Target 2.2, Indicator 1. Private sector associations established and now participating in review/(re)formulation

A significant number of new private sector associations were created recently to promote/defend their members' interests. The most important is the Chamber of Commerce Industry and Agriculture (CCIA). USAID was instrumental in the institutional development of the CCIA. The CCIA has a national membership of 550 small-to medium sized business operators grouped into seven regional delegations: Bissau, Bafata, Gabu, Bolama, Canchungo and Farim. The second most important group is the National Agricultural Association (ANAG) which has over 800 members nationwide. Other new private sector groups, which like ANAG are also associated with the CCIA are:

Association of Business Women
Young Entrepreneurs Association
Association of Construction Entrepreneurs
Association of Cashew Growers
Association of Forestry Industry
Cooperative of Farmers (West)
National Association of Fishing Enterprises

Also established: the Guinea-Bissau Bar Association (OAGB) and the Guinea-Bissau Association of Magistrates.

It is important to note that there are now private sector associations covering almost all areas of interest to our program and TIPS (i.e. the CGS Matrix). Prior to the creation of the CCIA, none of these associations existed. Some are still weak and getting organized, but all are already serving as our private sector partners in working with the GOGB. The same entities will be used under Target #4 as channels for direct support to the private sector in the CGS Matrix.

Sub-Target 2.2, Indicator 2. Governmental units participating in review/(re)formulation.

The government units listed below are only those currently working directly and constructively with us and our private sector colleagues to meet the objectives of our program. (Others will ask, or be asked to join at the appropriate time):

Ministries of Agriculture, Justice, Commerce and Industry, and Finance. As with our private sector partners, these are the public institutions which are key to the success of our program.

248

Sub-Target 2.2, Indicator 3. Formal seminars/workshops by area of program interest.

Jornadas Juridicas (joint USAID/Portuguese financing). The themes were related to legal structure and adjudication affecting private economic activity. Participation: an estimated attendance of 400 people from Bissau Law School, Lisbon Law School, Ministry of Justice, Supreme Court, GB Bar Association, Association of Magistrates, CCIA, other trade associations, other ministries and other individuals from the private sector.

Three Colloquiums on Modernization of Agriculture in GB. Organized by the Ministry of Agriculture, with support from Portuguese Cooperation, WB, USAID. Participation: 70 - 120 participants, from the CCIA, ANAG, traditional farmers, modern and commercial farmers, donors, commercial banks.

Conference on Guinea-Bissau's Fisheries sector, Bissau, July 1993. This conference was organized by the Ministry of Fisheries, in coordination with private interest group to examine the fisheries sector. Participation: Around 70 participants from various ministries, private sector, donor community.

First National Conference on Forestry (October 1992). The conference was realized to define, in an intersectorial context, a Government policy capable of preserving and promoting rational use of forest products. Organized by the General Directorate of Forestry, SOLIDAMI (NGO coordinating unit) and CNA (National Council on Environment). Multi-donor financing (WB, IUCN, USAID, FAO, CECI) as well as GOGB financing. Participation: 70 - 100 participants from both private and public sector, including NGOs.

Round Table on Tropical Forestry Action Plan. Organized by the Ministry of Agriculture. Participation: Various ministries, NGOs, donor community.

National Seminar on Beekeeping and Modern Commercial Fruit Production. Organized by NGO NAFAGONAL, at the request of ANAG. Participation: 70 - 100 participants, mostly modern commercial farmers and also the public sector.

Conference on National Agricultural Strategy. Organized by the Ministry of Rural Development and Agriculture. Participation: 90 - 100 participants from the public/private sector - Secretary of State for Plan, Central Bank, ANAG, CCIA, Ministry of Public Administration, Ministry of Commerce and Industry, Ministry of Finance, Ministry of Women's Affairs, NGOs, Rural Associations, Cadastral (land registry) Department, USAID.

Conference on the Role of the Informal Sector in the Guinea-Bissau economy. Participation: About 60 members of private associations and/or the private sector plus 3 Ministers and the Secretary of State for Plan.

Workshop on Promoting Foreign Investment in Guinea-Bissau. Participation: 60 participants, almost all from the private sector, plus the Secretary of State for Plan and key individuals from the Ministries of Finance and Commerce and Industry.

The President of Guinea-Bissau invited elements from the CCIA (described under Sub-Target 2.3, Indicator 1) to be part of his delegation to attend the Southern Governors' Summit Conference in Richmond, Virginia.

Sub-Target 2.2, Indicator 4. Radio programs about review/(re)formulation, by area of program interest.

The CCIA has a weekly radio program devoted to business affairs.

249

Sub-Target 2.2, Indicator 5. Newspaper articles about review/(re)formulation, by area of program interest.

The CCIA is publishing a monthly business newspaper that has sections that report on the overall economic and market conditions. TIPS was recently featured in major articles in two private newspapers. A third article will be published shortly.

Sub-Target 2.2, Indicator 6. Outreach sessions to traditional populations about review/(re)formulation, by area of program interest.

There exists a plan for a national vetting of the recently-revised land law (4th draft) at the village level before final drafting and submission to the National Assembly for approval. These sessions will implemented by TIPS.

SUB-TARGET 2.3

Selected private groups represent their members' interests in policy, legal and regulatory fora.

Sub-Target 2.3, Indicator 1. Private sector associations formally endorsing or rejecting specific policy, legal or regulatory proposals by area of program interest/activity.

The Chamber of Commerce, Industry and Agriculture (CCIA) and the Agricultural National Association (ANAG) have been the leading interest groups in voicing their opposition against some of the government policies on trade and investment. The CCIA has argued against the current level of interest rates and the level of tax applied on cashew exports. ANAG has demanded that the government return to it a fraction of the revenue it makes on exported-agricultural products. The CCIA is opposing the government's new policy of imposing an additional 10% export tax on cashew crops that were not exported last year.

SUB-TARGET 2.4

Ability of National Assembly to (re)formulate T&I legislation improved (eventual coordinating role)

Sub-Target 2.4, Indicator 1. T&I legislative committee structures and procedures developed.
Sub-Target 2.4, Indicator 2. Number of legislators and support staff trained in T&I.
Sub-Target 2.4, Indicator 3. Number of public hearings on T&I legislation held, by topic.

Efforts to assist the National Assembly can only be addressed after democratic elections. The TIPS contractor, employing the Legislative Development Institute at SUNY/Albany and ANDAL at the Brazilian Senate, will be fully prepared to begin working immediately with the elected National Assembly.

250

SUB-TARGET 2.5

Material and human base for T&I law review and drafting improved.

Sub-Target 2.5, Indicator 1. T&I laws collected/indexed/codified, by topic.

Through a USAID executed contract, an index of Guinea-Bissau Legislation (1975-1992) was refined and installed in the computer systems of the Ministry of Justice, Supreme Court, Law School and the Office of the Attorney General. Training was provided to the users along with instruction manuals. USAID financed the collection and printing of all Guinea-Bissau laws in several areas, the most important of which was commercial law, and has distributed over 60 copies to key personnel in the legal and business community. For almost all of them, this was the first time they had have access to such a collection.

Sub-Target 2.5, Indicator 2. Number of GELD staff and Law Faculty students trained in T&I.

See Sub-Target 3.4.

Sub-Target 2.5, Indicator 3. Number of T&I legal consistency reviews conducted, by topic.

One major piece of USAID research was to collect, review and analyze the economic impact of Guinea-Bissau's commercial laws. The final report "Establishing Priorities for Legal Reform - Guinea-Bissau" was published in August 1993. Other relevant studies are listed under Target #1 Indicator 2.

SUB-TARGET 2.6

Implementation of T&I regulations improved.

Sub-Target 2.6, Indicator 1. Number and type of private interest groups/governmental units that favorably evaluate implementation of T&I regulations.

As of this date, USAID has not initiated any specific action to improve the implementation of T&I regulations. Such actions, probably initiated with the Investment Code, will be undertaken by TIPS shortly.

TARGET 3

Adjudication of T&I legal and regulatory conflict improved

As described under Sub-Target 2.1, Indicator 1, the judicial reform has made great progress in the last year, most particularly in achieving a Constitutional Amendment separating the Judiciary from the control of the Executive. USAID, through the IPC project, has been closely involved in this reform. To date, the working group has drafted ten enabling laws which will give structure, operating procedures and budgetary independence for the judiciary. One of these laws, establishing a system of small claims courts, has been passed by the National Assembly. Recruitment of judges for these courts is now underway. USAID will assist in training these new judges. Further impact at the Target level will await implementation of the judiciary reform.

Target 3, Indicator 1. Number and type of private sector interest groups and governmental units favorably evaluating adjudicatory performance of (a) court system and (b) administrative tribunals.

Leaders of the CCIA, ANAG, the Guinea-Bissau Association of Magistrates, and the Bar Association have all expressed gratification at the progress being made, with USAID support, to establish an independent judiciary system and upgrade the capabilities of magistrates and lawyers. However, the judiciary will need to function independently for at least a year before we can expect private groups to evaluate the functioning of the new system.

Target 3, Indicator 2. Number of T&I cases adjudicated by (a) court system and (b) administrative tribunals.

USAID is compiling data to establish a baseline on the number and nature of T&I cases adjudicated by the court system since 1991. This information for this indicator will be available by the end of 1993.

SUB-TARGET 3.1

Formal court system restructured and upgraded to facilitate fair and impartial adjudication of T&I legal conflict.

Sub-Target 3.1, Indicator 1. Plans for judicial (court) system functions, structures, and procedures developed and approved.

As described under Sub-Target 2.1, the government of G-B has adopted a number of judicial, regulatory and administrative reforms over the past year. USAID has contributed to this accomplishment through technical assistance, training and financial support. Under the IPC project, a working group of government officials, judicial officials, a private lawyer, faculty of the Law School, and the IPC team worked out an Action Plan to bring about an independent and functioning judiciary system. (It should be noted that the judicial reform working group used an objective tree format to define their Judicial Reform Action Plan.) The judicial structures will be established by the 10 enabling laws (which should be passed within the next six months) drafted by the judiciary reform working group. These laws cover: (1) the overall organization of the judiciary; (2) the organization of the Supreme Court; (3) the organization of the Superior Council of Magistrates; (4) the Statute of Magistrates (providing legal authority and enumerating qualifications); (5) the Organic Law for the Ministry of Justice; (6) the organization of the Administrative Tribunals; (7) the organization of the system of Small Claims

Courts; (8) the Judicial Inspectors (not unlike our Inspectors General); (9) the Prison Services; (10) the Statute for Assistance to Minors (wards of the court).

Sub-Target 3.1, Indicator 2. Number and type of court officers, law adjudicators and support staff trained in T&I statutes and court procedures.

The IPC project has made available legal codes to judges and lawyers in the various courts in the country as well as to the library of the Law School.

Under the IPC project, a judge from Maryland held a week-long series of seminars in Bissau. The topics of discussion were the role of the judiciary in (1) a democratic society and (2) an economy based on private enterprise. Participation included the Guinea-Bissau private sector, the Chief Justice of the Supreme Court, 32 magistrates, the senior class of the Law School, and officials of the Ministry of Justice (including the Minister). Extensive television and radio coverage added to awareness of the importance of an independent judiciary and the role of the judiciary in a liberalized economy. As an interesting follow-up, USAID sent a group of magistrates on a study tour of Brazil and Montgomery County, Maryland to study court systems. The magistrates brought back to Bissau both ideas for drafting the enabling laws for the judiciary reform and clear impressions of how such system work in practice. The small claims court enabling law recently passed is based on the Montgomery County model.

USAID also financed:

- participation of the President of Tribunal de Contas to the 14th Annual Congress of Public Finance Control in Washington;
- participation of the President of the Supreme Court in the colloquium on Legitimacy and Legitimation of Constitutional Justice in Lisbon, Portugal;
- participation of two policy and legal officials from the Ministry of Commerce and Industry and two private sector representatives at a 3-week International Development Law Institute seminar in Rome on "Laws Concerning International Commerce";
- two magistrates to attend the Latin American Conference of Magistrates in Brazil;
- four judges to attend a conference in Sao Tome about Democracy and Development;
- one participant to a conference in Spain on Democracy and the Rule of Law;
- two magistrates to participate in a conference on the role of courts in the control of public finances.

As noted elsewhere, the Jornadas Juridicas was a widely-attended series of seminars on T&I law sponsored by the Law School and partially financed by USAID.

Sub-Target 3.1, Indicator 3. Judicial structures established and procedures implemented.

The small claims court enabling law has passed and must now be implemented. The other laws should be passed within the next six months.

SUB-TARGET 3.2

Appropriate governmental units establish clear, transparent and efficient mechanisms for the administrative adjudication of T&I rulings.

Sub-Target 3.2, Indicator 1. Number and type of administrative tribunals established to handle T&I conflict-resolution.
Sub-Target 3.2, Indicator 2. Number and type of private interest groups having voting membership on each tribunal.

A new system of administrative tribunals will be created through the judiciary reform; one of the draft enabling laws outlines its structure. Guinea-Bissau previously had a Administrative Tribunal under the Civil Courts, which was charged with adjudicating conflicts between the individual and the State and between different elements of the State. These functions have since been merged into the Tribunal das Contas, which is primarily an investigatory court examining government spending (not unlike our GAO but under the Executive Branch). After the passage of the enabling laws, this Tribunal das Contas will pass this adjudicatory responsibility to the new court.

SUB-TARGET 3.3

Traditional law/systems recognized in T&I statutes/regulations and respected in court and administrative T&I rulings.

Sub-Target 3.3, Indicator 1. Number and type of T&I (a) statutes and (b) regulations that make specific reference to traditional law/systems.

USAID has participated in the development of a new draft land law which recognizes traditional law practices of the various ethnic groups. That draft will soon be vetted around the country in outreach sessions to be implemented by TIPS.

The small claims courts are to be structured so that there is a judge with legal training heading it who will be assisted by two people from the local communities who will provide inputs concerning traditional law. These traditional law advisors will participate in fact-finding, cross-examination, etc and provide the view of traditional systems for each case.

Sub-Target 3.3, Indicator 2. Number and type of traditional interest groups favorably evaluating (a) court system and (b) administrative tribunal adjudicatory performance.

Reporting under this indicator will await establishment of the new judiciary system.

SUB-TARGET 3.4

Lawyers' expertise in T&I laws and regulations improved.

Sub-Target 3.4, Indicator 1. Number of lawyers and law students trained by (a) the Bar Association and (b) Faculty of Law in T&I laws and regulations.

The Bar Association has not carried out any training. It is, however, struggling to establish some standards for lawyers. The Law School, which was created three years ago, will graduate its first class of 13 students this year. All students take, in their last year, a new course in Commercial Law.

Other training associated with the Law School: The Jornadas Juridicas, mentioned previously, were an effort by the Law School to train students in T&I law. Also, USAID through a local contractor had all Guinea-Bissau's laws from 1975 to 1992 compiled, indexed, and installed in four computers, located in the Faculty of Law, in the Supreme Court, the Ministry of Justice and the Office of the Attorney General. USAID also collected and distributed all laws since the colonial regime, to these institutions and others. This was a very important addition to the functioning of these institutions, which did not have copies of Guinea-Bissau's laws before USAID's assistance.

TARGET 4

Ability of entrepreneurs to respond to improved policy, legal and regulatory environment improved.

Clearly our first task under Target #4 was to help get the private sector organized. As the listing below demonstrates, we have been extremely successful. The formation of these associations has made a real impact on the Guinea-Bissau private sector.

Chamber of Commerce Industry and Agriculture (CCIA)
National Agricultural Association (ANAG)
Association of Business Women
Young Entrepreneurs Association
Association of Construction Entrepreneurs
Association of Cashew Growers
Association of Forestry Industry
Cooperative of Farmers (West)
National Association of Fishing Enterprises

Our work to help create and develop the CCIA started almost three years ago from an absolute zero base. At first it was only a Chamber of Commerce. Later it was expanded to also represent the interests of Agriculture and Industry. With over 550 small-to medium sized business operators as members today, it is clearly the best organized and dominant private sector group in the country. It now publishes both a monthly bulletin and a newspaper. Other services to members will be promoted under TIPS. The CCIA is fully recognized by the GOGB and the general public as the leading voice of the private sector in Guinea-Bissau. Its functioning regional offices provide the base for rapid communications and information exchange with almost all areas of the country. The Chamber is involved in almost all aspects of our program.

The second most influential private sector association is ANAG, with some 800 members. Newer and much less developed than the Chamber, ANAG is already playing a major role in our program in two ways: (1) dialogue with the GOGB to represent producer interests in policy, legal and regulatory fora, and (b) serving as the program/TIPS operational link with those involved in the production, processing, and marketing of cashews, fruits and other agricultural products.

It is interesting to note that the 600 member Cashew Growers Association was formed in response to the perception that both the Chamber and ANAG were too dominated by commercial interests and that producers needed their own organization to represent their members interests.

Fortunately, and with some encouragement from USAID, private associations have also developed in other areas key to our program, e.g. forestry and forest products and fisheries.

It is our plan to assist all these private entities under TIPS. We fully expect that the Chamber will become a type of national private sector federation, with which all other private associations will be affiliated. This is critical as the private sector must speak to the government (and donors) with one powerful voice. Differences in interests should be resolved within the private sector itself (within the Chamber) before the private sector speaks as to specific policies, laws or regulations.

Target 4, Indicator 1. Number, size and type of new business entities and joint ventures established

BUSINESS ACTIVITIES	July 1991	Dec.1992	Increase	(%) Inc.
Import/Export	304	397	93	30.6
Wholesale	65	122	57	87.7
Retail	1,510	1,919	409	27.1
Commercial Agent	26	27	1	3.8
Total	1,905	2,465	506	29.4

Source: Ministry of Commerce

Custom duties exempted firms under the Investment Code, since 1991, by sector

Type of Firm	Number of Firms	Percentage
Industry (processing)	16	57.1
Fisheries	3	10.7
Tourism	1	3.6
Construction	2	7.1
Transport	3	10.7
Agricultural Marketing	1	3.6
Livestock	1	3.6
Commerce	1	3.6
TOTAL	28	100.0

Source: GAI/Ministry of Finance

These figures clearly demonstrate that there is growth in the private sector. Guineans and some foreigners are sufficiently confident in the direction of policy, legal and regulatory reform to risk their own scarce capital. TIPS will be working to encourage this trend.

Target 4, Indicator 2. Number, size and type of existing firms expanded and successful export ventures operating

With the exception of our pilot program in Mango exports (see narrative under Strategic Objective Indicator 2), we have not yet provided direct assistance for export promotion except for the trade missions discussed under Sub-Target 4.2. TIPS will initiate such activities in 1994.

SUB-TARGET 4.1

Selected private interest groups provide CGS-related T&I support services directly to their members.

Sub-Target 4.1, Indicator 1. Number and type of T&I (a) training programs, (b) research/market reports, (c) other publications provided entrepreneurs in the CGS.

(a) T&I Training Programs:

1 Seminar in International Marketing of Commodities, Italy - Institutional and Legal Framework of International Trade. Two participants from the Ministry of Commerce and Industry (MCI), and two from the CCIA, all financed by USAID.
2 Workshop on Export Market Entry Strategies, Ghana - three private entrepreneurs participated, all financed by USAID.
3 Department of Industry (MCI)/UNDP seminar in Business Initiatives, Bissau - Members of C of C participated, among others
4 USAID/Africare short-term training in Eusiness and Rural Vocational Skills, Guinea-Bissau - private sector participants only.
5 Training in Agri-Industry Development, Brazil - (financing from USAID/Brazilian Embassy).

(b) T&I research/markets reports:

These studies have been distributed to interested private sector parties:

1 Rice Marketing in Guinea-Bissau: A study to Develop Information for Policy Makers, report (USAID-financed)
2 The Ponteiros Census: Descriptive Results and Economic Analysis, report (USAID-financed)
3 Cacheu River Estuary Shrimp/Prawn and/or Oyster Resource Production Potential Assessment, report (USAID-financed)
4 Guinea-Bissau Border Trade, report (USAID-financed)
5 Guinea-Bissau Informal Sector of the Economy, workshop/report (USAID-financed)
6 REDSO/WCA multi-mission study on Regional Agriculture Export Market. Guinea-Bissau benefited with a study on the Portuguese Market for the country's fruits and vegetables.
7 Ministry of Agriculture/World Bank Study/Action Plan on the Modernization of the Agricultural Sector
8 Report/workshop on the Impacts of Laws and Regulations on T&I (USAID-financed)

(c) Other T&I publications provided to entrepreneurs in the CGS:

1 Monthly Consumer Price Index publications - Secretary of State of Plan
2 Annual Agricultural Statistics - Ministry of Agriculture
3 Agricultural Census (annual publication) - Ministry of Agriculture
4 Agricultural Campaign Bulletins - Ministry of Agriculture
5 Official Bulletin - National Printing Press (publishes government decrees, legislation, and other government/public sector news)
6 Daily Foreign Exchange Information - Guinea-Bissau International Bank
7 C of C Monthly Bulletin and newspaper

8 National Institute of Agricultural Research Quarterly Bulletin
9 Quarterly Bulletin from the Association of Portuguese Managers and Entrepreneurs
10 Central Bank's Bi-Annual and Annual Statistical Reports

Except for the Ministry of Agriculture publications, these are all fairly new publications available to entrepreneurs.

SUB-TARGET 4.2

Selected private interest groups and appropriate governmental units provide T&I promotional services in the CGS.

Sub-Target 4.2, Indicator 1. Number and type of (a) T&I promotional materials and (b) T&I trade missions executed.

T&I Promotional Materials

No materials developed to date. A recently completed survey of T&I promotion possibilities in Guinea-Bissau determined that GAI, a public sector entity, is probably not a good investment for T&I promotion under TIPS. We are assessing the possibility of somehow placing this function with the CCIA, possibly with some participation by GAI.

T&I Trade Missions

1 Private/Public Agricultural Trade Mission to Portugal - 10 participants (USAID-financed)
2 Private/Public Agricultural Trade Mission to Cape-Verde - 10 participants (USAID-financed)
3 Private/Public Agricultural Trade Mission to Brazil - 6 participants (USAID-financed)
4 US Southern Governors Summit - 3 members of the C of C and the Secretary of State of Plan (USAID-financed)

Annex A -- USAID/Bissau Program Logframe

and modifications made this API

USAID/Bissau Program Logframe, 1992-1998		
Level	**Objective Statement**	**Indicators**
Goal	Market-Oriented Economic Growth that is Broad-Based and Sustainable	1. Economic Growth: GDP real growth rate. 2. Broad-Based: Rural households' "income". 3.a. Market-Oriented: Rural households' money income. 3.b. Market-Oriented: Administratively determined prices. 4.a. Sustainable: Current account deficit. 4.b. Sustainable: Government budget deficit.
Strategic Objective	Private Sector Trade and Investment (T&I) increased in critical growth sub-sectors through Improved Governance	1. Domestic Trade a. Formal sector. # of commercial firms registered increased by 25% over 1992. b. Semi-formal sector. # of applications for stalls at formal markets increased by 25% over 1992. c. Informal sector. # of rural households reporting (i) money income, (ii) part of production sold, and (iii) part of consumption purchased increased by 25% over 1992. 2. External Trade a. Export earnings increased by 25% over 1992 for Cashews, Fish and Fish Products, Wood and Wood Products, Fruits and Vegetables b. Productive input (capital goods) component of imports increased by 25% over 1992. 3. Investment a. # (value) of foreign and domestic firms granted customs exemptions under new investment code increased by 100% over 1992. b. Private investment increased to around 5% of GDP.
Target 1	Technical/analytical base for planning T&I policy, legal and regulatory reform and for providing direct T&I support to the private sector improved in the critical growth sub-sectors.	1. Status of research/analysis/knowledge specific to CGS products. 2. Status of research/analysis/knowledge for general private sector constraints and issues.
- Sub-Target 1.1	Private/Public sector commissions and/or working groups coordinate process of developing and executing research/analysis agenda.	1. Commissions established 2. Number and type of commissions meetings, by topic. 3. Number and type of research/analysis work groups established, by topic. 4. Number and type of work group meetings, by topic
- Sub-Target 1.2	Private interest groups and appropriate government units participate in process of developing and executing research/analysis agenda.	1. Number and type of groups/units participating in commissions/work group meetings, by topic 2. Number and type of groups/units participating in research/analysis, by topic

Level	Objective Statement	Indicators
Target 2	Policy, legal and regulatory environment for increased private T&I in the critical growth sub-sectors improved.	Status of policy, legal and regulatory environment for private sector activity in general.
- Sub-Target 2.1	Private/public sector commissions and/or working groups coordinate process of policy, legal and regulatory reform.	1. Public/private sector commissions and/or working groups established, by area of program interest/activity.
- Sub-Target 2.2	Private interest groups and appropriate governmental units participate in process of reviewing and (re)formulating policies, statutes and regulations.	1. Private sector associations established and now participating in review/(re)formulation 2. Governmental units participating in review/(re)formulation. 3. Formal seminars/workshops by area of program interest. 4. Radio programs about review/(re)formulation, by area of program interest. 5. Newspaper articles about review/(re)formulation, by area of program interest. 6. Outreach sessions to traditional populations about review/(re)formulation, by area of program interest.
- Sub-Target 2.3	Selected private groups represent their members' interests in policy, legal and regulatory fora.	1. Private sector associations formally endorsing or rejecting specific policy, legal or regulatory proposals by area of program interest/activity.
- Sub-Target 2.4	Ability of National Assembly to (re)formulate T&I legislation improved (eventual coordinating role)	1. T&I legislative committee structures and procedures developed. 2. Number of legislators and support staff trained in T&I. 3. Number of public hearings on T&I legislation held, by topic.
- Sub-Target 2.5	Material and human base for T&I law review and drafting improved.	1. T&I laws collected/indexed/codified, by topic. 2. Number of GELD staff and Law Faculty students trained in T&I. 3. Number of T&I legal consistency reviews conducted, by topic.
- Sub-Target 2.6	Implementation of T&I regulations improved.	1. Number and type of private interest groups/governmental units that favorably evaluate implementation of T&I regulations.

Level	Objective Statement	Indicators
Target 3	Adjudication of T&I legal and regulatory conflict improved	1. Number and type of private sector interest groups and governmental units favorably evaluating adjudicatory performance of (a) court system and (b) administrative tribunals. 2. Number of T&I cases adjudicated by (a) court system and (b) administrative tribunals.
- Sub-Target 3.1	Formal court system restructured and upgraded to facilitate fair and impartial adjudication of T&I legal conflict.	1. Plans for judicial (court) system functions, structures, and procedures developed and approved. 2. Number and type of court officers, law adjudicators and support staff trained in T&I statutes and court procedures. 3. Judicial structures established and procedures implemented.
- Sub-Target 3.2	Appropriate governmental units establish clear, transparent and efficient mechanisms for the administrative adjudication of T&I rulings.	1. Number and type of administrative tribunals established to handle T&I conflict-resolution. 2. Number and type of private interest groups having voting membership on each tribunal.
- Sub-Target 3.3	Traditional law/systems recognized in T&I statutes/regulations and respected in court and administrative T&I rulings.	1. Number and type of T&I (a) statutes and (b) regulations that make specific reference to traditional law/systems. 2. Number and type of traditional interest groups favorably evaluating (a) court system and (b) administrative tribunal adjudicatory performance.
- Sub-Target 3.4	Lawyers' expertise in T&I laws and regulations improved.	1. Number of lawyers and law students trained by (a) the Bar Association and (b) Faculty of Law in T&I laws and regulations.
Target 4	Ability of entrepreneurs to respond to improved policy, legal and regulatory environment improved.	1. Number, size and type of new business entities and joint ventures established 2. Number, size and type of existing firms expanded and successful export ventures operating
- Sub-Target 4.1	Selected private interest groups (e.g. C of C) provide CGS-related T&I support services directly to their members.	Number and type of T&I (a) training programs, (b) research/market reports, (c) other publications provided entrepreneurs in the CGS via the C of C or other entities.
- Sub-Target 4.2	Selected private interest groups (e.g. C of C) and appropriate governmental units (e.g. GAI) provide T&I promotional services in the CGS.	1. Number and type of (a) T&I promotional materials and (b) T&I trade mission executed via C of C and/or GAI.

Modifications to the Program Logframe and to Indicators made this API

One and a half years of additional experience of working in the Guinea-Bissau context has led us to modify some of the Sub-Targets and many of the indicators in the Program Logframe for our first API. Most of the modifications to indicators are done to clarify what we wish to measure or to substitute proxies for indicators impossible to collect. The modifications to Sub-Targets come from a realization that the reformers of Guinea-Bissau are not proceeding as we expected; rather, they are moving in a more fluid style that is even more participatory than we could have imagined.

Goal - We have clarified a number of indicators. For all goal indicators, we replaced the phrase "1992 through 1998" or "1993 through 1998" with "over the CPSP period" to make the prose less confusing.

4(a). Same indicator, but text changed to clarify that we will measure an average annual rate, so we should see by 1998 that the current account deficit dropped by an annual average of 3% over 1992-1998. Previous text suggested an annual decrease of 3%, which is impossible given the constant flux of current account in any open economy.

4(b). Same indicator, but text changed to clarify that we will measure the primary deficit as a percentage (to reduce fluctuating peso effects) and to measure an annual average decrease by the end of the period. Previous text suggested an annual decrease, virtually impossible given that the government relies so heavily on customs duties for revenue.

Strategic Objective - Changed indicator 3(a) from "applications approved and implemented in the CGS" to "firms granted customs exemptions". The latter indicator was proving difficult to collect from the government Investment Promotion Office (GAI), so the new indicator will serve as a proxy.

Target 1 - We found that the indicator determined in May of 1992 was too constraining to accurately measure the status of the technical/analytical base here in Guinea-Bissau. By imposing a logic of sequential steps, the indicator would have served well to tell us how our own USAID research was proceeding but did not help us measure the overall state of knowledge of the CGS here in Guinea-Bissau. We have substituted two indicators, one for the level of knowledge in the CGS-specific products, and another for constraints and issues cutting across the private sector generally.

Sub-Target 1.1 - We have added the words "and/or working groups" to the Sub-Target statement to better reflect the way Guineans are proceeding with their reforms.

Target 2 - The proposed change in indicators, and our thinking behind it, is thoroughly described in the main body of text. We also made changes in the indicators for the subtargets. Generally speaking, we found that counting groups and meetings is not sufficient to measure participation in a reform process. Rather, the sheer number of associations forming in Guinea-Bissau and their desire to speak on issues affecting them is a better indication of the changes occurring here.

Sub-Target 2.1 - As with the parallel Sub-Target 1.1, we have added the words "and/or working groups" to the Sub-Target statement to better reflect the way Guineans are proceeding with their reforms.

Sub-Target 2.5 - We have modified somewhat the text of the Sub-Target statement to reflect the fact that most of our work on increase the capacity for drafting of laws will be in the National Assembly after the elections, not with GELD.

Target 3 - No changes.

Target 4 - We have removed the "e.g."s from the Sub-Target statements since there are many and various organizations now involved in these activities.

ASSESSMENT OF PROGRAM IMPACT

FY 1993

MALI

USAID MALI

ASSESSMENT OF PROGRAM IMPACT

FISCAL YEAR 1993

267

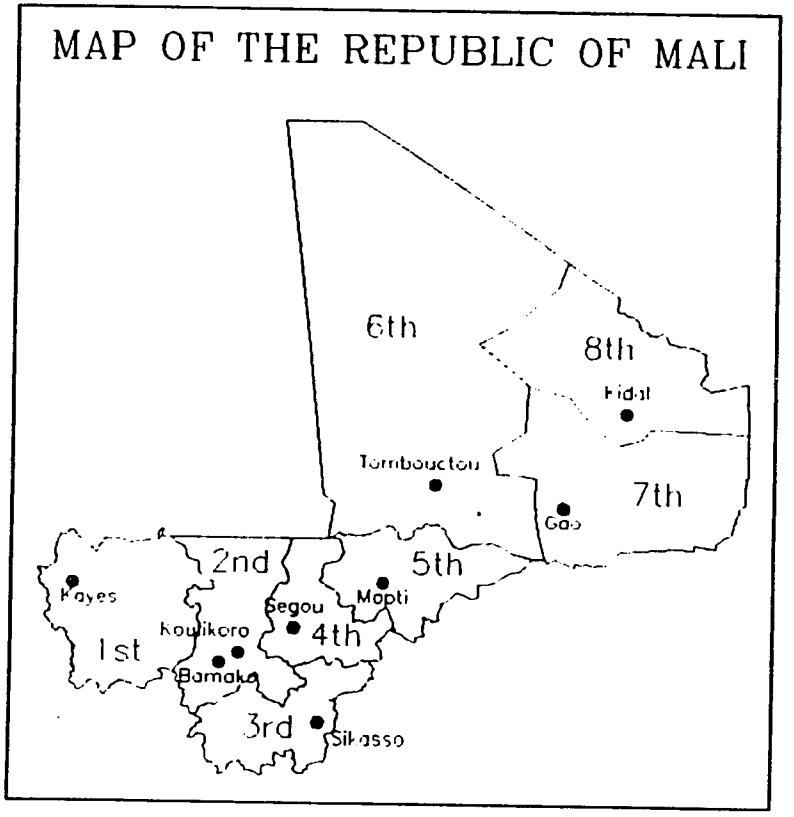


TABLE OF CONTENTS

SECTION I: SPECIAL FACTORS AFFECTING THE USAID/MALI PROGRAM 1

SECTION II: PROGRESS TOWARD OVERALL COUNTRY PROGRAM GOALS 3

SECTION III: PROGRESS TOWARD STRATEGIC OBJECTIVES AND PROGRESS INDICATORS 8

SECTION IV: OTHER PROGRESS IN PRIORITY AREAS 29

ANNEX A: CHANGES OF INDICATORS AND REVISIONS OF THE EXPECTED LEVEL OF ACHIEVEMENT 31

ANNEX B: INDICATORS AND SUBTARGETS THAT DO NOT ADEQUATELY MEASURES USAID IMPACTS 38

ANNEX C: USAID/MALI PROGRAM LOGICAL FRAMEWORK -- FY 1990-94 45

268

INTRODUCTION

USAID has rigorously assessed our impact on Malian development for this Assessment of Program Impact. We are pleased to report that USAID has contributed to much of the tangible development process in recent years, such as the establishment of commercial courts, the development and extension of improved and environmentally sound agricultural technologies, the liberalization of agricultural markets, the increase in contraceptive prevalence, and improvements in basic education. We found, however, that our contribution was either indirect or minimal to some of the targets and indicators contained in previous API's. In order to more clearly indicate the true impact of the USAID Mali program, we have included in Section III only those indicators directly related to past, current or future USAID Mali activities. In Annex B, we have reported progress on the remaining indicators, those which inadequately measure the impact of our program. We plan to replace many of them with more appropriate indicators in FY 94. Where it was necessary and possible to modify existing indicators or benchmarks, we have done so in Section III and justified these changes in Annex A.

SECTION I: SPECIAL FACTORS AFFECTING THE USAID MALI PROGRAM

Malians are proud of having removed the military regime of General Moussa Traore in 1991. They are proud of having installed a democratically elected Government and are anxious to gain tangible economic benefits and enjoy their hard-fought freedoms, such as the freedom of the press and freedom to assemble. The Malian Government is having a difficult time balancing off its interest in ensuring the continuation of the democratic process with the need to continue the structural adjustment process. On one hand, it must listen to many economic and social groups, some of them privileged and some of them repressed for over twenty years, but all of whom have become increasingly vocal and focused almost exclusively on their own economic interests. On the other hand, the Government must take steps to restructure its finances and reduce the budget deficit so as to limits its drag on economic growth. The Government's ability to successfully balance these two demands will determine both its own survival and most likely the survival of democracy in Mali.

The Malian Government is a classic example of a "fragile democracy." In order to make a major break with the authoritarianism and repression of the Traore regime, the Government of President Alpha Oumar Konare has, to date, refused to employ sufficient force in dealing with civil disturbances. It showed great weakness in the face of pressure from students who employed tactics of violent civil disobedience in fighting for more and larger scholarships. Strikes and protests by students forced schools in Bamako and other major cities to close for significant periods during the year. Instead of employing force, the Government tried to divide the student movement by negotiating with a less demanding faction. In response, the main group of students burned the National Assembly, the Ministry of Industry and offices and houses of Government and ruling party officials. Opposition parties capitalized on the situation by forcing the Government to resign. The Prime Minister and the rest of his Government resigned in April 1993. The new Government included members of the political party closest to the students.

The new Government was as weak and as split by political dissensions as the previous one. Those few students who had been arrested were released. Government leaders acquiesced to the demands of the students by delaying the implementation of scholarship reforms, such as the establishment of academic performance norms as well as needs criteria, which were promulgated in August 1992.

The Government had to contend with other problems in this period including the remnants of an armed rebellion by Touaregs in the North, organized strikes by businessmen demanding reparations for the damages related to the events of March 1991, protests by civil servants and labor unions for salary increases and backpay, and demonstrations by those who believed they had been inadequately compensated for voluntarily retiring from Government service. While the Government made significant strides in resolving the rebellion in the North, its efforts to satisfy the demands of the most vocal social and economic groups led to budgetary expenditures far in excess of what had been approved by Parliament and agreed to by the World Bank and International Monetary Fund.

Despite the legitimacy of the democratically elected Government, it has little authority. Its inability or unwillingness to enforce the tax laws created the opportunity for many Malian businesspeople and citizens to avoid paying taxes. Some formal private companies have have disappeared into the informal sector, to escape taxation. Corruption is rife among fiscal agents for the Government. A major revenue shortfall has resulted.

The combination of a significant shortfall in fiscal receipts and a sizeable amount of overexpenditures in the last three months of 1992 almost made the Government miss the IMF's Enhanced Structural Adjustment Facility conditionality for the period ending December 31, 1992. These difficulties have only gotten worse in 1993. By July 1993, the IMF estimated the financing gap for 1993 to be about 29 billion FCFA ($116 million). The Government has been forced to concentrate on crisis management to the detriment of the broader issues of economic restructuring needed to get the economy on a sustainable growth path. Following the July 1993 visit of the IMF team, the Government consulted widely with workers, students and the business community on the acceptability of a new set of austerity

measures in an effort to develop a structural adjustment package having broad political support. The measures finally put in place only slightly improved the budgetary situation, with the 1993 financing gap now estimated at 17 billion FCFA ($68 million). The IMF and World Bank have provided only guarded support for the Malian Government since July 1993.

In 1993, the economy has continued to suffer from the overvaluation of the CFA franc. An overvalued currency has decreased incentives for investment in productive enterprises, resulting in increased unemployment and underemployment. In efforts to deal with the consequences of overvaluation of the CFA; the central bank forbid the transport of FCFA notes out of the zone, and announced that it would no longer buy back FCFA notes that had been circulated outside the zone. Billed as a measure to stop illicit capital flight and to bring trade activities within the formal sector, the policy is in effect a step to limit the convertibility of, and thus devalue, the CFA. The quick emergence of a "parallel" market in Bamako buying CFA at a 13 percent discount in Bamako suggests the extent of overvaluation.

The Malian Government recognized the inappropriateness of centralized management to address development problems throughout the country. In response, it has put in place a legal and policy framework necessary for decentralization and local self-government. While some communities have been able to take advantage of their increased decision making power, it has been difficult for many political officials and central Government representatives to give up the power they have enjoyed since Mali became independent.

Following the national pact forged in April 1992 between the Government and the Touareg leaders, the Government has been making a greater effort to channel development resources to northern Mali. The security situation in the region remains tenuous, however, due to the inability of the Government to control banditry. Nevertheless, the uneasy peace is leading to improved markets, exchange mechanisms and public services. PVO's have been better able to achieve their development objectives. The national famine early warning system is now getting more reliable information about food needs in the North and donors are better able to channel emergency food assistance to affected groups.

The 1992 agricultural production season was generally better than average, with a 2.15 million metric ton cereal harvest resulting in a 227,500 metric ton cereal surplus. Stable prices and adequate household stocks have helped maintain adequate food security for most of Mali's people. The 1993 harvest in November and December is expected to produce 2.02 million tons of cereals.

Low world cotton prices, due to all-time high world market supply, undercut the Malian economy by large losses of revenue and foreign exchange. The effect of the 1992 drop in Malian cotton prices left the recently established stabilization fund of the parastatal Malian Textile Development Company with a huge estimated deficit of 10 billion CFA ($40 million).

140

SECTION II: PROGRESS TOWARD OVERALL COUNTRY PROGRAM GOALS

PROGRAM GOAL: TO PROMOTE ECONOMIC GROWTH							
COUNTRY TREND INDICATORS	BASELINE 1989	1990 EST.	1991 EST.	1992 EST.	1993 PL./EST	1994 EST.	1995 PROJ.
Real Gross Domestic Product (GDP) increases.	$2.1B	$2.23B	$2.43B	$2.63B	$2.7B/2.71B	$2.84B	$2.98B
Per Capita GDP increases.	$260	$278	$280	$285	$325/$285	$290	$300
Exports of goods and non-factor services increase.	$343M	$368M	$355M	$318M	419M/340M	$360M	$380M

The growth of real GDP since 1989 has been greater than the population growth rate of 3.0%. Rainfall, the fundamental variable of Mali's economy, resulted in a 12 percent increase in agricultural output and an overall real GDP growth rate of 8 percent in 1992. The weather was not as good in 1993, leading us to project an increase in real GDP of 3% for the year, taking into account an inflation rate of 2.5%. Thus, economic growth just kept up with population growth. Formal private sector growth, however, has probably been negative, as some formal business activity moved into the informal sector. There are significant problems in measuring the absolute size of the GDP, since approximately two thirds of economic activity takes place in the informal sector. The value of exports in dollars has fallen from its high in 1990, due to low prices for cotton, Mali's major export, and the strengthening of the dollar. (Source: 1993 World Bank Development Report, IMF Statistical Annex and estimates)

PROGRAM SUBGOAL: TO IMPROVE THE QUALITY OF LIFE							
COUNTRY TREND INDICATORS	BASE: 1987	1990 EST.	1991 EST.	1992 PL.	1993 PL./EST.	1994 PL.	1995 PL.
Life expectancy increases.	47 years	47	48	48	49/48	49	50
Literacy rate increases.	14%	14%	15%	15%	16%/15%	16%	17%

Trends in Mali's quality of life indicators are difficult to monitor because of an overall lack of national-level comparable data. National figures are basically a series of guesstimates based on a broad range of noncomparable data. The national infant mortality rate -- a key factor in determining life expectancy -- has been estimated at as low as 102 to as high as 166 per 1,000 live births during the last six years. Anecdotal evidence indicates that it is decreasing, however. Life expectancy is estimated to have remained at 48 years from 1989 to 1991, as reported in the World Bank Development Reports. USAID's child survival activities have the potential to directly contribute to increasing the life expectancy rate through decreasing child mortality in project areas.

272

Literacy rates also cannot be estimated reliably. The World Bank estimates a rate of 32% for the total population and a rate of 24% for women. These figures probably overestimate the true literacy rate, in efforts to take into account the educational activities of both the Government and the non-governmental organizations. Whatever the actual rate, it changes slowly in the absence of expanding access to primary education and to literacy programs. Despite the fact that the numbers of children enrolled in primary school increased by 10% in 1993, the percentage of primary school age children attending school remained low and has increased only slightly, moving from 22% in 1989 to 29% in 1993. Literacy levels will not increase significantly due to the low percentage of children in primary school, combined with large numbers of repeaters and dropouts. USAID's Basic Education Expansion Project is working to increase enrollment while improving the quality of education. Increasing the percentage of girls enrolled in school is a major priority. Increasing opportunities for the development of private and community-run schools is another important objective. Through the literacy component of the Development of the Haute Vallee Project, 66,000 persons have received training since 1988, of whom 26% were women. This represents 15.4% of the zone's population. (Sources: Ministries; National Directorate of Statistics and Information; World Bank and UNDP Reports; World Population Data Sheet; USAID estimates).

278

Progress Toward Promoting Economic Growth

USAID is contributing to economic growth through its activities which improve agricultural production and income, its support for other donor activities related to structural adjustment, and its efforts to create a positive enabling environment for the private sector. These activities are complemented by our efforts to reduce the rate of population growth. The current political and economic situation prevents USAID activities from having their full impact on economic growth, however. Once there is greater political stability and the Malian Government has gained greater authority, the impact of USAID's current efforts should become more tangible.

The loss of Government authority has made investment in Mali more risky and pushed economic activities into the informal sector, where perhaps two thirds of economic activity takes place. This has not necessarily reduced investment, however. As a result, the economy is growing at the same rate as population (3%), but below potential and not necessarily in the most productive sectors. On a per capita basis, there is no growth at all. In other words, Mali's limited resources could be used much more efficiently. In addition, given the high population growth rate, the average Malian family has not benefitted from economic growth.

Increasing Agricultural Incomes: In 1993, the economy is expected to have a real growth rate of 3 percent after correcting for an expected inflation rate of 2.5 percent. A major factor explaining economic growth is the relatively good harvest, resulting from a good rainy season. USAID's activities in support of agricultural research and extension, cereals market liberalization, credit extension to both men and women, and livestock export promotion have helped Malian farmers and their families to maximize their production and income, within the constraints of uncertain rainfall, a fragile political environment, an overvalued currency and the inability of the Government to collect revenues needed for adequately funding agricultural development.

Support for Structural Adjustment: USAID coordinates closely with the World Bank, the IMF and other donors in developing activities and policy conditionality supportive of structural adjustment. In previous years, we have been responsible for the decision of the Malian Government to end export taxes, for the establishment of a loan guarantee fund devoted to financing the investments of voluntary retirees from the Government, and for the liberalization of the coarse grains market. USAID is currently devoting its efforts to building on our previous structural adjustment activities, monitoring progress on the multi-donor funded adjustment program, and providing technical assistance to the Malian Government in economic policy analysis, with a special focus on creating an environment of due process under the law.

The structural adjustment program aims at reducing the Government budget deficit, excluding donor assistance, to 7.7 percent of GDP, and bringing the external current account gap to 13 percent of GDP. The success of the program depends on the Government's ability to gain broad support for the program and create greater civic spirit and responsibility. Without an increase in the willingness of citizens to pay taxes, the Government could find itself with a decreased ability to obtain external assistance or bank financing. Mali's leaders understand that structural adjustment must happen with or without the Bretton Woods institutions and bilateral donors. They are working hard to educate the public on this very point.

Given the difficult political environment, the simple fact that the Government tries to honor its reform commitments with the donors has to be seen as a success. That it made a clear and large scale effort to include the public in the decision making process, is an intangible but necessary step on the road to economic development. However, some of the Government compromises lead us to conclude that sustained and broadbased economic growth for Mali will be achieved more slowly than was expected in the midst of the euphoria following the overthrow of the military regime in 1991.

Significant specific reforms, aimed at improving private sector incentives, reinforcing the management of public resources, and decreasing the share of resources going to the public sector over the past year include:

- the drafting of legislation on institutional, regulatory and procedural changes needed to develop an efficient commercial court system and establish a transparent and equitable environment for private sector activity;

- Continued reform of the public enterprise sector with the liquidation of SEPAMA, an oilseeds processor

and the privatization of TAMALI, a hides and skins company, under the Public Enterprise Sector Adjustment Program.

- Continued restructuring of the rice and cotton subsectors, with the objective of making them more efficient by focusing their activities, cutting costs and making them more responsive to market forces;

- Continuation of the program to reduce the number and costs of civil servants and the adoption of a new salary grid to better control the wage bill;

Improvement of the Private Sector Enabling Environment: While USAID looks to the World Bank and the IMF to provide leadership with respect to the structural adjustment process, we have taken the lead in certain activities aimed at improving the enabling environment for the private sector. Our efforts to put in place both commercial and administrative courts will result in a legal system that inspires greater investor and business confidence. Commercial courts are already in place in Bamako and two regional capitals, and they have resolved over 400 cases. Following our analysis of the National Economic Affairs Agency, we hope to engage the Malian Government in a plan to move the Agency from a role of policing business to one of supporting it.

Family Planning Assistance: USAID's funding for promoting and marketing of contraceptives through the Malian Government and PVO's was a major factor in the doubling of contraceptive prevalence rates. In the social marketing sphere, oral contraceptives were made available in private marketing channels in June 1993, a major step to bring effective contraception to women at reasonable prices. There is still long way to go, however, before the rate of population growth drops to a level that permits a sustainable increase in the income of the average Malian.

275

Progress Towards Improving the Quality of Life

USAID is working to improve the quality of life in Mali through its activities in health, child survival, family planning, literacy and basic education. While political instability and inadequate economic growth have hampered development of health and education services, USAID's efforts resulted in measurable improvements.

In health and family planning, data is available from a number of surveys indicating an increase in pre and postnatal consultations, a decrease in infant mortality, and an increase in the contraceptive prevalence rate. Better data will be available in 1995, following the Demographic Health Survey.

USAID's literacy activities have focussed on the Haute Vallee zone, where 15.4% of the population has received literacy training since 1988. These efforts have been counteracted by a low school enrollment rate of 29% (for the nation as a whole), preventing any national improvement in literacy levels. Nevertheless, the number of children enrolled in primary school has increased by 41% since 1989, due to the efforts of USAID and other donors. USAID has focused on improving the quality of basic education, resulting in a decrease of students repeating primary school grades and a decrease in the percentage of children dropping out from school.

Health and Family Planning: In cooperation with the Ministry of Health, USAID sponsored a major review of all elements of the Government's population strategy. As a result, we have agreement to a threefold expansion of family planning activities including the sharp expansion of community based distribution of contraceptives and social marketing of pills, condoms, and injectables.

The Mission had experts in the family planning field review our assistance to the population sector in Mali and make recommendations for improvement. Basically, the Mission population strategy review confirmed that USAID family planning activities were a major factor in increasing use of contraceptives. USAID will pursue the strategy recommendations, especially continuing and expanding community based distribution and social marketing of contraceptives.

USAID has been instrumental in getting the private and public sectors to work together on health and population activities and in getting the public sector to recognize the importance of the private sector in contributing to the goals of reduced infant mortality and increased contraceptive prevalence. The Minister of Health has appointed his Director of Planning to develop a Ministry strategy for public-private sector collaboration in health, population and AIDS prevention.

Our major health and family planning project is linked to a World Bank-coordinated multidonor project, to which other donors have been slow in delivering assistance. Our activities have been carried out as planned, however.

Literacy and Basic Education: The period of October 1992 through September 1993 was very unstable in the education sector. Student protests occurred regularly at the ministries concerned with education, in the schools and in the streets. Teachers also went on strike. Students and teachers demanded higher scholarships and salaries, which the Government partially granted. In acquiescing to student and teacher demands, the Government readjusted its budget priorities. The percentage of the national budget devoted to basic education fell while the percentage of the budget devoted to secondary and tertiary education increased.

In addition to receiving less funding than expected, many schools were closed for long periods. The Government came close to declaring the academic year invalid. Instead, it allowed students to decide whether they wanted the year to count. The activities of USAID's Basic Education Project were delayed, epecially those of the monitoring and evaluation component which collects data in the schools.

Nevertheless, we have some fairly solid data showing progress in enrollment of boys and girls and quality of education. Indicators improved significantly for repeater rates, drop-out rates, number of pupil-years to complete 6 grades, number of boys and girls enrolled and teacher use of textbooks, due in large part to the USAID program.

276

SECTION III: PROGRESS TOWARD STRATEGIC OBJECTIVES AND PROGRESS INDICATORS

STRATEGIC OBJECTIVE 1: INCREASE PRIVATE SECTOR PARTICIPATION IN THE ECONOMY							
PROGRAM PERFORMANCE INDICATOR	BASE: 1989	1990	1991 EST.	1992 EST.	1993 PL./EST.	1994 PL.	1995 PL.
1A Private investment in the economy increases. (FCFA billions).	75	NA	83	98.1	104.8/ 98.1	113.1	120

Private investment is estimated to have increased from CFA 83 billion in 1991 to 98.1 in 1992, explainable in part by the longstanding effort to create an environment supportive of private sector-led growth, an increase in credit to the private sector by the banking system, the adoption of the new Labor, Investment and Commercial Codes, and the continuation of the public enterprise reform program. USAID has modestly contributed to each of these activities. We contributed to increasing the availability of credit to the private sector in limited geographic areas through the rural credit programs of the Development of the Haute Vallee project and the Cereals Marketing Reform Project as well as women-oriented programs implemented by several PVO's and NGO's (such as Save the Children and the American Freedom from Hunger Foundation). Through the Policy Reform for Economic Development Project, we also established a loan guarantee fund for investments of voluntary retirees from the Government. USAID has been involved in the development of the Commercial Code since 1986. Once the commercial and administrative courts supported by USAID are fully operational, they should improve the environment for private investment. USAID, in efforts to support the privatization of public enterprises, saw a concrete payoff when an American firm bought the formerly state-owned hides and skins company

In 1993, a sharp drop in revenues forced the Government to increase its efforts to collect the heavy taxes that fall on the formal private sector businesses. An unknown number of private sector businesses moved into the informal sector. Anecdotal evidence indicates that more new investments were made in the informal sector than in the formal sector, although the amount of private investment probably remained the same. The overvalued currency, the FCFA, discourages investment in export and import substituting activities. Overvaluation of the FCFA is a problem affecting many Francophone African countries. For several years, the international community has been encouraging the countries in the CFA Franc zone to devalue, but has been unable to overcome the political resistance of both the African countries and France, the guarantor of the currency. The 1993 restrictions on exports of CFA currency act as a form of devaluation. They are unlikely to have a positive effect on the growth of the formal sector, however. (Sources: IBRD, IMF and Mission estimates)

277

	PROGRAM PERFORMANCE INDICATOR	BASE: 1988	1990 ACT.	1991 ACT.	1992 ACT.	1993 PL./EST.	1994 PL.	1995 PL.
1C.	Increase in the number of traders receiving credit for grain storage and marketing through the Cereals Market Restructuring Program.	19	3	13	42	NA/38	TBD	TBD

Through the multi-donor funded Cereals Market Restructuring Program (PRMC, from its French name), coarse grain trade has become completely privatized. Grain imports and exports require no licenses. This process of liberalization has encouraged the establishment of many new grain trading enterprises. USAID bilateral and PL 480 Title III funds have enabled the PRMC to establish a cereals price information system, which has provided traders and consumers with the information needed to take advantage of price differentials between different regions of Mali. (Source: Cereals Market Restructuring Program)

Target 1.1: Improve Regulatory Policies and Practices						
SUBTARGET	BASE: 1988	1989 ACT.	1990 PL.			
1.1b Transport: (a) Price controls on internal transport are abolished, (b) allowing the private sector to provide agricultural transport services.	a. controls in place b. 17% of HauteVallee cotton transported privately	a. urban enforced b. All Haute Vallee cotton transported privately	a. controls abolished b. same			

This subtarget has been accomplished. All official price controls on internal transport have been abolished. Competition between private haulers has resulted in a fall in transport prices of 51% since 1988. The USAID-funded Haute Vallee Project has ensured that all cotton produced in the zone is transported by private operators. Other development zones are increasingly using privately owned transport. Title III funds will help to reduce dependence on public transport for rice produced in the Office du Niger, in the context of the restructuring of the Office. While official price controls on private transport have been eliminated, USAID receives reports that transporters are often forced to pay bribes to police and customs agents at roadblocks. For FY 94, USAID will examine whether to establish a new subtarget to address this problem. (Sources: Office de Haute Vallee and Direction Nationale des Affaires Economiques reports; private sector interviews)

278

SUBTARGET	BASE: 1989	1990 ACT.	1991 ACT.	1992 ACT.			
1.1c Privatization: The Pharmacie Populaire du Mali stops importing and distributing all non-essential drugs, permitting private pharmacies to do so directly.	PPM has monopoly on all drug imports	No change	PPM monopoly abolished	Private sector has entire market for non-essential drugs			

This subtarget has been achieved. Private pharmacies are now importing and distributing all non-essential drugs. In addition, 300 parastatal pharmacies have been converted into private pharmacies. The remaining parastatal pharmacies are being used exclusively to supply the Ministry of Health centers with essential drugs. Given that this subtarget has been achieved, we will not report further progress against it in FY 94. (Sources: Pharmacie Populaire du Mali and Health, Population and Water Supply Project reports)

SUBTARGET	BASE: 1989	1990 ACT.	1991 ACT.	1992 PL.	1993 PL./ACT.	1994 PL.	1995 PL.
1.1d Judicial System: Commercial and Administrative courts in Bamako, Kayes, Mopti and Segou become fully operational, successfully handling business and industrial litigations.	Business litigation inefficient in civil courts	Decrees establish Commer -cial Courts	Buildings secured; magistrates trained	Cases litigated in Bamako, Kayes and Mopti	NA/ 400 cases filed and resolved thus far	800 C. Court cases liti-gated in four regions. Admin. courts estab-lished	1,200 C. Court cases in four regions. Admin. Courts established

Recommendations developed by the Policy Reform for Economic Development Project are being implemented by the Ministry of Justice and project staff to promote and establish a fully functional Commercial and Administrative Courts system. In-service professional training programs in commercial law are being provided to over 250 magistrates, lawyers and paralegal assistants in four regions. Physical upgrading of facilities and documentation is taking place. The town of Segou has been added as one of the sites for the establishment of both a Commercial and Administrative Court. (Source: Ministry of Justice)

279

Target 1.2: Decrease Fiscal Burden on the Private Sector							
SUBTARGET	BASE: 1989	1990 ACT.	1991 ACT.	1992 ACT.	1993 PL./ACT.	1994 PL.	1995 PL.
1.2a Export Promotion: GRM eliminates all export taxes.	Export taxes exist	Taxes suspended	Taxes abolished	Export procedures simplified	One-Stop Window functional (planned and actual)		

In fulfillment of the conditionality of USAID's Policy Reform for Economic Development Project, export taxes were completely eliminated in 1991. This measure was also supported by the World Bank through the structural adjustment program. However, the drop in the world price of cotton had an adverse impact on exports, leading to a decline of 10% from CFA 100 billion in 1991 to CFA 90 billion in 1992. Exports are expected to increase to CFA 96 billion in 1993. USAID is working closely with livestock traders to increase exports to neighboring countries. Obstacles to exporting cotton and livestock still exist, however, as a result of corruption both in Mali and its neighbors. USAID is attempting to address this issue through the Policy Reform and Economic Development, Animal Productivity and Export and the proposed Democracy and Governance projects. Since this indicator has been achieved, we will not report on it in FY 94. We will consider establishing another indicator to measure USAID's impact on export promotion. (Sources: IMF reports).

Target 1.3: Improve Public Sector Performance							
SUBTARGET	BASE: 1989	1990 ACT.	1991 ACT.	1992 ACT.	1993 PL./ACT.	1994 PL.	1995 PL.
1.3a Support to Private Sector: The National Economic Affairs Directorate is reoriented to a private sector support role.	Exclusive Regulatory Role	Private Sector Support Mandate	No change	No change	Functional in new role/ institutional study completed	New structure defined	Functional in new role

A USAID-funded institutional study has been carried out which, if implemented, will enable the National Economic Affairs Directorate to reorient itself from its historical role as regulator and controller, to an organ responsible for supporting further development of the private sector. As a first step, the Directorate was moved to the newly created Ministry of Commerce, Industry and Transport in November, 1993. (Source: Ministry of Finance and Plan).

SUBTARGET	BASE: 1989	1990 EST.	1991 EST.	1992 EST.	1993 PROJ./ACT.	1994 PROJ.	1995 PROJ.
1.3b Fiscal performance: Government fiscal deficit as a percentage of GDP is reduced.	10%	8.4%	12%	11.3%	7.1%/9.5%	8.0%	7.0%

Though it exceeded the programmed 10.7% of GDP, the overall fiscal deficit was reduced from 12% of GDP in 1991 to 11.3% in 1992 in spite of difficulties in revenue collection in the last quarter of the year. Initial estimates for 1993 indicate a slight reduction in the budget deficit, inadequate to meet the IMF target of 7.1%. In 1993, the Malian Government has been squeezed on both revenues and expenditures. While the erosion of civic spirit resulted in falling tax receipts, the financial demands of important social groups, such as students, government employees, and business owners hurt by the 1991 civil disturbances, caused the Government to increase significantly its expenditures. Fear of being declared out of compliance with the IMF and World Bank structural adjustment package forced the Government to develop measures to bring the budget closer into balance. Following extensive consultations with these social groups, the Government implemented a series of measures that have so far had little effect on the fiscal deficit. USAID is providing the Malian Government with some of the tools to monitor fiscal performance and make decisions on fiscal policy. We have helped the Ministry of Finance to computerize its payroll system and are now helping it to identify employees collecting two or more salaries, a problem which has resulted in significant uncontrolled expenditures. We also helped the Customs Service to computerize its data system. (Sources: IMF, Ministry of Finance and Plan, USAID reports)

SUBTARGET	BASE: 1988	1989 ACT.	1990 ACT.	1991 ACT.	1992 EST.	1993 PL./EST.	1994 PL.	1995 PL.
1.3c Revenue Promotion and Equity: Budget revenues increase, through increase in the tax base and equitable rates (FCFA billion)	85.6	109.6	116	110	100	123/104	110	120

Tax revenues declined from FCFA 82.4 billion in 1991 to 77.8 billion in 1992, due to the refusal of increasing numbers of Malians to pay taxes, the resistance of the commercial sector to pay the value added tax on retail sales, and the abolition of the head tax. Overall budgetary revenues are expected to increase slightly in 1993, but expenditures are expected to increase even more. As a result, the external debt may rise by as much as 7.7 billion FCFA. The Policy Reform for Economic Development Project is reviewing the current GRM system of budgeting and planning, and is paying special attention to revenue generation. The technical team will recommend ways of ensuring better control of public revenues, through reduction of tax complexity and rates, greater enforcement, and an increase in the transparency of the tax system. USAID has not had a significant impact on revenue generation until now. To successfully increase revenues, our efforts to improve the Government's revenue collection capability must be accompanied by an increase in the Government's authority and strong pressure from the World Bank and IMF. (Source: IMF reports)

281

STRATEGIC OBJECTIVE 2: INCREASE INCOMES IN AREA OF HIGH PRODUCTIVE POTENTIAL							
PROGRAM PERFORMANCE INDICATOR	BASE: 1988	1990 ACT.	1991 ACT.	1992 ACT.	1993 PL./EST.	1994 PL	1995 PL
2A. The value of agricultural production (grains and cotton) increases.	Index: 100 124 B FCFA	Index:131	Index:83	Index:117	Index:NA/ Index:114	Index 125	Index 130

After a sharp decline in 1991 (due to a bad 1990 harvest), the value of agricultural production increased in 1992 and 1993 above the base year level. However, the 1993 value is expected to be slightly lower than the previous year's level, mainly due to lower grain production and relatively stable coarse grain prices. USAID's support for drought resistant varieties has limited the effects of drought in the Mopti region. USAID has also contributed to the donor-funded market information system, which improved the information flow on prices and brought about greater market stability and transparency. Cotton production in 1993 will increase slightly, but falling prices will lead to a slight decrease in the value of cotton production. As a whole, the value of agricultural production is anticipated to be less than but very close to the value of last year's harvest. (Sources: Ministry of Rural Development, National Directorate for Statistics, FAO)

PROGRAM PERFORMANCE INDICATOR	BASE: 1988	1990 ACT.	1991 ACT.	1992 EST.	1993 PL./EST.	1994 PL.	1995 PL.
2B. The value of agricultural exports increases. (FCFA billions)	60	91	79.3	101.6	NA/110	115	120

Due to a bumper harvest in 1991, cereal exports increased during 1992. The absence of export taxes on cereals and lower domestic prices during 1992 made Malian grain exports more competitive in the subregion, particularly in Mauritania and Senegal. Cotton fiber exports have been increasing from year to year since 1988, but world market prices have been decreasing. The value of livestock exports decreased in 1992 as low prices prevented traders from benefitting fully from increased exports. The quantity of exports increased due in part to better market information and greater export promotion efforts conducted by USAID and the World Bank. In spite of the continuous decrease in world cotton prices and the decrease in livestock prices since 1990, the value of agricultural exports is estimated to have increased in 1992 compared to both the base and previous years. It is also expected to increase further in 1993, due to increases in quantities exported. (Sources: IBRD, FAO, Mission estimates).

282

Target 2.1: Increase Agricultural Production							
SUBTARGET	BASE: 1989	1990 ACT.	1991 ACT.	1992 ACT.	1993 PL./EST.	1994 PL.	1995 PL.
2.1a Staple grains: (a) Annual grain production outpaces (b) annual population growth.	a. 1.5 MT (1981-1989) b. 3.0%	a. 1.76 MT (+17%) b. 3.0%	a2.23 MT (+26%) b. 3.0%	a.2.15 MT (-3.6%) b. 3.0%	a2.41/2.02MT (+17%)/(-6%) b3.0%/3.0%	a.2.41 MT (+19% b.3.0%	a2.61 MT (+8.3%) b. 3.0%

The 1993 harvest in November-December is expected to produce 2.02 million tons of food grain. This is 6.1% lower than the 1992 production, but 34.7% higher than the 1981-89 average. In contrast, population grew less rapidly but is expected to be 16% higher at the end of 1993 than at the beginning of 1989. The average annual growth in grain production from the base period was 8.3%, compared to an annual population growth rate of 3.0%. Thus, the average Malian has greater access to locally produced grains than he or she did fours years ago. Grain production is expected to decrease in 1993, due to the fact that rains were late, forcing farmers to replant crops. Rains in some areas did not continue long enough to ensure a good harvest. Since the 1980's, some of the growth in agricultural production is directly attribuable to reforms in the coarse grains and irrigated rice sectors that were supported by USAID and other donors through the Cereal Marketing Restructuring Program.

Agricultural productivity is expected to decrease by 16.1%, from 1.202 kg/ha in 1992 to 1.008 kg/ha in 1993, for millet and sorghum, the major food crops. Using the value of agricultural production as a proxy, the purchasing power of rural Malians (80% of the total population) increased by 34% in 1992 compared to 1991, due to a higher volume of production in 1991 and moderate and stable prices in 1992. Thus, on average rural Malians were better able to meet their food needs in 1992 than in 1991. The lower harvest expected for 1993 may result in higher food prices, and as a consequence, the share of income spent on food consumption may increase in 1994.

In the absence of a recent formal survey on household budget, expenditures and consumption, USAID estimates that the percentage of the home budget spent on food was less in 1992 and 1993 than the 51% estimate derived from a 1988 home budget and consumption survey by the Malian Statistics Bureau. Thus, more income went to non-food consumption, providing some evidence that there was an improvement in the standard of living. (Sources: FAO, Cereals Market Reform Program, National Directorate of Statistics, National Directorate of Agriculture, Population Reference Bureau).

SUBTARGET	BASE: 1989	1990 ACT.	1991 ACT.	1992 ACT.	1993 PL./EST.	1994 PL.	1995 PL.
2.1b Food Security: Intra-annual grain price variation is reduced:(a) for millet; (b) for rice.	a. 11.2% (1982-1989) b. 8.6% (1982-1991)	a. 20.9% b. 8.3%	a. 8.1% b. 2.2%	a. 6.4% b. 1.9%	a. 6%/ 6.6% b. NA/ 1.5%	a. 5% b. 1.5%	a. 4% b. 1.5%

The coefficient of variation of millet prices from January through July 1993 is about the same level as it was in 1992. The retail consumer price for rice in Bamako has also been very stable. Sorghum and maize prices were less stable, however. Between 1992 and 1993, the intra-annual coefficient of price variation increased from 1.5% to 11.6% for sorghum and from 2.9% to 7.7% for maize. Price swings during 1993 followed normal patterns, but the magnitude of price changes was higher from one period to the next than it was in 1992. Consumer prices were low at the beginning of the year due to low producer prices. Producer prices rose in June and July 1993 when farmers held on to their stocks in anticipation of a bad rainy season and a poor harvest. When rains started falling in July, prices decreased significantly. This situation resulted in a higher coefficient of price variation in 1993 than in 1992. The decrease in within-year grain price variation since the mid-1980's results from a series of good harvests as well as the establishment of the USAID and other donor-supported market information system, and further progress by the Malian Government in liberalizing the economy and operating with greater transparency. (Source: Cereals Market Restructuring Program)

SUBTARGET	BASE: 1989	1990 ACT.	1991 ACT.	1992 ACT.	1993 PL./EST.	1994 PL.	1995 PL.
2.1c Rural Credit: Credit given to rural cooperatives from: a) Development of Haute Vallee Project and b) Cereals Market Restructuring Program increases ($ millions).	a) 1.2 b) 3.1	a) 1.38 b) 1.89	a) 1.48 b) 2.4	a) 1.56 b) 2.6	a)NA/2.11 b)NA/1.74	a) 2.5 b) 2.0	a) 3.0 b)2.5

The USAID and other donor-funded Cereals Market Restructuring Program provided $1.74 million to commercial banks for onlending in 1992/93, 32.9% less than the previous year. This decrease is imputed to the low reimbursement rate of previous loans which made many cooperatives ineligible for new loans. As the 1992 harvest was a good one, farmers bought and stocked large quantities of grain, with the hope of profiting from increasing prices. Prices did not rise as high as these farmers expected, and many of them were unable to repay their loans. In contrast, USAID's Development of the Haute Vallee Project was able to increase the amount of credit extended to village associations, through efforts focussing on adult literacy and improved business skills. The percentage of credit coming from commercial banks in the area increased as well, perhaps reflecting a greater interest by the banks in extending credit to those peasants who are literate and numerate. Through integration of literacy and training activities, USAID-funded PVO's such as the American Freedom from Hunger Foundation and Save the Children-US successfully increased the size of their rural credit programs. (Sources: Development Haute Vallee and commercial bank records; Ministry of Finance and Plan, National Directorate of Statistics).

284

Target 2.2: Increase Staple Grain Sector Productivity							
SUBTARGET	BASE: 1989	1990 PL.	1991 ACT.	1992 PL.	1993 PL./ACT.	1994 PL.	1995 PL.
2.2a Technology: New technologies are developed by research organizations and adopted by farmers.	8 varieties; 1 practice (1980-89)	NA	6 new varieties	1 new cropping practice	2 new cropping practices/8 new technologies cleared		

Under the USAID-funded Farming Systems Research and Extension Project, eight new technologies have been cleared, following on-farm testing. The following technologies are being extended on a pilot scale: improved varieties, cultural practices for maize and rainfed rice, millet and maize crop association, millet and cowpea crop association, live fences, improved animal sheds, composting and improving the quality of diets at the village level. Many of the technologies are focused on the needs of women, such as using fertilizer to increase the yield of peanuts, which women use as a cash crop. In 1991-92, 915 hectares of peanuts were fertilized, increasing the net revenue per hectare by $89. In one village, a women's market garden benefitting from fertilization yielded an estimated increase in income of $10,500, when onions were grown. The project has been identified by a number of households surveyed as the main source of knowledge for over 62% of the technologies they use. Under the Strengthening Research Planning and Research on Commodities Project, new technologies will be developed and efforts will be made to increase the adoption by farmers of these technologies. (Sources: International Center for Research in the Semi-Arid Tropics, Institute of Rural Economy, "Farming Systems Research and Extension Project Intermediate Impact Indicators," Southeast Consortium for International Development, May 1993)

SUBTARGET	BASE: 1989	1990 PL.	1991 ACT.	1992 PL.	1993 PL./ACT.	1994 PL.	1995 PL.
2.2b Research: The National Agricultural Research System is reorganized; national agricultural research strategy is developed and adopted.	Previous organization; no strategy	NA	Reorganiza -tion completed; draft strategy accepted by Mali Gov.	Strategy accepted by donors	Strategy guides programs/ finance linked with research	Program budgeting functional	TBD

Staff of the Farming System Research and Extension project helped establish the National Agricultural Research Strategy. The strategy is Mali's first comprehensive plan to coordinate research on crops, soils, livestock, natural resources, economics and sociology within one national institution. The plan also provides for decentralization of authority, focusing on personnel, funding and research programs. The project is carrying out the strategy's objective of making research respond to the demands of farmers, through funding on-farm trials to increase food crop productivity, and through efforts to maximize integration of animal production into the farming system. The Strengthening Research Planning and Research on Commodities Project is helping the reorganized national agricultural research system to implement the National Research Plan. (Source: Institute of Rural Economy).

SUBTARGET	BASE: 1989	1990 PL.	1991 ACT.	1992 ACT.	1993 PL./ACT.	1994 PL.	1995 PL.
2.2c Resource Management: Farmers adopt improved farming practices.	3 improved practices in Haute Vallee Zone	NA	12 improved practices	17 improved practices	NA		

The Farming Systems Research and Extension Project is conducting an inventory of existing and introduced technologies in the Haute Vallee Office zone and analyzing their impact on agricultural productivity. About fifty technologies, grouped into five general categories, have been identified. Initial analyses indicate that farmers are adopting technologies introduced by research and have thereby increased production, productivity and income. Several farmers have adopted one or more out of five technologies introduced by research (including farming systems research), resulting in significant increases to crop production. For example, chemical fertilizer (ammonium phosphate) application on sorghum and millet increased yields from 800 to 1,500 kg per hectare on 36,604 hectares in the Haute Vallee zone. The additional cereal production of 25,600 tons in 1992 gave a net revenue increase of 200 U.S. dollars per hectare to 9,479 households. In 1991-92, more than 24,000 households in the Haute Vallee zone applied animal manure at an average rate of two tons per hectare on 25,000 hectares (19% of the total crop area). Average yield with manure was 1,000 kg per hectar compared to 800 kg per hectar without manure. The net revenue increase was 58 dollars per hectare. Analyses continue on about 40 technologies, including improvement to soil fertility, soil conservation, alleviation of constraints to labor, crop-livestock integration and resolutio of women producers' concerns.

Under the Development of the Haute Vallee Project, sixteen new natural resource management technologies or practices such as anti-erosion techniques, improved fallow, reforestation, small-scale irrigation and live fences have been extended to approximately 10,000 farmers. These activities resulted in an increase of the cultivated area, increased crop diversity and increase of cotton and staple food production. For example, cotton production in the zone increased from 9,000 tons in 1990 to 12,000 tons in 1992. Consequently, Haute Vallee farm incomes have increased.

The Village Reforestation Project helped diversify and improve farming practices through the promotion of improved soil conservation techniques and the planting of trees (agroforestry) for farm use and income generation. Five private nurseries were established in the Mopti region under the USAID project, thereby providing direct access to appropriate species of trees for soil conservation and income generation. (Sources: Development of the Haute Vallee, Farming Systems Research and Extension, and Institute of Rural Economy records)

287

SUBTARGET	BASE: 1989	1990 PL.	1991 ACT.	1992 ACT.	1993 PL.	1994 PL.	1995 PL.
2.2d Land Use and Tenure: Land use and forest policies favoring private agro-forestry investment are approved and implemented.	State owns and controls forest lands	NA	Forestry Code reviewed	National debates; legislation	De-Control of forest lands/Initiation of Village Forest management committees.	Application of new Code -Decisions being made by committees.	Continued application Growth in # of committees

With support from the Village Reforestration Project, public hearings, regional conferences and national debate on the forest code revision clarified rural priorities and resulted in recommendations on important changes regarding land-use and forestry policies. The suggested policies, when implemented, will increase local villagers' participation in making decisions and managing natural resources. In 1993, Parliament began to draft legislation to allow village management of forest resources. These activities were made possible by the availability of information on land and tree tenure contained in a report funded by the project.

The Development of the Haute Vallee Project has supported the efforts of twelve village associations to successfully negotiate agreements with the National Water and Forestry Service under which they were authorized to manage their forest reserves in exchange for agreeing to replant trees and control cutting in the perimeter of the village.

The proposed Mali Forestry Sector Reform Program will be designed to ensure that the revised Forest Code clarifies the rights of citizens with regard to access to and control over forest resources. The Program will help rural producers and management agencies to understand and use the new Code. During the planning of the Program, USAID will determine whether it would be helpful to revise this subtarget, and if not, what we hope to accomplish in 1994 and 1995 against the existing subtarget. (Source: project reports)

288

Target 2.3: Increase Livestock Exports							
SUBTARGET	BASE: 1989	1990 PL.	1991 ACT.	1992 ACT.	1993 PL./ACT.	1994 PL.	1995 PL.
2.3a Fiscal and Regulatory Measures: The GRM abolishes export taxes, minimizes nuisance and "rent-seeking" taxes, and simplifies procedures for livestock exports.	Taxes and complex procedures exist	NA	Export taxes eliminated	Export procedures simplified	Nuisance taxes eliminated/ export obstacles studied	Integration of regional and export economies	Further integration

The improved export environment is expected to result in a 13% increase in the value of livestock exports in 1993. The livestock sector is increasing its importance to the balance of payments, making up 30 percent of exports in 1993 compared to 27 percent in 1991. Following our success in abolishing export taxes, USAID has been working to decrease other obstacles to livestock exports. The Animal Productivity and Export Project is helping the Government to monitor progress in removing such obstacles as official extortion. The project is undertaking activities to increase the ease of access to information about livestock market prices, potential supplies available and estimated demand, as well as to reduce transaction costs. USAID funded a Regional Livestock Production and Comparative Advantage Study, which will help the GRM to establish appropriate marketing policies, combat corruption and minimize the Government burden on livestock exporters. (Sources: USAID Reports: Koulibaba and Holtzman 1991; Sarrasoro 1990/1991)

SUBTARGET	BASE: 1989	1990 PL.	1991 ACT.	1992 ACT.	1993 PL.	1994 PL.	1995 PL.
2.3c Private Practice: The number of private veterinary practitioners increases.	Civil service moonlighters	NA	60 vets; 30 assistants	90 vets; 70 assistants	NA/ 110 vets	130 vets	150 vets

There has been a rapid and widespread establishment of private veterinary pharmacies. The rate of increase of private veterinary clinics has slowed. Competition among veterinarians is increasing in the urban areas, while trained veterinarians are less attracted to work in the rural areas. Through marketing promotion activities, the Animal Productivity and Export Project is upgrading private sector vaccine distribution and marketing programs, both in Mali and in the region. Under the project, private veterinary units are given loans by the Central Veterinary Laboratory to purchase and market vaccines. The project also trains local groups in direct delivery of less complicated animal health practices. (Source: Ministry of Rural Development information, field trip reports)

289

STRATEGIC OBJECTIVE 3: IMPROVE THE DELIVERY OF HEALTH AND EDUCATIONAL SERVICES							
PROGRAM PERFORMANCE INDICATOR	BASE: 1987	1990 PL.	1991 EST.	1992 EST.	1993 PL/EST.	1994 PL.	1995 PL.
3A. Infant mortality declines.	108 per 1000	NA	107	102	100/NA	NA	95

Some data indicate a noticeable decline in infant deaths. While the June 1993 report of the OPTIONS Country Profile indicated that the infant mortality rate for Mali as a whole was 111/1000, the infant mortality rate in the USAID--funded World Vision Koutiala Child Survival Project area was estimated at 102/1000 in 1993. In the USAID and other donor-funded Save the Children Federation-US Kolondieba Project, the infant mortality rate dropped from 102/1000 in 1989 to 59/1000 in 1992 and to 49/1000 in 1993. Most of the USAID-funded Private Voluntary Organizations intervening in child survival have not yet included the infant mortality rate in their monitoring systems. PVO child survival interventions have limited geographic scope, and may not significantly affect the national infant mortality rate. Nevertheless, based on USAID's other ongoing child survival activities such as the centrally-funded African Child Survival Initiative, we believe that there has been a slight decline in the national infant mortality rate, which was last measured reliably in the Demographic and Health Survey of 1987. (Sources: 1987 Demographic Health Survey; US Bureau of the Census Survey; World Bank and UNDP Annual Reports; Integrated Family Health and Service Project and PVO statistics).

PROGRAM PERFORMANCE INDICATOR	BASE: 1989	1990 ACT.	1991 ACT.	1992 ACT.	1993 PL./ACT.	1994 PL.	1995 PL.
3B. The number of primary school children completing 6th grade increases.	25,857	28,883	27,434	29,762	42,000/ 30,953	35,000	40,000

The benchmarks for this indicator represent the numbers of children who have finished sixth grade, and not only those who have passed the examination to move into seventh grade. Students in privately funded Ecoles de Base were not included in the figures. The number of students completing the 6th grade has steadily increased since 1989. The USAID project has encouraged retention of children through increasing the quality of basic education, including providing textbooks and training teachers. (Source: Statistical Directory, Ministry of Education).

290

Target 3.1: Improve Health Care							
SUBTARGET	BASE: 1989	1990 ACT.	1991 ACT.	1992 ACT.	1993 PL./EST.	1994 PL.	1995 PL.
3.1a Village Health Centers: New centers are established, staffed with trained personnel, and financed from local community funds.	3	NA	3	59	94 total/ 5 USAID, 5 locally funded	126	156

The number of village health centers has probably increased from 1992 to 1993 and services have improved. The Community Health and Population Services Project is planning technical assistance to 120 community health centers, which will be constructed using funds from local communities as well as other donors. Five centers assisted by the Project are operational. We are aware of five others that have been created through the initiative of local populations. Although we lack information on the exact number of health centers created through local initiatives, we know that the number of community health centers has increased during the last few years. Health management by communities has been encouraged by Private Voluntary Organisation and Non Governmental Organizations. For example, USAID has provided funds to World Education's Urban Revitalization Project, which organizes communities in the Bamako District and in other regions to solve their health and sanitation problems. (Source: Department of Epidemiology, Ministry of Health).

291

SUBTARGET	BASE: 1987	1990 PL.	1991 ACT.	1992 ACT.	1993 PL./EST.	1994 PL.	1995 PL.
3.1b Infant Vaccination: The number of children under age 1 immunized against major childhood diseases increases.	5%	NA	41%	34%	52%/36%	58%	65%

SUBTARGET	BASE: 1989	1990 PL.	1991 ACT.	1992 PL.	1992 EST.	1993 PL./EST.	1994 PL.	1995 PL.
3.1c Mothers at risk: The number of women of reproductive age vaccinated with two doses of tetanus toxoid increases.	Coverage: 30% urban 7% rural	NA	18.76% total	35.39% total	8% total	44% urban 17% rural/ 10% total	44% urban 17% rural	60% urban 30% rural

The 1992 evaluation report from UNICEF indicated that nationally 34% of children and 8 % of women were completely vaccinated. USAID's previous planning figures were much higher, since we had not taken into account the effects of the change in UNICEF's Expanded Program of Immunization's strategy from mobile units to fixed units. Under the new strategy, the health centers require financial support from the local populations. Immediately after the policy was put into effect, many communities were unwilling to fund logistical support for the community motivators. In addition, fewer people were visiting the health centers. A short-term decrease in the vaccination coverage rate resulted. Once the static units are all in place, it is expected that the rate will increase significantly.

USAID contributed to the immunization program in two ways, through central funding of the UNICEF program in Mali and through Mission funding of PVO child survival activities. The Save the Children Federation - US Kolondieba project indicated that 49.3% of children were completely vaccinated in 1992. In the same area, 85.8% of childbearing age women were completely vaccinated, surpassing the 80% coverage rate target set by WHO. The Africare Dioro Child Survival project final evaluation report indicated an immunization coverage rate of 52% for women in 1992. World Vision in Koutiala helped increase the immunization coverage rate for tuberculosis to 54.4%, and for measles to 43.3% by 1993. (Source: World Vision Koutiala Project Evaluation Report, Sept 1993, Integrated Family Health Services project, National Immunization Center, PVOs, Mission estimates).

292

SUBTARGET	BASE: 1987	1990 PL.	1991 PL.	1992 EST.	1993 PL./EST.	1994 PL.	1995 PL.
3.1e Contraceptives: The national contraceptive prevalence rate increases.	1.3%	NA	NA	NA	5%/3.5%	5.4%	6.8%

The National Contraceptive prevalence rate has increased and will continue to increase, in response to the intensification of USAID's social marketing and community-based distribution activities, and with continued USAID funding for PVO/NGO implementation of family planning and AIDS prevention activities. USAID introduced the Protector condom in 1989, and sales now average over 100,000 per month. Pilplan oral contraceptives, which were introduced in June 1993, are being sold at the rate of 7,000 cycles per month. The contraceptive prevalence rate increased in the Save the Children Fund - US Kolondieba project area from less than 1% before activities started to approximately 18% in 1993. In the World Vision Koutiala Project, the contraceptive prevalence rate for child bearing age women was estimated at 8% in 1993. The Malian Family Planning Association recently did a survey on the impact of family planning publicity in Bamako. Baseline data showed the contraceptive prevalence rate at 6% before publicity and 13% after publicity. (Source National Directorate for Statistics, "Perspective 1978-2022," 1992, World Vision Koutiala Mid-Term Evaluation Report, Family Health Division, Mali Family Planning Association, Family Health Initiative II, Demographic Health Survey, Integrated Family Health Services reports).

SUBTARGET	BASE: 1990	1991 ACT.	1992 ACT.	1993 PL./EST.	1994 PL.	1995 PL.
3.1f Pharmaceuticals: The number of village pharmacies fully stocked with essential drugs and contraceptives increases.	0	NA	257	292/300	347	437

We expect the number of fully stocked village pharmacies to increase with the creation of community health centers receiving technical assistance from USAID's Community Health and Population Services project (5 centers already created) and with the implementation of family planning and AIDS prevention activities by NGOs recently funded under the USAID Private Voluntary Organization Co-Financing project. (Source: National Directorate for Statistics; USAID records and estimates).

SUBTARGET	BASE: 1990	1991	1992 ACT.	1993 PL./ACT.	1994 PL.	1995 PL.
3.1g Private Practice: The number of private health practitioners increases.	9 clinics (Bamako)	NA	41	NA/116	150	200

The number of private health practitioners has increased, mainly due to greater access to start-up capital for those health practioners participating in the structural adjustment-related program of voluntary retirement from Government service. This program was funded by USAID as well as other donors such as the EC, UNDP, ILO, and Canada. The above data reflects only those health practioners who have retired early from Government service. There is likely to have been an increase in the number of health practitioners outside of the voluntary retirement program, who are not included in the above statistics. (Source: Division of Health Establishments and Sanitary Infrastructure, National Direction of Public Health, Ministry of Health)

SUBTARGET	BASE: 1990	1991 EST.	1992 EST.	1993 PL./EST.	1994 PL.	1995 PL.
3.1h Disease Coverage: The percentage of post-natal consultations with the public health system increases.	15%	NA	27%	35%/30%	44%	52%

The number of disease episodes treated through the public health system has probably increased, given the development of the health infrastructure and the improvement in service delivery in the maternal and child protection services and maternities of the USAID-funded Integrated Family Health Services project. Services have increased in child survival project areas. In World Vision's Koutiala project, the service usage rate for pre-natal consultations in 1993 was 73%. In the same project area, there was either one maternity or at least one trained traditional birth attendant in each village. In previous years, we have used the percentage of postnatal consultations as a proxy for the percentage of disease episodes treated through the public health system. Source: "Analyse des Statistiques Sanitaires," 1992 (Epidemiology Division, Ministry of Health).

294

Target 3.2: Improve Basic Education							
SUBTARGET	BASE: 1989	1990 ACT.	1991 ACT.	1992 ACT.	1993 PL./ACT.	1994 PL.	1995 PL.
3.2a Enrollment: The number of children enrolled in grades 1-6 increases. (Note: Percentages represent total annual enrollment rates)	311,873 (22.16%	323,354 (22.24%)	340,573 (22.97%)	374,041 (25%)	440,213 (28)%/ 438,302 (29%)	447,310 (30%)	528,000 (31%)

The overall enrollment in the primary cycle has increased by 41% since 1989 and is expected to surpass the base year figure by 66% in 1995. USAID's efforts to improve the quality of education through teacher training has encouraged children to remain in school, as noted by the decrease in the drop-out rate (see subtarget 3.2c). In addition, our activities promoting girls' schooling have resulted in increases in both girls' enrollment and total enrollment. (Source: Statistical Directory, Ministry of Education, USAID projections).

SUBTARGET	BASE: 1989	1990 ACT.	1991 ACT.	1992 ACT.	1993 PL./ACT.	1994 PL.	1995 PL.
3.2b Gender: The number of girls enrolled in grades 1-6 increases. (Note: Percentages represent girls' annual enrollment rates)	115,300 (16.66%)	118,284 (16.5%)	124,407 (16.95%)	139,430 (18.74%)	range 150,469 to 165,827 (20%)/ 165,692 (22%)	181,433 (22%)	200,000 (22%)

The number of girls enrolled in primary school has steadily increased since the base year (1989). Also, the number of pupil years to complete the first six grades for girls has been greatly reduced (from 22.2 in 1991/1992 to 15.2 in 1992/1993). The percentage of girls attending primary school relative to all primary school students has modestly increased from 36.9% in 1989 to 37.8% in 1993. USAID's Basic Education project has two components encouraging the enrollment of girls: 1) teacher training and textbook distribution to improve the efficiency of the educational system; and 2) a girls' schooling component with the goal of improving the capacity of the Ministry of Basic Education to attract, serve and retain girls in public schools and to make the concept of girls' schooling more culturally acceptable. While a variety of factors explain the increase in girls' enrollment since 1989, it is not clear how much the USAID project contributed. The Project is expected to contribute more to this objective in the future. As a result, we expect that the targets set for 1994 and 1995 will be surpassed. (Source: Statistical Directory, Ministry of Education.)

SUBTARGET	BASE:1989	1990 ACT.	1991 ACT.	1992 ACT.	1993 PL./ACT.	1994 PL.	1995 PL.
3.2c Repeater Rate: The number of students repeating primary school grades decreases.	89,846 28%	96,388 29%	92,423 29%	114,541 33%	NA/ 116,591 (27%)	20%	15%

After a peak in 1992 (students were offered the option to repeat without any penalty), the percentage of repeaters has decreased. The surge of repeaters should result in fewer repeaters in the future, given improvements in educational quality. The drop-out rate has also decreased significantly from 10.93% in 1991/1992 to 7.2% in 1992/1993. The Basic Education project puts great emphasis on improving the quality of school, and USAID is the only donor whose main goal is to improve the efficiency of the basic education system in Mali. (Statistical Directory, Ministry of Education).

SUBTARGET	BASE: 1989	1990 PL.	1991 ACT.	1992 ACT.	1993 PL./ACT.	1994 PL.	1995 PL.
3.2d Student-Teacher Ratio: The number of students per teacher decreases.	51:1	NA	49:1	46:1	44:1/ 50:1	48:1	50:1

The increase in the student-teacher ratio in 1993 is linked to the fact that enrollment increased, while the number of teachers decreased. As noted above, USAID has played a positive role in increasing enrollment. A number of teachers retired under the World Bank-funded voluntary retirement program. While this program was intended to decrease Government payrolls, teachers were supposedly forbidden to participate. Nevertheless, 187 primary teachers were allowed to take advantage of the program in 1991 and 1992. Since there was also a hiring limit for the Government as a whole, the net number of teachers decreased. This situation may change in 1994 by the redeployment of teachers from administrative to teaching jobs, if USAID project efforts succeed. USAID funded a census of redeployable teachers to help the Ministry with this process. (Source: Ministry of Education statistics)

SUBTARGET	BASE: 1989	1990 ACT.	1991 ACT.	1992 ACT.	1993 PL./ACT.	1994 PL	1995 PL.
3.2e Training: The number of teachers and other staff receiving in-serving training in pedagogical and management skills increases.	0	1200	3264	6170	NA/3,276	3,500	4,000

The decrease in the number of trainees in 1993 is due to a deliberate change in training strategy: to offer intensive quality training to smaller groups. USAID's Basic Education Project's training component has developed the Ministry of Basic Education's in-service training center through providing assistance in rehabilitation, logistics and training of trainers, both in Bamako and in the regions. The Ministry and all other donors working on in-service training draw on the human resources and programs of this center. USAID has been working with the Government to institutionalize the center. (Source: Ministry of National Education statistics).

SUBTARGET	BASE: 1989	1990 ACT.	1991 ACT.	1992 ACT.	1993 PL./EST.	1994 PL.	1995 PL.
3.2f Textbook availability: The number of textbooks available per student increases.	.3	.3	.22	.5	2/.5	.5	.5

Purchase and distribution of 313,500 reading textbooks was solely supported by USAID in 1992/1993. These books were used in the first through third grades. We also paid for the distribution of 224,000 reading, math and grammar books for the first through sixth grades in 1991/1992. Another 275,000 reading and math textbooks have been purchased by USAID and will be distributed to the first, fourth, fifth and sixth grades this year. While no textbooks are scheduled to be bought for 1994/1995, additional books will be purchased and distributed in 1995/1996.

297

SUBTARGET	BASE: 1991	1992 ACT.	1993 PL./ACT.	1994 PL.	1995 PL.
3.2g Textbook Use: The % of teachers using textbooks increases	10%	22%	40%/84%	86%	90%

There has been a massive increase in the percentage of teachers using textbooks, directly attributable to USAID's efforts at purchasing and distributing textbooks, as well as training in their use. The World Bank is funding the distribution of 400,000 teaching manuals to be used in the 1994-1995 school year, which should increase the use of textbooks even more. The limiting factor will be the availability of textbooks, which is not expected to increase. (Source: Ministry of Education and Basic Education project records).

SUBTARGET	BASE: 1992	1993 PL./ACT.	1994 PL.	1995 PL.
3.2i Number of "Complete Schools" increase in the Koulikoro Region.	0	110/NA	50	80

The concept of "Complete Schools" includes physical improvements, equipment in classrooms and sanitation, didactic and pedagogical materials, trained teachers assigned to all classrooms and involved School Parent Associations. The progress in creating complete schools has been less than originally expected because a closer analysis of the schools forced us to conclude that they would require more assistance than we initially had planned. (Source: Basic Education Expansion Project data).

SUBTARGET	BASE: 1989	1990 ACT.	1991 ACT.	1992 ACT.	1993 PL./ACT.	1994 PL.	1995 PL.
3.2j Budget Restructuring: (a) Education's share of Government budget increases; (b) primary education share of Education budget increases.	(a) 25%	25%	27%	26%	NA/19%	20%	21%
	(b) 38%	35%	37%	34.4%	NA/31%	32%	33%

The reduction in budget shares for education and basic education have to be interpreted carefully. The basis for these budget calculations was restructured by the Government in 1992. Other sources of funding such as all annex budgets and special funds are included in the central budget for the first time. As a result, the percentage going to education from the central budget would appear to have decreased, even if the share of education in the previous budget format remained the same. Nevertheless, it appears that there were decreases in both the education sector's share of the central budget and primary education's share of the overall education budget. Expenditures for basic education dropped from CFA 7.5 billion in 1992 to CFA 6.9 billion in 1993. In response, the World Bank has cancelled its nonproject assistance for education due to the inability of the GRM to meet the above targets, although the project assistance component of the project has continued. USAID is refocusing non-project assistance to encourage better use of education funds. (Source: "Point d'Exécution du IVème Projet," World Bank, Octobre 1993, "Aide-Mémoire, Mission de Supervision," Projet de Consolidation du Secteur de l'Education, World Bank, October 1993).

SUBTARGET	BASE: 1992	1993 PL./EST.	1994 PL.	1995 PL.
3.2k Student performance in core areas improves in the 2nd and 5th grades. (achievement test scores)	44.4	50/44.4	44.4	50

An achievement test was developed by USAID in 1992 to measure improvements in student performance. After the second year's test results showed no improvement, we concluded that it will be several years before there is a significant improvement in average student performance. Improvements in quality are counterbalanced by increasing student-teacher ratios. Nevertheless, we expect that by 1995, USAID's efforts on improving educational quality will begin to be shown in students' performance. (Source: Ministry of Education and Basic Education Expansion project records).

299

SECTION IV: OTHER PROGRESS IN PRIORITY AREAS

The Assessment of Program Impact does not adequately reflect USAID's impact on the Agency's strategic objective of building democracy, of which certain women-in-development activities should be considered a part. To improve governance, USAID has led a consciousness raising campaign among the donors and the Government on the longterm negative impact on all parts of society of the misuse of donor assistance. In addition, USAID has made a significant investment in private voluntary organizations working on a wide range of development activities. This section addresses how our activities in these areas contribute to USAID's impact on development in Mali.

Promoting Democracy and Improving Governance

The political and economic events of the last year provided USAID with the framework in which to craft a new democratization and governance project. An outline of a concept paper for the project was developed and discussed in the Mission and in AID/W. Three main constraints to be addressed were included in the outline: corruption, inefficiency of civil service, and over-centralized power and decision making. The solutions identified were: continuing USAID project assistance to the Controlleur General d'Etat, the Malian Government's Inspector General, to help it more effectively audit the accounts of Government organizations; placing the organization under the auspices of the Legislative Branch; encouraging administrative reform measures; and providing assistance to the decentralization efforts of the Government. Reducing corruption will give the population less to criticize, allowing the Government more freedom to institute measures with long-term benefits but short-term costs. The assistance to decentralization will provide communities with the resources to develop responsive governing bodies at the local level.

AID/W funded an assessment of democracy and governance in Mali to provide the U.S. Mission as well as other donors with a more comprehensive understanding and analysis of Malian governance and to suggest a conceptual approach for a new project. This assessment has raised the interest of the Presidency, other donors and many of the institutions, both civil and governmental, upon which good governance depends. The Secretary General of the Presidency participated in drafting the scope of work, and has agreed to call interested donors together at critical points during the process to assure that we are all working towards the same goal. A previous USAID assessment of political measures helped several donors to develop small projects of a more political nature. This more detailed assessment will be a resource for determining directions and priorities for the Government, donors, and civil society in the field of democratic governance.

The Malian Government made significant first steps toward decentralization during the last year. The basic law was passed quickly and the follow-on decrees are already in draft. A Decentralization Task Force was put in place.

The impact of decentralization, meaning local self-government, could be significant eventually for both local communities and the donors. We should be able to work more frequently with parties other than the Central Government, building on our experience working with village associations, especially in the Haute Vallee zone. Decentralization should also encourage civic responsibility, resulting in greater tax revenue for the local governments and greater participation by citizens in community affairs. But empowering villages, towns, cities and regions to take responsibility for their own affairs and to actually finance and carry out those responsibilities will take years, if not decades, of work.

Our existing democracy projects are also becoming more relevant because of the political initiatives of the past year. The Civic Education Project, for example, is providing important information to the Decentralization Task Force. Our training of local officials in management and finance should have an increasing payoff as they are given more

responsibility and power by the Central Government.

Integrating Women into the Development Process

The democratic process that started in 1991 encouraged women's rights advocates and feminist activists to speak out about the inferior social, political, economic and legal situation of women. Since 1991, gender awareness has grown considerably among women themselves, decision-makers, political leaders, donor communities and non-governmental organizations. USAID has played a catalytic role in sponsoring training on gender considerations in development for high level policy makers, contractors and officials implementing Mission-financed projects, and USAID staff.

Women's concerns are analyzed and addressed in all development sectors now. Some women have been chosen for, or elected to, decision-making positions in the Government, the National Assembly, and political parties.

Associations and womens' groups have been created to advocate women's rights in various fields: abolition or revision of discriminatory laws dealing with marriage, business, inheritance rights, income tax and land tenure; and sensitization on issues critical to mothers' and children's health such as excision, family planning, and AIDS prevention. USAID has assisted many of these associations. Women's associations from all over Mali benefitted from management and organizational training sponsored by USAID. We gave assistance to the Malian Association of Women Merchants and Entreneurs to help illiterate members deal with the Customs Service, the Malian economic affairs agency and banks. We also funded a seminar on women and labor issues organized by the Malian Association of Women Lawyers. USAID has been an active participant in the focus group on women sponsored by the consortium of non-governmental organizations. We also participate in the informal meetings of the Women in Development donor group to exchange ideas and experiences to more effectively target women in development activities.

Of all USAID-funded longterm training participants, 14% are women. Recognizing our slow progress in targeting women for training, we recently established a policy of requiring a minimum of 50% women for longterm training under our training projects.

Improving Management and Ending Abuses of USAID funds

USAID has set an example for the Government and the donors by eliminating corrupting influences in the management of our projects. In an environment where corruption is tolerated if not encouraged, we felt that USAID activities should serve as a model of good, transparent management through improving our management controls and making an issue of any efforts by civil servants to unduly benefit from our assistance. In taking these steps, we have been completely open with the Government and other donors, who many times were opposed to what we were doing. We believe that our efforts at consciousness raising are paying off, in that Government corruption has become an important issue to the Presidency, the donors and the media. While we recognize that civil servants are poorly paid, there is a growing awareness that a privileged elite in the civil service is personally benefitting from donor-financed activities at the expense of the country, the people and economic development.

In 1993, USAID has taken the following steps:

Special allowances, such as "participation fees" and honorarra, have been eliminated in our in-country training programs. Collecting such allowances had become the principal purpose of going to training for some Malians, rather than the transfer of knowledge and expertise.

The schedule for in-country per diem has been radically reduced in cost and simplified in its administration with the effect of eliminating most incentives for travelling for the sake of collecting per diem or for submitting false receipts.

All USAID vehicles are now identified with the USAID logo and the full project name printed in large block letters on the doors to make vehicle abuse easier to detect. Furthermore, project officers now monitor trip tickets regularly.

Transportation or gasoline allowances, in-kind or in the form of vouchers, are no longer paid, ending one of the worst abuses.

Salary supplements to GRM employees have been eliminated as well as primes and indemnities, such as allowances for higher

responsibility, representation, family size, housing, transportation and doing scientific research. We have also ended USAID-financed payments to Government employees for "overtime" and systematic, periodic, "performance awards."

We have ended the practice of employing Malian Government employees as consultants "after hours."

When we discovered cases of theft or poor administration in USAID projects, we stopped project activities until the problems were corrected.

Developing the Capacity of Private Voluntary Organizations and Non-Governmental Organizations

USAID is programming a large percentage of its resources through private voluntary organizations (PVO's) and non-governmental organizations (NGO's). Grants support activities in microenterprise, child survival and family planning, natural resources and education. These organizations allow USAID to work closely with local communities and participate in the Malian Government's efforts to decentralize development management and financing in all of the above sectors. We have funded PVO "pivot groups" to develop the capacity of NGO's in specific sectors. Few PVO's are now able to provide good information on impact. We are working closely with the pivot groups to ensure that indicators are established and monitoring systems are put in place.

The Mission strongly supports the PVO community to expand its efforts in family planning. This complements the already strong PVO contribution to child survival activities. Therefore USAID, through the PVO Co-Financing and the new AIDS project, will be supporting efforts in increased AIDS awareness and increased contraceptive prevalence through social marketing.

In the area of natural resources, the irrigated perimeters, the gardening and the recession sorghum production activities carried out by AID-funded PVO's are helping many project areas reach food self sufficiency, even some areas in the arid North.

As a result of their constant use of functional literacy to advance their activities, PVOs and NGOs are making significant contributions to improving the literacy rate in Mali. In Kolondièba, Save the Children US has developed a very participative approach to education which calls for the active collaboration of villagers and local and national authorities. Developed with villagers' participation, the curriculum and the school year are directly related to rural life and the national language is the medium of instruction. Pedagogical results are much better. Girls make up 50% of the students as opposed to 22% in the formal system. National authorities are making arrangements for replicating this experience at the national level, as the President of Mali noted in one of his speeches.

ANNEX A: CHANGES IN INDICATORS AND REVISIONS TO THE EXPECTED LEVEL OF ACHIEVEMENT:

PROGRAM GOAL: TO PROMOTE ECONOMIC GROWTH							
COUNTRY TREND INDICATORS	BASELINE 1989	1990 EST.	1991 EST.	1992 EST.	1993 PL./EST	1994 EST.	1995 PROJ.
Real Gross Domestic Product (GDP) increases.	$2.1B	$2.23B	$2.43B	$2.63B	$2.7B/2.71B	$2.84B	$2.98B
Per Capita GDP increases.	$260	$278	$280	$285	$325/$285	$290	$300
Exports of goods and non-factor services increase.	$343M	$368M	$355M	$318M	419M/340M	$360M	$380M

Our previous GDP projections are now considered unrealistic, and so we have developed new benchmarks for real GDP in 1994 and 1995, based on an average growth of 5%.

STRATEGIC OBJECTIVE 1: INCREASE PRIVATE SECTOR PARTICIPATION IN THE ECONOMY							
PROGRAM PERFORMANCE INDICATOR	BASE: 1988	1990 ACT.	1991 ACT.	1992 ACT.	1993 PL./EST.	1994 PL.	1995 PL.
1C. Increase in the number of traders receiving credit for grain storage and marketing through the Cereals Market Restructuring Program.	19	3	13	42	NA/38	TBD	TBD

This indicator has been reworded to better indicate the impact of the USAID program. USAID is now re-examining whether this is an appropriate activity for the Cereals Market Restructuring Program. Once a decision is made on the continuation of the PRMC credit program, we will develop either benchmarks for 1994 and 1995 or a new performance indicator.

Target 1.1 Improve Regulatory Policies and Practices							
SUBTARGET	BASE: 1989	1990 ACT.	1991 ACT.	1992 PL.	1993 PL./ACT.	1994 PL.	1995 PL.
1.1d Judicial System: Commercial and Administrative courts in Bamako, Kayes, Mopti and Segou become fully operational, successfully handling business and industrial litigations.	Business litigation inef-ficient in civil courts	Decrees establish Commer-cial Courts	Buildings secured; magistrates trained	Cases litigated in Bamako, Kayes and Mopti	NA/ 400 cases filed and resolved thus far	800 C. Court cases liti-gated in four regions. Admin. courts estab-lished	1,200 C. Court cases in four regions. Admin. Courts established

Since the original subtarget has already been surpassed, we have made it more ambitious and modified it to more appropriately reflect project impact.

Target 1.3 Improve Public Sector Performance							
SUBTARGET	BASE: 1989	1990 EST.	1991 EST.	1992 EST.	1993 PROJ./ACT.	1994 PROJ.	1995 PROJ.
1.3b Fiscal performance: Government fiscal deficit as a percentage of GDP is reduced.	10%	8.4%	12%	11.3%	7.1%/9.5%	8.0%	7.0%

Donors have concluded that it will be several years before the Government can increase revenues on a sustainable basis. Consequently, we have revised the benchmarks for 1994 and 1995.

SUBTARGET	BASE: 1988	1989 ACT.	1990 ACT.	1991 ACT.	1992 EST.	1993 PL./EST.	1994 PL.	1995 PL.
1.3c Revenue Promotion and Equity: Budget revenues increase, through increase in the tax base and equitable rates (FCFA billion)	85.6	109.6	116	110	100	123/104	110	120

The benchmarks for 1994 and 1995 have been revised, taking into account the long period of time that will be required to convince Malians of their responsibility to pay taxes.

304

STRATEGIC OBJECTIVE 2: INCREASE INCOME IN AREAS OF HIGH POTENTIAL

Target 2.1 Increase Agricultural Production

SUBTARGET	BASE: 1989	1990 ACT.	1991 ACT.	1992 ACT.	1993 PL./EST.	1994 PL.	1995 PL.
2.1b Food Security: Intra-annual grain price variation is reduced:(a) for millet; (b) for rice.	a. 11.2% (1982-1989) b. 8.6% (1982-1991)	a. 20.9% b. 8.3%	a. 8.1% b. 2.2%	a. 6.4% b. 1.9%	a. 6%/ 6.6% b. NA/ 1.5%	a. 5% b. 1.5%	a. 4% b. 1.5%

We have modified this subtarget to include rice as well as millet. The price of millet is important, because about 50 percent of household grain purchases are in the form of millet. However, we believe that including rice in this subtarget will provide a better indication of intra-annual cereal prices.

SUBTARGET	BASE: 1989	1990 ACT.	1991 ACT.	1992 ACT.	1993 PL./EST.	1994 PL.	1995 PL.
2.1c Rural Credit: Credit given to rural cooperatives from: a) Development of Haute Vallee Project and b) Cereals Market Restructuring Program increases ($ millions).	a) 1.2 b) 3.1	a) 1.38 b) 1.89	a) 1.48 b) 2.4	a) 1.56 b) 2.6	a)NA/2.11 b)NA/1.74	a) 2.5 b) 2.0	a) 3.0 b)2.5

This subtarget has been restated to better capture the impact of the credit programs for which USAID has direct responsibility. We are unable to collect accurate and reliable statistics on rural credit at the national level, as required by the previous wording of the subtarget.

305

STRATEGIC OBJECTIVE 3: IMPROVE DELIVERY OF HEALTH AND EDUCATIONAL SERVICES

PROGRAM PERFORMANCE INDICATOR	BASE: 1989	1990 ACT.	1991 ACT.	1992 ACT.	1993 PL./ACT.	1994 PL.	1995 PL.
3B. The number of primary school children completing 6th grade increases.	25,857	28,883	27,434	29,762	42,000/ 30,953	35,000	40,000

The benchmarks for this indicator have been revised, due to better information collected by the Management Information System component of USAID's Basic Education Expansion Project and a better understanding of numbers of children in primary schools. We expect to see a large jump in 6th grade completion rates in the next few years, because of a large increase in first grade enrollments. Between 1991 and 1992, first grade enrollment increased by 24%.

Target 3.1 Improve Health Care

SUBTARGET	BASE: 1987	1990 PL.	1991 PL.	1992 EST.	1993 PL./EST.	1994 PL.	1995 PL.
3.1e Contraceptives: The national contraceptive prevalence rate increases.	1.3%	NA	NA	NA	5%/ 3.5%	5.4%	6.8%

The benchmarks for 1994 and 1995 have been decreased, in line with our understanding of the slowness of growth in national contraceptive prevalence rates.

306

SUBTARGET	BASE: 1990	1991 EST.	1992 EST.	1993 PL./EST.	1994 PL.	1995 PL.
3.1h Disease Coverage: The percentage of post-natal consultations with the public health system increases.	15%	NA	27%	35%/ 30%	44%	52%

The USAID program has a wider impact in the health sector than increasing the number of postnatal consultations. In order to more accurately reflect what we are capable of monitoring, however, we have chosen this as a subtarget rather than the previous subtarget of increasing the number of disease episodes treated by the public health system.

Target 3.2 Improve Basic Education

SUBTARGET	BASE: 1989	1990 PL.	1991 ACT.	1992 ACT.	1993 PL./ACT.	1994 PL.	1995 PL.
3.2d Student-Teacher Ratio: The number of students per teacher decreases.	51:1	NA	49:1	46:1	44:1/ 50:1	48:1	50:1

The redeployment expected for the next two years will involve a small percentage of the teaching pool. As a result, it will only slightly decrease the student-teacher ratio in 1994. In 1995, the rate of student enrollment is expected to surpass the rate of redeployed and new teachers, increasing the student-teacher ratio again. Consequently, we have revised the benchmarks for these years.

SUBTARGET	BASE: 1989	1990 ACT.	1991 ACT.	1992 ACT.	1993 PL./ACT.	1994 PL.	1995 PL.
3.2e Training: The number of teachers and other staff receiving in-service training in pedagogical and management skills increases.	0	1200	3264	6170	NA/3,276	3,500	4,000

The benchmarks have been revised to take into account the tradeoff between the numbers of teachers trained and the improvements in the quality of training.

SUBTARGET	BASE: 1989	1990 ACT.	1991 ACT.	1992 ACT.	1993 PL./EST.	1994 PL.	1995 PL.
3.2f Textbook availability: The number of textbooks available per student increases.	.3	.3	.22	.5	2/.5	.5	.5

Given losses of books due to normal wear and tear, USAID's purchase of 175,000 books in 1992/1993 will only prevent the number of textbooks per student from falling. Subsequent planned purchases will not increase significantly the number of books per pupil. We have therefore projected no further improvement in this subtarget.

SUBTARGET	BASE: 1991	1992 ACT.	1993 PL./ACT.	1994 PL.	1995 PL.
3.2g Textbook Use: The % of teachers using textbooks increases	10%	22%	40%/84%	86%	90%

We have revised our benchmarks for this subtarget, since the original ones have already been significantly surpassed.

SUBTARGET	BASE: 1992	1993 PL./ACT.	1994 PL.	1995 PL.
3.2i Number of "Complete Schools" increase in the Koulikoro Region.	0	110/NA	50	80

In order to meet minimum standards, Complete Schools will require more assistance than we initially had planned. As a result, we have developed more realistic subtargets for the next two years.

SUBTARGET	BASE: 1989	1990 ACT.	1991 ACT.	1992 ACT.	1993 PL./ACT.	1994 PL.	1995 PL.
3.2j Budget Restructuring: (a) Education's share of Government budget increases; (b) primary education share of Education budget increases.	(a) 25% (b) 38%	25% 35%	27% 37%	26% 34.4%	NA/19% NA/31%	20% 32%	21% 33%

We have revised our benchmarks to more realistically reflect the social and political pressure on the Government budget.

SUBTARGET	BASE: 1992	1993 PL./EST.	1994 PL.	1995 PL.
3.2k Student performance in core areas improves in the 2nd and 5th grades.	44.4	50/44.4	44.4	50

We now expect that by 1995, USAID's efforts in improving educational quality will begin to be shown in students' performance. We have revised the benchmarks accordingly.

309

ANNEX B: INDICATORS AND SUBTARGETS THAT DO NOT ADEQUATELY MEASURE USAID IMPACT

STRATEGIC OBJECTIVE 1: INCREASE PRIVATE SECTOR PARTICIPATION IN THE ECONOMY						
PROGRAM PERFORMANCE INDICATOR	BASE: 1990	1991 ACT.	1992 ACT.	1993 PL./ACT.	1994 PL.	1995 PL.
1B. New firms obtaining business licenses in Bamako District increases.	12,588	12,574	14,380	16,000/ 7,020 (1st six months)		

The number of new firms obtaining business licenses in Bamako is likely to decrease in 1993. During the first six months of 1992, 13,460 licenses were issued, while only 7,020 were issued during the same period in 1993. Typically, few business licenses are issued in the second half of the year. Some of the decrease in licenses could be explained by new licensing procedures, which require payment of all taxes at the time the license is approved. The reluctance to seek licenses for new businesses is also related to a general breakdown in the authority of the Malian Government, as manifested by the refusal of many Malians to pay taxes. Since anecdotal evidence indicates that the number of new businesses is about the same as it was in 1992, one can conclude that a decrease in the number of business licenses does not necessarily imply a decrease in the number of new businesses. Given the inadequacy of this indicator in measuring USAID's contribution to growth of the private sector, an alternative indicator will be developed for FY 94. During the next year, the technical assistance team of the Policy Reform for Economic Development Project will study obstacles to the establishment of formal private sector businesses. (Source: Tax Center, District of Bamako).

Target 1.1 Improve Regulatory Policies and Practices							
SUBTARGET	BASE: 1989	1990 ACT.	1991 ACT.	1992 PL.	1993 PL.	1994 PL.	1995 PL.
1.1a Simplification: GRM introduces a single direct income tax.	11 income taxes	No change	No change	No change	No change		

USAID has concluded that this subtarget is inappropriate. The Malian Government has been working toward establishing a single lump-sum tax, which we believe might further discourage payment of taxes. What is needed is a mechanism that incorporates all taxes into a system with reasonable marginal rates, and that generates revenues without discouraging the underlying economic activities. In order to help the Government to optimize both revenues and incentives to pay income taxes, USAID will analyze tax policies through the Policy Reform for Economic Development Project and make recommendations for policy reform. A more appropriate subtarget will be developed for FY 94.

Target 1.2 Decrease Fiscal Burden on the Private Sector								
SUBTARGET	BASE: 1986	1987 PL.	1990 PL.	1991 ACT.	1992 ACT.	1993 PL./ACT.	1994 PL.	1995 PL.
1.2b Fiscal Pressure: GRM reduces (a) the minimum business profits tax and (b) the payroll tax.	a. 75% of all sales b.7.5% of payroll	NA	NA	No change	No change	Both rates are reduced/ No change		

For most firms, the rates for these taxes have not changed since 1986-87. However, in compensation for hiring young graduates, the payroll tax has been reduced for selected enterprises. As with the single income tax, this subtarget will be refined or replaced by another fiscal subtarget, following study by the Policy Reform for Economic Development Project's technical assistance team. (Source: Ministry of Finance)

SUBTARGET	BASE: 1989	1990 PL.	1991 ACT.	1992 ACT.	1993 PL./ACT.	1994 PL.	1995 PL.
1.2c Equity: Number of taxpayers increases, with fiscal burden equitably distributed.	35% estimate	NA	NA	NA	1992 plus 10%/NA		

This subtarget was not worded in a way that reflects the Malian Government's tax system. We intend to develop a more appropriate measure in FY 94. Nevertheless, it is clear that both tax revenues and numbers of tax payers have sharply declined during this reporting period. With the advent of democracy, many Malians distrust their Government and need to be convinced that their tax money will not be stolen or wasted and that they will directly benefit. At the same time, formal private sector enterprises have been overtaxed by the Government, since other revenues are dwindling. As a result, formal sector businesses hide their income. Data and figures documenting this phenomenon are extremely difficult to develop. The Government would like to distribute more equitably the fiscal burden, as evidenced by its efforts to reduce tax exemptions, to inform the public of its responsibility to pay taxes, to improve customs receipts, and to fight fraud and corruption. These measures have not resulted in significant increases in revenue, and have had little impact on the equity of revenue collection. The Policy Reform for Economic Development Project will identify regulatory and fiscal contraints that prevent economic activities from shifting from the informal to the formal sectors. The institutionalization of commercial and administrative courts under this project may help establish a sense of confidence for businesses operating in the formal sector.

311

Target 1.4 Increase Job Opportunities							
SUBTARGET		BASE: 1990	1991 ACT.				
1.4a	Employment: Growth in private sector employment absorbs 18,000 from public sector overflow and unemployed graduates.	42,400 civil. 15,000 mil. 10,000 grads	40,800 No change No change				

Employment figures at the macro level are very difficult to obtain. With the liberalization of hiring and firing procedures, the year 1992 witnessed the emergence of private placement agencies in Bamako and other regions, further complicating data collection. Demand for labor from the modern private sector registered at the "Office Nationale de la Main d'Oeuvre" has increased by 195.6% from 1,007 in 1991 to 2,977 in 1992. The bulk of the demand however is unrecorded and is in the informal sector. USAID has had only a marginal impact on employment, directly for the 644 voluntary retirees from the Government who are elible to receive business loans guaranteed by our funds, and indirectly through our general support for structural adjustment. USAID will develop a more appropriate indicator for FY 94. (Source: Ministry of Employment, Vocational Training and Private Initiatives).

Target 1.5 Increase the Availability of Credit to Small and Medium Enterprises								
SUBTARGET		BASE: 1988	1990 ACT.	1991 ACT.	1992 ACT.	1993 PL./EST.	1994 PL.	1995 PL.
1.5a	Lending. Bank credit for (a) private sector activities and particularly (b) small and medium enterprises (SMEs) increases. (FCFA millions).	a.70,400 b.13,420 or 19.1%	a.85,400 b.12,988 or 15.20%	a. 87,200 b. 13,813 or 15.84%	a. 92,600 b. 14,684 or 15.85%	a.NA/ 96,100 b. NA		

Although Mali pursued a prudent credit policy in 1992, credit given to the private sector as a whole increased by 6.2%, and credit to SME's increased by 6.3% relative to 1991. The slow expansion of credit in Mali is ultimately due to an overvalued FCFA, which is propped up by credit ceilings and high interest rates. Few projects are feasible at these rates of interest. Under the structural adjustment program, the Malian Government has decreased its domestic borrowing and internal arrears, leading to an increase in the amount of credit available to the private sector. USAID's contribution toward increasing credit for the private sector has been modest, given the constraints of the CFA monetary system. The Policy Reform for Economic Development Project's funding of computerization of the Government payroll has helped reduce expenditures, limiting increases in Government's need to borrow. To improve the environment for the private sector, the Project is helping in the creation of commercial and judicial courts, which will increase business confidence. (Sources: Central Bank, Office de l'Haute Vallee and Cereals Market Restructuring Program)

3/2

SUBTARGET	BASE: 1988	1989 ACT.	1990 ACT.	1991 ACT.	1992 ACT.	1993 PL./EST.	1994 PL.	1995 PL.
1.5b Non-Commercial Credit: The share of credit given to non-commercial activities increases.	54%	53%	55.9%	53.3%	55%	60%/53%		

The share of credit given to non-commercial activities slightly increased in 1992, but appears to have decreased in 1993. In the current economic environment, commercial activities are the safest investments for banks. Most Malian banks resist making loans for productive activities, unless they have a close relationship with the entrepreneur. Nevertheless, the absolute level of credit to non-commercial activities may have changed little, since the increase in the percentage of lending to commercial activities was balanced to some degree with the increase in credit to the private sector as a whole. The structural adjustment program is designed to increase the profitability of export production. USAID has played a limited and indirect role in promoting credit to non-commercial activities. We helped increase the profitability of exporting by making elimination of export taxes a condition for disbursement of non-project assistance under the Policy Reform for Economic Development Project. The Project's involvement with commercial and administrative courts will leader to greater investment incentives for non-commercial activities. (Sources: Central Bank, Mission estimates)

Target 2.2 Increase stable grain sector productivity							
SUBTARGET	BASE: 1989	1990 PL.	1991 ACT.	1992 PL.	1993 PL./ACT.	1994 PL.	1995 PL.
2.2a Technology: New technologies are developed by research organizations and adopted by farmers.	8 varieties; 1 practice (1980-89)	NA	6 new varieties	1 new cropping practice	2 new cropping practices/8 new technologies cleared		

We believe this subtarget inadequately shows the impact of USAID's agricultural research activities. We will develop more appropriate subtargets for FY 94.

313

SUBTARGET	BASE: 1989	1990 PL.	1991 ACT.	1992 ACT.	1993 PL./ACT.	1994 PL.	1995 PL.
2.2c Resource Management: Farmers adopt improved farming practices.	3 improved practices in Haute Vallee Zone	NA	12 improved practices	17 improved practices	NA		

This subtarget, like that for technologies, is considered inadequate to show USAID's impact. We will develop a new subtarget for FY 94.

Target 2.3 Increase Livestock Exports							
SUBTARGET	BASE: 1989	1990 PL.	1991 ACT.	1992 ACT.	1993 PL./ACT.	1994 PL.	1995 PL.
2.3b Animal Health: The vaccination rate for rinderpest increases.	55%	NA	58%	63%	69%/NA		

This indicator is no longer appropriate because there have been no epidemic outbreaks of rinderpest in Mali for several years. The Animal Productivity and Export Project is funding programs to increase private sector responsibility for herd vaccination without additional health risk or loss to the national herd. An alternative subtarget for animal health will be included in FY 94. (Sources: Central Veterinary Laboratory and Management Development Support Team records)

314

STRATEGIC OBJECTIVE 3: IMPROVE DELIVERY OF HEALTH AND EDUCATIONAL SERVICES

Target 3.1 Improve Health Care							
SUBTARGET	BASE: 1987	1990 PL.	1991 EST.	1992 EST.	1993 PL./EST.	1994 PL.	1995 PL.
3.1d The chronic malnutrition rate decreases. (weight for height)	24%	NA	22.1%	21.6%	21.2%/ 21.1%		

We believe the chronic malnutrition rate is decreasing. The USAID-funded Africare Dioro Child Survival Project's final evaluation report (December 1992) indicated a reduction from 29.7% to 14.7% in moderate/severe malnutrition. A midterm assessment of the Nutrition Communication Project in Macina carried out in February 1993 indicated a general improvement in the nutritional status of children under 3 years of age, illustrated by a drop from 14% to 4.55% in the percentage of malnourished children using weight for height and from 44.4% to 21.1% in the percentage of malnourished children using weight for age.

There is evidence that improvements occurred in nutrition practices and behaviors, which should result in a decrease in chronic malnutrition. The World Vision project mid-term evaluation indicates that 100% of mothers in Koutiala are introducing solids to infants 4-6 months of age compared to 25% in 1990, when the project began. In 1993, 80% of mothers in the project area knew how to manage a child during a diarrheal episode compared to 50% in 1990. (Sources: Demographic Health Survey, Nutrition Communication Project, PVO reports, Mission Estimates).

USAID's contribution to the fight against malnutrition has been on a local rather than a national scale. We are considering developing a more geographically-limited subtarget for FY 94.

Target 3.2 Improve Basic Education						
SUBTARGET	BASE: 1990	1991 ACT.	1992 ACT.	1993 PL./ACT	1994 PL.	1995 PL.
3.1i Budget Restructuring: Ministry of Health's share of the GRM central budget increases.	6.6%	7.3%	8%	8.2%/6%		

The portion of the Government budget allocated to health for 1993 was approximately 6%, reflecting the competition for dwindling government revenues. The Prime Minister publicly reaffirmed the high priority his Government gives the health sector, but political and economic pressures associated with structural adjustment have prevented increasing the percentage of the budget devoted to health. We are not optimistic that the Malian Government will increase significantly the percentage of its budget going to the health sector as a whole in the next few years. USAID does not have much influence over budgetary allocations to health, other than insisting that the Government live up to its commitments to finance its share of USAID health projects. For FY 94, we will consider developing a new subtarget that better reflects USAID impact on the health budget. (Sources: Ministry of Health, Ministry of Finance, World Bank statistics)

SUBTARGET	BASE: 1990	1991 ACT.	1992 ACT.	1993 PL./ACT.	1994 PL.	1995 PL.
3.2h Decentralization: (a) School Parent Groups increase their share of funding for school improvements; (b) the number of classrooms increases.	(a) N/A (b) 7300	N/A 7591	N/A 7788	N/A 8500/9292		

A finance study will be carried out to assess parents' contributions for school improvements. This is primarily a World Bank-supported activity, under the Fourth Educational Project. USAID complements the World Bank project through funding classroom rehabilitation. While data for this indicator is not yet available, we believe it is important to maintain the indicator in some form because of its significance for long-term funding of basic education. The number of classrooms increased significantly through funding from donors for construction of classrooms. The World Bank financed the construction of 613 classes and the rehabilitation of 1,290 classes from 1989-1993. Canada during the same period financed 72 new classes and 134 rehabilitated classes. Other donors, such as Germany, Norway, The Islamic Development Bank, OPEC and the African Development Bank, are planning to construct or rehabilitate additional classes. USAID funded the rehabilitation of 1,970 classes. Most of these repairs improved the quality of existing classrooms, rather than contributing to an increase in the number of classrooms and thus increased classroom usage. We will establish indicators that more directly show USAID impact in FY 94. (Source: Statistical Directory, Ministry of Education).

316

Annex C
USAID Mali Program Logical Framework, Fiscal Years 1990 - 1994

MISSION PROGRAM GOAL To Promote Economic Growth.	**COUNTRY TREND INDICATORS** 1. Real GDP grows at least 4% per year, surpassing $3.3 billion by 1995. 2. Per capita GDP increases from $260 in 1989 to $355 in 1995. 3. Exports of goods and non factor services increases from $268 million in 1989 to $468 million in 1995.
SUBGOAL To Improve the Quality of Life.	1. Life expectancy increases from 47 in 1987 to 51 by 1995. 2. Literacy rate increases from 14% in 1989 to 17% in 1995.

STRATEGIC OBJECTIVE 1: Increase Private Sector Participation in the Economy.	**PROGRAM PERFORMANCE INDICATORS** A. Private sector investment in the economy increases from FCFA 75 billion in 1989 to FCFA 130 billion in 1995. B. (eliminated) C. Number of traders receiving credit for grain storage and marketing through the Cereals Market Restructuring Program increases from 19 in 1988 to --- in 1995.
TARGET	**SUBTARGET**
1.1: Improve Regulatory Policies and Practices	a. (eliminated) b. Transport: Price controls on internal transport are abolished by 1993, allowing private sector to provide agricultural transport services. c. Privatization: The Pharmacie Populaire du Mali (PPM) stops importing nonessential drugs by 1991, permitting private pharmacies to do so directly. d. Judicial system: Commercial and administrative courts in Bamako, Kayes, Mopti and regions become fully operational by successfully handling business and industrial ligitations.
1.2: Decrease Fiscal Burden on the Private Sector	a. Export promotion: GRM eliminates all export taxes by 1992. b. (eliminated) c. (eliminated)
1.3: Improve Public Sector Performance	a. Support to private sector: Ministry of Finance's DNAE is reoriented to a private sector support role by 1992. b. Fiscal performance: Government fiscal deficit as a percentage of GDP is reduced from 10% in 1989 to 7% in 1995. c. Revenue promotion and equity: Tax reveues increase from FCFA 85.6 billion in 1988 to FCFA 120 billion in 1995, through increases in the tax base and equitable income tax rates
1.4: (eliminated)	a. (eliminated) b. (eliminated)
1.5: (eliminated)	

317

STRATEGIC OBJECTIVE 2: Increase Incomes in Areas of High Productive Potential.	PROGRAM PERFORMANCE INDICATORS A. The value of agricultural production increases an average of 4% per year during the 1989-1995 period. B. The value of agricultural exports increases from FCFA 60 billion in 1988 to 120 billion in 1995.
TARGET 2.1: Increase Agricultural Production	SUBTARGET a. Staple grains: grain production outpaces population growth (3.0% per year) during the 1989-1995 period. b. Food security: intra annual grain price variation is reduced from an average of 11.2% for millet ans 8.6% for rice in 1989 to 4% for millet ans 1,5% for rice in 1995. c. Credit: Credit extended from USAID projects to cooperatives increases, from $4.3 million in 1989 to $5,5 million in 1995.
2.2: Increase Staple Grain Sector Productivity	a. b. Research: The national agricultural research system is reorganized, and a national agricultural research strategy is developed and adopted by 1995. c. (eliminated) d. Land use and tenure: Land use and forest policies favoring private agroforestry investment are implemented by 1994.
2.3: Increase Livestock Exports	a. Fiscal and regulatory measures: The GRM abolishes export taxes by 1991, minimizes nuisance taxes by 1993, and simplifies procedures for livestock exports by 1994. b. (eliminated) c. Private practice: The number of private veterinary practitioners increases.

STRATEGIC OBJECTIVE 3: Improve Delivery of Health and Educational Services	PROGRAM PERFORMANCE INDICATORS A. Infant mortality declines from 108/1000 live births in 1987 to 92/1000 in 1995. B. The number of primary school children completing the sixth grade increases from 25,850 in 1989 to 40,000 (cumulative) in 1995.
TARGET 3.1: Improve Health Care	SUBTARGET a. Village health centers: 156 new health centers are established, staffed with trained personnel, and financed entirely from local community funds during the 1991-1995 period. b Infant vaccinations: The number of children under age 1 vaccinated against major childhood diseases increases from 5% in 1987 to 65% in 1995. c. Mothers at risk: The number of urban and rural women of reproductive age vaccinated with two doses of tetanus toxoid increases from 30% and 7% (1990) to 60% and 30% (1995) d. (eliminated) e. Contraceptives: The national prevalence rate increases from 1.3% in 1987 to 6.8% in 1995. f. Pharmaceuticals: The number of village pharmacies fully stocked with essential drugs and contraceptives increases from 0 to 100% in the CHPS project zone and 50% nationwide. g. Private practice: The number of private health practitioners increases. h. Disease coverage: The number percentage of post natal consultations with the public health system increases from 15% in 1990 to 52% in 1995. i. (eliminated)

318

STRATEGIC OBJECTIVE 3: Improve Delivery of Health and Educational Services	PROGRAM PERFORMANCE INDICATORS A. Infant mortality declines from 117/1000 live births in 1989 to 98/1000 in 1995. B. The number of primary school children completing the sixth grade increases from 19,300 in 1989 to 82,600 (cumulative) in 1995.
TARGET 3.2: Improve Basic Education	SUBTARGET a. Enrollment: The number enrolled in grades 1 through 6 increases from 311,000 in 1989 to 528,000 in 1995. b. Gender: The number of girls enrolled in grades 1 through 6 increases from 115,000 in 1990 (17% of all school-age girls) to 200,000 in 1995 (29%). c. Repeater rate: The number of students repeating primary school grades decreases from 30% in 1988 to 10% in 1995. d. Student-teacher ratio: The number of students per teacher decreases from 51:1 in 1989 to 48:1 in 1994. e. Training: The number of teachers and other staff receiving in-service training in pedagogical and management skills increases from 0 in 1989 to 4,000 in 1995. f. Textbook availability: The number of textbooks per student increases from 0.3 in 1990 to 15 in 1995. g. Textbook use: (a) the percentage of teachers using textbooks increases from 10% in 1991 to 90% in 1995; (b) the percentage of classrooms where students use textbooks increases. h. (eliminated) i. Number of "complete schools" increases in the Koulikoro Region from 0 in 1992 to 80 in 1995. j. Budget restructuring: Education's share of the central budget does not fall below 21% in 1995, from 25% in 1989 to 27%; resources for basic education do not fall below 33% of Education budget in 1995 from 38% of MEN's budget in 1989 to 45%. k. Student perfomance in core areas improves in the 2nd and 5th grades form 44.4 to 50.

320

ASSESSMENT OF PROGRAM IMPACT

FY 1993

NIGER

321

ASSESSMENT OF PROGRAM IMPACT (API)

USAID/NIGER

1993

18 November 1993

SECTION I: SPECIAL FACTORS AFFECTING THE USAID/NIGER PROGRAM

In the past year, Niger has made strides towards democratization and popular participation that are unprecedented in its own history and perhaps the Sahel. The 17-month transition period concluded in April with fair and peaceful elections, a multi-party national assembly, and a freely elected president. Transition to a new administration and to addressing the nation's priorities is occurring at a pace that reflects the new government's insistence on including the emerging political voice of the men and women of Niger. The French Treasury Inspection Team and the World Bank/IMF Article 4 mission to Niger in June 1993 were met with high quality collaboration and came away with the conclusion that while the economic situation of Niger is indeed critical, there is probable justification to begin the processes leading to negotiation of a Structural Adjustment Program (SAP). On August 13 the GON adopted the 1993 Finance Law *(Loi de Finance)*, which laid out a series of measures to reduce government spending and increase revenue, an important precondition for multilateral assistance. USAID/Niger is working closely with the Government of Niger (GON) to provide assistance in designing and implementing innovative new policies that include the GON's new concerns about popular participation, resource management, and accountability. This year's API report describes programs that the Mission firmly believes will help the GON create a base and build its understanding of how to lead and manage in this new environment.

From Transition to Democracy: The new Government of Niger, led by President Mahamane Ousmane of the *Convention Democratique et Sociale (CDS)* party, was elected on April 11, 1993. The newly named Prime Minister, Mahamadou Issoufou, appointed a cabinet of 28 members, including five women (the largest number ever in the GON), and the new national assembly is in place with representation from nine of the eighteen political parties. The Prime Minister presented and the Assembly adopted a national political agenda consisting of five major priorities:

- Restoration of the credibility and authority of the State (e.g. demonstrate marked improvements in the quality of public services and the reduction of corruption by political figures and civil servants)
- Consolidation of national unity (e.g. negotiation of a permanent truce with the Tuaregs)
- Treatment of the economic and financial crisis (e.g. negotiate a Structural Adjustment Program with the IMF)
- Treatment of social problems (e.g. establish systems and regulatory guidance to resolve pastoral/agricultural tensions and land tenure issues)
- Decentralization of government services and decision-making to local and regional levels (e.g. provide more control and management of Department resources, including tax revenue, at the local and regional levels)

The GON is faced with an economic and social situation that will challenge their skills and resources. The transition government can lay claim to a number of successes that formed a strong

foundation for the new government to address these problems, to which USAID/Niger's program made significant contributions. The transition government successfully adopted the Rural Code, which the new government is now beginning to implement and disseminate. A new constitution was written and adopted in a nationwide vote in December 1992. The political party charter paving the way for a multi-party system was created. Building on the groundwork of the transition government, the new Prime Minister has promised that the Family Code will be presented to the National Assembly shortly. A 3 month ceasefire with the rebel Tuareg factions was successfully negotiated and finalized by the transition government in June, 1993 and renewed in September for 3 months and the new government has maintained these more positive relations and continues to work with the Tuareg representatives to respond to their concerns. Most recently, the three principal factions of the Tuareg rebellion agreed to adopta common platform for negotiating a final peace agreement with the government.

The new government can already point to many areas that show marked improvement and commitment to their pre-election stated objectives.

Independent organizations, including development NGOs and PVOs, have increased in number to at least 110. Several human rights associations with representation throughout the country are in place and allowed to function by the government, and are even allowed to make unannounced visits to prisons. Prisons now hold people for a matter of hours instead of months. Reports from various human rights associations confirm that there is generally sincere and prompt action on the part of the authorities when an abuse is exposed. All political prisoners (including Tuaregs arrested) were released in May.

Seven independent newspapers now exist and are operational in addition to two that are state-controlled. The new media and press regulations adopted by the transition government allow free and privately owned radio and television to operate in Niger. Radio France International and one local entrepreneur recently announced their intention to open independent radio stations in Niger very shortly.

Labor unions and other representational groups, including NGOs and village associations, are key actors in this new political environment. The GON has created a commission in charge of negotiating with such social partners. A memorandum of understanding is envisioned that will allow the GON to carry out and implement policies that are conducive to economic and financial recovery and social relief, without facing social disruption and strikes by labor unions and other organizations.

Officials and political appointees under the new Government are learning quickly the principles of public accountability that help a democracy function. With the President and Prime Minister leading the way, all senior officials have made public their property holdings, including bank deposits and other assets. The commitment of the GON was also demonstrated in mid-August in a letter signed by the Prime Minister announcing the GON's plan to strictly enforce the corruption and illicit enrichment law passed in 1989, instructing all ministers to take appropriate actions. This was reinforced by a second letter in October in which the Prime Minister requested Ministers to report actions taken. At least nine ministries had responded with descriptions of actions and results by the end of October. While this move was directly attributable to USAID/Niger's work under the Niger Economic Policy Reform Program (NEPRP), the GON demonstrated their independent commitment to eliminating corruption by stating to USAID officials their intent to go beyond merely targetting corrupt officials in this campaign, but also targetting the "bribe-givers" who often instigate illicit practices in order to avoid taxes and regulatory procedures. The GON has asked USAID/Niger's assistance in developing anti-corruption publicity campaigns focusing on both public sector and private sector participants.

USAID/Niger's interventions to strengthen this nascent democracy cross-cut our entire portfolio and are not limited to those activities specifically funded under the democracy programs. The nurturing of responsibility for economic and social welfare on the part of rural populations themselves is a critical element of the program. With USAID encouragement and assistance from our ROD project, laws regulating cooperatives have been revised and are now before the Legislative Assembly. The new laws allow cooperatives and pre-cooperatives to develop more fully by removing constraints on their range of economic activity and geographic dispersion.

In our disaster preparedness amd mitigation projects we are helping local arrondissements and cantons to set up their own committees to monitor vulnerability indicators and recommend food security strategies to the government. In the natural resources sector communities are mobilizing to determine the best way to manage the revenue and forest product opportunities from natural forests, and the allocation of rights and access to land and water sources, in a sustainable manner. Again with assistance from USAID's ROD project, support to NGO and PVO lending and savings activities places particular emphasis on encouraging independent decision-making about financial management of loans and the ways in which savings are used, particularly now that regulations are in place allowing such organizations to form legally. Pilot cost-recovery tests in two arrondissements include local oversight committees to assure transparency and responsive management. Thus, as our projects work at the policy level to build environments conducive to decentralized and liberalized sector activity, we are also building capacity at the local level so that men and women are less dependent on government handouts and more able to make decisions and take action on their own to improve their lives.

Niger's Economic Status: During the transition period, Niger's economy stagnated. As reported last year, the transitional government apparently did not have the political will nor, in some cases, the authority to broach the difficult reforms required to meet targets outlined in its own *Programme de Redressement Economique et Financier (PREF)* or to reinstate the SAP. The June 1993 IMF/World Bank mission reported declines in several economic indicators over the previous year, including the GDP, public and private investment, external debt situation and government receipts. The poor fiscal situation resulted from inefficient tax collection systems, corruption in custom tax collection, increasing informalization of the modern sector, and a wage bill which comprises fully 70% of current expenditure.

Niger, nevertheless, made considerable progress as well, particularly in applying the difficult measures required to be eligible for a new SAP, focusing on reducing public expenditures (e.g., there has been a 25% reduction in civil servant salaries), and in increasing revenue collection (e.g., improved efficiency in customs collection. Production costs in the mining sector have been reduced. Certain banks (as well as certain public and parastatal enterprises) facing financial difficulties have been liquidated or restructured. The new Finance Law, discussed in Section II, aims to greatly reduce government expenditures and help improve the overall revenue base. Although it is unlikely that Niger will see marked improvement in its economic and financial situation during this calendar year, the World Bank believed (June 1993) that the increase in revenues and the control over public finances stemming from this Finance Law should result in reductions in the GON's budgetary deficit by early 1994. According to World Bank officials in Niamey and in Washington, D.C., such a commitment of the GON to serious fiscal reform, as demonstrated in the passage of the Finance Law, will likely result in a new stand-by agreement with the IMF. At the annual IMF/World Bank meeting in September in Washington, D.C., the GON presented its "1994-1996" Policy Framework Paper. A Memorandum Of Understanding was signed under which bi-anuual meetings now are planned to monitor the impact of the reform measures undertaken and to advise adjustment as necessary.

Interestingly, the pace of economic policy reform - while less rapid than we would like - reflects the new broader participation of the nigerien population and interest groups in governmental processes. Niger is undergoing a thorough, gradual democratization process with all that this entails in terms of dialogue and difficulties in imposing socially painful measures. The GON made serious and sustained efforts to negotiate the form and substance of wage reduction and other fiscal saving measures with the *Union de Syndicats des Travailleurs du Niger (USTN)*, the national coordinating organization for workers' unions in Niger. In October 1993, they reached an agreement providing a 17% reduction in overall public sector salary. The GON also is scheduling negotiations with the University students who are trying to avoid reductions in their stipends.

An IMF/World Bank mission is scheduled for late November to examine the 1993 economic and financial situation and the 1994 budget draft document. The GON and the IMF/WB teams will certainly take this opportunity to discuss an amended Policy Framework Paper, taking into account not only the comments made in the Washington meeting but also the expected macro-economic and financial impacts of the new program, in the light of the recent GON-USTN agreement. These should eventually pave the way for a new structural adjustment program and a satisfactory macro-economic framework for donor investments.

SECTION II: PROGRESS TOWARD OVERALL COUNTRY PROGRAM GOALS

The Country Program Strategic Plan/Concept Paper (CPSP/CP), approved in April 1992, remains the basis for the 1993 API report. Negotiation of a Management Contract between USAID/Niger and USAID/W awaits approval of a new CPSP to be developed in September 1994 (ref: State 033949, 4 Feb 1993), and USAID/Niger welcomes assistance from the PRISM project to update and refine our CPSP/CP, clarify objectives, and refine methods to measure performance, according to the latest guidance.

The Program Goal adopted by the Mission in the 1992-94 CPSP/CP is:

PROGRAM GOAL:	**TO PROMOTE SUSTAINABLE MARKET-BASED ECONOMIC GROWTH WHILE EMPHASIZING LOCALLY MANAGED RESOURCES AND REDUCED POPULATION GROWTH**

USAID/Niger's primary goal is to promote economic growth that will eventually become independent of donor resources. The emphasis that the Mission places on locally managed resources and reduced population growth in the above goal statement expresses our strategy for reaching this goal. USAID/Niger uses certain tools and project interrelationships throughout our portfolio to build upon skills being developed in Niger that will produce the maximum efficiency in achieving this goal.

- Privatization and resource leveraging elements are built into our health, rural enterprise, and agricultural marketing projects that will contribute greatly to the financial well-being of the Government of Niger and to the country's economic foundation.

- USAID/Niger works diligently to ensure local management and ownership of development activities and resources by: (1) promoting individual and community-based management and local control over natural resources, (2) improving information for choices and public access to modern fertility regulation methods (thereby also reducing population pressures on natural resources), (3) promoting locally managed Primary Health Care facilities (PHCs), (4) helping the GON develop community participation in famine early warning systems, and (5) assisting communities and groups to establish cooperatives and other financing organizations, according to their self-defined needs.

- Finally, USAID/Niger has successfully woven the use of Non-Project Assistance (NPA) measures into several sectors of its portfolio. Our use of NPA spurs the achievement of new policies conducive to improved conditions in Niger, and builds the capacity of the GON in policy formulation and implementation. Because of the manner in which USAID/Niger has structured its *conditions precedent*, the Government is a partner in designing and structuring policy changes, and is also required to plan and undertake policy implementation activities, an often-forgotten element of policy reform.

Our constant reinforcement of these skills, tools, and mechanisms is part of our strategy for promoting and sustaining economic growth in Niger.

Macroeconomic Indicators: The Government of Niger is currently taking action to pave the way to negotiate a new SAP. Many of the budgetary and economic problems evident in the figures below resulted from the inability of the transitional government to take needed reform measures. The consequent suspension of the SAP and the weak implementation of the autonomous (internal) fiscal effort (the GON PREF) also limited other donor interventions, many of which were tied to SAP conditionalities. The new government stepped into an economic jungle that included five months of arrears in civil servant salaries, past-due student scholarship payments, and the lowest level of revenue generation due to customs and tax shortfalls in several years. The continued decline of the uranium industry resulted in a decrease in exports of six billion CFAF in 1992. The IMF projected a further decrease in exports of more than five billion CFAF in 1993. Other exports in the formal sector also suffered, with a loss of competitiveness that has affected both industrial and agricultural production. Most notably, regionally traded agricultural commodities and livestock were greatly affected by the steady depreciation of the Nigerian *naira*. Although several banks in difficulty were liquidated or restructured and the banking sector currently shows signs of improved liquidity, financial institutions are more reluctant than ever to provide credit for private sector investment. In addition to a wary banking sector, the prolonged absence of a SAP has contributed to the private sector's unwillingness to invest. Informalization of the private sector makes the GON tax collection more difficult.The resulting deficit in the GON's current account balance reflects the numerous obligations that must be addressed by the new administration.

TABLE 1 MACROECONOMIC INDICATORS

Economic Trends	1988	1989	1990	1991	1992	1993 (est.)
Gross Domestic Product (GDP)						
Real GDP in Constant Prices (annual % change)	5.6	0.1	-1.8	1.9	3.1	-0.3
GDP Per Capita (dollars)	331	315	292	261	295	295.8
Traditional Sector (in % of GDP)	68.9	68.2	70.7	71.6	75.9	75.6
Modern Private Sector (in % of GDP)	31.1	31.8	29.3	28.4	24.1	24.4
Balance of Payments (in billions of FCFA)						
Trade Deficit	-16.8	-24.9	-34.3	-14.6	-12.65	-11.32
Imports, c.i.f.	-126.7	-123.1	-118.9	-99.5	-87.57	-81.06
Exports, f.o.b.	109.9	98.2	84.6	84.9	74.92	69.75
Current Account Deficit (includes official transfers)	-18.4	-28.3	-25.7	-2.1	-17.59	-10.71
Total External Debt (in $ mn)	1742	1587	1827	1653	-	-
External Public Debt as a Percent of GDP	60.8	47.8	48.7	52.0	57.9	59.8
Debt Service After Rescheduling (in % of exports of goods and nonfactor services)	33.5	27.2	15.8	29.4	31.8	44.2
Official Development Assistance (billions of FCFA)	371	296	358	182	-	-

Sources: GON Ministry of Finance and Plan, IMF, World Bank

The GON's new Finance Law addresses the major concerns raised by the IMF and the World Bank in their June meeting. Key among them was the reduction of government expenses, of which current expenditures more than 50 percent have been tied to the public sector wage bill over the past few years (or, on average, more than 90% of total tax revenues). The Finance Law announced salary

WORKSHEET CORRECTIONS TO API 1993, TABLE 1, MACROECONOMIC INDICATORS

		1987	1988	1989	1990	1991	1992	1993
A. GDP CURRENT PRICE	CFAF billion		679.2	695.3	675.4	656.6	620.6	633.3
B. GDP DEFLATOR	base: 1987	1	0.947	0.96	0.945	0.896	0.906	0.897
Annual rate of growth (%)			−5.3	1.4	−1.6	−5.1	1.1	−0.1
C. GDP AT CONSTANT PRICE	1987 CFAF billion		717.21	724.27	714.71	732.81	685	706.02
Annual rate of growth (%)			6.9	1	−1.3	2.5	−6.5	3.1
D. POPULATION	million		7.22	7.46	7.7	7.96	8.22	8.49
E. REAL GDP/CAPITA	in 1987 CFAF		99335.65	97108.69	92765.40	92076.61	83318.17	83132.89
F. NOMINAL EXCH. RATE	cfaf / $US	267	302.95	289.4	256.45	259	275.53	269.6
G. REA GDP/CAPITA IN $US	1987 Parity		372	364	347.4	345	312	311.4

Note: To convert the GDP per capita in constant (1987 CFA) price (in dollar) we divided the whole series by the nominal exchange CFA/Dollar in the base year, 1987 (267 CFAF = $ 1).

Sources: A, B an F are from IMF, "Niger–Recent Development", 24 Sept. 93, SM/93/214 and IMF report, aug. 93, SM/93/173
D is based on the 1988 Demographic Sensus and the 3.3% average annual rate of population growth reported
C, E and G are calculated

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327A

reduction measures that will result in an approximate savings of 5 billion FCFA, (in fact 5.5 billion CFAF in 17 months following the GON-USTN recent agreement), by decreasing salary levels at each grade and step of the salary platform. Benefits such as housing and vehicle allowances for senior officials and ministers will also be cut and a system for determining merit promotions put in place. Student subsidies and scholarships will be decreased. According to one World Bank official, a reduction in the overall civil servant workforce is not seen as necessary at this time, though redeployment, particularly from Niamey to other parts of Niger, is likely. The overall size of the government workforce is not believed to be an issue, so much as low productivity and poorly organized staffing (along with salary levels). Some attrition is foreseen as a result of disaffected employees who may not accept salary reductions (not expected to exceed 1,000 people). In addition, in their newly signed agreement with the French resulting in 5.6 billion CFA of budget support, the GON agreed ***not*** to pay the four months of salary arrears owed to civil servants and ***not*** to pay backdue student stipends. The new GON is ***actively*** providing proof of more than mere intent in its efforts to show fiscal responsibility.

On the revenue side, the Finance Law imposes, among numerous other measures: a new "sales tax;" a tax which will accompany the *carte de sejours*; and an employee tax of 4 percent for foreign labor and 2 percent for Nigerien labor (intended to encourage the hiring of Nigeriens over other nationalities).

Although overall these measures are not expected to completely resolve the fiscal problems of Niger, donors feel that they represent significant progress and, more importantly, significant commitment to taking the difficult decisions that will result in fiscal reform. The passage of the Finance Law resulted the release of some donor funding, such as the 5.6 billion FCFA French commitment that was recently signed but awaiting achievement of some conditionalities, a large package provided by the European Development Fund for government salaries, and assistance with debt arrear payments by the Netherlands. The donor community is clearly well pleased by this government's quick move—considering they took power in April—to undertake a difficult series of reforms.

Social and Quality of Life Indicators:

No new information for most of the indicators in Table 2 is available. However, since last year the Demographic and Health Survey was conducted and partially analyzed. The DHS is particularly relevant to the USAID program and the strategic objective for the health and population sector, since its major focus included mother and child health and population control measures and attitudes. Preliminary analyses of the DHS data are presented in Table 3.

TABLE 2 COMPARATIVE DEMOGRAPHIC AND SOCIAL INDICATORS

(A) WORLD BANK DATA: SOCIAL INDICATORS	1965	1988	1990	(B) NIGER OFFICIAL 1988 CENSUS: SOCIAL INDICATORS	1988
Population (millions)		7.3	8.5* (mid-1993)	Population • Male • Female	7.252 3.605 3.647
				Number of Years for Population to Double	21
Adult Literacy (age 15 and over)(percent) • Total • Male • Female	 9 - 2	(1985) 14 - 9	 28 - 17	Literacy (age 10 and over) • Total Literate Population • Male • Female	 12.5 18.4 6.9
Education (percent enrollment) • Primary • Secondary • Tertiary	 11 1 -	 30 7 1	(1989) 28 6 1		
Life Expectancy (years)	-	45	45	Life Expectancy	44
Under Age 5 Mortality Rate per 1000 Live Births	-	(1989) 219	215	Under Age 5 Mortality Rate per 1000 Live Births[1]	287
Average Live Births per Woman (TFR)[2]	7.1	-	7.2	Average Live Births Per Woman	7.1
Urbanization (percent of total population)	7	18	20	Urbanization (percent)	15.2

Data Sources: (A) 1990, 1991 and 1992 World Development Reports, World Bank
(B) Niger, Ministére du Plan, (i) *Recensement General de la Population 1988, Analyse des Données Définitives, Rapport de Synthése,* (ii) *Résultats définitifs serie 6, Caractéristiques des ménages et de l'habitat,* (iii) *Caractéristiques socio-culturelles des ménages, des chefs de ménage et caractéristiques de l'habitat,* (iv) *Estimation du niveau de la mortalité,* (v) *État de la population,* Niamey, February, 1992.
* This figure is extrapolated for 1993 based on 1988 Census figures using World Bank's assumptions.

[1] As reported in the 1988 Census, retrospective from 1980.

[2] TFR = Total Fertility Rate (average number of live births over a woman's reproductive lifespan)

TABLE 3 DEMOGRAPHIC AND HEALTH SURVEY: Preliminary Analysis

PRELIMINARY DATA FOR 1992 SURVEY	1992
Mortality Rates (per 1000 live births)	
• Infant Mortality Rate (under age 1)	123.1
• Child Mortality (between ages 1 to 4)	222.6
• Global rate of child mortality under age 5	318.2
Average Live Births per Woman (Total Fertility Rate-TFR)	7.4
Contraception Indicators for Women	
• Percentage of women stating knowledge of some form of birth control[3]	75.7
- Total	58.0
- Modern	
• Percentage of women currently practicing contraception	
- Total	4.4
- Modern	2.3
• Education level for women using traditional birth control	
- No education	1.9
- At least primary education	5.1
• Education level for women using modern birth control	
- No education	1.5
- At least primary education	11.0
• Percentage of women expressing a desire for at least one more child	81.5
Contraception Indicators for Men	
• Percentage of men stating knowledge of some form of birth control	
- Total	85.4
- Modern	74.0
• Percentage of men currently practicing contraception	
- Total	6.7
- Modern	2.6
• Education level for men using traditional or modern birth control	
- No education	89.3
- Primary	7.2
- Secondary, 1st Cycle	1.8
- Secondary, 2nd Cycle	1.2
- Higher	0.5
• Percentage of men expressing a desire for at least one more child	93.0
Vaccinations (ages 12-23 months)	
• Percentage of male children fully vaccinated through PEV[4]	13.7
• Percentage of male children with no vaccinations	61.0
• Percentage of female children fully vaccinated through PEV	15.3
• Percentage of female children with no vaccinations	56.1

Source: Demographic and Health Survey, contracted by USAID/Niger and conducted by the *Direction de la Statistique et des Comptes Nationaux, Ministère des Finances et du Plan* and Macro International, Inc. Survey conducted in 1992, above preliminary results presented October, 1992. Final analysis projected September 1993.

[3] Modern methods of contraception include birth control pills, IUDs, injections, condoms, and female sterilization. Traditional methods include gris-gris, withdrawal, and abstinence or cyclical abstinence.

[4] PEV is the *Programme Elargi de Vaccinations*, including tuberculoses, three doses for diptheria, tetanos, three doses of polio vaccine, measles, and yellow fever, prior to the first year of age.

SECTION III: PROGRESS TOWARD STRATEGIC OBJECTIVES AND PROGRESS INDICATORS

This year's API report continues to be based upon the CPSP/CP approved by AID/W in April 1992. It also reflects the feedback that USAID/W gave to the Mission on last year's API submission, which assisted us to further strengthen our monitoring and evaluation activities and build the capacity of our projects to view these activities as part of their routine reporting requirements. Contract project staff for all of USAID/Niger's projects were integrally involved in collecting and updating data for the 1993 API report. USAID/Niger refined the Project Implementation Report (PIR) format so that information gathered for these reports now is directly pertinent to the API report as well as the interim, periodic reporting required of all projects. In addition, since last year's report the Mission finalized the Demographic and Health Survey, resulting in more rigorous data for many of the health and population sector indicators.

Finally, USAID/Niger contracted a consultant under the APAP II project to review existing indicators and evaluate their ability to reflect the impact and the progress our projects are making in meeting our strategic objectives. His study describes and establishes base values for indicators for monitoring GON progress in four areas: agricultural marketing, fiscal reforms, democratization, and USAID/Niger strategic objective indicators. The consultant, in a landmark activity, developed a pilot set of indicators for democratization and human rights that will be valuable in this and other countries to monitor progress in these sectors of emerging importance. The contractor provided further guidance that refines the indicators USAID/Niger currently uses to monitor its portfolio and also suggested new indicators for consideration. This document is currently under review by USAID/Niger, as described in Niamey 05448. USAID/Niger has included it here as **Annex I**, as key newly arriving USAID officers will contribute to the determination of the reliability and usefulness of the monitoring and tracking system prior to adoption.

Certain elements in USAID/Niger's portfolio and in our strategy for addressing our strategic objectives are highlighted below. While these categories may be implemented through special projects—often quite small in size—several of them also represent themes that we emphasize in all of our activities. The thrust to improve local groups' abilities to organize and determine their priorities and actions, which is a major priority particularly in the natural resources management and the credit and savings projects, is one example of democracy in action. We consciously and determinedly work as a Mission to address women's participation and gender issues in all our new and ongoing projects. Finally, education and training, though specifically mentioned below in the context of discrete human resources development projects, occurs in each and every project, from on-the-job training at ministries and with policy decision-makers, to training programs designed for village health workers, to literacy training in our cooperatives project. Below we describe these themes and their integration into our programs in greater detail.

Democratization

USAID/Niger interventions for democracy aim at informing, educating, and empowering men and women in Niger regarding their rights and responsibilities as citizens participating in a democratic

society. In the past year, USAID/Niger conducted the following activities in support of democratization and the elections.

- Equipped the Bar Association library, making legal texts available to the public at large.
- Funded construction of 2400 ballot boxes and related activities, without which the elections could not have taken place.
- Provided support to the "Niger Multi-Media Democracy Support Project," which broadened public understanding of the democratic process through the use of media, and encouraged and facilitated increased public participation in the elections.
- Printed and disseminated the new Constitution, the Political Parties Charter, the Supreme Court Decrees since 1983, and Human Rights Seminar documents.

The following 1993 activities have been implemented or are underway:

- Conduct two Human Rights Seminars on how to detect, document, report, and prevent human rights abuses (accomplished).
- Fund the preparation of radio messages directed at women to ensure their understanding of and ability to participate in democratic processes throughout the country (Activities to begin in November, 1993).
- Produce for broadcast basic civics lessons on selected democracy themes using songs, sketches, and plays (LSGA and PIL signed. Activities projected to start in November, 1993).
- Provide start-up funding for activities to promote the development of democratic principles and institutions such as human rights groups, freely assembling political parties, and journalists and media participants who understand their responsibilities and opportunities in the new democratic environment in Niger (project under implementation).
- Fund the printing and dissemination of the Court of Appeals Decrees from 1983-1993, and the compendium of laws and regulations of the Ministry of Justice (Activities to start in December, 1993).
- Improve and facilitate the understanding of laws and regulations in rural areas in the "Village Law Project," particularly focusing on those legal issues affecting the day-to-day life of villagers.

Gender Considerations

USAID/Niger continued to place special emphasis on the role of women and to develop strategies to ensure that programs and project activities encourage and measure women's participation. Following the development of the *Women in Development Action Plan: 1992-1994*, reported upon in the 1992 API report, USAID/Niger began implementation activities to integrate the plan into the Mission's portfolio. In March 1993, a USAID Mission Order was issued that officially registers the commitment of USAID/Niger to ensure the integration of gender considerations in the design, implementation, and evaluation of all projects and programs. It ensures that "the full participation of women in, and the full contribution of women to, the development process is recognized, encouraged, and promoted." Factors that are integral to identifying areas where gender differences might have an impact on the success of development interventions, as the new "Gender and Development" (GAD) framework suggests, will be incorporated in all program and project design, monitoring, and evaluation activities.

The Mission Order formalized the role of the existing Gender Committee, with representatives from all technical divisions, the Program Office, and the Design and Evaluation Office (DEO). The Committee assists the WID (or Gender) Officer on technical issues as well as serving as a constituency that supports the Mission's efforts to enhance the roles of both men and women in development activities. Based on the guidance of the new GAD paradigm, USAID/Niger will emphasize sustainability and efficiency by putting resources in the hands of the men and women most likely to continue the development activity once USAID's participation is at an end.

The Committee successfully conducted its first annual portfolio review in May 1993 to evaluate progress on achieving objectives on a project-by-project basis. Committee members examined these objectives, which were established in 1992, to determine the progress made in individual activities. They recommended actions necessary to improve achievement of the objectives and assigned responsibility for follow-up to individual representatives and Mission staff, involving a broad array of Nigerien and expatriate personnel to better integrate these issues in the attitudes and awareness of all staff. USAID/Niger reinforced this process by engaging the GENESYS Project to provide technical assistance in the area of GAD training. In November 1993, GENESYS will conduct two workshops on "Gender Considerations in the Implementation of Development Projects". Eighty of this Mission's counterparts from the GON, PVOs, NGOs and other donors are to attend the workshops and will be oriented to utilization of a gender analysis tool in determining gender constraints to project implementation.

USAID/Niger has also implemented a number of other activities outlined in the Mission Order. A USAID/Niger WID officer attended a workshop on "Gender Dimensions of Program Effectiveness" held in the Gambia in April, where the quality and consistency of USAID/Niger's application of gender principles was widely recognized; the DEO has established a WID resource center for staff use; and the Mission has actively supported women's participation in a variety of democracy activities, including attendance by members of the Nigerien Women's Democratic Union and the Association of Nigerien Women at USAID/Niger-sponsored regional democracy workshops and partial funding to hold the first congress of the Nigerien Women's Democratic Union. The Association of Nigerien Women Jurists has been selected to manage a democracy activity focusing on empowering women through the media, which will fund the preparation of poster and radio messages directed at women throughout the country, as mentioned above.

Training and Education

In most of USAID/Niger's projects and programs, training and capacity building activities are integrated in order to build specific skills relative to the sector and the activity the project addresses. Yet, there is a need to invest in the longer-term training and higher education that creates cadres of men and women with technical expertise equivalent to those of the expatriates that often currently provide technical assistance. To create sustainable improvements in many sectors—business, environment, management, health—training and education are needed to form the foundation of developing a population that effectively manages its own resources, health, and economic growth activities.

The USAID-funded participant training program in Niger dates to the mid-1960s. A total of 2,365 Nigeriens have received training, of which 32 percent have been women, surpassing our target in this area and reflecting an increase of almost 16 percent over original targets. Recently, the program has focused on fewer disciplines linked more closely to sector areas in which USAID/Niger is involved.

Our second activity, the Human Resources Development Assistance project, works to identify and alleviate development constraints that are not addressed under sectoral project assistance. Under this project, USAID/Niger has upgraded Nigerien expertise in manpower planning and personnel management, provided training assistance to instructional staff in institutions of higher learning, provided training in management skills to private sector participants, and specifically targeted "areas of opportunity" including the development aspects of law, grant operations, economics of development, and privatization and decentralization. This program has trained 874 participants, of whom 31 percent have been women.

Finally, the Mission participates in the AFGRAD follow-on project, ATLAS, providing quality academic training for qualified African graduates for Ph.D., M.Sc. and B.Sc. degrees. Of the 32 ATLAS participants, 35 percent are women.

USAID/Niger's Strategic Indicators

The following pages describe in detail the progress that USAID/Niger is making through its activities and policy interventions to meet its strategic objectives. While several of our major projects are only now underway (ASDG II), contracts remain to be awarded (Disaster Preparedness and Mitigation) or Project Papers to be authorized (Agricultural Marketing and Export Promotion Project, AMEP), in all cases the Mission is working to establish the environment that will aid project implementors and the GON to undertake specific activities at the grass-roots level. Where baseline, quantitative data has not yet been developed for indicator tracking purposes, we have included narrative to describe the policy and strategic activities creating an environment conducive to upcoming project activity.

USAID/NIGER Program Logical Framework, Fiscal Years 1992-1994

MISSION PROGRAM GOAL	Country Trend Indicators
TO PROMOTE SUSTAINABLE MARKET-BASED ECONOMIC GROWTH WHILE EMPHASIZING LOCALLY MANAGED RESOURCES AND REDUCED POPULATION GROWTH	1. GDP growth and GDP growth per capita increase. 2. Formal and informal private sectors increase. 3. Population growth rate declines. 4. Child mortality (under age 5) declines. 5. Basic literacy and national levels of education increase.
Strategic Objective 1: To increase the quality, coverage, and use of family planning, maternal, and child health services.	Indicators: 1.A End use distribution of modern (male and female) contraceptives (couple-years protection) increases from 29,948 per year in 1990 to 153,173 per year by 1995. 1.B Percent of children vaccinated against measles at one year increases from 19% in 1990 to 35% by 1995.
Targets: 1.1 Develop and implement sustainable cost recovery and cost containment systems.	Indicators: 1.1.a Number of facilities with staff fully trained and equipped to implement standard treatment protocols, and pharmaceuticals in stock, increases from 0 in 1990 to 225 by 1995 (end-of-project [EOP]). 1.1.b Number of PHC (non-hospital, primary health care) facilities implementing cost recovery systems increases from 0 in 1990 to 110 by 1995 (EOP).
1.2 Increase in the percent allocation of health resources to basic health services.	1.2.a Percent of Ministry of Public Health (MOPH) pharmaceutical supplies distributed to non-hospitals increases from approximately 30% in 1991 to 50% by 1995. 1.2.b Progressive increase in annual number ('000s) of non-hospital consultations through 1995: curative, from 5,376 to 9,130; pre-natal, from 227 to 423, and; well-baby, from 373 to 688.
1.3 Extension and integration of priority family planning, maternal and child health programs in primary health care facilities and improvement of service delivery effectiveness.	1.3.a Number of PHC facilities providing a full range of maternal/child health (MCH) services, including family planning services, increases from 114 in 1989 to 380 by 1995. 1.3.b Number of PHC facilities providing vaccinations increases from 184 in 1990 to 362 by 1994.

336

Strategic Objective 2:	Indicators:[1]
To increase the opportunities for sustainable agricultural production and rural enterprises.	2.A Number of resource users adopting natural resource management (NRM) practices increases by 1995. 2.B Number of metric tons of agricultural products exported increases from the baseline year (the average of 1986-90) to 1995: onions, from 13,337 mt to 39,233 mt; cowpeas, from 5,703 mt to 41,440 mt; skins and hides, from 446 mt to 542 mt, and; livestock, from 17,197 mt to 20,903 mt.
Targets:	Indicators:
2.1 Increase individual and community control of natural resources.	2.1.a Number of managed hectares of agricultural land increased by 1995: overall, from 400,000 ha in 1989 to 567,000. 2.1.b Number of hectares of community-controlled woodland sites increased by 1995; overall, from 1,500 in 1986 to 113,250. 2.1.c Number of public wells attributed to individual or community management increases by 1995. 2.1.d Number of hectares of pasture under management by pastoral associations increases by 1995.
2.2 Increase participation in and output of private sector activities.	2.2.a Number of members/participants in financial services institutions increases from 2,551 in 1990 to 19,039 in 1995. 2.2.b Financial services increase by 1995: Total savings of members in savings programs, from 5,559,475 FCFA in 1992 to 68,520,000 FCFA in 1995; number of loans by cooperatives from 30 in 1990 to 90 in 1994; and total loans disbursed in the micro enterprise lending program from 69,586,000 FCFA in 1990 to 597,126,000 FCFA in 1995. 2.2.c Number of businesses created resulting from loans-made increases by 1995. 2.2.d Number of jobs created increases per year from 0 in 1990 to 11,500 in 1995. 2.2.e Increase in self-financing capability of group or institution by 1995: Cooperatives, average percent of coverage, from 0% in 1990 to 50% by 1994 (EOP); lending institution, percent of costs covered, from 30% in 1992 to 100% by 1995.

Cross-Cutting Target 1.4 and 2.3:[2]	Indicators:
To promote systems to forecast and respond to natural disasters.	1. Institutionalized, vertically integrated GON Early Warning System and assessment capability in place and functioning by EOP. 2. Response systems for addressing crises are in place and functioning by EOP.

[1] Some of the indicators for this Strategic Objective have not yet had baseline data studies conducted to provide the essential figures for tracking. In some cases, overall data is available, but is not gender-disaggregated. In this summary table, we have not included indicator elements for which no data yet exists; however, in the following pages the indicators are described in more detail, and plans to acquire and disaggregate the missing data are mentioned. A key factor is the lack of a technical team in place for the ASDG II program. One of their first tasks will be to conduct the baseline survey.

[2] This target is considered important for both strategic objectives as the overriding negative impact on development that is caused by famine, epidemic disease, flooding and other disasters sets back development and economic growth. The activities to be implemented will take into account both natural resources and family planning/health sectors.

337

STRATEGIC OBJECTIVE 1: INCREASE QUALITY, COVERAGE, AND USE OF FAMILY PLANNING (FP), MATERNAL AND CHILD HEALTH

This strategy, aimed at cutting population growth and child death rates, provides for project and non-project assistance to bring about more rational planning, management, and allocation of health sector resources, through enactment of required policy and administrative reform measures, coupled with direct assistance to the GON for the development and implementation of a national family planning, maternal and child health program.

Assistance is targeted to the most vulnerable groups, women and young children, and focuses on the most direct means of effecting fertility reduction: increasing the prevalence of contraception among married women of reproductive age. Given the strong correlation between reductions in infant and young child mortality and increased contraceptive use, the strategy targets both family planning and other child survival services. Institutional development and system improvements are needed for family planning and other health services. Integration of these priority interventions increases the efficiency and effectiveness of each program.

938

SO-1 INDICATOR	Baseline: 1990	1991 act.	1992 est.	1993 pl.	1994 pl.	1995 pl.
1.A End use distribution of modern contraceptives (expressed in Couple-Years Protection)						
TOTAL	29,948	36,660	47,851	117,568	122,568	153,173

Data Source: Yearly reports by the Directorate of Family Planning

Indicator and Data Explanation:

The use of "distribution" indicators instead of "contraceptive use" indicators is an internationally accepted protocol in the health/population sector as "use" is virtually impossible to measure with any rigor.

The figures above represent an increase over last year's API planned figures, due in part to the fact that the training has occurred more expeditiously than expected. 1992 was the first year that USAID/Niger has tracked the distribution of condoms; it is included here in preparation of the baseline that will reflect the social marketing activity planned for FY 94. In the case of the pill, the number of couples protected is calculated by dividing the total number of pills distributed in one year by 13, giving couple-year-protection (CYP). As more delivery sites have become available, distribution of contraceptives has increased, thus increasing the total CYP. The CYP is used as a close estimate of contraceptive prevalence and is the standard measure used internationally to measure current impact of service delivery.

The figures are based on a steady percentage of increase in population using modern methods of contraception from: 2.9% (act.) in 1992; 5% (act.)in 1993; 7% (pl.) in 1994; to 9% (pl.) in 1995. However, to go beyond the 1995 percentage will require extension of services outside of the health centers.

Activities and Improved Program Environment:

The National Population Policy was adopted by the GON in 1992. Completion of analyses and awareness-raising activities for key decision-makers on population and family planning (FP) and assistance in drafting the policy were provided by USAID. Standards for integrated Family Planning/Maternal-Child Health services were also developed in 1991 with USAID support. USAID provides support for technical assistance training and local costs associated with expansion of family planning services. Special attention will be focused on four Departments under ongoing PVO or AID contractor programs, managed by resident advisor staff. Training for more than 400 new service providers has been held along with workshops in the areas of client rights at health facilities, contraceptive techniques and safety, and family planning provider sensitivity. From these actions, a higher level of awareness of standards and the need for FP service delivery in facilities is developing. There is evidence (see above trends) that more promotion of FP and outreach activities is occurring.

In view of strengthening the management capabilities of the GON in the area of family planning, a functional decentralization system has been put in place in all departments for the following areas: planning and management of activities, financial management, training of health personnel in operations research, supervision and health education (IEC). A major mass media campaign is under way using the "soap opera" approach. Due to decentralization and to the enthusiasm of health personnel in being given the authority to locally manage activities, annual workplans have become a real tool. The contraceptive distribution system has shown no stock-outs since specific training has been given. More than 800 health personnel have been trained in various aspects of service delivery with special attention paid to quality of care.

In recognition of the commitment and high level of program activities carried-out jointly by the GON and USAID, the Population Action International (formerly the Population Crisis Committee) in its most recent evaluation cited Niger as one of the 13 countries worldwide to have made the most progress in their family planning program.

337

SO-1 INDICATOR	Baseline: 1990	1991 act.	1992 act.	1993 pl.	1994 pl.	1995 pl.
1.B Percent of children vaccinated against measles at one year.	19.0%*	23.7%	21.1%**	25%	30%	35%

Data Source: Ministry of Public Health (MOPH) Health Information System (SNIS), *UNICEF Vaccination Coverage Survey,
** Demographic and Health Survey (1992)

Indicator and Data Explanation:

This strategic objective indicator is considered representative of the overall level of quality and coverage of health services, as measles vaccination coverage is one of the last activities to be integrated into a health service delivery system, and in Niger is not given until the child's ninth month. When this service is available and being applied, it indicates that the range of normal services accompanying MCH is in fact being delivered.

Additionally, the government's National Health Plan (draft 8/93) sets full immunization coverage at 55% (12 - 23 month old target population) by the year 2000. This will be achieved through incremental increases in the next five years.

Actions/Activities and Improved Program Environment:

The national Expanded Program of Immunization (EPI) is in the process of expanding the number of fixed and outreach vaccination sites and of restructuring mobile teams. In support of these efforts, USAID assistance will continue to focus on training health personnel in the areas of planning, organization, and supervision of vaccination services, health education, and service provision.

USAID/Niger, through Médecin Sans Frontière long-term assistance to the national EPI program, supported the development of comprehensive training modules and national training of health workers in every department to provide immunization services in health facilities and improvement of the program's outreach work. Subsequently, USAID, through the Measles Initiative Project, is using quality assurance and operational research techniques to improve vaccination coverage in two Departments. Emphasis is placed on increasing coverage by decreasing drop-out rates, missed opportunities, and incorrectly administered vaccines. Though this program focuses on two of the seven Departments, the methodology and materials, and the number of central level EPI staff trained will be able to positively impact on the quality of services in other departments.

In 1992, the mobile strategy no longer received funding support by the donors; as a result, EPI is being forced to restructure mobile teams, which may result in decreased coverage during the transition period. The general lack of drugs and consequent drop in consultations also reduces opportunities for vaccinations in health facilities. However, USAID, through continued support to the National Health Information System, is improving the quality of disease reporting and use of data to monitor the development of major epidemics, such as measles, meningitis and cholera. For example, during the critical epidemic season, January - June 1993, 98% of the reports were received within two weeks at the central MOPH. This data is used by the Directorate of Epidemiologic Surveillance and Prevention (DSEP) to target high risk epidemic zones for early immunization outreach and provide more focused logistic support for EPI outreach activities.

340

TARGET 1-1: DEVELOP AND IMPLEMENT SUSTAINABLE COST RECOVERY AND COST CONTAINMENT SYSTEMS						
INDICATOR	Baseline: 1990	1991 act.	1992 act.	1993 act.	1994 pl.	1995 pl.
1.1.a Number of PHC facilities with staff fully trained and equipped to implement standard treatment protocols, and pharmaceuticals in stock	0	43	43	51	90	225

Data Source: Ministry of Public Health (MOPH) Health Information System (SNIS)

Indicator and Data Explanation:

Development of standard diagnostic and treatment protocols (SDTP) was a pre-requisite that USAID/Niger established before being willing to implement cost recovery initiatives. These protocols were developed under the RESSFOP project (Belgian assistance) beginning in 1986 in the Dosso Department, and adopted by the GON in 1991. In 1993, the USAID assisted cost recovery pilot project commenced, expanding the number of health centers involved in these activities.

Actions/Activities and Improved Program Environment:

The creation of the Directorate of Pharmacy and Laboratories (DPHL) in the MOPH supports the training of SDTP in all PHC facilities, to start in 1994. A comprehensive training plan is being developed in 1993. Moreover, USAID worked with MOPH to develop an essential drug list, also a prerequisite to the cost recovery initiative. As this list has been formally adopted by the MOPH, USAID has proceeded to train staff in standard treatment protocols at PHC facilities in the cost recovery pilot zones, with later expansion to other regions. Once all PHC facilities of a region have trained and equipped staff, the cost recovery program will be introduced to that region.

INDICATOR	Baseline: 1990	1991 act.	1992 act.	1993 act.	1994 pl.	1995 pl.
1.1.b Number of PHC (non-hospital) facilities implementing cost recovery systems.	0	0	0	18	51	110

Data Source: MOPH Health Information System (SNIS)

Indicator and Data Explanation:

Cost recovery pilot tests of two alternative cost recovery methods is well under way. Cost recovery activities began in May 1993 in two districts. The tests are scheduled to last one year, after which the MOPH will adopt and implement the chosen system. It is believed that at least half of the 400 PHCs will have begun cost recovery activities by 1996 (note that this does not mean facilities will have 100% cost recovery). The success of the UNICEF sponsored Bamako Initiative in the Maradi Department will also determine if Niger reaches the planned figures for 1995. However, the expansion of cost recovery to a national scale is initially very expensive due to start-up costs of drug procurement and distribution, and training of personnel.

Actions/Activities and Improved Program Environment:

341

USAID/Niger currently provides a long-term health economist/researcher to measure the outcome of the cost recovery pilot test, to make recommendations to the government on a national cost recovery program. In FY 94, USAID/Niger will provide a long-term advisor to oversee expanded cost recovery implementation, which includes training in pharmacy and drug stock management, financial and administrative systems (such as patient registration), and facility management. Concurrently, USAID/Niger is also supporting the development of an audit capability in the MOPH, with mechanisms included to present and resolve findings resulting from audits.

The USAID assisted cost recovery pilot test is part of the MOPH effort to adopt a national cost recovery system for non-hospital facilities. In early 1994, the government will expand this cost recovery system to reach three departments, and by 1995 the remaining four departments and the city of Niamey will be incrementally added.

342

TARGET 1-2: ALLOCATE INCREASED PERCENT OF HEALTH RESOURCES TO BASIC HEALTH SERVICES					
INDICATOR	Estimate: 1991	1992 est.	1993 pl.	1994 pl.	1995 pl.
1.2.a Percent of MOPH pharmaceutical supplies distributed to non-hospitals increases.	30%	30%	35%	45%	50%

Data Source: To be developed through project intervention in 1993-94

Indicator and Data Explanation:

This indicator is a proxy measurement of the importance that the government gives to preventive and ambulatory care (basic health services), as opposed to curative care. The presence of pharmaceuticals in a facility is considered to be a good indicator of resources allocated to that sector. Currently, no good data is available to indicate the percentage of resources (pharmaceuticals) going to curative facilities, but anecdotal data suggest that it may be as high as 70%. One of USAID/Niger's efforts during 1993-94 is to assist the government to implement a data tracking system that will provide this kind of information for planning and decision-making purposes.

Actions/Activities and Improved Program Environment:

In 1993, USAID assisted the Directorate of Administration and Finance (DAAF) in developing and managing a pharmaceutical procurement system for essential drugs to public health facilities. At the same time, USAID encouraged the government to create the National Pharmaceutical Office (DPHL) to provide technical oversight for the quality control of essential drug procurement. This system supports the EEC Budget Program to improve the availability of essential generic drugs to PHC facilities.

Actions taken to date to increase the percentage of pharmaceuticals found in preventative and ambulatory facilities include the adoption of the List of Essential Drugs, which laid out the authorized categories of drugs and minimum requirements for pharmaceuticals to be located at each facility level. Moreover, the implementation of a national cost recovery program will increase revenues in the non-hospitals for the procurement of essential drugs thereby increasing percentage of resources to primary health care. Further encouragement of the government to allocate increased resources to these facilities is in indicator 1.2.b.

This effort is also aided by the government's provision of autonomous public administration status (EPAS) to the three national hospitals. This status will result in the reallocation of financial resources to the non-hospital sector by giving the hospitals autonomy to reinvest fees collected for services and drugs back into the hospital's management.

INDICATOR	Baseline: 1990	1991 act.	1992 act.	1993 pl.	1994 pl.	1995 pl.
1.2.b Annual number of non-hospital consultations ('000s):						
Curative	5,376	7,987	7,772	8,539	8,830	9,130
Pre-natal	227	345	378	382	402	423
Well Baby	373	562	590 (pl).	622	654	688

Data Source: MOPH Health Information System (SNIS)

Indicator and Data Explanation:

1990 is considered the baseline year, as it is the first year the National Health Information System (SNIS) gathered data on a nationwide basis, with incomplete reporting of districts described below. The system is designed to collect data quarterly from 38 districts for a total of 152 district-quarters/year. Data missing for 1990:

- Curative: 16 district-quarters
- Pre-natal: 24 district-quarters
- Well Baby: 20 district-quarters.

However, for 1991 and all subsequent years, actual and projected figures are based on complete data from 152 district-quarters for curative, pre-natal and well baby consultations.

1991 showed a considerable increase in the number of non-hospital consultations reported in all categories, which is at least in part attributable to improved reporting. All 152 district-quarter reports were received, which explains the variation between the planned figures shown in last year's APIs, and the actual figures for 1991 appearing above. However, 1992 data shows less than expected increase due to wide spread drug shortages. Planned increases in future years are related to the population growth rate (3.3%) for curative consultations and to the crude birth rate (5.2%) for the pre-natal and well-baby consultations.

1992 actual figures are close to projections for preventive services. However, curative consultations have shown a decline compared to 1991 figures. Given the widespread lack of drugs in facilities and the low motivation of personnel due to nonpayment of salaries, the levels achieved are rather encouraging. All curative reports have been received, while 6 district-quarters are missing for preventive services.

Actions/Activities and Improved Program Environment:

USAID interventions take into consideration that the number of consultations are most influenced by drug availability, which is currently insufficient and likely to remain so until cost recovery is fully implemented. The experience to date with cost recovery pilot tests demonstrates that as drugs become available, the number of curative consultations increases and so does the opportunity of the health centers to provide more preventive services. However, the general economic condition of the country will also influence cost recovery initiatives and the amount of revenues generated for the procurement of drugs.

Additionally, USAID/Niger provides support to achieve this target by helping the MOPH improve the quality of its available planning information. With support in accounting and financial management, pharmaceutical and personnel tracking systems (training of personnel and installation of automated systems), and assuring availability and use of improved demographic and health information, the MOPH will be able to improve its planning and implementation of adopted strategies and health service delivery programs.

344

TARGET 1-3: EXTEND AND INTEGRATE PRIORITY FAMILY PLANNING, MATERNAL AND CHILD HEALTH PROGRAMS IN PRIMARY HEALTH CARE FACILITIES AND IMPROVE SERVICE DELIVERY EFFECTIVENESS							
INDICATOR	Baseline: 1989	1990 act.	1991 act.	1992 pl/act.	1993 act.	1994 pl.	1995 pl.
1.3.a Number of PHC facilities providing a full range of MCH services, including family planning services, increases.	114	125	144	160/201	281	331	380

Data Source: Quarterly reports by the Directorate of Family Planning, Logistics Management System

Indicator and Data Explanation:

The full range of MCH services includes pre-natal and family planning clinics, services for under age 5, clinics for malnourished children, and curative services for sick children.

The increase in 1992 from planned to actual figures is a result of an increase in the rate of staff training for PHC facility service providers in family planning, a result of improved planning and energetic work on the part of the Ministry and contractors. There are a total of approximately 400 fixed-site facilities other than hospitals in the Niger PHC system. Many of these only have one nurse and very limited equipment and medicine. To date, a total of 281 facilities have already been reached, however. To expand this number, the World Bank will provide funding to help an additional 50 facilities provide these services.

Actions/Activities and Improved Program Environment:

Instead of centralized training held only in Niamey, clinical training has now been decentralized, with USAID support, to each Department. Training programs can now be conducted simultaneously in several regions of the country. Future years planned figures have been increased accordingly. Training of staff, along with institution of outreach services to villages without fixed facilities, are being tested by PVOs with USAID support. At the end of each training session, the centers where the trainees are posted are added to the FP logistics system. The immediate result is that more fixed-site facilities have health staff trained in FP service provision, with an accompanying higher level of awareness of standards and the need for FP service delivery among staff. True people-level impact of the presence of FP-trained staff will be felt in the Strategic Objective Indicator 1.A: end use distribution of modern contraceptives, and of course, eventually, declining birth rates (measurable only in census years or through periodic sampling).

INDICATOR	Baseline: 1990	1991 act.	1992 act.	1993 act.	1994 pl.	1995 pl.
1.3.b Number of PHC facilities providing vaccination increases.	184	187	302	342	352	362

Data Source: MOPH Health Information System (SNIS)

Indicator and Data Explanation:

All PHC facilities should be providing immunization services by 1995. In 1992 the government was no longer able to continue routine vaccination outreach services through

their mobile medicine teams. However, the government has placed greater emphasis on the progressive opening of permanent vaccination sites through existing PHC facilities and using limited geographic outreach services through integrated PHC teams. This will result in achieving the planned increases in API indicator figures over the next two years.

The achievement of more permanent vaccination sites will be the result of revamped training content and community-level training, support and training of supervisors, and expansion measures under the national EPI that will increase the number of new centers with vaccination capability, new equipment, and vaccination management training. The resultant expanded availability and increased access to vaccination services will enable the MOPH to increase the percentage of children fully vaccinated against the six most common childhood diseases and reduce infant and young child mortality.

Actions/Activities and Improved Program Environment:

USAID/Niger supports the government in achieving provisions of vaccination services in all PHC facilities by assisting the national EPI program to procure medical equipment and supplies, train vaccination staff, procure vehicles and spare parts, improve vehicle repair capability, and improve timeliness and accuracy of EPI service statistics (SNIS).

The Mission is also providing more intensive support through the Measles Initiative Project, assisting the national EPI program to improve their services in the Departments of Tahoua and Maradi. These two Departments are among the most densely populated and were shown to have the lowest full immunization rates in Niger, 7% and 9% respectively.

346

STRATEGIC OBJECTIVE 2: INCREASE THE OPPORTUNITIES FOR SUSTAINABLE AGRICULTURAL PRODUCTION AND RURAL ENTERPRISES

In order to promote the overall program goal of sustainable economic growth, USAID/Niger's programs are designed to change the policy environment to set the stage for the men and women of Niger to take control over their own resources—both natural and financial. The Mission targets those sectors that produce income and a livelihood for the majority of Nigeriens, who live in rural areas. Increasing their ability to control their resources means first providing legal and regulatory authority for decentralized and village-level management, and then supporting specific activities that enable men and women to take advantage of these new opportunities, such as organizing for savings and credit purposes, managing woodlots, agricultural land, pasture, and waterpoints for sustainable market yields, and promoting the export of Nigerien products that incites increases in productivity at the base. The progress on the policy side in the last year has been excellent, and sub-activities that will carry the benefits of the improved policy environment to the people-level have begun to show their impact.

- The long-awaited Rural Code was finally passed in March 1993. This law outlines the general principals of how natural resources will be managed in Niger. It also lays out the broad guidelines for establishing land use and tenure rights, and sets up a mechanism for decentralized registration of land ownership through the creation of Land Tenure Commissions. It has been translated into two national languages and will be translated into an additional two in the near future.

- The Permanent Committee of the Rural Code (PCRC) has developed an implementation plan. Now that the Rural Code has been passed, it must be publicized throughout Niger, and the GON has created a special committee whose task is to promulgate the Rural Code. This committee held its first organizational meeting in August 1993. One problem the committee faces is the lack of adequate financing to carry out the massive public awareness campaign necessary to achieve its goal of informing the Nigerien people of their rights as set out in the Rural Code. The first part of this campaign is a series of regional seminars for government, non-government, and traditional leaders to attend.

- Now that the long-term ASDG II team is in place, work has accelerated on tasks that will lead to satisfaction of Conditions Precedent of Tranche IB. The GON has already formed a small working group to develop the terms of reference for studying the role of forestry agents. The terms of reference for a study on decentralization was done in 1992 and the first half of the study was conducted. Both of these are CPs under Tranche IB. The TA team has made the fulfillment of the remainder of the CPs one of their top priorities, and holds weekly meetings with their GON counterparts to track progress.

- The Gouré NRM Interventions grant to AFRICARE, just awarded at the time of the 1992 API report, will be able to provide quicker data on NRM technology adoption by farmers. The long-term advisors arrived in Niger in mid-March 1993, and to date have hired local extension agents, identified needs and problems in various villages in the zone, conducted Rapid Rural Assessments and trained extension agents in this methodology, and mobilized a 3-person team to gather information and set up a baseline data set for future monitoring and evaluation.

- The Niger Economic Policy Reform Program (NEPRP), designed to increase opportunities for sustainable agricultural production and rural enterprise, focuses on conditions leading to improved agricultural marketing and export. The GON is close to meeting the conditions for release of Tranche IV. Importantly, the Prime Minister just signed a decree against corruption and bribe-taking, and plans to publicize the law relevant to this action are underway.

- USAID/Niger's portfolio includes several projects committed to providing credit and financial services to men and women in towns and villages outside of Niamey. For the most part, these have shown exceptional success in contributing to the economic well-being of their participants, and to the economies of the regions in general. Over 836 billion CFAF was lent in the past year, leading to newly created businesses and jobs.

The new GON continues to advance the natural resources activities begun under the transition government. In particular, the Natural Resources Management Unit (Cellule GRN) has begun to coordinate NRM activities, particularly those financed by donors. In his inauguration speech in April 1993, the new President of Niger put special emphasis on his commitment to the management of natural resources, and the protection of the agricultural wealth of Niger.

SO-2 INDICATOR	Baseline 1993	—	1995 pl.					
2.A Number of resource users adopting NRM practices: Men Women	Baseline data will be established by ASDG II TA team and their contractors in late 1993/early 1994		Until baseline data is gathered, this projection cannot be made.					

Data source: Sampling of various projects

USAID awarded the long-term technical assistance contract for the ASDG II program in late January 1993. The 2-person team arrived in country in mid-March. In May, the GON counterpart agencies for ASDG II met with USAID and the TA team to establish priorities for the first workplan. One of the many tasks that the TA team will be responsible for is the setting up of baseline data for tracking progress on NRM. Baseline data studies are scheduled for late 1993/early 1994.

The government created a Natural Resources Management Unit (*Cellule de Gestion des Ressources Naturelles, C/GRN*), which is charged with the development of a national policy and coherent program strategies for the rational and sustainable use of natural resources. The strategies promoted by the C/GRN were developed in Niger's Rural Development Policy, (*Principes Directeur d'Une Politique de Développement Rural pour le Niger*), adopted by the GON in March 1992. The programs of the GON are designed to work closely with local-level initiatives related to natural resources management, particularly with local NGOs and PVOs. NGOs will benefit from a special fund set-aside under both ASDG I 6th Tranche and under ASDG II, to encourage NGO participation in NRM activities, five proposals from NGOs have already been received. In January 1993, the GON requested USAID's assistance to conduct a course for GON officials in Environmental Impact Assessment. In June 1993 the C/GRN assisted the GON's interministerial Sub-Committee for Rural Development to review and critique a new National Program for Natural Resource Management that was developed with the support of the World Bank, FAO, and other donors. This Program will probably emerge as the focal point for the next generation of NRM projects in Niger. The merging national NRM program has also established an Environmental Information System and a comprehensive Monitoring and Evaluation System for NRM activities. Data from these assessments will also be integrated into the nation-wide Geographic Information System (GIS), the *Système d'Alerte Précoce (SAP)*, FEWS, AGRHYMET, and the USAID-funded Disaster Preparedness and Mitigation Project. It will also feed into the Family Health and Demography activities supported by USAID and centered in the Ministry of Public Health. These are just a few of the indications of the GON's growing commitment to strengthen its capacity to address environmental problems.

Over the next year the ASDG II activities, along with other supporting PVO and NGO activities, will help the GON to track and analyze the data on NRM practicies which is now being compiled by a number of different projects operating in different areas of the country.

SO-2 INDICATOR	Baseline: Avg. of 1986-1990	1990 act.	1991 act.	1992 act.*	1993 pl.*	1994 pl.	1995 pl.
2.B Metric tons exported:							
Onions	13,337	32,857	26,797	18,701*	32,424	35,667	39,233
Cowpeas	5,703	32,062	34,093	34,121*	37,588	39,467	41,440
Skins/hides	1,629	924	446	220	492	516	542
Livestock	— (no data available)	32,782	17,197	18,278*	18,960	19,908	20,903

Data Source: Customs Bureau (*Direction Generale de Douanes*)
* Indicates missing data

Data Explanation:

There are no well established methods to measure impact of policy reform on specific activities because rarely is there a clear correlation between a given economic variable and a single policy intervention. This is particularly true in the case of NEPRP, where the exogenous factors of weather's effects on crop production and the exchange rate between the CFAF and the Naira may at any time supersede the gains made in the policy arena. One of the key issues with this indicator is the fact that the GON data collection and analysis methods remain extremely questionable, in spite of the systems and technologies that have been introduced. The same data provided by different ministries varies considerably.

A certain amount of time-series data is still needed since only three years of NEPRP data had been compiled at the time of the mid-term assessment. The assessment found that there was a general trend in improvements to the four indicators. The NEPRP program support activities have also included some data sampling on microeconomic levels, conducting annual surveys of farmers and businessmen/women in Tahoua, Maradi and Zinder, a transport survey on illicit enrichment, and an IFPRI rural household study from which certain baseline data can be extrapolated. Nevertheless, the quality of the above data is not high.

The data above reflects some of the problems of data collection in Niger. The onion export figures for 1992 appear terribly low because the most important exporting town, Galmi, has not yet reported its final two months of data. In the 1992 cowpeas and livestock data, six months of data from two Departments are missing. We have included only the actual figures here instead of attempting to project for 1992.

The 1993 figures are based on projections and not on data to date. The data as of this writing is not useful for purposes of describing movement in the market. For example, for 1993 onion exports, the data available to date comes only from Niamey (719 tons). For 1993 livestock exports, data has been reported from only three Departments for only three months (January-March), and for cowpeas, only Niamey and Zinder have reported data for the first three months of 1993.

The indicators above were investigated by the consultant hired to review and improve USAID/Niger's tracking system. He noted that the statistics coming from the Customs Bureau differ greatly from those of the Livestock Department and the *Direction des Etudes et Plannification*, Ministry of Agriculture. His attached report (Annex I) suggests some alternative methods for measuring the impact of NEPRP and its components, methods which the Mission is currently considering.

Actions/Activities and Improved Policy Environment:

The conditions precedent for the first three tranches that required the abolishment of the agro-pastoral export tax and simplification of export regulations were readily achieved by the GON. The fourth and fifth tranches are less easily implemented, and require coliaboration among several GON ministries. In mid-August, one of the most difficult remaining

conditions precedent for Tranche IV, the agreement to enforce and promulgated the law regulating extortion and illicit enrichment, was called to the attention of all Ministers in a strongly worked letter from the Prime Minister. He instructed all his ministers to remind their staffs of the content of these laws. In a follow-up letter, the PM requested ministers to report to the actions each had taken in response to his instructions. The Ministry of Justice has instructed all judges to apply the full extent of the law in cases of corruption brought to court. Not only does this publicly signal a firm commitment to actively reinforce the anti-corruption laws of Niger, the GON went even further. They propose to clearly target, in their publicity campaigns, not only the "bribe-takers" but the "bribe-givers": those men and women who are not only the victims of corruption, but are often complicit in its application, by offering bribes taxes or regulatory protocol. The GON will conduct an extensive publicity campaign to sensitize civil servants and the general public about these laws that specifically relate to the transport and customs sectors. As of late September, all substantive aspects of all the CPs for Tranche IV were met, and by late October 1993 all CPs were satisfied. Procedures are underway for the release of the tranche to the GON's designated bank (African Development Bank) to pay some of Niger's arrears.

TARGET 2-1: INCREASE INDIVIDUAL AND COMMUNITY CONTROL OF NATURAL RESOURCES

Activities undertaken to achieve this target aim to provide local populations with both the legal authority and the means with which to manage the natural resource base in a sustainable manner. The four impact indicators that have been selected relate to four key elements of the natural resource base: soil (agricultural land), woody vegetation (woodland/forests), water (wells), and herbaceous vegetation (pastures), and cover three general systems of production: agriculture, livestock, and forestry.

There are several observations to make specific to the API indicators on the NRM side. First, USAID/Niger's program in the NRM sector is built around the ASDG II program, for which the TA contract was finally awarded early this year to a contractor, International Resources Group, which arrived in Niger in March, 1993. ASDG II has a national policy reform focus, setting the environment for natural resources management impacts at the people-level. When local currency generated by future tranches is programmed for sub-projects, there will be specific activities on the ground dealing with NRM practices. In Niger's case, NRM interventions include such things as rock diguettes built to slow water flow and capture topsoil; half-moons designed to trap and hold water in a small area where crops or trees are planted; windbreaks; dune stabilization and gully controlling check dams. These are technologies that can be built and maintained by villagers and have proven to be successful in many areas of the Sahel, including Niger. The premise under ASDG II is that there are existing conditions (at many levels) that have slowed or prevented farmers from adopting these known technologies. ASDG II strives, to improve the most critical of these conditions through its policy reform conditionalities. Once conditions improve (i.e., increased security of land use rights, non-repressive forest agents, improved flow of knowledge among farmers, increased participation of communities and of NGOs in the development process), we would expect to see increased adoption rates of NRM technologies among farmers.

Although the Agriculture Sector Development Program I has technically ended (PACD March 1993), the last (sixth) tranche of almost $5 million was released and is now in the process of being jointly programmed by USAID and the Government of Niger (GON). Thirty percent of this tranche is reserved for project activities implemented by Non-Government Organizations (NGOs), and the remainder is for GON projects. To date, the joint committee has received requests for financing for Natural Resources Management (NRM) related activities from five NGOs, three of which are Nigerien. The GON has submitted five projects for financing, and two of these have been approved by the joint committee. One of these, jointly funded with the FAO, will map two arrondissements (including Gouré, where the USAID-funded AFRICARE project operates). This mapping will provide information on the areas that are most threatened by environmental degradation, and these areas can then be targeted for project interventions to mitigate the degradation.

The ASDG II technical assistance team has only recently begun its assignment. This team is responsible for developing the baseline indicator data for the following natural resource indicators. However, in the short time since the team commenced its operations, it has identified a number of activities where positive management efforts related to natural resources are occurring. Some of these are mentioned below for the natural resource management indicators under consideration.

351

INDICATOR	Baseline: 1989	—	1995 pl.					
2.1.a Number of hectares of managed agricultural land	400,000		567,000					
Managed by men								
Managed by women								

Data Source: Study and Planning Directorate (DEP) of the Ministry of Agriculture & Livestock, Project-level data

The Rural Code is a policy framework designed to promote a more participatory and decentralized approach to resource management. The implementation of the Rural Code will be managed by the Rural Code Secretariat, with assistance from the Land Tenure Center (through a cooperative agreement with USAID/Niger). The Rural Code seeks to institute land reform, assign property rights to individuals, and to resolve conflicts. Niger is the first country in Africa to implement such an effort. USAID/Niger also has paid for the translation of the Rural Code into the four most widely spoken languages, and it will be translated into an additional six languages using ASDG II budget support funds.

The dissemination and implementation of the Rural Code will substantially impact virtually every Nigerien citizen. It will, for the first time, clearly define owners' rights. With the clarification of tenure rights, the environment is established permitting and encouraging farmers to invest in improving and safeguarding their natural resource capital — land.

INDICATOR	Baseline 1986	1990 act.	1991 act.	1992 act.	1993 pl.	1994 pl.	1995 pl
2.1.b Number of hectares of community-controlled woodland sites							
Male participants Female participants	1,500	12,692	26,609	57,431	73,250	93,250	113,250

Data Source: Environment Directorate of the Ministry of Hydrology and the Environment (various projects)

The GON's Environment Directorate has substantial experience working with village-level resource users to ensure that sustainable woodlands systems are established and maintained. These efforts include village participation in conservation and land-reclamation efforts, in which both women and men participate, as well as controlled cutting of wood for commercial purposes. The Environment Directorate, which has changed its name from the Directorate of Water and Forest Resources to reflect its new orientation, is also involved in an internal campaign to change the attitudes and activities of its agents to be less paramilitary and more participatory. In July 1993, the Environment Directorate established a Standing Committee on Natural Forest Management in order to promote increased attention to sustainability, local participation, and other issues related to the management of the remaining natural woodlands of Niger. ASDG II's technical assistance team contribute to that effort.

352

INDICATOR	Baseline: 1993					
2.1.c Number of public wells attributed to individual or community management Male individ./group managed Female individ./group managed Mixed group managed	To be established					

Data Source: Rural Code Secretariat

The Rural Code sets out the broad outlines of tenure and resource user rights. But further complementary texts must be developed to detail specific regulations to detail the implementation of codes dealing with various natural resources. The complementary text on water use has already been issued, but codes governing the management of forests and pastoral activities, among others, have yet to be developed. The PCRC has established a priority listing of the most critical complementary texts and will receive assistance on some of these from ASDG II.

INDICATOR	Baseline: 1993					
2.1.d Number of hectares of pasture under management by pastoral associations Male associations Female associations Mixed associations	To be established					

Data Source: Rural Code Secretariat

The Rural Code, as well as establishing land tenure rights for farmers, attempts to define the rights of livestock corridors and resource access (e.g. water) for herders, a long-standing source of conflict in Niger. It is expected that the Rural Code Secretariat, with the assistance of the Land Tenure Center, will iteratively establish protocols for determining specific land usage in regions where these conflicts are the most compelling. Work on this aspect of land tenure and pastoralism has already begun with a series of studies undertaken by the LTC. In addition, the GON's Livestock Directorate has a rangeland monitoring unit and has promoted the organization of herder groups interested in improving rangeland management practices. In at least one instance, such a group has undertaken negotiations with local agriculturalists to define rights and land use agreements at the village level.

TARGET 2-2: INCREASE PARTICIPATION IN AND OUTPUT OF PRIVATE SECTOR ACTIVITIES

Indicator	Baseline: 1990	1991 act.	1992 act.	1993 est.	1994 pl.	1995 pl.
2.2.a Number of members/participants in financial services institutions increases.						
Male participants	1,151	4,552	10,839	15,539	19,251	11,110
Female participants	1,400	4,641	6,397	9,175	13,547	7,889
Corporate Entities	3	4	4	10	15	25

Data Source: CARE, WOCCU, CLUSA

Data Explanation: The number of cooperatives formed with the assistance of CLUSA is 79 to date. Since most women, even those belonging to cooperatives, play little management or decision-making role, the women have tended to form *groupements* that are somewhat associated with cooperatives, but are separately managed. To date, there are approximately 45 of these groups, with about 3,553 female participants. Some groups are in the process of trying to formalize their associations into cooperatives.

Actions/Activities:

With the establishment of the law permitting associations and nongovernmental organizations to operate, cooperative activity and formation is expected to pick up. CLUSA has added a number of newly formed cooperatives this year. To form, cooperatives no longer have to form themselves into savings associations *(groupements mutualiste)*. Smaller groups of people can form a cooperative. However, a mid-term evaluation this year showed that many members, even after several years of involvement, do not understand the reasons or benefits to be members of a cooperative. The more successful cooperatives are managed by local entrepreneurs, who use the cooperatives for their benefit. While the cooperatives also benefit, without this local businessman the cooperative's sustainability is unclear.

Phase 2 of WOCCU's credit union project began in September 1992, with the long-term technical assistance team arriving in Niger in early 1993. Activities in Zinder continue under the supervision of a Nigerien project manager, and an office headquarters established in Maradi. In August 1993, after less than one year of the project being initiated in Maradi Department, the first credit union was inaugurated. To date, 4 credit unions have been inaugurated in the Department, and several more are close to inauguration.

On the policy side, credit unions currently operate under temporary legislation that was enacted in response to ASDG I policy conditionality. The Central Bank of West African States (BCEAO) is now actively pursuing the development of a legal framework for credit unions in the entire West African Monetary Union. However, there are many elements of the BCEAO's proposed legislation that will jeopardize the ability of credit unions to operate as such. WOCCU is taking the lead in presenting arguments to the BCEAO in an effort to change the proposal so that it is responsive to the member-owned, member-operated systems that distinguish credit unions from banks. The BCEAO has taken into consideration many of WOCCU's points and has continued to revise the legislation. Representatives from WOCCU and 2 other rural credit projects as well as GON will participate in meetings with the BCEAO in Dakar in November 1993. However, if the BCEAO is not persuaded to reconsider the content of their proposed legislation, USAID and WOCCU will have to determine whether the Niger Credit Union project can continue to operate in Niger. There are also implications for the ASDG II, since its policy conditionalities encourage private sector development, including credit union establishment and growth.

Indicator	Baseline: 1990	1991 act.	1992 act.	1993 est.	1994 pl.	1995 pl.
2.2.b Financial services increase:						
Total savings of members in savings programs (FCFA)	1,569,300	2,941,345	8,874,969	16,245,000	36,600,000	68,520,000
Number of loans of lending programs per year						
- Number of loans by cooperatives	30	45	70	95	110	N/A
- Total loan disbursement under micro-enterprise lending project (FCFA)	69,586,000	385,278,000	573,460,000	836,880,000	1,000,000,000	1.2 billion

Data Source: CARE, WOCCU, CLUSA

Credit union loan activities have begun. This activity is important because it signals the significant increase in maturity of the credit union members and management, as WOCCU's strategy is to not allow use of savings funds for credit until certain financial control methods and decision-making processes have been put in place. The project trained more than fifty credit union leaders (both men and women) in literacy and bookkeeping, leading to the foundation of loan activities by nine credit unions.

As part of the financial impact study conducted by CARE each year for its micro-enterprise lending activity, one objective is to measure the financial impact of credit on the client's business and family. A second objective is to measure the credit's effect on stabilizing rural areas by decreasing the number of people leaving the region each year (particularly men) to look for employment in the non-agricultural season. The study showed that credit has had a positive impact in improving the economic status of its clients. The asset index indicates a positive difference of 13.45 percent between clients that received loans compared with individuals who did not. The study also revealed that credit has been effective in reducing the number of people leaving the village each year to look for seasonal employment. One potential problem facing this activity is the lack of national guidelines and a legal framework for a rural credit system. CARE will be attempting to address this issue during the next year.

Indicator	Baseline: 1990	1991 act.	1992 act.	1993 est.	1994 pl.	1995 pl.
2.2.c Number of businesses created as a result of receiving loan-funding:	—	2,217	9,700	10,000	11,000	12,000
At least 2 years old						
At least 4 years old						
Five years old or more						

Data Source: CARE

The data for CARE's job and business creation numbers are based on a ratio determined from an earlier impact study. However, CARE is making many repeat loans, so this ratio is probably too high. CARE says "while we may have created the original job, we are probably now supporting more and creating fewer as our ratio of repeat loans grows." The new impact study will update these ratios and provide harder data than is currently available. CARE also does not currently keep statistics on the "years in business," but will be asked to include these statistics in their next impact study.

355

Indicator	Baseline: 1990	1991 act.	1992 est.	1993 pl.	1994 pl.	1995 pl.
2.2.d Number of jobs created per year:	—	2,536	8,648	9,500	10,400	11,500
Farm, male						
Farm, female						
Non-Farm, male						
Non-farm, female						

Data Source: CARE

Many of the men and women receiving credit on-lend a portion of these funds to relatives or friends. Though not sanctioned, this activity is difficult to track and leads to less than rigorous statistical categorization. Another problem in tracking this indicator is that CARE reportedly does not differentiate in their sampling between businesses created and number of jobs created. While USAID/Niger is requesting them to include this breakout in their new impact study, this indicator may be dropped next year if there is no significant difference in breakout or if this data continues to be inaccessible.

Indicator	Baseline: 1990	1991 act.	1992 act.	1993 est.	1994 pl.	1995 pl.
2.2.e Increase in self-financing capability of group or institution:						
Cooperatives (percent of coverage)	0%	10%	25%	26%	50% (EOP)	
Lending institution (percent of costs covered)	—	—	80%	110%	120%	140%

Data Source: CLUSA, CARE

CLUSA is experiencing a weak reimbursement rate that averages 42.7 percent for the five Departments in which cooperatives are operating. In Tahoua, the reimbursement rate is as low as 7.4 percent, while in Zinder it has reached 66 percent. A problem facing cooperatives is the lack of liquidity in rural areas, limiting demand for cereals, as well as massive millet and maize imports from Nigeria at low prices by Nigerian traders looking for convertible CFA. In addition, cereals stocks exist in many places (though some regions are experiencing deficit supply).

CROSS-CUTTING TARGET 1-4 and 2-3: PROMOTE SYSTEMS TO FORECAST AND RESPOND TO NATURAL DISASTERS

356

The highly variable nature of Niger's climate and physical environment, and the vulnerability of its population to drought and disease, constitute major constraints for the development of the country. In order to mitigate the potential effects of crises, such as food shortages and disease outbreaks, on the ability of the population to advance their well-being, the Government of Niger must be capable of averting, mitigating, and responding to disasters. Currently, each crisis is followed by a period of struggle to regain the pre-crisis status quo. Energy and resources are spent on recovery and reconstruction, and not on new growth. With the issues of famine and disease tied so closely to the sectors being targeted by the Mission in its other programs, synergistic linkages can be made in reducing the vulnerability of the country to natural resource, agricultural, and health disasters. To this end, USAID/Niger is working with the GON to develop timely, effective policies and programs that avert or at least minimize the impact of such outbreaks. The Disaster Preparedness and Mitigation Program (DPM) will develop GON capacity to deal with disasters, and promote local-level capabilities to enhance the coping mechanisms employed by men and women to assure their own well-being. In a democratic environment, systems that depend on decentralization of information and access to resources, be they local or national, must be developed. Bolstering local coping mechanisms and the policies that allow them to function is also key to this activity. Initiatives promoting responsibility and coordination between local, regional, and national levels will be implemented, and will enable food security and health issues at the household level to be addressed.

To build the capability of the Government of Niger to prepare for and address crises, the DPM program is operating on two fronts. The first is assistance to the early warning capability, the collection and analysis of data that leads to determining whether or not a problem threshold is approaching. The second emphasis, the larger of the two, is on building the capability of the GON to prepare and conduct response activities for impending crises that have been identified, including mitigation activities that reduce the severity of impending emergencies. This part of the program will emphasize the use of data from the early warning system in a timely manner to address identified problems with plans that have been prepared and through channels that have been established in advance. Working with the GON to develop a more formalized and strategic approach to mitigating crises will, in the long run, result in fewer disasters that put a region's development back years at a time.

The following indicators should be recognized as draft, with revisions likely upon the arrival of the implementing contractor in early 1994. Since the lag time between program approval, contract award, and getting the team into the field has been large, some activities are being undertaken in the interim, especially in attempting to establish the environment that will allow the team to start quickly on their technical activities. Working with the GON to meet the *conditions precedent* has been and will continue to be the subject of most activity in 1993 and 1994. Upon arrival of the technical team in 1994, a detailed workplan and strategy will be developed, and appropriate indicators and benchmarks will be established.

357

INDICATOR	Baseline: 1992	1993 actual	1994 pl.
Institutionalized, vertically integrated GON Early Warning System (*Système d'Alerte Précoce, SAP*) and assessment capability in place and functioning.	- 8 Department Committees (includes Niamey) legally established - SAP structure in place and legally formalized -National Committee in place -Some SAP components (PSAC and 3 Sectoral Offices) not legally established -Weak assessment capability in early warning system	- All regional committees established - All 35 sub-regional committees formed; functioning to varying degrees - Some outstanding legal texts drafted; remainder to be drafted by November - Strategic planning process begun, including internal/external "stakeholder" analysis and strengths/weaknesses analysis; mission statement and strategic plan with assistance of a management consultant to occur in the workshop scheduled for the fall -Development of job descriptions and responsibilities at SAP scheduled for fall workshop -Management training of early warning system staff scheduled as part of fall workshop	-Contractor staff under the Disaster Preparedness and Mitigation Project (DPM) arrives -Identification/formalization of local-level vulnerability threshold levels -Implementation plan developed for effective EW structure -Training conducted for early warning committees and national staff in vulnerability assessment methodologies

Data Source: USAID/Niger

In order for the GON (and donors) to effectively mitigate and avert crises or respond to disasters, the GON with USAID/Niger's assistance is putting in place a system that collects data, interprets the data against established crisis indicators, and assesses assistance needs, all in a timely manner. Such a system must be integrated with the local level arrondissement and canton activities to provide input to upper-level decision-makers who have been trained to interpret the data and have developed plans and gathered resources to respond if necessary. In beginning to establish this kind of integrated system, several *conditions precedent* have been established by USAID/Niger that must be met by the GON. They include (among others): providing legal texts at the ministerial level to create three additional Sectoral Work Groups for early warning (Agricultural and Livestock Pest Monitoring, Crop Production Forecast and Stock Estimates, and Livestock Market); and establishing a plan for institutionalizing an integrated capability in warning and disaster response for food-related and other emergencies that describes the coordinating institution within the Prime Minister's Cabinet, and the role of GON entities at the national, departmental, and arrondissement levels.

Some of the legal texts required by the *conditions precedent* have been drafted. The current activities focus on creating a management structure and systems that are needed to develop the complex set of networks that this project envisions. Training and the strategic planning activities were led by the FEWS-supported technical advisor during 1993. A workshop is scheduled in the fall to build upon these activities and assist the SAP staff to finalize their own mission statement and begin planning activities for the next year. The arrival of the TA team in 1994 will mark the commencement of major field training and systems development activities.

INDICATOR	Baseline: 1992	1993 actual	1994 pl.
Response systems for addressing crises are in place and functioning.	-Ad hoc, nonformalized response mechanism in place	-A technical document establishing the legal basis for declaration of emergencies is in place based on clearly defined and measurable thresholds -A legal text in place designating GON Food Aid Coordinator and responsibilities -An office and individual authorized to represent the Grantee to manage the Emergency Fund designated. -Format for resource inventories has been developed -System to coordinate data collection and preliminary analysis (EW) with response (PSAC) structure is being developed -Definition of requirements for appropriate early warning structure (including local-level threshold indicators and national-level analysis framework) -2 mitigation activities in Tanout arrondissement implemented, including famine mitigation activity based on logistical support for food distribution, and seed distribution to vulnerable populations -Mitigation activities in six selected villages in Loga based on determination of vulnerability and motivation of population implemented village wells, off-season gardening, etc.	-*Bureau de Prevention, Secours et Attentuation des Catastrophes (PSAC)* established -Signed legal texts in place laying out authorities and procedures for disaster response -Emergency Fund established -Risk assessment process continues (ongoing) -Contingency plans drawn up for 9 arrondissements -Resource inventories for all arrondissements and departments completed -Communications network (hardware and channels) in place and functioning, based on resource inventory needs assessment -2 models for mitigation activities identified and evaluated for appropriateness in different situations -Development of an accountability system for tracking commodities and performance

Data Source: USAID/Niger

This set of benchmarks lays out the plan for developing the systems that the Government of Niger will need to identify crises and prepare and carry out plans to respond. Using the information from the early warning system institutionalization (described in the first indicator), the purpose of the DPM project is to build the management systems and technical skills, along with mitigation technologies and disaster relief resources, to alleviate the hardships resulting from drought, food shortages, epidemic diseases, and other crises. The response mechanisms must be able to operate on several levels. They will be integrated with the early warning data collection and analysis operation so that decision-makers receive warning of impending problems in a timely manner. The objective of these interactions is to catch potential problems and conduct mitigation activities to stop them before they become disasters. When disasters occur, however, PSAC must be prepared to respond to them as quickly and efficiently as possible, using the Emergency Fund and coalescing donor support through plans that lay out the actions to be pursued.

359

Since the 1992 API report, a conference was held in Maradi in late 1992/early 1993 to evaluate the 1992/93 agricultural campaign This was the first such national conference, and included representatives from the Regional and sub-regional early warning committees, donors, and SAP staff. The interdisciplinary group established degrees of vulnerability at the arrondissement level using a scoring system that includes socio-economic indicators as well as cereal production levels, and market prices. The questionnaire developed for this assessment is currently being revised to apply to the 1993/94 agricultural season, and another post-harvest evaluation will be conducted in Maradi using the new system.

Information from other data sources is also being integrated into the early warning system. The Ministry of Public Health Information System (SNIS) reports on nine diseases, including meningitis. There has been considerable improvement in transmission of these data in the critical epidemic season, January through June. This year, 98 percent of all reports were received at the MOPH within two weeks. These data are integrated into the SAP bulletin and data collection system.

Other achievements include improved communications systems and technologies between subregions and the SAP. Based on the facsimile system, the establishment of these linkages avoids the untimeliness of the mail system, and the uncertainty of reports carried by travellers. This network is a major accomplishment that will significantly improve the timeliness of data sharing and analysis, leading to early identification of potential problem areas.

The above indicators are clearly process indicators. People-level impact for this target will be difficult and artificial to measure in any other way. In the absence of knowledge of future crises or disasters that may occur, it is not possible to say that "famines will be averted in 5 locales in 1994" or "disease outbreaks in 2 regions will be contained to those regions." Any information about such incidents will be after-the-fact and negative; that is, "the coordination of donor relief efforts did not occur because..." Such measurements of impact are best left to mid-term and final evaluations of the program/project (DPM/FEWS), with on-going monitoring to identify and document problems as they occur, and make program adjustments accordingly. When the DPM team arrives in 1994, they and the USAID staff will develop more precise indicators.

360

ASSESSMENT OF PROGRAM IMPACT

FY 1993

SENEGAL

361

SENEGAL FY 1993 ASSESSMENT OF PROGRAM IMPACT

November 1993
Final version

TABLE OF CONTENTS

		Page
SECTION I:	Special Factors Affecting the USAID/Senegal Program	1
SECTION II:	Progress Toward Overall Development Goals	2
SECTION III:	Progress Toward Strategic Objectives	5
	Strategic Objective 1	5
	Strategic Objective 2	11
	Strategic Objective 3	15
	Strategic Objective 4	20
	Targets of Opportunity	22
SECTION IV:	Other Progress in Priority Areas	24
SECTION V:	Lessons Learned	25
ANNEX A:	Baseline/Data Adjustments	26

FY 1993 ASSESSMENT OF PROGRAM IMPACT

SECTION I: SPECIAL FACTORS AFFECTING THE USAID/SENEGAL PROGRAM

Political Factors:

- the 1992-93 election year consumed resources and energies, postponing serious attention by the GOS to ongoing macroeconomic and development issues until after the elections.

- the formation of a new government in late May 1993 caused major changes in several key Ministries involved in USAID program implementation, notably the Ministries of Agriculture and Finance. A new Ministry of the Environment and Protection of Nature was created.

Insurgency:

- linked to the election, civil unrest in Casamance accelerated, requiring relocation of the contractor team for one of USAID's most important projects and consequent delays in project activities. A cease-fire agreement was not reached until mid-July. Some areas in the extreme south-west are still not safe.

Poor Crop Results:

- extremely dry weather resulted in a very poor 1992-93 harvest, despite early indications of an increase in area planted, with consequent negative impact on 1993 GDP. Data on yields, however, show improvements for most crops over 1992.

Late-year Positive Developments:

- forward movement on Natural Resource Policy, with the decree creating the Senior Council for Natural Resources Management (CONSERE) signed by President Diouf in early August.

- GOS announcement of an austerity program to restore public finance equilibrium. A new, sober approach seems evident. A key aspect of this new approach is recognition by the authorities that Senegal must find its own solutions to its economic problems. The GOS has also begun a more serious dialogue with unions and the private sector on economic issues, and is actively negotiating with the IMF for renewed financing.

- The GOS has re-started discussions with USAID on policy reform in the rice subsector and approved the second phase of the privatization study for the oil mill, SONACOS.

- The GOS accepted to move forward with a test of private marketing of PL-480 Title III commodities, after substantial delays and the selection of a Senegalese contractor.

- Reinforcing USAID's position on market liberalization, the retailers' union (UNACOIS) is putting pressure on the government to put an end to import restrictions on a number of agricultural commodities, notably sugar and rice.

- Last but certainly not least in the better news department, the 1993 rainy season is now on record as one of the most abundant in recent years. This is a sign of hope for the 1993-94 crop year.

SECTION II: PROGRESS TOWARD OVERALL DEVELOPMENT GOALS

USAID/Senegal's major achievement in terms of overall development goals is the evidence, which still needs to be confirmed, that the fertility rate has declined from 6.6 to 6.0 percent. This is an indication of a movement toward slower population growth, and an encouraging sign that the program is on the right track for the long run -- even though the rate of population increase itself will not reflect this movement for some time to come.

In the short run, the program is aimed at strengthening the general policy environment for natural resource use and management and putting in place activities to contain the degradation of natural resources. Failing to address this issue would jeopardize the Government of Senegal's efforts to re-start economic growth.

With respect to specific indicators, definitive data for 1992 show that results were better at the macroeconomic level, but worse at the sector level than USAID had expected (and reported) last year. GDP increased by 2.9 percent, or just a bit faster than the 2.7 percent population growth rate. The value of natural resources increased by 2.5 percent, compared to the estimated 1.9 percent. We have adjusted Table 1 accordingly. Per capita income from natural resources in the USAID zone of intervention, which had been estimated to increase by almost 20 percent based on early information on area planted (see more detailed discussion in S.O. 2), decreased instead by 5.9 percent. USAID continues to work at understanding better the government's methods for compiling national accounts and sector data, in order to be able to explain some of the apparent discrepancies between these series. Among other factors, it is clear that insurgency in the Casamance disrupted the production cycle -- affecting about 30 percent of cereal production and 20 percent of groundnut production in the USAID zone of reliable rainfall. The value of marketed production

nationwide decreased to CFAF 67 billion, compared to an estimated CFAF 82 billion; similarly, the value of home consumption decreased to CFAF 86.5 billion compared to an estimated CFAF 104 billion.

The year 1993 was not a good one in terms of growth in Senegal. Preliminary national accounts statistics indicate a decrease of 0.3 percent in the real growth rate, which would translate into a decrease of 3.0 percent on a per capita basis. This reflects the lagged impact of the extremely unfavorable weather during the 1992-93 growing season, the third in a series of years of decreasing rainfall, when returns to crop agriculture were particularly hard hit. As an example, oil groundnut yields fell to 780 kg./ha., an 18 percent drop from the baseline average of 959 kg./ha. This is reflected in the deterioration in the manufacturing sector which has continued in 1993, compounding the impact of the absence of appropriate policies. According to national accounts data, the offset provided by modest (though lower than 1992) growth in livestock and forest products, however, helps to limit the estimated nationwide decline in value of natural resource products -- this time due in part to losses from destruction due to torrential rains in mid-summer -- to -6.1 percent.

In the zone of reliable rainfall, preliminary information seems to indicate that per capita income from natural resources may experience a decline of less than one percent. We do not have an explanation for this improvement over 1992, in the face of the national accounts information. Rainfall conditions have certainly been a great deal more favorable during the 1993-94 growing season, although some areas suffered from unusually heavy rain. However another danger looms this year in the form of potential damage to crops from crickets and locusts.

The estimates for 1993 value of marketed production and home production are higher, and, at CFAF 72.4 billion and CFAF 110.2 billion respectively, inch their way back toward the baseline data.

TABLE 1

USAID/SENEGAL PROGRAM GOALS

	Baseline	ACTUAL			PLANNED		
		FY 91	FY 92	FY 93*	FY 93	FY 95	FY 97
GOAL: INCREASE PRIVATE INCOMES FROM NATURAL RESOURCES (percent)	(1986-89						
Indicator:							
1. GDP Growth Per Year	2.6	1.0	2.9	-0.3	3.2	3.2	3.2
2. Natural Resources Annual Growth (excluding Fishing & Mining)	3.3	-3.5	2.5	-6.1	3.6	3.6	3.6
SUB-GOAL 1: INCREASE NATURAL RESOURCES INCOME PER CAPITA (percent)	(1986-89						
Indicator:							
1. GDP Growth Rate Exceeds Population Growth Rate (percent)	-0.1	-6.2	0.2	-3.0	0.5	0.5	0.5
2. Per Capita Income from Natural Resources in Zones of Reliable Rainfall (percent)	-0.6	-12.2	-5.9	-0.7	1.8	1.8	1.8
SUB-GOAL 2: INCREASE VALUE OF MARKETED OUTPUT (CFAF Billion)	(1989-91						
Indicator:							
Value of Marketed Production	80.3	77.7	67.0	72.4	85.3	88.6	91.9
SUB-GOAL 3: INCREASE VALUE OF HOME CONSUMPTION (CFAF Billion)	(1989-91						
Indicator:							
Value of Home Consumption	113.5	113.7	86.5	110.2	108.0	112.0	116.3

* indicates estimates

Sources: GOS data, Mission data

Notes:

1. The 1992 figures have been revised on the basis of actual results. See text.
2. This report assumes that the proportion of cereal grain production actually marketed is between three and five percent.
3. The value of marketed production and home consumption could be expanded by about 20 percent to include the value of fruits and vegetables and livestock.

SECTION III: PROGRESS TOWARD STRATEGIC OBJECTIVES

While factors beyond the control of the USAID program result in discouraging news for the goal level this year, we are able to point with pride at achievements at the strategic objective level, particularly in family planning and reforestation/tree management. We have also completed a solid baseline for our crop productivity objective and have been able to re-start the key agriculture sector policy dialogue with the GOS.

TABLE 2

STRATEGIC OBJECTIVE NO. 1

		ACTUAL			PLANNED		
	Baseline	FY 91	FY 92	FY 93	FY 93	FY 95	FY 97
STRATEGIC OBJECTIVE 1: DECREASE FAMILY SIZE	(1986)						
Indicator National Total Fertility Rate	6.6			6.0	6.3	6.2	6.0
TARGET 1.1: Increase Use of Modern Contraceptives	(1986)						
Indicator: Urban Contraceptive Prevalence (Modern Methods)	6.7	10.4		11.9	12.4	15.4	18.0
TARGET 1.2: Increase Knowledge of Modern Contraceptive Methods in Rural Areas							
Indicator: 1. Women's Knowledge of Modern Contraceptive Methods (percent) [1]	(1986)						
a. One Method:	58.1	75		62	82	86	90
b. Three Methods:	23.4			34	49.6	55	60
2. Men's Knowledge of Modern Contraceptive Methods (percent) [2]	(1992/93						
a. One Method:	68			68	-	75	90
b. Three Methods:	43			43	-	51	60

Sources: DHS, KAP, National Census

[1] indicates married women of reproductive age 15-49

[2] indicates men age 20 and over

Strategic Objective 1: Decrease Family Size

Major Achievements:

- Demographic and Health Survey results (preliminary) indicate a fertility rate reduced from 6.6 to 6.0.
- Implementation of USAID's new generation of projects is underway.
- The RAPID III model has been presented to the Council of Ministers and the President.

Thanks to the Demographic and Health Survey (DHS) results, USAID has been able to complete the baseline information for Table 2, at least tentatively, pending confirmation of the data. We are encouraged by the progress in the spread of family planning awareness and practice, and report on it at some length. A condition of continued progress is availability of services, which depends substantially on continued improvements in the efficiency of the public health system and particularly on the decentralization of primary health care planning and management.

The preliminary results of the 1992-93 DHS indicate that the total fertility rate has dropped by over "half a child" in only 6-7 years. This drop mirrors the tremendous success of the Kenya family planning program, where the fertility rate dropped by one within a decade.

In its original plans, based on past trends, USAID had estimated that a fertility rate of 6.0 could be achieved by 1997. Though the 1993 figure must be verified before modifying the target, it appears that the rate of decrease in fertility has accelerated, and that it may be possible to lower our target fertility rate to the 5.6-5.8 range. The new target will be finalized and presented in next year's API.

The steady decrease in the fertility rate is not surprising as the DHS showed that Senegalese women are marrying later and later, and thus delaying the first birth. For example, the percentage of unmarried women among women of 15-19 years increased from 57 in 1986 to 68 in 1992-1993. Among the cohort of women 20-24 years old, the percentage of unmarried has doubled.

The contraceptive prevalence rate, the second determinant of fertility, <u>for urban areas nationwide</u> is also progressing well. The observed rate of 11.9 percent falls within the acceptable range of our target of 12.4 percent, and permits us to verify that an

increase in use of contraceptives of one percent per year is in fact occurring.

The change in Dakar (not shown in the table) is even more encouraging. From a 10.4 percent rate in 1990 (1990 Knowledge, Attitudes, Practices --KAP-- survey) to 13.8 percent (1993 preliminary DHS), this indicator has increased almost two percent per year on average. Since Dakar has the most highly educated population, we expect to see this region ahead of the others. However, to achieve USAID's objective of 18 percent prevalence in urban areas in 1997, efforts to expand services must continue. An average rate of increase in services of 1.5 percent per year is essential. USAID's new Senegal Child Survival/Family Planning project has been designed to do exactly that.

It is extremely important to compare these urban figures to the national and rural prevalence rates. The contraceptive prevalence rate (modern methods) for the country as a whole is 4.8 percent; in the rural areas the rate is only 1.4 percent, or eight and half times lower than the urban rate. Though an urban/rural difference is to be expected, the difference in Senegal is much larger than that experienced in many other countries. This situation may be explained in part by the difference in knowledge of contraceptive methods: among rural women, 62 percent have knowledge of one modern method and only 34 percent have knowledge of three modern methods. This compares to USAID's targets of 82 and 49.6 percent respectively, and to the 1991 one-method estimate of 75 percent.

Information, Education and Communication (IEC) activities are key to rapid dissemination of knowledge. These activities must be carefully targeted, however, to promote behavior change in specific audiences. IEC activities in Senegal have slowed during the last eighteen months, especially in the smaller rural areas, while materials and dissemination strategies are reevaluated to this end.

In addition, previous studies have shown that the joint availability of family planning and maternal and child health services is an important determinant of contraceptive use and impact on health utilization. Many of the constraints on the use of family planning services are equally relevant to the utilization of the health services -- transport costs, difficulty of access, and quality of services. Thus, through USAID's project, the National Family Planning Program has been evaluating specific IEC materials to ascertain their applicability for continued use, and pre-testing them prior to development of an overall IEC strategy. Ongoing activities have been maintained but no new outreach has been initiated. However we feel that, with the strong base already developed, we can maintain the existing targets for now and expect that the program will regain momentum over the next three years. Moreover, we will examine the relationship between service availability and contraceptive use.

TABLE 3

Knowledge of Contraceptive Methods (percent)

		WOMEN	MEN
Knowledge of 1 modern method:	urban	88	84
	rural	62	68
	total	70	74
Knowledge of 3 modern methods:	urban	74	69
	rural	34	43
	total	47	53

Source: DHS 1993

The difference in knowledge of contraceptive methods between urban and rural populations is significant, as demonstrated in Table 3 above. In addition, the difference between knowledge and practice is immense. Though the urban population is more knowledgeable of contraceptive practices, the urban rate of contraceptive prevalence, as noted above, is only 11.9 percent.

Other interesting preliminary results from the DHS show that 25 percent of urban and 17 percent of rural women desire no more children and 38 percent of urban and 40 percent of rural women wish to space the next birth. It appears that the fertility preferences are virtually the same in urban and rural areas; this is not the case for the prevalence (modern methods) rate, where the 11.9 percent rate for urban areas contrasts with a rate of 1.4 percent in rural areas.

USAID will confirm these results and investigate further this difference. If it appears that there are stronger constraints to contraceptive use in rural areas, the IEC program will adjust its messages to reduce this resistance. If, however, the main impediment is lack of services, USAID will work with the GOS and other donors to devote more resources to service delivery to rural areas than currently anticipated.

Rates of knowledge among men are also shown above. As anticipated, these are lower than women's rates in urban areas. It is surprising, however, to find that rural men appear more knowledgeable of contraceptive methods than rural women. Though men's level of education is much higher than that of women, the IEC outreach in the past has been targetted at women. The documented results may suggest that the IEC methods used (e.g. radio, printed materials) have been better received by men, with their higher

education levels, and that the face-to-face, interpersonal methods used to reach women have not been as effective. We must look at this data more closely in order to modify IEC outreach to develop specific gender-related messages and delivery modes.

On the basis of these preliminary DHS results for men's knowledge of modern contraceptive methods, the baseline and impact targets for this indicator have been completed on a tentative basis. A confirmation of these data must await the finalization of the DHS. USAID is confident, as with the women's IEC targets, that the program is on track and that, given successful implementation of the Senegal National Family Planning Program and USAID project support, these targets can be achieved.

PROGRESS ON DECENTRALIZATION:

While it does not appear as an explicit target, decentralization of health services, which incorporate family planning, is extremely important to the impact of USAID's activities in the family planning area. Under the Rural Health Delivery Services/Child Survival (RH/CS) project, USAID sponsored decentralized maternal and child health care (including family planning services) in the three targetted regions of Kaolack, Fatick and Louga. All of the 16 health districts in these regions are now responsible for their own planning process by setting their objectives and prioritizing their activities. Thus the central level of the Health Ministry is only playing the role of providing technical support during training sessions, supervising activities and defining guidelines and policies for each Child Survival component.

Among the main factors contributing to the efficiency of Family Planning and Health Strategy implementation are: manpower training and reorientation; the allocation of specific responsibilities to staff at regional and district levels; the increased use of appropriate technologies; the support of the GOS and NGOs for Public Health Management training and improved administrative systems; the integration of USAID Projects into the existing Ministry of Public Health and Social Action (MPHSA) structure; and including primary health care and community participation as part of the projects' various activities.

The results obtained so far are encouraging. Yet further improvement will demand continued efforts in staff management of limited resources and improved quality of specific services.

The relationship between population growth and economic growth as major determinants of health will also have to be further emphasized and promoted by the Government of Senegal, in addition to addressing morbidity and mortality, the main features of the Senegal Health Plan.

The principal shortcoming of the Senegalese health system is still the unsatisfactory level of efficiency at the periphery. In addition to strengthening district level health functions and continuing to improve supervision, ways must be found to reduce the cost of drugs, medical supplies, and transport to outlying villages. A more difficult problem is related to the "medical culture" of health providers in Senegal. This is reflected in (1) negative attitudes towards family planning on the part of some health officials and workers; (2) poor understanding of quality of service, resulting in a lack of appropriate counseling; and finally (3) a clinic-based, curative approach to medical care with insufficient attention to commuhity outreach via paramedical and extension agents focusing on preventive care.

TABLE 4

STRATEGIC OBJECTIVE NO. 2

		ACTUAL			PLANNED		
	Baseline	FY 91	FY 92	FY 93*	FY 93	FY 95	FY 97
STRATEGIC OBJECTIVE 2: INCREASE CROP PRODUCTIVITY IN ZONES OF RELIABLE RAINFALL	(1989-91						
Indicator: Adjusted kg/ha for:							
-Millet	786	731	741	787	820	850	880
-Sorghum	850	800	948	788	880	910	940
-Rice	1,254	1,078	1,176	1,368	1,380	1,440	1,505
-Groundnuts (for oil)	959	852	780	910	1,055	1,100	1,150
-Groundnuts (edible)	1,006	866	870	1,011	1,105	1,155	1,205
-Maize	1,202	1,144	1,093	1,135	1,115	1,154	1,195
TARGET 2.1: Increase Soil Productivity (no indicator)							
TARGET 2.2: Increase Use of Adapted Technologies							
Indicator: Percent of Compounds Using Adapted Technologies.							
	(1988)						
-Windbreaks	2-3		4.5		5	7	8
-Live Fence	0-3		2.7		1	3	5
-Field Trees	20-25		2.4		25	30	30
-Fallow Land	1		15.3		-	-	5
-Manure	20		51.7		20	20	20
-Crop Rotation	2		42.6		-	-	-
	(1992)						
-Fertilizer	25.1		25.1				
-Water Management	6.8		6.8				
-Improved Seed	14.0		14.0				
-Erosion Control	13.5		13.5				

* indicates estimates

Sources: Annual Farm Survey and Ministry of Agriculture Crop Production Estimates; 1992 KAP Survey

Strategic Objective 2: Increased Crop Productivity in Zones of Reliable Rainfall

Major Achievements:

- Knowledge, Attitudes, Practices (KAP) survey of technologies yields encouraging results.
- Participatory research grant program initiated.
- Rice land reclaimed/protected under SZWM project increased one and a half times over the previous year from 750 to 1880 hectares.

As noted in Section II, the 1992-93 crop year was extremely disappointing due to lack of rainfall. Nevertheless, the USAID program has moved ahead vigorously with the implementation of the Natural Resources-Based Agricultural Research (NRBAR) and Kaolack Agricultural Enterprise Development (KAED) projects, and completed the design of the Community-Based Natural Resources Management (CBNRM) project. Thus, along with the Southern Zone Water Management (SZWM) project, the basic project interventions through which USAID will be addressing this objective during the remaining four years of our current strategy are firmly in place. Furthermore, the results of the Knowledge, Attitudes, Practices (KAP) survey of rural populations has enabled us to complete the baseline for the use of adapted technologies (target 2.2). Several anomalies between the 1988 baseline and 1992 performance are discussed below. The research grant program under the NRBAR project is underway and will help refine USAID's approach to promoting widespread technology adoption.

With this information base, and as we move into a more dynamic implementation phase, USAID will be able to track the impact of the program more accurately. The time it has taken to reach this stage, however, reveals the difficulty of establishing a sound and cost-effective monitoring system at the program level. With few exceptions, we rely on the monitoring/evaluation components of existing projects to provide program level data.

The area planted to major crops in 1992-93 was 2,180 hectares -- in line with the three-year average of 2,170. Within the USAID "zone of reliable rainfall", area planted was about 1,880, or 30 percent above the average of 1,440 hectares for this zone, with most of the increase occurring in Kolda, Ziguinchor, and Tambacounda regions. So at the start of the season, in May-June 1992, it appeared as though harvest results might show modest gains. By the time of FY

92 API preparation however, the repercussions of the lack of rain were fairly obvious, although only estimated data were available at the time.

The final data compiled by the Ministry of Agriculture reveal the excessive optimism of even those estimates. Yields per hectare for all crops except sorghum, which is cultivated on only a small percentage of cropped land, were below the baseline three-year average. Oil groundnuts were particularly hard hit, with an average yield of only 780 kg./ha., due to unfavorable rain conditions in much of the Groundnut Basin. Millet yields were also adversely affected by these conditions in the Kaolack and Fatick regions. The goal indicators in Table 4 show corrected FY 92 data: almost invariably, the results are worse than the original estimates reported last year.

The 1993 preliminary GOS estimates, based again on area planted and estimated production, indicate yields closely approximating the baseline, except for rice (higher) and sorghum (lower). Rice yields, if validated, would closely approximate our planned figure for FY 1993 of 1,380 kg./ha. Groundnuts (both oil and edible nuts) would lag our target by about 10 percent.

By contrast with this generally static short term situation, the results of the KAP survey enable us to show some encouraging trends for adoption of natural resource management technologies. Compared to the 1988 baseline data, the KAP reveals surprises in four of the 10 technologies surveyed. Manuring, fallow, and crop rotation practices seem to be far more widespread than the earlier information indicated: over 50 percent of compounds use manure, more than double the earlier figure; 15 percent use fallow, compared with only 1 percent earlier; and over 40 percent use crop rotation, compared with 2 percent earlier. The negative surprise is in the use of field trees: the 1992 KAP finds only 2.4 percent of compounds using this technology, compared with an estimate from 1988 of 20-25 percent. Finally, among the previously surveyed technologies, windbreak use has approximately doubled, although it remains modest. The reason for the discrepancies noted above may be largely related to the difference in coverage between the 1988 and 1992 surveys. We will need to look into these differences and make a decision for the FY 1994 API on revising the 1988 baseline.

Fertilizer, which was not covered by the 1988 KAP, is used by 25 percent of compounds. Over the next few years, this figure is likely to decrease, since farmers may well experience a decline in purchasing power as a short term result of the restructuring which must take place in the agriculture sector, as explained in USAID's 1991 Agriculture Sector Analysis.

The remaining three technologies are currently practised at levels that will require adjusting our previously defined outyear targets, which were based on the conjecture of a very low level of use for

all three. Water management is practised by almost 7 percent of compounds, and improved seed and erosion control by 14 and 13.5 percent of compounds respectively.

Water management technologies are addressed by USAID in the context of the Southern Zone Water Management (SZWM) project. In spite of the relocation of the SZWM team from Ziguinchor to Kolda due to civil unrest in the Ziguinchor region, project activities were carried out satisfactorily. The project adopted a new approach to technology diffusion: instead of multiplying the number of demonstration plots, the project decided to focus on farmers who already have access to inputs and are willing to apply the improved technology package. One group of farmers organized itself into a GIE -- an economic enterprise -- in order to be able to qualify for bank credit to purchase inputs. As a result of this new approach, the project has seen a one-and-a- half-fold increase in hectares protected and or reclaimed, over the 1992 season. Rice yields in the project area increased by 6 percent in 1992, and are expected to increase by a further 4.5 percent in 1993.

The next KAP survey will be conducted in the post-harvest period of October-November 1994. Its results will therefore not be available until the FY 1995 API. This survey will focus on the use of technologies and on farmers' perceptions of the impact of these technologies on production.

TABLE 5

STRATEGIC OBJECTIVE NO. 3

		ACTUAL			PLANNED		
	Baseline	FY 91	FY 92	FY 93*	FY 93	FY 95	FY 97
STRATEGIC OBJECTIVE 3: INCREASE VALUE OF TREE PRODUCTION	(1990)						
Indicator:							
1. Income Increased per Compound from Forestry Products							
-Rural Share of Marketed Value (%)	36	32	38		35	40	50
-Per Capita Cash Revenue							
Kaolack (CFAF)	590	566	432		600	1,000	2,000
Kolda (CFAF)	1,300	1,225	1,971		1,500	2,000	4,000
2. Marketed Value of Tree Stocks per Compound (CFAF)	n/a						
TARGET 3.1: Plant More Trees							
Indicator:							
1. Trees Planted and Surviving per Year Nationwide	(1990)						
-Number (million trees)	1.26	1.66	3.6		2.00	4.0	10.0
-Percent Survival (one year)	20	20	58.6		25	30	40
	(1988)						
2. Compounds Engaged in Forestry (percent of total compounds)	39				40	45	50
TARGET 3.2: Increase Conservation of Trees	(1990)						
Indicator:							
1. Increase in Hectares Protected/ Managed to permit Regeneration	4,248	4,329	4,941	5,733	5,000	10,000	20,000
2. Trees/ha on participating Farms	18				25	40	50

* indicates estimates

Sources: Project data, GOS Forestry Service Records, Ministry of Agriculture and Farm Surveys

Strategic Objective 3: Increase Value of Tree Production

Major Achievements:

- Three-fold jump in the one-year nationwide tree survival rate.
- Forestry Code adopted and implementing measures drafted and distributed to local officials.
- Senior Council for Natural Resources Management and the Environment created.
- CBNRM project design completed and grant signed.

The increasing momentum of concern for the environment and attention to forestry issues became clearly evident in 1993. Both on the policy and institutional fronts and at the grassroots level, the impact of this concern is being felt. USAID has been a leading force in its ongoing support and encouragement of GOS actions in this domain.

In addition to the adoption of the Forestry Code and the creation of the Senior Council on the Environment, the GOS manifested its resolve to provide leadership and address environmental issues in a comprehensive manner by creating a new Ministry of the Environment. Heightened attention to a broad range of environmental issues, including natural resource management, became evident in the last months of the API reporting period.

The adoption of the new Forestry Code in January 1993 is a big step forward in encouraging a more rational exploitation of forestry resources. In a long-awaited move, the Code affirms the property rights of private individuals, groups, and public bodies developing these resources. It embodies far greater flexibility regarding the exploitation of farm-planted trees as well as forest lands.

However the Forest Service can restrict or withdraw rights to the use of forest lands if deemed necessary to defend the general interest. Thus one of the limitations of the Code may be the lack of safeguards to prevent long delays in obtaining authorizations to act or to sanction forestry agents refusing to give authorizations despite the fact that the exploitation of forest land meets the conditions of the local land use plan. Fine tuning of specific provisions may be in order as problems are identified. Nevertheless, with a generalized application of the new Code, USAID expects private forestry activities to increase and to provide a more reliable additional source of income for the rural population.

The forest products market information system that USAID expected to be operational for 1993 could not be established, largely due to the civil unrest in Casamance which prevented execution of the required survey. As a result, the information on income derived from forest products is not as complete as we had expected for this report. In particular, we are still not able to provide data on the market value of tree stocks per compound. The information we present comes from Ministry of Agriculture data on tree crops and Forest Service data on wood products.

According to this data, the revised figures for 1992 indicate that 38 percent of the marketed value of forestry products accrues to rural households. This is a net increase over our baseline, and an improvement over our target figure for 1993 of 35 percent. Per capita cash revenue turns out to be substantially better than expected (and about 30 percent over our target figure) for Kolda region, but much less (by about 28 percent) for Kaolack region. One explanation provided for this change in Kaolack is that the Forest Service, in line with the Forestry Code guidelines for better tree resource management, authorized fewer exploitation permits.

Forest Service data give evidence of a dramatic change in the one-year survival rate for newly planted trees: from 20 percent in 1991 to over 58 percent in 1992, a year of poor rainfall. Thus, the national level performance seems to have caught up with the performance registered under the Reforestation Project (54 percent survival rate in 1992). It also surpasses by far USAID's target of a 40 percent survival rate estimated for FY 97.

Several explanations are given for this result. First of all, fewer trees were planted because of a recognition that more is not necessarily better and that there was a limit to the number of saplings that could be cared for properly (watering, protection from animals). In 1991 about 30 percent more trees were planted than in 1990 (8.3 million compared to 6.3 million). The failure to improve the survival rate indicated that planting fewer trees but giving them better care would be preferable.

Second, at the grassroots level, a significant increase in the attention given to trees by local populations is credited with the increased survival rate. This seems to be due to an improved appreciation of the value of trees. The new approach to tree management embodied in the new Forestry Code has been instrumental in developing this more positive perception, even before the formal adoption of the Code by the National Assembly.

For 1993, we report only one estimate: land area managed for regeneration. It appears that this indicator increased by 16 percent over 1992 -- to 5,733 hectares -- surpassing our target figure of 5,000 hectares by about 15 percent.

USAID does not have reliable information at this time to explain the lack of change in compounds engaged in forestry, given the observed jump in tree survival. This discrepancy highlights the fact that we must continue to improve our understanding of the dynamics of forestry related issues.

TABLE 6

TARGET NUMBER	USAID Contribution to Strategic Objective 3						
	ACTUAL				PLANNED		
	FY 90 Base	FY 91	FY 92	FY 93*	FY 93	FY 95	FY 97
3.1a Trees Planted and Surviving ('000 per year)	220	406	452		600	1,000	2,100
3.1b Trees Planted and Surviving (percent after 1 year)	41	45	54		45	45	50
3.2 Increase in Area Protected/Managed to Permit Regeneration ('000 hectares				0.8	1.0	5.0	10.0

* estimates from Forestry Sevice report

In addition to the strong results on tree survival, the Senegal Reforestation project has also provided examples of productive private sector involvement in tree management and income generation which give a positive outlook for continued progress in the future.

** New Firms Qualify for Reforestation Contracts

In 1992 over 100 enterprises were qualified to perform roadside plantings on contract, thanks to the project's training program, compared with only three in 1988. More than 90 percent of the project's contracts are successfully carried out. In addition most of these newly created enterprises, which signed their first contract with the Reforestation project, have demonstrated their vitality by signing numerous contracts with other clients.

** Potential Domestic Production of Poles for Electricity Cables

Working with the national electric company (SENELEC), the private sector component of the Reforestation project is testing eucalyptus poles to determine their suitability for use in supporting low-tension electric cables. If the poles

pass the tests, a new market will be created for locally produced eucalyptus.

The FY92 API reported the cutting of trees on 45,000 hectares of the Khelcom forest. The issue appeared as a setback in efforts to increase tree production in Senegal. Now recent information on this controversial question enables us to report the efforts that have been made to manage the Khelcom environment. These include development of a two-hectare tree nursery, which produced almost 650,000 plants in 1992 (about 5.4 percent of total national production); and planting 70 kilometers of windbreaks, using about 389,000 saplings, equivalent to about 50 percent of the number of trees planted under the Senegal Reforestation project matching grant program. The land area is divided into 15 plantations of 3,000 ha. each, which in turn are expected to establish windbreaks around individual fields and woodlots to provide fuelwood to the villages.

382

TABLE 7

STRATEGIC OBJECTIVE NO. 4

	Baseline	ACTUAL			PLANNED		
		FY 91	FY 92	FY 93	FY 93	FY 95	FY 97
STRATEGIC OBJECTIVE 4: INCREASE LIBERALIZATION OF THE MARKET FOR AGRICULTURAL AND NATURAL RESOURCES-BASED PRODUCTS	(1989-91)						
Indicator							
1. Reduce Marketing Margins to Their Competitive Levels (percent margin)	17-26		14-17		15-20	10-15	10-15
2. Agricultural Product Marketed through the Private Sector (percent of total)	46		46		50	95	95
TARGET 4.1: INCREASE PRIVATE SECTOR ACTIVITIES	(1992)						
Indicator: Number of Major (at least 10 clients) Wholesale Cereal Traders							
-Dakar (Rice)	279		279		285	300	300
-Outside Dakar	185		185		190	190	200
TARGET 4.2: DECREASE GOVERNMENT REGULATIONS		Actual/Expected Implementation Period					
Indicator:							
1. Eliminate Rice Transport Subsidy					x	x	x
2. Eliminate Buying/Processing Local Rice by SAED				initiated	x	x	x
3. Eliminate Wholesaling of Local Rice by CPSP					x	x	x
4. Deregulate Prices and Imports (whole rice)			x		x	x	x
5. Implement Deregulation of prices for Broken Rice (except Dakar wholesale)							
-All Regions except Kolda/Ziguinchor					x	x	x
-Kolda/Ziguinchor						x	x
6. Reorganize Agricultural Development Bank						x	x
7. Privatize Groundnut Parastatal (SONACOS)					x	x	x
8. Implement Forestry Code				initiated		x	x

Sources: GOS Market Surveys, CPSP, CSA/SIM, Mission Records

Strategic Objective 4: Increase Liberalization of the Market for Agricultural and Natural Resources-Based Products

Major Achievements:

- Private rice mills have processed almost two-thirds of the 1992-93 harvest, compared with 55 percent in 1991-92.
- Plans to sell SAED mills to the employees have been developed.
- The first phase of a study to liberalize groundnut marketing and processing by privatizing SONACOS/SONAGRAINES was completed.
- The GOS decided to move ahead with a pilot program to privatize marketing of imported intermediate and whole grain rice, starting with the Title III program imports.

USAID's market liberalization program became stalled in FY 1993, due largely to the sensitive nature of the reforms anticipated and the unwillingness of the government to address these issues in an election year. By August 1993, however, with a new economic team in place, the GOS reopened the dormant agriculture sector reform agenda and has made it clear that it wishes to move ahead vigorously. In addition, efforts to privatize imported whole and intermediate grain rice, using the PL-480 Title III program as a test case, have gotten back on track.

Although the GOS had reached agreement with donors on the key rice subsector issues in mid-1992, it refused to act on any of its commitments during the election period. This included a commitment to move away from enforcing fixed producer prices in favor of setting a lower "reference price" which would be more flexible since it would essentially serve as a floor price for official purchases while permitting private traders to offer alternative prices according to market conditions. An immediate result of this action would be a drop in official producer prices for paddy from CFAF 85/kg. to CFAF 75/kg.

Due to the interrupted momentum in agriculture sector reform, the expected deregulation of the rice subsector has been delayed by at least one year. Very slow progress has occurred on several of USAID's indicators, however:

--while SAED has not completely withdrawn from purchasing and processing paddy, its share of this market is shrinking in favor of private rice millers.

--the government has signed a protocol whereby it agrees to sell SAED mills to the employees; the financial provisions are being finalized and the action is to be completed by the end of 1993 in order to permit the privatized structures to compete for the February-March harvest.

--marketing of local rice through private channels was more extensive than last year, and recorded prices were slightly lower. In addition to seasonal differences, prices paid to farmers may be lower than the official price to the extent that buyers offer ready cash and that farmers retain control over the by-product.

USAID has delayed conducting a systematic update of rice wholesalers and marketing margins in 1993, pending the actual implementation of the government's reform measures.

In the groundnut subsector, the GOS agreed to a first phase study to identify the parameters for possible privatization of the oilseed processing company, SONACOS, which is 91 percent government-owned. The conclusions of the study were well-received. A second phase is currently underway.

Yet overall progress continues to be tenuous, justifying continued insistence on reform and vigilance regarding policy consistency. In its search for sources of revenue to support its austerity program, the GOS has decided to reintroduce a differentiation between commodity wholesalers and retailers that will permit it to collect taxes from collectors in the weekly markets. This could represent backtracking from the earlier liberalization of local cereals marketing, whereby collectors did not have to be licensed and were freed from the obligation to declare their stocks. USAID will follow this development closely to ensure that additional revenue generation measures do not undermine the basic thrust of reform.

Targets of Opportunity

CREDIT:

The GOS strengthened its outreach to groups interested in forming credit unions or developing financial intermediation activities by holding meetings to elicit advice and comments on proposed regulatory legislation. The Ministry of Finance adopted an ordinance permitting the creation of credit unions as an interim measure, pending the adoption of a financial intermediation law by the Central Bank of West African States (BCEAO). Several groups have already been licensed under this ordinance, including the credit component (ACEP) of USAID's Community and Enterprise Development project, which is in the process of completing its metamorphosis into an independent, self-sustaining institution.

ACEP has continued its highly successful lending program. With $1.7 million in funds received by the GOS to finance its expansion in the Ziguinchor, Kolda, and Tambacounda regions, ACEP was able to open five new branch offices. Between June 1992 and July 1993, loans totalling $5 million resulted in creation of some 500 permanent and almost 900 temporary jobs, not to mention the opportunities provided for over 1,000 (generally unpaid) apprentices.

HIV/AIDS:

The implementation of the Senegal AIDS Control and Prevention (AIDSCAP) Project is just starting. However AIDS specific activities such as training of laboratory technicians and research assistants for both HIV and STD testing were already integrated into the USAID/Senegal Family Health and Population Project. As a result, over 800 medical personnel (midwives, doctors and nurses) in both the private and public sectors have been trained. Over one million condoms per year have been provided to the National AIDS Control program for distribution in STD clinics. In addition, this project strengthened laboratories for diagnosis of HIV and STDs by providing equipment and reagents to six regional laboratories and to the central reference laboratory.

With the start of the AIDSCAP activity, USAID will focus on IEC activities particularly in urban areas, to try to maintain a low general prevalence rate. The HIV prevalence rate for the general population is one percent. However, high-risk groups such as prostitutes have prevalence rates of 10 to 30 percent depending on the region.

DEMOCRATIZATION:

A key cross-cutting theme more and more emphasized in USAID/Senegal's projects is that of local empowerment, reflected in increased and improved local decision-making. Progress in the health and population sector is discussed above, under Strategic Objective One. The NRBAR project, with its stress on improved communication and two-way feedback between farmers and researchers; the CBNRM and SZWM projects, with their strong reliance on village committees; and especially the PVO/NGO project, which helps local organizations improve their capacity to conceive and execute their own development activities, are also instrumental in promoting more active participation of local populations in local and national issues.

Over time, and with encouragement from grassroots organizations such as the Federation of Non-Governmental Organizations in Senegal (FONGS, a recipient of PVO/NGO project grant funds), rural village associations and unions are becoming more active in both traditional and modern local government bodies. Leaders of such groups, which for a long time fiercely protected their autonomy,

now participate in rural councils and are beginning to take on leadership positions in these councils. FONGS, a primarily farmer-based organization, is also developing an capacity to analyze national policies that affect its members. As a result, it has been able to produce a reasoned analysis of the government's proposals for adjustment in the agriculture sector and to claim a seat at the discussion table with both government and the donors. A group more broadly representative of the rural world (including fishermen) in general, the Comité National de Concertation des Ruraux, was created this year as a lobbying group to influence both government and donors.

As all of our project activities enter their full implementation phase, we expect to see a continued increase in the capacity of local populations to participate more fully in and to have an impact on local and national issues that affect their well-being.

SECTION IV: OTHER PROGRESS IN PRIORITY AREAS

ELECTIONS:

The 1993 presidential and legislative election process proved to be less transparent than hoped for and was marred by allegations of registration and ballot fraud. In addition, flaws in the new electoral code, which did not include provisions for conflict resolution, resulted in delays (and possibly questionable procedures) in publishing the election results. Nevertheless, there was marked progress over previous elections in terms of freedom of speech and general respect for the activities of opposition parties and candidates. 36 opposition party members, from 7 different parties, were elected to the 140-member National Assembly. (Three of these parties, for a total of six members, are in fact closely aligned with the dominant Socialist Party.)

The inclusion of several additional parties in the National Assembly seems to be creating a demand for change, a tendency toward pressing for accountability and greater transparency. When it was revealed that Assembly members had been receiving a substantial part of their compensation in unrecorded payments, for example, several of the opposition party members publically declared that they refused to accept such payments. This brought the issue of "black box" funds out into the open for the first time.

There is evidence of growing political consciousness among "civil society". In response to the interest and public debate generated by the election process, one independent newspaper began publishing daily instead of weekly and another moved to three-day-a-week publication. In response to the austerity program, community and university groups have organized public meetings to discuss economic issues.

SECTION V: LESSONS LEARNED

We offer the following thoughts, as solicited in FY 93 additional guidance, in a separate section since they are not as such lessons learned in our strategic objective areas. Rather, they reflect the experience gained in the process of developing a meaningful monitoring system.

1. First of all, the collection, management, and interpretation of appropriate data for Strategic Objectives Two and Three is extremely time consuming at this stage. One reason is that, as we wish to develop close linkages between the project and program impact reporting systems, we are relying on the projects to incorporate program requirements in their monitoring and evaluation plans. For established projects (such as Senegal Reforestation and SZWM) this has proven difficult. For new projects, the systems are just being developed. Thus our whole approach is still subject to growing pains. One opportunity, however, is that we look forward to having reasonably consistent reporting systems across projects with similar targets.

A second difficulty is that we need to develop more detailed familiarity with official GOS data systems at the macro and sector levels in order to have a better sense of the representativeness and consistency of the information they provide. This will help us to do a better job of linking our progress on strategic objectives with impact at the sub-goal and goal levels.

2. USAID/Senegal's particular portfolio provides an interesting contrast in the Mission's level of mastery of each strategic objective. The population/health area is one where we have had consistent interventions over time. We have a solid understanding of the sector, reasonably good data, and targets that are relatively straightforward to document. In addition, the relationships built up with Senegalese institutions and officials are uniformly of long standing, thus we are all agreed on where we are going and why.

By contrast, our approaches to the natural resources management and the market liberalization areas, as reflected in Strategic Objectives Two, Three, and Four, are relatively new. We do not yet have a well-established and understood data base. We are engaging in areas that continue to be controversial for many, if not most, government officials. While we have clearly defined the basic principles at stake in each area, we do not yet have the intimate knowledge of rural sector and household dynamics that would allow us to identify the impact of our program more conclusively, and we are only beginning to be able to identify key intervention points that will help achieve our objectives.

3. Finally, in our experience, impact monitoring -- for all its ultimate benefits -- requires far more in time and allocation

of human resources than we would have imagined at the outset. This is clearly a lesson in the advisability of keeping systems as focused, streamlined, and simple as possible.

ANNEX A: BASELINE/DATA ADJUSTMENTS

1. Program Goals: the FY 1992 data is adjusted to reflect actual figures. The FY 1993 figures are estimates.

2. Strategic Objective 1:

- completed the baseline and outyear performance targets for rural men's knowledge of modern contraceptive methods;

3. Strategic Objective 2:

- updated the FY 1992 yield indicators;
- completed the technology baseline on the basis of the 1992 KAP survey.
- further analysis of the discrepancies between baseline data from 1988 and results from 1992 is required in order to develop a reliable baseline and more accurate outyear targets.

4. Strategic Objective 3:

- updated the FY 1992 performance indicators;
- further analysis of the data on tree survival is needed. Outyear targets will be adjusted in the FY 1994 API.

5. Strategic Objective 4: no changes

11/29/93

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

AFRICA BUREAU

COMPENDIUM

ASSESSMENTS OF PROGRAM IMPACT (API)

FY 1993

VOLUME II

ASSESSMENT OF PROGRAM IMPACT (API)

FY 1993

FY 1993 API GUIDANCE

AFRICA-WIDE RESULTS OF FY 1993 APIS

EAST AFRICA	389
KENYA	390
MADAGASCAR	423
RWANDA	453
TANZANIA	505
UGANDA	557
SOUTHERN AFRICA	617
BOTSWANA	618
MALAWI	654
SWAZILAND	700
ZAMBIA	735
ZIMBABWE	754

OUTGOING TELEGRAM

AGENCY FOR INT'L DEV. TELECOMMUNICATIONS CENTER

PAGE 01 OF 03 STATE 353709 2305432 9021 031964 AID3079
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AMEMBASSY NIAMEY PRIORITY
AMEMBASSY DAKAR PRIORITY

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E.O. 12356: N/A
TAGS:
SUBJECT: FY 93 ASSESSMENT OF PROGRAM IMPACT (API)

REFS: (A) STATE 356775
(B) FY 93 GUIDANCE ON THE API

MURPHY'S LAW STRIKES THE API. THIS IS A RETRANSMISSION OF A CABLE THAT SHOULD HAVE GONE OUT OCTOBER 26. IT HAD BEEN SENT AT THE SAME TIME BY E-MAIL TO THOSE POSTS WITH E-MAIL CONNECTIVITY (YAOUNDE, ACCRA, ADDIS, NAIROBI, ANTANANARIVO, KIGALI, KAMPALA, GABORONE, LILONGWE, PRETORIA, HARARE, BANJUL, BAMAKO, NIAMEY, DAKAR AND ABIDJAN) AND BY FAX SUBSEQUENTLY (REGRETTABLY, WITH SOME DELAY) TO THOSE NOT YET HOOKED UP BY E-MAIL (COTONOU, CONAKRY, LAGOS, BUJUMBURA, DAR, LUSAKA, NDJAMENA AND BISSAU). GIVEN THESE GLITCHES, PLEASE ADVISE YOU NOW EXPECT TO SUBMIT YOUR API SO THAT WE MAY SCHEDULE REVIEWS.

SUMMARY: REFTEL A ADVISED MISSIONS THAT WERE EXPECTED TO

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SUBMIT AN API THIS YEAR. SUBMISSION DATE HAS BEEN SLIPPED TO NOVEMBER 22. BASIC GUIDANCE (REF B) AND FORMAT USED THE PAST TWO YEARS REMAINS THE SAME. WE HAVE HIGHLIGHTED SOME LESSONS LEARNED FROM PAST SUBMISSIONS (REGARDING BASELINES, GENDER DISAGGREGATED DATA, REGIONAL VS.

NATIONAL IMPACT REPORTING, AND UTILITY OF NARRATIVES) WHICH WE WOULD LIKE MISSIONS TO BE COGNIZANT OF IN FINALIZING YOUR SUBMISSION. THERE IS ONE NOTABLE CHANGE THIS YEAR, ALTHOUGH WE WOULD NOT EXPECT IT TO BE EXTENSIVE AND TIME CONSUMING: WE WOULD LIKE SOME ADDITIONAL REPORTING ON THE ADMINISTRATOR'S FOUR PRIORITY AREAS (ECONOMIC GROWTH, POPULATION AND HEALTH, ENVIRONMENT, AND DEMOCRACY AND GOVERNANCE), IF A MISSION HAS ACTIVITIES IN THESE AREAS WHICH ARE NOT CAPTURED IN YOUR BASIC REPORTING ON STRATEGIC OBJECTIVES. ABBREVIATED/MODIFIED APIS MAY BE SUBMITTED BY CERTAIN MISSIONS WHICH HAVE RECENTLY SUBMITTED STRATEGIES OR ARE UNDERGOING MAJOR CHANGES (SEE PARA 11 BELOW). THE AFRICA BUREAU'S GOAL REMAINS TO CAPTURE AS MUCH INFORMATION AS IS FEASIBLE ABOUT PROGRAM IMPACT IN A SINGLE REPORTING DOCUMENT. SUCH INFORMATION CAN BE PARTICULARLY VALUABLE DURING THIS TIME OF TRANSITION.

1. AS YOU ARE AWARE, A/AID J. BRIAN ATWOOD HAS IDENTIFIED FOUR AREAS WHICH THE AGENCY WILL EMPHASIZE IN PURSUING SUSTAINABLE DEVELOPMENT: ENCOURAGING BROAD-BASED ECONOMIC GROWTH; PROTECTING THE ENVIRONMENT; STABILIZING POPULATION GROWTH AND PROTECTING HUMAN HEALTH; AND BUILDING DEMOCRACY

(INCLUDING STRENGTHENING GOVERNANCE). IN THE PAST, A MISSION HAS ONLY BEEN REQUIRED TO REPORT IN ITS API ON PROGRESS AGAINST STRATEGIC OBJECTIVES. TARGETS OF OPPORTUNITY, WHICH ARE BY DEFINITION NOT IN THE MISSION'S MANAGEABLE INTEREST, HAVE BEEN INCLUDED AT SOME MISSIONS' DISCRETION, BUT WERE NOT REQUIRED BY THE BUREAU. HOWEVER, MUCH OF OUR ENVIRONMENTAL (I.E. NATURAL RESOURCE MANAGEMENT AND BIODIVERSITY) AND DEMOCRATIC GOVERNANCE ACTIVITIESL AND IN SOME CASES POPULATION AND HEALTH (INC. HIV/AIDS AND CHILD SURVIVAL) PROJECTS, ARE EMBODIED IN TARGETS OF OPPORTUNITY. WE WOULD LIKE TO CAPTURE MORE FULLY OUR IMPACT IN THESE PRIORITY AREAS OF THE ADMINISTRATION.

2. CONSEQUENTLY, MISSIONS ARE REQUESTED TO ADD A QUOTE SECTION IV OTHER PROGRESS IN PRIORITY AREAS UNQUOTE. THIS IS ONLY TO BE USED TO REPORT ON PROGRESS OR IMPACT IN ONE OR MORE OF THE FOUR PRIORITY AREAS WHICH ARE NOT ALREADY REPEAT NOT ALREADY CAPTURED IN SECTIONS II AND III. (NOTE: REPORTING ON ECONOMIC GROWTH IS LIKELY TO BE CAPTURED UNDER STRATEGIC OBJECTIVES). PLEASE DO NOT DUPLICATE INFORMATION ALREADY CONTAINED IN THE BASIC API REQUIREMENT SIMPLY TO TRY TO QUOTE TOUCH ALL THE BASES UNQUOTE. WE WANT TO KEEP THE API STREAMLINED, BUT THIS YEAR, IN PARTICULAR, THE BUREAU WOULD LIKE TO BE ABLE TO DEMONSTRATE HOW OUR PROGRAMS ARE FURTHERING THE A/AID'S SUSTAINABLE DEVELOPMENT OBJECTIVES BY HIGHLIGHTING

PARTICULAR IMPACTS OUTSIDE YOUR STRATEGIC OBJECTIVES, YOU CAN HELP THE BUREAU BETTER ARTICULATE IMPACT ACROSS THE

REGION. FOR THIS SPECIAL SECTION IV MISSIONS MAY USE ANY FORMAT WHICH YOU DEEM MOST APPROPRIATE FOR YOUR PROGRAM. WE DO NOT EXPECT HIGHLY QUANTIFIED REPORTING, GIVEN THAT SPECIFIC INDICATORS AND BENCHMARKS ARE NOT REQUIRED FOR TARGETS OF OPPORTUNITY. NARRATIVE IS PROBABLY MORE FEASIBLE, INCLUDING ANECDOTAL REPORTING, NOR DOES THIS NEED TO BE EXTENSIVE. PLEASE FOCUS ON PROGRESS AND

IMPACT

3. IN THIS SAME SECTION IV, WE WOULD ASK YOU TO IDENTIFY ANY BROAD, GENERALIZABLE LESSONS LEARNED OR BEST PRACTICES IN THE FOUR PRIORITY AREAS WHICH YOU BELIEVE THE AGENCY COULD BENEFIT FROM. CURRENTLY, PPC (FORMERLY POL) IS OVERSEEING THE DEVELOPMENT OF QUOTE IMPLEMENTATION GUIDELINES UNQUOTE FOR THE RECENTLY DRAFTED, AGENCY-WIDE STRATEGIES. INCLUDED IN EACH OF THESE WILL BE A SECTION ON WHAT WORKS AND WHAT DOESN'T. THE BUREAU WOULD LIKE TO OFFER ANY AFR FIELD INPUT YOU THINK WOULD BE MEANINGFUL. HOWEVER, THIS IS NOT MANDATORY; ONLY DO WHAT IS MANAGEABLE.

4. BASELINES. IN REVIEWING RECENT CPSPS/CONCEPT PAPERS, AS WELL AS LAST YEAR'S API SUBMISSIONS, MISSIONS ARE STILL TYPICALLY USING BASELINE YEARS WHICH CORRESPOND TO THE START-UP TIME OF THE RECENTLY-APPROVED STRATEGY. HOWEVER, IN MANY CASES, A MISSION HAD LONG BEEN INVOLVED IN A PARTICULAR SECTOR. CONSEQUENTLY, WE ARE NOT CAPTURING THE FULL IMPACT (OR LACK THEREOF) OF A.I.D.'S INVOLVEMENT IN A SECTOR. AS REF B GUIDANCE DIRECTED, IN RESPONSE TO THIS SAME PROBLEM, QUOTE THE BASELINE YEAR SHOULD BE DETERMINED BASED ON A MISSION'S EXPERIENCE WITH THE SECTOR FOR WHICH

IT IS ASSESSING IMPACT UNQUOTE. MISSIONS ARE ENCOURAGED TO ESTABLISH BASELINE INFORMATION FOR INDICATORS AS FAR BACK AS IS PRACTICABLE IN ORDER TO CAPTURE WHAT A.I.D. HAS BEEN DOING HISTORICALLY. ANY CHANGES FROM PAST REPORTING CAN BE NOTED IN ANNEX A.

5. CHANGES IN INDICATORS AND BENCHMARKS

A. FOR MISSIONS WITH NEW OR FORMALLY MODIFIED MANAGEMENT CONTRACTS, REVISIONS IN INDICATORS SHOULD REFLECT FURTHER ANALYSIS AND REFINEMENT OF EXPECTED IMPACT AFTER THE CPSP/CONCEPT PAPER WAS REVIEWED. FOR THESE CASES, ANNEX A SHOULD BE USED TO PROVIDE EXPLANATION FOR CHANGES IN INDICATORS.

B. LAST YEAR SOME MISSIONS MOVED BENCHMARKS (PROJECTED IMPACT FIGURES) WITHOUT EXPLANATION, LEAVING AFR/W TO WONDER IF MISSIONS WERE MOVING THE GOALPOSTS. CHANGES

THAT REVISE PROJECTED PERFORMANCE ARE DISCOURAGED, ALTHOUGH THERE MAY BE CASES WHERE THE AVAILABILITY OF MORE RELIABLE DATA, IMPLEMENTATION PROBLEMS, OR UNEXPECTED SUCCESS DICTATES SUCH AN ADJUSTMENT. IF MISSIONS DO CHANGE BENCHMARKS (EITHER UPWARD OR DOWNWARD), PLEASE CLEARLY INDICATE AND PROVIDE EXPLANATION IN ANNEX A. LOGICALLY, IF A MISSION LOWERS ITS SIGHTS, SUCH A CHANGE MAY TRIGGER A REEXAMINATION OF THE VALIDITY OF CONTINUING TO WORK IN THAT STRATEGIC OBJECTIVE.

6. GENDER-DISAGGREGATED DATA. LAST YEAR'S APIS SHOWED PROGRESS IN GENDER DISAGGREGATION OF DATA IN THE APIS AS COMPARED WITH THE YEAR BEFORE. OF PARTICULAR MERIT WAS THE NIGER PROGRAM. HOWEVER, ON THE WHOLE, IT WAS FOUND THAT THE DATA BEING COLLECTED AND REPORTED IN THE PRODUCTIVE SECTORS IS NOT DISAGGREGATED BY GENDER ADEQUATELY TO MEASURE PROGRESS. PLEASE LOOK AT INDICATORS TO ASSESS HOW DATA COULD BE DISAGGREGATED BY GENDER.

7. LOCAL VS. NATIONAL IMPACT REPORTING. LAST YEAR THE ISSUE AROSE WHETHER MISSIONS THAT OPERATE IN A SPECIFIC

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ZONE OF THEIR COUNTRY SHOULD REPORT ON LOCAL/REGIONAL CHANGES IN INDICATORS, OR NATIONAL CHANGES IN INDICATORS, OR BOTH. WHILE IT IS TRUE THAT MISSIONS CAN SHOW PEOPLE-LEVEL IMPACT IN THE NEAR-TERM BY REPORTING ON AN INTENSIVE INTERVENTION WITH A SMALL GROUP OF BENEFICIARIES, RESULTS AT THE STRATEGIC OBJECTIVE LEVEL MUST BE SIGNIFICANT, PROVIDED THAT THE ZONE OF INTERVENTION IS SUFFICIENTLY LARGE TO BE SIGNIFICANT (ARE WE MAKING A SIZEABLE DENT IN A SIZEABLE DEVELOPMENT PROBLEM?), AND IF THERE ARE CLEAR DISTINCTIONS BETWEEN NATIONAL AND REGIONAL TRENDS, MISSIONS SHOULD ATTEMPT TO DISAGGREGATE REPORTING SO AS TO SHOW CLEARLY THE IMPACT OF AIDIS ASSISTANCE.

8. NARRATIVE ON DATA REPORTED.

A. WE ARE ASKING MISSIONS TO ENHANCE THE NARRATIVE PORTION IN SECTION III TO PROVIDE GREATER UNDERSTANDING OF THE MEANING OF QUANTITATIVE DATA AND CRITICAL BACKGROUND ON THE COUNTRY CONTEXT IN WHICH THE DATA FOR THE APIS ARE BEING GATHERED. WHILE APIS INDICATE HOW THE COUNTRY IS PROGRESSING IN TERMS OF A SPECIFIC OBJECTIVE, ADDITIONAL NARRATIVE DESCRIBING HOW THE MISSION IS ACCOMPLISHING ITS OBJECTIVES OR WHY A PARTICULAR IMPACT IS (OR IS NOT) TAKING PLACE CAN BE EXTREMELY USEFUL.

B. USE THE NARRATIVE SECTION TO QUOTE TAKE CREDIT UNQUOTE FOR CHANGES DUE TO EFFORTS NOT ONLY IN THE YEAR UNDER REVIEW BUT ALSO IN PAST YEARS. RATHER THAN AN ANNUAL PROGRESS REPORT, THE API SHOULD BE AN ANNUAL SNAPSHOT OF

CUMULATIVE IMPACT RESULTING FROM YEARS OF MISSION EFFORT.

9. THE API AFFORDS THE AFRICA BUREAU ONE OPPORTUNITY ANNUALLY TO FOCUS BROADLY BUT INTENSELY ON OUR FIELD EFFORTS, AND IT IS A RICH SOURCE OF INFORMATION. ON THE OTHER HAND, IT CAN BE A VALUABLE PROGRAM MANAGEMENT TOOL FOR MISSIONS. WE OFFER THE FOLLOWING QUESTIONS FOR USE BY THOSE MISSIONS WHO WOULD LIKE TO USE THE API REQUIREMENT AS AN OPPORTUNITY FOR SELF-EXAMINATION:

--HAS THERE BEEN PROGRESS TOWARD THE OBJECTIVES? IF NOT, WHY NOT? WHAT ARE THE CONSTRAINTS?

--ARE THE ASSUMPTIONS ON WHICH THE STRATEGY IS BASED CORRECT?

--ARE THE INDICATORS TELLING THE MISSION WHAT IT NEEDS TO KNOW TO MEASURE PROGRAM IMPACT?

--IS THE MISSION LEARNING UNEXPECTED THINGS ABOUT ITS PROGRAM? HOW WILL THIS ADDED KNOWLEDGE FACTOR IN TO FUTURE ACTIVITY?

--WHAT LESSONS HAS THE MISSION LEARNED ABOUT THE MEASUREMENT PROCESS, ABOUT THE API PREPARATION PROCESS, OR ABOUT DATA COLLECTION/AVAILABILITY? IS THE MISSION BETTER ORGANIZED IN TERMS OF ITS MONITORING SYSTEM TO REPORT ON RESULTS THAN IT WAS LAST YEAR?

--HOW IS THE MER PROCESS BEING INSTITUTIONALIZED? IS PERFORMANCE INFORMATION BEING USED FOR PROGRAM MANAGEMENT AND DECISION-MAKING?

--DOES THE MISSION FEEL THAT IT IS GETTING INTERNAL RETURNS TO DATA COLLECTION THAT ARE COMMENSURATE WITH THE LEVEL OF EFFORT REQUIRED?

--WHAT ARE THE IMPLICATIONS FOR THE USE OF THIS YEARIS

MONITORING DATA FOR STRATEGIC PROGRAM MANAGEMENT? ADJUSTMENTS IN PROJECT FOCUS OR IN ALLOCATIONS OF HUMAN/FINANCIAL RESOURCES? GREATER CAPACITY FOR POLICY DIALOGUE WITH THE HOST GOVERNMENT?

10. PROGRAM "OBJECTIVE TREES". PLEASE INCLUDE A CURRENT OBJECTIVE TREE IN YOUR API. THE OBJECTIVE TREE SHOULD INCLUDE PROGRAM GOAL, SUBGOAL(S), STRATEGIC OBJECTIVES AND TARGETS, AND TARGET(S) OF OPPORTUNITY. (WE FREQUENTLY RECEIVE REQUESTS FROM SENIOR MANAGEMENT IN THE BUREAU AS WELL AS FROM OTHER PARTS OF THE AGENCY FOR A ONE-PAGE GRAPHIC REPRESENTATION OF A MISSIONIS PROGRAM STRATEGY.

THEREFORE, IT IS CRITICAL THAT WE HAVE UP-TO-DATE AND ACCURATE PROGRAM INFORMATION.

11. WE REALIZE THAT SEVERAL MISSIONS WHICH HAVE BEEN REQUESTED TO SUBMIT APIS HAVE RECENTLY SUBMITTED A CPSP OR CONCEPT PAPER AND DO NOT HAVE FULLY DEVELOPED INDICATORS AND BENCHMARKS (I.E. BENIN, COTE D'IVOIRE, ETHIOPIA, SOUTH AFRICA, ZAMBIA, ZIMBABWE). OTHERS ARE UNDERGOING MAJOR PROGRAMMATIC TRANSITIONS (I.E. CAMEROON, CHAD). FOR THESE MISSIONS, WE ACCEPT THAT IT IS NOT REASONABLE OR FEASIBLE TO SUBMIT A FULL-BLOWN API. NONETHELESS, WE NEED TO CAPTURE AS MUCH IMPACT OF OUR ASSISTANCE UNDER THE DFA AS IS FEASIBLE. CLEARLY, EXCLUDING ALL EIGHT COUNTRIES, MOST OF WHICH ARE OR HAVE BEEN MAJOR PROGRAMS, WOULD RENDER A VERY INCOMPLETE PICTURE OF OUR AID TO AFRICA. CONSEQUENTLY, WE ASK EACH MISSION TO FOLLOW THE BASIC API OUTLINE, BUT YOU MAY ADAPT IT TO YOUR PARTICULAR SITUATION. THAT IS, REPORT ON THOSE SECTORS IN WHICH YOU HAVE BEEN HISTORICALLY INVOLVED, RATHER THAN ALL THAT MIGHT BE INCLUDED IN YOUR NEW STRATEGY), AND USE A COMBINATION OF QUANTITATIVE DATA, TO THE EXTENT AVAILABLE AND QUALITATIVE NARRATIVE (I.E. YOU DON'T HAVE TO BUILD THE API AROUND THE DATA TABLES IN SECTIONS II AND III IF SUCH INFORMATION IS NOT READILY AVAILABLE). AS A SUGGESTION REPEAT SUGGESTION FOR FOCUS

- BENIN: EDUCATION IMPACT THROUGH CLEF
- COTE D'IVOIRE: BUILDING CIVIL SOCIETY (THRU MUNIDEVI); FAMILY PLANNING
- ETHIOPIA: REHABILITATION AND RECONSTRUCTION (RAPID RESPONSE CASE?)
- SOUTH AFRICA: BUILDING CIVIL SOCIETY THRU EDUCATION (ESP. DEVELOPMENT/EXTENSION OF RADIO EDUCATION PROGRAM) AND COMMUNITY MOBILIZATION, BLACK ENTREPRENEURSHIP
- ZAMBIA: AG POLICIES; PRIVATIZATION
- ZIMBABWE: AG POLICIES AND MARKETING, FAMILY PLANNING
- CAMEROON: AG SECTOR DEVELOPMENT, FAMILY HEALTH
- CHAD: PVO INITIATIVES

12. AGAIN, THE REVISED DATE FOR SUBMISSION OF APIS IS MONDAY, NOVEMBER 23. (USAID SOUTH AFRICA DUE DATE, AS DISCUSSED IN LIGHT OF ONGOING MISSION RETREAT/MER EXERCISE, WILL BE NOVEMBER 30). PLEASE FORWARD THEM TO YOUR RESPECTIVE CDO WHO WILL BE RESPONSIBLE FOR DISTRIBUTION WITHIN AID.

13. THE AFRICA BUREAU MANAGEMENT GREATLY APPRECIATES YOUR COMMITMENT TO ENSURING THE EFFECTIVENESS OF OUR AID TO AFRICA. YOU ARE MAKING A DIFFERENCE IN PEOPLEIS LIVES, AND WE BELIEVE THE API IS A VALUABLE TOOL TO TELL THAT STORY.

CHRISTOPHER

OUTGOING TELEGRAM

U S AGENCY FOR INT'L DEV. TELECOMMUNICATIONS CENTER

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AID/AFR/CCWA:PTUEBNER (DRAFT) AID/AFR/SA:LTAYLOR (DRAFT)
AID/AFR/ARTS:AGETSON (DRAFT) AID/AFR/ONI:BKASCHAK (DRAFT)
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AIDAC ABIDJAN FOR REDSO/WCA AND NAIROBI FOR REDSO/ESA

E.O. 12356: N/A
TAGS:
SUBJECT: AFRICA-WIDE RESULTS OF FY 1993 ASSESSMENT OF PROGRAM IMPACTS (API'S)

1. THIS CABLE SUMMARIZES THE RESULTS OF THE AFR/W REVIEW OF FY 1993 APIS FROM AN AFRICA-WIDE PERSPECTIVE. SEPARATE CABLES ARE BEING SENT OUT FROM GEOGRAPHIC OFFICES WHICH REPORT ON RESULTS AT THE SUBREGIONAL AND COUNTRY LEVELS.

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2. PROCESS

A. NOW IN ITS FOURTH YEAR, THE API IS DESIGNED TO PROVIDE MISSIONS AN OPPORTUNITY ONCE A YEAR TO STEP BACK AND REFLECT ON THE IMPACT OF THEIR PROGRAMS THROUGH REPORTING TO AID/W ON PROGRESS TOWARDS ACHIEVING STRATEGIC OBJECTIVES AS DEFINED BY STATED INDICATORS. THIS YEAR, 21 MISSIONS SUBMITTED APIS. TWENTY APIS WERE INCLUDED IN THE BUREAU REVIEW PROCESS. RECOGNIZING THE SIGNIFICANT EFFORT THAT MISSIONS INVEST IN PREPARING APIS, WE WANT TO EMPHASIZE THAT APIS ARE THE PRIMARY SOURCE OF INFORMATION ON THE RESULTS OF OUR DEVELOPMENT EFFORTS IN AFRICA. API REPORTS ALSO SERVE TO HIGHLIGHT AND DISSEMINATE LESSONS LEARNED ABOUT CAUSAL RELATIONSHIPS UPON WHICH PROGRAMS ARE BASED.

B. APIS ARE TAKEN VERY SERIOUSLY IN THE BUREAU AND UNDERGO AN INTENSIVE REVIEW PROCESS. THE API REVIEW PROCESS IN WASHINGTON IS RIGOROUS, WELL-ORGANIZED, AND COMPREHENSIVE IN SCOPE. WHILE THE OVERALL REVIEW PROCESS WAS MANAGED BY AFR/DP, RESPONSIBILITY FOR ANALYSIS OF THE API RESTED WITH THE GEOGRAPHIC OFFICE. THE GEOGRAPHIC OFFICE TAPPED INTO TECHNICAL EXPERTISE AVAILABLE WITHIN AND OUTSIDE THE BUREAU SUCH AS ARTS, ONI, DP, G/R&D/POP, G/R&D/WID, AND PPC/CDIE AND, INCORPORATING THE TECHNICAL INPUT, STRUCTURED EACH COUNTRY ANALYSIS AROUND A COMMON FRAMEWORK.

API REVIEWS WERE CONDUCTED ON THREE LEVELS. 1) COUNTRY-

LEVEL REVIEWS WERE HELD IN DECEMBER WITH EXCELLENT TECHNICAL INPUT AND BROAD PARTICIPATION. 2) SUBREGIONAL REVIEWS WERE HELD IN JANUARY WHERE THE RESPECTIVE

GEOGRAPHIC OFFICE PRESENTED BUREAU SENIOR MANAGEMENT WITH THE RESULTS OF THIS YEAR'S APIS IN TERMS OF PROGRAM IMPACT AS LAID OUT IN MISSION STRATEGIC PLANS, WHILE HIGHLIGHTING SPECIFIC COUNTRIES AND SECTORS. BRIEFINGS INCLUDED AN OVERVIEW OF PROGRESS TO DATE, GENERALIZABLE TRENDS ACROSS THE SUBREGION, AND IMPLICATIONS FOR THE FUTURE REGARDING COUNTRY STATUS, PROGRAMMING, AND RESOURCES. 3) THE API REVIEW PROCESS CULMINATED IN A TWO-HOUR WRAP-UP SESSION, WITH ATTENDEES FROM THE AFR BUREAU, OTHER REGIONAL BUREAUS, AND CENTRAL OFFICES SUCH AS PPC AND G. ANALYSIS WAS PRESENTED BY ARTS, ONI, AND R&D/WID WHICH DESCRIBED OVERALL TRENDS ACROSS THE AFR REGION IN ADDITION TO BRIEF SUBREGIONAL REVIEWS PRESENTED BY OFFICE DIRECTORS.

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3. GENERAL CONCLUSIONS

A. MISSIONS ARE TO BE COMMENDED FOR THE IMPROVED QUALITY OF APIS THIS YEAR IN TERMS OF BETTER IMPACT REPORTING AND A MORE SOPHISTICATED PRESENTATION. SOME MISSIONS HAVE REACHED A LEVEL OF MATURITY IN REPORTING THAT REFLECTS AN UNDERSTANDING NOT ONLY OF RESULTS ASSOCIATED WITH USAID RESOURCES, BUT ALSO WHY EXPECTED IMPACT HAS NOT BEEN ACHIEVED. IN OTHER COUNTRIES (PARTICULARLY THOSE WITH NEW STRATEGIES), THERE IS ROOM FOR IMPROVEMENT IN ACHIEVING AND REPORTING IMPACT. HOWEVER, IT SHOULD BE NOTED THAT

IMPROVEMENT WAS ACROSS THE BOARD, AND THAT IN ALL CASES IT IS CLEAR THAT MISSIONS ARE THINKING MORE AND MORE IN TERMS OF PROGRAM IMPACT NOT JUST PROJECT OUTPUTS OR PROCESS.

B. THIS YEAR'S APIS PROVIDED A WEALTH OF INFORMATION IN A RANGE OF SECTORS. MISSIONS ACTIVELY RESPONDED TO THIS YEAR'S API GUIDANCE ASKING FOR ADDITIONAL INFORMATION ON IMPACTS IN THE FOUR AGENCY PRIORITY AREAS THAT WERE NOT CAPTURED ELSEWHERE UNDER PROGRAM STRATEGIC OBJECTIVES. THIS ADDED SECTION OF THE API PROVIDED INFORMATION ON PROGRESS IN AREAS SUCH AS DEMOCRACY/GOVERNANCE, NATURAL RESOURCES MANAGEMENT, AND HIV/AIDS THAT WAS NOT EVIDENT IN PREVIOUS APIS.

THE EXPANDED NARRATIVE REPORTING IN THE APIS THIS YEAR DEMONSTRATED THE IMPORTANCE OF BOTH NARRATIVE AND QUANTITATIVE REPORTING ON RESULTS AND THE VALUE OF LAYING OUT THE COUNTRY CONTEXT. IN ADDITION, SOME MISSIONS SUCH AS SENEGAL INCLUDED A SECTION ON LESSONS LEARNED OVER FOUR YEARS OF MONITORING PROGRESS AT THE PROGRAM LEVEL AND BETTER DEFINING PROJECT AND PROGRAM LINKAGES.

C. MISSIONS ARE AT DIFFERENT POINTS ALONG THE PATH, BUT THE APIS SUGGEST THAT THE CULTURE OF MONITORING AND EVALUATION IS DEEPENING AND THAT THE API IS SEEN LESS AS A ONCE A YEAR DISCRETE EXERCISE. THERE WAS EVIDENCE THAT MISSIONS HAVE TAKEN OWNERSHIP OF THE MONITORING AND EVALUATION PROCESS THAT FEEDS INTO THE API AND HAVE USED THE INFORMATION FOR IMPROVED PROGRAM MANAGEMENT. SOME MISSIONS, SUCH AS MALAWI AND KENYA, HAVE REPORTED ON HOW PERFORMANCE DATA REFLECTED IN THE API HAS CONTRIBUTED TO

DECISION-MAKING TO MODIFY PROGRAM STRATEGIES AND ACHIEVE GREATER RESULTS. SOME MISSIONS SLATED FOR CLOSE-DOWN OR PHASE-DOWN VIEWED THE API AS A WAY TO TELL THEIR STORIES AND MAKE RECOMMENDATIONS ON WHICH PROGRAMS TO CONTINUE. REVIEWERS EMPHASIZED THE NEED TO CONTINUE TO MONITOR INNOVATIVE INTERVENTIONS AFTER CLOSE-OUT E.G. CAMEROON HEALTH CARE FINANCING.

D. THE API REVIEWS THEMSELVES WERE MORE SOPHISTICATED AND

CRITICAL THAN IN THE PAST. REVIEWERS LOOKED MORE CLOSELY AT THE QUALITY OF INDICATORS AND DATA--WHETHER INDICATORS ARE THE BEST ONES FOR THAT PARTICULAR STRATEGIC OBJECTIVE AND HOW TO BETTER CAPTURE PEOPLE-LEVEL IMPACT. REVIEWERS WERE INTERESTED IN PROVIDING FEEDBACK TO MISSIONS I.E., ENCOURAGING MISSIONS TO CLARIFY LINKAGES, SUGGESTING CONSIDERATIONS FOR UPCOMING CPSPS, AND POINTING OUT REMAINING MONITORING ISSUES.

THE QUALITY OF THE REVIEWS DEMONSTRATED THE RETURN ON THE BUREAU'S INVESTMENT OF THE PAST FIVE YEARS IN PUTTING INTO PLACE STRATEGIC PLANNING AND PERFORMANCE MONITORING SYSTEMS UNDER THE DFA. IT WAS EVIDENT THAT REVIEWERS WERE ABLE TO MAKE SIGNIFICANT CONTRIBUTIONS BECAUSE OF THEIR KNOWLEDGE AND EXPERIENCE WITH APIS EITHER IN THE FIELD OR IN WASHINGTON.

E. IN MORE AND MORE MISSIONS, BASELINES ARE IN PLACE, DATA COLLECTION PLANS ARE IN PLACE, AND MISSIONS ARE BECOMING MORE INVOLVED IN HELPING TO SET UP HOST COUNTRY DATABASES (MANY STARTING FROM ZERO). THIS YEAR'S APIS REFLECTED FURTHER REFINEMENT OF INDICATORS USED TO MEASURE

PROGRESS AND EFFORTS TO STREAMLINE DATA COLLECTION WITH FEWER AND BETTER INDICATORS. MISSIONS ARE ENCOURAGED TO CONTINUE TO IDENTIFY THE MOST CRITICAL INDICATORS TO REPORT ON TO WASHINGTON, ALTHOUGH THE MISSION MAY CHOOSE TO TRACK MORE INDICATORS FOR MISSION MANAGEMENT PURPOSES.

F. APIS PROVIDED INSIGHT INTO OUR UNDERSTANDING OF WHAT IT TAKES TO ACHIEVE IMPACT. THE MOST APPARENT, THOUGH NOT SURPRISING, CONCLUSION IS THAT DEVELOPMENT IS A LONG-TERM PROCESS AND IT REQUIRES PATIENCE TO STAY THE COURSE. MISSION PROGRAMS WHERE WE SEE THE GREATEST IMPACT ARE THOSE WHERE THERE HAS BEEN A LONG-TERM INVESTMENT AND SUSTAINED FOCUS ON A FEW PROGRAMMATIC AREAS. THE APIS ALSO SHOWED THAT IMPACT CAN STILL BE ACHIEVED EVEN WHEN THE OVERALL COUNTRY ENVIRONMENT IS NOT THE BEST (I.E., KENYA, CAMEROON, MALAWI). ON THE OTHER HAND, POLITICAL DISORDER CAN TURN PROGRESS AROUND QUICKLY (I.E., RWANDA AND BURUNDI).

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4. REMAINING MONITORING ISSUES

A. API REVIEWS SUGGEST THAT PROGRAM PERFORMANCE MONITORING ISSUES REMAIN AND THAT WE ARE CONSTRAINED IN OUR ANALYSIS BY THE LIMITATIONS OF DATA. MISSIONS ARE STILL GRAPPLING WITH HOW TO BEST CAPTURE PEOPLE-LEVEL IMPACT PARTICULARLY IN THE PRODUCTIVE SECTORS I.E., BROAD ECONOMIC GROWTH AND HOUSEHOLD LEVEL INCOME GROWTH. MEASURING IMPACT IN DEMOCRATIC GOVERNANCE IS DIFFICULT,

AND THERE WAS AGREEMENT ON THE NEED TO DEVELOP AN ANALYTICAL FRAMEWORK TO BETTER CAPTURE THE FULL RANGE OF D/G IMPACTS. THERE IS A NEED TO DETERMINE HOW TO ANALYZE NRM PROGRAMS FOR IMPACT IN THE SHORT-TERM EVEN THOUGH THE INTERVENTION AND ANTICIPATED IMPACT IS LONG-TERM IN NATURE. HIV/AIDS PRESENTS SPECIAL MEASUREMENT PROBLEMS AS WELL AS DIFFICULTY IN DETERMINING AN EXPECTED LEVEL OF IMPACT THAT IS WITHIN THE MANAGEABLE INTEREST OF THE MISSION.

B. THERE IS A NEED TO DIFFERENTIATE BETWEEN LIMITED AND NATIONAL IMPACTS, PARTICULARLY IN AGRICULTURE AND NRM.

REPORTED IMPACT TENDS TO BE LOCALIZED. THE QUESTION IS HOW TO MAKE IT BROAD-BASED AND ADDRESS IT FROM A NATIONAL-

LEVEL STANDPOINT.

C. APIS SHOULD CAPTURE CUMULATIVE IMPACT FROM USAID INVESTMENTS UNDERTAKEN HISTORICALLY I.E., BEFORE A NEW CPSP WAS PUT INTO PLACE. THERE WERE CONCERNS EXPRESSED IN REVIEWS THAT SOME MISSIONS WERE NOT REPORTING IMPACT THAT HAD TAKEN PLACE DUE TO PREVIOUS USAID INTERVENTIONS. IN A FEW CASES, BASELINES WERE TOO RECENT EVEN THOUGH THIS YEAR'S GUIDANCE EMPHASIZED PUSHING THE BASELINE BACK TO TRY TO CAPTURE WHAT USAID HAS BEEN DOING HISTORICALLY IN A SECTOR.

D. ALTHOUGH APIS ARE WIDELY USED TO DISSEMINATE IMPACT DATA ON AFRICAN COUNTRY PROGRAMS, THERE WAS A FEELING THAT THE TIME IS NOW RIPE FOR EXPANDING THE USE OF APIS TO INFORM BUREAU DECISIONS. AN EXAMPLE WOULD BE USING THE

API AS AN INDICATOR OF MISSION PROGRAM PERFORMANCE WHICH WOULD THEN FACTOR INTO THE PERFORMANCE BASED BUDGETING SYSTEM. IT WAS ALSO SUGGESTED THAT APIS BE USED TO INFORM STRATEGY DEVELOPMENT DECISIONS SUCH AS IN A NEW CPSP OR IN PROGRAMMING OF NEW STARTS.

E. SORTING OUT THE RESPONSIBILITY FOR REPORTING ON THE IMPACT OF REGIONAL PROGRAMS (E.G. SARP) NEEDS TO HAPPEN BEFORE NEXT YEAR'S API CYCLE. IMPACT REPORTING ON REGIONAL PROGRAMS TENDED TO BE SPARSE.

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5. IMPACT

A. ATTEMPTING TO AGGREGATE DATA ACROSS COUNTRIES SO WE CAN SEE HOW OUR INVESTMENT ADDS UP IS APPEALING BUT CHALLENGING. A GREAT DEAL OF EFFORT HAS BEEN PUT INTO THAT TASK USING THIS YEAR'S APIS, LIMITATIONS NOTWITHSTANDING. A BRIEF SUMMARY OF THE AFRICA REGION-WIDE RESULTS FOLLOW.

B. MACROECONOMIC CONTEXT. EVENTS OF THE LAST THREE YEARS HAVE MADE IT DIFFICULT FOR AFRICA'S EXPORT-LED GROWTH TO MAINTAIN THE EXPANSION EXPERIENCED IN THE MID TO LATE 1980S. THE SLOWDOWN IN WORLD TRADE IN 1991/92/93 RESULTED IN LOWER DEMANDS FOR AFRICAN EXPORTS; IN 1991/92 VOLUMES INCREASED BY ONLY TWO PERCENT PER YEAR AND IN 1993 WERE PROJECTED TO BE FLAT. THIS SITUATION WAS EXACERBATED BY A SERIOUS, REGION-WIDE DROUGHT IN SOUTHERN AFRICA. IN

ADDITION, WORLD PRICES FOR MOST OF AFRICA'S COMMODITIES FELL. THE END RESULT IS THAT AFRICA'S EXPORT EARNINGS DECLINED BY 2.6 PERCENT IN 1991, BY 1.6 PERCENT IN 1992, AND A PROJECTED 4.5 PERCENT MORE IN 1993.

USING FIVE ECONOMIC INDICATORS, AFR/ARTS ANALYZED COUNTRIES BY CATEGORY (FOCUS, WATCH, SPECIAL, OTHER) TO DETERMINE POSSIBLE TRENDS. FOCUS COUNTRIES PERFORMED CONSISTENTLY BETTER THAN THE AVERAGE AFRICAN COUNTRY. EXPORT VOLUMES OF FOCUS COUNTRIES GREW BY TWO TO THREE PERCENTAGE POINTS PER YEAR FASTER THAN EXPORT VOLUMES OF THE OTHER AFRICAN COUNTRIES IN 1985-87 AND 1988-91. THE PICTURE IS NOT SO CLEAR IN 1992 AND 1993.

C. PRIVATE SECTOR DEVELOPMENT. DRAWING CONCLUSIONS ON REGION-WIDE TRENDS PROVED DIFFICULT FOR TWO REASONS. SINCE FY 1992 IS THE BASE YEAR FOR MANY PRIVATE SECTOR PROJECTS, THERE WAS NOT ENOUGH DATA ON ACTUAL RESULTS TO DISCERN A CLEAR TREND. SECONDLY, SIGNIFICANT VARIATION IN INDICATORS USED TO MEASURE PROGRESS ON SIMILAR TARGETS FURTHER COMPLICATED THE IDENTIFICATION OF TRENDS.

9

THE APIS UNDERSCORE THE IMPORTANCE OF A COUNTRY'S POLICY ENVIRONMENT AS A CRITICAL FACTOR IN BUILDING A SUSTAINABLE, MARKET-ORIENTED PRIVATE SECTOR. THE GAMBIA AND GHANA APIS DEMONSTRATE THAT ENERGIZING THE PRIVATE SECTOR AND FACILITATING ITS ENTRANCE INTO THE ECONOMY IS A VIABLE WAY TOWARD SUSTAINABLE DEVELOPMENT.

PRIVATE SECTOR INDICATORS USUALLY INCLUDE DATA ON EMPLOYMENT, TRADE (EXPORTS AND/OR IMPORTS), INVESTMENT,

AND POLICY CHANGES. WHILE WE KNOW THERE IS CAUSAL LINKAGE BETWEEN OUR INVESTMENTS AND INCOME AND EMPLOYMENT, THERE IS SOME DIFFICULTY ESTABLISHING PEOPLE-LEVEL IMPACT INDICATORS. INVESTMENT INDICATORS VARIED SO MUCH IN APIS THAT IT WAS DIFFICULT TO COMPARE MISSIONS TO FIND A TREND.

SIX MISSIONS HAD DATA TO REPORT ON EMPLOYMENT AND ALL SHOWED THAT EMPLOYMENT RATES INCREASED MODERATELY. KENYA, MADAGASCAR, TANZANIA, AND THE GAMBIA REPORTED INCREASES IN OVERALL EMPLOYMENT RATES WHILE MALI AND CAMEROON SHOWED INCREASES IN TARGETED EMPLOYMENT SECTORS. SEVERAL MISSIONS SHOWED INCREASES IN PRIVATIZATION OF BUSINESSES, INCLUDING CAMEROON, ZAMBIA AND MALI. MISSIONS INVOLVED IN POLICY CHANGES HAVE HAD REMARKABLE SUCCESS IN CONTRIBUTING TO AN ENVIRONMENT CONDUCIVE TO A FLOURISHING PRIVATE SECTOR. IN ADDITION, SOME MISSIONS ARE REPORTING PRIVATE SECTOR IMPACTS FROM HEALTH ACTIVITIES. IN GUINEA, CAMEROON, AND TANZANIA, FAMILY PLANNING ACTIVITIES HAVE LED TO INCREASED PRIVATE SECTOR INVOLVEMENT IN THE PROVISION OF FAMILY PLANNING SERVICES.

D. NRM/SUSTAINABLE AGRICULTURE. POSITIVE IMPACTS OVER THE LAST SEVERAL YEARS ASSOCIATED WITH USAID PROGRAMS INCLUDE INCREASES IN INCOMES TO PRODUCERS, YIELDS PRODUCED BY FARMERS, MEASURES OF FOOD SECURITY, AND AMOUNTS OF AGRICULTURAL GOODS EXPORTED. BEHIND THESE IMPACTS ARE SIGNIFICANT CHANGES MADE BY:

THE HOST GOVERNMENTS--MARKET LIBERALIZATION AND PRIVATIZATION, TENURE POLICY, DEVOLUTION OF AUTHORITY, REORIENTATION OF GOVERNMENT AGENCIES.

THE PRODUCERS--LAND USE MANAGEMENT DECISIONS, MARKET DECISIONS, INPUT USE.

USAID MISSIONS--CHANGES IN PROGRAMMATIC APPROACHES BASED UPON FIELD EXPERIENCES.

IMPACTS REFLECT THE SKILL, DEDICATION, AND HARD WORK OF MISSION AND HOST COUNTRY PERSONNEL AS WELL AS THE DECISION OF MISSIONS TO STAY THE COURSE AND BUILD ON EXPERIENCE AND SUCCESS. IMPACTS FROM A NUMBER OF MISSIONS ARE ASSOCIATED WITH THE SYNERGIES AMONG MARKET LIBERALIZATION, REFORM OF THE TRANSPORT SECTOR, CHANGES IN THE TENURE CODE, AVAILABILITY OF TECHNOLOGIES, INCREASES IN THE CAPACITY OF RURAL ASSOCIATIONS TO MANAGE ENTERPRISES, AND STRENGTHENING OF NGOS. THE RESULTS WE ARE SEEING VALIDATE THE CROSS-CUTTING APPROACH OF MISSIONS AND THE REST OF THE BUREAU IN THE SECTORS OF AGRICULTURE AND ENVIRONMENT.

EXAMPLES WHERE SYNERGIES HAVE CONTRIBUTED TO IMPACT ARE MALAWI AND KENYA, WHERE THE USES OF HYV OF MAIZE SEED AND FERTILIZER ARE LINKED TO LIBERALIZATION OF MARKETS, INPUTS, AND THE TRANSPORT SECTOR. IN MALI, THE USE OF HYV SEED, MINERAL FERTILIZER, AND ENVIRONMENTAL-PROTECTIVE PRACTICES RELATE TO LIBERALIZED MARKETS AND TRANSPORT SECTOR, CHANGES IN TREE TENURE, STRENGTHENED CAPACITY OF VILLAGE ASSOCIATIONS, ACCESS TO CREDIT, AND INCREASED INFORMATION.

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EXAMPLES OF IMPACT IN THIS SECTOR:

1) NRM ELEMENTS AS AN INTEGRAL PART OF A PROGRAM TO ACHIEVE SUSTAINABLE ECONOMIC DEVELOPMENT: MALAWI (AGROFORESTRY COMPONENT), MALI (SOIL-CONSERVING PRACTICES PART OF PRODUCTIVITY FOCUS), NIGER (NATURAL FOREST MANAGEMENT AS PART OF ENTERPRISE DEVELOPMENT), BOTSWANA (INCREASED LOCAL BENEFITS FROM BETTER HUSBANDRY OF RESOURCES), THE GAMBIA (NRM SUPPORTS RURAL DEVELOPMENT).

2) SUSTAINABLE AGRICULTURE: MALI, NIGER, SENEGAL.

3) ACCESS TO MARKETS, INPUTS, AND TRANSPORTATION: MALI, KENYA, MALAWI, SENEGAL, GUINEA.

4) PRIVATE SECTOR DEVELOPMENT: SENEGAL, GUINEA, MALI.

5) TECHNOLOGY DEVELOPMENT AND TRANSFER: MALI, KENYA, MALAWI.

6) AGRICULTURE MARKETING: KENYA (EMPLOYMENT IN USAID-ASSISTED FIRMS), UGANDA (VALUE OF NON-TRADITIONAL AGRICULTURAL EXPORTS, NUMBER OF NTAE ENTERPRISES, RETURNS TO RURAL PRODUCERS FROM NTAE), MADAGASCAR (POLICY REFORMS ON INTEREST RATES).

PROSPECTS FOR FUTURE SUSTAINABILITY SURFACED AS A KEY ISSUE IN REVIEWS. DATA ON RATES OF ENVIRONMENTAL DEGRADATION THAT MAY HAVE ACCOMPANIED INCREASES IN YIELDS WERE NOT GENERALLY REPORTED. THIS MADE IT DIFFICULT TO ASSESS THE SUSTAINABILITY OF THE INCREASES IN PRODUCTION. WHILE IMPACTS FROM MISSION PROGRAMS ARE POSITIVE OVER THE LAST SEVERAL YEARS, THESE IMPACTS GENERALLY REMAIN

LOCALIZED. QUESTIONS RAISED IN REVIEWS INCLUDED: WHAT ARE THE PROSPECTS THAT THE FRUITS OF USAID INVESTMENTS WILL BECOME BROAD-BASED? WILL THE INCREASES IN NUMBERS OF BENEFICIARIES REMAIN LOCALIZED OR WILL THE INCREASES TAKE ON GEOMETRIC PROPORTIONS? REVIEWERS CONCLUDED THAT IT DEPENDS TO A LARGE DEGREE ON HOW EFFECTIVELY THE BUREAU BUILDS ON THE KNOWLEDGE AND IDEAS PRODUCED BY ITS PROGRAMS AND FIELD PRESENCE. THE SUGGESTION WAS MADE THAT MISSIONS, COLLABORATORS, AND AID/W SHOULD WORK TOGETHER TO DEVELOP A CONSISTENT WAY TO REPORT ON PROGRESS AND TO SHARE IDEAS AND INFORMATION PRODUCED IN THE FIELD.

E. POPULATION. EIGHTEEN APIS INCLUDED FAMILY PLANNING AS A STRATEGIC OBJECTIVE, SOME WITHIN THE CONTEXT OF MATERNAL CHILD HEALTH AND HIV/AIDS PREVENTION. USAID COUNTRIES ARE NOW ROUTINELY TRACKING CHANGES IN CONTRACEPTIVE USE, FERTILITY RATES, AND KNOWLEDGE AND ATTITUDES TOWARD FAMILY SIZE THROUGH PERIODIC DEMOGRAPHIC AND HEALTH SURVEYS (DHS). SOME MISSIONS ARE SUPPORTING SPECIAL DATA COLLECTION APPROACHES SUCH AS SAMPLING RECORDS (ZIMBABWE) AND SUPPORTING INTERIM SURVEYS (GHANA) TO TRACK PROGRESS IN INCREASING CONTRACEPTIVE USE MORE FREQUENTLY THAN IS POSSIBLE THROUGH THE DHS.

REGARDING THE MONITORING OF CONTRACEPTIVE PREVALENCE RATES (CPR), WE RECOMMEND THAT MISSIONS REPORT ON BOTH CPR FOR MARRIED WOMEN (TO FACILITATE TREND ANALYSIS) AND FOR ALL WOMEN OF REPRODUCTIVE AGE. WE ENDORSE THE TREND TO INTEGRATE FAMILY PLANNING SERVICES WITH MATERNAL AND CHILD HEALTH. SEVERAL BILATERAL PROGRAMS ARE ALSO SEEKING TO INTEGRATE HIV/AIDS PREVENTION EFFORTS WITH MCH AND FAMILY

PLANNING.

THE IMPACT OF FAMILY PLANNING PROGRAMS IS MOST CLEARLY SEEN IN EAST AND SOUTHERN AFRICA. THE BEST NEWS THIS YEAR IS FROM KENYA, WHICH DOCUMENTED A DRAMATIC DROP IN FERTILITY. IN THE DECADE FROM THE LATE 1970S TO THE LATE 1980S, THE TOTAL FERTILITY RATE (TFR) FELL APPROXIMATELY 20 PERCENT FROM 8.1 IN 1977 TO 6.7 IN 1989. IN THE FOUR YEARS BETWEEN 1989 AND 1993, THE TFR FELL ANOTHER 20 PERCENT FROM 6.7 TO 5.4--ONE OF THE STEEPEST DECLINES EVER RECORDED. THIS HISTORIC DROP IN FERTILITY IS DUE MAINLY TO INCREASED USE OF MODERN METHODS OF CONTRACEPTION. AFTER OVER 20 YEARS OF USAID SUPPORT FOR FAMILY PLANNING IN KENYA, THE AGENCY CAN FEEL JUSTIFIABLE PRIDE IN THIS ACCOMPLISHMENT. BOTSWANA AND ZIMBABWE ALSO SHOWED HIGH RATES OF CONTRACEPTIVE USAGE. IT APPEARS THAT A DEMOGRAPHIC TRANSITION IS BEGINNING TO OCCUR IN SOME EAST AND SOUTHERN AFRICAN COUNTRIES.

IN WEST AND SAHELIAN AFRICA, CHANGE HAS BEEN MUCH SLOWER AND FERTILITY REMAINS VERY HIGH. FAMILY PLANNING SERVICE DELIVERY STILL IS IN THE EARLY STAGES AS REFLECTED IN CONTRACEPTIVE PREVALENCE RATES TYPICALLY BELOW 5 PERCENT--MUCH TOO LOW TO HAVE AN IMPACT UPON BIRTH RATES. AN EXCEPTION IS GHANA, THE FIRST WEST AFRICAN COUNTRY WITH A MODERN METHOD PREVALENCE RATE OVER 10 PERCENT. IN SOME COUNTRIES SUCH AS SENEGAL, SIGNIFICANT GAINS HAVE BEEN MADE IN MODERN CONTRACEPTIVE PREVALENCE IN URBAN AREAS, THOUGH PREVALENCE IS STILL VERY LOW THROUGHOUT THE COUNTRY AS A WHOLE. ALMOST ALL WEST AFRICAN AND SAHELIAN COUNTRIES NOW HAVE POLICIES FAVORING FAMILY PLANNING.

F. CHILD SURVIVAL. TWELVE COUNTRIES REPORTED ON INFANT AND CHILD MORTALITY RATES AT THE GOAL, SUBGOAL OR STRATEGIC OBJECTIVE LEVEL. IN TEN COUNTRIES, INFANT AND CHILD MORTALITY RATES CONTINUE TO DECLINE, ALTHOUGH THE RATE OF DECLINE APPEARS TO BE SLOWING IN SOME OF THESE COUNTRIES. IN TWO COUNTRIES, NIGER AND ZAMBIA, DATA FROM RECENT DEMOGRAPHIC AND HEALTH SURVEYS INDICATE INCREASED AND VERY HIGH LEVELS OF UNDER-FIVE MORTALITY. IN NIGER, THE DATA SHOW THAT ONE OUT OF EVERY THREE CHILDREN DIES BEFORE THE FIFTH BIRTHDAY. THESE ALARMING INCREASES MAY BE DUE TO POOR OR DETERIORATING HEALTH INFRASTRUCTURE, WORSENING NUTRITIONAL STATUS IN BOTH COUNTRIES, AND HIV/AIDS AND MALARIA IN ZAMBIA.

TWO COUNTRIES REPORTED ON DIARRHEAL DISEASE CONTROL PROGRAM EFFORTS, BUT ONLY MADAGASCAR PROVIDED TREND DATA WHICH SHOWS THAT THE NUMBER OF CHILDREN RECEIVING ORAL REHYDRATION THERAPY INCREASED FROM 26 PERCENT TO 30 PERCENT BETWEEN 1992 AND 1993. ONLY THREE COUNTRIES REPORTED ON NATIONAL LEVEL IMMUNIZATION COVERAGE OF CHILDREN UNDER ONE YEAR OF AGE. MALI AND NIGER REPORTED STABLE, BUT VERY LOW COVERAGE OF LESS THAN 40 PERCENT FOR MEASLES OF COMPLETE VACCINATIONS, WITH INCREASES IN COVERAGE CONSTRAINED BY CHANGING SERVICE DELIVERY STRATEGIES.

NIGERIA REPORTED AN ALARMING DECLINE IN NATIONAL IMMUNIZATION COVERAGE FROM 60 PERCENT TO 30 PERCENT THUS RAISING THE QUESTION OF WHETHER HEAVILY DONOR-FUNDED PROGRAMS OF SHORT DURATION CAN BE SUSTAINABLE. AFTER

MASSIVE EFFORTS IN THE LATE 1980S BY UNICEF MINISTRIES, AND OTHER DONORS TO ACHIEVE HIGH RATES OF COVERAGE, FUNDING PRIORITIES HAVE SHIFTED, LEAVING AN INSUFFICIENT RESOURCE BASE TO SUPPORT ACCELERATED IMMUNIZATION PROGRAMS (E.G. MASS CAMPAIGNS). OTHER FACTORS IN THE DECLINE WERE HIGH DROPOUT RATES AND THE REDISTRIBUTION OF RESOURCES DUE TO THE CREATION OF LOCAL GOVERNMENT AREAS. THE NIGERIA EXPERIENCE POINTS TO THE NEED FOR BETTER COLLABORATION WITHIN THE DONOR COMMUNITY AND WITH THE GOVERNMENT TO

ENSURE BETTER PLANNING FOR CONTINUING SUPPORT OF PROGRAMS.

MISSIONS ARE MOVING FROM VERTICAL PROGRAMS TO SYSTEMS STRENGTHENING, AN APPROACH WHICH WILL LIKELY INCREASE THE POTENTIAL FOR SUSTAINABILITY. WE APPLAUD THIS DIRECTION AND BELIEVE THAT WITHOUT THESE TYPES OF SYSTEMS INVESTMENTS, THE EFFECTIVENESS OF VERTICAL PROGRAMS WILL BE LIMITED. AS HEALTH AND FAMILY PLANNING PROGRAMS INCREASE ATTENTION TO SYSTEMS STRENGTHENING, MANY MISSIONS ARE REPORTING ON SUBSTANTIAL INCREASES IN THE NUMBERS OF HEALTH FACILITIES PROVIDING A FULL PACKAGE OF #QUALITY, EFFECTIVE HEALTH AND FAMILY PLANNING SERVICES. $ WHILE THESE DATA ARE ENCOURAGING, THIS TYPE OF PROGRESS INDICATOR SHOULD BE REVISED TO REFLECT PERFORMANCE SUCH AS PERCENTAGE OF THE POPULATION WITH ACCESS TO AND ACTUALLY UTILIZING THESE HEALTH AND FAMILY PLANNING SERVICES.

G. HIV/AIDS. OF THOSE COUNTRIES SUBMITTING APIS, SIX COUNTRIES HAVE STRATEGIC OBJECTIVES RELATED TO THE PREVENTION OF CONTROL OF HIV AIDS TRANSMISSION, AND FOUR COUNTRIES LIST HIV AIDS CONTROL AS TARGETS OF OPPORTUNITY. GIVEN THAT TWO YEARS AGO, ONLY TWO COUNTRIES REPORTED ON

HIV/AIDS IN THEIR APIS, HISTORICAL TREND AND IMPACT DATA ON HIV/AIDS PREVENTION IS LIMITED. IN KENYA, UGANDA AND MALAWI, SIGNIFICANT RESULTS WERE REPORTED IN INCREASED LEVELS OF CONDOM DISTRIBUTION.

AS THE HIV/AIDS PROBLEM IN AFRICA CONTINUES TO GROW AND MORE MISSIONS INCORPORATE HIV/AIDS PREVENTION INTO THEIR STRATEGIC FRAMEWORKS, ISSUES HAVE BEEN RAISED CONCERNING THE LEVEL OF EXPECTED IMPACT (I.E., WHERE TO SET THE STRATEGIC OBJECTIVE) AND WHAT INDICATORS WILL BEST MEASURE PROGRESS AND IMPACT. THE BUREAU NO LONGER RECOMMENDS THAT MISSIONS PITCH STRATEGIC OBJECTIVES AT THE LEVEL OF INFLUENCING HIV SEROPREVALENCE.

WE QUESTION WHETHER ATTAINING IMPACT AT THIS LEVEL IS WITHIN THE MISSION'S MANAGEABLE INTEREST GIVEN BOTH THE LIMITED STATE OF KNOWLEDGE REGARDING THE TREND OF THE EPIDEMIC AS WELL AS THE LENGTH OF TIME THAT IS LIKELY REQUIRED TO SEE AN ACTUAL REDUCTION. THE WORLD HEALTH ORGANIZATION (WHO) AND USAID ADVISE THAT REDUCTION OF SEROPREVALENCE AS AN INDICATOR OF PROGRESS AND "SUCCESS" IS NOT APPROPRIATE GIVEN THE TIMEFRAME OF OUR STRATEGIES AND THE COMPLEX VARIABLES INVOLVED IN MEASUREMENT.

ON THE OTHER HAND, IT MAY BE QUITE REASONABLE TO AIM FOR BEHAVIOR CHANGE AFFECTING HIV/AIDS TRANSMISSION AT THE STRATEGIC OBJECTIVE LEVEL. SOME MISSIONS STATE STRATEGIC OBJECTIVES IN WORDS SUCH AS "INCREASED USE OF HIV/AIDS PREVENTIVE MEASURES BY TARGET POPULATIONS." USAID AND WHO HAVE DEVELOPED "CORE PREVENTION INDICATORS" FOR MONITORING PROGRAMS THAT FOCUS ON PREVENTION OF SEXUAL TRANSMISSION

OF HIV. AMONG THESE INDICATORS ARE KNOWLEDGE OF PREVENTIVE PRACTICES, CONDOM AVAILABILITY AND USE ESPECIALLY WITH NON-REGULAR SEXUAL PARTNERS, AND STD CASE MANAGEMENT.

BECAUSE HIV/AIDS IS A NEW AND EVOLVING AREA, MISSIONS ARE EXPLORING APPROACHES TO GATHERING DATA AND DEVELOPING VALID MEASURES. ESTIMATES OF EXPECTED RESULTS ARE LESS CERTAIN AND ARE LIKELY TO BE REVISED AS MORE KNOWLEDGE AND EXPERIENCE ARE GAINED.

H. BASIC EDUCATION. APIS FOR BOTSWANA, GHANA, MALI, AND UGANDA WERE REVIEWED IN TERMS OF BASIC EDUCATION PROGRESS AND IMPACT. ON THE WHOLE, MISSIONS ARE DOING A BETTER JOB OF DESCRIBING THE CONTEXT IN WHICH EDUCATION IMPROVEMENT IS OCCURRING. THE APIS CONVEY A SENSE OF THE POLITICAL,

ECONOMIC, AND SOCIAL FACTORS WHICH DETERMINE THE CONTENT AND PACE OF EDUCATION REFORM. IN ADDITION, DATA ARE BECOMING MORE INFORMATIVE AS MISSIONS ARE BEGINNING TO REPORT ON IMPACT, NOT JUST PROCESS. THUS, MALI AND GHANA TRACK NOT ONLY LEVELS OF SECTOR FINANCING, TEACHER TRAINING AND TEXTBOOK AVAILABILITY, BUT ALSO CHANGES IN STUDENT ACHIEVEMENT.

WHILE THERE IS MORE REPORTING ON THE CROSS-SECTORAL IMPORTANCE OF EDUCATION TO OVERALL DEVELOPMENT THAN IN PREVIOUS YEARS, APIS WITH BASIC EDUCATION COULD STATE MORE CLEARLY THESE LINKAGES. FOR EXAMPLE, AN API COULD STATE THAT BROAD-BASED, SUSTAINABLE, EQUITABLE ECONOMIC DEVELOPMENT HINGES IN LARGE DEGREE ON HAVING A TRAINABLE WORKFORCE. SUCH A WORKFORCE MUST HAVE THE PROFICIENCY IN LITERACY, NUMERACY AND PROBLEM-SOLVING NECESSARY TO ABSORB

THE FAMILY LIFE AND SKILLS TRAINING THAT MAKE AFRICAN LABOR COMPETITIVE IN TODAY'S GLOBAL ECONOMY.

SOME REVIEWERS QUESTIONED THE RELIABILITY OF DATA USED FOR REPORTING. IN ADDITION, THERE WAS CONCERN THAT IN STRIVING FOR PEOPLE-LEVEL IMPACT, APIS EXHIBIT EXPECTATIONS OF STUDENT-LEVEL CHANGE THAT ARE OVERLY AMBITIOUS. SOME REVIEWERS NOTED THAT, WITH THE MANDATE TO REPORT PEOPLE-LEVEL IMPACT, THERE IS A RISK THAT WE WILL OVERLOOK SYSTEM-LEVEL IMPACTS, IN MOST CASES NECESSARY PRECURSORS TO PEOPLE-LEVEL IMPROVEMENT.

OTHER ISSUES DEALT WITH THE TIMEFRAME IN WHICH WE CAN EXPECT IMPACT. IT WAS MENTIONED THAT, METHODOLOGICALLY, A NUMBER OF YEARS IS NEEDED TO SHOW INCREMENTS OF CHANGE, AND GROWTH WILL OFTEN BE UNEVEN. FOR EXAMPLE, IN GUINEA, THREE YEARS OF IMPERCEPTIBLE CHANGE IN THE LEVEL OF GIRLS' ENROLLMENT WAS FOLLOWED BY A YEAR IN WHICH GIRLS' ENROLLMENT GREW BY FOUR PERCENTAGE POINTS. THEREFORE, WE NEED TO BE PATIENT FOR EDUCATION SECTOR IMPROVEMENT TO OCCUR.

I. DEMOCRATIC GOVERNANCE. ONLY THREE MISSIONS (RWANDA, GUINEA-BISSAU, COTE D'IVOIRE) HAVE IDENTIFIED PROMOTION OF DEMOCRATIC GOVERNANCE AS A STRATEGIC OBJECTIVE AND TWO MISSIONS HAVE D/G AS A TARGET OF OPPORTUNITY. THIS SERIOUSLY UNDERREPRESENTS THE EXTENT OF D/G ACTIVITIES BEING DONE BY OUR MISSIONS. CONSEQUENTLY, IN RESPONSE TO BUREAU API GUIDANCE ASKING FOR EXPANDED REPORTING, NEARLY ALL MISSIONS SUBMITTING APIS DISCUSSED D/G PROGRESS AND IMPACT AND DID A HIGHLY CREDIBLE JOB.

DESPITE THE EXCELLENT DISCUSSION OF D/G ISSUES, IT WAS DIFFICULT TO IDENTIFY TRENDS THROUGH API DATA SINCE THIS IS THE FIRST YEAR MISSIONS HAVE BEEN REQUESTED TO REPORT ON THE D/G ENVIRONMENT AND ACTIVITIES. THUS, OTHER INFORMATION SOURCES SUCH AS THE AFRICAN REGIONAL ELECTIONS ASSISTANCE FUND (AREAF) WERE ALSO USED IN ANALYZING TRENDS. USAID SUPPORT OF D/G IN AFRICA BEGAN ONLY THREE YEARS AGO WITH THE PRIMARY FOCUS BEING SUPPORT FOR TRANSITION ELECTIONS.

BY FAR, THE MOST SIGNIFICANT TREND RELATIVE TO THE IMPACT OF OUR D/G SUPPORT EFFORTS IN AFRICA IS THE TRANSITION TO DEMOCRACY. WHILE POLITICAL TRANSITIONS CAN BE DIFFICULT AND SOMETIMES VOLATILE, OVER THE LAST THREE YEARS, TEN COUNTRIES COMPLETED DEMOCRATIC TRANSITIONS AND ARE IN THE CONSOLIDATION STAGE. IN CONTRAST TO SEVERAL SUCCESSES, SOME DISTURBING OUTCOMES HAVE BEEN ASSOCIATED WITH ELECTIONS OVER WHE PAST YEAR (I.E., KENYA, TOGO, GABON AND GUINEA) WITH FLAWED PROCESSES LEADING TO FLAWED RESULTS.

ALTHOUGH OUT OF 20 APIS, THERE WERE ONLY THREE STRATEGIC

OBJECTIVES AND NINE TARGETS AIMED AT IMPROVING D/G, FURTHER ANALYSIS REVEALED THAT OF THE REMAINING STRATEGIC OBJECTIVES COVERING A VARIETY OF SECTORS, THERE WERE SEVEN ADDITIONAL TARGETS THAT WERE GEARED TOWARD IMPROVING D/G THROUGH POLICY, LEGAL, AND REGULATORY REFORMS. FOR EXAMPLE, TANZANIA'S STRATEGIC OBJECTIVE TO "INCREASE FORMAL PRIVATE SECTOR PARTICIPATION IN THE ECONOMY" INCLUDED A TARGET TO IMPROVE THE ROLE OF THE PRIVATE SECTOR IN SHAPING PUBLIC POLICY--AN OBJECTIVE OF D/G. NOT

UNEXPECTED IT THE FACT THAT WITHIN THE CONTEXT OF IMPROVING THE ENABLING ENVIRONMENT, THE MAJORITY OF MISSIONS LINKED LEGAL AND REGULATORY REFORM TO THE GOAL OF INCREASED ECONOMIC GROWTH. THE SYNERGISTIC RELATIONSHIP BETWEEN IMPROVED GOVERNANCE AND SUSTAINABLE ECONOMIC GROWTH IS STRONGLY STRESSED IN THE GUINEA-BISSAU STRATEGIC OBJECTIVE STATED AS "PRIVATE SECTOR TRADE AND INVESTMENT INCREASED IN CRITICAL GROWTH SUB-SECTORS THROUGH IMPROVED GOVERNANCE."

AN EMERGING TREND IS GREATER EMPHASIS ON STRENGTHENING THE CAPACITY OF CIVIL SOCIETY TO EFFECTIVELY SERVE, REPRESENT, AND DEFEND THE INTERESTS OF ITS MEMBERS AS DEMONSTRATED IN THE JOINT SENEGAL TARGET OF OPPORTUNITY. SEVERAL MISSIONS IDENTIFIED DECENTRALIZATION OF GOVERNMENT SERVICES AND STRUCTURES AS AN AREA OF CURRENT OR FUTURE ACTIVITY.

REVIEWERS NOTED TWO PROBLEMS WITH D/G INDICATORS AS REPORTED IN APIS. THE FIRST IS THAT IN SOME CASES D/G INDICATORS CURRENTLY IN USE BY MISSIONS TO REPORT ON D/G IMPACTS, PARTICULARLY THOSE DEALING WITH NON-D/G SECTOR ACTIVITIES, ARE NOT ADEQUATE TO FULLY CAPTURE PROGRESS OR IMPACT. SECOND, MANY OF THE SMALL BUT CRITICALLY IMPORTANT ACTIVITIES BEING SUPPORTED BY MISSIONS USING 116E, AREAF, AND OTHER FUNDING SOURCES ARE NOT SYSTEMATICALLY REFLECTED UNDER D/G STRATEGIC OBJECTIVES OR TARGETS OF OPPORTUNITY AND THEREFORE GO UNREPORTED. THUS, THERE IS A NEED FOR FURTHER REFINEMENT IN ORDER TO MORE EFFECTIVELY CAPTURE BOTH DIRECT AND INDIRECT (CROSSCUTTING) CONTRIBUTIONS TOWARD D/G.

J. GENDER REPORTING. OVERALL, THIS YEAR'S APIS SHOW A MORE SOPHISTICATED UNDERSTANDING OF THE IMPORTANCE OF GENDER CONSIDERATIONS IN DEVELOPMENT PLANNING IN TERMS OF SECTOR-SPECIFIC PEOPLE-LEVEL IMPACTS AND OVERALL PROGRAM SUCCESS. THE EDUCATION SECTOR MOST CLEARLY DEMONSTRATES A CONCERN FOR, AND UNDERSTANDING OF, THE IMPORTANCE OF GENDER CONSIDERATIONS IN DEVELOPMENT. THE PROMINENCE OF GENDER IN THE EDUCATION SECTOR, RELATIVE TO OTHER SECTORS, MAY REFLECT A GENERALIZED UNDERSTANDING THAT GIRLS' AND WOMEN'S EDUCATION HAS A CROSS-CUTTING IMPACT ON OTHER SECTORS AND THAT FURTHERING GIRLS' ACCESS TO BASIC EDUCATION IS OFTEN AN EXPLICIT OBJECTIVE OF OUR INTERVENTIONS IN THIS SECTOR.

THE AGRICULTURE AND NRM SECTOR IS BEHIND IN TERMS OF TRACKING FEMALE PARTICIPATION AND CONTRIBUTION. MOST SIGNIFICANTLY, INDICATORS REFERRING TO FARMERS ARE RARELY DISAGGREGATED BY GENDER IN APIS. HOWEVER, AWARENESS OF GENDER ISSUES IN THE ADOPTION OF FARMING TECHNOLOGIES WAS DEMONSTRATED BY THE KENYA API, WHICH EMPHASIZED DEVELOPING TECHNOLOGIES THAT CAN BE EASILY ADOPTED BY BOTH MALE AND FEMALE FARMERS.

GENDER CONSIDERATIONS IN PRIVATE SECTOR ACTIVITIES VARIES. WHILE FEMALE ACCESS TO CREDIT AND MICROENTERPRISE DEVELOPMENT SUPPORT SERVICES WERE OCCASIONALLY MENTIONED, GENDER SHOULD ALSO BE APPLIED TO OTHER LESS TRADITIONALLY "FEMALE-ORIENTED" PRIVATE SECTOR ACTIVITIES. MANY

ACTIVITIES, PARTICULARLY CONCERNING THE ALLEVIATION OF CONSTRAINTS TO WOMEN'S PARTICIPATION IN THE EXPORT SECTOR, CONTINUE IN LARGE PART TO BE EXCLUDED IN API REPORTING.

OF THE TWELVE MISSIONS WITH PROGRAM ACTIVITIES PERTAINING TO PRIVATE SECTOR DEVELOPMENT, ONLY TWO INCLUDED GENDER-DISAGGREGATED INDICATORS.

THE LEVEL OF GENDER REPORTING IN DEMOCRATIC GOVERNANCE WAS VERY PROMISING. ALMOST EVERY API REFERRING TO DEMOCRACY AND GOVERNANCE ACTIVITIES MENTIONED THE IMPORTANT ROLE THAT BOTH MEN AND WOMEN PLAY IN THE PROCESS OF DEMOCRATIZATION. THE CHALLENGE WILL BE TO TAKE ADVANTAGE OF THIS CHANGE OF ENVIRONMENT AND HELP WOMEN GAIN THE LEVEL OF POWER AND DECISION-MAKING THEY NEED TO INFLUENCE POLICY MAKERS AND GOVERNMENTS. AS D/G ACTIVITIES ARE DEVELOPED, IT IS CRITICAL THAT GENDER BE CONSIDERED IN THE INITIAL STAGES.

APIS DEMONSTRATE A RECOGNITION OF THE SIGNIFICANT GENDER DIFFERENCES IN HIV INFECTION, AND MISSION PROGRAMS ARE CONCEPTUALIZED AND REPORTED ON IN AN APPROPRIATE FASHION. HOWEVER, MEN'S ROLE IN FAMILY PLANNING IS NOT YET MAINSTREAMED IN APIS, ALTHOUGH THERE HAS BEEN PROGRESS IN REPORTING FROM LAST YEAR.

OF THE MISSIONS SUBMITTING APIS, FIVE MISSIONS APPEAR TO BE ON THE ROAD TO INTEGRATING GENDER ROUTINELY ACROSS ALL PROGRAMS AND SECTORS. APIS FOR UGANDA, NIGER, AND GUINEA ALL INCLUDE INDICATORS REPRESENTING GENDER CONSIDERATIONS FOR EACH MAJOR PROGRAM ACTIVITY. INFORMATION ON WHY THE INDICATORS WERE CHOSEN AND DEEMED IMPORTANT WAS INCLUDED IN THE NARRATIVE SECTIONS. UGANDA'S INCLUSION OF GENDER IN ITS AGRICULTURAL EXPORT SECTOR ACTIVITIES IS ESPECIALLY NOTEWORTHY. WHILE APIS FOR MALAWI AND MALI DO NOT PROVIDE

GENDER-DISAGGREGATED INDICATORS FOR ALL OF THEIR PROGRAM ACTIVITIES, IMPORTANT QUALITATIVE INFORMATION RELATED TO EACH ACTIVITY WAS PROVIDED IN THE NARRATIVE SECTIONS. THE MALAWI API ALSO POINTED OUT GENDER-BASED LINKAGES AND IMPACTS BETWEEN OBJECTIVES, SUCH AS GIRLS' AND WOMEN'S LITERACY AND FERTILITY RATES. THE MALI API EMPHASIZED THE CONTRIBUTION OF BOTH WOMEN AND MEN TO THE SUCCESS TO THE COUNTRY'S DEMOCRATIC TRANSITION.

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6. CLOSING COMMENTS

WE APPRECIATE THE TREMENDOUS EFFORTS THAT MISSIONS PUT FORTH IN THIS YEAR'S APIS AND CONGRATULATE MISSIONS ON THE EXCELLENCE OF THE REPORTING. THE BUREAU HAS ALREADY DISSEMINATED THE RESULTS THROUGHOUT MANY PARTS OF THE AGENCY AND WILL CONTINUE TO USE THE API INFORMATION FOR MULTIPLE PURPOSES. AS PREVIOUSLY MENTIONED, FURTHER AID W REPORTING OUT ON API RESULTS IS OR SOON WILL BE AVAILABLE THROUGH COUNTRY-SPECIFIC AND SUBREGIONAL API FEEDBACK CABLES. A COMPENDIUM OF FY 1993 APIS WILL BE SENT TO ALL AFR MISSIONS SOON. ACCOMPANYING THE COMPENDIUM WILL BE A VOLUME CONTAINING COUNTRY-LEVEL ANALYTICAL MATRICES, SUMMARY MATERIAL PRESENTED IN THE SUBREGIONAL REVIEWS, AND COMMENTS AND PAPERS FROM THE AFR BUREAU-WIDE WRAP-UP SESSION.
TARNOFF

389

ASSESSMENT OF PROGRAM IMPACT

FY 1993

EAST AFRICA

KENYA
MADAGASCAR
RWANDA
TANZANIA
UGANDA

ASSESSMENT OF PROGRAM IMPACT

FY 1993

KENYA

391

USAID/Kenya

Assessment of Program Impact

November 22, 1993

TABLE OF CONTENTS

SECTION	DESCRIPTION	PAGE
	Acronyms	i
	Foreword	iii
	USAID/Kenya Program Logframe	iv
I	Special Factors Affecting the USAID/ Kenya Program Goals	1
II	Progress Toward Overall Country Program Goals	3
III	Progress Toward Strategic Objectives and Related Progress Indicators and Sub-Targets	6
Strategic Objective 1	Reduce Fertility Nationwide and Reduce the Incidence Of HIV/AIDS	6
Strategic Objective 2	Increase Agricultural Productivity and Farm Incomes	9
Strategic Objective 3	Increase Private Enterprise Employment	12
IV	Other Progress in Priority Areas	16
Annex A	Revision of Indicators and Expected Levels of Achievement	

ACRONYMS

AIDS	Acquired Immune Deficiency Syndrome
AIDSCAP	AIDS Control and Prevention Project
API	Assessment of Program Impact
AVSC	Association for Voluntary Surgical Contraception
CBFP	Community Based Family Planning
CBS	Central Bureau of Statistics
CIF	Cost, Insurance, Freight
CIMMYT	International Wheat & Maize Improvement Program
CMR	Child Mortality Rate
CPR	Contraceptive Prevalence Rate
CSM	Contraceptive Social Marketing
CYP	Couple Years of Protection
DAP	Diammonium Phosphate
DFH	Division of Family Health
DRSRS	Department of Resource Surveys & Remote Sensing
D/VAT	Duty and Value Added Tax
EEC	European Economic Community
EPZ	Export Processing Zone
FPEAK	Fresh Produce Exporters Association of Kenya
EPPO	Export Promotion Programs Office
EPZA	Export Processing Zone Authority
FHH	Female Headed Household
FPMRP	Fertilizer Pricing & Market Reform Program
FY	Fiscal Year
GDP	Gross Domestic Product
GOK	Government of Kenya
HCDA	Horticultural Crops Development Authority
HIS	Health Information System
HIV	Human Immunodeficiency Virus
HYV	High Yielding Variety
IBRD	International Bank for Reconstruction & Development
IESC	International Executive Service Corps
IPC	Investment Promotion Center
IUCD	Intra-Uterine Contraceptive Device
KAM	Kenya Association of Manufacturers
KARI	Kenya Agricultural Research Institute
KCPS	Kenya Contraceptive Prevalence Survey
KDHS	Kenya Demographic & Health Survey
KEDS	Kenya Export Development Support Project
KFY	Kenya Fiscal Year
KHCF	Kenya Health Care Financing Program
KL	Kenyan Pound (20 Kenya Shillings)

KMAP	Kenya Management Assistance Program
KMDP	Kenya Market Development Program
KNFA	Kenya National Fertilizer Association
KNH	Kenyatta National Hospital
KREP	Kenya Rural Enterprise Program
KSC	Kenya Seed Company
LMIS	Logistics Management Information System
MCH	Maternal Child Health
MHH	Male Headed Household
MOA	Ministry of Agriculture
MOH	Ministry of Health
NARC	National Agriculture Research Center
NARP	National Agricultural Research Project
NCPB	National Cereals & Produce Board
NCPD	National Council for Population and Development
NGO	Non-governmental Organization
NHIF	National Hospital Insurance Fund
NTE	Non-Traditional Export
OPV	Open Pollinated Variety
OYB	Operational Year Budget
PAM	Policy Analysis Matrix
PED	Private Enterprise Development Project
PGH	Provincial General Hospital
PGR	Population Growth Rate
P/PHC	Primary/Preventive Health Care
PSI	Population Services International
RPE	Rural Private Enterprise Project
SME	Small and Medium Enterprise
STD	Sexually Transmitted Disease
TFR	Total Fertility Rate
UNDP	United Nations Development Program
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
VSC	Voluntary Surgical Contraception

FOREWORD

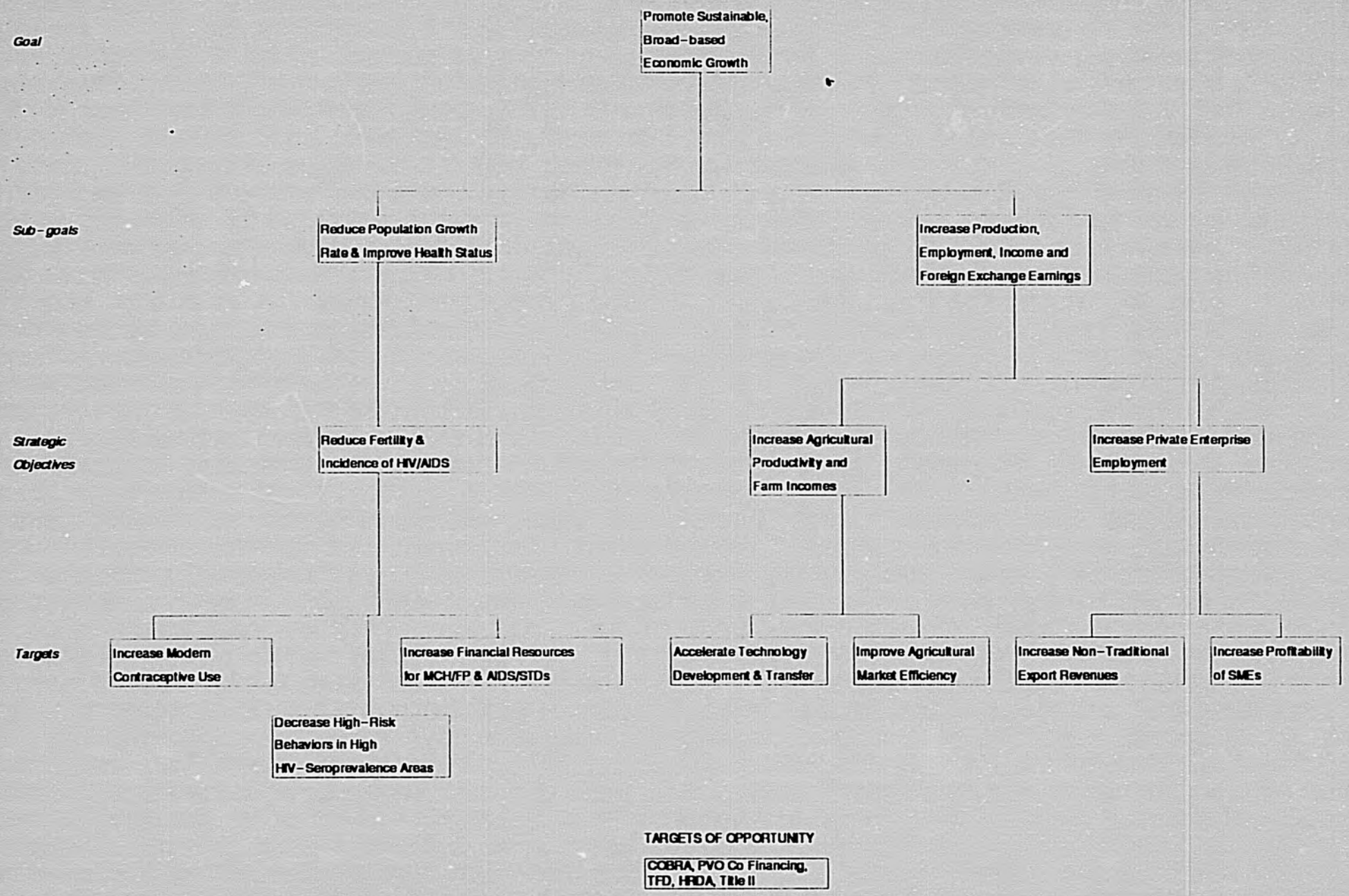
Over the past year USAID/Kenya revised and the Africa Bureau approved a major adjustment in the Mission's Program Logframe. This revision reflects the integration of HIV/AIDS efforts into the Mission's portfolio. Changes have therefore been made in the articulations of Sub-Goal One and Strategic Objective One. These rearticulations clarify the principal focus of the Mission's Population and Health portfolio, without altering the original intent of the objective or its supporting investments.

Sub-Goal One now focuses on reducing the population growth rate and improving health status. The Mission's new Strategic Objective One becomes reducing fertility and the incidence of sexually-transmitted HIV. These changes reflect USAID/Kenya's confidence that it has sufficient leverage to directly influence fertility on a national scale, as well as to affect the rate of incidence of HIV/AIDS.

The API's section on population and health is also enhanced this year with the data provided by the recently completed Kenya Demographic and Health Survey II.

The new section IV reports progress in two of the four agency priority areas not covered in section III -- protecting the environment and building democracy and good governance. A " lessons learned" section will be transmitted by separate cable. Annex A documents modifications to the sub-goal and strategic objective, and describes the indicator changes at each level.

USAID/KENYA PROGRAM LOGFRAME



SECTION I

SPECIAL FACTORS AFFECTING THE USAID/KENYA PROGRAM

A mix of contradictory factors have affected the Kenya program this year. On the positive side, a reasonably representative multi-party election was held and the democratic transition is beginning. While democratic forms are often fragile in Africa, one cannot overestimate how important the tradition of free public debate and continuing press freedom can be in improving democratic governance in Kenya. In the economic realm, spectacular breakthroughs have been made that far exceed anything the donors ever thought was possible two years ago at the 1991 Consultative Group in Paris. Official exchange rates, exchange control allocation, import licensing, and most price controls have been abolished. The monetary system's weaknesses have been attacked, most political banks have been closed, inflation appears under control, there is a new Governor at the Central Bank and budget and economic management has clearly changed for the better. In the governance realm, a civil service action plan has been approved and the economic liberalization measures have closed the major avenues by which massive corruption was previously conducted. This is indeed a positive track record for one year's efforts.

Other things being equal, these genuine improvements would lead to increases in investor confidence and sound public finances. These would normally support the Kenya program's strategic objectives. Small and medium enterprises as well as export production should then benefit, bringing employment and income increases. In the rural sector, farmer productivity and incomes could be expected to advance as policy liberalization and improved technologies take hold. And lastly, family planning and health services should benefit from better budgetary management.

Unfortunately, other things were not equal. On the negative side, there have been troubling events which make donors question whether the Government of Kenya (GOK) is actually committed to political, economic and governance reform, or whether it is all window-dressing. First, in the political realm, despite the genuine progress made, there has still been harassment of some opposition publications and opposition politicians. Incitement by some ruling party leaders has led to violent ethnic clashes, with 250,000 people being displaced, and food production and small business loan repayments affected. GOK action to deal with these conflicts has begun only belatedly. Too little attention has been given to a reconciliation process, and leaders who incited the violence have not been held accountable. This is not a social environment that investors find reassuring, and indeed investment has decreased.

Second, in the economic realm, this past year saw runaway inflation caused by GOK printing of currency. Inflation reached almost 100 percent at one point, though it has since been brought under control by the pragmatic new leadership in the Ministry of Finance and Central Bank. A large fiscal deficit also occurred, though it too is now in hand. However, there has been little progress in privatization and restructuring of the largest and most

financially draining parastatals. Similarly, there has been only limited progress in maize liberalization, which is crucial step to increasing food security and rural incomes. Corrective tight budgetary management has meant that public funding of health and population services has decreased. Tourism, the leading foreign exchange earner has gone down due to occasional violence affecting tourists and an international image of political instability. In sum, while considerable progress had been made to regain lost ground by the end of the reporting year, the first half of the year saw many destructive factors in operation. These have caused an actual decline in real GDP growth.

Third, HIV/AIDS has now become a major health problem. It is spreading rapidly and unless controlled will soon consume the majority of the already strained health sector budget. There are 41,000 reported cases, and 730,000 people infected with HIV 5 percent of whom are children. AIDS patients presently occupy 15 percent of hospital beds, and the financial capacity to continue delivering basic health care services in the future is in question. Thus, even while the indicators of fertility and population growth show amazing progress, mortality rates could go up in the years ahead due to HIV/AIDS.

Lastly, on top of these concerns, Kenya has had to cope with an influx of 400,000 refugees from civil conflicts in neighboring countries, a drought in its own northern arid areas, and a serious rainfall deficit in its principal food producing highlands. The rainfall shortage has caused a 30 percent decrease in cereals production which will require considerable foreign exchange expenditure on food imports.

SECTION II

PROGRESS TOWARD OVERALL COUNTRY PROGRAM GOALS

GOAL: ***Promote Sustainable Broad-based Economic Growth***

1. **Economic Growth:** Inflation-adjusted gross domestic product (real GDP) in 1992 increased at an annual rate of 0.4 percent, the lowest since independence in 1963. The major reasons for this low growth rate were prolonged drought, continued shortcomings in economic management and delayed policy adjustments, and a general climate of uncertainty during Kenya's first year of multiparty politics. For the second consecutive year, economic growth fell below population growth. In addition, per capita real GDP fell once again, reflecting the poor rainfall, weak monetary and fiscal policy implementation and the shortage of foreign exchange.

2. **Life Expectancy:** The success Kenya has made in increasing life expectancy is being sustained. Life expectancy at birth is now 60 years, compared to 54 years in 1984 and 45 years in 1960. Kenyan women continue to live slightly longer than men. Life expectancy for women is 62 years compared to 58 years for men. In terms of Sub-Saharan Africa, life expectancy in Kenya is above the region's average of 52 years. Further long-term improvements in the longevity of Kenyans will depend on how well the country handles a new health challenge, the spread of HIV and the increase in AIDS deaths.

SUB-GOAL 1: ***Reduce Population Growth Rate and Improve Health Status.***

1. **Population Growth:** USAID continues to achieve major impact in the population and health sector. The contraceptive prevalence rate (CPR) continues to rise, particularly for modern, more effective methods, pushing the total fertility rate (TFR) downward with unprecedented speed. Family planning efforts by USAID and the donor community have had a measurable impact on the population growth rate. The rate of population growth has decreased from 4.1 percent in 1984 to 3.8 percent in 1989 and the current estimate of 3.4 percent in 1992. The fertility decline is the single most important factor accounting for the slow down in Kenya's population growth rate. Nonetheless, at 3.4 percent, Kenya's population growth rate is still among the highest in the world. AIDS will have a significant impact on Kenya's population. Due to AIDS mortality, Kenya's population is projected to be 3 million smaller by the year 2005. However, even with the staggering mortality toll of an unchecked AIDS epidemic, the population is still projected to continue growing at a rate of 2.1 per cent per year (doubling time 34 years).

2. **Infant Mortality:** The number of infants who die before reaching one year of age, per 1,000 live births in a given year (infant mortality rate) in Kenya has almost been halved between 1960 and 1992. The rate has fallen from 124 to 67 per thousand live births. Kenya's infant mortality rate compares favorably with the average infant mortality rate of 103 for Sub-Saharan Africa.

SECTION II: USAID/KENYA PROGRAM GOALS

	Baseline	Actual				Data Source
	FY 1985	FY 1989	FY 1990	FY 1991	FY 1992	
GOAL						
PROMOTE SUSTAINABLE, BROAD-BASED ECONOMIC GROWTH:						
1) Real GDP Growth Rate	5.1%	5.0 %	4.3 %	2.3 %	0.4%	Economic Survey
2) Real Income Per Capita Growth Rate (years)	0.5 %	1.5 %	0.8 %	-1.3 %	-2.9%	Economic Survey
3) Life Expectancy at Birth	54	59	60	60	60	UNDP Report
SUB-GOAL 1						
REDUCE POPULATION GROWTH RATE AND IMPROVE HEALTH STATUS:						
1) Population Growth Rate	4.1	3.8	3.6	3.6	3.4	US Bureau of Census
2) Infant Mortality (per 1000 live births)	75	70	68	68	67	UNICEF Report
3) Child Mortality (per 1000 live births)	113	111	108	108	108	UNDP Report
SUB-GOAL 2						
INCREASE PRODUCTION, EMPLOYMENT, INCOME AND FOREIGN EXCHANGE EARNINGS:						
1) Private Sector Contribution to GDP	62.7 %	62.9 %	60.3 %	60.0 %	75%	Economic Survey
2) Agricultural Production as a percent of GDP	29.4 %	28.5 %	28.2 %	27.3 %	26%	Economic Survey
3) Annual Employment Growth Rate	5.5 %	3.5 %	5.5 %	5.1 %	4.6%	Economic Survey
4) Foreign Exchange Earnings (Total Exports Plus Tourism, $ in Millions)	$1,228	$1,405	$1,475	$1,527	$1,356	Economic Survey

3. **Child Mortality:** Between 1973 and 1985, the child mortality rate (CMR) fell 27 percent to 113 deaths per 1,000 live births. The estimated 1992 CMR was 108/1000. There is considerable concern, but little empirical data to confirm that AIDS will slow, and possibly reverse, this decline. Projections of AIDS' impact on child mortality over the next decade are distressing. The AIDS Impact Model projects the CMR increasing to 130-140/1000 sometime between 1998 and the year 2005 (versus 92-100/1000 in the absence of AIDS). UNICEF recently projected an even more rapid increase to 180-190/1000 by the year 2000.

SUB-GOAL 2: ***Increase Production, Employment, Income and Foreign Exchange Earnings***

1. **Private Sector Contribution to GDP:** The tradition of private initiative continues to be embedded in the Kenyan economy. According to a recent World Bank study, private sector farms and firms account for three-quarters of total output and nearly 90 percent of total employment. The sector also provides a half of formal sector wage employment and about a half of fixed investment. Therefore, the private sector has a strong effect on the national growth rate. Production efficiency in Kenya is higher in the private than in the public sector.

2. **Agricultural Production as a Percent of GDP:** The Performance of agriculture (the largest sector) continued to be depressed because of drought, a poor policy and institutional environment, high input costs and ethnic violence in certain parts of the country. The share of agriculture in overall real GDP declined to 26 percent in 1992 from 27.3 percent and 28.2 percent in 1991 and 1990, respectively. Production of food crops increased somewhat, but these increases were primarily due to the variability of weather, or a switch out of controlled-price commodities to other food crops. There was a drop in local production of wheat from 195,000 tons in 1991 to 126,000 tons in 1992 and there were substantial declines in output of most cash crops such as tea, sugarcane, cotton, pyrethrum and sisal. Tea production decreased by 7.5 percent from 204,000 tons in 1991 to 188.1 thousand tons in 1992. Coffee output decreased by 1.3 percent.

3. **Annual Employment Growth Rate:** Employment growth tends are presented in the table below. Kenya has continued to register an impressive record in job creation. Employment in the modern sector which is comprised of mainly wage employees (over 96 percent) grew at a rate of 3.6 percent a year from 1981 to 1991. It is encouraging that the rapid growth in public sector employment witnessed in the period 1974-85 began slowing down during the 1980s. During these periods the private sector wage employment growth rate almost doubled. The table below also indicate that a vast majority of Kenyan rural households are engaged in smallholder agriculture and non-farm economic activities, and that the informal sector continues to absorb the growing labor force most quickly. Prospects for significant employment creation will depend on Kenya's ability to improve the business climate for the private sector, remove outdated laws that are used to harass small scale enterprises, promote rural non-farm enterprises by providing infrastructure (roads,

markets, water and electricity), and develop export oriented economic activities.

Employment Growth Trends

	Actual Employment (000)		Growth Rate (percent)	
	1985	1991	1974-85	1981-91
1.Modern Wage Sector	1,175	1,442	3.3	3.6
Private	600	727	1.7	3.1
Public	575	715	5.3	4.1
2.Smallholder Agriculture	5,542	5,548	3.0	3.3
3.Urban Informal	504	599	10.1	14.0
4.Rural Non-Farm	214	549	6.7	7.4

Source: World Bank, 1993. Kenya: Employment Growth for Poverty Alleviation, Report No. 11650

4. **Foreign Exchange Earnings:** Performance of exports and tourism was less satisfactory in 1992 compared to 1991. Export earnings declined from more than $1 billion in 1991 to $962 million in 1992. Of the major exports, only proceeds from tea grew modestly at 3.4 percent. Earnings from horticulture stagnated and non-traditional exports (the second major foreign exchange earner after tourism) declined slightly by 3 percent. Earnings from coffee and manufactured exports fell sharply by 22 percent and 19.8 percent, respectively. Receipts from tourism fell from $423 million in 1991 to $394 million in 1992. Therefore, total foreign exchange earnings from exports and tourism declined by 11 percent. Tourism which is Kenya's leading foreign exchange earner was depressed as a result of world recession, the uncertain domestic political environment, and isolated security-related incidents in Kenya's game parks. While prices of all major exports rose during 1992, the volume of coffee, tea and horticultural exports fell. On the positive side, Kenya implemented far reaching export promotion incentives. These include: the introduction of the first-ever export retention scheme in Kenya (exporters are allowed to retain 50 percent of their foreign exchange earnings), the abolition of the import licensing system, and liberalization of the foreign exchange market (including substantial depreciation of the Kenya shilling). The impact of these reforms on export growth will be significant.

SECTION III

PROGRESS TOWARD STRATEGIC OBJECTIVES AND RELATED PROGRESS INDICATORS

STRATEGIC OBJECTIVE 1: ***Reduce National Fertility and the Incidence of Sexually-Transmitted HIV in Selected Target Populations.***

One of the most powerful determinants of the population growth rate (PGR) in Kenya is the total fertility rate (TFR), or the average number of children borne to a woman during her reproductive lifetime. Since 1977, the TFR has been declining, and at an increasing rate. In the decade from the late 1970s to the late 1980s the TFR fell approximately 20 percent from 8.1 in 1977 to 6.7 in 1989. In the four years between 1989 and 1993, the TFR fell another 20 percent from 6.7 to 5.4 -- one of the most precipitous declines ever recorded. This historic drop in fertility is due mainly to increased use of modern methods of contraception. This progress is also due in large part to over twenty years of USAID support for family planning services in Kenya-- something for which the Agency can feel justifiable pride and a sense of accomplishment.

The incidence of HIV will be reported in next year's API when the priority country AIDS control program under the agency's AIDSCAP Project will have begun implementation. Progress is expected to emerge from four actions now underway: first, activities under the above-noted AIDSCAP project action plan, second, reorientation of the Contraceptive Social Marketing Project to focus on AIDS prevention, third, efforts under the Health Care Financing Project to increase and sustain local financing for AIDS treatment and prevention of new HIV infections, and fourth, the utilization of the extensive USAID-funded MCH/family planning service delivery network to deliver HIV/STD prevention services.

TARGET 1.1: ***Increase Modern Contraceptive Use***

The 1993 Kenya Demographic and Health Survey (KDHS) found a moderate increase in the use of any method of contraception among all women since 1989 (from 23 to 26 percent), and a significant increase in the use of more effective, modern contraceptives from 14.7 in 1989 to 20.9 percent. The shift to modern methods since 1989 was even more dramatic for married women-- from 18 to 28 percent. The percentage of women using oral contraceptives increased from 4.6 to 7.5 percent and those using injectables more than doubled from 2.7 to 5.5 percent. The consistency of increases in the use of contraception across all provinces, and the continued high prevalence for the four major modern methods (pill, IUCD, injectables, and sterilization) indicate a strong national family planning program, particularly when compared to other programs in Africa. The Mission will be analyzing the 1993 KDHS to understand better the factors which have been key to the dramatic increase in modern contraceptive prevalence. Among the factors to be examined are the USAID target of improved service availability and accessibility, as well as explicit

STRATEGIC OBJECTIVE NO. 1

	Baseline	Actual and Planned 1989	1993	1995	Data Source
STRATEGIC OBJECTIVE 1					
REDUCE NATIONAL FERTILITY AND INCIDENCE OF SEXUALLY-TRANSMITTED HIV IN SELECTED TARGET POPULATION					
Total Fertility Rate	7.7 (1984)	6.7	5.4	5.0	KCPS/DHS
Prevalence of HIV	* (1993)	–	–	–	AIDSCAP
TARGET 1.1					
INCREASE MODERN CONTRACEPTIVE USE					
Modern Contraceptive Prevalence**	9% (1984)	14.7%	20.9%	25%	KCPS/DHS
SUB-TARGET 1.1a					
IMPROVE AVAILABILITY OF FAMILY PLANNING SERVICES					
Number of USAID-supported sites offering voluntary surgical contraception	4 (1984)	49	65	76	AVSC/DFH
Percentage of district stores maintaining adequate stock (3+months) of: a) low-dose oral contraceptives; b) condoms	a) 35.5 b) 18.9 (1989-1990)	70.6 34 (1991-1992)	74 70	80 80	LMIS/HIS LMIS/HIS
Number of public sector facilities offering family planning services	577 (1984)	750	1004	2404	LMIS/HIS
Number of private sector/NGO sites offering family planning services	181 (1984)	–	800	1000	LMIS/HIS
SUB-TARGET 1.1b					
REDUCE UNMET DEMAND FOR CONTRACEPTIVES					
Discrepancy between actual and desired TFR	–	2.7	1.6	1.0	KCPS/DHS
TARGET 1.2					
DECREASE HIGH-RISK BEHAVIORS IN HIGH HIV-SEROPREVALENCE AREAS					
Decrease in proportion of people (15-49) reporting two or more sexual partners	* (1993)	–	–	*	AIDSCAP
Increase in proportion of people (15-49) reporting having used a condom during most recent sexual encounter with a non-regular sexual partner	* (1993)	–	–	*	AIDSCAP
Increase PSI/CSM condom sales	319,000 (1990)	–	2.1 million	7 million	PSI/CSM
TARGET 1.3					
INCREASE FINANCIAL RESOURCES FOR FP/MCH AND AIDS/STDs					
Increase in cost-sharing revenue available at district-level for primary/preventive health care services (P/PHC)	6.8 million (1990-1991)	8.4 million (1991-1992)	14.5 million (1992-1993)	>40 million	KHCF Secretariat
Percentage increase in Ministry of Health expenditures allocated to Rural and P/PHC	13.7% (1984)	22.5%	28.6%	30%	MOH/KHCF Secretariat

* AIDSCAP Data Source and Timing
** For All Women of Reproductive Age (15-49)

and consistent GOK support for family planning and continued donor support.

The KDHS revealed differences in modern method use among married women continue to be based on residence, educational status and region. Use is higher in urban than in rural areas (38 vs. 26 percent), use increases with the level of education (15 percent with no formal education versus 45 percent with at least some formal education), and there are large differences in use by province with half of the married women in Central Province using a modern method versus one-fifth of those in Coast Province. These differences indicate a continued need to increase the availability of family services and information in rural and under-served areas, and to intensify outreach to less well educated women.

All indicators for improved availability of family planning services demonstrated positive improvement as shown on the summary table. Other information collected by the KDHS now allows for a more disaggregated and useful set of indicators to monitor trends in the method mix. The KDHS has found the following method-specific contraceptive use breakdown for all women of reproductive age. It reveals the dramatic increase in modern non-condom contraceptive use, notably oral pills and injectables, since 1989:

	1989 (Percent)	1993 (Percent)
Oral Pills	4.6	7.5
IUCDs	3.0	2.9
Injectables	2.7	5.5
Norplant	0.0	<0.5
VSC	3.6	3.9
Traditional/Other	9.2	6.2
Non-Use	76.9	73.5

Using the FAMPLAN model and KDHS data, the Mission will report annually on the shifts in contraceptive use with a focus on long-term and permanent methods. Verification checks will be provided by the KDHS conducted every four years.

With regard to reducing unmet demand, the strategic objective No. 1 table describes the reduction in the discrepancy between stated ideal family size and actual TFR. This preferred measure of unmet demand demonstrates that the discrepancy between actual and desired TFR moved from 2.7 to 1.6 between 1989 and 1993. The 1993 KDHS found that 26 percent of married woman want to wait two or more years before having another child and that another 46 percent want no more children. This reveals that a very large number of women want family planning services. The Mission's programmatic efforts should therefore focus more on increasing availability and quality of family planning services than

generating new demand.

TARGET 1.2: ***Reduce High-Risk Behaviors in Targeted High HIV-Seroprevalence Areas***

Figures on condom sales under the Contraceptive Social Marketing Project (CSM) have not yet been compiled for 1993. However, it is known that a recent monthly sales figure for condoms was 380,000. This compares very favorably with the 1990 annual sales total of 319,000 condoms. The increase is attributable to a marketing campaign that focuses on sexually transmitted diseases (STDs), particularly HIV. Behavior change data on the other indicators will become available from the AIDSCAP Project in the next year.

TARGET 1.3: ***Increase Financial Resources for Family Planning/Maternal Child Health and HIV-AIDS/STD Services***

The financial sustainability picture for achievement of fertility and HIV reductions is beginning to improve. Major increases in cost-sharing revenues have begun to occur at the district levels in support of primary/preventive health care (P/PHC) services. In the past year, there has been a 72 percent increase in the availability of these revenues. Other data reveal that Kenya's national referral hospital, the Kenyatta National Hospital (KNH), now expects to earn over 11 percent of its budget from service fees and National Hospital Insurance Fund payments. In some provincial general hospitals, cost sharing revenues now equal or exceed their non-wage recurrent budgets. While the outlook is generally positive, care will have to be taken to ensure that cost-sharing revenues do not substitute for recurrent budget support to these institutions. The problem of securing donor resource additionality is present in this as in so many other assisted programs.

Another indicator of sustainability and cost-effectiveness in the health care system-- budget allocations to rural and primary/preventive health care (P/PHC) services-- reveals a positive trend. There has been a 27 percent increase in Ministry of Health (MOH) budget expenditures for these activities from Kenya Shillings (KSHs) 22.5 to 28.6 million. In addition there has been a positive trend in reducing the proportion of MOH budget allocated to curative services. Analyses of the combined GOK recurrent and development budgets indicate that until 1987/88, curative services absorbed between 68 and 76 percent of MOH expenditures. Since then, however, the proportion of the MOH budget for curative services has declined to less than 60 percent. At the same time, this has been matched by a steady increase in rural primary/preventive and P/PHC expenditures from under 13 percent of actual expenditures in the mid-1980s to almost 30 percent in the 1994/95 forward budget.

However, given the current fiscal crisis in Kenya, where the budget deficit is scheduled to be quickly reduced, the Mission will be carefully monitoring total allocations to the health sector, the share of expenditures allocated to rural and P/PHC services, and the continued additionality of cost sharing revenue to the MOH budget.

STRATEGIC OBJECTIVE 2: ***Increase Agricultural Productivity and Farm Incomes***

USAID/Kenya's strategy to increase agricultural productivity and farm incomes focuses support on technology development and transfer, fertilizer and grain market liberalization, and policy research. The Mission's geographic focus is on high and medium potential agricultural areas encompassing 20 percent of land area and 80 percent of rural population. This area produces virtually all of the major commodity output including coffee, tea, dairy products, cereals, pulses, and horticulture. Smallholders dominate the high potential areas accounting for an estimated 75 percent of total production and 60 percent of marketed output.

The agricultural sector is undergoing tremendous pressure from drought and mismanagement of the economy. This is evident in the productivity estimates for 1992/93. Land and labor productivity fell by 5 percent and 7 percent respectively. Overall agricultural sector value added declined by 4.2 percent, while maize yield for the key growing season fell by 10 percent relative to 1991/92. While drought was the main cause of this poor performance, inefficient output markets compounded the drought effect. The output markets continued to operate in an uncertain environment arising from conflicting policy signals from GOK. However, recent fundamental changes in economic policies, if sustained, may improve the performance of this sector.

TARGET 2.1: ***Accelerate Technology Development and Transfer***

USAID supports the Kenya Agricultural Research Institute (KARI) in major ways. Historically, agricultural research has had a significant impact on Kenya's agricultural and economic growth. This is especially true for maize, Kenya's key staple. Maize contributes up to 20 percent of total agricultural output, 25 percent of total agricultural employment and 44 percent of per capita calories.

A recent survey showed that in 1992 over 75 percent of western Kenya's subsistence farmers used hybrids rather than traditional varieties. This densely populated area holds 25 percent of Kenya's population and contributes almost 40 percent of national maize area. In the Rift Valley with 20 percent of the population and nearly 30 percent of the national maize area, 95 percent of smallholders use hybrids. Nationally, the area under hybrid maize has increased from 2 percent of total maize acreage (1963) to 71 percent (1992). This exceeds the target set for 1995.

KARI strives to develop technologies for easy adoption by both male and female farmers as 40 percent of Kenya's farm families are female headed households (FHH). KARI surveys indicate that technology adoption does not differ significantly between male headed households (MHHs) and FHHs. In 1992 70 percent of MHHs and 66 percent of FHHs adopted hybrid varieties while 17 percent of MHHS used Open Pollinated Varieties (OPVs) compared to 19 percent of FHHs. In addition, 50 percent of MHHs used planting fertilizer compared to 48 percent of FHHs while FHHs applied 28 percent more fertilizer at 87 kg/ha

STRATEGIC OBJECTIVE No. 2

	Baseline	Actual and Planned 1991/92	1992/93	1995	Data Sources
STRATEGIC OBJECTIVE 2					
INCREASE AGRICULTURAL PRODUCTIVITY AND FARM INCOME:					
Value of Agricultural Production / Hectare*	24.1 (1985)	29.1 (1991)	27.7** (1992)	3.7% annual increase	Economic Survey
Value of Agricultural Production / Worker*	146.6 (1985)	150.1 (1991)	140.2** (1992)	1.1% annual increase	Economic Survey/FAO
Agricultural Sector Value Added, Annual Growth	4.0 (1986-89)	−1.1 (1991)	−4.2 (1992)	4% annual increase	Economic Survey/FAO
Maize Yields (MT/Hectare)	2.20 (1985-89)	2.0	1.8*	4% annual increase	MOA/DRSRS
TARGET 2.1					
ACCELERATE TECHNOLOGY DEVELOPMENT AND TRANSFER					
SUB-TARGET 2.1a					
INCREASE ADOPTION OF NEW TECHNOLOGIES					
HYV Maize Seed Sales (tons/year)	18,516 (1985-89)	21,608	–	22,225	KSC
% Maize Production Area Under HYV Maize	63 % (1986-89)	60 %	71	65 %	KARI/KSC/USAID
% HYV Maize Area Under Smallholder Production	80 % (1989/90)	82 %	77% West 95% Rift	85 %	KSC/KARI
% New Horticulture Cultivar Sales	Establish 1993				
SUB-TARGET 2.1b					
INCREASE DEVELOPMENT & TRANSFER OF TECHNOLOGIES					
Number of Seed Varieties & Cultivars Disseminated **	9	11	11***	15	KSC/NARC – Kitale
o maize	7	8	8		
o sorghum	2	3	3		
o horticulture	Establish 1993				
TARGET 2.2					
IMPROVE AGRICULTURAL MARKET EFFICIENCY					
SUB-TARGET 2.2a					
IMPROVE FERTILIZER MARKET EFFICIENCY					
Percent Over CIF/Mombasa Price Paid by Farmers	60 % (1986)	28 %	33	Market Determined	USAID
SUB-TARGET 2.2b					
IMPROVE GRAIN MARKET EFFICIENCY					
Marketing Costs for Maize ***					
o Average marketing costs of maize (Ksh/Kg)	.62	.62	1.7****	Reduce by 15%	KMDP
o Farmgate Price as a % of Retail Market Price	69 % (1991/92)	69 %	66 %		
Variation in Seasonal and Regional Maize Prices					
o Seasonal average price differentials – surplus markets	38 %	39 %	–	Cost of Storage	USAID
o Seasonal average price differentials – deficit markets	31 % (1990)	45 %	–		USAID
o Regional average price differentials – western Kenya	29 %	36 %	–	Cost of Transport	USAID
o Regional average price differentials – eastern Kenya	36 % (1990)	48 %	–		USAID

* Yield Long rains Average only Does not include abnormal short rains yield

** Valued in constant 1982 Kenyan pounds

*** A seed variety is defined as disseminated when it is available for purchase by farmers

**** Marketing costs in this context refer to the price differential between retail market price and farmgate price

than MHHs at 68 kg/ha. In terms of non-adoption, 11 percent of both MHHs and FHHs had never bought improved seed and 45 percent and 46 percent of MMHs and FHHs respectively had never bought planting fertilizer. In sum the technology adoption behavior of MHHs and FHHs showed no significant difference.

Unfortunately, technology adoption parity does not mean maize yield parity. MHHs averaged 3.1 tons per ha while FHHs averaged 2.3 tons. In 1992 (a poor production year) FHHs averaged 1.7 tons per hectare, while MHHs averaged 2.0 tons. Most likely, lower FHH productivity reflects less access to resources (farm size, equipment and land quality), extension and credit. MHHs own or have better access to farm equipment resulting in more timely farm operations. FHHs farm size averages only 85 percent of MHH holdings and tend to be on steeper and less fertile land. Perhaps illustrating an extension system gender bias 45 percent of FHHs had never received extension advice compared to 36 percent of MHHs.

TARGET 2.2: *Improve Agricultural Market Efficiency*

SUB-TARGET 2.2a: *Improve Fertilizer Market Efficiency*

The purpose of the Fertilizer Pricing and Marketing Reform Program (FPMRP) is to increase small farmer fertilizer use through policy reform. Reforms encouraged fertilizer price decontrol and development of a competitive market where retail prices reflect actual costs and average trader profits. With adequate supply, marketing competition holds the greatest potential for increasing small farmer fertilizer use. FPMRP led to the GOK's decontrol of fertilizer prices in early 1990.

Virtually all of Kenya's chemical fertilizer requirements are imported. Therefore, fertilizer market competitiveness, and thus efficiency, depends on effective private importation. Importer effectiveness is determined by access to hard currency and credit while these are affected by the risk perceptions of overseas bankers and suppliers as regards the Kenyan economy.

During the 1992 fertilizer import season (September-February) Kenya's economic environment was extremely uncertain for many reasons. These included the approach of multi-party elections, the October ban on maize movement, hard currency shortfalls and shilling depreciation, the introduction of market based Forex certificates, donor withdrawal from sub-sector support, government control of fertilizer import licenses, and, the decontrol of wheat and wheat product marketing and prices. As a result, fertilizer importers were uncertain where to access foreign exchange, what exchange rate forex would be purchased at, whether overseas banks would confirm letters of credit, what costs could be passed to the farmer, and, whether donors would finally bail the government out with in-kind fertilizer deliveries.

These uncertainties led to 1993 Eldoret retail fertilizer prices that were between 53 to 116

percent higher than in February 1992, and to productivity and value added decreases shown in the table. Eldoret is in one of Kenya's most productive maize and wheat producing areas. Nonetheless, the margin between CIF/Mombasa and Eldoret retail (including transport) was only 33 percent even with very little sales competition. This indicates that despite continuing economic management problems, the USAID fertilizer sector reform program is succeeding. Fertilizer market decontrol, and greater private trading, have led to fertilizer prices that reflect actual import and distribution costs and average profits. Furthermore, as a result of liberalization and improved maize variety adoption, fertilizer use on maize increased from 41 percent (1975-76) to 49 percent (1992) while per hectare fertilizer application rose from 24 to 47 kgs of nitrogen equivalent.

SUB-TARGET 2.2b: ***Improve Grain Market Efficiency***

The Kenya Market Development Program's (KMDP) project efforts involve policy research and dialogue, market information improvement and market road rehabilitation. These project components are complemented by sector grant funds and PL 480 Title III commodity grants to be disbursed when movement and price liberalization steps are taken. Most of the Non project Assistance (NPA) resources have yet to be disbursed as the GOK has not been able to keep to the agreed program. They have turned liberalization steps on and off, seriously undermining the confidence of farmers and the agri-business community. For example, in early 1991 the GOK increased the amount of maize that could be moved without a permit from 2 to 10 bags. In March 1992, this limit was further raised to 44 bags, and in June of the same year, the ceiling was again raised to 88 bags. However, in October 1992, the GOK reversed the movement controls liberalization by banning all maize movement without a permit.

The strategic objective 2 table demonstrates that the proportion of farmgate price in the retail price fell from 69 to 66 percent. This was due to the reimposition of maize movement controls. Consumer prices rose by between 13 and 17 percent in the major cities. Per unit marketing costs between the key maize surplus areas and Nairobi rose by 123 percent, largely as a result of costs associated with the clandestine movement of maize; and farmgate prices dropped by 6 percent.

Nonetheless, there has been significant progress in a number of areas which should be noted to appreciate what is taking place in the area of market efficiency improvement. Sorghum, millet, bean and minor crops marketing have been freed up. The policy research work by a Kenyan university team has been of high quality and is now being fed into the dialogue process in an effective manner. The market information available in the country has begun to improve in quality and timeliness. Most spectacularly, the market road rehabilitation component has reduced transport costs and post-harvest losses significantly for large areas of major crop and dairy producers. While the impact of these cost reductions on farm family revenues is not yet available, it is obvious at this stage that the $36 million ten year stream of benefits from road rehabilitation substantially exceeds KMDP's initial $5 million road investment.

STRATEGIC OBJECTIVE 3: ***Increase Private Enterprise Employment***

USAID/Kenya's third strategic objective, to increase private enterprise employment, addresses the need to create jobs for the 490,000 people that enter the Kenyan labor force each year. USAID/Kenya contributes to the creation of these essential jobs by encouraging economic growth among two high potential groups of private enterprises: non-traditional exporters (all exports except coffee and tea), and small and medium enterprises (firms with fewer than 100 employees). USAID/Kenya strengthens Kenyan institutions, primarily non-governmental organizations (NGOs) to provide support services to entrepreneurs, on the one hand, and to advocate for policy reform, on the other.

Significant progress was made in accomplishing Strategic Objective No. 3 in this reporting year. Private sector employment increased faster than the labor force, despite severe recession. Informal sector employment is growing faster than originally projected by USAID, and USAID assisted firms grew even faster. Non-traditional exports (NTEs) as a percentage of total exports expanded from 44 percent to 46 percent. Horticulture, an industry with a predominantly female work force, is now the fourth largest foreign exchange earner (after tourism, tea and petroleum products). Progress in NTEs is largely due to improved export policies. Finally, assistance to small and medium enterprises (SMEs) in the form of loans has increased fourfold in the last two years, and the number of individuals trained has doubled. NGOs assisted by USAID provided 75 percent of the loans disbursed to SMEs last year and 90 percent of micro-enterprise lending.

Despite the recent economic downturn, private sector employment (outside the small scale farming sector) in Kenya grew last year, by 6.5 percent, accounting for some 1.4 million jobs. In contrast, the labor force grew at only 4.1 percent, which implies an increasing portion of the labor force is finding jobs in the private sector. Private sector employment in Kenya has increased, on average, by 6.3 percent per year since 1985, when the first USAID/Kenya private enterprise activities got underway. Over the last seven years, private sector has generated about 470,000 jobs. In addition, private sector employment has far surpassed the public sector in job creation, providing 91 percent of the net increase in jobs outside the small scale farming sector in 1992.

As the private sector continues to grow, women's role in the sector has also been increasing since 1985. Although gender disaggregated data is not available for the private sector specifically, in 1992, women constituted 24 percent of total wage employment, an increase from 22 percent in 1991 and 20 percent in 1985.

STRATEGIC OBJECTIVE No. 3

	Baseline	Actual 1992	Estimated 1993	Planned 1995	Data Sources
STRATEGIC OBJECTIVE 3					
INCREASE PRIVATE ENTERPRISE EMPLOYMENT Private Sector Annual Employment Growth Rate	5.2% (1985)	6.5 %	6.6%	7.0 %	Economic Survey
TARGET 3.1					
INCREASE NON-TRADITIONAL EXPORT REVENUES					
Non-traditional Export Revenues	$486 mil.	$485 mil.	$540	$600 mil.	Economic Survey
Number of NTE Enterprises	1488 (1990)	–	–	2000	USAID
Total Employment in NTE Enterprises	157,000 (1990)	–	–	6 % Annual Increase	NSSF/USAID
SUB-TARGET 3.1A					
IMPROVE POLICY ENVIRONMENT FOR EXPORTS					
A. Taxes and Tariffs: Number Tariff Categories	25 (June'90)	6 (June '93)	5	3	Budget Speech
Highest Tariff	100% (June '90)	40% (June '93)	–	–	Budget Speech
B. Foreign Exchange: Overvaluation of Currency	18% (June '91)	19% (June '93)	13%	0%	Africa Analysis
C. Regulatory Policy: Percent Imports Requiring Licenses	100% (June '92)	0% (June '93)	0%	0%	Budget Speech
D. Infrastructure: Jet Fuel Charges	$1.75 (June 92)	0.95 (June '93)	–	–	USAID/ KEDS
SUB-TARGET 3.1B					
EXPAND SUPPORT SERVICES FOR NTE ENTERPRISES					
Number of Organizations with Support Programs for NTE Enterprises	2 (1990)	2	–	8	USAID
Number of NTE Enterprises Assisted per Annum	–	–	–	–	–
TARGET 3.2					
INCREASE PROFITABILITY OF SMALL & MEDIUM ENTERPRISES					
Average Annual Real Revenues per SME o Formal/modern sector o Urban informal sector	Ksh 24.4 mil. Ksh 99,000 (1990)	–	–	5% Ann. Incr. Ksh 31 mil. Ksh 126,000	CBS/USAID Study
Total Employment in SMEs o Formal/modern sector Annual Increase Number employed	– 221,829* (1985)	–1.5% 271,873 (1991)	0.7% 290,904	5.0% 361,336	Statistical Abstract/ Economic Survey
o Informal sector Annual Increase Number employed	– 254,457* (1985)	14% 556,028	– 633,872	11% 722,510	Economic Survey
SUB-TARGET 3.2A					
IMPROVE ENABLING ENVIRONMENT FOR SMEs					
A. Regulatory Policy: Number goods under Price Control	61 (1985)	3 (June '93)	2	0	Budget Speech
B. Finance/Banking: Real Interest Rate	3.3% (1985)	2.7% (1992)	–	Positive (Market)	Economic Survey
C. INFRASTRUCTURE: Percent GOK expenditure on Infrastructure	21.4% (June '88)	6.8% (June '93)	–	–	GOK Budget
D. TAX: Corporate Tax Rate	45.0% (June' 88)	37.5% (June '91)	36.7%	35.0%	Budget Speech
SUB-TARGET 3.2B					
EXPAND SUPPORT SERVICES FOR SMEs					
Number of Organizations with Support Programs for SMEs	56 (1990)	74	–	–	USAID
Number of Loans Disbursed to SMEs	2,200 (1990-91)	8,900	–	–	USAID
Number of Individuals in SMEs Trained or Counselled	4,040 (1990-91)	9,500	–	–	USAID

* Data revised from 1992 API.

TARGET 3.1: ***Increase Non-Traditional Export Revenues***

USAID/Kenya focuses on non-traditional exports (NTEs) because it is one of the sectors with the highest growth potential in Kenya. As the GOK moves further to liberalize the economy, private enterprises are responding by increasing the utilization of local resources for export production. Horticultural production has shown particularly high growth potential in this environment. USAID/Kenya channels its assistance to the NTE sector through its Kenya Export Development Support (KEDS) project. Along with the overall goal of increasing employment in NTE enterprises, the KEDS project aims to increase foreign exchange earnings, and employment through improving the policy environment for exports.

NTE earnings are increasing in significance for the Kenyan economy. In 1992, NTEs represented 46 percent of foreign exchange earnings, up from 44 percent in 1991. The most significant group of NTEs, horticultural crops, has now surpassed coffee in foreign exchange earnings.

NTE employment is also increasing. The second most significant NTE, french beans, employs an estimated 59,000 people in Kenya, compared to an estimated 160,000 in coffee and 150,000 in tea. A KEDS sponsored study of the 136 most active non-traditional exporters revealed high employment growth rates, particularly for women. Employment in the firms surveyed grew by 20 percent in 1992, far in excess of the employment growth in the private sector as a whole (6.5 percent). The proportion of women employed in NTE firms as a whole increased from 33 percent in 1991 to 38 percent in 1992.

The most significant achievement of KEDS has been in the area of trade policies. The GOK has partially liberalized foreign exchange, abolished import licenses, harmonized tariffs and tariff categories, and lowered the cost of jet fuel, a key cost for horticultural exporters. Both the World Bank and International Monetary Fund contributed to this policy change. Nonetheless, USAID/Kenya's KEDS project also contributed to these reforms through the development, advocacy and implementation of better policy options. In the private sector, KEDS is building the capacity of the Kenya Association of Manufacturers (KAM) and the Fresh Produce Exporters Association of Kenya (FPEAK). Both of these organizations represent the private sector in policy dialogue with key Government policy makers. For example, seminars on access to foreign exchange were particularly instrumental in instituting the 50 percent foreign exchange retention scheme foe NTEs. To advocate for change from within the GOK and to streamline GOK export programs, KEDS has placed a long-term advisor in the Export Promotion Programs Office (EPPO) in the Ministry of Finance and provides technical assistance to Horticultural Crops Development Authority (HCDA) which is a parastatal. The EPPO office implements the key tax based incentives for exporters (Duty/VAT remission). Exporters have doubled their use of the facility since June 1992.

TARGET 3.2: ***Increase Profitability of Small and Medium Enterprises (SMEs)***

USAID/Kenya also creates jobs by assisting small and medium enterprises (SMEs). Because SMEs are generally more labor intensive than large enterprises, investments in SMEs are more likely to result in increased employment. USAID/Kenya's Private Enterprise Development (PED) project, now in its final year, has strengthened private sector Kenyan institutions, and one parastatal, to improve the enabling environment for SMEs and to increase the support services available to them. USAID/Kenya is the leading bilateral donor in SME assistance in Kenya. The lessons learned from the comprehensive assistance provided under the PED project are now being consolidated to guide the development of a second PED project focusing on assistance to SMEs.

Since PED began, SME employment (both formal and informal) has grown faster than general private sector employment. Employment in SMEs has increased, on average, by 9 percent per year since 1985. In 1991, the SME sector grew by 8 percent, below average due to the economic downturn. The informal sector generally fuels this growth because it represents 74 percent of SME employment. Employment in formal sector SMEs actually declined in 1991, by 1.5 percent. In contrast, informal sector employment grew by 14 percent in both 1991 and 1992. This growth, compared to the much lower employment growth of general private sector employment (6.5 percent), illustrates the role of SMEs, particularly informal sector SMEs, as a major source of private sector growth and job creation.

Illustrative data suggest that employment in firms assisted by USAID/Kenya is growing faster than SME employment in general (9 percent per year since 1985). For example, external evaluations completed in 1992 estimate that annual employment growth in firms assisted through the Kenya Management Assistance Program (KMAP) and International Executive Service Corps (IESC) averaged 36 percent and 13 percent, respectively. An internal evaluation suggested that firms assisted through the venture capital component increased employment by approximately 34 percent per annum. Preliminary data from an evaluation of the Rural Private Enterprise Project suggests that employment in firms assisted by this older project grew at an average annual rate of 11 percent. Although USAID/Kenya assists only a small proportion of SMEs, the significant impact of this assistance on firms demonstrates the potential impact of expanded assistance on the larger SME sector.

Women are well represented in the PED-assisted firms, compared to their representation in general wage employment which is 24 percent. In PED-assisted firms, the proportion of female employees ranges from 28 percent in IESC-assisted firms to 38 percent in KMAP-assisted firms. Fifty nine percent of the members borrowing through KREP's micro-enterprise lending scheme are women, and 83 percent of the members using KREP's village banking fund are women.

One factor contributing to the growth in SME employment is the increased availability of

support services to SMEs. Since 1990, the number of SME assistance organizations in Kenya has increased by 30 percent, from 56 in 1990 to 74 in 1993. Preliminary data reveals that the number of loans these organizations provided increased fourfold in the last two years, from around 2,200 in 1990 to 8,900 in 1992. USAID supported NGOs provided 75 percent of these loans. Training and counselling services to entrepreneurs doubled, from around 4,040 people trained in 1990 to 9,500 in 1992. PED has encouraged this expansion through building the capacity of local non-governmental organizations (NGOs) to provide assistance to SMEs. For example, the Kenya Rural Enterprise Program (KREP), selected as one of the top ten micro-enterprise lending institutions in Africa, has adapted the Grameen Bank minimalist lending approach to the Kenyan context, and spread it to other organizations by providing training and financial support. Its success has also had a significant demonstration effect for additional organizations not receiving direct assistance. Last year, 80 percent of the loans provided to SMEs in Kenya were provided through minimalist credit schemes. KREP and KREP-assisted NGOs, provided 90 percent of these loans. While the supply of support services to SMEs in Kenya has been increasing exponentially, it still does not meet the demand for services in this large, and ever growing sector. To meet this demand, two PED assisted organizations, KMAP and KREP, are expanding geographically and diversifying their funding base. In this field capacity building is working.

Another major influence on the growth of SMEs is the enabling environment, which improved only modestly in the last few years. The GOK has liberalized price controls on all but three commodities. The corporate tax rate has been reduced, from 45 percent in 1989 to 37.5 percent last year. The GOK also de-regulated interest rates. As was the case with trade policy, the World Bank and IMF were the main players in pressuring the GOK to reform. USAID/Kenya's unique role in domestic policy reform was to built up the capacity of private sector advocacy groups, who play a supporting role in policy change. The PED funded Kenya Association of Manufacturers (KAM), the major representative of formal sector business in Kenya, conducts studies documenting the adverse effect of policies on the manufacturing sector, spreads awareness of these issues, and supplies key policy makers with detailed policy alternatives. KAM was particularly influential in price control repeal. USAID/Kenya expects such private sector advocacy groups to play an increasingly important role in policy reform in Kenya's new political environment.

SECTION IV

OTHER PROGRESS IN PRIORITY AREAS

PART I: PROTECTING THE ENVIRONMENT AND BUILDING DEMOCRACY

A. PROTECTING THE ENVIRONMENT

Conservation of Biodiverse Resource Areas Project (COBRA): The Conservation of Biodiverse Resource Areas Project (COBRA) has just begun and represents a Mission Target of Opportunity. The Project focuses on community based natural resource management with an emphasis on improved management of one of the most valuable natural resources in Kenya-- wildlife. In its first year of implementation, it is too early to assess sustainable development impacts of the project. However, a solid impact monitoring system has been established.

There has, nonetheless, been significant progress in this first year. The success to date is the result of three primary factors. The first is excellent multidonor coordination under the auspices of the World Bank's Protected Areas & Wildlife Services Program (PAWS). With World Bank leadership of the PAWS Program, seven donors are involved in different aspects of assisting the Kenya Wildlife Service (KWS), design, establish and implement its new conservation/management programs.

The second factor contributing to the apparent success is the in-depth commitment of the Kenya Wildlife Service personnel to the participatory approaches being introduced under the COBRA Project. Preliminary USAID-funded training of KWS personnel under the project can be credited with the support of this new philosophy within KWS today. The objective of the new approach is clearly the empowerment of local populations over their own destiny as well as that of their country's natural resources. The establishment of the Community Wildlife Service (CWS) within KWS will mean that practical economic benefits should accrue to the communities around protected areas. These will provide real incentives to protect and manage their valuable wildlife resource.

The third major element contributing to success is that the COBRA Project brings benefits to a wide range of people and institutions. Tourism now provides more than half of Kenya's foreign exchange earnings, and the wildlife industry accounts for a large part of that. Thus the beneficiaries of the COBRA Project range from GOK to private sector firms right down to the local communities. Environmental goals are obviously more likely to be achieved when there is this broad base of support.

National Agricultural Research Project (NARP): The National Agricultural Research Project Phase II (NARP) effort focuses on the Mission's Strategic Objective No. 2 of "Increasing Agricultural Productivity and Farmer Incomes". A systems approach is utilized at the Kenya Agricultural Research Institute (KARI) to pursue productivity increases in

environmentally sustainable ways. Research methodologies are designed to ensure that recommended production improvement practices incorporate soil and water conservation objectives, maximizing organic farming approaches, and minimizing pesticide and other chemical uses.

Activities to Prevent Pollution: In conjunction with the Kenya Export Development Support Project (KEDS), USAID/Kenya is a member of a group of donors, private sector firms and landowners surrounding Lake Naivasha which is undertaking analysis to determine the long term impact of export flower production on the lake's ecosystem. USAID/Kenya monitors the impact of its private enterprise investments on the environment. For example, Novaskins, a leather processing company, has a high potential to pollute. However, in response to concerns raised by USAID/K the firm has established an excellent waste disposal system that prevents severe pollution. Another project, the Crocodile Farm in Mombasa was initiated by USAID/K through the Kenya Equity Management Project (KEM) and it is an exemplary sustainable development project. This project rehabilitated a former quarry and turned it into a viable ecosystem supporting a wide range of plant and animal life, including the crocodiles.

BUILDING DEMOCRACY AND GOOD GOVERNANCE

Democracy: During the past year or so USAID/Kenya assistance to democracy and governance focused most intensely on activities related to the December 1992 multiparty elections. Among the activities carried out and financed (primarily through 116e grants) were the following:

- technical expertise from the International Foundation for Electoral Systems (IFES) which carried out a pre-election assessment detailing the material requirements and logistics needed for the election,

- vigorous policy dialogue at political levels and management advice at bureaucratic levels with the GOK, opposition parties, electoral commission, and NGOs by the USAID/Kenya democracy/governance advisor (in close coordination with the Embassy),

- facilitation of multidonor monitoring of events, coordination of activities with NGOs, and carrying out donor representations to the GOK with regard to the electoral process,

- provision of indelible ink that was used for elections nationwide to mitigate double voting anxieties,

- support to a voter education program by the Kenyan Legal Aid Society,

- funding for the National Election Monitoring Unit (NEMU) which fielded thousands

of observers throughout the country,

- fielding of international election monitors through the International Republican Institute (IRI),

The impact of USAID/Kenya support has been significant. First, the above activities ensured that the outcome of the elections broadly represented the will of Kenyans. Second, the quality of the elections were very much better than they would otherwise have been. Initially, the GOK was refusing to consider either domestic or international (and especially American) monitoring efforts, and resisted any form of technical assistance. Third, USAID and the donor community's efforts strengthened the will of the NGOs to be a meaningful check and balance mechanism. Finally, the confidence of the Kenyan public was strengthened by the knowledge that the international community would be present throughout.

Governance: The Mission has been active in improving public sector transparency, accountability and effectiveness. It was the convener of the donor accountability working group and drafted the matrix to track GOK policies and actions in this sphere. In addition to multidonor lobbying for reduction of rent-seeking opportunities, a successful USAID-financed project in budget computerization has laid the basis for a transparent public finance process. The USAID also supports a UNDP tax modernization program which will make for increased equity and efficiency in revenue administration.

Regrettably, little impact has been evident in the GOK's general disposition to improve governance. There has been no follow-through on the Auditor General's findings of malfeasance, checks and balances in normal government procedures are not permitted to operate, fraud and abuse characterize the operations of many ministries and especially parastatals, activities to curb and prosecute corrupt officials are not made, and no one is ever held accountable for well-publicized scandals such as those involving the "political" banks and the Goldenberg financial scam. (Fortunately, due to prudent program design, only 1.3 percent of USAID disbursements in FY 93 passed through the GOK Treasury.)

Despite this seemingly dark outlook, all is not that bleak. The USAID program works principally through the non-governmental sector of NGOs and private firms (22 percent of disbursements in FY 93). Our family planning, private enterprise and agricultural projects strengthen these institutions and their members as centers of countervailing power to state organizations. For example, support to the Kenya Association of Manufacturers and others has increased public/private sector dialogue and contributed to important policy changes. Similarly, the Kenya Export Development Support project is impacting measurably on export incentive schemes and their transparency. Credit schemes for micro, small and medium businesses not only alleviate poverty, but enable enterprises to increase their incomes without relying on political patronage. Taken together, these have resulted in steady improvements in governance and a strengthened civil society.

To strengthen the overall impact of the USAID/Kenya's activities in democracy and governance, the Mission is designing a democratic governance project which should: (a) improve the functioning of parliament, (b) assist the non-governmental sector to advance democracy and human rights,(c) further improve public finance management, and (d) support a private policy analysis think-tank to raise the quality of national development dialogues.

ANNEX A

REVISION OF INDICATORS AND EXPECTED LEVELS OF ACHIEVEMENT

The following provides a brief explanation of revisions made to elements of strategic indicators presented in the 1992 iteration of the API. Changes in indicators were based on research which demonstrated the original indicators did not capture impact of related programs activities or were not operational in terms of data availability or quality. Further detail concerning data presented in the API is included in the technical notes (under separate cover)

Goal: Increase Sustainable, Broad-Based Economic Growth:

- No revisions made

Sub-Goal 1: Reduce Population Growth Rate and Improve Health Status

- Sub-goal 1 has been revised to focus on reducing population growth and improving health status for the following reasons: Fertility has been shifted to the strategic objective level based on recent KDHS II evidence that it is more within the Mission's manageable interest than population growth rate and because it directly affects population growth. Health status has been incorporated to better reflect the impact of the Mission's family planning and HIV/AIDS prevention efforts on many macro health indicators.

Sub-Goal 2: Increase Production, Employment, Income and Foreign Exchange Earnings

- No revisions made

Strategic Objective 1: Reduce fertility nationwide and reduce the prevalence of sexually transmitted HIV in selected target populations

- Fertility is now presented as a strategic objective for the reasons stated above in the Sub-Goal 1 notes.

- Reducing prevalence of sexually-transmitted HIV in selected areas has been included in the strategic objective. Based on the techniques and networks developed to change family planning practices, the behavioral change objectives are believed to within the Mission's manageable interest.

Target 1.1: Increase Modern Contraceptive Use

- Modern contraceptive use has been selected as Target 1.1 due to its importance as one of the strongest determinants of fertility in Kenya, and one which USAID/Kenya can affect.

- Current sub-targets for Target 1.1 represent the two most important factors influencing increased modern contraception in Kenya. *Increased availability of family planning services*, therefore, appears as a sub-target 1.1a rather than a target given its contribution to increased modern contraceptive use. Increased demand will no longer be presented as a contributing factor to contraceptive use since KDHS II data suggest that generating demand for contractive services is less important than improving availability and quality of services. Sub-target 1.1b, *reduced unmet demand*, is presented as a gauge of an environment in which couples use family planning services to achieve family size objectives.

Target 1.2: Decrease High-risk Behaviors in HIV-seroprevalence Areas

- Target 1.2 is presented due to the increasing evidence that program efforts directed towards behavior change are the most effective means towards reducing the sexual transmission of HIV. Reducing high risk behaviors is therefore one of the primary interventions of the USAID/AIDSCAP project.

- The indicators for this target have been selected directly from the established World Health Organization Global Program on AIDS (WHO/GPA) HIV/AIDS program performance impact (PPI) indicators.

Target 1.3: Increase Financial Resources for FP/MCH/AIDS/STDs

- USAID/Kenya has added this new target given Mission acknowledgement that the availability of financial resources within the health sector is essential to maintaining and improving ongoing MCH/FP and HIV/AIDS activities.

- Revisions under preparation

Strategic Objective 2: Increase Agricultural Productivity and Farm Incomes

- No revisions made

Strategic Objective 3: Increase Private Sector Employment:

Although the main focus of PED has been and still is on small and medium firms, several PED components still assist some large enterprises. However, all growth rates in the text refer to only the small and medium sized firms within these components.

Target 3.1: Increase Non-Traditional Export Revenues

- Non-Traditional Export Revenues: The baseline figure of $449 mil (1990) was removed in favor of $486 mil. The former comes from a special study that USAID has not repeated. The latter is from the *Economic Survey* and is directly comparable

to the 1992 figure.

Sub-Target 3.1a: Improve Policy Environment for Exports

The Mission decided against using a Policy Index this year due to the lack of clarity and potential subjectivity involved in combining different quantitative indicators into one. Instead, Mission is reporting on a list of "key indicators" that reflect major policy priorities, are understandable to an outside audience and are measurable with quantifiable indicators. Each measure was selected as a proxy indicator for a sub-group of policies, for example, "Foreign Exchange Regimc". An assumption was made that if the particular measurable policy changed, for example currency overvaluation, then many policies in the sub-group (foreign exchange regime) were likely to be changing as well.

Sub-Target 3.1b: Expand Support Services for NTE Enterprises

- No revisions made

Target 3.2: Increase Profitability of SMEs

- Total Employment in SMEs, Informal Sector: Mission is reporting on the entire informal sector this year. In 1990 there was a special study revealing urban informal employment, but USAID has not repeated this study. Thus, since Mission was using the *Economic Survey* as a main source, it was decided to include both urban and rural informal sector employment. In addition, since the *Economic Survey* data goes back to 1985, the baseline year for other SME indicators, the baseline year in the chart was changed to 1985.

Sub-Target 3.2a: Improve the Enabling Environment for SMEs

Mission did not calculate an enabling policy index score to capture progress in the area of improving the enabling environment for SMEs. Rather, Mission is reporting on a list of "key indicators" that reflect major policy priorities, are understandable to an outside audience and are measurable with quantifiable indicators. The method used to select these key indicators is similar in design to the "Improve Policy Environment for Exports" described above.

Sub-Target 3.2b: Expand Support Services for SMEs

- No revisions made

423

ASSESSMENT OF PROGRAM IMPACT

FY 1993

MADAGASCAR

424

U.S. Agency for International Development
Bureau for Africa
DEVELOPMENT FUND FOR AFRICA

USAID/MADAGASCAR: ASSESSMENT OF PROGRAM IMPACT (API) FY 1993

USAID/Madagascar
Antananarivo, Madagascar

U.S. Agency for International Development
Washington, D.C. 20523
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MADAGASCAR: 1993 API EXECUTIVE SUMMARY

Successful Democratic Transition: Madagascar has undergone a remarkable democratic transition in two years. Thus, it is one of a handful of African countries to move peacefully from an autocratic, one-party, dirigiste state to a democratic, multi-party government. The democratic transition exacted a heavy toll on the economy, however, causing negative per capita growth over the past three years and a worsening macroeconomic situation.

The new government, installed in September, faces the tasks of having to stabilize current financial imbalances, institute economic policies to support sustained growth, attack poverty, and respond to expectations of immediate socioeconomic progress. The good news is the new government's firm steps to resume reform and redress the economy. The October donors-only meeting in Paris confirmed confidence in the new Malagasy economic team and willingness to support an accelerated growth strategy based on the Government of the Republic of Madagascar's (GRM) vision and commitment to macro-economic and sectoral reform.

USAID/Madagascar developed its country program strategic plan (CPSP) in 1992 during a transitional period in Madagascar, to move quickly in support of a democratic Third Republic once installed. This approach is already paying dividends as the Mission and its programs are positioned to support the new government's immediate and longer-term priorities.

Progress in Developing the API System: During the past year, USAID/Madagascar has moved ahead in both defining the indicators for all strategic objectives and targets and putting in place a process for developing data sources for all indicators. We have used a participatory approach, working closely with project officers, project operators and contractors to assure agreement on terms, data sources and responsibilities. Each technical office in the Mission has firmly taken responsibility for achievement of impact for their particular strategic objective(s).

Of note during the year, we completed Madagascar's first Demographic and Health Survey (DHS), put into place a Malagasy technical unit to track biodiversity impact and trends, had a CDIE team in country as part of a worldwide environmental program impact evaluation, and completed a Design and Performance (DAP) design process where the contractor developed specific performance indicators for project monitoring and program impact.

Program Results: During the API period, we have seen important impact related to our **family planning** strategic objective and emerging impact related to reducing **natural resources** depletion. On the population front, the DHS found a large increase in the percentage of women using modern family planning methods and an unexpected decrease in the overall fertility rate from previous estimates. On the natural resources side, earlier or ongoing USAID-funded activities have reduced incursions and destruction within certain reserves, and increased local stakeholders involvement in protected area programs.

While this API focuses logically, therefore, on impact in these two longer standing areas in the Mission program, we have begun to put in place or design activities related to its private sector growth and increased trade in high potential zones objectives. Regarding the former,

it is worth mentioning early success in informing the debate on the legal, regulatory and judicial (LRJ) framework for investment as a result of a series of excellent USAID studies that have been widely disseminated within and debated by the public and private sectors.

The general theme of optimism must be tempered by the reality of how far Madagascar has fallen economically. Any turnaround will be protracted by definition to regain and surpass previous economic gains. Accordingly, at the goal and sub-goal level, one should not expect quick movement in achieving higher per capita growth figures. In practice, we may see only modest results from the planned reform programs for two years or more.

With an eye to the Bureau's focus country review next spring, we foresee Madagascar as continuing to rank high on both democracy and need scales. With regard to economic performance, the Mission proposes agreement on an interim set of benchmarks, similar to the concept of those political and democratic milestones jointly agreed to for the transition period at the CPSP review in September 1992. Fulfillment would confirm Madagascar's continued presence as an Africa focus country until 1995 when positive macroeconomic performance should begin to be measured. Proposed benchmarks are set out in the following table:

Madagascar: Interim Economic Performance Measures	Date
1. Prime Minister's accelerated growth strategy and economic reform program approved by National Assembly	3rd Quarter CY 1993
2. Realistic (as assessed by the IMF, World Bank and USAID) 1994 Government budget passed by national assembly	1st Quarter CY 1994
3. Prioritized Public Investment Program (PIP) in support of accelerated growth strategy approved jointly by Malagasy and donors.	1st Quarter CY 1994
4. Positive Madagascar Consultative Group (CG): approval of structural adjustment program and finance gap closed	2nd Quarter CY 1994
5. Policy Framework Paper (PFP), jointly formulated by IMF, World Bank and GRM, ready for IMF Board approval (Board meets in April)	2nd Quarter CY 1994

The Mission will provide AID/W with a country status cable in January 1994 following the joint World Bank-IMF Missions this December, as well as important bilateral talks between the GRM and the French and Swiss. This will be followed in March 1994 with input for the focus country review which will update progress on the above economic milestones, outline other donor decisions, and provide summary analysis of other important economic and political events.

I. SPECIAL FACTORS AFFECTING THE USAID/MADAGASCAR PROGRAM

Four factors affected USAID/Madagascar's program during the past year: (1) the political transition and installation of a new democratically-elected government; (2) the continued economic slide under the transition; (3) the new government's strong commitment to reform; and (4) increased pluralism and openness as a result of the democratization process.

1. Successful Democratic Transition: Madagascar has carried out a dramatic democratic transition, setting in place a new, pluralistic and democratic society. Four national elections within 18 months approved a new constitution and elected a new president (two rounds) and new national assembly. All elections were certified as free and fair by international and local observers. And surprisingly for Africa, the defeated leader publicly accepted the legitimacy of the results, a two-thirds majority in favor of his reform opponent.

2. Continued Economic Slide Under the Transition: The democratic transition exacted a high economic cost as the caretaker government narrowly defined its mandate to the political and electoral processes leading to the Third Republic. Accordingly, the economy continued to deteriorate, agreements with the World Bank and IMF lapsed, and negotiations of new multilateral agreements were never seriously undertaken.

3. Strong Commitment to Reform by the New Government: The Third Republic's economic program outline, approved by large Parliamentary majority and blessed by the Bank and IMF in September and a Paris donor meeting in October, sets the country on a course of macro-economic reform and accelerated economic growth and emphasizes liberalization, transparency, accountability, decentralization, reliance on the private sector and an outward orientation. A realistic calendar has been developed which is aimed at having an acceptable macro-economic framework and new Bank and IMF agreements in place by mid-1994.

4. Increased Pluralism and Openness: Most pleasing has been the flourishing of pluralism which serves to consolidate and deepen democratic reforms. A growing civil society, encompassing regional advocacy groups, private sector business groups, electoral, professional, women's and civic education groups, and others, is having influence on the economic and political debates and with the donors. These groups are important for pressing for transparency, routing out corruption, calling for clear rules of the game and championing the disenfranchised segments of society. All activities and actors are covered by a lively free press which further engenders the atmosphere of openness.

Implications for USAID/Madagascar: These factors, coupled with USAID's strategy development and implementation during the transition, finds the Mission well placed to inform and influence policy and join the debate in sectors where we have strategic interest. The CPSP and USAID-funded studies have received wide recognition for their quality analysis and the U.S. Country Team (USAID, Embassy, Peace Corps, USIS) is seen as "wholesalers" of new ideas and new ways of doing business. Our outreach has led to new opportunities for fostering public-private dialogue, setting the rules of the game, linking budgets to performance, and supporting decentralization. As the GRM translates its economic words into deeds, the Mission is confident of having important impact over the CPSP period and beyond.

GOAL	Indicators
Broad-based Market-led Sustainable Economic Growth	– GDP growth – Per capita GDP growth – Private consumption – Under-five Mortality Rate

SUB-GOAL 1	Indicators
Increased Investment and Employment in the Private Sector	– Formal Private Sector . employment level . growth rate – Private Investment real growth rate – Private Ivestment

SUB-GOAL 2	Indicators
Balance Population Growth and Natural Resource Use	– Population Growth Rate – Forest Cover (hectares) – Rice Productivity

S.O. 1	Indicators
Establish Competitive Pro-Business Climate	– New firms registered – Foreign direct investment – Fiscal deficit
Target 1.1: Legal, Regulatory, and Judicial Environment Supports Market Development.	– No. of economic laws enacted after an advocacy process of private sector groups – Commercial adjudications a. Civil court backlog b. Adjudications via non-governmental proceedings
Target 1.2: Financial Market Reforms Increase Domestic Resources for the Private Sector	– Savings deposits a. CEM b. Commercial banks – Number of CEM depositors – Banking system credit to private sector – Central Bank net advances to the Treasury
Target 1.3: Expand Business Services	– Dues collected from membership of selected Malagasy business associations – Increase in the number of Malagasy engaged in business consulting-type services

S.O. 3	Indicators
Reduce natural Resource Depletion in Target areas	– Reduced annual rate of forest loss in target areas – Reduced rate of biodiversity loss in protected areas
Target 3.1: Conserve biodiversity in protected areas	– Number of protected area management plans – Percent of village households in target zones that have adopted program sponsored alternatives to destructive practices
Target 3.2: Improve Management of Forest Resources in Target Areas	– Number of forest management plans – Percentage of growing National Forestry Fund (NFF) allocated to natural forest management
Target 3.3: Increase Income Opportunities for Resource Users	– Percentage of households with increased income from sustainable activities – Number of women with increased income from sustainable activities

S.O. 2	Indicators
Increase Trade from High Potential zones	– Volume of production of key indicator products – Total petroleum sales in Fianarantsoa and Mahajanga – Number of annual truck registrations in Fianarantsoa and Mahajanga
Target 2.1: Reduce transportation and Communications costs	– Vehicle transport cost reduction – Communication cost reduction indicator
Target 2.2: Increase and diversify agricultural production and sales	– Percent of cultivated area planted to off-season and secondary crops – Agriculture marketing tax receipts for key agricultural products – Number of registered market participants
Target 2.3: Expand locally-managed market services	– Budget level in selected market centers and the amounts allocated to market services and infrastructure – Availability of basic physical market infrastructure – Availability of improved market services

S.O. 4	Indicators
Reduce Total fertility	– Total Fertility Rate
Target 4.1: Increase modern contraceptive use	– Contracteptive Prevalence Rate – Couple Years Protection – Number of public and private medical sites providing FP services – Percentage of public medical sites providing FP Services – Percentage of women who know where to obtain contraception
Target 4.2: Reduce Dehydration due to Diarrheal Disease	– Percent of children with diarrhee receiving ORT – Number of ORS packs distributed through the private and public sectors

II. PROGRESS TOWARD OVERALL PROGRAM GOALS

GOAL 1: Broad-based Market-let Sustainable Economic Growth

Goal Indicators	Actual		Forecast			
	1992	1993	1994	1995	1996	2000
1. GDP growth (%)	1.1	1.9	3.3[1]	3.8[1]	4.2[1]	6.0
2. Per capita GDP growth	-2.1	-1.3	0.1[1]	0.6[1]	1.0[1]	
3. Private Consumption (annual growth rate)	-3.1	1.6	2.8[1]	3.0[1]	3.2[1]	
4. Under-five Mortality Rate (per 1000)	177.7					119.0

1. GRM planning figures

Sources: GRM/Ministry of Plan and Economy; Madagascar 1992 DHS.

♦ **Indicator Selection:** GDP growth and GDP growth per capita are straight-forward measures of aggregate economic growth. The annual growth rate of private consumption provides a measure of the change in the current standard of living. The market-led characteristic of the program goal is tracked via Sub-goal 1; the sustainable characteristic of the program goal is tracked via Sub-goal 2. Under-five mortality will be tracked as a proxy for the broad-based characteristic of the goal. These goal indicators will be supplemented by information and analysis from GRM and other donor studies which shed light on the impact of economic growth at the household and individual level.

♦ **Status:** Indicators 1, 2 and 3 are obtained annually from the Ministry of Plan and Economy. Their source for actual figures is the National Statistical Office. Mortality rate information comes from the Madagascar 1992 DHS. The second Madagascar DHS is scheduled for 1997. The forecast figure of 119 for the year 2000 corresponds to the goal established in the Bamako Initiative to reduce child mortality by one-third by the end of the decade.

♦ **Impact:** The modest expansion of economic activity in 1992 and 1993 was not sufficient to compensate for population growth exceeding three percent. Likewise, private consumption has not kept pace with population growth. The transition to a democratic government and the political turmoil that came with it remain the principal explanation for the lack of tangible progress in Madagascar's economic and social development. This year (1993) will mark the

third consecutive year of a decline in per capita GDP. The modest gains in the standard of living that followed from the economic liberalizations of the late 1980s have not been sustained. Per capita GDP is 10 percent lower in 1993 than it was in 1990. The modest level of the planning figures for per capita GDP growth and private consumption growth reflect the GRM's fear that the imbalances now built into the economy will take several years to overcome.

Sub-goal No. 1: Increase Investment and Employment in the Private

Sub-goal No. 1 Indicators	Actual			Est.	Forecast			
	1990	1991	1992	1993	1994	1995	1996	1997
1. Formal Private Sector:								
• employment level	280,706	285,854	302,003	N/A				
• growth rate (%)	5.9	1.8	5.6	N/A	7	8	10	10
2. Private Investment real growth rate (%)	92	-39	-16	14	17	12	15	15
3. Private Investment (% of GDP)	6.9	4.6	3.7	4.0	4.4	4.9	5.5	6.1

Sources: Ministry of Labour; Ministry of Plan and Economy.

♦ **Indicator Selection:** The first indicator, formal sector employment, gives a better indication of appropriate public sector policies than total employment, as the latter includes the increase in marginal rural and urban informal activities taken up by people with no other options. The second indicator tracks the responsiveness of private sector investment decisions to the business opportunities emerging in Madagascar as a result of a more liberal economic philosophy. The third indicator measures the relative importance of the private sector in the accumulation of physical capital and ownership of the means of production.

♦ **Status:** The source of employment data is the Ministry of Labor's annual survey. The second and third indicators are taken from provisional national accounts prepared by the Ministry of Plan and Economy. All three indicators are available annually.

♦ **Impact:** Three factors are having a detrimental impact on the ability of the private sector to undertake the investments necessary to boost employment levels: (1) a foreign exchange shortage; (2) a high level of public sector borrowing from commercial banks which crowds out private sector borrowing; and (3) the uncertainty perceived by economic operators regarding the future directions of economic policy.

1. Foreign Exchange Shortage:
The foreign exchange shortage dates from 1990. Gross official reserves expressed in weeks of imports of goods fell from 33 weeks at the beginning of 1990 to seven weeks at the end of 1990. The political disruptions further damaged the country's balance of payments position. Exporters took advantage of the breakdown in administrative operations to keep their export earnings abroad. Donors withheld anticipated 1991 balance of payments support as the government's reform package slipped further behind schedule. Public transfers fell from $166 million in 1990 to $104 million in 1992. Today, official reserves are equal to eight days of imports. In 1993, exporters are the only ones with reasonable access to foreign exchange. Commercial banks meet less than 40% of their business clients' demand for import financing. Inability to import has caused manufacturing capacity utilization to fall toward 30% in many industries.

2. High Public Sector Borrowing:
The second factor affecting the private sector's contribution to inv stment and employment growth is public sector borrowing from the banking system. During the period 1987-1990, public sector borrowing from the banking system was negative. 1991 saw a reversal of this flow; government borrowing totaled $27 million. The corresponding figures for 1992 and 1993 are $63 million and $81 million. The rise in bank financing compensates for a poor performance by the tax authorities. Current government revenue as a percentage of GDP has fallen from 13% in 1988 to 8% in 1992. As a result, credit flows to businesses are not keeping pace with demand.

3. Uncertainty Regarding Economic Policy:
The third factor, private sector perception of the business climate, cannot be quantified. The second indicator shows the combined impact of the three factors on the macro-economy. The inflation-adjusted level of investment fell in 1991 and 1992. A 14% increase is projected for 1993. If the increase materializes, the 1993 level of investment will be 40% below the 1990 level. Government planning figures envisage stronger private sector investment growth, in excess of 14% over the next four years.

Analysis:
Indicators 1 and 2 taken together support an interesting hypothesis about the Malagasy economy. The hypothesis is that as the economy has opened up, the labor intensity of investments is increasingly consistent with the low price of labor. Put another way the capital-labor ratio of investments is falling, so the same level of investment generates a larger increase in employment. In 1992, the level of investment was 16% below the 1991 level; yet, at the same time formal sector employment increased by a respectable 5.6%, suggesting that the "cost" of creating jobs in the formal sector is indeed falling. Public officials have taken note of this, drawing attention to the Asian countries that took advantage of their labor force competitiveness to bring about high economic growth rates.

Sub-goal No. 2: Balance Population Growth and Natural Resource Use

Sub-goal No. 2 Indicators	Actual 1989	Target 2000
1. Population Growth Rate (%)	3.0	2.7
2. Forest Cover (hectares)		
• with EAP	10.1 million	8.6 million
• without EAP	10.1 million	5.0 million
3. Rice Productivity (tons/ha)	2.0 (1989-1991 average)	2.4

Sources: Environmental Action Plan (EAP); Ministries of Agriculture; Plan and Economy; 1992 DHS.

♦ Indicator Selection: Measures of progress toward Sub-goal No. 2 are national and very aggregate. Annual progress against this sub-goal will be found at the level of strategic objectives and targets. The sub-goal indicators, above, provide a decade perspective and order of magnitude of the change required to balance population and the resource base.

Indicator 2 shows forest cover when the EAP was approved (1989) and estimates for the year 2000 with and without the EAP. Successful implementation will save 3.6 million hectares of forest, or 12,000 square miles, an area larger than the state of Maryland.

Rice productivity is used as a measure of population and resource balance because of the effects of natural resource degradation on rice yields. Deforestation damages the watershed of major rice growing areas. Slash and burn practices reduce yields in small perimeters areas, as does soil loss degradation. Higher production levels brought about by higher yields could reduce pressure to move on to more marginal land.

♦ **Status:** Only indicator number three will be reported annually, using Ministry of Agricultural data. Once the Malagasy Biodiversity Information Service is operational, we expect to be able to offer more sophisticated analysis of the population/resource balance.

♦ **Impact:** Madagascar's National Population Policy was approved in December 1991. Madagascar's Environmental Action Plan (EAP) began in 1989. About six percent of the total public investment budget is allocated to environmental projects. Both the GRM and the donors are mobilized; this fall's EAP mid-term review will be critical to .....

III. PROGRESS TOWARD STRATEGIC OBJECTIVES AND TARGETS

S.O. No. 1: Establish Competitive Pro-Business Climate

S.O. No. 1 Indicators	Baseline 1992
1. New firms registered	-
2. Foreign direct investment	$15 million
3. Fiscal deficit (% of GDP) - 1993 estimate	8.6

Sources: Commercial Registry; Ministry of Plan and Economy; Treasury Operations Report of the Ministry of Finance.

♦ Indicator Selection: Reforms begun in the 1980s in Madagascar to establish a competitive, pro-business climate were disrupted by the political transition. USAID/Madagascar and the GRM are exploring specific areas in the microeconomic framework where the climate for market activity can be improved. Several areas offer strong potential for stimulating market activity: legal and property rights, the regulatory framework, bankruptcy and credit laws, contract adjudication, commercial law enforcement. Equally important will be maintaining a stable macro-economy.

The first two indicators that will be used to track S.O. No. 1 are aggregate measures of individual business decisions. As such, they are determined by more than the business climate. The third indicator tracks one of the most common and troublesome negative impacts of public policy on business activity: the fiscal deficit. We have included the deficit as one of our indicators because our work with the Central Bank will contribute substantially to fiscal discipline.

♦ Status: The historical data for these indicators are available. The setting of S.O. No. 1 indicator levels for API reporting purposes will be done over the next six months as part of the Mission's portfolio development. We expect to show over the next several years a direct link between our work on the institutional infrastructure (or the micro-economic framework) and other donor-financed physical infrastructure improvements and the level of both business formation and foreign direct investment.

♦ Impact: The S.O. No. 1 component of the Mission's portfolio has one active project, Financial Market Development (FMD), signed on September 16, 1993. The second planned intervention (Business Expansion Services and Technology/BEST) will be authorized in Fiscal Year 1994. A longer implementation period is required before the Mission can report on impact.

Target No. 1.1: LEGAL, REGULATORY AND JUDICIAL ENVIRONMENT SUPPORTS MARKET DEVELOPMENT

Target No. 1.1 Indicators
Baseline year: 1992
1. No. of economic laws enacted after an advocacy process of private sector groups.
2. Commercial adjudications.
a. Civil court backlog
b. Adjudications via non-governmental proceedings
3. Investment Code applications approved by the GRM.

Sources: Ministries of Plan and Economy; Justice; and Finance.

♦ **Indicator Selection**: Indicators 1 and 2 measure pragmatic, institutional changes in the way the GRM "does business" with the private sector and how the private sector accepts greater responsibilities in its role as a more fully-vested partner with the public sector. We will measure the success of the private sector's presentation and support for new economic-oriented legislation and the public sector's willingness to engage in meaningful dialogue on these laws. Beyond the variety of legislative advances anticipated to be made and promulgated, sound methodology for resolving commercial disputes will also be introduced and put into common practice. As the private sector perceives that a more "level playing field" is put into use, we expect the number of annual investment applications approved by the GRM will increase (Indicator 3).

♦ **Status**: The indicators are/will be available either from several GRM sources: the Ministry of the Plan and Economy or Ministry of Finance (Indicators 1 and 3) and the Ministry of Justice (Indicator 2). Target levels will be selected in 1994 as part of our program design work.

♦ **Impact**: Our design work has generated wide interest. A report entitled "Environment for Investment in Madagascar: Institutional Reform for a Market Economy" was prepared as a first step in our LRJ work. The report was distributed to the economic ministries, private sector groups and other donors. Subsequent to this initial distribution, we received in excess of seventy-five requests for copies of the report. The Mission financed an International Development Law Institute seminar on "Legal Aspects of Private Sector Development" which brought together eighteen judges from all six provinces and twelve private sector lawyers. The report and the seminar both contributed to breaking down the isolation and lack of dialogue between public and private officials regarding the LRJ environment.

Target No. 1.2: FINANCIAL MARKET REFORMS INCREASE DOMESTIC RESOURCES FOR THE PRIVATE SECTOR

Target 1.2 Indicators	Baseline 1992	Actual and Target 1993	1994	1995	1996	1997
1. Savings deposits a. CEM b. Commercial banks	13,006 277,039	14,300	17,200	22,360	29,000	38,000
2. Number of CEM depositors (of which women)	254,770 N/A	267,500	294,300	323,700	372,200	428,000
3. Banking system credit to private sector (% of GDP)	13.3	Increasing trend				
4. Central Bank net advances to the Treasury	787,666	Decreasing trend				

Note: All financial data is in millions of FMG.

Sources: Central Bank; National Postal Savings Bank/*Caisse d'Epargne de Madagascar.*

♦ **Indicator Selection:** Indicators 1.a and 2 will measure the impact of our program on the ability of the National Postal Savings Bank/*Caisse d'Epargne de Madagascar* (CEM) to mobilize savings. Indicators 1.b, 3 and 4 track financial sector outcomes. Our assistance to the Central Bank will assist it to develop and implement monetary policies which support private sector development. The Central Bank will rely increasingly on an indirect rather than direct system of credit control. Central Bank financing of fiscal deficits will be reduced. These and other institutional and operational changes are expected to enable the financial sector to provide more credit to businesses.

♦ **Status:** All indicators are available from Central Bank statistical bulletins or CEM year-end reports. Computerization of records in 1994 will provide gender-disaggregated data on CEM account holders.

♦ **Impact:**

▸ USAID/Madagascar persuaded the Ministry of Post and Telecommunications (PTT) to amend a draft law on PTT restructuring in a way to maintain the commercial status of CEM until a new charter can be written for the CEM. Under the draft law, the post office would have become involved in day-to-day operations of the bank which would have ended the limited autonomy the CEM obtained in 1985, and jeopardized the goal of turning CEM into a financial institution.

▸ CEM interest income will increase by 30% as a result of the Ministry of Finance's agreement to tie the interest rate it pays on borrowings from CEM to the twelve-month Treasury Bill rate. USAID/Madagascar was the catalyst in getting Ministry of Finance to agree to this change. An increase in client deposit rates will be possible in 1994.

Target No. 1.3: EXPAND BUSINESS SERVICES

Target No. 1.3 Indicators
1. Dues collected from membership of selected Malagasy business associations. 2. Increase in the number of Malagasy firms engaged in business consulting-type services.

Sources: Professional Associations; Ministry of Plan and Economy.

♦ Indicator Selection: Indicator 1 will measure the value private business people place on associations which represent their interests in public fora. Indicator 2 will measure the increasing investment opportunities in the kinds of "technical assistance" firms which supplant and sustainably institutionalize business services currently provided by donor projects. The success of Indicator 1 will be shown by the ability of professional associations to grow and thrive as representatives of their members. Indicator 2 will indicate both private sector growth and the responsiveness of the domestic economy to the expanding needs of businesses, that the demand for the kinds of business services listed above is apparent in the aggregate increase in business registrations for just those kinds of firms.

♦ Status: The indicators will be obtained from the records of professional associations and from the Ministry of the Plan and Economy. Baseline and target levels will be developed during 1994. These indicators are preliminary and will be further refined during the BEST design.

♦ Impact: None to date.

S.O. No. 2: Increased Trade from High Potential Zones

S.O. No. 2 Indicators	Baseline 1991
1. Volume of production of key indicator products	698,218 tons
2. Total petroleum sales in Fianarantsoa and Mahajanga	-
3. Number of annual truck registrations in Fianarantsoa and Mahajanga	-

Sources: Ministries of Agriculture; and Commerce; National Petroleum Company.

♦ **Indicator Selection**: The three impact indicators will serve as proxies to show increased trade. The first indicator will show that producers and traders are responding to improved market opportunities and conditions by increasing their production of tradable commodities. Since current production satisfies normal household consumption needs, any increased production of key agricultural commodities will enter the formal marketing system.

Indicators 2 and 3 are indirect measures of trading activity. The economic activity of commercial agriculture will be measured by the volume of fuel consumed in the HPZs and the number of trucks added to the vehicle fleet each year. While all the indicators are indirect measures of agricultural commercialization, together they will provide a clear sense of changes in the level of HPZ trade.

♦ **Status**: Information will be collected from the Ministry of Agriculture, Ministry of Commerce, and the National Petroleum Company. The Ministry of Agriculture collects data on the annual production of major crops in each district of the country. The last year for which data is available is 1991. Baseline data for petroleum sales and truck registrations will be collected early in 1994. Target levels will be chosen in 1994.

♦ **Impact**: None to date.

◘ Target No. 2.1: REDUCE TRANSPORTATION AND COMMUNICATIONS COSTS

Target No. 2.1 Indicators	Baseline	Actual and Planned Performance		
	1994	1995	1997	1999
1. Vehicle transport cost reduction (FMG mill.)	0	225	900	1,575
2. Communication cost reduction indicator	-	-	-	-

Sources: Ministries of Transport; CAP Project.

♦ **Indicator Selection**: The majority of all marketed agricultural products are transported overland in large trucks or smaller pick-up type vehicles. The cost of transport is high. Up to 700 kilometers of market access roads in the two HPZs will be rehabilitated by USAID. Indicator 1 will track the reduction in transportation costs following the rehabilitation. Indicator 2 will be developed in 1994. By linking the CAP interventions to a national economic road network, financed in part by other donor road rehabilitation projects, producers and traders will find it easier to get surplus agricultural products to markets.

♦ **Status**: Indicator 1 planned performance is based on Ministry of Transport cost data. The CAP project will collect its own transport cost data to verify or amend the cost savings estimates. Reliable baseline data for vehicle transportation costs will be collected next year. This will include information on the average cost per ton per kilometer to transport key marketed agricultural products from points of collection in the two high potential zones to major urban processing or consumption centers. Baseline data on communication costs will also be collected next year. The CAP project will conduct a study to determine the most effective means to improve the accuracy, timeliness and coverage of market information.

♦ **Impact**: None to date.

◘ Target No. 2.2: INCREASE AND DIVERSIFY AGRICULTURAL PRODUCTION AND SALES

Target No. 2.2 Indicators	Baseline
1. Percent of cultivated area planted to off-season and secondary crops	27
2. Agriculture marketing tax receipts for key agricultural products	-
3. Number of registered market participants	-
• of which women	-

Sources: Ministries of Agriculture; Commerce; and Finance.

♦ **Indicator Selection**: Diversification into cash crops, produced primarily during the off-season after rice or in small plots alongside rice, are tangible results of recent economic liberalization. Increased trade from high potential zones (HPZs) of these off-season and secondary crops is Indicator 1. Indicators 2 and 3 were chosen to show the linkage between increased production and increased trade. Increases in these three indicators will measure impact under Target 2.2.

♦ **Status**: Data on agriculture tax collection receipts, and the number of collectors, transporters, processors, and distributors of agricultural products will be obtained from local tax offices during 1994 by the CAP project. The Ministry of Agriculture has been collecting data on the area and volume of agriculture products throughout the country. The last year for which complete data is available is 1991. The 27% figure represents the total surface area planted to maize, beans, wheat,

peanut, and potatoes in the two HPZs compared to rice. Targets for future years will be selected during 1994.

♦ **Impact**: More than 100 Malagasy have been trained in the U.S. and Madagascar on developing markets for diversified agricultural products. In the past two years, USAID has identified 15 new firms producing off-season and diversified products. These include new essential oils such as vetiver and geranium, organic spices such as ginger, fresh vegetables such as French beans and asparagus, and dried beans.

Impact: Agricultural Exports

One returned participant diversified to expand production from a single commodity (peanut seed) to hybrid maize seed and fresh flowers, the latter being an unprecedented achievement for Madagascar. This firm now exports 3.3 million stems of cut flowers to Europe each year, and is expanding its exports by an average of 20 percent each year. With USAID assistance, the firm recently entered into an agreement with the largest agribusiness firm in Madagascar to produce seed for the production of dried beans to export to regional markets.

Target No. 2.3: EXPAND LOCALLY-MANAGED MARKET SERVICES

Target No. 2.3 Indicators

Baseline year: 1994

1. Budget level in selected market centers and the amounts allocated to market services and infrastructure
2. Availability of basic physical market infrastructure
3. Availability of improved market services

Sources: MIX Project reports.

♦ **Indicator Selection**: The three indicators will measure interventions to encourage a public/private collaboration in the provision of market service and infrastructure. Interventions will support the private sector to provide some of these services, and to institute improvements by local governments in the identification, collection, and management of revenues to pay for these services and facilities. Indicator 1 will track the ability of local governments to mobilize resources and allocate them to business-related public services. Indicators 2 and 3 will track improvements in physical infrastructure and the public provision of market services. An increase in these indicators will show that market centers are functioning better and that services and facilities are expanding to facilitate the flow of goods from the high potential zones.

♦ **Status**: Reliable information on the overall budgets in selected market centers and the amounts allocated to market services will be collected starting in April 1994. At this time, target market centers will also be identified, allowing the collection of data on availability of market infrastructure and services.

♦ **Impact**: USAID interventions will build on and strengthen market-liberalization related trends. Lately, there has been an expansion of locally-managed market services. Field studies indicate that market towns today are playing a more important role, and that viable market networks are emerging throughout the country. This contrasts with a related study conducted two years earlier in which it was found that Madagascar did not display a traditional market network system. The major reasons underpinning this evolution are:

- The number of agricultural product collectors has increased by 50% in the Fianarantsoa region and by 66% in the Mahajanga region from 1990 to 1992; and,

- Nominal producer prices increased by over 50% in the Fianarantsoa region, and by an average of over 100% in the Mahajanga region from 1989 to 1992.

S.O. No. 3: Reduce Natural Resource Depletion in Target Areas

S.O. No. 3 Indicators	Baseline 1992	1994	1996	1998
1. Reduced annual rate of forest loss in target areas	-	-	-	-
2. Reduced rate of biodiversity loss in target protected areas	-	-	-	-

Sources: ANGAP/SIB; USGS/SAVEM; WWF Debt Swap/DEF/KEPEM

♦ **Indicator Selection**: Target areas are comprised of the protected areas and their peripheral zones supported under the SAVEM project and the classified forests being supported under the WWF Debt Swap and KEPEM programs. Monitoring of forest cover and physical parameters will provide quantitative measures of change in forest cover over time and enable assessment of the impact of the USAID program on forest clearing.

Biodiversity will be assessed by monitoring habitat changes and changes over time of species composition in selected groups of organisms in the protected area. A system of indicator species monitoring and permanent transects will serve to assess the level of change in biodiversity.

♦ **Status**: Baseline information for forest cover will be developed in 1994. This will be done by comparing satellite imagery, aerial and remote photos from 1970s to early 1990s imagery to assess change in the forest cover in the intervening 20 years. A complete set will then be taken every three years to monitor whether the rate of forest loss is decreasing.

Extensive biodiversity inventories are being conducted and relevant indicators are being identified. Work plans for the six target protected areas include provisions for carrying them out. Partial inventories exist for each of the target protected areas. Field operators and research groups will undertake surveys of selected flora, fauna and vegetation types focusing on selected priority protected areas. These will be used to determine the net change in status of biodiversity.

♦ **Impact**:

▸ A recent evaluation demonstrated that the creation of Ranomafana as a National Park in 1991 has served to improve the protection of the remaining relatively undisturbed natural habitat and conserve biodiversity.

Target No. 3.1: CONSERVE BIODIVERSITY IN PROTECTED AREAS

Target No. 3.1 Indicators	Baseline 1992	Actual and Planned Performance 1993	1994	1995	1996	1997	1998
1. Number of protected area management plans							
• Developed	0	0	1	3	6	6	6
• Implemented	0	0	0	2	4	6	6
2. Village households adopting program sponsored alternatives to destructive practices	0	0	0	5%	10%	15%	20%

Sources: ANGAP/SIB; SAVEM ICDP operators.

♦ **Indicator Selection**: There are presently 39 protected areas with an additional 11 areas to be created as part of the Environmental Action Plan.[1] Elements of Protected Area management plans reported under Indicator 1 include: (a) clearly defined and marked boundaries; (b) enforcement mechanisms; (c) an eco-tourism development plan; (d) a biodiversity monitoring plan; (e) a management structure; and (f) clearly defined relationships with the surrounding communities, including a system for sharing park revenues.

Indicator 2 measures our successes in altering local people's practices in target zones that have brought about environmental degradation. Alternatives to destructive practices include: changes in farming and herding practices, adoption of reforestation, decreases in incursions into the reserve, cessation of consumptive practices in the reserve such as trapping and tree felling.

♦ **Status**: The implementation of integrated conservation and development projects (ICDPs) is the means by which we are developing park management plans and ensuring village participation. Designs for the operational phases of ICDPs, have been completed and approved for Masoala, Amber Mountain Complex, and Zahamena and are presently being finalized for Andasibe/Mantadia Complex, Ranomafana and Andohahela. Preliminary work has been initiated in all six target protected areas to develop park management plans.

ICDPs will also involve targeting pilot communities to adopt alternatives to destructive practices. Impact will be monitored using ANGAP's biodiversity/socio-economic information data system as well as the monitoring unit established at the field level.

[1] Protected areas include three categories: (1) National Parks, (2) Special Reserves, and (3) Strict Natural Reserves with overall coordination delegated to the National Association for the Management of Protected Areas (ANGAP). Target protected areas for USAID/Madagascar are: (1) Amber Mountain Complex consisting of Amber Mountain National Park and Special Reserve, Ankarana Special Reserve, and Analamera Special Reserve; (2) Zahamena Strict Natural Reserve; (3) Masoala Peninsula to be classified as a National Park; (4) Andasibe/Mantadia Complex consisting of Andasibe Special Reserve and Mantadia National Park; (5) Ranomafana National Park; and (6) Andohahela Strict Natural Reserve.

♦ **Impact**:

▸ ANGAP as an institution increasingly focused on coordinating protected areas management, has shown considerable progress in coordinating and harmonizing development and conservation efforts throughout Madagascar's protected area system.

▸ Based on early implementation experience, field operators have recognized the importance of incorporating local stakeholders into designing and managing programs for protected areas and peripheral zones. This has led to significant changes in project preparation and design of ICDPs and staff outreach to villagers.

▸ Alternative strategies and activities to decrease the need of Malagasy farmers to rely on continued, non-sustainable use of resources, and thus, conserve biodiversity in protected areas have been or are being identified. Operational phases have been approved for Masoala, Amber Mountain Complex, and Zahamena by analyzing human pressures which have led to natural resource depletion in the target protected areas.

▸ With the demarcation of reserve boundaries and field presence of project personnel, evidence has been observed that some resource users are modifying their behavior away from destructive practices within and on the periphery of protected areas. For example, in Andohahela, herders' huts and the practice of systematically retreating into the forest for dry season grazing has been eliminated in some areas.

◘ Target No. 3.2: IMPROVE MANAGEMENT OF FOREST RESOURCES IN TARGET AREAS

Target No. 3.2 Indicators	Baseline 1992	1994	1995	1996	1997	1998
1. Number of participatory forest management plans						
• Developed	0	0	2	4	6	8
• Implemented	0	0	1	2	3	4
2. Percentage of growing National Forestry Fund (NFF) allocated to natural forest management	0	0	50%	50%	50%	50%

Sources: USGS/SAVEM; WWF Debt Swap; KEPEM; DEF; Ministry Finance.

♦ **Indicator Selection**: Conservation of forest resources will depend on their sustainable utilization under management plans.[2] The exact nature of the management plans will depend on the type of forest and the potential for sustainable provision of a variety of goods and services.

A key element in the sustainable management is the participation of local populations. Incentives must be developed to encourage local populations to better manage and control natural forests to obtain better returns than through current unsustainable and exploitative practices. Devolving rights and responsibilities of local populations following agreed-upon technical management plans offers the best hope of success for maintaining Madagascar's natural forests.

It is critical that part of the increased revenues generated from improved natural forest management be reinvested in these forests to favor ecological sustainability. The National Forestry Fund, which is designed to promote forestry activities, is currently very poorly endowed, with most resources devoted to replanting with exotic species.

Impact: Forest Management
Collaboration between APNs and villagers in establishing 540 tree nurseries with over 600,000 trees planted represents a first effort in ensuring a shared ownership with the local communities in the eventual management of the natural resources.

♦ **Status**: USAID/Madagascar programs are supporting the forest service through technical assistance, training and equipment to identify target forests and develop management plans. Opportunities for greater local participation in developing forest management plans are also being identified by working with local populations in the peripheral zones. The KEPEM program will report on levels of NFF. When this information becomes available, it will be incorporated into the API Report.

♦ **Impact**:

▸ The placement of 375 *Agents pour la Protection de la Nature* (APNs), or locally based outreach agents through the WWF Debt Swap project to reinforce field based protection and management capacity of natural forests has resulted in a positive impact in reducing incursions into and destruction of reserves.

▸ Local level village committees for the forest and environment have been created as part of the WWF Debt Swap project, building on previously created committees to fight brush fires. Working with the APNs, they are increasing environmental awareness and assisting in the control of wood cutting in classified forests.

[2] Target areas include the classified forests under the direct responsibility of the Direction of Water and Forests and the buffer zones of the protected areas. By definition, protected areas can not be a target for forest management. Ninety percent of Madagascar's natural forests lie outside of protected areas.

Target No. 3.3: INCREASE INCOME OPPORTUNITIES FOR RESOURCE USERS

Target No. 3.3 Indicator 1	Baseline 1992	1994	1995	1996	1997	1998
1. Percentage of households with increased income from sustainable activities	0	0	10	25	40	50
2. Number of women with increased income from sustainable activities	-	-	-	-	-	-

Sources: ICDP/Community Action Grants reports; TRADEM (FY 199X start); KEPEM.

♦ **Indicator Selection**: The key hypothesis underlying ICDPs is that increasing the economic well-being of local populations living around protected areas will lead to increased conservation of those areas. As part of the ICDPs, sustainable economic alternatives to current environmentally destructive activities will be targeted for village households in peripheral zones around protected areas. Local regulatory changes aimed at increasing income opportunities for resource users are being analyzed, as are opportunities based on the sustainable exploitation of local flora and fauna.

♦ **Status**: Initial steps have been taken in identifying alternative strategies such as agricultural intensification, improved integrated cropping systems, product and market development, and ecotourism to be carried out as a means to decrease the human pressures on the protected areas. The development of alternative livelihood options is a major focus of the operational phase of the ICDPs which will be initiated in early 1994. The activities, their effect on household incomes, and their effectiveness in reducing environmental degradation will be monitored through the ICDPs and using ANGAP's data system.

♦ **Impact**:

▸ A revenue sharing scheme for park entrance fees is now in place. ANGAP receives one half and the other half of the revenue is returned to a locally organized protected area revenue management committee.

▸ Ecotourism activities in Ranomafana and Andasibe resulting in an increase in visitors, employment, an influx in cash and increased needs for goods and services, are benefiting the local population surrounding these areas through increased resource reallocation.

▸ Progressive farmers in the peripheral zones of Ranomafana have increased their incomes by practicing bee keeping, reforestation, and a variety of other appropriate income generating activities, resulting in decreased pressures on the Ranomafana National Park.

S.O. No. 4: Reduce Total Fertility

S.O. No. 4 Indicator	Baseline	Actual and Planned Performance					
	1990	1993	1994	1995	1996	1997	1998
Total Fertility Rate	6.6	6.1	-	-	-	5.7	-

Source: 1992 DHS. See ANNEX A for change in indicator value.

♦ **Indicator Selection:** The Mission chose the indicator of total fertility rate because it has a direct impact on population growth pressures which affect development in Madagascar. Total fertility is the average number of live births in a woman's reproductive life-span. This indicator thus directly affects women's status, including ability to pursue educational objectives, economic opportunities, welfare of their families, and, control over their own fertility.

♦ **Status:** The Madagascar Demographic and Health Survey (DHS) was carried out with USAID funding in 1992. The DHS provided the first solid demographic and health data available since 1975, the date of the last national census. The DHS rate will be used henceforth as the baseline for measuring subsequent impact of our program efforts.

♦ **Impact:**

▸ The Mission is confident that its early support (1988-1992) of family planning (FP) service delivery expansion contributed measurably to the dramatic change in estimated reproductive behavior from 6.6 to 6.1.

▸ The DHS indicates that Malagasy women from all strata want to control their fertility: one-third of married women want to wait at least two years until the next birth and 40% want no more children.

■ TARGET 4.1: INCREASE MODERN CONTRACEPTIVE USE

Target 4.1	Baseline	Actual and Planned Performance					
Indicator Nos. 1 & 2	1991	1992	1993	1994	1995	1996	1997
1. Contraceptive Prevalence Rate	3	5	-	-	-	-	14
2. Couple Years Protection	-	72,000	79,000	85,000	120,000	180,000	240,000

Sources: 1992 DHS; APPROPOP.

♦ **Indicator Selection:** Contraceptive Prevalence Rate, the percentage of married women of reproductive age using contraception, was chosen because of its comparability with other countries, and its direct impact on the total fertility rate. Use of modern contraceptive methods is the most direct, effective and acceptable means of achieving reduced fertility. Accordingly, our population program is directed primarily towards an increase in contraceptive prevalence. This can be directly measured through household surveys such as the DHS, or indirectly through tracking end-use of contraceptives and converting the quantities used by clients into Couple Years Protection (CYPs). Together these two types of data collection provide an accurate measure of use of family planning.

Impact: Increased contraceptive use
The amount of contraceptives furnished to Madagascar by USAID rose dramatically between 1990 and 1993. In 1990, only 3,400 Intra-Uterine Devices (IUDs), less than 120,000 barrier methods and no oral contraceptives were provided by USAID to cover needs of the national program for a two year period. In 1993, the contraceptive order included over 1 million condoms, 5,800 IUD's and approximately 190,000 oral contraceptives.

♦ **Status:** The Contraceptive Prevalence Rate was measured by the DHS in 1992 at 5% among women of reproductive age. The 1992 DHS will be used as baseline data and will be repeated again in 1997 to measure changes over the life of the project. In the meantime, contraceptive prevalence will be estimated by tracking end-use of contraceptives and converting the quantities used into CYP's.

CYPs were measured for 1992 and estimated for 1993 using end-distribution data from NGOs and public clinics. The nationwide indicators for CYP increased by 7,000 during this reporting period and is expected to increase substantially during the CPSP period.

♦ **Impact:**

▸ Currently 17% of women are using any form of contraception (traditional or modern). This indicates that program efforts in the early 1990's are already bearing fruit. The more educated and more urban the woman, the greater the likelihood that she will use family planning. For this reason, the population program efforts have concentrated on the urban areas before expanding to rural areas.

▸ Five percent of married women are practicing modern methods of contraception, up from an estimated three percent in 1991. Another 12% are practicing traditional methods.

Target 4.1	Baseline	Actual and Planned Performance					
Indicator Nos. 3, 4 & 5	1987	1992	1993	1994	1995	1996	1997
3. No. of public/private medical sites providing FP Services	72	150	205	300	410	520	630
4. Percent of public medical sites providing FP Services	6	17	19	22	28	35	42
5. Percent of women who know where to obtain contraception	-	46	-	-	60	-	75

Sources: 1992 DHS; Ministry of Health.

♦ **Indicator Selection:** Gains in contraceptive use can be accomplished in several ways: (1) by increasing access to methods; and (2) by increasing interest, knowledge and awareness of potential clients to increase their demand for these services. By tracking the number and percentage of clinics providing FP, one can measure progress in the first category. The second is partially measured by tracking women's knowledge of where to obtain methods. These quantitative indicators will be complemented by qualitative information on attitudes of clients and service providers, quality of care, and continuation of contraception among different types of clients.

♦ **Status:** The Mission has worked with the GRM and NGOs to have an accurate census of medical clinics. With other donors, it has planned an expansion program and monitoring system to track the increase in FP service sites over the CPSP period.

♦ **Impact:**

▸ Of 772 public and an estimated 500 private or NGO medical clinics, only 72 were offering FP services in 1987. This number of clinics was obviously unable to respond to the family planning needs of a country with a population of 12 million. In 1993, in the public sector alone, 144 clinics (19%) now provide FP services. A total of 750 clinics are planned by the end of 1999.

▸ As one example of access to services, only 30 surgical sterilization procedures were performed in 1988. In 1993, these procedures increased tenfold. We are supporting training of personnel and equipping clinics to make such services more available to men and women who request them.

▸ In 1992, 46% of married women nationwide knew where to obtain contraceptives. It is expected to reach 75% by 1997, after promotional campaigns begin in 1994.

◘ TARGET 4.2: REDUCE DEHYDRATION DUE TO DIARRHEAL DISEASE

Target 4.2	Baseline	Actual and Planned Performance					
Indicator Nos. 1 & 2	1992	1993	1994	1995	1996	1997	1998
1. Percent of Children with Diarrhea receiving ORT	26	30	35	40	45	50	55
2. Number of ORS packs distributed through the private and public sectors (in thousands)	500	800	1,000	1,300	1,600	1,800	2,000

Source: Ministry of Health.

♦ **Indicator Selection:** These indicators, which cover children between the ages of zero and five years, were chosen because the severity of the problem of diarrheal diseases is considered a significant constraint to expanding FP services, particularly among rural women. Diarrhea remains a major cause of child morbidity and mortality in Madagascar. To ensure that the health benefits of FP are linked with other measures to reduce child morbidity and mortality and improve the quality of life, the National Diarrheal Disease Control (CDD) Program is receiving USAID assistance.

♦ **Status:** The 1992 DHS survey gave us a complete and recent picture of the CDD program. Since the DHS, the Mission has increased its assistance to the CDD program through technical assistance, training and other support activities. This is expected to improve case management of diarrhea, increase knowledge of mothers, and increase access to Oral Rehydration Salt (ORS) packs. In the short term, the impact of this assistance can be most easily measured by the volume of ORS packs distributed through both public and private networks. Also, a UNICEF survey performed in 1993/1994 will provide updated usage data.

♦ **Impact:**

▸ Among children under five, 12% had diarrheal episodes in the previous two weeks and 5% within the 24 hours preceding the DHS. Of these, 26% received ORS in 1992.

▸ In 1992, 400,000 ORS packets were sold through the public sector and 100,000 were sold through pharmacies or other vendors. For the first six months of 1993, 250,000 ORS packets were distributed by the public sector and a total of 150,000 are projected to be sold in the private sector.

IV. OTHER PROGRESS IN PRIORITY AREAS

The Mission's program solidly fits within the four strategic priorities of the new administration. The Mission's first two strategic objectives are clearly focused on economic growth and follow the CPSP constraints analysis as the most appropriate USAID interventions to increase private-sector, market-led economic growth. The Mission's third strategic objective directly supports protection of the environment and the fourth strategic objective is focused on stabilizing population growth. Finally, the Mission's target of opportunity directly supports democracy and governance in Madagascar.

This section will focus only on the impact of USAID assistance for the democratic transition since the economic growth, environment and population areas are fully discussed in sections II and III.

In Madagascar, USAID has worked closely and collaboratively with all U.S. government agencies in providing targeted democracy-related assistance to promote the emergence and consolidation of a democratic and pluralistic third republic in Madagascar. During the year, we focused on electoral assistance and civic education. The Mission funded substantial technical and material assistance for emerging Malagasy election observation groups through the International Foundation for Electoral Systems (IFES). Malagasy NGOs used funds from the Democracy and Human Rights project to produce civic education posters on elections and radio spots on voter rights. Also, the African-American Institute, under the Africa regional electoral assistance project called AREAF, provided key international election teams for the first and second rounds of the Presidential elections in November 1992 and February 1993 and for the legislative elections in June 1993. It is widely believed that the fair election stamp of the international and Malagasy observers helped convince the 18-year incumbent to not claim electoral fraud and to carry out that rare event in Africa -- a peaceful transfer of power to an elected successor. As reported in previous Embassy and USAID cables, the U.S. assistance, mainly from USAID, substantially supported the electoral process, specifically affecting the international and indigenous electoral observation effort which lent considerable legitimacy to the electoral outcomes.

The Mission is now supporting the consolidation of democratic institutions and values in Madagascar. In August, 1993, USAID signed a PASA with USIS/Madagascar which provided $310,000 for a series of journalism training workshops over the next year aimed at improving the professionalism of journalism and increasing journalists understanding of key topics such as economic reform, accountability and changed role of government in a market economy. These activities will provide important lessons learned as the Mission designs a longer term media and development communications "shelf" project during FY 1994. In addition, USAID, collaborating closely with the Embassy and USIS, is planning an assessment of democracy and governance in January/February 1994 which will strategically focus our DG assistance into two to three areas where we can have the most impact.

ANNEX A

REVISION OF INDICATORS AND EXPECTED LEVELS OF ACHIEVEMENT

REGARDING THE POPULATION GROWTH RATE

The GRM uses a population growth rate of 3.2% to derive a per capita GDP growth rate. Their figures are shown in the Goal Indicators table in Section I. Analysis coming out of the 1992 Madagascar DHS suggests that the population growth rate is nearer three percent. This figure is used in the Sub-goal No. 2 Indicator table, in the same section. We believe this table gives a better sense of what can be expected in population growth rate reduction during this decade. The 1992 population census will produce the definition population growth rate. This figure will be reported in the next API.

STRATEGIC OBJECTIVE No. 4: REDUCE TOTAL FERTILITY

For S.O. 4, Reduce Total Fertility, there are very few reliable indicators for a baseline before the 1992 Demographic and Health Survey. In preparing the CPSP, USAID/ Madagascar relied on official estimates of fertility and contraceptive prevalence formulated by World Bank and other international organizations. These estimates were based on projections from the 1975 national census. While the DHS provides a considerably more accurate baseline for some indicators, using the DHS for all baselines would obscure the importance of program efforts over the past five years. Therefore, where possible USAID has provided baseline figures from previous years for this strategic objective. While the large change in total fertility rate from 6.6 to 6.1 may be due in part to earlier less accurate estimates, it is clear that the fertility rate has fallen in the last five years.

The 1992 DHS, and a second DHS which is planned in 1997, will provide precise and accurate benchmarks with which to evaluate program performance. Also, planned improvements in the Management Information System for the national family planning program will enhance monitoring of program effort and impact.

453

ASSESSMENT OF PROGRAM IMPACT

FY 1993

RWANDA

454

ASSESSMENT OF PROGRAM IMPACT

IN RWANDA,

FISCAL YEAR 1993

November 1993
USAID/Rwanda/PRM

PREFACE

This is the first annual assessment of program impact (API) prepared under the new Country Program Strategic Plan (CPSP) and with the benefit of the MER exercise. In June 1992, AID/W approved the CPSP. In December 1992, the Monitoring, Evaluation, and Reporting (MER) exercise was initiated by the Mission and AID/W to solidify the selection of indicators and to identify remaining steps needed to complete a system for collecting data on the selected indicators. A final draft MER plan was to be submitted to AID/W by March 1993.

However, progress on finalizing indicators and collecting data for the API suffered as a result of the major military offensive by the Rwandan Patriotic Front (RPF) in February 1993. The planning and managing of nearly $29.0 million of emergency food and non-food commodities for nearly a million Rwandans internally displaced by the fighting, the authorized departure program for official Americans, the executing of necessary start-up actions to keep the Mission's three new CPSP projects on-track, and the design of a fourth new CPSP project (an AIDS prevention project) absorbed available staff time throughout the remainder of FY 1993. Then, the early FY 1994 (October 1993) military coup in Burundi resulted in over 350,000 Burundians seeking refuge in Rwanda. This again disrupted planned Mission activities. Nevertheless, several USAID-funded studies and evaluations show where on-going Mission projects and programs are having a clear positive impact on Rwanda. They are in population, economic reform, and cooperative/private sector development. Each are highlighted in a box in the following text.

As 1993 draws to a close, the Mission finds itself in a much better position than at the start of the year. The Arusha peace accord between the Government of Rwanda and the RPF, and the arrival of the UN peacekeeping force helped move Rwanda towards peace and along its path of political liberializtion towards democracy. Start-up preparations on the Missions four new long-term projects remained on-track and the long-term TA teams started arriving and will be fully in place by the second quarter of FY 1994. The start-up of these new CPSP projects and the expected assumption of power by the new transitional government, places the Mission in a good position to implement its CPSP as envisaged. Finally, the early FY 1994 arrival of the new USDH economist provided a further boost to the Mission's capacity to manage the API process.

456

CONTENTS

Preface.....ii

Bullets: USAID Impact

Impact of USAID-Supported Reform Program on Households Neutral in 1991.....5
USAID Support Significantly Raised Contraceptive Use in Rwanda.....10
Project Aiding Cooperatives Economically Also Advances Democratic Principles.....18

I. Special Factors Affecting the USAID Program.....1

The Rebel Offensive.....1
The Peace Accord.....1
Progress and Slippages on the Structural Adjustment Program.....2
The Net Impact.....2

II. Progress Toward Overall Program Goals and Sub-goals.....4

Increase Participatory Economic Growth.....4
Decrease Population Growth Rate.....6
Increase Democratic Governance.....7
Increase Real Income in the Agrarian Sector.....8

III. Progress Toward Strategic Objectives, Targets, and Targets of Opportunity.....9

Strategic Objective: Population.....10
Strategic Objective: Governance.....13
Strategic Objective: Private Sector.....19
Target of Opportunity: Bio-diversity.....23
Target of Opportunity: HIV/AIDS.....24

IV. Progress in A.I.D. Priority Areas.....25

Annex A. Modifications in the USAID/Rwanda API Indicators

Annex B: USAID/Rwanda CPSP Objective Tree

457

I. SPECIAL FACTORS AFFECTING THE USAID PROGRAM

Two events have profoundly affected Rwanda's on-going economic and political transition in FY 1993. The first was the Rwanda Patriotic Front's (RPF) major military offensive in February. The second was the signing of a Peace Accord on August 4th between the Government of Rwanda and the RPF. These events have set the stage for the emergence of a new era in the country's history. No formal polls have been taken, but Rwandans and others appear more optimistic now than they have been since the war started in 1990. It is premature, however, for improvements to be reflected in any traditional economic indicators.

USAID/Rwanda is well-positioned to capitalize on this optimism. Throughout FY 1993, the Mission continued to execute the necessary start-up preparations for four new long-term projects, all of which are part of the CPSP strategy. By the first quarter of FY 1994, four long-term technical assistance teams will be on the ground in full operation, working on democracy and governance, private sector development through PVOs and NGOs, decentralization and integration of health and family planning services, and an HIV/AIDS prevention program. Additional teams and USAID staff will be working to develop activities to improve the accountability and transparency in the government's budget process -- the only major element of the CPSP-envisaged activities remaining to be designed.

The Rebel Offensive: Human rights violations by people supportive of the President of Rwanda reportedly triggered the RPF offensive in February 1993. The offensive disrupted economic activity to a greater degree than any other time in the nearly three-year-old war. When the rebel advance finally stopped within 18 miles of the capital Kigali, nearly one million people had been displaced and crops in Rwanda's most fertile region went unharvested. Implementation of most development activities ceased as bi- and multilateral donors responded rapidly to the needs of the displaced, some of whom had been displaced for the third time since 1990. Food and non-food emergency assistance totalling roughly $100 million was supplied through makeshift airlifts and other dramatic efforts. Working closely with OFDA and Food For Peace, USAID/Rwanda programmed nearly $30 million of food and non-food assistance for Rwanda during the March to September 1993 period through cooperating agencies such as World Food Program, CARE, Africare, CRS, UNICEF, and others.

For the Government of Rwanda, the offensive compounded its budget problems further. The new upsurge in already high military outlays made any World Bank and IMF efforts to develop a workable macroeconomic framework futile. Military expenditures in FY 1993 surpassed 8 percent of GDP, almost equalling projected government revenues. Resolving the military conflict became the condition precedent for any development progress. Rwanda could not return to the pre-February state of a cease-fire combined with peace talks with no end-point in sight. After the offensive, the Arusha peace negotiations assumed a more serious tone and culminated in the August 4 signing of the Peace Accord.

The Peace Accord: In the Arusha Accord, the two sides agreed to a power-sharing formula that ended the fighting and committed them to a two-year transition process intended to end in multiparty elections. The protocols of the Accord commit Rwanda to democratic pluralism, respect for individual rights, rule of law, national reconciliation between the majority Hutu and minority Tutsi ethnic groups, and the right of refugees to return. Also specified in the Accord is the composition of a new transitional government that includes the five political parties now in government plus the RPF. Specific near-term actions to be undertaken by the new government include the disengaging and disarming of the two armies, integrating and demobilizing the armed forces, establishing internal security, assuring the reintegration of the war displaced, revitalizing local government and the civil service, organizing the return and reintegration of long-time refugees, drafting a new constitution, conducting a constitutional referendum, holding local government elections, and finally, holding legislative and presidential elections. Each action poses tremendous hurdles for the new government. For example, due to the war, the GOR army increased from 6,000 in 1990 to nearly 40,000 in 1993. When adding the RPF military force, the number of soldiers to be demobilized will surpass 30,000 -- a number that represents roughly 50 percent of total private employment in Rwanda's modern sector.

Essential to launching the transition process is the arrival of a credible neutral international force (NIF) that will monitor security issues between the GOR and RPF. For both the GOR and RPF, the presence of a fully-manned NIF is a necessary condition before they would launch the new transition government. Fortunately, the UN and OAU have moved rapidly. The UN-lead NIF has assumed peacekeeping duties from the OAU in late October 1993 and troops from UN member nations continue to arrive. December 31, 1993 is the date all parties are now targeting as the date by which the new government is to officially start operations.

Given the tremendous hurdles facing the new transitional government, continued goodwill on all sides is required to make the peace plan work. If this goodwill remains evident, then Rwandans will fully deserve the sustained support from the international community.

Progress and Slippages on the Structural Adjustment Program: FY 1993 will be looked back upon as a [illegible] on all fronts. Real per capita consumption in 1993 is estimated to be 30 percent lower than in 1985. The quality of health services and primary education continues to decline as expenditures in these areas drops further. Rwanda's nationwide contraceptive prevalence rate (CPR) also dipped from nearly 15 percent to 11 percent. The World Bank has argued that most of the welfare gains achieved in the 1960s and 1970s may have already been lost. Military expenditures, already at high levels before the February offensive, continued to rise and crowd out other activities. Foreign exchange reserves have declined from the equivalent of three months of import coverage in January 1993 to roughly 1.5 weeks of coverage in August 1993. The balance of payments gap by year-end is projected to reach $140 million. Government expenditures are

projected to exceed revenues, before loans and grants, by nearly 170 percent. An out-of-control budget and looming war were undoubtedly factors helping lead donors, including the World Bank and IMF, to suspend their fast-disbursing assistance programs.

Daily GOR operations suffered as well. After February, it became very difficult to get individuals, both government and non-government, to focus on implementing development projects. Likewise, after the signing of the Arusha Accord, the current transition government became a "lame duck," thus further slowing the pace of business. No new major economic policy changes or sustainable development initiatives were launched by the GOR during FY 1993. This contrasts with 1990-1992 period, when the GOR had announced and implemented many substantive reforms despite the on-going war (see earlier APIs).

The Net Impact: In FY 1993, Rwanda experienced a psychological swing downward followed by an equally rapid swing back upwards that clearly overshadowed all the major policy reforms implemented by the GOR since 1990. These earlier changes included major devaluations, restructuring of tariffs, removal of price and profit controls, revisions to business registration and labor codes -- all disruptive in their own right. Fortunately, the reasons underlying this upward swing (e.g., peace and continued broadening of political participation) hold the best potential for stabilizing the Rwandan economy since its economic depression began in the late 1980s. Most Rwandans appear cautiously optimistic with the Peace Accord, acknowledging that much remains to be done.

Importantly, the fighting has stopped and the Peace Accord continues to form the basis for an on-going and active dialogue between all the political parties, including the RPF. For example, the lack of a fully-staffed in-country NIF is not stopping the parties from preparing for the day the new government assumes power. Government and donor representatives have been visiting the RPF to discuss forthcoming government actions and issues. A joint GOR-RPF mission will be visiting the World Bank and IMF in late November to prepare for resuming the now stalled structural adjustment program. Similarly, business, human rights and other Rwandan associations remain active in pressing their concerns. These are all encouraging signs indicating further movement towards a participatory democratic system of government.

Rwanda's short-term prospects now hinge on the new transitional government taking power and staying the course on political reform and economic adjustment, and on continued support from the international community. USAID/Rwanda's program remains well-positioned to support such efforts, particularly since four major projects in democracy and governance, health/family planning, HIV/AIDS prevention, and private sector/NGO expansion will begin full implementation in early FY 1994.

II. PROGRESS TOWARDS OVERALL PROGRAM GOALS AND SUB-GOALS

The following discussion uses the goal statements as approved in the CPSP reporting cable (92 STATE 204268).

PROGRAM GOAL: Increase Participatory Economic Growth							
PROGRAM GOAL INDICATORS	BASELINE NUMBER (YEAR)	FY 92 (P)ROJ-ECTED (A)CTUAL	FY 93 P/A	FY 94 P/A	FY 95 P/A	FY 96 P/A	FY 97 P/A
Real Per Capita GDP	Rwf 28,465 Constant 1985 Rwf (1989) -2.0% % Change (1987-90) [Sources: IMF, World Bank, MINIPLAN]	A: Est Rwf26,287 A: -3.1%	A: Est Rwf22,726 A:-13.5%	P: Rwf24,316 P: 7.0%	P: Rwf24,560 P: 1.0%	P: Rwf24,805 P: 1.0%	P: Rwf25,050 P: 1.0%
Total GDP	191.239 (B Rwf) (1989) 1.1% % Change (1987-90) [Sources: IMF, World Bank, MINIPLAN]	193.682 0.35	172.569 -10.9%	190.300 10.25%	198.100 4.0%	206.200 4.0%	214.630 4.0%
Number of Small and Medium Enterprises (SMEs)	(1994) [Source: USAID/R]						
Share of GDP Originating from SMEs and Small-Farms	Est 70.0% (1994) [Sources: USAID/R]			P: 70.0%	P: 71.0%	P: 73.0%	P: 75.0%

Given the disruptive elements noted in Section I. above and the financial focus of the USAID program in FY 1993 (e.g., $6.7 for development assistance and $29 million for emergency relief), it is unrealistic to make definitive statements on the Mission's contribution to

progress in achieving the Country Program Goal this year. Indeed, many donors are working actively and closely together in support of the peace, political and economic reform processes.

As the Table above implies, the Rwandan economy was stagnating in the late 1980s. The modest real growth (slightly more than 1.0 percent per year) resulted in a decline in per capita real incomes of some 2.0 percent per year. While the war has adversely affected the Program Goal indicators, which are economic, a partial rebound is expected in 1994, accompanied by increased economic confidence and greater resources to the productive sectors. In part, a rebound will be fueled by the removal of most curfews and roadblocks throughout Rwanda. Increased freedom of movement will facilitate a rebound in intra and inter-regional trade. This rebound becomes more likely when the new transitional government assumes control. As noted earlier, the events to date represent Rwanda's best hope for beginning a reversal of the steady economic decline witnessed since 1989.

The USAID goal remains to work towards a real growth rate of 4 percent per year by the end 1996. This rate of growth is required to reverse the decline in the real per capita growth rate, given that the population growth rate is about 3.06 percent per year. USAID estimates are more conservative than those presented by the World Bank, which projects a real growth rate of 4 percent by 1995 (WB, SPA, September 1992), due to the potential costs associated with the demobilization and resettlement of displaced Rwandans as well as some of the other hurdles facing the new government (see Section I.) The World Bank and IMF are currently revising their projections, in light of their over optimism of the past.

IMPACT OF USAID-SUPPORTED REFORM PROGRAM ON HOUSEHOLDS NEUTRAL IN 1991.

USAID-GOR assessed the impact or living standards of the structural adjustment program, sectors of which were supported by a USAID NPA program. Household incomes (rural and urban) were found to have declined only slightly in 1991. More importantly, since Rwanda is overwhelming rural, rural terms of trade remained stable during 1990-1991. These early results are encouraging for proponents of additional maco and sectoral policy reforms. Further monitoring assessments are planned.

As noted last year, macroeconomic data must be interpreted with more than the usual caution. USAID continues to make investments in data collection and analysis. During FY 1993, USAID-funded consultants and Government of Rwanda staff presented the implications of policies affecting domestic comparative advantage, inter-regional trade and the drain of coffee subsidies on the treasury in various fora, including the private sector, donor and government groups. In January 1993 the GOR, with USAID-support conducted an assessment to estimate the impact of the structural adjustment program on living standards. The analysis revealed that, based on existing data sets and surveys being conducted by the GOR, household income

(rural and urban) had declined only slightly and that the rural terms of trade remained stable during 1990-1991. These early results are encouraging for proponents of continued structural adjustment. USAID is working to establish sustainable mechanisms for updating this key analysis. The GOR, for its part and as a result of having worked with USAID's consultants, is now trying to publish a monthly bulletin to disseminate the results of this and other analyses to a wider audience.

USAID-funded Census Bureau staff have been working with the GOR to process the 1991 census. The population growth is now estimated to be about 3.06 percent per annum. This is a major downward revision of the previous estimate of 3.6 percent which was based on the 1978 census and 1983 National Fertility Survey. Officially revised demographic data will not become available until early 1994 -- a delay of nearly a year due to the February fighting. Finally, the USAID-funded Demographic and Health Survey (DHS), which was halted by the fighting in 1990, was restarted and completed. Final DHS data will be available in mid FY 1994 -- again delayed due to events related to the February disruptions.

USAID, with Michigan State University (MSU), has also worked with the GOR to update the agricultural sample frame used to conduct the national agricultural census and special rural studies. Some twelve studies and reports are projected to be completed over the next year, including an examination of farm/off-farm income linkages, impact of exchange rate movements and border trade, and further work on the impact of the Government's coffee policy.

The USAID/Rwanda CPSP has three sub-goals: decrease population growth rate, improve democratic governance on social and economic policies, and increase real income in the agrarian sector. A discussion of each follows.

PROGRAM SUB-GOAL ONE: Decrease Population Growth Rate							
INDICATORS	BASELINE NUMBER (YEAR)	FY 92 (P)ROJECTED/ (A)CTUAL	FY 93 P/A	FY 94 P/A	FY 95 P/A	FY 96 P/A	FY 97 P/A
Total Fertility Rate	8.5 (1983) [Sources: ONAPO, DHS]	A: 6.2 [Prelim. DHS Data]					P: 5.0

As noted earlier, the final results of the Demographic and Health Survey (DHS) were not published in 1993 as planned. Nevertheless, the preliminary analysis of the data reveals that measurable progress has been made on this Mission subgoal since the last large population

based survey of the fertility rate (the National Fertility Survey, 1983). The DHS data (1992) show a fertility rate of 6.2 as opposed to 8.5 in the 1983 National Fertility Survey. If the preliminary conclusion remains unchanged after further data processing, as the Mission expects, then both acceptability and accessibility issues are being addressed and Rwandans are increasingly practicing modern contraception. In fact, it would put Rwanda in an elite "club" of subsaharan African countries that appear to have begun the demographic transition (others are Zimbabwe, Botswana and Kenya). Indeed, when the final report is released, USAID expects to issue an announcement cable not unlike the recent cable from USAID/Kenya. The Mission's confidence in the DHS is supported by data from the 1991 national census, which also suggests that the total fertility rate had dropped to 6.9. (Data collection for the census took place approximately one year earlier than that for the DHS.)

USAID/Rwanda now expects the final DHS report in the second quarter of 1994 and will revise its FY 1997 projection in next year's API.

PROGRAM SUB-GOAL 2: Improve Democratic Governance on Social and Economic Policies							
INDICATORS	BASELINE NUMBER (YEAR)	FY 92 (P)ROJECTED/ (A)CTUAL	FY 93 P/A	FY 94 P/A	FY 95 P/A	FY 96 P/A	FY 97 P/A
Competitive Election System at Local and National Levels	None (as of late 1993) [Source: Post Democracy Committee]	A: None nationwide	A: None nationwide, but over 20 local referendum elections of public officials was held	P: Comp. Election System in Place	P: Comp. Elections Held	P: Comp. Election System in Place	P: Comp. Election System in Place
Percent of Operating Budget from Local Sources	[Source: IBRD/IMF]						
Public Confidence in Election System	(1994) [Source: Democracy/ Governance Project Survey]						
Public Confidence in Government	(1994) [Source: Democracy/ Governance Project Survey]						

The Democracy/Governance (D/G) indicators presented in the 1992 API have been modified as a result of the MER exercise. A comparison of the 1992 and 1993 Indicators are found in Annex A to this document.

No data has as yet been collected due to the fact that the Mission Democratic Initiatives and Governance (DIG) Project is just starting in the first quarter of FY 1994, and that USAID staff efforts were directed at the emergency. Nevertheless, positive movements were observed. The inclusion of the RPF within the transitional government clearly represents a significant increase political participation as now their interests and objectives will be addressed in a political (rather than military) forum. Similarly, the absence of any widespread public display of discontent with the Peace Accord and actions taken to date also suggest a relative confidence by the public in the current political process. "Jockeying" within and between political parties also continues as they seek to develop a political foundation which responds to the perceived desires of their constituents. The referendums to elect commune-level public officials in over twenty communes were successful and is still being discussed in terms of their applicability to the rest of Rwanda. The Mission and Embassy are continuing to monitor and support efforts by Rwandans to learn from this "popular election" experience.

To establish a base-line data set in this complex and subjective area, the Mission will be working closely with the DIG project team (already on the ground) to conduct attitude and other surveys and analyses similar to what MSU executed in Zambia. The Mission does not, however, foresee conducting as extensive effort as was completed in Zambia.

PROGRAM SUB-GOAL 3: Increase Real Income in the Agrarian Sector							
INDICATORS	BASELINE NUMBER (YEAR)	FY 92 (P)ROJECTED/ (A)CTUAL	FY 93 P/A	FY 94 P/A	FY 95 P/A	FY 96 P/A	FY 97 P/A
Growth in Real Rural Income Per Capita	-0.3% p.a. (1980-90 Ave.) [Source: MINIAGR/ IBRD]	-3.1% (Est)	-18.6% (Est)	P: 14.0%	P: 0.7%	P: 1.0%	P: 1.0%
(a) Growth in Income Per Capita Generated from Off-Farm sources	1.3% p.a. (1980-90 Ave.) [Source: MINIAGR/ IBRD]	0.5% (Est)	-26.4% (Est)	P: 18.5%	P: 1.5%	P: 1.7%	P: 1.7%
(b) Growth in Income Per Capita Generated from On-Farm Sources	-1.5% p.a. (1980-90 Ave.) [Source: MINIAGR/ IBRD]	-3.6% (Est)	-9.6% (Est)	P: 10.5%	P: 0.0%	P: 0.3%	P: 0.3%

As noted earlier and detailed in last year's API, the GOR has made dramatic economic policy reforms intended to make the economy more responsive to market forces in the 1990-1992 period. In addition to the macro reforms under Structural Adjustment, the GOR has improved labor mobility by reducing its role in controlling hiring and firing; begun a review of export promotion policies, and removed regulations which limited what an importer was authorized to import. The GOR has also completed the analyses supporting the further rationalization of tariffs. For example, the technical level is recommending a further reduction from a maximum rate of 100 percent to 60 percent. The GOR is also -- with USAID counterpart funds and a private businessmen's association -- still examining the feasibility of establishing a free zone with Burundi. Unfortunately, work on this subject has been delayed by illnesses among the consultant staff and, now, the turmoil in Burundi.

In spite of these efforts, political problems in Rwanda and its neighbors have helped depress significantly economic activity in 1993. The decline in agricultural production is due largely to the displacement of roughly one million Rwandans from their farms in the northern part of the country. Since the north is the most productive agricultural region of the country, the displacement of what amounts to 15 percent of the population resulted in a decline of national agricultural output by an estimated 19 percent (USAID and Food Security II project). The negative economic consequences of such a decline, although significant, are less than would have been the case if Rwandan agriculture had been better integrated with the rest of the economy as a buyer and seller of goods and services. Due to the sector's very low level of purchased inputs and very high proportion of home consumption of agricultural produce, the negative impact of the decline was largely limited to those people affected.

In the non-agricultural sector, USAID also examined how Rwanda's manufacturing firms responded to the changing economic conditions -- both the structural adjustment program and the war. This 1993 study found that the structural adjustment program affected the business sector primarily through price adjustments and increased competition with imports. The devaluation significantly increased the cost of imports upon which Rwanda. firms depend for their inputs. The war further increased the cost of domestic inputs and reduced the demand for final products. Most Rwandan businesses perceive 1993 to be a crisis. Numerous firms criticized the Government for having limited the private sector's capacity to adjust to the reforms. For example, the suspension of the investment code and the non-application of the new export incentives reduced private profits when the situation was becoming most difficult. Indeed, it limited the private sector's ability to search out new markets and respond to opportunities identified (USAID/R-DAI, 1993). With continued peace, political and economic reform, and the reduction of the Government's budget deficits due to war expenditures, the expectation for growth in income is realistic.

III. PROGRESS TOWARD STRATEGIC OBJECTIVES, TARGETS, SUB-TARGETS, AND TARGETS OF OPPORTUNITY

The following tables are presented in the format suggested in the AFR/DP API guidance cables (91 STATE 273190; 92 STATE 306484; and E-Mail of 26-Oct-93).

STRATEGIC OBJECTIVE: POPULATION

STRATEGIC OBJECTIVE 1: Increase Use of Modern Contraceptives							
INDICATORS	BASELINE NUMBER (YEAR)	FY 92 (P)ROJ ECTED/ (A)CTUAL	FY 93 P/A	FY 94 P/A	FY 95 P/A	FY 96 P/A	FY 97 P/A
Contraceptive Prevalence Rate	3.7% (1988) 8.3% (1991) [Source: ONAPO]	A: 15.1% (1/92) [Source: ONAPO]	P: 11%	P: 15%	P: 18%	P: 20%	P: 22%
Couple Years of Protection	13,400 (1988) [Source: ONAPO]	185,535 [Source: ONAPO]					P: 300,000

By the end of CY 1992, the Rwanda program was exceeding even the most optimistic estimates for the Mission's family planning project's indicators of success (e.g., the old Action Plan's Strategic Objective target rate of 8.3 percent by the end of 1991) was exceeded by more than 50 percent. With an early 1992 contraceptive prevalence rate of 15.1 percent, USAID had every reason to believe that it's investment in family planning programming since 1981 was paying off handsomely. In early 1992 statistics began a widely fluctuating but generally downward trend. The drop has been attributed to the same disruptive effects as reported last year. That is, family planning is perceived to have become less of a priority among Rwandans in light of the war to the north (particularly since February of this year), the association of the national family planning organization with one particular political party (the former ruling party), and the general instability of Rwanda's social, economic and political fabric during this difficult transition period. In two prefectures, family planning programs were virtually halted for much of 1993 due to the February hostilities. Nevertheless, the demand for services is fully expected to rise again when Rwanda's current difficulties subside. A significant proportion of the population has already become familiar with and depends upon modern contraception.

This year, for the first time, USAID and ONAPO have some hard data on couple-years of protection (CYP). Though not as high-quality as the Mission would like, the preliminary estimates suggest impressive improvements since 1988 --- 13,000 to over 185,000 CYP. The Mission expects to put more reliable projections in next year's API. For example, this year's estimate does not include comdoms sold through private channels.

The "abakangurambaga" network, which is a large (+/- 8,000 people) network of community-based family planning workers, remains in flux (See earlier APIs for USAID's relationship with this IEC network). Due to management and motivational problems, it remains to be learned exactly what impact these workers (who have generally been accorded a large measure of credit for positive results since 1988) are currently making on the program.

TARGET 1.1: Increase Availability of Quality Family Planning Services

INDICATORS	BASELINE NUMBER (YEAR)	FY 92 (P)ROJECTED/ (A)CTUAL	FY 93 P/A	FY 94 P/A	FY 95 P/A	FY 96 P/A	FY 97 P/A
Number of Service Delivery Points	319 (1991) [Source: ONAPO]	A: 323					P: 1,200
Number of Service Delivery Points Offering Five or More Methods	50 (1991) [Source: ONAPO]	A: 72					P: 145

The number of service delivery points (SDP) offering five or more family planning methods increased significantly between 1991 and 1992. This is particularly important since the number of centers that go from four to five is a good indicator of the number of centers that have commenced in offering the longer-term contraceptive methods such as vasectomy, Norplant and tubal ligations. USAID has played a material role in this change as the Mission has funded voluntary surgical contracception training courses. Voluntary surgical contraception training, including vasectomy, continues to be supported strongly by USAID as demonstrated by USAID's sponsoring a long-term resident advisor to help reinforce GOR efforts. Anecdotal information suggests the number of private service delivery points is increasing. At present, however, there is no formal survey to substantiate this conclusion. Both the USAID-funded SOMARC Program, which began in the first quarter of FY 1992, and Population Services International (non-USG funded) have begun operations in Rwanda. These two organizations are expected

USAID SUPPORT SIGNIFICANTLY RAISED CONTRACEPTIVE USE IN RWANDA

USAID has been the largest supporter of population policy implementation in Rwanda since it helped establish the national organization promoting family planning. From a base of nearly zero in 1983, contraceptive prevalence has surpassed 11 percent, in spite of the 4 percent decline in 1992 and 1993 due to the war and other instability. Given Rwanda's starting point and the experience with other such programs in sub-Saharan Africa, this change in attitude toward modern contraceptives by Rwandans is dramatic.

to give a boost to private marketing of family planning commodities. The Rwandan Consultative Group for Private Sector Family Planning Activities, formed in 1991, continues to operate and includes SNAF, the Catholic church natural family planning activities; CARE International; and the International Planned Parenthood Affiliate, ARBEF (a Rwandan association for family health).

ONAPO has much better data on its traditional service delivery points (health centers and health posts) than non-traditional delivery modes, such as the new pilot community based distribution program. In the case of the latter, each distributor could conceivably be a service delivery point. Similarly, data from the new social marketing of contraceptives program has not yet been incorporated. Mission and USAID project staff will be working with ONAPO to decide how to incorporate this data in the next reporting period. To date, seven methods are monitored by ONAPO. They are: condoms, IUDs, oral contraceptives, injectable hormones, tubal ligations, Norplant insertions and vasectomies. Natural family planning is not being monitored by ONAPO. It currently relys on reports from the Catholic Church-affiliated organizations.

TARGET 1.2: Increase the Demand for Family Planning Services

INDICATORS	BASELINE NUMBER (YEAR)	FY 92 (P)ROJECTED/ (A)CTUAL	FY 93 P/A	FY 94 P/A	FY 95 P/A	FY 96 P/A	FY 97 P/A
Desired Family Size a. Male b. Female	6.0 (1990) (5 m.) [Sources: ONAPO, DHS]	Data Currently Being Processed [Source: DHS]					P: 5.0 (4 m.)
Percent of Couples Desiring Family Planning a. Male b. Female	37% Male Want No More Children 36% Female Want No More Children 42% Female Want to Wait 2+ Years [Source: DHS]	37% Male Want No More Children 36% Female Want No More Children 42% Female Want to Wait 2+ Years [Source: DHS]					P: ??

Preliminary DHS results are very encouraging. Some 36 percent of the women reported that they wanted no more children. (About 37 percent of the men stated that they wanted no more children.) Another 42 percent of the women reported that they wanted to wait two or more years before having more children. In combination, this shows that nearly 80 percent of Rwandan women have an expressed desire to limit or space their births. This indicator suggests an unmet demand for family planning services. Another USAID indicator,

contraceptive prevalence rate (CPR), supports this conclusion, particularly since the CPR is 11 percent.

The final DHS report will provide more data. It is also expected to provide better information on the percent of couples expressing a desire for family planning. Once the report is received and the Mission sees how the data is presented, a decision to combine these indicators made be made.

STRATEGIC OBJECTIVE: GOVERNANCE

STRATEGIC OBJECTIVE 2: Increase Accountability of Government on Social and Economic Policies							
INDICATORS	BASELINE NUMBER (YEAR)	FY 92 (P)ROJECTED/ (A)CTUAL	FY 93 P/A	FY 94 P/A	FY 95 P/A	FY 96 P/A	FY 97 P/A
Public Documentation and Adherence to Government Budgets at the National Level	2 on a scale of 1-10 (low to high) (1992) (NB: Index is 0-3 Publication; and 0-7 Adherence) [Source: IMF, WB, Focus Country Exercise]	A: 2 (1 Pub., 1 Adhere)	A: 1.5 (1 Pub., 0.5 adhere)				P: 7
Effective Budget Process being used (Number of Public Policy Issues Brought to the Attention of GOR Policy-Makers): (a) Executive Branch (b) National Assembly (c) Public Interest Groups	(1994) [Source: DIG Project Baseline Survey]						
Public Debate and Policy Formu-lation/Modification on Budget Issues (National Assembly, Public Interest Groups, Media)	(1994) [Source: DIG Project Baseline Survey]						
Formal Analyses are used by Interested Parties in the debate of Public Budget Issues: (a) Executive Branch (b) National Assembly (c) Public Interest Groups	(1994) [Source: DIG Project Baseline Survey]						

As discussed earlier, the GOR has made many needed policy changes. However, executing many of them involves difficult institutional changes that touch upon both the political and

economic spheres, or in other words, the sphere of "democracy and governance." It is in this area that the Mission expects to contribute most significantly to Rwandan development.

Substantial progress in selecting indicators that could help confirm the anecdotal evidence was made during the MER exercise. Due to the February fare-up and its after effects, less progress was made in establishing the processes and mechanisms to collect the data for each indicator. Now that the DIG project team is on-the-ground, the Mission expects to make progress in this area. Indeed, the baseline and follow-up surveys to be conducted with the DIG Project will be the principal means of gaging public opinion and government responsiveness. The Mission and DIG staff would like to utilize a methodology similar in nature to the surveys conducted in Zambia. Support from AFR/ONI/DG will be sought.

TARGET 2.1: Improve Financial Accountability and Control

INDICATORS	BASELINE NUMBER (YEAR)	FY 92 (P)ROJECTED/ (A)CTUAL	FY 93 P/A	FY 94 P/A	FY 95 P/A	FY 96 P/A	FY 97 P/A
Government Financial Control Index	5 (1991)	5	5		P: 30		P: 65
a. Accurate, Accessible Budget Information -- 20%	5	5	5		P: 10		P: 15
b. No. of Audits Performed -- 20%	0	0	0		P: 5		P: 10
c. No. of Audit Recommendations Closed -- 20%	0	C	0		P: 5		P: 10
d. Sanctions Enforced -- 40%	0 [Source: USAID, UNDP, WB/SPA PER]	0 [Source: USAID, UNDP, WB/SPA PER]	0		P: 10		P: 30
Primary Budget Deficit	1.3% of GDP	A: 9.0%	A: 9.3%	P: 12.0%	P: 8.0%	P: 5.0%	P: 2.0%
Overall Budget Deficit							
a. Including Grants	9.7% of GDP	A: 9.6%	A: 10.2%		P: 10.0%	P: 8.0%	P: 4.0%
b. Excluding Grants	4.2% of GDP (1989) [Source: IBRD/IMF]	A: 16.7%	A: 19.3% (Est)	P: 15.2% P: 23.8%	P: 18.0%	P: 16.0%	12.0%

Government expenditures rose dramatically in 1990 and have continued to surpass targets. Unplanned military expenditures increased 140 percent over 1992 budget projections. With the signing of the Peace Agreement in August of this year, the GOR estimates that military expenditures in 1993 will decline by 20 percent from 1992. Nevertheless, the GOR budget deficit (excluding grants) of Rwf 36.1 billion in 1992 and Rwf 41.2 billion in 1993 are very high -- over 19 percent of projected GDP for 1993. The October 1993 WB/IMF team also confirmed that GOR arrears (IOUs to the Rwandan private sector) increased further in 1993. With net increases of Rwf 6.2 billion in 1991, Rwf 4.2 billion in 1992, and now Rwf 7.6 billion in 1993, the stock of GOR arrears stands at some Rwf 18 billion.

The inability of the GOR to establish and implement financial controls continues to be a serious impediment to the realization of the Strategic Objectives of both Governance and Private Sector Development. Indeed, this fundamental problem of accountability and control has been the focus of IBRD, IMF, and bilateral donor discussions with the GOR for over a year. The deficit and lack of budgetary processes to control the deficit continue to be a main stumbling block to the release of the second tranche of the World Bank's structural adjustment credit. The forthcoming Budget Reform (NPA) and Support for Economic Reform Project (PA) are USAID's input into this multi-donor effort that seeks to build upon each donor's respective areas of expertise and comparative advantage. The specific objectives of the USAID effort are to have the equivalent of the USG "anti-deficiency" regulations being enforced in Rwanda and to have a capability to perform audits to ensure compliance.

The data sources will include the regular IMF/WB review missions as well as reports from the World Bank-lead Public Expenditure Reviews (PER). PERs are conducted as part of the Special Program for Africa (SPA) framework. Information on the financial control agencies will be derived from USAID-funded assessments conducted as part of the forthcoming Support for Economic Reform (SER) project.

472

TARGET 2.2: Increase Responsiveness of Government Policies							
INDICATORS	BASELINE NUMBER (YEAR)	FY 92 (P)ROJECTED/(A)CTUAL	FY 93 P/A	FY 94 P/A	FY 95 P/A	FY 96 P/A	FY 97 P/A
More Efficient/ Transparent Internal National Assembly Operations a. Number of constituent demands addressed by the Natl. Assembly. b. Sufficiently Timely Publication of Natl. Assembly Documents to Permit public Debate.	[Source: DIG Project/ Embassy]						
Number of National Assembly Legislative Initiatives and Changes to Executive Initiatives Enacted.	(1994) [Source: DIG Project/ Embassy]						
Number and Diversity of Issues of Oversight Meetings held by the National Assembly	(1994) [Source: DIG Project/ Embassy]						

The data sources are expected to be National Assembly records, mass media, and surveys collected in conjunction with the DIG project..

TARGET 2.3: Increase Popular Participation in Public Policy Formulation							
INDICATORS	BASELINE NUMBER (YEAR)	FY 92 (P)ROJECTED/(A)CTUAL	FY 93 P/A	FY 94 P/A	FY 95 P/A	FY 96 P/A	FY 97 P/A
Political Participation a. Political Party Membership (%) b. Eligible Voters Voting (%) c. Absence of Coercive Measures Forcing or Preventing Participation	N/A None None [Source: DIG baseline survey]	A:40% (est) None					P: 80%
2. Active, Professional, and Independent Media a. Number of Newspapers b. Number of Radio/TV Stations c. Total Circulation & Broadcasts outside Kigali d. Absence of Coercive Measures Limiting Freedom of the Press	(1994) [Source: DIG baseline survey]						
3. Active, Independent Public Interest Groups a. Number/Range of Issues Treated in Public Fora by Private Interest Groups/NGOs. b. Membership in Public Interest Groups/NGOs.	(1994) [Source: DIG baseline survey]						

The discussion concerning Target 2.2 above applies to this Target (2.3) as well. An indicator on the role of other non-state groups already has been included as one of the governance strategic objective indicators and as part of the Mission's sub-target 2.3 indicators.

As the DIG Project will be working directly with an Rwanda umbrella PVO organization, currently being established by PVOs interested in becoming more politically aware and active, and a Rwanda association of journalists (written and oral mediums) comprised of both government and private sector journalists, the Mission still expects that it will be able to gather quality data on this sub-target.

On-going USAID projects designed for other purposes are also having a positive impact on the advancement of democratic principles. A recently evaluation concluded that USAID funds used to establish an effective cooperative movement in Rwanda has also help make the cooperative members, including women, more politically aware and active. Indeed, cooperative members "stressed that participation... [in cooperatives]... helped them gain control over their lives [and] the training received helped them understand the democratic process" (Chemonics, 1993:11). This may reflect that the way U.S. contractors and cooperating agencies -- in this case NCBA -- implement USAID projects can impart the American bias of democratic modes of operation. The cooperative movement supported by USAID has now become active in pressing politically the concerns of its members. It has also helped establish a new umbrella association of Rwandan NGOs interested in advancing the process of democratization in Rwanda.

PROJECT AIDING COOPERATIVES ECONOMICALLY ALSO ADVANCES DEMOCRATIC PRINCIPLES

A USAID project designed for one purpose is also having a positive impact on the advancement of democratic principles. A recent evaluation concluded that USAID funds used to establish an effective cooperative movement in Rwanda has also helped make the cooperative members, including women, more politically aware about democratic processes and active (Chemonics, 1993:11).

STRATEGIC OBJECTIVE: PRIVATE SECTOR

STRATEGIC OBJECTIVE 3: Increase Commercial Output by Medium and Smaller Scale Enterprises and Farms							
INDICATORS	BASELINE NUMBER (YEAR)	FY 92 (P)ROJECTED/ (A)CTUAL	FY 93 P/A	FY 94 P/A	FY 95 P/A	FY 96 P/A	FY 97 P/A
Increase in the Real Value of Marketed Goods and Services	Rwf 12 (1991) Percent Change [Sources: IBRD, IMF]						P: Rwf 132 billion
New Businesses Formation (Formal and Informal) a. Number b. Percent Change	[Source: Ministry of Commerce, USAID/R]						
Shift of Labor Resources to Higher Earning Activities a. Percent of Households allocating > 50% to off-farm employment b. Percent of Households allocating 25-50% to off-farm employment c. Off-farm Employment 1. Number 2. Percent Change	[Source: Ministry of Agriculture, Ministry of Plan, FS II, SER]						

Data to be utilized within this table are still being processed by the Ministry of Agriculture and thus unavailable for this year's API. The Mission expects that the table will be complete by 1994 API.

Mission activities in policy reform (the on-going PRIME and PMPR programs) and small enterprise development (the on-going PVO Support Project and recently finished Cooperative Training project) are expected to continue to contribute both directly and indirectly to household income growth in rural areas through market efficiencies and incentive structures that encourage commercialization, and through the provision of technical support to implement new technologies. During FY 1992 the GOR continued to implement policy reforms as noted in Section I above. However, the impact of these reforms is not yet

visible, neither in terms of positive growth in the value of goods and services marketed, nor the percent of people earning the majority of their income from off-farm sources. Forthcoming data from the recent census and expected reports from the planned mini Budget and Consumption survey and other DSA studies may provide a clear indication of the changes taking place.

TARGET 3.1: Expand Financial and Business Services Sector (medium and smaller scale enterprises)

INDICATORS	BASELINE NUMBER (YEAR)	FY 92 (P)ROJECTED/ (A)CTUAL	FY 93 P/A	FY 94 P/A	FY 95 P/A	FY 96 P/A	FY 97 P/A
Formal and Informal Finance Extended to SMEs and Farmers *							
a. Amount Extended	1.3 B Rwf (1989)	1.4 B Rfw	1.7 B Rfw				
b. Share of Total Finance Extended to SMEs and Farmers	20% (Est) (1989)	A: 20% (Est)	A: 17% (Est)				P: 35%
c. Percent Change in Formal and Informal Finance Extended to SMEs and Farmers	[Sources: National Bank of Rwanda (Central Bank), PVO Support, SER]	A: 7%	A: 21%				
Business Services Enterprises *							P: 36
a. Number	20 (1992)	A: 20	A: 17 (Est)				
b. Percentage Change	[Sources: Ministry of Commerce, PVO Support, SER]	0	-15%			table continued on next page	
SMEs and Farmers Accessing Support Services *							
a. Number	[Sources: Ministry of Commerce, Ministry of Agriculture, PVO Support, SER]						
b. Percent Change							

* Mission will gender disaggregate data.

During 1992-93, it became increasingly apparent that there is an excess of liquidity in Rwanda's large formal financial sector. As a result, the GOR, with IMF and WB concurrence, reduced interest rates. The reduction has not resulted in a significant increase in the demand for formal sector credit. The GOR has not borrowed heavily from the commercial banks to finance its deficit. Rather it has borrowed from the central bank and simply accumulated arrears.

The demand for credit in the informal financial sector remains strong, although repayment problems are reported to be common during this period of economic crisis. Through the PVO Support Project, the Mission expects to provide technical assistance to small saving societies to meet the demands of their members. Some such societies have over 6,000 members and are reaching the limits of what they can manage without developing newer management systems. Under the PVO Support Project, the Mission expects to work with several Rwandan PVOs that represent or work with cooperatives, associations, and/or private individuals. These include Technoserve/Rwanda; IWACU, a cooperative training center and AID-registered NGO; Duterimbere, a women's association providing business services; and SERDI, a government/UNDP supported business services center. Given the small size of Rwanda's financial services sector, USAID's activities hold, in and of themselves, the potential for stimulating the expansion and growth of business services. Indeed, in the last several months, private Rwandan services firms have been presenting their credentials to USAID. Where one year ago USAID reported that there were very few local auditing/accounting firms available, now there are at least 5 or 6 qualified firms. A number of them have become associated with international firms, such as Price Waterhouse. While these are encouraging developments, the people-level impact remains to be measured.

Data sources for these indicators are GOR and USAID surveys. Previously, these surveys have been funded under the PRIME project. However, in the future, the PVO Support Project and the planned SER Project will become the Mission's vehicles for collecting this type of information.

TARGET 3.2: Expand Agricultural Processing and Marketing (medium and smaller scale enterprises)							
INDICATORS	BASELINE NUMBER (YEAR)	FY 92 (P)ROJECT/ (A)CTUAL	FY 93 P/A	FY 94 P/A	FY 95 P/A	FY 96 P/A	FY 97 P/A
Real Value-Added in Agricultural Processing by SMEs and Farmers a. Value Added b. Percentage Change	[Sources: Ministry of Commerce, Ministry of Agriculture, PVO Support, SER]						
Marketed Agricultural Output a. Value Added b. Percentage Change	[Sources: Ministry of Commerce, Ministry of Agriculture, PVO Support, SER]						

The data for this table are currently being processed by the noted GOR ministries. The Mission expects that the table will be complete for the 1994 API submission.

TARGET OF OPPORTUNITY: BIO-DIVERSITY

TARGET OF OPPORTUNITY 1: Conserve Biodiversity through the Improved Management of National Parks and Reserves							
INDICATORS	BASELINE NUMBER (YEAR)	FY 92 (P)ROJECTED/ (A)CTUAL	FY 93 P/A	FY 94 P/A	FY 95 P/A	FY 96 P/A	FY 97 P/A
Environmental Code a. Approved Environmental Code b. Implementation of Code c. Reduction in Net Loss of Resource Base	[Source: Ministry of Environment]	Yes	Yes				
Revenue Generation to Finance Administration of Managed Areas a. Revenues Generated b. Percentage Change c. Revenue/Cost Ratio d. Percent of Revenues Reinvested in Managed Areas	(1994) [Source: Ministry of Tourism]						

Mission plans to specify indicators for this Target of Opportunity during the evaluation of the Natural Resources Management Project (NRMP) did not materialize. The evaluation was conducted, as was planned in last year's API, but it was unable to provide the expected assistance. Thus, the Mission began, in 1993, to seek outside assistance to select objectives and indicators for this Target. AFR/ARTS provided two consultants. The Mission expects further assistance in FY 1994 from REDSO/ESA and AID/W. Also, the Mission is starting the planning for its Bio-diversity Project (foreseen in the CPSP). These actions throughout FY 1994 will, hopefully, allow the Mission to complete this gap in the API. While the MER exercise was useful in furthering the Mission's thought process, what remains is a focusing of priorities and indicators.

TARGET OF OPPORTUNITY: HIV/AIDS PREVENTION

TARGET OF OPPORTUNITY 2: Reduce the Rate of HIV/AIDS Transmission through Targeted IEC, Condom Social Marketing, and STD programs in Rwanda's large urban centers							
INDICATORS	BASELINE NUMBER (YEAR)	FY 92 (P)ROJECTED/ (A)CTUAL	FY 93 P/A	FY 94 P/A	FY 95 P/A	FY 96 P/A	FY 97 P/A
HIV Seroprevalence and Incidence Rate a. Seroprevalence 1. Male 2. Female b. Incidence 1. Male 2. Female	(Source: AIDSCAP Project)						
Syphilis Prevalence Rate a. Male b. Female	(Source: AIDSCAP Project)						
Percent of Condom Use During High Risk Sexual Encounters Among Targeted Populations	(Source: AIDSCAP Project)						
Number of Reported Non-regular Sexual Partners During a Specified Time Period a. Male b. Female	(Source: AIDSCAP Project)						
Knowledge of 2 Correct Means of Preventing Sexually Transmitted HIV a. Male b. Female	(Source: AIDSCAP Project)						

Since last year's API, the Mission has been able to elaborate -- with AIDSCAP Project personnel -- a Rwanda Country Plan for HIV/AIDS. The above indicators emerge from that Plan. The first two indicators will be obtained from on-going sentinel surveillance. The remainder will be obtained through planned and budgeted population-based surveys of the target groups. These groups include: (a) urban and semi-urban men and women aged 20-35, and (b) urban and semi-urban youth aged 10-19. These two groups will be further segmented into out-of school youth, mobile populations, bar patrons, commercial sex workers and their clients, women and men with sexually transmitted diseases and military personnel. USAID and AIDSCAP Project plans are to have baseline data in the next API. The AIDSCAP Project team is, except for one member, already on-the-ground and working.

IV. PROGRESS IN PRIORITY AREAS

This section is included as requested in the Draft API Guidelines for 1993 sent as an E-Mail on October 26, 1993. Per the guidance, this section is to be brief and to highlight impacts that the A/AID is interested in and that fall outside the Mission's strategic objectives. The A/AID's interests fall in four areas:

> encouraging broad-based economic growth;
> protecting the environment;
> stabilizing population growth and protecting human health; and
> building democracy (including governance).

The USAID/Rwanda's CPSP predates the appointment of the new A/AID. Nevertheless, as should be clear from Sections I.-III., USAID/Rwanda's CPSP is built around improving governance (See Annex B: Program Objective Tree, which shows governance at the center of the strategy). The Mission strategy is to improve governance through improving the accountability and transparency of Government of Rwanda (GOR) budget processes and through building the capacity of the national legislature, PVO/NGOs, press groups and others to use improved budget processes. To this end, the Democratic Initiatives and Governance (DIG) Project staff started operations in Rwanda in early October 1993. Simultaneously, the Mission continues to work with other donors and the GOR to finalize a set of feasible steps that will lead to an accountable and transparent budget process, including monitoring and controls (e.g., evaluations and audits). Given the complexity of the subject, the process, the Mission believes, is as important to the final program as in the actions finally agreed upon by all parties. Indeed, a year has already been expended on this effort by USAID and other donors.

In the area of population, the Mission already has had clear measurable impact on the contraceptive prevalence rate and expects to achieve further gains. As noted earlier, USAID has been a major and consistent supporter of Rwanda's efforts to increase family planning and increase the use of modern contraceptives. From a base of nearly zero in 1983, the contraceptive prevalence rate has surpassed 11 percent in 1993, down from 15 percent before the war began and disrupted all development activities. The Mission's on-going family planning efforts are now being complemented by an HIV/AIDS project to extend information, education, and communication project and a new project to integrate family planning activities into existing health service programs and to decentralize authorities from the capital to regional and local levels.

In the area of economic growth, USAID/Rwanda has pursed actions on the sectoral and micro fronts. On the sectoral policy reform front, the GOR has implemented the changes agreed to in the Production and Marketing Policy Reform Program (see earlier APIs), including removal of price and profit controls, rationalization of the tariff structure, and

implementation of new system that transparently allocates foreign exchange were all substantive and important reforms. They are, to date, still being implemented by the GOR. The decision to tackle the need for reforms on the GOR budget process reflects USAID/Rwanda's process of learning and identifying what is now the most binding policy constraint to further development in Rwanda. On the micro front, the Mission has launched the PVO Support Project, which builds on USAID's long involvement with cooperatives, associations and other small scale business development activities (e.g., Technoserve, NCBA, and Appropriate Technology International activities). As noted earlier, a recently evaluation concluded that USAID funds have succeeded in establishing an effect cooperative movement in Rwanda, and that the impact on cooperatives, both social and economic, has been positive. The evaluation also found women "benefiting significantly" from their participation (Chemonix, 1993:2). Perhaps as importantly, cooperative members "stressed that participation... [cooperatives]... helped them gain control over their lives [and] the training received helped them understand the democratic process" (Chemonics, 1993:11). This reflects that the way the U.S. contractors and cooperating agencies implement USAID projects can reflect our bias to democratic modes of operation.

In the area of environment, the Mission continues to support a variety of targets of opportunity under an on-going NRM project. From this activity and the actions planned in FY 1994, the Mission expects to focus its future support to more directly support the conservation of Rwanda's resources through better management.

Overall, the USAID/Rwanda strategy is particularly well-positioned to capitalize on the recent political advances. Most of the projects and programs identified in the CPSP have not only been designed, but implementation has begun. While the war disrupted the program in 1993, the Mission remains cautiously optimistic that ground and time lost can be recovered in 1994 and 1995.

ANNEX A: MODIFICATIONS IN THE USAID/RWANDA API INDICATORS

ANNEX A: MODIFICATIONS IN THE USAID/RWANDA API INDICATORS

I. Introduction

USAID/Rwanda believes strongly in the need to maintain a series of consistent indicators. The adoption of such a Monitoring and Evaluation System (M&E) not only soothes the Africa Bureau's concerns of moving targets, but provides the basis for USAID/Rwanda's internal assessment of program progress, and as such, will inform the Mission on the appropriate revisions in project/program implementation and directions for future activities.

When the reader compares the 1992 and 1993 Assessment of Program Impacts, however, he/she will find that with the exception of the Health and Population Sector, the Mission has modified the indicators extensively. The reason for these modifications is two-fold. First, the 1992 API was submitted within months of the approval of the Mission's Country Program Strategic Plan and prior to the arrival of the PRISM/MER team to assist in the development of appropriate and measurable indicators. The Mission found the MER team's input useful, especially in that it helped develop more relevant medium-term indicators which the Mission has largely incorporated within its M&E System. The second factor is that while civil strife reduced the Mission's ability to collect baseline information, (NB: Many of the indicators represent a significant change from the data normally collected by the GOR, IBRD/IMF, and USAID, and for this reason require baseline data to be collected by special studies and/or project implementation), it did, however, permit the Mission to reflect on what constitutes a feasible long-term M&E Plan.

Presented below are a series of tables which show the expected outcomes of the approved CPSP, and compare the indicators of the 1992 and 1993 APIs. Those indicators incorporated within the 1993 API are expected to be used through the duration of the existing CPSP. We welcome the Africa Bureau's thoughts on alternative measures in order that these may be incorporated within our final M&E System. Likewise, we welcome input on which indicators could be eliminated as we believe we currently have too many indicators.

While we have not included the Sub-Targets in this API Report in Tabular Form, we will continue to monitor these indicators for our internal program management purposes and will be incorporated within the Narrative of the API. Should the Africa Bureau desire information at this level, we will of course be most happy to comply.

II. Progress Toward Overall Programs Goals and Sub-Goals

PROGRAM GOAL: Increased Participatory Economic Growth		
Expected Outcome (Results)	**1992 API Indicators**	**1993 API Indicators**
1. The Rwandan Economy Grows	1.a Real Increases in Gross Domestic Product (GDP) 1.b Real Per Capita GDP Increases	1. Real Per Capita GDP Increases a. Per Capita 1. (Rwf) 2. Percent (based on Rwf) b. Total GDP 1. (Rwf) 2. Percent (based on Rwf)
2. Increased Participation of Medium and Small Scale Enterprises in the Production of Economic Goods and Services	None	2.a Number of SMEs 2.b Share of GDP Originating from SMEs and Farms

Discussion: USAID/Rwanda has retained the concept of economic growth within its program goal. In 1992 this concept was measured through the use of GDP in U.S. Dollars and Percent of Growth. Within the API 1993 we have elected to modify the information presented by reporting figures on Total and Per Capita GDP in Rwandan francs. While the U.S. Dollar figure is useful for cross-country purposes, growth in the GDP measured in Rwandan Francs is more relevant to the achievement of the USAID Objectives due to the fact that as of 1993 only a small percentage of goods and services consumed within Rwanda are tradeables. As the data for the early 1990s demonstrates, Rwanda may experience modest growth which is reported in the negative when measured in appreciating U.S. dollars.

We have also incorporated two indicators of the economic participation by small- and medium-scale enterprises. It is strongly believed that an indicator of this type is useful to capture the "participation" element of the Program Goal, as well as growth with Equity in general.

PROGRAM SUB-GOAL 1: Decrease Population Size		
Expected Outcome (Results)	1992 API Indicators	1993 API Indicators
1. Reduced Fertility Rate	1. Total Fertility Rate (Over Time)	1. Total Fertility Rate (Over Time)

Discussion: USAID/Rwanda strongly considered including the variable of "Reduced Family Size" a second indicator. This variable which was recommended by the PRISM/MER team is believed to be an expected outcome in the long-term. In Rwanda, however, it is found that this variable may be misleading. Not only are recorded statistics lower than observed, but household/family composition varies with the socio-economic situation, i.e. at times the extended family is part of the nuclear family at times it is not. Given these factors, it was decided to maintain the fertility rate measure included within the 1992 API. Per the API Instructions we have taken the baseline back to 1983 to improve the perspective of the fertility issue.

PROGRAM SUB-GOAL 2: Improve Democratic Governance in Social and Economic Policies		
Expected Outcome (Results)	1992 API Indicators	1993 API Indicators
1. Accountable Branches of Government at National Level	1.a Proper Elections	1.a Competitive Election System at Local and National Levels 1.b Percent of Operating Budget from Local Sources
2. Broad Public Understanding of Democratic Principles/ Practices	2.a Number of Active Political Parties 2.b Freedom of Association and Opposition by Civil Groups, NGOs, Press and Business Groups	2.a Public Confidence in Election System 2.b Public Confidence in Government

Discussion: The 1993 API indicators are consistent with the sub-goal of "Democratic Governance" but represent an increased emphasis on the "Governance Dimension". The Indicators employed in the 1992 API reflect the short-term concerns of "Democracy" and "Multi-partyism". While USAID/Rwanda remains interested in these concepts, there is a recognition that the Sub-Goal is really intended to address "Good Government".

Specifically, we have replaced "proper" which is difficult to define with "competitive" elections. We have also explicitly included "Percent of Operating Budget from Local Sources" as a measure of public sector accountability. We have deleted the number of parties, in that more parties are not necessarily better. This variable is also closely associated with "competitive elections" and "public confidence" in both the government and the elections. It is believed that "freedom of association" is important and will continue to be monitored at the Mission/Embassy Level. This, however, is an intermediate indicator in the sense that the freedom of expression does not imply either accountable branches of Government or a broad understanding of democratic principles/practices.

PROGRAM SUB-GOAL 3: Increase Real Income in the Agrarian Sector

Expected Outcome (Results)	1992 API Indicators	1993 API Indicators
1. Increased Rural Household Income	N/A (Implicit)	1. Growth in Real Rural Income Per Capita
2. Increased Farm (Own-Farm) Household Income	2. Growth in Income Per Capita in Farm Sector	2. Growth in Income Per Capita Generated from On-farm Sources
3. Increased Off-farm Household Income	3.a Growth in Income Per Capita in Non-Farm Sectors. 3.b Share of non-farm income in GDP.	3. Growth in Income Per Capita Generated from Off-farm Sources

Discussion: The revised indicators for the Agrarian Sector are largely a re-statement of those in the 1992.

In 1992, Increases in Real Rural Household Per Capita (the direct measure of the Sub-Goal) was left as an implicit calculation of increases in farm and off-farm income. Given that this is the direct measure of the sub-goal, for future years, we will include this as an explicit and transparent measure.

We also are explicitly identifying the population to be measured as the rural population. (FYI: 95% of Rwanda's total population.) The measure of Share of non-farm income in GDP, while interesting to monitor, does not add to the measure of the sub-goal.

III. Progress Toward Strategic Objectives, Targets, Sub-Targets, and Targets of Opportunity

Strategic Objective 1: Population

STRATEGIC OBJECTIVE 1: Increased Use of Modern Contraceptives		
Expected Outcome (Results)	1992 API Indicators	1993 API Indicators
1. Increased Number of Rwandans Using Modern Contraceptives	1.a Contraceptive Prevalence Rate 1.b Couple Years of Protection	1.a Contraceptive Prevalence Rate 1.b Couple Years of Protection

Discussion: There is no change in the indicators for this Strategic Objective.

TARGET 1.1: Increase Availability of Quality Family Planning Services		
Expected Outcome (Results)	1992 API Indicators	1993 API Indicators
1. Increased Number of Family Planning Delivery Points	1. Number of Service Delivery Points	1. Number of Service Delivery Points a. Clinical Services b. CBD CSM
2. Increased Number off Clinical Delivery Points Offering More Method Choices	2. Number of Service Delivery Points Offering Five or More Methods	2. Number of Service Delivery Points Offering Five or More Methods

Discussion: The changes represented in this target are minor -- consisting of the Mission's explicit intent to disaggregate Service Delivery Points into Clinic and CBD/CSM. The Mission considered reducing the criteria for the second indicator (Number of Clinical Delivery Service Points Offering Method Choices) from five or more to four or more per the PRISM/MER Team suggestion. It was found, however, that in Rwanda five is the critical number in that this explicitly includes longer-term contraceptive methods such as vasectomy, Norplant and Tubal ligations. A reduction of the criteria to four methods would miss this dimension and result in a measure which is largely redundant of the number of family delivery points.

TARGET 1.2: Increase the Demand for Family Planning Services		
Expected Outcome (Results)	1992 API Indicators	1993 API Indicators
1. Increased Number of Rwandans Wanting Family Planning Services	1. Desired Family Size (Male/Female) 2. Percent of Couples Desiring Family Planning (Male/Female)	1. Desired Family Size (Male/Female) 2. Percent of Couples Desiring Family Planning (Male/Female)

Discussion: There are no changes in the indicators of this Target.

Strategic Objective 2: Governance

STRATEGIC OBJECTIVE 2: Increased Accountability of Government on Social and Economic Policies		
Expected Outcome (Results)	**1992 API Indicators**	**1993 API Indicators**
1. Transparent Accountable Budget Process at the National Level	1. Adherence to Government Budgets	1. Public Documentation and Adherence to Government Budget at the National Level (Publication - 30%; Adherence - 70%)
2. Effective Budget Process Being Used by the Executive Branch, National Assembly, and Public Interest Groups.	None	2.a Effective Budget Processes being Used by the Executive Branch, National Assembly, and Public Interest Groups 2.b Public Debate and Policy Formulation/Modification on Budget Issues (National Assembly, Public Interest Groups, Media)
3. National level government economic/social sector policy-making based on open policy dialogue.	3.a Examples where non-state Groups participated and/or influenced public policy formulation process. 3.b Number of Active Non-State Groups	3. Formal Analyses are used by interested parties (Executive Branch, National Assembly, Public Interest Groups)

Discussion: The indicators in this section represent significant changes from those presented in the 1992 API.

With regard to accountability, the 1992 concept of "adherence" has been expanded to include "Public Documentation and Adherence" with the understanding that public documentation is required not only to have a base line for accountability, but also to permit a meaningful public debate on socio-economic issues.

The second indicator, while of a process nature, is believed critical to the strategic objective, i.e. all of the interested parties (Executive, National Assembly, and Private Interest Groups) should be using effective internal budgetary processes and

socio-economic analyses, and there should be a debate to ensure that the best interests of the nation as a whole and the individual constituents are realized.

The third indicator is also somewhat a process indicator. It is believed, however, that for Good Governance to occur it is essential for the respective interested parties to bring formal analyses (as opposed to seat-of-the-pants conjecture) to the public debate. It is only in this fashion that decision-makers will have an improved understanding of the costs and benefits of their policy/investment decisions.

The reader will find that we have omitted the process indicators of participation by non-state groups, and the number of active non-state groups. While these are important variables, the roots of democracy in Rwanda are believed to be sufficiently developed that it is safe to move these indicators to the assumption column. For Good Government to exist, not only must these groups exist and participate, but the quality of their participation must be strengthened.

The Mission considered including increased accountability at the Commune level, but believes that only the National Level is within the Mission's manageable interests.

TARGET 2.1: Improve Financial Accountability and Control Policies

Expected Outcome (Results)	1992 API Indicators	1993 API Indicators
1.a Restructured National level budget making, tracking and control instruments/process. 1.b Systematic/independent auditing and Enforcement of Government Expenditures.	1. Government Financial Control Agencies (Scale of 1-10)	1. Government Financial Control Index: a. Accurate and Accessible Budget Information – 20% b. No. of Audits Performed –20% c. Percent of Audit Recommendations Closed – 20%. d. Sanctions Taken with Regard to Chronically Unclosed Audit Recommendation – 40%.
2. Implementation of an Effective Government Budget Process at the National Level.	2. 10% in Excess of IMF Targets	2. Percent of GDP

Discussion: The indicators in this section represent modest changes from those presented in the 1992 API.

The first indicator represents the clarification of what USAID/Rwanda means by Government Financial Control Agencies. The breakdown of index components is intended to permit greater transparency. The emphasis is on sanctions in that this is perceived by USAID/Rwanda, other donors, and the GOR to be the most serious short coming of the current system. It is also noted that unless there are believable sanctions, the strength of under system elements is undermined.

USAID/Rwanda has retained the Budget Deficit as a significant indicator due to the fact that Government spending in excess of received allocations and the resulting arrearages pose significant threats to Governance and private sector capacity. The indicator has been modified to be the percent of GDP instead of percent above the IMF target in order to assure a politically neutral indicator.

TARGET 2.2: Increased Responsiveness of Government

Expected Outcome (Results)	1992 API Indicators	1993 API Indicators
1. More Efficient/Transparent Internal National Assembly Operations	1. Public Knowledge of Government Policies	1.a Number of Constituent Demands Addressed by the National Assembly 1.b Sufficiently Timely Publication of National Assembly Documents to Permit Public Debate.
2. Improved Economic and Social Policy/Budgetary Analyses	N/A	2.a Number of National Assembly Legislative Initiatives and Changes to Executive Initiatives Enacted. 2.b Number and Diversity of Issues of Oversight Meetings Held by the National Assembly.

Discussion: The indicators in this section represent significant changes from those presented in the 1992 API.

The indicator of "Public knowledge of national government responsibilities" (found in the 1992 API) measures the population's knowledge rather than the government's responsiveness to the population's will.

To improve the indicators of performance it was decided to measure: (1) the efficiency/transparency of the National Assembly's internal operations; and (2) improvements in policy and budgetary analyses. It is argued that the number of constituent demands addressed by the National Assembly while the timely publication of documents is a reflection of both transparency and efficiency.

The measures of National Assembly initiatives (and amended Executive Initiatives) and the Number and Diversity of Issues of Oversight Meetings held are the best indicators of improved analytical capacity within the National Assembly. While these are quantitative rather than qualitative measures, it is believed that the tabling of initiatives and the calling of Oversight Meetings will required increased quality as well as quantity of analyses.

TARGET 2.3: Increased Popular Participation in Public Policy Formulation

Expected Outcome (Results)	1992 API Indicators	1993 API Indicators
1. Increased Political Participation	1. Percent Participation in Political Parties	1.a Political Party Membership (%) 1.b Eligible Voters Voting (%) 1.c Absence of Coercive Measures Forcing or Preventing Participation.
2. Active, Professional Independent Media	2. None	2. Diversity of Opinion Reaching Wider National Audience a. No. of Newspapers b. No. Radio/TV Stations c. Total Circulation & Broadcasts outside Kigali d. Absense of Coercive Measures Limiting Freedom of the Press
3. Active, Independent Public Interest Groups/NGOs	3. None	3.a Number/Range of Issues Treated in Public Fora by Public Interest Groups/NGOs. 3.b Membership in Public Interest Groups/NGOs.

Discussion: The indicators in this section represent significant changes from those presented in the 1992 API which measured only political party membership. The current (and future APIs) expand the concept of political participation to include voting and absence of coercive measures. We further expand the concept of political participation to include the media and public interest groups. Although this expanded definition of political participation requires the monitoring of a significantly greater number of indicators, it is believed that this effort (primarily through the DIG Project) is essential for the Mission to establish a good understanding of Rwandan participation issues.

Strategic Objective 3: Private Sector

STRATEGIC OBJECTIVE 3: Increased Commercial Output by Medium and Small Scale Enterprises and Farms

Expected Outcome (Results)	1992 API Indicators	1993 API Indicators
1. Increased Commercial Activities	1. Value of Goods and Services Marketed (Rwf)	1. Real Value of Marketed Goods and Services a. Rwf b. Percent Change
2. Increased Non-farm Activities	2. None	2. New Business Formation (Formal and Informal) a. Number b. Percent Change
3. Shift of Labor Resources to Higher Earning Activities	3. Percent of People having significant off-farm employment.	3.a Percent of Household Allocating more than 50% of labor resources to off-farm employment. 3.b Percent of Household Allocating 25-50% of labor resources to off-farm employment. 3.c Off-farm Employment 1. Number 2. Percent Change

Discussion: Definitionally, the first indicator -- the real value of marketed goods and services is the appropriate indicator of increased commercial output.

The USAID/Rwanda CPSP, however, assumes a model of "Agriculture on the Road to Industrialization" -- or the transformation of the economy away from low-returning agricultural labor to more remunerative employment -- i.e. either capturing value-added by transforming agricultural output on the farm or securing higher paying employment in the off-farm sector. Empirically, the assumptions of this development strategy have been demonstrated in many Asian countries (e.g. Japan, South Korea, Taiwan), and appear to be relevant in some relatively more diversified African economies, e.g. Kenya.

Given the importance of shifting wage rates and economic transformation to the USAID/Rwanda Strategic Plan, the 1993 API proposes to expand the monitoring and reporting in order that both the Mission and the Africa Bureau can better assess the assumptions in the CPSP.

For this reason we have expanded the reporting beyond the narrow definitional indicator to include two complementary concepts: (1) New Business Formation (the source of most employment and income gains in Rwanda and hence the demand side of the labor equation); and (2) the shift of Labor Resources to Higher Earning Activities which builds on the second indicator found in the 1992 API.

While the details have not been fully developed, USAID/Rwanda is exploring the development of a periodic household survey under the SER and FS II Projects which will examine time allocation, relative wages, and the impact of labor market decisions on household income, nutritional status, and area cultivated. This survey is hoped to permit both stratification by income groups and geographical location in order that the USAID/Rwanda CPSP may be more effectively implemented.

TARGET 3.1: Expand Financial and Business Services Sector (Medium and Smaller Scale Enterprises)

Expected Outcome (Results)	1992 API Indicators	1993 API Indicators
1. Increased Financial Services to SMEs and Farmers	1. Share of Credit to Medium and Smaller Scale Enterprises (%)	1.a Amount Extended 1.b Share of Total Finance Extended to SMEs and Farmers 1.c Percent Change in Formal and Informal Finance Extended to SMEs and Farmers
2. Expansion of Business Support Services	2. Number of Business Service Enterprises	2. Business Service Enterprises a. Number b. Percent Change
3. More SMEs Having Access to Business Support Services	3. None	3. SMEs and Farmers Accessing Support Services a. Number b. Percent Change

Discussion: The indicators of Target 3.1 have been modified to deepen both USAID/Rwanda and the Africa Bureau's understanding while remaining true to the Target Statement.

With regards to financial services, we have expanded upon the 1992 API which only looked at the share going to SMEs to include both the absolute level of funds extended and the percent change in credit received by SMEs. While shares are important from an equity/participation perspective, it is quite possible that finance to permit the formation and expansion of SMEs may grow significantly with a decline in the total share.

With regard to business services, we have retained the measure (number), but added percent as an alternative formulation.

Finally, we have included the indicator of SMEs having access to Business Support Services. While increases in finance and the number of business service enterprises are important proxies, the bottom line is the access of SMEs and Farm Enterprises to these services.

TARGET 3.2: Expand Agricultural Processing and Marketing

Expected Outcome (Results)	1992 API Indicators	1993 API Indicators
1. Increased Value-Added in Agricultural Processing	1. Formation of New Non-Farm Businesses	1.a Value-Added (Form) in Agro-processing 1.b Percentage Change 1.c Formation of New Agro-processing Enterprises
2. Increased Marketed Agricultural Output	2. Value of Output by Existing Enterprises	2.a Value-Added (Time & Space) in Agricultural Marketing 2.b Percentage Change 2.c Formation of New Agricultural Marketing Enterprises (including NGOs and Coops)

Discussion: Upon closer examination we have found that the indicators found in the 1992 API are not consistent with the Target they were intended to measure, i.e. the performance of the Agribusiness sector. We have therefore replaced these measures with a break-down of the Agribusiness sector into its two components of processing, and marketing (including storage). Each of these measures will be include the absolute level of value-added, the percent change, and the formation of new enterprises (an indicator of the perceived financial viability of the sub-sector.)

Target of Opportunity 1: Bio-Diversity

TARGET OF OPPORTUNITY 1: Conserve Biodiversity through the Improved Management of National Parks and Reserves		
Expected Outcome (Results)	**1992 API Indicators**	**1993 API Indicators**
1. Developed of an Enforced Environment Code	1. None	1.a Approved Environmental Code 1.b Implementation of Code 1.c Reduction in Net Loss of Resource Base
2. Revenue Generation to Finance Administration of Managed Areas	2. None	2.a Revenues Generated 2.b Percentage Change 2.c Revenue/Cost Ratio 2.d Percent of Revenues Reinvested in Managed Areas.

Discussion: The focus of the Bio-Diversity Program was not sufficiently developed to permit the enumeration of indicators in the 1992 API. Presented above are the intended thrusts of this Target of Opportunity: (1) Protection of the Environment; and (2) the Capacity to be self-financing.

With regard to the first indicator, Rwanda is one of the leading countries in terms of the formal adoption of the National Environment Action Plan. To reduce the net loss in the resource base, however, this program must be implemented and the environmental code enforced.

Secondly, to conserve Rwanda's bio-diversity with limited government resources requires the system to both generate increased revenues and have a significant percentage of those revenues reinvested in the managed areas.

The indicators for these expected outcomes are self-explanatory.

499

Target of Opportunity 2: Reduce the Rate of HIV/AIDS Transmission

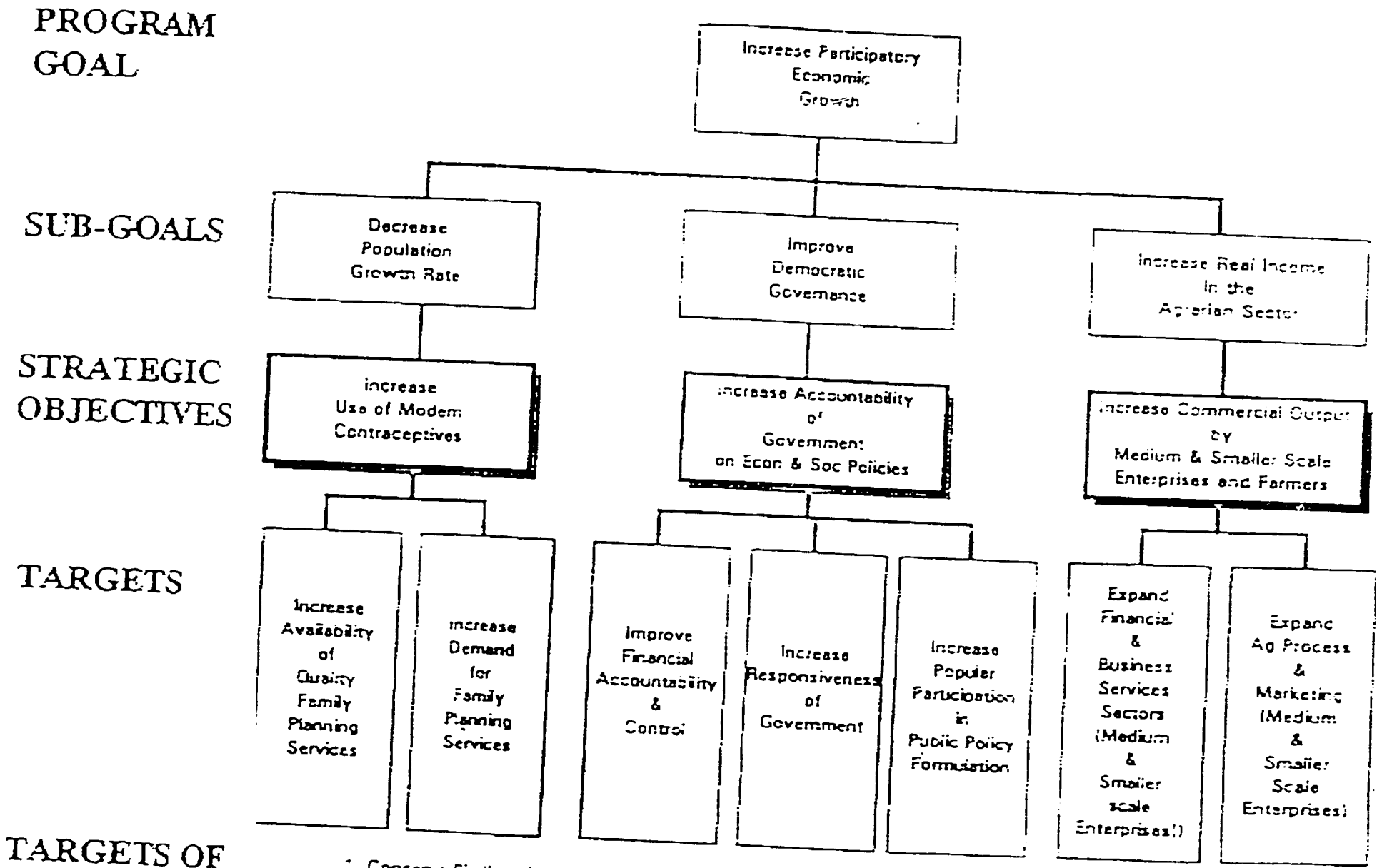
TARGET OF OPPORTUNITY 2: Reduce the Rate of HIV/AIDS Transmission through Targeted IEC, Condom Social Marketing, and STD Programs in Rwanda's Large Urban Centers		
Expected Outcome (Results)	**1992 API Indicators**	**1993 API Indicators**
1. Stabilization/Reduction in HIV Prevalence and Incidence	1. None	1.a Serioprevalence Rate Male Female 1.b Incidence Rate Male Female
2. Stabilization/Reduction in Syphilis Prevalence Rate	2. None	2. Syphilis Prevalence Rate Male Female
3. Knowledge and Adoption of Practices to Minimize the Spread of HIV and STDs	3.a Percent of Target Population Understanding the Risks of HIV/AIDS 3.b IEC Program 3.c Commodities and Services Targeted at HIV/AIDS Risk Population	3.a Percent of Condom Use During High Risk Sexual Encounters Among Targeted Populations Male Female 3.b Number of Reported Non-Regular Sexual Partners During a Specified Time Frame Male Female 3.c Knowledge of 2 Correct Means of Preventing Sexually Transmitted HIV. Male Female

Discussion: The indicators included within this Target of Opportunity have been modified to reflect expected impact as opposed to project inputs. For this reason, it is proposed to monitor prevalence rates of HIV and syphilis as well as individual's knowledge and sexual practices.

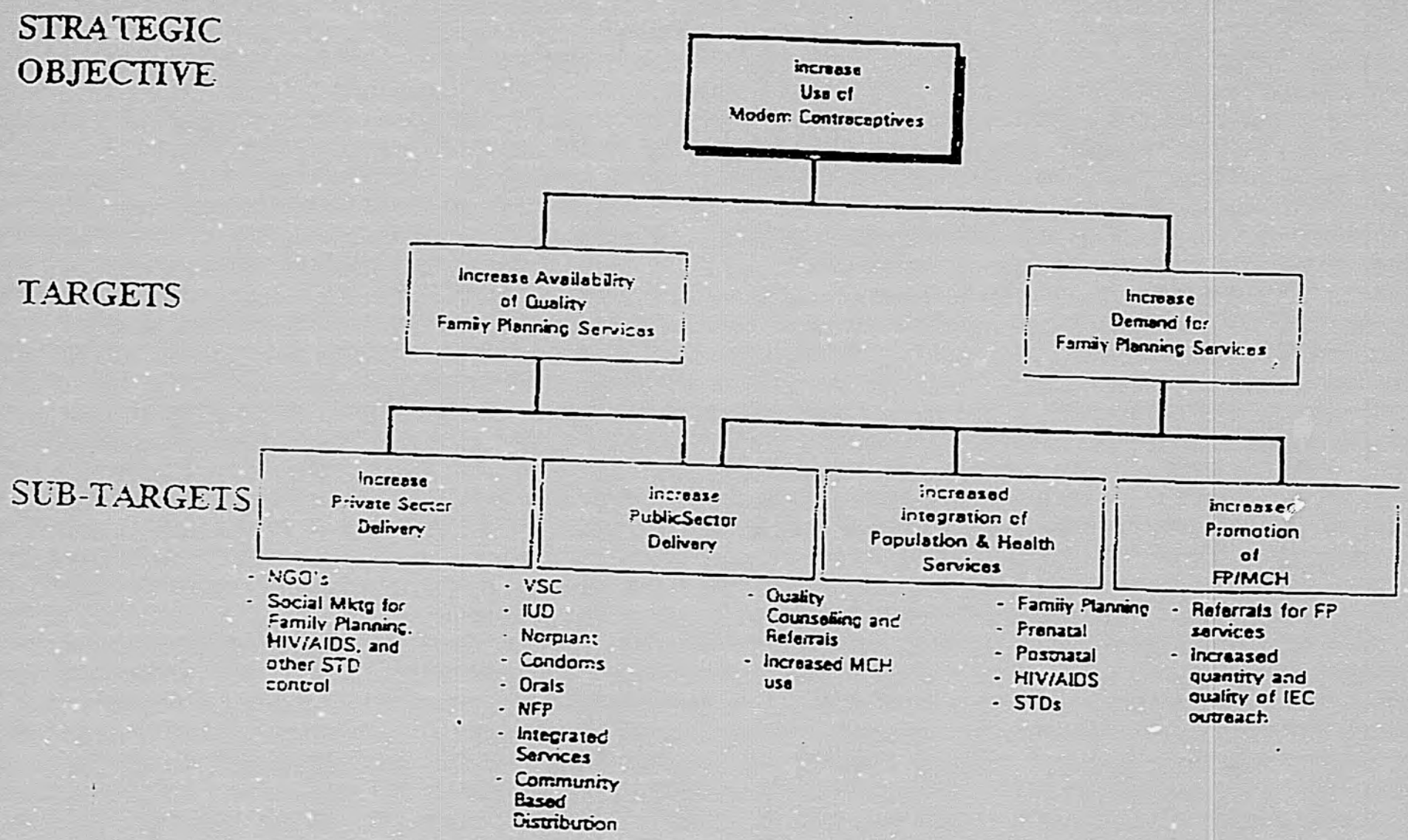
ANNEX B: USAID/RWANDA

CPSP PROGRAM OBJECTIVE TREE

USAID/RWANDA CPSP PROGRAM OBJECTIVE TREE



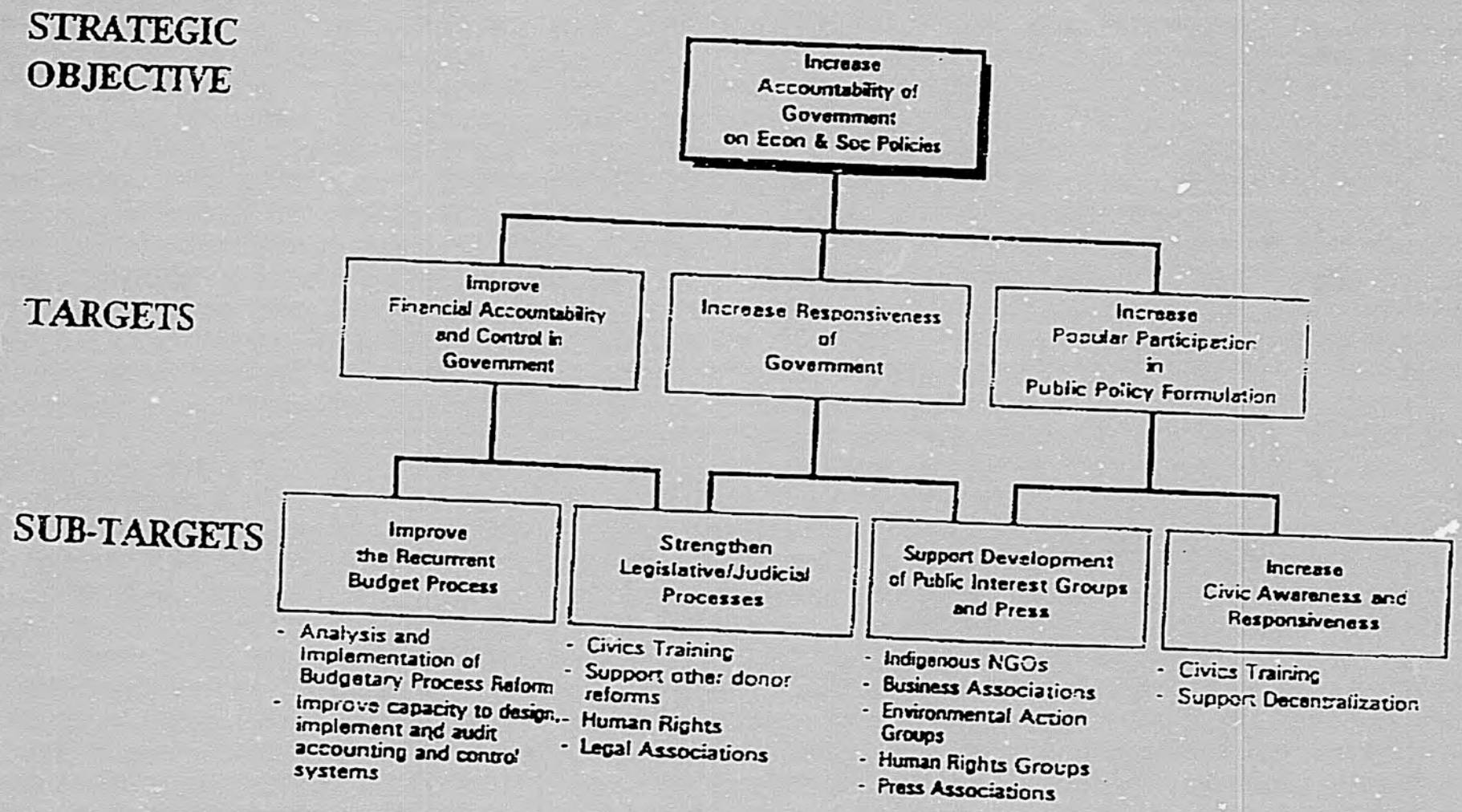
USAID RWANDA STRATEGIC OBJECTIVE ONE: POPULATION



Annex B

502

USAID/RWANDA STRATEGIC OBJECTIVE TWO: GOVERNANCE



503

Annex B

USAID/RWANDA STRATEGIC OBJECTIVE THREE: PRIVATE SECTOR

STRATEGIC OBJECTIVE

Increase Commercial Output by Medium & Smaller Scale Enterprises & Farmers

TARGETS

- Expand Financial & Business Services Sectors (Medium & Smaller Scale Enterprises)
- Expand Ag Processing & Mktg (Medium & Smaller Scale Enterprises)

SUB-TARGETS

Improve Policy & Regulatory Environment

- Further policy & regulatory changes on registration, entry and exit, taxation, contracts, and marketing (both domestically and regionally)
- Reduce or limit the role of parastatals

Develop Appropriate Legal & Regulatory Framework for Rational Exploitation of Natural Resources

- Modify legal framework
- Establish regulatory capacity to monitor and evaluate NRM issues affected by business activities
- Tourism development

Strengthen Indigenous Entrepreneurship

- Marketing skills
- Identifying and adapting production technologies
- Market information
- Credit
- Auditing and accounting
- Entrepreneurial training
- Market town infrastructure
- Business plan development incorporating NRM concerns
- Cooperative development
- Regional Markets

Annex B

504

505

ASSESSMENT OF PROGRAM IMPACT

FY 1993

TANZANIA

506

USAID/TANZANIA

ASSESSMENT

OF

PROGRAM IMPACT

November 1993

TABLE OF CONTENTS

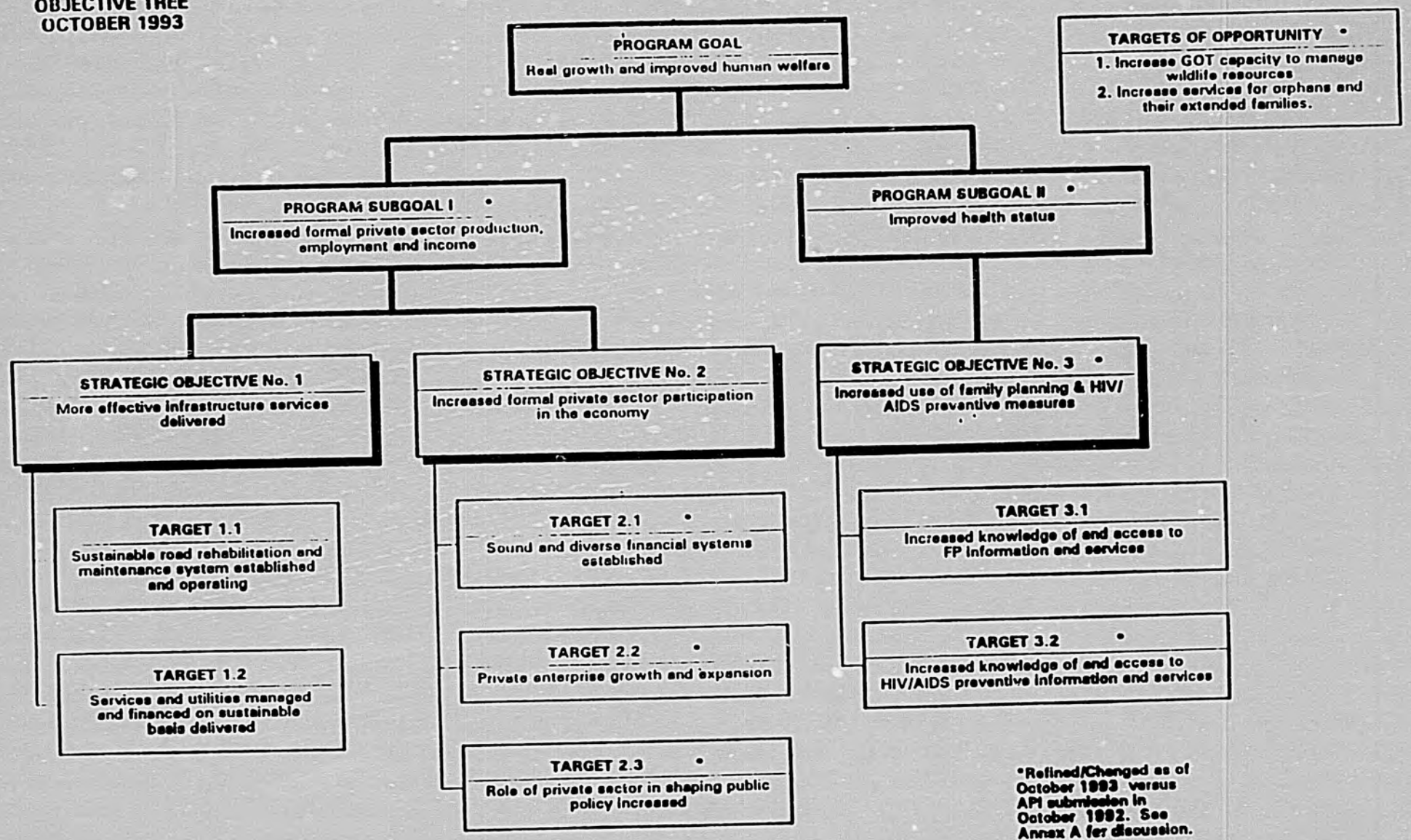
Section	Title	Page
	Acronyms	2
	Objective Tree	4
I	Special Factors Affecting the USAID Program	5
II	Progress Toward Program Goals	8
III	Progress Toward Strategic Objectives	14
IV	Other Progress in Priority Areas	36
	A. Strengthening GOT Capacity to Manage Wildlife Resources	36
	B. Increasing Services for Orphans and The Extended Families	39
	C. Democracy & Governance	40
Annex A	Revision of Indicators and Expected Levels of Achievement	42

ACRONYMS

ADS	Agricultural Development Support Project
API	Assessment of Program Impact
AIDS	Acquired Immuno-deficiency Syndrome
AIDSCAP	AIDS Control and Prevention
ATAP	Agricultural Transport Assistance Project/Program
AVSC	Association of Voluntary Surgical Contraception
AWF	African Wildlife Foundation
BOT	Bank of Tanzania
BSC	Business Services Center
CCM	Chama Cha Mapinduzi
CDIE	Center for Development Information and Evaluation
CIP	Commodity Import Program
CPR	Contraceptive Prevalence Rate
CPSP	Country Program Strategy Plan
CYP	Couple Years of Protection
DHS	Demographic and Health Survey
EPI	Expanded Program on Immunization
ERP	Economic Recovery Program
FED	Financial and Enterprise Development Project/Program
FP	Family Planning
FPSS	Family Planning Services Support
FY	Fiscal Year
GDP	Gross Domestic Product
GOT	Government of Tanzania
GPA/WHO	Global Program on AIDS/World Health Organization
HIV	Human Immuno-deficiency Virus
HRDA	Human Resource Development Assistance
ICA	International Coffee Agreement
IEC	Information, Education, Communication
ILO	International Labour Organization
IMR	Infant Mortality Rate
IRP	Integrated Roads Project
KAP	Knowledge, Attitude and Practice
LMIS	Logistics Management Information System
LOP	Life of Project
MCH	Maternal and Child Health
MER	Monitoring, Evaluation & Reporting
MOH	Ministry of Health
MSI	Management Systems International
NACP	National AIDS Control Program
NGO	Non-governmental Organization
NPA	Non-project Assistance
OPIC	Overseas Private Investment Corporation
PAWM	Planning and Assessment of Wildlife Management
PDO	Project Development Office
P/LT	Permanent/Long term
PPI	Priority Prevention Indicators

PRISM	Program Performance Indicators for Strategic Management
REDSO	Regional Economic Development Services Office
SEATS	Service Expansion and Technical Support
SO	Strategic Objective
STD	Sexually Transmitted Disease
TDHS	Tanzania Demographic and Health Survey
UMATI	Family Planning Association of Tanzania
UNICEF	United Nations Children's Educational Fund
UNDP	United Nations Development Program
TSAS	Tanzania Situation Analysis Study
VSC	Voluntary Surgical Contraception

USAID/TANZANIA
OBJECTIVE TREE
OCTOBER 1993



*Refined/Changed as of October 1993 versus API submission in October 1992. See Annex A for discussion.

5/6

SECTION I

SPECIAL FACTORS AFFECTING THE USAID PROGRAM

Tanzania continued its steady progress towards economic growth and political pluralism during this past year. The economic policy framework, launched in 1986 by the Government (GOT) and supported by the donors, remains relevant and effective. Seven years of wide-ranging reform have increased the welfare of Tanzanians in general, and the poor in particular, according to Cornell University's USAID-sponsored research under the Policy Reform and Poverty Project (698-0519). Official national statistics show growth (GDP) has averaged 1 to 1.5 percent above the population growth rate. However, we believe there has been significantly greater growth, driven by a rapid expansion of informal sector productive and service activities, which is not captured in the official statistics.

Nevertheless certain events, including power shortages and erratic rainfall, influenced GDP performance and the AID program during fiscal 1993. In some cases the effect on THE AID program was observed at the project level, while in others the impact touched the broader context in which the program operates. These effects are addressed throughout the API.

Electric power shortages of unmatched historical proportions severely affected Tanzanian producers. Power outages caused, in part by poor rainfall, created socio-economic hardship in every sector of the economy, slowed the country's economic growth rate as much as a full percentage point, and set the scene for inflation to move above its recent steady level of 10-12 percent. Rough estimates of outage costs to the economy for the six months prior to the on-set of rain in March 1993 are put at over $250 million, equivalent to about 10 percent of annual GDP.

The nearly 50 percent cut in power generation struck hardest at the industrial enterprises which pay important sales tax and excise duties. The result was to negate the enhanced revenue generation intention of recent fiscal reform measures. One compensatory action by the GOT raised electricity tariffs an average of 71 percent, pushed up the cost of industrial production and, as a probable consequence, the rate of inflation. Demands for additional revenue generation to cover budgetary shortfalls resulted in notable price increases in other areas: water rates went up 70 percent, and petroleum fuel prices rose over 50 percent, raising costs across the entire economy.

In response to continuing budget deficits the GOT's June 1993 budget for fiscal 1994 initiated cost-sharing user fees for health and education services at least one year earlier than

originally planned. As a result the basis for program and project sustainability has been enlarged as some additional responsibility has been passed to individual members of society.

Another consequence of the year's erratic rainfall -- negative impact on coffee and cotton production (as well as on their domestic tax and foreign exchange earnings) -- was compounded by continuing declines in international prices for these two leading export crops from Tanzania.

The pace of reform continued to figure prominently on the donor agenda during 1993. Discussion at the July Consultative Group (CG) meeting focused on reform implementation, concluding with a donor consensus that sharp acceleration is necessary if Tanzania is to achieve a sustained reduction in poverty. Particular concern was directed at lagging implementation in parastatal privatization, civil service restructuring, private sector promotion and revenue generation.

While the U.S. delegation to the CG meeting generally supported the donor position, we also discern a growing seriousness by the GOT to implement reform policies, to play a more constructive role in guiding the development process, and to establish priorities in the use of available resources. This is evident in recent appointments to important positions which were filled by skilled and experienced technicians rather than senior-level politicians. Examples include the new Governor at the Central Bank, the Managing Director of the new Tanzania Tourism Board, and the Managing Director at the Cooperative and Rural Development Bank. In addition, both government officials and regular citizens have become increasingly and openly vocal, through public media, in their criticism of poor quality utilization of public sector resources. Large-scale contractors, for example, are being chided publically for the lethargic pace and questionable quality of their product.

During the first 1993 Parliament session a sizable group of parliamentarians treated Tanzania to an unexpected and surprising display of dissatisfaction with Government performance in the governance area. Debate on the fiscal 1994 budget bill provided the context for open and frank discussions of issues ranging from the economy to questions about the future of the union between Tanganyika and Zanzibar. The latter issue could threaten the social/political tranquility which has characterized Tanzania since independence. For now, growing political openness and increasing calls for transparency should improve the efficiency of the Government's economic recovery program (ERP).

Finally, important financial sector actions have been implemented. The Banking and Financial Institutions Act (BFIA) of July 1991 took effect and two private sector international

banks have opened. Recapitalization of parastatal banks by mid-October, required by the BFIA, offset bad Government-mandated loans and opened the door for increased financing to the private sector. Privatization of the insurance industry is also under active consideration with Mission assistance.

The Bank of Tanzania has moved resolutely to regularize its role as a mainstream independent central bank. The BOT unified the exchange rates in September, nearly a year in advance of the June 1994 target date. (The impact on use of the Mission's NPA projects is discussed below.) Unification of the market and official rates is based on a weekly auction of US dollars by the Bank of Tanzania. About $15 million per month is being sold, and the rate appears to have stabilized. Private foreign exchange bureaus are now allowed to finance imports, and to provide up to a maximum of US$10,000 per transaction to travellers, all without BOT approval. A recent study funded by Mission PD&S resources reveals that these Bureau operations to-date have contributed to a net inflow of foreign exchange, contrary to skeptics who had alleged that this would become a conduit for capital flight.

The BOT also began a bi-weekly auction of Treasury Bills in August, an important step towards creation of a domestic financial market. Interest yields of 28-35 percent (annual basis) depend upon the time to maturity. Public frankness, evident in the 1992-93 parastatal audits of the OGL and commodity import support programs, and in the subsequent reporting of management inadequacies in the news media, augurs well for an increasing transparency in Tanzanian financial circles. That transparency, along with the numerous reforms listed above, significantly improves the environment for advancement of the private sector, a sector which dominates nearly every component under each of the strategic objectives in the USAID/Tanzania program.

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SECTION II

PROGRESS TOWARD OVERALL COUNTRY PROGRAM GOALS

Overview

The Objective Tree above outlines the full mission strategy. The Mission's goal is real growth and improved human welfare. The subgoal specified in the CPSP has been disaggregated into two subgoals in an effort to more explicitly capture the links between our three strategic objectives and the overall program goal. The first subgoal, "increased formal private sector production, employment and income", reflects Mission activities in pursuit of Strategic Objectives 1 and 2 (infrastructure and private sector, respectively). The second subgoal, "improved health status", captures Mission efforts under S.O. 3, which focuses on family planning and HIV/AIDS prevention.

Although achievement of the goal and sub-goals is outside the Mission's manageable interest, and there is no existing requirement to report on them, the Mission has identified and will track indicators which allow us to measure, at the national level, and comment on overall progress of the economy and general health. The indicators selected, along with the baseline and actual results, are shown in Table 1. We believe that tracking these indicators will provide a broad national backdrop facilitating a view of progress under the indicators associated with our strategic objectives.

The interlinkage existing among the components of our program, create we believe, a situation wherein the total impact is greater than that associated with the sum of the several disaggregated parts. For example: our rural roads rehabilitation (S.O.1, infrastructure) has introduced the concept of using indigenous contracting capability and created a new private sector (S.O.2) industry; a new activity to stimulate job creation through inputs to the formal business sector (S.O.2, private sector) will use the profits to help AIDS orphans (S.O.3); and, our assistance to help combat AIDS (S.O.3, AIDS prevention) will harness the power of the private sector through NGOs (S.O.2) to address this health issue in a less costly and more compassionate outreach manner. An assessment of the democracy and governance situation, which we are arranging to conduct early in 1994, may well identify other manageable interventions to further strengthen the impact derived from these interlinkages.

GOAL: Real growth and improved human welfare

National performance at the goal level will be measured by tracking changes in annual GDP per capita, and in life

expectancy, with life expectancy used as a broad measure of economic and social well-being. Subgoal level performance will be monitored by following trends in private sector employment, income and agricultural production (for Subgoal 1), and trends in infant and child mortality (for Subgoal 2).

GDP Per Capita: A slow down in the rate of economic activity in 1992 was the product of several situations, including continuing lower international market prices for coffee. The average auction price for Tanzanian coffee fell another 16 percent in 1992 to about $34 per 50 kilos compared, to $149 received in mid-1989. GOT Ministry of Agriculture officials estimate that Tanzania loses $60 to $70 million annually due to collapse of the International Coffee Agreement (ICA). Coffee is one of four main exports from Tanzania and constitutes nearly 20 percent of recorded exports. Electricity outages in 1992-93 were extensive, touched every aspect of the formal economy, industry especially, and boosted the cost of production and the rate of inflation.

Combined, these factors helped to reduce real GDP per capita growth to 1.2 percent, compared with an average of 1.4 percent registered over the previous five consecutive years since the reform program began in 1986. The electric power shortages which cut industrial production by nearly 5 percent, were due to factors listed above, and particularly affected hydro-power generation at the main facility (Mtera Dam) for the capital city area. The moderate rainfall in Tanzania also reduced growth of agricultural production to about 4 percent in 1992, compared to the earlier five-year average of 4.5 percent. The population growth rate of 3.3 percent therefore, absorbs about two-thirds of all production increases just to maintain the status quo.

Life Expectancy: On the basis of UNDP 1992 data, Tanzanians are living longer. Life expectancy is now 54 years, up from 52 years in 1985, and only 41 years in 1960. This level of life expectancy compares favorably with the average of 52 years for all of Sub-Saharan Africa. It is not yet known what the impact of the AIDS pandemic will be on long-term life expectancy in the Tanzania context, therefore, this indicator will be watched and its usefulness evaluated over time. UNICEF analysis has already projected that these Tanzanian improvements in longevity will likely be reversed by devastating levels of mortality attributable to AIDS.

Sub-Goal 1: Increased formal private sector production, employment and income

The GOT Bureau of Statistics does not currently collect and report data regarding the private sector share of GDP, thus a proxy is to be used. The national income accounts do measure and report on parastatal sector production, employment and income,

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thus we will assume for the time being that the residual difference between parastatal and total GDP will provide us with a fair and valid measure of the private sector shares we need.

To refine this indicator proxy data we intend to pursue two different approaches: (1) joint examination with the GOT Bureau of Statistics to evaluate the contents of their "parastatal sector" category, i.e., how completely and accurately do their data cover the entire public sector. (2) The Mission is in the process of initial discussions to design and finance a study for the 1994 Consultative Group meeting that will result in a paper regarding the "entire economy" of Tanzania. Analysts agree that available formal sector statistics are unreliable, and that examination of the informal economy has been far from exhaustive. We intend to use PD&S resources to develop a limited yet useful picture of the "entire economy" of Tanzania. The intent is to provide a tool for evaluating the national potential, and one result of the process will provide us with a more complete picture of the formal private sector share of production.

Growth in agriculture, the major share of private sector activity, was lower. In addition to the rainfall shortage, the output of crops was adversely affected by supply shortages for agro-inputs. This is the first year for them to be decontrolled, and private sector entrepreneurs have been free to compete to the extent they wanted to enter the market. As a result, these first-year marketing mechanisms were not well-developed. Agriculture sector growth in 1992 slipped to 4.2 percent, down from the previous level of 4.7 percent in 1991. Non-traditional crops continue to play an ever-larger quantity role in the overall agriculture sector, however, the value of non-traditional exports (largely oil seeds and pulses, forestry products, marine products, horticulture products, cotton seed cake) fell by about 20 percent in 1992, to $42 million, from $51 million in 1991.

Government policy under the Economic Recovery Program (ERP) addresses the main constraints (e.g. deconfinement of marketing, private sector participation in marketing and processing, input pricing) to agriculture production increases, which in turn account for about 60 percent of both exports and GDP. Production incentives for traditional export crops (coffee, cotton, tea, cashews, and others) are being improved through unification of the exchange rate, and by fostering increased competition in export crop purchasing, processing and marketing. In almost every case, the increases in efficiency will be traceable to increased competition and entry of private entrepreneurs into the market and sector (as in allowing the private sector into cotton ginning) instead of maintaining the monopoly of the inefficient marketing boards and, as yet, unrevitalized cooperatives.

Sub-Goal 2: Improved health status

Health status is usually measured by morbidity, utilization of basic health services and by infant and under-five mortality. The Tanzania Demographic and Health Survey (TDHS) of 1991/92 found very high utilization of antenatal care in Tanzania. According to mothers, 9 out of 10 births received antenatal care from a medical professional (92 percent). Although about 10 percent of all women use some form of contraception, 6.6 percent of currently married women use modern methods. The use of modern family planning methods utilization varies widely by region, education and residence (rural vs. urban).

For the most recent five-year period (1987-91) under-five mortality was 141 per 1,000 live births and infant mortality 92 per 1,000 live births. Among all the deaths under five years, 27 percent occurred during the neonatal period; 38 percent during the postneonatal period; and 35 percent at ages 1-4 years. Under-five mortality declined during the last 15 years preceding the TDHS (1991/92) from 163 deaths to 141 deaths per thousand live births. Virtually all the decline was due to a decline in mortality at 1-4 years. Infant mortality remained at the same level during 1987-91 as it was during 1977-81. During the period 1982-86, infant mortality was estimated at 109 per 1,000 live births, which was an increase compared to the preceding five year period (1977-81, 94 per 1,000 live births). The increase was entirely due to higher postneonatal mortality, since neonatal mortality did not change.

Our program addresses sustainability through selected components under each of the three strategic objectives. Specifically: (1) the ATAP-inspired policy reform in S.O. 1 has led to a continued expansion of resources flowing into the road fund, with the GOT committed to pay an annually-increasing share of the total cost of rural roads' rehabilitation and maintenance; (2) the social marketing component in the TAP project will begin this year to address the cost and availability of commodities for family planning and HIV/AIDS control, promoting sustainability for S.O. 2; and, (3) the FED program promotes sustainable private sector development through (a) policy reform to increase diversity and competition in the financial sector, (b) stimulating the creation of new financial institutions, such as the Venture Capital Fund and the Social Action Trust, and (c) improving the quality of services available to entrepreneurs seeking to start new businesses or expand existing activities. Numerous analyses of the Tanzanian economy indicate that expansion of the private sector, central to each of our interventions, offers the best prospect for continuity (i.e. sustainability) in the provision of important social and financial services.

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Table 1. GOAL AND SUBGOALS: BASELINE AND ACTUAL RESULTS

PERFORMANCE INDICATORS	DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	DATA SOURCE	BASELINE DATA		ACTUAL RESULTS		
			YEAR	VALUE	1991	1992	1993
Goal: Real growth and improved human welfare.							
Indicators:							
Annual percentage change in GDP per capita (real)	Unit: % Definition: annual percentage change in GDP per capita: GDP as defined by the World Bank in the annual World Development Report	Bell, World Bank	1986	0.8	1.4	1.2	
Life expectancy	Unit: # of years Definition: the number of years a newborn infant would live if prevailing patterns of mortality at the time of its birth were to stay the same throughout its life	UNDP, Human Development Report (Table 2)	1985	52	54	54	

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518

PERFORMANCE INDICATORS	DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	DATA SOURCE	BASELINE DATA		ACTUAL RESULTS		
			YEAR	VALUE	1991	1992	1993
Subgoal 1: Increased formal private sector production, employment and income							
Annual percentage change in formal private sector employment	Unit: % Definition: employment is defined as full time equivalents (FTE) in the private farm and non farm formal sector	Bureau of Statistics	1986	3.7	6.4	5.1	
Annual percentage change in agricultural production	Unit: % Definition: Annual percentage change Agriculture includes forestry, hunting and fishing	BOT, World Bank	1986	4.4	4.7	4.2	
Subgoal 2: Improved health status							
Infant mortality rate	rate Definition: annual number of deaths of infants under age one year per 1,000 live births	DHS 1991/2 1996	1991/2	92	92	92	
Child mortality rate	rate Definition: annual number of deaths of children age 1 to 5 per 1000 children	DHS 1991/2, 1996	1991/2	55	55	55	

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519

SECTION III

PROGRESS TOWARD STRATEGIC OBJECTIVES AND RELATED PROGRESS INDICATORS

STRATEGIC OBJECTIVE 1: More effective infrastructure services delivered

Over seventy percent of all Tanzanian freight moves by road. The deteriorated state of the road network, identified as a major constraint to development in all economic sectors, is a leading example of the general state of Tanzanian infrastructure. The weaknesses in the road network are being addressed by policy reform, institutional strengthening, and the provision of foreign exchange for the importation of transportation-related commodities. In other areas of weak infrastructure our program is less intense and (a) focuses on demonstrating how specific public services may be provided by the private sector (as in our efforts with the National Housing Corporation and with the Telecommunications industry toward managerial improvements and capital raising), along with (b) associated training for public officials and private sector entrepreneurs.

Findings in the USAID-funded April 1993 assessment of the May 1992 OPIC investment mission to Tanzania affirm our support for infrastructure programs. Among private sector businesspersons, the country's greatest perceived investment attraction is in fact its debilitated infrastructure and the business opportunities that debilitation represents. That OPIC mission included 28 representatives of the American business sector, 16 of whom are still pursuing possible business arrangements in Tanzania, nearly all of which are involved with some aspect of national infrastructure.

Broad institutional impacts directly attributable to the program, include: consolidation of responsibility for the rural road network from three Ministries into one unit in 1989; involvement, for the first time, of the private sector in road rehabilitation and maintenance in 1990; the introduction of a more transparent contracting system by the GOT in 1991; and, establishment of the user-financed "Road Fund" in 1992, to assume an annually-increasing share of the responsibility for program sustainability.

The principal component in the program for accomplishment of the strategic objective is the Agricultural Transport Assistance Program (ATAP). ATAP supports the removal of policy and institutional constraints in order to improve Tanzanian capacity

to identify, select, finance and undertake sustainable road rehabilitation and maintenance activities. To achieve this purpose the ATAP program, with $50 million LOP funding, is structured as a multi-year policy-based program which also provides resources facilitating the importation of commodities related to the transport sector, of which about $22 million worth have thus far been imported. Availability of these cash transfer resources (96 percent of which have been used for private sector inputs) is subject to GOT adoption and implementation of policy reform in institutional, financial and contracting activities specifically targeted at road rehabilitation and maintenance. The local currency generated from the import-support facility (about Tshs 4 billion to-date) finances rehabilitation and maintenance contracts with private sector firms in four core districts around the country (Mbinga in Ruvuma region, Mbozi in Mbeya region, Shinyanga in Shinyanga region, and Hai in Kilimanjaro region).

An extensive baseline survey covered each of the four selected regions as a basis for evaluating the impact of rehabilitation on important socio-economic parameters among different groups of people within the zone of influence for each road. The "Rural Roads Socio-Economic Baseline Survey" (August 1990) measured agricultural costs and production, the labor market, household incomes, transportation, non-agriculture activities and business conditions in the above four regions. This baseline data bank was supplemented in July 1993 through a new survey by a joint USAID and MOW team prior to rehabilitation of the Njombe-Makete Road in the Iringa region.

Although USAID continues to be the only donor in the roads program funding baseline surveys, the value of the practice has been recognized and the scene is set for replication. The August 1990 baseline is now used extensively by the MOW and other donors involved in the Tanzanian road rehabilitation program; the MOW has officially embraced the approach; and, in 1993 the MOW added a chapter to its Integrated Rural Roads Program manual to explain baseline survey methodology, and directed integration of socio-economic impact assessments as a part of normal operating procedure.

The initial socio-economic impact assessment of the rehabilitated road in Shinyanga (reported in the 1992 API) has been supplemented by a February 1993 impact assessment of the Kwa Sadala-Mbweera portion of a rehabilitated road in the Kilimanjaro region. The results from this second road evaluation demonstrate that the progress being achieved in one region is being replicated in others. Although separated by distance, and not immediately cumulative in their individual short-run impact, it remains valid that the addition of each portion of rehabilitated and successfully-maintained rural road contributes to the overall

reduction of production and consumption costs for inhabitants within the respective zones of influence, and eventually in the long run will make that same type of contribution for an increasing share of the national population.

In response to USAID/W suggestions to demonstrate impact in this area through time series data we are examining the feasibility of altering our evaluation plans. The rehabilitated USAID roads could perhaps be re-evaluated one year after the completion of rehabilitation, then again one year later, and finally after two more years. The resulting time series would provide data over four years, plus the baseline, and could provide the data categories suggested for people-level impact.

The February 1993 impact assessment of Kwa Sadala-Mbweera Road (Kilimanjaro) reveals that the increasing population being served by all-weather rehabilitated USAID roads is impacted significantly in several positive areas. For example, in comparison to the baseline data for 1990, the 1992 data show:

-passenger traffic increased from 66 persons/day to 130/day, while passenger fares decreased 33 percent;
-freight rates have remained constant or increased less than the rate of inflation;
-the volume of goods hauled increased 8 percent;
-the volume of trade at individual businesses increased over 100 percent;
-household incomes rose 59 percent while consumer goods' prices are up only 33 percent; and,
-vehicle operating costs were reduced 31 percent.

Verbal and anecdotal comments to the evaluators indicate that residents in the zones of influence along the roads believe that the greatest impact thus far has been on evacuation of crops produced in the road areas.

In addition to ATAP, two other activities contribute directly to overall accomplishment of this strategic objective: (1) the $46 million SARP-funded Regional Transport Development project for the Tanzania-Zambia (TAZARA) portion of the regional railway network, and (2) on-going exploration of financial and management aspects of infrastructural facilities, explained under Target 1.2 below.

The TAZARA project, USAID/Tanzania's initial effort in the infrastructure sector, began with the provision of new railroad equipment, improved maintenance capacity by constructing a modern workshop, and management training to improve efficiency. During the last two years, the program has evolved into an effort to push TAZARA to operate in accordance with sound commercial finance and management practices. Materially, project activity

to supply new locomotives nearly doubled the railway's carrying capacity, and permitted TAZARA to effectively move famine emergency food grains to Zambia and Malawi this past year.

TARGET 1.1: Sustainable road rehabilitation and maintenance system established and operating

USAID/Tanzania is continuing a policy-based systems approach to rural road development as described in the 1992 API. Since the ATAP program was first obligated in FY 1991, significant positive results have occurred. Three areas of project impact stand out: (1) the actual level of Government contracting of the private sector for rural road rehabilitation and maintenance is double the original 1991 EOPS; (2) Road contracting procedures have been solidly instituted within the Ministry of Works (MOW). Dozens of contracts for road rehabilitation, design, supervision and maintenance have been awarded and processed using USAID, other donor and GOT funds; and, (3) institutionalizing the process for establishing baseline and impact assessments of roads to be rehabilitated and/or roads which have been rehabilitated.

The ATAP program has created a new approach to rural road rehabilitation and maintenance, and a new Tanzania industry: private road contractors. The GOT now uses local private contractors to carry out 90 percent of rehabilitation and 45 percent of maintenance work on the priority (high value agriculture) rural road network. Four years ago the private sector was not allowed to participate in this type of work, and there was little private sector capacity of the type required. Introduced through ATAP, the private sector approach is now applied by the GOT to the use of donor funds from NORAD, SDC and the World Bank.

Sustainability of the program is promoted by a January, 1993 doubling of the Road Fund fuel tax, followed by a 25 percent increase in late 1993. The GOT is currently examining possibilities for expanding the Roads Fund resource base beyond that of the fuel tax, in an attempt to satisfy this FY95 ATAP tranche condition precedent. GOT commitment to promotion of the private sector through ATAP is evident in that the 1992 target of 80 percent of the total $20 million in rehabilitation contracts to-date, has been exceeded through awards to domestic private firms. The rural location of the rehabilitation work focuses the evaluation-determined impacts (listed above) at the village level. Analysis of the contracting and Roads Fund data indicate that the GOT is on target to fully fund 100 percent of routine maintenance and 50 percent of periodic maintenance in 1995, versus the current status of 70 percent and 20 percent

respectively.

Although not listed as an indicator for the program, institutionalization of the impact evaluation process is a noteworthy by-product, a result that will also influence the use of resources from other involved donors. That is, the same core group of persons in the MOW has gained on-the-job experience and training in performing the 1993 baseline study in Iringa, as well as the two road impact assessments of 1992 and 1993. The July 1993 evaluation in the Kilimanjaro region was organized and managed by this experienced group from the Ministry of Works with some guidance from USAID's Rural Economic Advisor.

The identification of needed policy reform has progressed well under the project, and the MOW is generally in advance of our CP targets. We are now beginning to develop a new focus on the efficiency of contract administration, rather than a focus on contracts per se.

TARGET 1.2: Services and utilities managed and financed on a sustainable basis delivered

We are continuing our explorations in the housing and telecommunications sectors, and expect that indicators of impact will be developed during the next six months. We will continue to play the role of a catalyst by using our resources to introduce new ideas, and to influence decision-making regarding the financial and management aspects of infrastructure services.

Our use of PD&S funds in 1992-93 has concentrated on influencing key players in the housing and rural telecommunications sectors. In the former, those efforts have led to regeneration of Tanzania's low income housing sector, through (1) a detailed review of the NHC and its holdings, and (2) a thought-provoking widely-attended seminar on scenario planning emphasizing housing privatization. In early 1993 the GOT began the process of selling its stock of nearly 10,000 small to medium-sized housing units to qualified sitting tenants. The Ministry of Lands, Housing and Urban Development has recently officially indicated its readiness to "take other actions towards increased privatization." We anticipate that our discussions in this area over the next several months will demonstrate notable impact from the input of limited resources, and result in the identification of indicators for measuring impact in this area of infrastructure.

Mission explorations to-date in the telecommunications sector are addressing a part of the overall sector that other donors have not yet begun to examine. It is expected that our Target 1.2

emphasis on rural telecommunications will attract the World Bank and other telecommunication-sector donors into the rural area, just as our pioneering efforts in rural roads have elicited similar efforts from other donors. PD&S funding has been provided to finance an early 1994 pre-feasibility study to determine the conditions under which private sector investment will find it worthwhile to move into rural telecommunications.

Our focus on the financial and management aspects of infrastructure services is deliberate. Three decades of socialism (effectively an entire generation) have isolated Tanzania's leadership and created a need across the entire economy for public sector leaders and private sector entrepreneurs to be exposed, and to become convinced, that private sector provision of public services is possible and profitable, and that legitimate public service companies can be managed in a commercial manner.

While other donors are addressing various aspects of the infrastructure problem, particularly the physical side, our interest has coalesced steadily on the capital finance and management steps necessary if the infrastructure services are to develop, be privatized, and become sustainable. Our explorations to this point reveal factors which combine to clearly substantiate this approach:

1. Initial successes in the sub-target areas under Target 1.1 demonstrate private sector enthusiasm to assume major responsibility for implementation of rural road rehabilitation and maintenance. Private sector willingness to invest and to participate in this new industry is evident and strong. The Mission is aware that similar private sector interest exists with respect to other infrastructure/utility components in this economy.

2. Our experience with the ATAP and FED projects convinces us that it is a valid approach to progressively introduce sustainable financing and management measures, in addition to the physical aspects of actually developing infrastructure. We believe this approach may constitute the most important donor assistance being granted to the GOT, in that it provides the means to the GOT to break with past infrastructure management practices which have promoted aid dependency and poor performance. This dependency and low levels of performance have become particularly evident in parastatal infrastructure services which are consumer-oriented. They can and should become consumer-financed and viable.

During the July 1992 presentation and USAID/W approval process for the USAID/Tanzania CPSP, it was decided that strategic objective No. 1 would be supplemented through addition of this

new Target 1.2. The intent was to expand the mission's scope of endeavor, and to provide recognition that infrastructure and utilities (and their financing) are critical and include sectors other than roads. During this past year the Mission has examined an array of services and infrastructure components, including housing, electricity and telecommunications. We have considered both financial and management issues, and we have concluded that there is a significant role to be played by USAID in the infrastructure and utility area. We have also determined that a large scale bilateral project is not necessary to achieve target 1.2. Our plan to continue utilizing resources available from existing activities to achieve this target was evaluated by the Africa Bureau in July 1993, and approved (see 93 State 226682).

Table 2. STRATEGIC OBJECTIVE 1: BASELINE, EXPECTED AND ACTUAL RESULTS

PERFORMANCE INDICATORS	UNIT OF MEASUREMENT	BASELINE DATA		EXPECTED AND ACTUAL RESULTS											
				1991	1992	1993		1994		1995		1996		1997	
		YEAR	VALUE	Actual	Actual	Expd	Actual	Expd	Actual	Expd	Actual	Expd	Actual	Expd	Actual
Strategic Objectives No. 1-More Effective Infrastructure Services Delivered															
Indicators:															
No. of Kms. Rehabilitated all Regional roads	UNIT: Cumulative no. of Kms. (1994-97 - 000s)	FY 90	0		300	896	700	1.1		1.8		3.0			
No. of Kms. rehabilitated--USAID roads	UNIT: Cumulative no. of Kms.	FY 90	0		65.9	450	488	588		788		988			
No. of Kms. receiving routine maintenance--all Regional roads	UNIT: annual no. of Kms. (1993-97 - 000s)	FY 90				22.0	15.0	23.5		24.5		31.5			
No. of Kms. receiving routine maintenance--roads in USAID regions	UNIT: annual no. of Kms. (1993-97 - 000s)	FY 90				4.0	4.0	4.0		4.0					
No. of Kms. receiving periodic maintenance--all Regional roads	UNIT: annual no. of Kms. (000s)	FY 90				3.6	3.0	3.8		3.9		5.2			
No. of Kms. receiving periodic maintenance--roads in USAID regions	UNIT: annual no. of Kms. (1995-97 - 000s)	FY 90				400	300	800		1.2		1.4			
Improvement in Road Conditions all Regional roads	UNIT: % poor roads % fair roads % good roads	FY 90	60 30 10		36 50 14		38 44 18	40 35 25		42 30 28		45 25 30			
Population served by all-weather rehabilitated USAID roads	UNIT: Persons residing in the area of influence of the all-weather roads (000s)	FY 90	0		51	188	180			229		235			
Volume of crops, livestock and farm inputs hauled	MT/Km/Yr.	FY 90	277		362	365		365		367		369			
Value of crops, livestock and farm inputs hauled	Tshs. billion	FY 90	9.9 Bn		8.3	11	9.7	9.9		13.2					
Freight costs	Tshs. MT/Km	FY 90	9		8.8	8.5	8.3	8		7		7			

PERFORMANCE INDICATORS	UNIT OF MEASUREMENT	BASELINE DATA		EXPECTED AND ACTUAL RESULTS											
				1991	1992	1993		1994		1995		1996		1997	
		YEAR	VALUE	Actual	Actual	Expd	Actual	Expd	Actual	Expd	Actual	Expd	Actual	Expd	Actual
Target 1.1 Sustainable Road Rehabilitation and maintenance systems established and operating															
Indicators:															
Increased Funds from GOT Revenues for maintenance contracts	UNIT: annual dollar expenses on maintenance														
Routine Maintenance ($000)		FY 90	Negl	3.1	3.0	3.0	3.0	3.5		3.7		4.6			
Periodic Maintenance ($000)		FY 90	Negl	5.9	5.7	5.9	5.9	7.4		7.8		9.9			
Operating Budget by source:	UNIT: annual dollar expenses on roads rehabilitation & maintenance														
GOT Revenues ($000)		FY 90	5.8	10.8	12.0	9.6	18.1	21.0		32.0					
Donors ($000)		FY 90	17.1	11.1	8.0	6.4	6.4	4.5		3.7					
Passenger fares -- USAID Roads	Tshs./person/Km	FY 90	19		16		15			14					
Vehicles operating costs -- USAID Roads	Tshs./Km	FY 90	78		49		48			46					

528

PERFORMANCE INDICATORS	UNIT OF MEASUREMENT	BASELINE DATA		EXPECTED AND ACTUAL RESULTS											
				1991	1992	1993		1994		1995		1996		1997	
		YEAR	VALUE	Actual	Actual	Expd	Actual	Expd	Actual	Expd	Actual	Expd	Actual	Expd	Actual
Subtarget 1.1.1- Road Rehabilitation and Maintenance Policies developed and implemented															
Indicators:															
POLICIES:	UNIT: Dates when adopted and implemented	FY 90	No Policies												
Road Fund Established with TSh 7/ litre tax fuel				Jul. 91											
Road Fund amended to TSh 10/ litre tax fuel					Jul. 92										
Road Fund amended to TSh 20/ litre tax fuel							Jan 93								
Road Fund amended to TSh 25/ litre tax fuel							Oct 93								
GOT vehicles exemption from tax removed								adopt. & impl.							
Economic Criteria established for rehabilitation & maintenance priorities								adopt. & impl.							
Comments/Notes:															
Subtarget 1.1.2: Increased private sector role in road rehabilitation and maintenance															
Indicators:															
% of total number of contracts awarded to private firms	UNIT: % of total annual number of contracts	FY 90	30		80	80	90		80	80					
% of total contract value awarded to private firms	UNIT: % of total annual value of contracts	FY 90	30		86	80	90		80	80					

329

PERFORMANCE INDICATORS	UNIT OF MEASUREMENT	BASELINE DATA		EXPECTED AND ACTUAL RESULTS											
				1991	1992	1993		1994		1995		1996		1997	
		YEAR	VALUE	Actual	Actual	Expd	Actual	Expd	Actual	Expd	Actual	Expd	Actual	Expd	Actual
Subtarget 1.1.3: GOT assumes increased responsibility for funding road rehabilitation and maintenance															
Indicators:															
Increased GOT funding as % of total required:	UNIT: % of total annual maintenance requirements														
Routine Maintenance		FY 90	20		60		75	90		100					
Periodic Maintenance		FY 90	10		15		30	40		50					
Comments/Notes:															
Target 1.2: Services and utilities managed and financed on a sustainable basis delivered															
Indicators: TBD															

530

STRATEGIC OBJECTIVE 2: Increased formal private sector participation in the economy

This objective directly addresses practical impediments and the policy and institutional constraints which have inhibited growth of the private sector, and thus of productive employment. This objective complements Tanzanian Government efforts to dismantle the parastatal economy, through activities designed to rebuild the financial sector, increase access to capital, and provide direct business support services such as access to information and technical know-how. The Mission strategy starts from the view that accelerated changes, under the pro-business policy of the GOT, have created promising opportunities for formal private sector growth. We believe that the stage has been set, that many of the general policies needed are in place, but that policy implementation is slow and the availability of capital remains limited. There is still a need for the provision of direct support services, as well as a deepening of financial sector reform, to accelerate the exploitation of these opportunities by the private sector.

Mission activities under the three targets below reflect close collaboration with the domestic private sector. The insights provided by the Mission's Private Sector Advisory Group, 10 private sector entrepreneurs, have been the driving force in identifying project activities that respond directly to requirements of the business community.

Target 2.1: Sound and diverse financial systems established

Increased investment, either foreign or domestic, requires a viable financial system. The two projects (FED PA and NPA) involved, which are the principal means for achieving the indicators under this strategic objective were only signed in August 1992. Nevertheless, significant impact has been achieved under Target 2.1.

The FED-PA is providing assistance to restructure the financial sector, and to improve technical skills at the BOT. As indicated in last year's report, the sectoral impact includes the licensing of new private commercial banks, one of which opened for business in mid-1993. The first Venture Capital Fund in Tanzania officially opened its doors for business in October 1993, and has already attracted $8.5 million from a mix of non-governmental and private investors. The World Bank and Norwegian aid organization (NORAD) are now considering replication of the venture capital fund.

With FED-provided training and technical assistance the Bank of Tanzania (BOT) has rapidly implemented policy changes in financial and organizational areas. The BOT has completed an internal review of banking regulations, elevated its Banking Supervision Departmental operations to a higher level, and formed a separate entity to facilitate monitoring commercial banking operations, ended its politically-motivated commercial credit operations, prepared the groundwork for a private sector insurance industry, and introduced a completely market-based foreign exchange system. Through the FED-NPA, impact has been significant, again particularly at the BOT level. All of the nine technical CPs in financial reform were fulfilled ahead of schedule for the first tranche of the NPA, and two of the second tranche CPs have already been completed.

Training of BOT personnel has proceeded steadily, with six staff members having attended financial seminars in the U.S., including field work with the Federal Reserve Bank. That training increased staff knowledge of supervisory techniques, and the conduct of off-site bank examinations, both areas of expertise which have been key to successful implementation of reform measures within the BOT and directly relevant to the commercial banks. Additionally, over thirty officials of the BOT Supervisory and Research Departments, along with selected officers from the commercial banking sector, have participated in in-country training seminars. The result is the beginning of a trained core of professionals able to transfer their knowledge and experience throughout the domestic banking sector. The need for exposure to modern banking techniques, both regulatory and consumer-oriented, is emphasized by the fact that a dominant share of current banking sector officials have not had experience or training in other than this parastatal-oriented economy.

Through the seminars and the on-the-job training provided by the FED project, in specially designed courses, Tanzanian banking officers have learned how the modern banking system is regulated. This training will increase public confidence in domestic banking, and yield closer adherence to international standards, vital to the Tanzanian economy as the privatization effort expands.

Target 2.2: Private sector business growth increased

The FED-PA component of the program began with rapid completion of the project CPs by the GOT, and immediate commencement of those aspects of the program which fall under the direct control of the project office. However, advertizing and contracting for (a) the Business Service Center and (b) for the Private Sector Advisor (PSA) to assume overall management of the project, was slower in completion. The PSA took up his post in Dar es Salaam

in October 1993. Competition for a firm to manage the Business Service Center (BSC) was completed in the Fall of 1993, however, the contract is yet to be signed. A U.S. firm and its local joint-venture partner have been competitively selected to establish and manage the Business Services Center, which will offer technical, marketing and other services to men and women entrepreneurs. To the best of our knowledge the Social Action Trust is unique to all of USAID. It will address social needs--assistance to orphans of AIDS victims--and simultaneously provide impetus to private sector development through local currency investments. The immediate impact of the Venture Capital Fund (replication: see Target 2.1 above) will be to expand opportunity for private sector business growth.

Activity under Target 2.2 is dependent upon functioning of the BSC and the PSA, thus impact from Target 2.2 activities will not be available until the next API.

Target 2.3: Role of private sector in shaping public policy increased

Direct technical support by the project to businesses and business groups is designed to promote their competitiveness, and to build their capacity to participate with the GOT in the policy-making process. Comments under Target 2.2 above are relevant to the progress of activity associated with the individual indicators under Target 2.3. In addition, the recent USAID grant to the Conferation of Tanzanian Industries (CTI) is funding a study of industrial policy, the results from which will be utilized during 1994 to promote the dialogue between the GOT and the private sector.

Contact through the PSA and the staff of the BSC will be the primary source for tracking these indicators, therefore, measurement of impact will begin in the API for next year. Two of the three indicators we intend to track are listed in Table 3. They continue our Mission emphasis on the private sector, even in this case where the target is focused on the interaction between the public and private sectors.

Table 3. STRATEGIC OBJECTIVE 2: BASELINE, EXPECTED AND ACTUAL RESULTS

PERFORMANCE INDICATORS	UNIT OF MEASUREMENT	BASELINE DATA		1993		1994		1995		1996		1997	
		YEAR	VALUE	Expd	Actual	Expd	Actual	Expd	Actual	Expd	Actual	Expd	Actual
Strategic Objective: Increased formal private sector participation in the economy													
Indicators:													
Private sector share of GDP	%	1992										75	
Private sector employment	% men	1992											
	% women	1992											
Annual growth rate of private enterprises	%	1990	3.5	3.5		3.5		4		5		5	
Comments/Notes: Missing baselines and targets must be set upon further analysis of existing data from BOT and other sources if necessary.													
Target 2.1: Sound and diverse financial systems established													
Indicators:													
Number of private financial institutions	Cumulative # of institutions	1992	0	2		4		6		8		10	
Value of private sector commercial loans	thousands of $ men	1992											
	thousands of $ women	1992											
Gap between market and official exchange rate	%	1992	28	8		6		0		0		0	
Target 2.2: Private sector business growth increased.													
Indicators:													
Assisted firms with sales growth over 25%	Cumulative # of firms owned by men	1994	0	0		0		225		320		450	
	Cumulative # of firms owned by women	1994	0	0		0		25		35		50	
New jobs created in assisted firms	Cumulative # of jobs (men)	1994	0	0		0		750		1500		2250	
	Cumulative # of jobs (women)	1994	0	0		0		250		500		750	
Days required to register a business	# of days	1993	255	255		255		150		90		15	

534

PERFORMANCE INDICATORS	UNIT OF MEASUREMENT	BASELINE DATA		1993		1994		1995		1996		1997	
		YEAR	VALUE	Expd	Actual	Expd	Actual	Expd	Actual	Expd	Actual	Expd	Actual
Target 2.3: Role of private sector in shaping public policy increased													
Indicators:													
Business association membership	Unit: % men												
	Unit: % women	1993				TBD						20	
Number of joint seminars by GOT and private sector business persons	Cumulative # of joint seminars	1993	0	0		TBD		TBD		TBD		TBD	
Policy impact indicator (TBD)		1994											

Comments/Notes: The final indicator for Target 2.3 will be determined in 1994 as the public-private policy dialogue begins.

STRATEGIC OBJECTIVE 3: Increased use of family planning and HIV/AIDS preventive measures

Sustainable economic growth will require a reduction in the population growth rate and the implementation of effective AIDS prevention strategies. Presently, the population is growing faster than formal sector employment and the rate of GDP growth is only marginally greater than that of the population. Population increases have already outstripped the government's capacity to provide health and education services. The AIDS pandemic too will have far-reaching economic effects. Already, an estimated 5 percent of the total population is HIV positive. AIDS is attacking the most productive age groups in the population, straining a weak health care system, and generating orphans whose maintenance places enormous stress on the social structure. The USAID/Tanzania program is designed to enlist and complement private sector energy and resources, and to focus them in the effort against AIDS.

USAID has identified "lower fertility" and "AIDS prevention" as the ways it can contribute to improving the health profile in Tanzania. Two activities support the Mission program under this strategic objective: the Family Planning Services Support Project (FPSS, approved in 1990), and the newly designed and initiated Tanzania AIDS Project (TAP, approved in 1993). The overall goal of the seven-year, $20 million FPSS is to increase the contraceptive prevalence rate (CPR) by one percentage point a year from a baseline of about 7 percent. The five-year, $20 million Tanzania AIDS Project (TAP, approved in 1993) seeks to increase the practice of HIV preventive measures and improve the socio-economic well-being of AIDS orphans.

Despite the relative newness of FPSS and TAP, both projects work within the reproductive health area to achieve impact in the areas of lower fertility and HIV/AIDS mitigation. As the basis for the activities described under each of the two targets listed below, FPSS and TAP directly address for both FP and AIDS prevention services. For example, the Tanzania Demographic and Health Survey (TDHS, 1992) showed that while contraceptive use (CPR) is only 6.6 percent for modern methods, 23 percent of currently married women want no more children and 42 percent want to delay the birth of their next child. Unmet demand for family planning services is therefore being met by increasing knowledge of FP methods and access to services.

Although impact in the sense of increased contraceptive prevalence will not be measured until 1995, family planning support activities have achieved significant outputs. These include provision of effective technical assistance (TA) to the Ministry of Health Family Planning Unit (FPU) to enable it to

better manage the National Family Planning Program (NFPP); providing the MOH with a reliable FP database (TDHS); provision of a steady supply of contraceptive commodities and equipment; the dissemination of family planning information and education (IEC) messages through radio and printed formats; and training of physicians, nurses and other service providers and trainers.

On the AIDS side, there is a growing demand for condoms and for information on AIDS prevention. Activities under this target will include increasing knowledge of how to prevent HIV infection; improving access to information on partner reduction, STD control and treatment; and making condom supplies more readily available. While the Mission has continued to support the successful activities which promote condom use and STD treatment among high risk groups, new activities under Target 3.2 include the establishment of a core technical assistance team to develop AIDS activities among NGO and private sector entities; expanded use of NGO networks and workplaces to carry out programs; and provision of condoms through both public and significant private sector channels.

Both the FP and AIDS efforts under Strategic Objective 3 seek to address technical and financial sustainability issues. On the technical level the FPSS and TAP projects will work to build technical and managerial capacity with GOT and NGO institutions through the provision of training, TA and commodity support to improve efficiency in management. The objective is to elevate host country personnel to the point where they can run programs with minimal expatriate TA in the future.

Greater use of private sector/NGO channels enhance both technical and financial sustainability. For example, the TAP includes a substantial social marketing component. This activity will enable private sector vendors to market condoms for AIDS prevention, thus shifting the burden away from Government distribution channels. In family planning, greater use of NGO and private sector clinics for voluntary surgical contraception (VSC) services is being supported, with 50 percent of VSC sites supported under FPSS falling into the NGO or for-profit category.

Financial sustainability will be studied at the policy level, within the GOT's health sector appraisal exercise which examines the possibility for more efficiency in the health sector by delegating certain services to the private sector/NGOs and implementing a cost sharing program. USAID will suppport one study to help the GOT determine the actual percentage of the recurrent budget which is used to support FP and AIDS prevention programs. The amount of the GOT's contributions in terms of tax and customs exemptions will also be quantified, to better determine the Goverment's actual budgetary contribution. And, through a centrally-funded project, a study to determine the

private sector's contribution to overall health care in Tanzania will be carried out.

The growing number of private doctors and hospitals, private pharmacies and the large number of traditional healers all combine to make the private sector an important contributor to health care, including FP and AIDS prevention services.

It should be noted that the wording for this strategic objective and related targets was modified as a result of the MER team visit in October 1993. That process led to establishment of a second program sub-goal, and the transfer of project components related to orphans and their extended families into our new Target of Opportunity No. 2. These modifications are explained in Annex A.

Target 3.1 **Increased knowledge of and access to family planning information and services**

A solid database is important to any national FP program to enable it to register progress, problems and impact. A number of important surveys have been conducted since 1991, including the Tanzania Demographic and Health Survey (TDHS), 1991/92; the Tanzania Family Planning Situation Analysis (TSAS), 1992; and, an IEC audience survey of knowledge, attitude and practice (KAP), 1992. The final reports for TDHS were released by the GOT in May 1993, and the TSAS report was submitted to the MOH in August 1993. These mark the beginning of an era for the NFPP because credible and necessary baseline data now exist for the monitoring of the program.

Permanent/long term (P/LT) contraception has been established in Tanzania with the assistance of outside technical assistance and a local implementing agency. The mini-laparotomy (minilap) surgical procedure is now available in at least 35 government and NGO hospitals on an out-patient basis, and 7000 clients have been served to date. 250 nurses and doctors have been trained, providing a network of committed teams who now view P/LT methods as an integral part of FP services. Although P/LT services are relatively new, it is significant that voluntary surgical contraception (VSC) accounts for 24 percent of the overall modern-method CPR (6.6 percent), second only to oral contraceptives. If the current trend continues, P/LT methods will account for an increasingly significant share of the CPR. However, as in all other program activities, P/LT methods require dependable availability of expendable surgical supplies to ensure uninterrupted service.

The paramedical training program of the MOH FPU is proceeding commendably well and is a primary reason for the high rate of

knowledge about and access to FP information and services. Training of trainers is a pre-requisite for transferring knowledge from the national through to the district and lower levels, all the way to the village-based service delivery points. Although significant impact at the village level is some distance away, there is already evidence that trained regional teams are using their initiative to train others at the next lower level. Effective service expansion will continue to depend on an increasing number of service providers who can supply safe, acceptable and reasonably convenient services to prospective users. Evidence demonstrates that utilization of FP services is at least 50 percent higher (comparing 1992 and 1993) where the service provider has been professionally trained, and is significantly lower where no orientation has taken place.

A total of 1066 service providers, supervisors and trainers have been trained in modern family planning technology: 994 have been trained in basic family planning service delivery, and over 70 in comprehensive clinical service, including IUD insertion.

A new logistics management component began in June 1993, and will run over the next two years. Regional teams will be trained on logistics management and lead to establishment of a logistics management information system (LMIS). Improved logistics is playing an important part in advancing the spread of information and the availability of services, with the help of 27 new vehicles made available to the MOH. Of these: three ten-ton trucks now regularly transport contraceptive commodities to the regions; 20 pickups will be deployed in the regions and will be jointly used by the Expanded Program on Immunization (EPI) and FP for supervision and transportation of supplies; and four vehicles have been allotted for program management. In early 1992, many service delivery points (SDPs) lacked sufficient commodities but in early 1993 all of the SDPs visited by project-related staff and GOT program managers had all the required contraceptives.

Target 3.2 Increased knowledge of and access to HIV/AIDS preventive information and services

Our newly-approved TAP project (1) expands on-going efforts to educate high risk groups of men and women, and (2) distributes condoms, two endeavors which have been implemented in the past through Mission buy-ins to central projects. TAP seeks to stimulate growth of an indigenous NGO response to the AIDS pandemic through expansion of prevention activities and education, and will provide help to the victims and survivors of AIDS, particularly orphans. In an effort to provide for program sustainability, TAP will also create private sector-based marketing and distribution systems for condoms and other health products. Discussion regarding the measurement of impact for this target will begin in the API for next year.

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Table 4. STRATEGIC OBJECTIVE 3: BASELINE, EXPECTED AND ACTUAL RESULTS

PERFORMANCE INDICATORS	UNIT OF MEASUREMENT	BASELINE DATA		EXPECTED AND ACTUAL RESULTS									
				1992	1993	1994		1995		1996		1997	
		YEAR	VALUE	Actual	Actual	Expd	Actual	Expd	Actual	Expd	Actual	Expd	Actual
Strategic Objective 3: Increased Use of Family Planning and HIV/AIDS Preventive Measures													
Indicators:													
Modern Method Contraceptive Prevalence Rate Married Women	Rate for Married Women, 15-49	1991/2	6.6	6.6		8.6				10.6			
All Women	Rate for All Women, 15-49	1991/2	5.9	5.9		7.9				9.9			
1. Condom Use* Men	Percent of Men	1991/2	9.2	9.2		11				13.5			
Women	Percent of Women	1991/2	3.7	3.7		4.5				5.4			
OR 2. Condom use in most recent sexual intercourse with non regular partner* Men	Percent of Men	1994	TBD			TBD				TBD			
Women	Percent of Women	1994	TBD			TBD				TBD			
1. Sexual Intercourse with Non regular Partners* Men	Percent of Men	1994	TBD			TBD				TBD			
Women	Percent of Women	1994	TBD			TBD				TBD			
OR 2. Average Number of Non Regular Sexual Partners* Men	Percent of Men	1994	TBD			TBD				TBD			
Women	Percent of Women	1994	TBD			TBD				TBD			

Comments/Notes: As reported in TDHS, 1991/2, June 1993. CPR for current use is from Table 4.4, pp35 and for condom use from Table 11.8, pp158. *As noted in the previous table, a decision as to which measures of condom use and sexual activity will be made after completion of the 1996 KAPS. Once a baseline has been set, the program objectives call for a 10% annual increase in condom use and a 50% decrease in the number of sexual partners.

PERFORMANCE INDICATORS	UNIT OF MEASUREMENT	BASELINE DATA		EXPECTED AND ACTUAL RESULTS									
				1992	1993	1994		1995		1996		1997	
		YEAR	VALUE	Actual	Actual	Expd	Actual	Expd	Actual	Expd	Actual	Expd	Actual
Target 3.1 Increased knowledge of and access to family planning information and services													
Indicators:													
Knowledge of modern source of contraception Men	Rate for Men	1991/2	79%	79%		80%				85%			
Women	Rate for Women	1991/2	71%	71%		80%				85%			
FP Service Delivery Sites	Percent	1992	TBD	TBD								TBD	
Comments/Notes: As reported in the 1991/2 TDHS, the knowledge of sources for men is from Table 10.5, pp 119 and for women from Table 4.2, pp 33.													
Target 3.2: Increased knowledge of and access to HIV/AIDS Preventive Information and Services													
Indicators:													
Knowledge of HIV/AIDS Preventive Measures Men	Percent of Men	1994	TBD			TBD				90			
Women	Percent of Women	1994	TBD			TBD				90			
Knowledge of Condom Use	Percent of Men	1991/2	55.6	55.6		TBD				TBD			
Knowledge of AIDS Risk	Percent of Men	1994	TBD			TBD				TBD			
Women	Percent of Women	1994	TBD			TBD				TBD			
Access to AIDS information and services	Percent of Population	1993		TBD	TBD	5		TBD		TBD		25	
Condom availability	# condoms/population	1993	TBD	TBD	TBD	TBD		TBD		TBD			
Knowledge of STD treatment Men	Percent of Men	1994	TBD		--	--		TBD		TBD		TBD	
Women	Percent of Women	1994	TBD		--	--		TBD		TBD		TBD	
Availability of STD Services	Percent of SDP	1994	TBD		--	--		TBD		TBD		TBD	
Comments/Notes: The 1994 KAPS survey will establish the baseline for the indicators on knowledge of HIV/AIDS Preventive Measures and knowledge about AIDS preventive measures and risk. The baseline for the condoms knowledge measure comes from Table 11.9, pp. 159.													

SECTION IV

OTHER PROGRESS IN PRIORITY AREAS

While the API process does not now require reporting on targets of opportunity, the Mission's two targets of opportunity are in sectors of both Congressional interest and in the four priority areas defined by the USAID Administrator. Since reporting of Mission activity in environment/natural resources management is likely to be required in the future, the Mission is cognizant of the need to also include these targets of opportunity in the Mission performance monitoring system, and in the API.

A. The Existing Target of Opportunity:

Strengthening GOT Capacity to Manage Wildlife Resources

The Planning and Assessment for Wildlife Management (PAWM) project originated as an unsollicited proposal in 1989, is funded by a $2.5 million grant from USAID/Tanzania, and is being implemented by the African Wildlife Foundation (AWF) and the World Wide Fund for Nature (WWF). The objective of the PAWM project is to strengthen GOT capacity to effectively manage Tanzania's wildlife resources, and thereby contribute to Tanzania's Economic Recovery Program. The project has two major sub-objectives:

--to assist the Wildlife Division in preparing wildlife management sector plans at the national and local levels; and,

--to improve the management information and evaluation system and capability of the Wildlife Division of the Ministry of Tourism, Natural Resources and Environment.

The PAWM project provides the Wildlife Division with technical assistance, training, and material support. The three-year project officially began March 1990, but start-up was delayed until June 1990. The project has been extended beyond its original completion date of February 1993 to December 1994.

Monitoring and evaluation mechanisms used to-date include a brief program logical framework with general indicators (but lacking baseline and expected results data), semi-annual progress reports submitted by AWF, and an internal mid-term evaluation conducted in July 1992. The use of these instruments has not resulted in an effective monitoring and evaluation system. The semi-annual progress reports focus primarily on logistical problems and low level outputs, and have not been wholly integrated into the

project management process. In addition, the logical framework was never fully developed. The October 1993 MER team worked with the USAID PAWM project officer to further operationalize the logframe for inclusion in this year's API, and it is included here as Table 5.

This limited version of the logframe (Table 5) indicates that although the PAWM project design was not dominated by the concept of people-level impact, there is definite probability of significant impact over time. Implementation of the policies formulated, and officially promulgated by the GOT, provide first-ever management plans for four important species: live bird trade, crocodiles, ostriches, and rhinos. The management plans signed by the Government this year have placed Tanzania on the list of countries that are ensuring conservation of endangered species, and provide active conservationists with the standards necessary for judging Tanzanian performance.

The PAWM-developed database of wildlife resources has proven effective elsewhere. A PAWM-sponsored June 1993 tourist-hunting workshop for representatives of the public and private sectors, with domestic and international participants, developed a hunting policy which prompted the Government to immediately revise its outdated hunting blocks and fee schedules. Subsequently, the PAWM project was instrumental in bringing the two major wildlife authorities (Wildlife Division and Tanzania National Parks) together with the relevant local communities to agree on gazetting boundaries for an historically-controversial game reserve area (Mpanda/Katavi).

The PAWM project is scheduled to be completed in December of 1994 and a final evaluation will be conducted at that time. Due to the limited time remaining in the project, we have not attempted to recreate the baseline and expected performance tables normally associated with the API.

able 5. Target of Opportunity 1: Planning and Assessment of Wildlife Management Project (PAWM)

	Indicators	Baseline	Expected (EOPS)	Actual (status as of Oct., 1993)
Objective:				
Strengthen GOT capacity to effectively manage Tanzania's wildlife resources	Enactment of National Wildlife Plan Implemented and working	Draft National policy No national plan	One National Policy and Plan	PAWM acting as secretariat to facilitate finalization of national policy. PAWM bringing together the 4 wildlife authorities to review draft. Agreement expected by March 1994.
	Increased public and private investment in wildlife sector	Low tariff by hunters No tourist hunting policy	Increase income thru wildlife hunting fees	Additional fees on tourist hunting established beginning July 1993 Tourist hunters fee $1000 per season Hunting block fee $7,500 for 5 yrs
Sub-Target 1				
Prepare wildlife management plans at national and local levels	--Increased number of wildlife mgt plans at national and local levels	No plans	National plans in priority areas	4 national mgt plans and policies completed but not yet implemented. 2 national mgt plans in draft. To be completed before March 1994.
			4 plans at local level	1 local mgt plan under preparation. Expect completion by March 1994. Boundaries redrawn in one game reserve to expand the area under protection. Official announcement expected soon.
	Established community conservation practices		Community based conservation in wildlife areas	Meetings with local people and recommendation on conservation activities according to occupation in the area made
Sub-Target 2				
Improved management info/evaluation system for wildlife management GOT Wildlife Division	--MIS system organized and functioning effectively	Data collection and analysis was minimal and scattered in different govt offices and difficult to access	Create data center for wildlife mgt	Hunting data computerized Crop control data in place 6 officials rec'd basic computer trg Data mgt skills have not been adequately instilled in local project staff

544

B. New Target of Opportunity:

Increasing Services for Orphans and Their Extended Families

USAID/Tanzania has added a target of opportunity to cover the planned services to orphans and their extended families which is part of the mission's Tanzania AIDS Project. There is a large and growing number of orphans in Tanzania due to AIDS. It is estimated that by the year 2000, more than 500,000 children under the age of 18 will have lost one or both parents.

The traditional approach of placing orphans with the extended family is adequate in some regions. However, in the areas most affected by HIV/AIDS, families caring for orphans are becoming hardpressed because of the growing numbers. AIDS orphans usually live in families which include people with AIDS, often the infected parents of children who will soon be orphaned; elderly grandparents or other dependents; and other family members affected in some way by the disease. Thus, these families need help not only in caring for orphans' needs, but also in caring for HIV-positive relatives. The social and economic consequences can be very severe as the main wage earner becomes ill and dies. Orphans themselves are at high risk of sexually-transmitted diseases (STDs) and HIV infection if they have to leave the family unit and engage in high risk occupations such as commercial sex work.

Therefore, since HIV/AIDS affects the family unit as a whole, A.I.D.'s assistance strategy is directed at providing supportive services within this broader context. Furthermore, for reasons of both equity and effectiveness, AIDS orphans are not being singled out for support. Instead assistance is targeted at those communities most severely affected by AIDS. Recognizing that public services are already strained, USAID is working to strengthen NGOs which already play a critical role in providing community and home-based care and support to families experiencing the consequences of AIDS. These services include home-based care, counselling and economic support within the community. NGOs will be encouraged and assisted to apply for support from the Social Action Trust for activities in these areas.

USAID/Tanzania will prepare the baseline data and performance indicators for this new target of opportunity during the coming year and commence reporting thereon in the API for 1994.

C. Democracy and Governance

The rapid pace of economic liberalization in Tanzania has encompassed free market policies that would have been unthinkable a few years ago. Along with these dramatic economic changes have come substantial political developments--the existence of a legal opposition, an independent private press, and the birth or re-birth of many non-state associations representing a broad range of newly activist interest groups. Despite these accomplishments however, the country, like many other reformist African nations, appears to be caught "betwixt and between".

The Tanzanian commitment to free-market and multi-party democracy appears irrevocable; the old order is changing, and the expectations of people for economic growth and government performance are growing. At the same time, however, neither the economic nor the political reform process has yet led to a complete transformation in ideas or action. Instead of broad economic growth and improved governance, which all deem desirable, Tanzania has witnessed a gap between policy pronouncements and on-the-ground implementation. This dichotomy is coupled with rising corruption and the near-collapse of state administrative and service functions. Most seriously, formal private investment has remained very weak, reducing the impact of policy reform and undermining income growth and employment generation.

We believe that appropriate responses to this development dilemma are now beginning to be identified. USAID/Tanzania's program has already begun to respond to these circumstances in four ways: (1) by building policy implementation capacity in the tansport and financial sectors, (2) through continued policy dialogue and specific sector programs e.g. for AIDS, family planning, transport, telecommunications, and urban development, (3) by working to establish stronger markets, chiefly in the financial sector, and (4) by encouraging the development of civil society relationships, including women in development legal issues, and NGO development. We believe that over time these efforts will lead to improvements in governance.

An initial assessment of governance issues in Tanzania was developed by R. Charlck in May 1992. The ideas and recommendations in the Charlick report remain valid and are reflected in several aspects of USAID/Tanzania's current program. However, USAID/Tanzania wishes to take further steps to operationalize the findings of the Charlick report, and at the same time develop a fuller picture of democratic governance issues than was done in the very brief 1992 assessment. A more extensive examination of the democracy and governance situation,

including Tanzania's challenges and prospects, is to be conducted early in 1994. It is expected that the findings and recommendations of that assessment will be addressed during the coming year and discussed in next years's API.

ANNEX A

REVISION OF INDICATORS

AND

EXPECTED LEVELS OF ACHIEVEMENT

PROGRAM SUB-GOAL 1 — Increased formal private sector production, employment and income

The private sector strategy developed for the CPSP submitted in spring 1992, and reported on in the October 1992 API, was based on an early version of the Finance and Enterprise Development (FED) PAAD. The final approved PAAD had a much clearer vision of the components (Targets) and purpose (Strategic Objective) than the earlier version. The MER team October 1993 review of our mission strategy and project components resulted in substantial changes being made to the expression of that strategy in the Objective Tree. In particular, the earlier Sub-Goal has been clarified and sub-divided, and the Targets and Strategic Objective No. 2 have been reworded (see discussion below) to conform with the actual work being implemented at the project level. All changes are direct reflections of current program documentation language, outputs and monitoring plans.

The original strategy contained the above Sub-Goal as Strategic Objective 2. This caused several problems, the most important of which was that it is far beyond the Mission's manageable interest. The series of activities we are engaged in is unlikely to show any short-term change in national level per capita income and employment indices.

Mission tracking of Tanzanian progress toward this sub-goal will be accomplished through monitoring the annual changes in formal private sector employment, and agricultural production.

STRATEGIC OBJECTIVE I — More effective infrastructure services delivered

The review of our monitoring and evaluation strategy with the MER team left the wording for this objective and its two accompanying targets unchanged, but did modify somewhat the indicators under both the Strategic Objective and Target 1.1 as follows:

1. The road conditions indicator ("poor/fair/good") which was initially included under Target 1.1, has been moved to the strategic objective level as it more directly measures the delivery of infrastructure services than it does development of institutional systems. This indicator pertains to the quality of the roads being rehabilitated and maintained, and as such it is also directly associated with providing efficient infrastructure services. Improvement in road conditions will be evaluated through a series of surveys performed every 2-3 years by the MOW.

2. The first three indicators under the overall strategic objective (KMs of road rehabilitated and KMs of road routinely and periodically maintained) are direct measures of Strategic Objective 1 and are currently collected on a monthly basis by the MOW. Tracking the mileage amount of roadwork being accomplished under USAID-financing, in comparison to the total being done in a USAID-region by all sources of funding, will allow us to more closely tie project progress to movement toward accomplishment of the strategic objective.

3. Two of the indicators (passenger fares and vehicle operating costs) under the strategic objective were determined to be more directly relevant to impact under Target 1.1 and were moved to that location.

4. In response to comments appearing in the Africa Bureau's 1992 API review, a new indicator concerning the percentage of the value of contracts awarded to private contractors has been added to Sub-Target 1.1.2.

5. The indicator for population served by rehabilitated roads is defined as the population residing in the zone of influence of a road (generally 5 Kms. on each side of a road, unless the area is constrained by a physical obstacle such as a river, or by the zone of influence of another nearby road). This indicator is frequently used to predict traffic volumes on feeder roads because its association with vehicle traffic is strong. It is being used by the GOT's IRP project as one of the two factors for screening rural roads. Using the population-served indicator will facilitate the collection and reporting of time-series data capturing people level impact.

These changes reflect two important considerations: first, the need to utilize time-series people-level data; and second, the fact that some of our earlier indicators fell outside of the Mission's manageable interest. We believe that this refinement of our indicators for the Strategic Objective and Target 1.1 will satisfy these two considerations.

STRATEGIC OBJECTIVE 2: Increased formal private sector participation in the economy.

The original strategic objective, "increased formal private sector employment and income growth" was moved to the sub-goal level, as explained above. The section in the FED PAAD dealing with the project purpose included the statement "stimulating private sector growth", which led the October 1993 MER team and Mission staff into a discussion of what impact could be expected from the targets of the program. The phrase "private sector participation" is the broadest statement we can make which captures the Mission's intentions for impact from the policy reform and business assistance activities hereunder, and yet remains within the Mission's manageable interest.

At the time of submission of the 1992 API the FED project and non-project documentation had just been approved and obligated, and therefore that API did not comment on Strategic Objective 2, other than to say that the baseline data and indicators remained the same as they had been originally presented in the April 1992 CPSP. The objective tree included in the 1992 API was also a repeat of the same materials presented in the CPSP. Thus, revision of the original CPSP wording for Strategic Objective 2, along with its Targets (now three instead of one), has been extensive. The current status of activity and impact under S.O.2 has been discussed above (in Section III). The reporting below explains the changes we have made in S.O.2.

Performance Indicators:

Private sector share of GDP
Private sector employment
Annual growth rate of private enterprises

These three indicators replace the original indicators which now will measure the sub-goal. These new indicators more appropriately measure impact associated with our activities under this objective by showing growth of the private sector through various means.

Target 2.1: Sound and diverse financial systems established.

With only one target in the original strategy, "Private sector support environment improved", the strategy lacked focus and clarity. The three distinct areas of focus for the Mission's program suggested that three targets were needed. In addition, "support environment improved" is not the highest level of result that the Mission could achieve. The three new targets are now better results-oriented. Each of the new targets selected was taken directly from the outputs section of the FED Program Logframe.

This target as now stated, best captures the changes taking place in the Central Bank (BOT) and the resulting diversification and privatization within the financial sector.

The new Performance Indicators are:

Number of private financial institutions
Value of private sector commercial loans
Gap between market and official exchange rates

As major policy reforms continue to take place at the Bank of Tanzania, several things are expected to occur. Private sector financial institutions will be allowed to increase their participation in the economy. As financial and monetary policies change, new means of financing will be put in place, public sector lending to parastatals is expected to decrease, and the value of the private sector commercial loan portfolio should increase. Finally, financial policy reform has produced a system of unified exchange rates, with no difference between the market and official rates. This change has been implemented by the GOT earlier than originally planned under the ERP, and although it is in place we will continue to monitor the status of exchange rates during the coming year. It may well be that we will want to modify this indicator next year.

Target 2.2: Private enterprise growth and expansion.

The second target focuses on enterprise-level changes. This new target reflects the effect of the FED Program's business assistance efforts, the $40 million commodity import program, and some business regulatory changes.

The new Performance Indicators are:

Assisted-businesses with annual sales growth over 25 percent
New jobs created in assisted-businesses
Days to register a new business

The definition of "assisted-businesses" includes businesses receiving commodity import support funding under the FED NPA as well as those businesses receiving technical assistance from the Business Services Center under the FED PA. The first two of these new indicators will be gender disaggregated, the first by owner and the second by employee.

The FED PAAD is not specific as to who will be responsible for the policy reform efforts in the business regulation area. Now that the private sector advisor has taken up his post here, and the Business Services Center will open during the coming year,

this issue will be decided. If the result is that the business associations will be made responsible for this, then the third indicator will be moved to Target 2.3.

Target 2.3: Role of private sector in shaping public policy increased.

This final new target under S.O.2 focuses on assistance to the business community to be provided through business associations in membership development, workshops, seminars and policy studies. It reflects the Mission's democracy/governance concerns in developing valid and viable alternative voices for input into policymaking. Presently, such voices are weak, unorganized and without the means to participate in the policy dialogue.

The new Performance Indicators are:

Business association membership
Number of joint seminars by GOT and private sector business persons
Policy impact indicator TBD

As business associations are able to better voice the needs of their constituent members and provide needed services, it is logical that their membership should increase. It is also reasonable that an increasing number of specialized associations will be organized to establish and protect the rights of their membership. Although some individual Tanzanian businesspersons have been active in the limited number of fora addressing government policy, it is our impression that the few existing associations have not been thus active to any noticeable degree. The extent to which such associations participate in the policy dialogue with the Government will provide valid measurement of the openness of the economy, as well as insight into democracy and governance aspects.

A third indicator, one that can reflect the impact of the policy dialogue, will be developed once a particular policy is identified through the implementation processes associated with the other components of the FED program. This will occur in 1995.

PROGRAM SUB-GOAL 2: Improved Health Status

USAID/Tanzania has added a new sub-goal, "Improved Health Status", to more explicitly define the link between Strategic Objective 3 and the Mission's overall goal. This linkage was previously discussed in the 1992 CPSP, where the Mission presented insight into the impacts of child spacing and HIV/AIDS on maternal and child health, and more generally on families in Tanzania. Our work with the October 1993 MER team members clarified the need for this addition at this time.

The new Sub-goal Indicators are:

Infant Mortality Rate
Child Mortality Rate

Measurement of the impact of family planning and the use of HIV/AIDS preventive measures on infant and child mortality is not original with this Mission. They have been used elsewhere and frequently as proxies for health status. These are appropriate indicators for several reasons. First: the infant mortality rate is one of the most sensitive measures of overall change in health status. Secondly: child spacing, e.g. the use of family planning to prevent high-risk births, and the use of HIV/AIDS preventive measures, have a profound impact on infant and child survival. If births are spaced too closely, both the child preceding the newborn, and the newborn itself, are much more likely to die. HIV/AIDS is impacting both adults and children in Tanzania. The 1991/2 TDHS and the periodic national censuses provide reliable estimates of infant and child mortality rates. To our knowledge there presently are no equally-valid measures of maternal or other adult mortality.

STRATEGIC OBJECTIVE 3: Increased Use of Family Planning and HIV/AIDS Preventive Measures

The Mission has reviewed and refined its reporting on Strategic Objective 3 to:

- **more accurately reflect mission decisions this year about the nature and emphasis of our HIV/AIDS prevention program;**
- incorporate changes from the recommended Priority Prevention Indicators (PPIs) by the Global Program on AIDS/World Health Organization (GPA/WHO); and,
- **disaggegrate by gender where appropriate.**

The data for all of the indicators (see Table 4 in Section III) except for two measures of service availability come from either completed or planned national population and health surveys, e.g. the 1991/2 and 1996 Tanzania Demographic and Health Surveys (TDHS), and the 1994 Knowledge, Attitude and Practice Survey (KAPS). Table 4 provides detailed information on the indicators we are using, and the expected results.

At the S.O. level the new Performance Indicators are:

Modern method CPR
Condom Use
Sexual Intercourse with Non-regular Partners

In accordance with recommendations from the Population Evaluation Project, the Mission will use the modern method contraceptive prevalence rate (CPR), rather than the rate for all methods of contraception reported in the 1992 API, to measure increased use of family planning. Because of the amount of sexual activity outside of marriage or other official union, the Mission will be monitoring and reporting on the modern method CPR both for women of reproductive age in union and for all women of reproductive age.

In keeping with the August 1993 recommendations by the GPA/WHO on how to measure behavior related to the use of HIV/AIDS preventive actions, the Mission has added an indicator here on sexual intercourse with non-regular partners, in addition to the indicator on condom-use previously reported. Both of these indicators will be disaggregated by gender. Alternative approaches to measuring both condom use and sexual activity are being considered.

The final decision on which of the proposed measures to use will

not be reported until the 1994 API, when the Mission will have completed the 1994 KAPS. The KAPS will determine the feasibility and utility of asking certain questions in Tanzania, and it will set the baseline values for knowledge and use of HIV/AIDS preventive measures. The KAPS is currently being designed and is expected to be completed by August 1994.

This additional experience in measuring and reporting on knowledge and use of HIV/AIDS preventive measures in Tanzania is necessary for several reasons. First, worldwide experience in measuring knowledge and practice of HIV/AIDS is relatively limited. The recommended technical approaches for collecting such information are still evolving. Thus, the way some of the HIV/AIDS questions in the 1991/2 TDHS were asked does not conform with current GPA/WHO recommendations for collecting such data. Secondly, data on knowledge and use of HIV/AIDS preventive measures in Tanzania are limited. Nationwide data are not available. Finally, current sexual practice in Tanzania may make it more difficult (or less useful) than in some other countries to distinguish between regular and non-regular sexual partners. We believe that this latter condition is a critical element in the transmission of HIV/AIDS in Tanzania.

Target 3.1 **Increased knowledge of and access to FP Services**

The new Performance Indicators are:

Knowledge of a Source of Contraception
Family Planning Service Delivery Sites

There have been two changes in the indicators used to measure this target. First, the indicator reported in the FY 1992 API, "couple years of protection (CYP)" has been dropped. That indicator measured behavior at the strategic objective level, not knowledge of or access to family planning services at the target level. Furthermore, as calculated, that measure was redundant at either level since it had to be derived by converting the already-reported CPR to CYP.

Secondly, indicators of knowledge and access previously reported at the sub-target level have been moved up to the target level and the sub-targets deleted.

General knowledge of contraceptive methods is high. According to the 1991/2 TDHS, 78 percent of women and 84 percent of men of reproductive age can name at least one modern method of contraception. Therefore, a slightly higher indicator of knowledge, e.g. knowledge of a source of a modern method of contraception, is being used. This measure is disaggregated by

gender. The age cohorts for women (15-49) and men (15-60), correspond to the baseline established in the 1991/2 TDHS.

"Access" is being measured by the percentage of service delivery points which provide family planning services on a regular basis. This measure is drawn from the findings of the 1992 Tanzania Situation Analysis Study (TSAS), which will be repeated in 1997. USAID will further define what constitutes "service delivery on a regular basis" after a review of the TSAS methodology.

Target 3.2: **Increased knowledge of and access to HIV/AIDS preventive measures**

The new Performance Indicators are:

- Knowledge of HIV/AIDS Preventive Measures
- Knowledge of Condom Use
- Knowledge of AIDS Risk
- Access to AIDS Information and Services
- Condom Availability
- Knowledge and Availability of STD Treatment

The indicator of "condom-use", previously reported at the target and sub-target levels, has been moved up to the strategic objective level since it is a measure of use of HIV/AIDS preventive measures.

The measures of increased "knowledge" and "access to HIV/AIDS preventive measures" have been revised to correspond more closely with the Mission's final design of our HIV/AIDS prevention program, and with the GPA/WHO recommendations. There are three measures of "knowledge" and two of "access" to HIV/AIDS preventive services.

Determination of the indicator levels for "knowledge of HIV/AIDS measures" and of "AIDS risk", as well as for "condom availability" will use the methodology developed by GPA/WHO. The indicator on "knowledge of condom use" is derived from the TDHS. "Access to AIDS information and services" will be measured through establishment and monitoring of AIDS "anchor sites", a concept and method of project implementation discussed in official documentation for the Tanzania AIDS Project (TAP).

557

ASSESSMENT OF PROGRAM IMPACT

FY 1993

UGANDA

558

USAID/UGANDA

FY 1993

ASSESSMENT OF PROGRAM IMPACT

TO OUR READERS:

This API is submitted as we are ending the second year of the CPSP period. Especially noteworthy is the fact that Uganda has achieved two of the three underlying conditions established in the CPSP and is on track toward meeting the third. First, Uganda was to complete its progressive shift to a market-determined exchange rate and, on November 1, 1993 the Government achieved this with initiation of an interbank market for foreign exchange. Second, Uganda was to make substantial progress in resolving the departed Asian property question, and after returning over 2,500 properties to former owners the Government ended the repossession program on October 30, 1993. Third, Uganda was to implement a constitution, which has now been drafted with Constituent Assembly elections set for March 1994, and general elections planned for the ensuing year following ratification of the new constitution. While much remains to be done, the economic and political performance of Uganda over this CPSP planning period has been extraordinary despite occasional pauses or setbacks.

Notable also is the consistency of Uganda's four strategic objectives laid out in our CPSP two years ago with the recent articulation of new Agency directions by USAID/Washington.

> **Increasing rural men's and women's incomes from agricultural exports** directly supports economic growth by assisting producers and exporters, and encouraging policy reforms to improve the enabling environment for non-traditional exports.
>
> **Stabilizing biodiversity in target areas** assists with a broad range of economically-based conservation measures both at the community level and in establishing new national environmental policies.
>
> **Stabilizing the health status of Ugandans** employs diverse interventions in reproductive health, primarily in HIV/AIDS and family planning, to curtail HIV transmission and reduce fertility.
>
> **Improving the quality and efficiency of basic education** is addressed by increasing the professionalism and skills of primary school teachers, providing appropriate instructional materials and improving access for disadvantaged groups, which will lead to less inequality and greater quality of education.

Although not a strategic objective in the CPSP, USAID support has been a salient factor in Uganda's major accomplishments on its path to a constitutional democracy. Preparations for the onset of Constituent Assembly elections including civic education, voter registration and strengthening an independent election commission are helping lead toward a popularly ratified constitution and a democratically elected government.

Genuine economic and political progress by Uganda toward national development is increasingly being recognized. The conformity of objectives and partnership with USAID in achieving its country strategy is an important part of this development process. We are striving to better measure the impact of the strategy, as reflected in this assessment. Given the transformation underway in Ugandan society and the consequent need for flexible approaches, our strategy of two years ago still remains keenly relevant. It is consonant with Government objectives, reflects the competence and dedication of a solid mission staff and garners the satisfaction of assisting a country which values the critical importance of economic and political development. Clearly, USAID has been a vital contributor to Uganda's progress and successes.

Keith Sherper
Mission Director
USAID/Kampala

CONTENTS

Section I: Special Factors Affecting the USAID Program

Section II: Progress Toward Overall Program Goals

Section III: Progress Toward Strategic Objectives and Related Progress Indicators

SO 1.....page III-1
SO 2.....page III-9
SO 3.....page III-19
SO 4.....page III-24

Section IV: Other Progress in Priority Areas

Annex A: Revision of Indicators and Expected Levels of Achievement

Annex B: Program Objective Tree

Annex C: Detailed Discussion of Data and Indicators for SO 1

SECTION I

SPECIAL FACTORS AFFECTING THE USAID PROGRAM

Now in its second year since approval of the CPSP, the USAID/Uganda program continues to respond to evolving constraints and opportunities in the country. The most striking factors in Uganda over the past year are the promising -- yet fragile -- political and economic developments. Some of the key factors influencing the accomplishment of program results over the past year are summarized in this section.

GROWTH IS UP, INFLATION IS DOWN, AND EXPORTS ARE BACK

During FY 93 Uganda's economic misfortunes of the previous year were reversed. Led by strong nine percent growth in the agriculture sector, GDP surged forward by seven percent, more than making up for the three percent showing the previous year. The Government's stabilization program is back on sound footing, with the June 1993 inflation rate at approximately zero. (This contrasts markedly with the 66% rate one year earlier, and reflects the successes of the new economic team installed about 18 months ago.) Finally, after last year's lackluster performance in exports (non-coffee exports were down nearly 20%), data for the first half of 1993 indicate that non-coffee exports are up about 40%.

This turnaround has important implications for our program. At the goal and sub-goal level, movement toward meeting indicators would be seriously undermined were the economy to see several consecutive years like 1992. Of our strategic objectives, SO 1's focus on productive sector activity depends on good performance at the macroeconomic level: incomes cannot increase if the economy performs poorly. In addition, success in SO 3 and SO 4 (health and primary education) also require adequate performance in the macroeconomy to boost government revenue (for needed investments in the social sectors) and household income.

PUBLIC SECTOR RATIONALIZATION MOVES FORWARD

FY 93 has also seen the Government take strong initial steps in civil service reform, military demobilization, and divestiture of some public enterprises. During FY 93, 14,000 civil servants were retrenched, providing an opportunity for government this year to increase salaries in the teaching service, a key element of our primary education objective. Without better remuneration -- which given the budget can only come with a reduction in ranks -- there is scant chance that public servants will effectively perform their jobs. For the first time the education budget exceeded the budget for defense. In addition, the first key step in reducing military spending occurred with the demobilization of

23,000 soldiers. Concrete government action in shifting expenditures away from defense spending toward social sector spending supports attainment of SO 3 and SO 4. Finally, progress in resolving Custodian Board matters is an indication that the Government is committed to relinquishing its control of productive-sector activities in favor of the private sector.

Improvements on the expenditure side of the government budget have been matched by strong measures to raise revenues and improve revenue administration. The revenue-GDP ratio moved up one percentage point during FY 93 but is still at only 8 percent, and further efforts are required to secure the Government's stabilization objectives.

UGANDA'S EXTERNAL DEBT OVERHANG PERSISTS

Uganda's external debt is in excess of $2.5 billion, and exceeds annual GDP. The GOU has initiated a responsible debt strategy and during this year retired about 80% of the country's commercial debt at a sharp discount using donor funds. In addition, the Government has obtained the most favorable restructuring terms at the Paris Club despite an early cut-off date on its OECD bilateral debt. Over half of Uganda's debt is, however, to multilateral institutions and therefore not reschedulable, and current maturities amount to 100% of annual export earnings. With import requirements of several hundred million dollars, Uganda will continue to require balance of payments support at a high level (perhaps the $500 million range per year) for the medium term. Cash transfers in support of policy reforms will, therefore, continue to be a valuable resource for the GOU and a useful tool for achieving USAID program objectives.

AIDS CONTINUES TO OVERSHADOW IMPROVEMENTS IN THE STANDARD OF LIVING

Almost everyone in Uganda is affected in some way by AIDS. Beyond the personal impact on Ugandans, the impact on economic productivity is substantial. AIDS strikes most often in the productive age group. For example, one of the more successful industrial enterprises in Kampala loses one employee every two weeks to AIDS. Progress in developing effective AIDS prevention programs continues and there is evidence that behaviors are slowly changing, but we cannot reliably predict that the HIV transmission rate or the death toll from AIDS will be reduced in the short term.

DECENTRALIZATION SHIFTS GOVERNMENT RESOURCES TO REAL NEEDS

An advancement critical to the future of development in Uganda took place this year in the passage of the Local Governments Statute of 1993. It provides for the decentralization of

function, powers and services to local government to increase local democratic control and participation in decision-making, and to mobilize support for development which is relevant to local needs. Planning and budgeting of resources at the district level greatly increases the potential for the success and sustainability of development projects. Local men and women will have more direct access to available resources. We expect to see a more mobilization of community support for development programs. Donors will no longer be able to sign agreements with the central government and proceed to implement in isolation; we will have to be part of local development planning. We are adjusting our project design and implementation to this positive development. While requiring an adjustment in the way we operate, decentralization will ensure the relevance of our designs and will generate the local involvement and support required for long term sustainability.

MOVEMENT TOWARDS A CONSTITUTIONAL DEMOCRACY ACCELERATES

A transition to constitutional democracy is necessary to ensure long term stability, improve the quality of governance and encourage investment. Impressive progress has been made on this transition, but much remains to be done.

As Uganda moves forward in the coming year to decide its future political system, it will lay the foundation for political stability and the basis for economic growth. A smooth transition to constitutional democracy over the next two years will create the environment essential for peace and economic prosperity.

The current Government has effectively set the stage for this change. Yet the development of democracy is fragile, occasionally moving backward in the course of its forward journey. The issue of rejuvenating political parties, which are widely viewed to be a prime factor in initiating and perpetuating the strife and instability of the past, is controversial. Obstacles that relate to an effective judiciary, good governance and a proper electoral process exist, but are being addressed. Thus, while Uganda is clearly on the path to becoming a constitutional democracy, it is neither a straight nor smooth road. Uganda is meeting the CPSP condition of implementing a constitution, however, in doing so both the government and non-governmental groups have requested USAID assistance in a range of areas to accelerate and deepen progress. We have provided this assistance and have seen it pay early dividends.

SECTION II

PROGRESS TOWARDS OVERALL COUNTRY PROGRAM GOAL

The program goal is to "**establish the basis for sustained improvements in the standard of living.**" Achieving this goal requires an integrated development approach that takes advantage of the linkages and synergy between economic growth, education, health and fertility, conservation of natural resources and a democratic, participatory society. USAID's program is addressing all of these factors both directly and indirectly; each of the strategic objectives impact directly on the program goal and also complement one or more of the other objectives. Higher incomes for rural men and women growing crops for export, for example, can be expected to lead to higher levels of education and health in rural families, particularly where women control the new income. Ongoing efforts to enhance protection of Uganda's national parks coupled with the development of management plans that increase the participation of people in buffer zones in sustainable utilization of the parks' resources are already leading to increases in rural incomes for those involved. Over the longer term, efforts to improve the quality and efficiency of the primary education system will give people the requisite skills to be productive members of a democratic society, and higher educational levels among girls and women in particular are strongly associated with lower fertility rates and improved health status.

The Mission has selected four indicators to measure progress toward achieving the program goal. Progress, data collection problems and the validity of these indicators are summarized below.

Indicator 1: Food Budget

This indicator is defined as expenditure on food as a percentage of total household expenditure for the bottom 50% of Ugandan households. The underlying assumption is that an increase in the percentage of household expenditure available for items other than food represents an improvement in a household's standard of living. In 1989-90, the baseline year, the food budget for the bottom 50% of households was 69.2% of expenditures. The Mission expected to report data from the GOU's 1992 integrated household survey (IHS) this year, but these data are still not available from the Statistics Department. The IHS covers several northern districts that were excluded from the 1989/90 survey due to insecurity; as these districts are among Uganda's poorest, food budgets are likely to be a high proportion of expenditures. When the IHS data is released, it will establish a baseline that the GOU plans to update annually with spot surveys.

It is not clear what impact the dramatic decline in inflation in the last year will have on food expenditures. People may actually increase food expenditures in order to buy meat and vegetables that were previously unaffordable or they may maintain

their food budget but diversify food sources; in both cases, nutrition improves even if the indicator declines. On the other hand, per capita GDP has been growing at an average of 2.3% annually. If incomes for the bottom 50% of households are rising, the food budget as a percentage of expenditure should eventually decline. When the IHS data are available, the Mission will re-assess the long-term prospects for this indicator.

Indicators 2 and 3: Child Mortality and Nutritional Status

The second and third indicators are reduction in the mortality rate for children under five and reduction in the rate of chronic undernutrition in children under five. The USAID/Uganda strategy contributes to this indicator not only through its health activities but also by increasing women's and men's incomes from agriculture and tourism and improving primary education. The data for both these indicators are provided by the Uganda Demographic and Health Survey, which was last published in 1989, and will be next published in 1994. (N.B. based on the 1991 census, the GOU estimates under-five mortality at 205/1,000 live births, vs. 188/1,000 estimated in the 1989 DHS.) There is no surveillance mechanism in place to estimate these rates from year to year. Yearly changes in these indicators are likely to be small to the extent they occur at all. The impact of HIV/AIDS, both mother-to-child transmission and the growing number of AIDS orphans, is likely to undermine gains in immunization and other factors affecting child survival in the near term. USAID's assistance to extended families caring for AIDS orphans will help improve the orphans' nutritional status and access to health care and schooling.

Indicator 4: Adult Literacy

Adult literacy is one measure of peoples' ability to make productive, sustainable contributions to society. Improvements in adult literacy rate are dependent upon improvements in access to quality primary education. As successive cohorts of children pass through an improved education system the level of literacy in society should gradually improve. USAID's and other donors' support for basic education is necessary but not sufficient to bring about the predicted increase in adult literacy. Communities and parents must increase their commitment to building schools and classrooms and keeping their children in school.

Official data from the Ministry of Education and Sports estimates adult literacy in Uganda at 55% in 1985. Of that 55%, 35% were women. A more recent (1991) population and housing census in eight central and western districts found district adult literacy rates ranging from 20-52%. A somewhat surprising finding of the same survey was that in every district, female literacy exceeded male literacy by at least 3-4 percentage points. In light of the more recent information, our intermediate goal of 65% adult literacy by 2000 is unrealistic. The Mission will revise its literacy targets in next year's API report.

Assessment of Program Impact

Goal Level

GOALS/OBJECTIVES/OUTCOMES	PERFORMANCE INDICATORS & DATA SOURCES	BASELINE	ACTUAL Data to be reported as it becomes available	EXPECTED PERFORMANCE LEVELS			CRITICAL ASSUMPTIONS
				2000		2010	
PROGRAM GOAL:							
Establish the basis for sustained improvements in the Standard of Living.	1. Decrease in food budget as a % of household expenditure for the bottom 50% of households	69.2% (1989-1990)		65%		60%	
	2. Reduction in under-5 mortality rates	188/1000 (1988/89)		140/1000		100/1000	
RESPONSIBILITY:							
ECONOMICS OFFICE	3. Reduction in % of under-5 with chronic under-nutrition	45% (1988/89)		34%		23%	
GDO	4. Increase in adult literacy rate	55% (1985)		65%		80%	
	DATA SOURCES:						
	[1] Household Budget Survey [2] DHS [3] DHS [4] Ministry of Education & Sports						

926

PROGRAM SUB-GOAL: Sustainable Equitable Economic Growth Promoted on a Competitive, Diversified Basis

USAID's strategy for promoting economic growth is to "address the social and economic factors that enhance the capacity for growth."[1] USAID/Uganda's program is doing just that and thereby contributing directly to economic growth. Perhaps more importantly, the program is contributing significantly to the sustainability and equity of economic growth in Uganda. Sustainability of the human resource base will be enhanced through improvements in primary education, a reduction in HIV transmission and general improvements in health. Sustainability of the natural resource base will be enhanced through better environmental policies and management practices and a reduction in fertility rates and hence, the population growth rate. The program's focus on increasing rural incomes, and especially those of women, from agricultural exports, increasing girls' access to education and working with the generally marginalized people living in protected area buffer zones all improve the distribution of economic benefits to the poorer segment of the population.

Progress towards achieving the program sub-goal is tracked with three indicators that measure the rate and distribution of economic growth and the extent to which the private sector has access to economic resources (with greater private sector access signifying a more competitive, diversified economy.)

Indicator 1: Percentage with Annual Per Capita Expenditure Below $55 and $110

In last year's API the Mission defined a somewhat arbitrary poverty measure as the percentage of the population with annual per-capita expenditures below $50. We further stated that our own interpretation of the data in the 1989-90 HBS (household budget survey) was that 50% of the population had annual per-capita expenditures below $83 (using an August 1990 foreign exchange bureau exchange rate) and that we would attempt to establish the percentage below $50 by further analysis of the HBS data. Since last year's API, the World Bank has published its most recent CEM (country economic memorandum) on Uganda. This CEM focuses on poverty issues, and is based on far more detailed analysis of the 1989-90 HBS than USAID/Uganda has the resources to carry out. According to the CEM, the HBS data suggest that if a poverty line of $55 per capita is used, 19% of the 1989 population were below that level. If a $110 figure is used, fully 55% of the 1989 population were poor.[2] This API adopts

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[1] "Encouraging Broad-Based Economic Growth: USAID's Strategy, XA Revision, 9/20/93, pp.2-3.

[2] The differences between USAID's estimates and those of the World Bank are due primarily to the exchange rates at which the shilling-denominated data in the HBS was converted.

both the World Bank poverty line figures as our baseline poverty indicator.

The Mission planned to use data from the 1992 IHS (integrated household survey)[3] to provide an update on this indicator and to project targets for 2000 and 2010. However, in the absence of the results of the 1992 IHS, we have opted only to respecify the baseline figures. We will provide AID/Washington with 1992 figures and projections that are consistent with the revised baseline when the IHS is made available to us, but we do not anticipate any significant changes in this indicator.

Indicator 2: Growth of Real Per Capita GDP

Positive real growth of per capita GDP indicates that the economy is growing faster than the population and therefore that individual economic welfare is improving, assuming some degree of equity. The average annual growth rate of per capita GDP between 1987 and 1992 is 2.3%.[4] We expect the 1993 rate to be up somewhat since GDP growth is projected at seven percent and population growth is about 2.7%. Over the long term, a realistic scenario would be average annual per capita GDP growth rate of around 2.5%. This would be realized with average annual GDP growth of 5-plus percent and population growth of 2.7%.

Indicator 3: Private Sector Share of Gross Domestic Expenditure

This indicator measures the extent to which the private sector is able to use economic resources (Gross Domestic Expenditure) for investment and consumption, and is a proxy for the private sector's contribution to economic growth. A better indicator would be the private sector's share in the production of Uganda's GDP, but this information is not available. The private sector share of Gross Domestic Expenditure (GDE)[5] in 1989 was 89%, which is already a large proportion of Uganda's resources. The GOU was expected to have compiled GDE estimates for subsequent years by this time, but the data to be used for these estimates are still being processed and will not be ready until the end of 1993. The Mission will report more recent figures once the more recent GDE data becomes available.

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[3] See discussion of Indicator 1 under the Goal Statement section, above.

[4] This growth rate is lower than the 3.1 rate reported last year (for the period 1987-91). The reason for the difference is (1) the GOU has revised its population series, and the annual growth rate is higher than before, and (2) the GOU has rebased the GDP series using 1991 (vice 1987) prices, which has dropped the growth rate somewhat.

[5] Gross Domestic Expenditure is defined as the sum of GDP and net imports. When a country is a net importer as Uganda is, GDE exceeds GDP and is financed by external capital inflows.

Assessment of Program Impact
Sub-Goal Level

GOALS/OBJECTIVES/OUTCOMES	PERFORMANCE INDICATORS & DATA SOURCES	BASELINE	ACTUAL Data to be reported as it becomes available	EXPECTED PERFORMANCE LEVELS			CRITICAL ASSUMPTIONS
				2000		2010	
PROGRAM SUB-GOAL:			1992				
Sustainable equitable economic growth promoted on a competitive, diversified basis.	1. Decrease in % of population with per capita expenditure below a) $55 per year; b) $110 per year.	19% (1989) 55% (1989)					
	2. Growth of Per-Capita GDP Index Number Percent Avg. Growth	100 (1987)	112.2 2.3	141.5 2.5		181.2 2.5	GOU continues to rein in spending especially on recurrent side.
	3. Increase in private sector share of Gross Domestic Expenditure (percent)	89% (1989)		91		94	

569

SECTION III

PROGRESS TOWARDS STRATEGIC OBJECTIVES AND RELATED INDICATORS

STRATEGIC OBJECTIVE 1: Increased Rural Men's and Women's Income from Agricultural Exports

The strategic objective of increasing rural men's and women's incomes from agricultural exports can be achieved by two primary means. First, when the value of exports of agricultural commodities increases, it is logical that incomes associated with those exports will increase, in the absence of any reduction in returns per unit of export. Second, when returns per unit of export increase, such a productivity increase will also contribute to meeting the strategic objective. Indeed, it is these two elements contributing to increases in incomes that form the two targets that underpin our strategic objective.

In last year's API, we alerted USAID/Washington to the Mission's intention of modifying SO 1's objective tree substantially (as attached). With the assistance of CDIE-provided (PRISM) consultants, we have modified the targets, sub-targets and indicators for SO 1 to better represent a focused strategy for increasing rural men's and women's incomes from agricultural exports.[1] This year we are reporting performance in indicators that relate to the strategic objective and to the targets only. Indicators related to the six sub-targets in this objective will be used by USAID/Uganda for in-house monitoring and evaluation, although we will refer to those of particular note.

We are working towards a gender-disaggregated income indicator at the SO level. From targeted interviews[2], the importance of examining intra-household control of resources is clear: vanilla as a crop has empowered women because they can control proceeds from their crop unlike before. It is assumed that before women had 0% control over income they generate and now have about 40% according to the supplemental survey findings.

We were unable to obtain statistically reliable information distinguishing income controlled by males as opposed to females (within the same households) from a pilot survey we conducted earlier this year[3]. An alternative statistic that is available

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[1] See Annex C which contains a detailed discussion of these indicators.

[2] See separate discussion of people-level impact in commodity-specific discussions, below.

[3] The USAID/Uganda-financed survey attempted to better define "control" over household resources by males and females, believing this latter to more accurately assess incomes. Unfortunately, the survey was unable to provide useful information on general control of household resources as opposed to control of proceeds from particular crops.

Figure 1

STRATEGIC OBJECTIVE 1

Increased rural men's and women's incomes from agricultural exports

Average rural household expenditure
Returns to rural producers' labor from major NTAEs

TARGET 1.1

Increased exports of NTAEs

Amount value of NTAEs
# of NTAEs with exports exceeding $ 2 million per annum

SUBTARGET 1.1.1

Improved enabling environment for NTAE enterprises

Spread between lending and deposit rates of the Co-operative Bank
Annual value of investment approved through the UIA
# of investments approved through the UIA per annum

ANEPP
Technical and budgetary assistance to MFAIC
Technical and budgetary assistance to UIA

SUBTARGET 1.1.2

Increased use of financial resources by NTAE enterprises

Value of loans, grant and credit made by AID-affiliated financial institutions
# of loans, grants, credit arrangements made by AID-affiliated financial institutions

CAAS
Technical and management assistance to modernize the Co-operative Bank
Capitalization of the Co-operative Bank (TAIC 2 funds)
IDEA
Direct provision of grants to NTAE producers and exporters
TA through APUP to assist new NTAE enterprises in accessing credit
RPE
Grant to BPEU to create venture capital fund

SUBTARGET 1.1.3

Improved management performance of NTAE enterprises

Avg. sales per firm % increase in revenues for NTAEs assisted through AID activities

ANEPP
Direct management & marketing TA to NTAE firms and associations – EPADU, ADPP, VOCA
IDEA
Direct production management & marketing TA to NTAE firms – ADC
TA to Makerere Univ. to increase capacity for business management training
CAAS
Direct management and production TA to NTAE firms

TARGET 1.2

Increased rates of return to producers and exporters from NTAEs

Returns per person-day of family labor for major NTAEs

SUBTARGET 1.2.1

Increased efficiency of NTAE markets

Farmgate price as a % of border/FOB price for selected NTAEs

ANEPP
Collection & dissemination of market information
TA to strengthen export associations permitting a market role
IDEA
Collection & dissemination of market information
TA to strengthen export associations permitting a market role

SUBTARGET 1.2.2

Improved on-farm post harvest technologies

# of farmers adopting improved post harvest technologies in target areas

ANEPP
TA/support to develop & demonstrate a post harvest tech. package

SUBTARGET 1.2.3

Increased adoption of improved agricultural production technologies

% of maize production area under HYV maize
# of farmers employing improved cultural practices in target areas

IDEA
Direct TA to NARO to improve management & planning of ag research
CAAS
Distribution of improved seeds for selected crops

from existing GOU sources distinguishes average expenditures by male- and female-headed households, but this statistic overlooks the position of the majority of women (i.e., those who are in male-headed households), so we do not believe citing this statistic to be useful.

Average rural household expenditures

The reason for including this indicator, covering as it does all rural households and not just those producing for export, is to provide a backdrop against which to discuss incomes accruing to producers for export. The results of the 1992 IHS (Integrated Household Survey) are unavailable, and we are only able to report the results of the 1989-90 HBS (Household Budget Survey) in this API. We anticipate being able to access 1992 information within the next few months, and to be able to discuss a comparison of the two sets of data in real terms. For the purposes of the current API, we have included for future time periods an index of changes in rural expenditures that calls for an increase that exceeds the projected per capita GDP change of 2.5% by a full percentage point.

Returns to Rural Producers' Labor from Major NTAEs

This indicator is used as a proxy for incomes generated by production for export, and provides information on real growth of such incomes, in both index number and growth rate terms. First, the "major NTAEs"[4] we use comprise about three-quarters of total NTAEs. Second, the indicator aggregates margins[5] for the six major NTAEs for each period in question in order to compare total incomes from production of NTAEs between periods. Third, an index derived from the bundles of aggregate income (actually margins) producers earned from producing NTAEs in the periods in question is then deflated by the Uganda-wide CPI (consumer price index) to enable us to compare "real" increases in incomes. The data to carry out these calculations are all produced on an annual basis by GOU entities.

The data show marked improvements between 1990 (our selected base year) and 1992 (the most recent data available). **Total returns to rural producers' labor from major NTAEs increased at an average annual rate of about 30% in real terms, or about ten times the growth rate of per capita GDP in the same period.** This supports the validity of our focus on agricultural exports,

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[4] These include six crops: tea, cotton, tobacco, maize, beans and simsim (sesame).

[5] Gross margins remove variable costs, other than household labor, from farmgate revenues, but include some fixed costs such as land value inputs and inputs of farm structures. These are likely to be minimal in most cases. In those cases where we have additional data to provide net margins, we have done so. In any event, inasmuch as we are comparing results over time and are not relying on absolute returns, the use of gross margins should not bias results significantly.

especially in terms of its making an impact on rural incomes. At the same time, these increases are for all export commodity producers, and is not a proxy for per capita incomes.

While it is possible to demonstrate the impact silk and vanilla have had on rural men's and women's incomes due to the fact that baseline studies and follow-on surveys have been undertaken in production areas, it is harder to document income effects from other NTAEs. By far the most important crops in terms of their income generating potential and distribution are maize, beans and simsim (sesame). In addition to generating income for primary producers, trade of these commodities generates incomes for thousands of rural and urban traders as well as over 100 exporters. While the income gains to date from NTAEs when divided over the total population of producers is not clear from this indicator, case studies of specific NTAEs suggest per capita or per household increases.

The Case Studies:

1. The People Level Impact of Silk

From the small sample (15 out of 476) of silk producers covered by a September 1993 survey, there was an apparent increase in household expenditure on education, health, clothing and other household durables. There was some evidence to suggest that control over this additional income remained with the person (man or woman) actually handling the crop rather than with those providing the labor necessary for production. There was no evidence that silk production had supplanted food crop production, consequently one can conclude that the proceeds from silk reflect a net increase in total household income for the 476 farm families (in the two areas) currently producing silk. The survey analysis indicated **net annual returns ranging from $7.50 to $100 per acre in one of the growing districts. Interviews in another growing district estimated much higher net annual returns at a minimum of $500 per acre** compared to about $200/acre for maize, which is a vast improvement in the quality of life for participating farm families. This is significant, considering that Uganda's per capita income was estimated by the World Bank at $170 for 1992.

2. The People Level Impact of Beans

Beans are an important source of protein for many people in Uganda and they are a source of foreign exchange for the country. Uganda exported 9,278 metric tons of beans for the 1991/92 FY valued at US $4,140,000. Although beans are produced by many households in Uganda, their returns are low because their unit farmgate prices are also low. Results of the pilot survey indicated that average household income from beans was USh 30,240 (US $25). **About 33% of households in one growing area reported financial benefits from growing beans, which they say has contributed to paying for school fees and meeting government graduated taxes.**

3. The People Level Impact of Vanilla

The vanilla program has been highlighted in previous APIs and we don't want to overemphasize the importance of vanilla in our program, but we have new information on returns to vanilla producers.

Since 1990 the number of households involved in vanilla production in Mukono (which accounts for 80% of the national crop) has increased from 710 to 1812 with 3000 individual growers including 782 women[6].

At current production levels in 1993, 97 growers will earn incomes averaging $604 while 2903 growers will earn an average of $17[7]. Given that there is no evidence that vanilla production has displaced other crops or income generating activities, we can also assume these growers have increased their income by $17, a 10% increase over the base income of $150 per capita.

Women report that in addition to their own personal incomes, household incomes have increased and that everyone now regularly eats meat and fish and all children are able to attend school. On the down side, 80% of the women who now grow vanilla also tend their husbands and/or fathers plants. Pollination is done by hand and is considered women's work. While the extension service and vanilla producers association encourage vanilla growers to pay family labor for their time, there are few cases where this is occurring.

Target 1.1: Increased exports of NTAEs

Annual value of NTAEs

Although NTAEs dropped (by 12%) during calendar year 1992, there was a strong rebound during the first half of calendar year 1993. For this indicator, we have elected to provide more timely data by reporting in accordance with the GOU's fiscal years, which run from July through June. Using this reporting approach, there was an **11% increase in NTAEs in both 1991/92 and 1992/93**, the latter increase being primarily a result of exemplary performance in exports during the first half of calendar year 1993. Comparing the first six months of calendar years, **NTAEs increased by about 50% in the first half of 1993, compared with a 12% reduction in the first half of 1992.** This explains a large part of the gap between the actual expected performance level for 1993.

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[6] For the past two years women have been specifically encouraged to plant and tend their own vanilla through a network of 23 paid women coordinators/extension workers, 4 village agents and 4 government workers.

[7] This is because the various growers have different stages of plant maturity (varying production of green vanilla beans) and thus revenue.

Number of NTAEs Exceeding $2 Million per Annum

The number of NTAEs exceeding $2 million per year measures the diversity of the production base and the reduction in the heavy dependence on coffee for exports and government revenue.

Numerous studies on the export potential of agricultural commodities from Uganda indicate that they can profitably compete in regional and other international markets (Europe and the Middle East). Hence, an export strategy for agricultural based commodities emphasizing diversification is a reasonable approach to support sustainable economic growth in Uganda. This will lead to increased income or higher living standards for Ugandans and contribute to closing the balance of payments deficit.

There are a number of new exports which are being launched in the European markets, including cut flowers and snow peas. Projections for both flower and vegetable exports show that dollar values exceeding $2 million will be achieved by 1996. **The number of new NTAEs with exports exceeding $2 million per year has increased from three in 1989, the base year, to nine in 1993,** as opposed to an expected level of 11[8]. Other promising NTAEs like vanilla, silk, snow peas, and crocodile skins are expected to reach the $2 million level soon.

Target 1.2: Increased Rates of Return to Producers and Exporters from NTAEs

The indicator reported below is exclusive of returns beyond the farmgate. This omission is not desirable, but USAID/Uganda has yet to develop means for assessing returns beyond the farmgate.

Returns per Person-day of Family Labor for Major NTAEs

The data provide evidence that, **between our 1990 base year and 1992, real remuneration per person-day of labor put into production for export increased by just over 15% per year.** Although this statistic abstracts from increases in household size (and therefore equity), its rate of growth is clearly in excess of the average growth rate of incomes in the economy by about five times.

[8] The nine are: cotton, tea, tobacco, sesame seeds, fish and fish products, beans, maize, and animal skins.

GOALS/OBJECTIVES/OUTCOMES	PERFORMANCE INDICATORS & DATA SOURCES	BASELINE		ACTUAL			EXPECTED				CRITICAL ASSUMPTIONS
		YEAR	VALUE	1991	1992	1993	1993	1994	1995	1996	
STRATEGIC OBJECTIVE # 1 Increase rural men's and women's incomes from agricultural exports.	1. Average rural household expenditure. **DATA SOURCES:** - Household Budget Survey (1989 - 90). - Integrated Household Survey 1992. - Pilot Baseline Survey on Rural men's and women's Income and expenditures, 1993.	1990	100							127[9]	GOU will continue its policy of priority emphasis on exports from the NTAE sector, and continued liberalization of the economy.
	2. Returns to Rural Producers' labor from major NTAEs. (index number) **DATA SOURCES:** - Customs Department - Ag.Secretariat crop budgets	1990	100		172					356[10]	Domestic markets continue to liberalize and become more efficient.

576

[9] This represents a 3.5% annual growth rate in average rural expenditures.

[10] Represents a 20% annual growth rate in total returns.

Assessment of Program Impact - Strategic Objective 1

GOALS/OBJECTIVES/OUTCOMES	PERFORMANCE INDICATORS & DATA SOURCES	BASELINE		ACTUAL			EXPECTED				CRITICAL ASSUMPTIONS
		YEAR	VALUE	1991	1992	1993	1993	1994	1995	1996	
Target # 1.1 Increase exports of non-traditional Agricultural exports.	1. Annual export value of NTAEs. (In million US $) **DATA SOURCES:** Customs Department, MFEP Key Economic Indicators, MFEP.	1990	33.7	43.7	50.2	60.2	70.6	81.2	93.4	107.4	European countries will continue policy of non-tariff entry of products from Sub-Saharan countries.
	2. Number of NTAEs with a dollar value exceeding $2 million per annum. **DATA SOURCES:** -IDEA Project Annual Reports -Customs Department	1989	3 **SPECIFIC CROPS:** - Cotton - Tea - Tobacco	8 **SPECIFIC CROPS:**(In Descending Order) - Cotton - Tea - Tobacco - Sesame Seeds - Fish & fish products - Beans - Maize - Cattle Hides	8	9	11	12	14	16	PTA stability and increased market, particularly of basic food products such as beans and maize. Middle East and European new market initiatives are successful.
Target 1.2 Increase Rate of Return to producers and exporters from NTAEs.	1. Returns per person-day of Family labor for major NTAEs. **DATA SOURCES:** -Survey Data -Ag.Secretariat,BOU -Key Economic Indicators	1990	100		133					195[11]	Domestic markets continue to liberalize and become more efficient.

[11] Represents a 10% growth rate in unit returns.

577

STRATEGIC OBJECTIVE 2: Stabilize Biodiversity in Target Areas

Impact measures for SO 2 were developed around the theme of people and the environment. In the Ugandan context the linkages between communities and protected areas are numerous and complex. Most of the parks are catchment forests and the principal reservoirs which assure adequate water supplies on a year-round basis. The parks are also the source for a wide variety of other amenities including fuelwood, construction materials, medicinal plants, and game meat. In addition, many of these areas hold traditional and spiritual importance for the resident population. Finding the balance between sustainable utilization and the conservation of these important areas is the overarching objective in our natural resource management program. This is the third year of our major natural resource management activity, the Action Program for the Environment (APE). Environmental policy reforms and participatory management approaches encouraged by APE have set the groundwork for long-term sustainable progress in Uganda's natural resource management.

SO Indicator 1: Current Levels of Tree, Mammal and Bird Species Maintained

Inventories are the first step towards tracking the status of biodiversity in the target areas. This report notes progress in conducting inventories since the last API and introduces a system for accurately measuring the status of inventories in the parks. As shown in the table below, areas where there have been partial or species specific inventories will receive partial credit. Individual key species work (ex. gorilla, elephant, mahoganies, etc.) will score 0.1 points. Species groups (birds, trees, mammals, etc.) completed will receive a score of 0.3. The maximum rating for any one area is 1. The number in the matrix represents the cumulative work carried out in all 10 target areas. The baseline, which was not available for API 1992, is 3.1 and the total at this time is 4.7 out of a possible 10 points (for complete inventories in all ten parks).

In terms of species levels, **there is clear evidence from ongoing inventory work that the populations of large mammals such as elephants and gorillas have been increasing over the last few years.** For determining the key species and species groups to be monitored for SO 2, APE will employ the internationally recognized classification system which has been developed by the World Conservation Union (IUCN). For next year's report we will have sufficient information to begin accurately monitoring these species and groups.

Target Areas	Prior	Work completed FY 93	Total
Kibale	0.8		0.8
Lake Mburo	0.5		0.5
Queen Elizabeth	0.5	Elephant inventory (0.1)	0.6
Kidepo	0.0	Large mammals started	0.0
Murchison Falls	0.4		0.4
Mgahinga	0.3	Gorilla inventory (0.1)	0.4
Semliki	0.1	Gen'l biology inventory	1.0
Mt. Elgon	0.0	Vegetation inventory	0.3
Bwindi	0.4	Gorilla inventory (0.1)	0.5
Rwenzori	0.1	Small mammal inventory	0.2
Total	3.1		4.7

SO Indicator 2: Percent of Target Areas where Current Surface Area Maintained

This target refers to both the integrity of the surveyed boundary and the interior of the protected area. All ten target areas have surveyed boundaries with known surface areas. In many cases, however, the boundaries have deteriorated or have been relocated over the years. Similarly, during the period of civil strife most of the target areas were disturbed or degraded. The performance level is the percentage of total boundaries for the 10 areas that are being rehabilitated. The baseline is 40 percent (1986, start of rehabilitation period) and the actual for the last reporting period was 60 percent. Target areas with ongoing or completed boundary rehabilitation work include:

Area	% completed (92)	% completed (93)	ranger patrols
Mgahinga	80	100	1
Bwindi	100	100	1
Queen Elizabeth	100	100	1
Lake Mburo	100	100	0
Kibale	100	100	1
Mt. Elgon	50	100	1
Rwenzori	10	10	0
Semliki	30	100	0
Murchison Falls	30	30	0
Kidepo	0	0	0
AVG. %/TOTAL	**60**	**74**	**5**

The indicator is designed to monitor both the boundary as well as the overall status of the protected area. To further define this indicator, beginning with this report another number will be included in the matrix (alongside the percentage) which represents the level of surveillance currently taking place within the target areas. If a target area is currently adequately patrolled (all parts of the protected area visited at

least once per month) by rangers who submit reports regularly then the rating given that area will be a 1. Anything less is 0. As shown in the in the third column of the table above, 5 out of 10 or 50% of the parks are adequately patrolled.

SO Indicator 3: Increase in Percent of Local Men and Women Deriving Benefits from Activities Related to Protected Area Management

There are two ways to determine if local communities are deriving benefits from protected area management. The first is by gauging individual perception of the protected area in relation to the household unit and how this changes over time. The second is by monitoring actual economic impact on the household as a result of protected area management. To accurately estimate all of the above, baseline surveys of the target areas are required. Baseline work for six of the parks is now complete and baseline surveys for Murchison Falls, Semliki and Queen Elizabeth are planned. During FY 94, a standard method will be developed for all the target areas which will disaggregate information by gender and permit a more accurate and rapid assessment of the community/grassroots benefits derived from protected area management. Also at that time an overall baseline for this indicator will be established. As a result of baseline work accomplished to date, projects have begun working with beekeepers, traditional herbalists, bamboo collectors, stretcher guilds, gold miners and other groups in an effort to develop strategies for sustainable resource utilization.

Target 2.1: Improved Policy and Institutional Framework that Promotes Sustainable Natural Resource Use

There has been significant progress on this target at all levels. The nearly completed National Environmental Action Plan (NEAP) process has produced a number of products as well as a blueprint for the decentralization of environmental management. Products to date include the completion of Uganda's first Environmental Management Policy, an institutional framework for environmental management, draft environmental legislation, an environmental investment program, and the first State of the Environment Report for Uganda. **The institutional framework developed by the NEAP establishes an inter-ministerial National Environmental Management Agency (NEMA) that will have significantly broader purview and authority than the Department of Environment, the entity currently responsible for environmental affairs.** Progress on establishing NEMA and implementing the decentralized approach will be monitored throughout the life of APE in order to provide additional information regarding impact of this target.

APE conditionality is responsible for upgrading the conservation status of six priority forest reserves to national parks. Last year, the GOU upgraded three of these biologically diverse areas to national parks; this year, the other three (Kibale, Semliki, and Mt. Elgon) were made national parks as well.

Finally, policies for local retention of park/reserve user fees for recurrent costs and community development are still being discussed with local communities and their representatives. Guidelines and criteria for revenue sharing have been developed and discussed at Uganda National Parks. A draft revenue sharing policy has been completed and a final policy will likely be developed during the FY 94 reporting period.

Target 2.2: Increased Ecotourism through Private Organizations, Especially at the Local Level

Performance for all indicators related to this target went well beyond expected performance levels this year. Recognizing the importance that tourism once played in relation to the national economy (among the top five sources of foreign exchange), the GOU has devoted much effort to revitalizing this sector. APE is providing considerable support to the GOU in this endeavor.

The ten national parks (target areas) represent most of the key tourist attractions in Uganda. **There was a significant increase in the number of tourist attractions opened to the public this past year. The most significant of these is gorilla tourism which began in April 1993 at Bwindi and has received direct support from APE.** Preparations for reopening gorilla tourism at Mgahinga are also underway and the first groups will be allowed into the park in early 1994. Work is continuing in Semliki, Kibale, Queen Elizabeth (Kyambura gorge) and Mt. Elgon to improve and expand ecotourism.

40,000 tourists visited Uganda in 1993, an 82% increase over the previous year and well above the API projection of 28,000. Park revenues from user fees have doubled from 1992 to 1993 and are financing improvements in park operations. Finally, three new local, officially organized groups have begun providing tourist services. (There was one last year.) A number of other tourism firms have also opened but only groups based in a particular target area are counted for this indicator. There has also been a dramatic increase in the number of new, private tourism concessions. Nine new concession agreements were signed out of the 20 planned in the seven original national parks, representing a 45% increase in the privatization of national park concessions.

Target 2.3: Strengthen Incentives for Local Participation in Management of Protected Areas and Associated Buffer Zones

In addition to the obvious economic benefits for local communities from ecotourism, there are other benefits such as access to effective extension programs and empowerment of local communities in the decision making process for protected area management. The baseline for extension impact will be developed in association with SO 2 Indicator 3.

630 men and women from surrounding communities are employed in the parks and reserves, an increase of 130 over last year. This

figure is only Uganda National Parks employees. The API projection of 1500 includes private sector jobs. New jobs have been created in the private sector but the numbers are not currently available.

The increase in local community participation in the development of park management plans is an important development. Plans for Bwindi and Lake Mburo have been completed while plans for Mgahinga, Kibale and Rwenzori are being developed.

Even more significant is the establishment of four Participatory Management Advisory Committees (PMACs) as a direct result of community involvement in the planning process. The PMACs allow communities to play a continuing role in park management. The Mission will continue to watch this trend closely as it represents a significant departure from protected area management elsewhere on the African continent. Uganda is one of the few countries that is actively incorporating local community views and concerns into protected area management both at the policy and implementation levels, in part due to APE initiatives.

Target 2.4: Establish Basis for Improved Management of Protected Areas

This target focuses on the more fundamental aspects of protected area management that includes training, infrastructure development, education and administration. There was a 25% increase in the participation of park personnel in training programs during this reporting period. There were approximately 130 kilometers of road improvement (most of which directly facilitates tourism development). This was particularly noteworthy in Lake Mburo, Q.E., and Bwindi (Buhoma area for gorilla tourism). Progress related to lodging, headquarters and other infrastructure was less than anticipated. Work accomplished includes the procurement of a new headquarters for UNP plus several support structures for the various parks. Lodging and visitor centers lagged behind. Limited construction has been completed at Lake Mburo, Kibale, Mt. Elgon and Bwindi. Since the indicator measures completed construction, no progress is registered this reporting period.

The number of parks and reserves with active community conservation education programs has increased from three to seven, well beyond expected 1993 performance. New programs are located at Mt. Elgon, Mgahinga, Rwenzori and Semliki.

Standardized park financial systems will be developed and installed in all the parks during the next two years. The current baseline for this indicator is zero.

Assessment of Program Impact - Strategic Objective 2

GOALS/OBJECTIVES/OUTCOMES	PERFORMANCE INDICATORS & DATA SOURCES	BASELINE	ACTUAL			EXPECTED PERFORMANCE LEVELS				CRITICAL ASSUMPTIONS
			1991	1992	1993	1993	1994	1995	1996	
STRATEGIC OBJECTIVE 2										
Stabilize biodiversity in target areas	1. Current levels of tree, mammal and bird species inventoried by target area.	3.1 (1992)	NA	3.1	4.8	2[12]	6.5	8.5	10	
	2. % of target areas where current surface areas maintained.	40 (1986)	60		74/ 5	70	80/6	90/8	100/10	
	3. Increase in % of local men and women deriving benefits from activities related to protected area management	TBD			TBD					
	DATA SOURCES: [1] Field stations, periodic inventories, National Biodiversity Data Bank, other records [2]. protected area records [3] project surveys with assistance from LTC/MISR study									

583

[12] Expected performance level was established at 2 before the baseline (3.1) was determined. Expected performance levels for 94, 95 and 96 have been increased.

Assessment of Program Impact - Strategic Objective 2

GOALS/OBJECTIVES/OUTCOMES	PERFORMANCE INDICATORS & DATA SOURCES	BASELINE	ACTUAL			EXPECTED PERFORMANCE LEVELS				CRITICAL ASSUMPTIONS
			1991	1992	1993	1993	1994	1995	1996	
TARGET 1	1. NEAP:									
Improved policy and institutional framework that promotes sustainable natural resource use.	(1) completed & endorsed by GOU						expected			
	(2) implementation plan approved						expected			
	2. Upgraded legal status of targeted parks & reserves									
	(1) Bwindi, Rwenzori & Mgahinga forest made national parks			completed						
	(2) Kibale, Semiliki & Mt. Elgon raised to forest park status				completed					
	(3) Mgahinga, Bwindi & Rwenzori made world heritage sites								expected	
	3. Policies for local retention of park/reserve user fees for recurrent costs & local people						expected			
	(1) policy developed (2) policy enacted (3) policy institutionalized in 10 target areas									
	DATA SOURCES:									
	1. Project records, GOU gazette 2. GOU gazette, GOU gazette, UNESCO 3. GOU gazette, project records									

584

Assessment of Program Impact - Strategic Objective 2

GOALS/OBJECTIVES/OUTCOMES	PERFORMANCE INDICATORS & DATA SOURCES	BASELINE	ACTUAL			EXPECTED PERFORMANCE LEVELS				CRITICAL ASSUMPTIONS
			1991	1992	1993	1993	1994	1995	1996	
TARGET 2 Increased ecotourism through private organizations, especially at the local level	1. Number of tourist visits increases in target sites	10,800 (1986)	14,000	22,000	40,000	28,000	45,000	55,000	65,000	
	2. Annual revenue from park/reserve user fees increased (million USh)	66.3 (1991)	66.3	210	400		450	550	650	
	3. Number of officially organized local groups providing tourist services increases.	0	1	1	4	3	5	7	9	
	DATA SOURCES: 1. MTWA, UNP, Forest Dept. and records for 10 target parks/reserves 2. MTWA, UNP, Forest Dept. and records from 10 target parks/reserves 3. MTWA, UNP, Forest Dept. project surveys									

585

Assessment of Program Impact - Strategic Objective 2

GOALS/OBJECTIVES/OUTCOMES	PERFORMANCE INDICATORS & DATA SOURCES	BASELINE	ACTUAL			EXPECTED PERFORMANCE LEVELS				CRITICAL ASSUMPTIONS
			1991	1992	1993	1993	1994	1995	1996	
TARGET 3 Strengthened incentives for local participation in management of protected areas & their buffer zones	1. Increase in number of male and female farmers adopting agricultural/natural resource practices extended/promoted by project activities	TBD	0	TBD	TBD	TBD	TBD	TBD	TBD	
	2. Increase in number men and women from buffer zones employed by parks & reserves	0 (1989)	400	500	630[13]	1,500	4,000	6,000	10,000	
	3. Increase in number of target areas where local communities participate in development of management plans	0	0	0	5	2	5	8	10	
	SOURCES: 1. Project NGO records 2. Project NGO records 3. Project records									

[13] Includes only Government employment. Private sector employment figures not yet available.

Assessment of Program Impact - Strategic Objective 2

GOALS/OBJECTIVES/OUTCOMES	PERFORMANCE INDICATORS & DATA SOURCES	BASELINE	ACTUAL			EXPECTED PERFORMANCE LEVELS				CRITICAL ASSUMPTIONS
			1991	1992	1993	1993	1994	1995	1996	
TARGET 4 Established base for improved management of protected areas.	1. Increase in the % of park/reserve staff and managers participating in project related training and workshops on an annual basis	0 (1989)	10	15	25	25	40	40	50	
	2. Increase number of kms of improved road infrastructure	0 (1989)	50	120	130	150	200	225	250	
	3. Decrease number of target parks/reserves offering community conservation education programs	2 (1988)	2	3	7	4	7	9	10	
	4. Increase headquarters, lodging & other support infrastructure in target parks/reserves	0 (1989)	3	4	4	5	7	9	10	
	5. Park Accounting Systems established	0	0	0	0	0	4	6	10	
	SOURCES: 1. Project records and GOU 2. Project records and GOU 3. Park/reserve records 4. Project records 5. Project records and GOU									

587

STRATEGIC OBJECTIVE 3: Improve the Quality and Efficiency of Basic Education

The primary education reform program has recorded solid progress during the reporting period. Policy decisions and consequent budgetary and program actions have resulted in higher salaries for teachers, a reformed textbook procurement system that promotes free and fair competition, and a new initiative to reward schools for boosting quality and access, especially for disadvantaged groups such as girls. The ground work for a comprehensive in-service training program for the nearly 50 percent of unqualified teachers has been laid and the program will begin, on schedule, during the upcoming reporting period.

The success and pace of policy reform over the last year substantiate the assumptions underpinning USAID's education program. However, the very low level from which the education system is starting should be kept in mind. Uganda's education system is gripped by both limited access and falling quality. In 1992 only 53% of 6-12 year olds were in school. Enrollment may actually have declined during the last two years. Simultaneously, quality has been plummeting. The cohort survival rate in seventh grade, the end of the primary cycle, has fallen from 90% in 1981 to 37% in 1991. The pass rate on the Primary Leaving Exam fell from 72% to 25% of those who started school during the same period. The initial task is to reverse these trends. Major gains in student achievement are still years away. Also, as progress is made towards expanding access to the approximately 50% of out-of-school youth, additional stress will be placed upon an already overloaded system.

The long-term nature of improving educational quality in a system that lacks trained teachers, instructional facilities, textbooks and learning materials was reflected in the API matrix which did not predict measurable changes in expected performance levels for this year. Nevertheless, as a result of USAID's policy dialogue and work now being done by a U.S. institutional contractor with the Ministry of Education and Sports we expect, and indeed are seeing, tangible progress towards overcoming the binding constraints to better education. Specific achievements are described below by target indicator.

It is important to reiterate that USAID's commitment to Ugandan education is long-term. It will take years before better trained teachers, the availability of instructional materials, and more active community involvement are reflected by gains in student achievement and persistence.

Target 3.1: Increased Number of Students Using Relevant Educational Materials

This target aims to increase the number of textbooks and supplementary learning materials in the classroom. A constraint to achieving the target, one not fully appreciated during program

design, was the lack of a clear policy governing the supply of materials to schools. Furthermore, prevailing practices, characterized by monopoly arrangements with two foreign publishers, were clouded by allegations of corruption.

As a direct result of USAID's policy dialogue and program conditionality, the GOU has developed and published a new textbook procurement policy that abolishes monopolies and promotes free and fair competition among publishers. This reform lays the groundwork for a truly sustainable system of providing instructional materials for schools. The policy establishes a vetting body that will review, and approve for use in schools, any book that satisfies pre-set curricula and quality standards. The vetting body will not select or recommend which books should be used. Thus, it will be possible for more than one book to be approved for a grade, opening up the possibility of competition among textbooks. Selection will be done at the district level. It is hoped that as books enter the market, sales will be taken over by booksellers and the selection decision will be decentralized even further, possibly to the school level. This new system will operate for the first time during the coming year. It is expected that three to five years will be needed for the system to become fully competitive. The GOU budgeted $3,000,000 for the purchase of core textbooks and teachers guides. This is the first year in which the GOU has made provision for instructional materials.

Target 3.2: Increased Number of Effective Teachers

This target will be achieved through a combination of policy reforms to improve teachers' terms and conditions of service and through in-service courses for unqualified teachers. Before these courses can be mounted, a new teacher training curriculum must be developed and accepted, materials must be designed and produced, and tutors must be trained. Only then can the daunting logistical problems of reaching the teachers and delivering the course be tackled.

Real improvements in teachers' salaries are provided for in the GOU 93/94 budget which increases the salaries of the lowest paid teachers from Uganda Shillings 13,000 per month ($11) to Uganda Shillings 35,000 per month ($29), an increase of 260 percent[14]. While still appallingly low, **this constitutes significant progress towards the GOU's goal of paying teachers a minimum "living wage" of 70,000 shillings per month by 1996.** Higher salaries will help to increase teachers' accountability and boost the system's ability to attract and retain good teachers.

Since the arrival of USAID's institutional contractor in mid-July 1993, the Ministry of Education and Sports has taken a number of deliberate steps towards offering in-service training to unqualified teachers. Especially important is the establishment

[14] World Bank data for 1992 shows Uganda GNP per capita as $170.

of a task force charged with producing a teacher training curriculum and syllabus. The first four hundred teachers are expected to enroll in the resulting course during the next reporting period. It should be noted, however, that this is a three year course, so the first graduates will be in 1996.

Target 3.3: Increased Girls' Persistence

This is the most complex of the targets included in USAID's education program. Girls' persistence is closely associated with cultural norms, marriage patterns, and parental values - all of which are difficult to influence. In addition, female enrollment in grade seven, the end of the primary cycle, is 43% nationally. This average disguises vast discrepancies among districts and even among schools within districts, making it essential to target assistance.

There is a consensus within the educational community in Uganda that the only way to effectively address this issue is through community mobilization efforts. To this end, and as a result of USAID's policy dialogue, the GOU has established procedures for making grants to schools that boost the persistence of disadvantaged groups, especially girls. The GOU has budgeted 375,000,000 Uganda Shillings ($300,000) for the school grant program this fiscal year. Also, both the Ministry of Education and Sports and USAID's institutional contractor have recruited staff to mount community mobilization campaigns. Strategies will be developed during the upcoming reporting period.

Assessment of Program Impact - Strategic Objective 3

S/OBJECTIVES/OUTCOMES	PERFORMANCE INDICATORS & DATA SOURCES	BASELINE	ACTUAL			EXPECTED				CRITICAL ASSUMPTIONS
			1991	1992	ACTUAL 1993	EXPECTED 1993	1994	1995	1996	
EGIC OBJECTIVE 3		Pass rates:								
e the quality and efficiency of lucation.	1. Increase in the percent of pupils who pass grades 1-7[15]	P1:75% P2:91% P3:81% P4:82% P5:82% P6:78% P7:82% (1990)	P7:80%	P7:68%	N.A.	75% 91% 81% 82% 82% 78%	78% 92% 85% 85% 85% 85%	80% 92% 85% 85% 85% 85%	85% 92% 87% 87% 87% 87%	MOES raises teachers salaries to a living wage. World Bank Education Sector Credit is approved.
	2. Decrease in the number of years of school provided per primary school graduate.	23 yrs. per graduate (1990)	N.A.	N.A.	N.A.	23 yrs. per graduate	23 yrs. per graduate	22 yrs. per graduate	20 yrs. per graduate	
	DATA SOURCES: 1. MOES Planning and Statistical Unit 2. Uganda National Examinations Board									
ET 3.1										
ed number of students using t educational materials.	1. The ratio of books to pupils will increase to one set of four core books for every three pupils.	1 book: 15 pupils[1] (1990)	1:6	1:6	1:6	1:15	1:8[2]	1:5[2]	1:3[2]	MFEP budgets funds for the purchase of textbooks.
	DATA SOURCES: 1. MOES Project Implementation Unit 2. School surveys									

[15] Revised from last year's grades 1-6 to grades 1-7 because it is a more complete measure of primary school performance.

592

Assessment of Program Impact - Strategic Objective 3

.S/PBJECTIVES/OUTCOMES	PERFORMANCE INIDCATORS & DATA SOURCE	BASELINE	ACTUAL			EXPECTED				CRITICAL ASSUMPTIONS
			1991	1992	ACTUAL 1993	EXPEXTED 1993	1994	1995	1996	
ET 3.2										
ıed number of effective teachers.	1. Increase in the number of teachers receiving non-credit in-service training	800 (1992)	800	800	650	650	5000	9000	9000	TDMS program is successfully implemented.
	2. Increase in the percent of primary school teachers who hold a Grade III or a Grade V qualification.	49% (1990)	49%	51%	51%	50%	51%[16]	53%	55%	
	DATA SOURCES: 1. MOES Planning Unit 2. SUPER Project records									
RAM TARGET 3.3	1. Increase in percent of girls who enrol in P3, P5 and P7 as a percentage of girls who start school.	P3:66%[1] P5:43% P7:24% (1990)	N.A. N.A. N.A.	N.A. N.A. N.A.	N.A. N.A. N.A.	66% 43% 24%	68% 45% 26%	70% 47% 28%	75% 50% 30%	
ıed girls persistence.	DATA SOURCES: MOES Planning Unit, School Censuses [1] 1990 School Census									

[16] Expected performance level has been increased from 50% to 51% because the 1993 actual is already 51%.

STRATEGIC OBJECTIVE 4: Stabilize the Health Status of Ugandans

This API reflects a revision of previous targets and sub-targets under SO 4. This revision consolidates a large number of previous targets, sub-targets and indicators to focus on core concerns; refocuses indicators on impact more directly related to specific USAID activities; and limits quantitative reporting and forecasting according to the availability of meaningful data. It does not affect the substance of our health and population portfolio.

SO Indicator 1: Total Fertility Rate Reduced to 6.9 in Intervention Areas

USAID has supported a number of activities over the past four years which have laid important groundwork for fertility reduction. Progressive family planning policy guidelines and service delivery standards have been promulgated; clinical-service curricula have been designed for nursing personnel and a small cadre of FP trainers has been developed; a national social-marketing program has been launched; four NGOs have initiated new, if small, FP programs; a national contraceptive logistics system has been designed; surgical contraception is being provided at 13 sites; a strong three-district community-based family planning program has been improved and expanded; a three-district Community Reproductive Health Project program has been launched; an initial series of information, communication and education (IE&C) materials has been designed; and a modest program to strengthen the Family Planning Association of Uganda has been initiated.

The significance of these advances should not be underestimated. However, contraceptive prevalence in 1989 was only 2.5% for modern methods and the use of longer-acting methods has been low; large numbers of potential FP providers still need to be trained and equipped; systems for supplying and supervising these providers and reporting on their activity are almost totally lacking; and vigorous, extensive and professional promotion of FP is in its infancy. Fertility is not measured annually, nor is it likely that significant fertility reductions have occurred over the past year alone. We currently do not have the means to reliably estimate the effect that our disparate and often small-scale activities have had on national or sub-national fertility rates to date.

USAID expects this situation to change with the implementation of our Delivery of Improved Services for Health (DISH) Project, authorized on August 31, 1993. This project will build on current initiatives and concentrate activities in 10 districts, with before-and-after fertility effects measured in these districts by two Demographic and Health (DHS) Surveys.

SO Indicator 2: Reduced HIV Prevalence in Intervention Areas

USAID supports AIDS-education activities of nine indigenous NGOs and the National Resistance Army; the provision of testing and counselling by the AIDS Information Center (AIC) at five branches

and 25 "satellites" in 15 of Uganda's 40 districts; and prevention counselling by The AIDS Support Organization (TASO) in seven districts. We also support the MOH's AIDS Control Program and the Secretariat of the National AIDS Commission. We do not know the extent to which these varied activities some of which began only a year or two ago, have reduced HIV transmission because the populations served are not well defined, there is no baseline, and it is not possible to monitor sero-status in these populations over time.

Given these limitations, USAID has selected six sites from which to report prevalence data. The MOH has been collecting HIV prevalence data at sentinel antenatal sites (females only) in Kampala, Jinja and Mbarara since 1989. The AIC, offering anonymous HIV testing and counseling to both men and women, was opened in Kampala in 1990, in Jinja in 1991, and in Mbarara in 1992[17].

HIV prevalence at the MOH's main sentinel antenatal clinic site in Kampala is continuing to increase, with rates rising from 24.5% in 1989 to 30.1% in 1993.

AIC data shows a somewhat different trend in HIV prevalence among HIV testing and counseling clients in Kampala:

	1990	1992	1992	1993
Female	34%	34%	35%	26%
Male	23%	21%	21%	14%

Prevalence rates among female and male clients have fallen dramatically. These declines are probably caused by a shift in client population from those who suspect they are infected to persons more representative of the general population. The current similarity in prevalence between women attending the antenatal clinic (30.1%) and women attending AIC centers (26%) suggests that rates in AIC clients in Kampala may be representative of the sexually active population.

Antenatal rates in Jinja have been relatively stable at 20% to 22% since 1991. Rates in AIC female clients in Jinja remain higher, however, at 30% in 1991, 31% in 1992, and 29% in 1993. This trend is similar to that observed in Kampala, where for the first three years of operation, AIC female clients had higher rates than antenatal clinic patients. As in Kampala, rates in male AIC clients are consistently lower than the rates in women.

Rates reported by the antenatal clinic in Mbarara have fluctuated considerably, and the MOH is trying to assess what the real trends in HIV prevalence may be in this district. When the Mbarara AIC branch opened in 1992, prevalence was 25% among male clients and 34% among females. In 1993, these figures declined to 15% in

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[17] Estimated 1991 populations: Kampala 774,241; Jinja 65,169; Mbarara 41,031.

males, but only to 32% among females. In December 1992, the MOH conducted a survey in Mbarara town. 1,276 persons were randomly selected, and over 25% of both males and females between the ages of 25 and 34 were positive. Perhaps most disturbing, 7% of girls aged 12 - 14 were HIV positive.

Overall, these data are discouraging, although rates may be beginning to stabilize among some populations. However, even where this may be the case, as in Kampala and Jinja, current HIV prevalence in young adults exceeds 15% for males and 25% for females, with prevalence among some sub-populations even higher. Prevalence among female clients at a newly opened AIC branch in a Kampala slum where commercial sex is common (Kisenyi) between July and September, 1993 was 41% - the highest rate ever observed at any AIC location. Evidence from Mbarara shows no stabilization, and suggests very high rates of over 25% for both men and women 25 to 34 years old.

Data on AIC and TASO clients, however, shows an encouraging trend with respect to behavior change. It appears that people who voluntarily come for HIV testing and counseling are highly receptive to change, and with effective counseling, will reduce casual sexual encounters and use condoms at much higher rates than the general population. This is some of the first documented evidence in Africa of HIV interventions changing sexual behavior. (See Target 4.4 below.)

Target 4.1: Increased Use of Modern Family Planning in Intervention Communities

Contraceptive prevalence will be measured in the 1994 DHS, both nationally and in the 10 districts[18] where the new DISH Project is to be implemented. In years between DHSs, we will report on couple-years of protection.

However, the contraceptive social marketing (CSM) program and NGO projects aside, data sources for CYP are poorly developed. Despite assistance from RD/POP's Family Planning Logistics Management Project, the MOH cannot provide reliable data on CYP distributed to end users, or even to individual facilities. Therefore, we will not report on nationwide contraceptive distribution, which in any case does not measure the impact of our specific FP activities, which are not national in scope.

DISH will install a basic management information system in the 10 project districts to document CYP distributed to end users, and technical assistance will be provided to develop the national logistics system. In addition, SOMARC will implement an intensive social marketing campaign in these 10 districts, and sales data from that program will be incorporated into future reports. SOMARC sales of Protector condoms are noted under Target 4.3 below.

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[18] Prevalence will not be measures in individual districts, but in groups of contiguous districts.

SOMARC launched an oral contraceptive, Pilplan, in July 1993 and is currently training distribution agents nationwide. However, given the large initial stocks distributed to retailers, it is too early to present meaningful sales figures for this product.

Target 4.2: Increased Condom Use

Condon use is clearly increasing. Condoms sales through the social marketing program were up 30 percent, to 1.65 million, between FY 92 and FY 93. However, sales did not reach the 1993 target of 3.5 million, which may be due to a combination of the government's continued reluctance to condone condom advertisement on radio and government newspapers, opposition by religious leaders, and uneven performance of the private sector distributor. Fortunately, the positions of the government and religious leaders appear to be softening.

Much attention was given to identifying, training and supplying additional social-marketing sub-distributors to attain wider coverage. As a result, sales increased from 693,000 in the first half of FY 93 to 961,000 in the second half. A price reduction (from 12.8 cents to 8.6 for three) planned for late 1993 is expected to increase condom sales still further.

USAID's HIV/AIDS sub-grantees distributed approximately 2.6 million free condoms in 1993 as opposed to less than 1 million in 1992. MOH distribution data is not available, but the 13.5 million condoms imported in FY 93 for free distribution was more than double the previous year's total. This represents a peak in the number of USAID-funded condoms that will be given away, as social-marketing condoms begin to assume a larger share of the total in USAID programs[19]. Recent efforts to increase the number of Protector salespersons have included peer educators and community outreach workers trained by project sub-grantees, who have expressed a high level of interest in selling Protector. It is expected that the number of such persons selling condoms rather than giving them away will grow rapidly during the coming year.

Target 4.3: Increased Correct STD Diagnosis and Treatment in Intervention Communities

Although STDs are undoubtedly ubiquitous in Uganda, there is little reliable baseline information on the number of cases currently diagnosed, health-care providers are largely unskilled in STD diagnosis and treatment, and requisite drugs and laboratory facilities are scarce.

USAID's efforts to address this target were met with several setbacks over the last year. A new STD sub-project began in early

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[19] Also, USAID's restricting future supplies to districts and organizations which have adequate logistics and reporting systems in place and the likelihood of major World Bank funding for contraceptives are expected to substantially decrease the amount of free-distribution contraceptives supplied by USAID. (See Annex A.)

FY 1994. The AIC will provide STD (and family planning) services to AIC clients who receive HIV testing and counselling, and a it should be possible to estimate STD prevalence among this client population.

USAID's new DISH project has a component to train nurses, medical assistants and physicians in 10 districts in STD diagnosis and treatment. The project's information-systems component will report on STD diagnosis and monitor STD treatment. Project implementation is scheduled to begin in August 1994, under the guidance of an STD advisor scheduled to start work in December 1993. This advisor will also work to improve the quality of sentinel surveillance data on syphilis, with a view to eventually obtaining reportable prevalence data from DISH districts.

The 1994 DHS will, for the first time, collect data on STD prevalence and treatment, establishing a baseline nationally and for DISH districts.

Target 4.4: Reduction in Casual Sexual Partners in Intervention Communities

During FY 93, follow-up data on casual sexual partners were collected from 3,000 AIC clients three and six months after receiving HIV test results. Overall, 7% of all clients reported having non-steady partners at the time of initial counselling and testing; by six months, this had declined to 2.6%. Among HIV-positive clients, who are strongly urged to reduce casual sexual encounters, 6.4% had casual sexual partners initially, but only 0.4% six months later.

Also, a study among 553 clients at all seven branches of The AIDS Support Organization (TASO) showed promising results. Clients with one or more sexual partners declined from 72% to 32% (males declined from 83.2% to 56.8% and females from 69.8% to 24.7%) before and after counselling. Clients with two or more partners declined from 23% to 3% (males declined from 4E.0% to 8.7 % and females from 16.7% to 0). This is further compelling evidence that professional counselling works.

During the coming year USAID will attempt to institute mechanisms for monitoring reduction in casual sex among persons served by our other AIDS interventions.

Assessment of Program Impact - Strategic Objective No.4

GOALS/OBJECTIVES/OUTCOMES	PERFORMANCE INDICATORS & DATA SOURCES	BASELINE	ACTUAL			EXPECTED				CRITICAL ASSUMPTIONS
			1991	1992	1993	Expected 1993	1994	1995	1996	
STRATEGIC OBJECTIVE 4 Stabilize health status of Ugandans	1. Total fertility rate reduced to 6.9 in intervention areas. 2. Reduced HIV prevalence in intervention areas DATA SOURCES; 1. Demographic and Health Surveys (DHS) 2. Sentinel surveillance (SS) system (ante-natal clients only) and AIDS Information Center (AIC). (a= Kampala, b=Jinja, c= Mbarara.)	1. 7.4 (1988) 2. 25% (a) 24.9% (b) 21.6% (c) (SS, 1989) 23% males (a) 35% female(a) (AIC, 1990)[1]	NA[1] 27.8% 22.0% 24.5% 21% m (a) 34% f (a) 16% m (b) 30% f (b) no data (c)	NA 29.5% 19.9% 30.2% 21% m (a) 35% f (a) 18% m (b) 31% f (b) 25% m (c) 34% f (a)	NA 30.1% 21.8% 18.1% 14% m (a) 26% f (a) 15% m (b) 29% f (b) 15% m (c) 32% f (c)	NA NA[3] NA NA NA NA NA NA NA NA	7.2[4] NA[5] NA NA NA[6]	NA NA NA NA NA	NA NA NA NA NA	No major deterioration in other health indicators
TARGET 4.1 Increased use of modern family planning in intervention communities.	1. Contraceptive prevalence rate; (modern methods) 2. Couple years of protection distributed DATA SOURCES: 1. Demographic and Health Surveys 2. DISH MIS SOMARC data (S) AVSC data	1. 2.5% (1988) 2. DISH: none S: see 1991 AVSC: see 1992	NA[20] NA 1,987 unkn	NA NA 8,460 17,375	NA NA 11,027 21,763	8% NA[21] NA NA	NA[22] 26,667 23,939	NA 28,667 26,333	NA 30,900 28,966	Significant portion of CPR is accounted for by longer-acting methods

[20] See Annex A.

[21] Not previously specified. (DISH, SOMARC and AVSC were not previously broken out of total CYP.)

[22] A Demographic and Health Survey will be conducted in 1994 and will estimate contraceptive prevalence.

599

Assessment of Program Impact - Strategic Objective 4

GOALS/OBJECTIVES/OUTCOMES	PERFORMANCE INDICATORS & DATA SOURCES	BASELINE	ACTUAL			EXPECTED				CRITICAL ASSUMPTIONS
			1991	1992	1993	Expected 1993	1994	1995	1996	
TARGET 4.2 Increased condom use in intervention communities	1. Condom distribution data (000s) 2. Consistency of use, especially in high-risk situations DATA SOURCES: 1. AIDS NGO grantees' records SOMARC sales figures (S) DISH management-information system (MIS)[23] 2. AIC data; case studies in intervention communities.[24]	1. NGOs: unkn S: see 1991 DISH: NA 2. AIC	unkn 298[25]	>1,000 1,269	3,600 1,654	NA[26] 3,600	3,438[27] 4,000	3,782 4,400	4,160 4,635	Condoms are used correctly. Condom supply keeps pace with demand

[23] To be developed under DISH project, authorized 8/31/93.

[24] This methodology will be designed and implemented in CY 1994. The nature of this data (which may not be quantitative) and, therefore, how it will be reported is currently uncertain.

[25] CY 1991. All other SOMARC entries are FY.

[26] New indicator.

[27] An unknown portion of the FY 94 to FY 96 increase will derive from the sale of social marketing condoms. USAID anticipates that the sale of SOMARC products by AIDS NGOs will increasingly supplant free distribution. Sales by these NGOs will begin in FY 93.

Assessment of Program Impact - Strategic Objective 4

GOALS/OBJECTIVES/OUTCOMES	PERFORMANCE INDICATORS & DATA SOURCES	BASELINE	ACTUAL			EXPECTED				CRITICAL ASSUMPTIONS
			1991	1992	1993	Expected 1993	1994	1995	1996	
TARGET 4.3 Increased correct STD diagnosis and treatment in intervention communities	1. Number of cases diagnosed and treated by NGOs and DISH districts.[28] 2. Performance assessment reports from NGO grantees and DISH-district supervisors.[29] DATA SOURCES: 1. NGO records; DISH MIS system[30] 2. DISH supervisory system[31]; reports from USAID AIDS and STD advisor[32]	1. None 2. None	NA NA	NA NA	0 NA	2,000 NA[33]	NA NA	NA NA	NA NA	Drug therapy is effective; client compliance is high. STDs are major cofactors in HIV transmission

[28] No NGO STD activity to date; DISH Project not yet operational.

[29] AIC will begin treating STDs on a pilot basis at one site in Kampala in November 1993. DISH MIS and supervisory system will not be operational until CY 1995.

[30] Ibid.

[31] Ibid., note 9.

[32] STD advisor to begin work 12/93.

[33] New indicator.

Assessment of Program Impact - Strategic Objective 4

GOALS/OBJECTIVES/OUTCOMES	PERFORMANCE INDICATORS & DATA SOURCES	BASELINE	ACTUAL			EXPECTED				CRITICAL ASSUMPTIONS
			1991	1992	1993	Expected 1993	1994	1995	1996	
TARGET 4.4 Reduction in casual sexual partners in intervention communities	1. Case studies in intervention communities.[34] 2. Percent of counselled clients reporting 'non-steady' partners DATA SOURCES: 1. World Learning, Inc.[35] 2. AIC follow-up studies (Kampala)	1. None 2. See 1992	NA[36] NA[37]	7%	2%	NA 2%	2%	2%	2%	None

[34] Ibid. note 11.

[35] Case studies to be conducted under supervision of new technical advisor scheduled to start work 12/93.

[36] New indicator.

[37] New indicator.

Assessment of Program Impact - Strategic Objective 4

1. Previous API reported on 15-19 year olds, Kampala only. This and subsequent APIs will report on all clients in Kampala, Jinja and Mbarara.

2. See Annex A.

3. Not previously specified. AIDS impact modeling exercise noted in previous API was not conducted.

4. To be measured by the DHS.

5. Ibid.

6. See Annex A.

602

SECTION IV

OTHER PROGRESS IN PRIORITY AREAS

DEMOCRACY AND GOVERNANCE

Uganda has made the commitment to become a constitutional democracy. The beginning phase of this commitment should be fulfilled by early 1995 when the following events should be completed: a draft Constitution will have been published; a Constituent Assembly will have been elected to review, revise and ratify the draft Constitution; general elections will have elected a President and Parliament.

Progress to date has been impressive. The draft Constitution is the product of extensive consultations with all elements and areas of Ugandan society. Currently, it is being vigorously debated in a largely responsible and informed manner. A constant theme of the debate is that in the past 30 years, Uganda has had four different Constitutions, none of which have been respected, and that this time Ugandans need to come up with a document which fits the needs of the nation and which will be followed. This commitment to establish a workable and enduring Constitution that will be respected by all is especially encouraging; at this point it appears that the process will be completed successfully.

Former excesses led Uganda into a destructive downward spiral. The struggle to escape this condition has been painful. It also has been relatively short given the distance covered. For example, Cambodia, with a similarly despotic and violent recent history, is far less advanced in the process of becoming democratic.

Preparations for Constituent Assembly elections are underway. Registration of voters is currently taking place. Candidates are to be nominated in January; elections are scheduled for March 28. Uganda is on the road to its first free and fair election in over 25 years, setting the stage for the subsequent election of the President and Parliament.

USAID/Uganda is heavily involved in the democratization process. Our strategy has been a multi-fold one. First, we used a stated commitment of the GOU to implement a new Constitution, as the basis of our plan. Second, we initiated a range of pilot activities to improve the legal system. Third, we set aside funds through the local currency program to support the elections. Fourth, through the Policy Analysis and Capacity Building project, we developed the mechanism to reinforce the successes we have had in the pilot activities. Fifth, using the credibility we have developed in the initial stages, we have begun the process of actively responding to Ugandan requests to improve the basic systems of their system of government. The approach is to encourage the GOU to take small, well prepared steps that ultimately lead to constitutional democracy. The aim

is not a quick "successful" election followed by a coup or insurrection as in some other African countries, but rather a process that leads inexorably to a sustainable constitutional democracy.

As mentioned earlier in this document, one of the three basic conditions for having a major USAID program in Uganda is that the country meet its commitment to implementing a Constitution. USAID merely reinforced the Government's intention by making it the cornerstone of our strategy. The commitment is being fulfilled.

Through our local currency program, we have funded the initial stages of the Constituent Assembly elections. We have successfully encouraged the other democratic donors (the EEC countries, Canada, Norway, Australia, and UNDP) to also provide funds. Equally importantly, together with other donors and the Commission for the Constituent Assembly, we are working to help ensure that the elections are contested on a level playing field.

First, our assistance concentrated on the judicial sector. Small grants were used to : 1) begin the process of codification of Uganda's laws, which has not been done in 28 years; 2) train public and non-governmental personnel in handling human rights cases, and 3) sponsor specific help in will writing for women. To date, the will writing project has trained 8153 persons, of whom approximately 650 have executed wills; the various human rights training seminars have trained 230 persons; and the civic education initiative is proceeding well.

While the most visible event in the democratization process is the elections, our major emphasis is on building a civil society. Thus, we have helped form a consortium of NGOs to perform civic education. Their initial task has been to prepare the electorate for the elections, that is, to help citizens to register and then to vote. This is proceeding according to plan. To date the 250 district level trainers have been trained, and in the first week of the registration campaign, the consortium sponsored radio programming in several of Uganda's major languages on the need to register and vote. Over the course of the total campaign approximately two million voter contacts will be made. The approach is multi-phased, in which the first phase is voter education for the Constituent Assembly elections, the second phase is informing citizens about the work of the Constituent Assembly, the third stage is preparing voters for the general elections, and the fourth stage is further developing effective democratic government.

USAID/Uganda began its Democracy & Governance program in 1992. Human rights outreach programs have since doubled. Human rights violations have decreased. A start on developing the rule of law and developing a civil society has been made. Specific activities such as will writing have begun to provide increased protection to women and children. An effective system of working with Uganda has already demonstrated tangible results.

ANNEX A

REVISIONS OF TARGETS AND INDICATORS

Revisions to targets and indicators have been made this year within strategic objectives 1 and 4. The revisions in both cases represent a better articulation of the impact we expect to be able to measure, but do not alter the basic strategy of either strategic objective. In both SO 1 and SO 4, the number of indicators has been reduced. These changes are consistent with the guidance provided in the USAID/Washington comments on the FY 92 Uganda API (State 046744).

Strategic Objective 1: Increase Rural Men's and Women's Incomes from Agricultural Exports

Modifications to the strategic framework for SO 1 are reflected in the targets, sub-targets and indicators. The strategic objective remains unchanged. The revision of the framework reflects the Mission's programmatic response to shifting opportunities and constraints in the agricultural export sector. In addition, the Mission felt a refinement of the strategy would permit a more explicit articulation of the content and strategic approach of the Mission's SO 1 program. A new project in support of SO 1, Investment in Developing Export Agriculture (IDEA), has recently been authorized and the upcoming ANEPP amendment add to the justification and appropriateness of revising the strategy at this time. Some of the indicators developed recently cannot be measured or reported on this year because they will be generated through the new projects, IDEA and redesigned ANEPP, yet to come on line.

Our strategy for achieving an increase in the incomes of rural men and women focuses on two targets: increasing non-traditional agricultural exports (NTAEs) and increasing the rates of return to producers and exporters from those exports. Activities contributing to the first target involve NTAE enterprises, producers and exporters, in three principal ways: through an improvement in the enabling environment for NTAEs; by increasing access to and use of financial resources by these enterprises, and; by facilitating the improved management performance of enterprises involved in the NTAE sector. It is anticipated that progress in these areas will result in an increase in the volume of both production and sales of NTAEs, thereby increasing incomes throughout the NTAE production and marketing chain. An important assumption of this strategy is that markets, i.e., demand, will continue to exist for these exports.

The activities under the second target address the income earned by producers and exporters from each unit of production. Mission programs aim to increase the efficiency of NTAE markets and improve the pre and post harvest technologies employed by NTAE farmers. Improvement in farm level technologies will increase the volume of (marketed) output per unit and reduce the cost per unit of input. Removing distortions in the NTAE marketing chain will permit

producers and exporters to earn a larger share of the final market price for various NTAE crops.

Detailed discussion of data and indicators in this revision is attached as ANNEX C.

Strategic Objective 2: Stabilize Biodiversity in Target Areas

Expected performance levels for FYs 94 to 96 were increased because we exceeded our expected levels for FY 93. These include: SO Indicator 1 (inventory work completed in target areas), Target 2 Indicator 1 (tourist visits), and Target 2 Indicator 2 (tourist revenues). Also, starting this year we will be assessing the level of ranger surveillance as an additional component of SO Indicator 2 (current surface area maintained in target areas), as well as the change in the population of key species and animal groups (SO Indicator 1). Target 2.4 Indicator 1 (management plan completion) has been dropped as it is covered adequately in Target 3 Indicator 3 (local participation in management plan development). Finally, Target 2.4 Indicator 5 (park accounting systems established) has been added as an additional measurement of improved protected area management.

Strategic Objective 3: Improve the Quality and Efficiency of Basic Education

Last year, the SO indicator was "Increase in the percent of pupils who pass grades 1-6." It has been revised slightly to include all primary school levels (grades 1-7). Target 3.2 Indicator 2 (percent of primary school teachers who hold a Grade III or Grade V qualification) expected performance levels for FYs 94 to 96 have been increased because the actual FY 93 percentage exceeded the expected level.

Strategic Objective 4: Stabilize the Health Status of Ugandans

In reviewing our health and population portfolio in preparation for this API, it became apparent that the monitoring agenda set forth in the previous API, involving the assessment of eight targets and sub-targets via 23 indicators, was excessive and in some respects unimplementable. Therefore, we have revised the annual SO performance levels, and the targets and their indicators. The strategic objective itself remains unchanged.

SO Annual Performance Levels

Fertility. Changes in fertility are not measured from year to year. Rather, they are measured in surveys (DHSs) every five years. Since we won't know how fertility is changing from year to year, it is not feasible to set and report on yearly targets for fertility reduction. In addition, analysis for the design of USAID's new DISH project revealed that the previous plan to reduce total fertility to 5.8 by 1996 was unrealistic. We now estimate it is possible to reduce total

fertility from 7.4 to 6.9 by 1999 in intervention areas[1]. Therefore, we have deleted an expected TFR for 1993; changed the previous 1994 target from 6.4 to 7.2 (a DHS will be conducted in 1994); and, since a subsequent DHS will not be done until 1998 or 1999 and there will be no other means of estimating the TFR between in the years in between, we have no expected performance levels for TFR through 1996.

HIV. We have sharpened Indicator 2, related to reduced HIV transmission. This indicator, previously based solely on data from the AIDS Information Center, is now also based on data from the MOH's sentinel surveillance system. However, both sets of data contain marked variation depending on location, making an average figure almost useless. Also, the populations covered by the AIC and by sentinel surveillance are not the same as the populations covered by our current and planned AIDS interventions, making both sets of data imperfect for API purposes.

Nonetheless, we have attempted to maximize at least the potential "fit" between our program and available data by selecting three AIC sites and three sentinel sites in areas where USAID's program has been or, in the case of the new DISH project, will be in operation: Kampala, Jinja, and Mbarara.

Projecting the magnitude of reductions in HIV transmission is highly problematic at best. Since it is probably not possible to monitor HIV sero-status in the sub-populations served by our current interventions (indeed it is difficult to even define these sub-populations), we have no data on which to base future estimates for our current interventions and little likelihood of getting such data in the future. We do not know how much HIV transmission will decline, if at all. Therefore, although we will be reporting on actual rates, we are not in a position to forecast expectations for HIV reduction.

Targets and Indicators

We have reduced the previous number of targets and sub-targets from 8 to 4 and made them all targets. Per USAID/Washington's suggestion, we have reduced the number of indicators from 23 to 10. These changes do not alter the substance of our program and do not move the goal posts; rather, they consolidate and simplify the matrix to focus on core concerns. (In making these revisions we have tried not to focus on "what we're doing that we can measure" but on "what we should measure to know how we're doing.")

Regarding AIDS, we have reduced one target and four sub-targets with one and 12 indicators respectively to three targets and five indicators.

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[1] Given low contraceptive prevalence (2.5%), continuing low availability of services, and the limited use of longer-acting methods, USAID believes it is not realistic to expect a fertility reduction of 1.6 children by 1996.

608

We have deleted former Target 1 (reduced HIV transmission), which was largely redundant given SO Indicator 2 (retained, as above), and replaced it with former Sub-target 1.1 (increased condom use), now Target 4.2. Three of four former indicators have been consolidated into one indicator with three data sources.

We have revised former Sub-target 1.2 and made it Target 4.3. The revision removes reference to reducing STD incidence and speaks instead of increasing STD diagnosis and treatment (former Indicator 1.2.2). The MOH's STD sentinel-surveillance system is based entirely on syndromic diagnosis, and incidence/prevalence data is unreliable and largely unanalyzed and unreported. Thus, there is no reliable baseline from which to measure change in STD incidence. Establishing such a baseline linked to our as yet non-existent STD interventions and accurately tracking STD incidence over time is a significant research effort which is beyond our means. Also, STD services in Uganda will have to be built virtually from scratch. Even if we could track incidence or prevalence, we cannot reasonably forecast the effect of interventions which do not yet exist and with which USAID and other donors have very little previous experience. Therefore, we have chosen a target (diagnosis and correct treatment) which relates to specific USAID interventions (mostly under DISH) and which can be more readily measured.

We have added one new target for AIDS (4.4): reduction in casual sexual partners. The addition of this indicator, which has been a focus of our AIDS education efforts, brings our AIDS targets into line with the three potentially most effective means of preventing HIV transmission: condom use, STD treatment and partner reduction[2].

In a polygamous culture, analysis and interpretation of data relating to partner reduction is difficult. Further, we have observed great variation, relating to cultural and linguistic differences in various parts of the country, in the way interviewers ask questions about the number of sexual partners. Additionally, most persons understand the difference between steady and non-steady partners, and understand the need to reduce casual sexual encounters. Data on casual sexual partners is probably more reliable and meaningful than data on sexual partners in general.

We have deleted former Sub-target 1.3 (increased knowledge) and its related indicators. General knowledge about AIDS in Uganda is already high, and knowledge is a first step toward behavior change, not an end in itself. Our three AIDS targets now focus on the specific behaviors we wish to promote.

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[2] Partner reduction may prove the least useful of these three interventions. Initial data from an ongoing USAID study at the AID indicates no correlation between numbers of partners and sero-status. Age (duration of potential exposure) seems to be the most powerful predictor of HIV infection.

We believe that this reduced number of AIDS targets and indicators succinctly describes what our AIDS efforts are trying to achieve and will help keep us focused on end results rather than intermediate steps along the way.

Regarding family planning, we have deleted former Sub-targets 2.1 and 2.2 concerning increased availability and demand for FP services, along with their related indicators. Although increasing service availability and demand are major elements of the new DISH Project, they are not ends in themselves. Rather they are a means of increasing the use of family planning (Target 4.1). We will know the extent to which services are available and in demand by the extent to which contraceptive prevalence increases.

However, just as we will not know how fertility changes from year to year, we will not know how contraceptive prevalence, also measured by the DHS, changes annually. Therefore, we do not plan to report annually on this indicator. Except for years when a DHS is done, we will report yearly only on couple-years of protection (CYP) distributed.

CYP data will not include national level data on free distribution of contraceptives by the MOH. Section III describes the unreliability of this data, which in any event is only partially (perhaps tenuously) linked to USAID's program, which is not national in scope. Starting in 1996, USAID will supply contraceptives only to those districts or organizations which have adequate contraceptive logistics and reporting systems in place. These are likely to be DISH districts and our AIDS subgrantees. Our data on MOH-free-distribution contraceptives will thus come from the management information systems (MIS) set up under DISH (or similar systems implemented by subgrantees), at least until reliable MOH reporting systems are in operation.

USAID/UGANDA
PROGRAM OBJECTIVE TREE

PROGRAM GOAL:

Establish the Basis for Sustainable Improvements in the Standard of Living.

PROGRAM SUB-GOAL:

Sustainable, equitable economic growth promoted on a competitive diversified basis

STRATEGIC OBJECTIVE No. 1

Increase rural men's and women's income from agricultural exports.

- **TARGET No. 1.1**
  Increased exports of NTAEs.
  - **SUB-TARGET No. 1.1.1**
    Improved enabling environment for NTAE enterprises.
  - **SUB-TARGET No. 1.1.2**
    Increased use of financial resources by NTAE enterprises.
  - **SUB-TARGET No. 1.1.3**
    Improved management performance of NTAE enterprises.
- **TARGET No. 1.2**
  Increased rates of return to producers and exporters from NTAEs.
  - **SUB-TARGET No. 1.2.1**
    Increased efficiency for NTAE markets.
  - **SUB-TARGET No. 1.2.2.**
    Improved on-farm post harvest technologies.
  - **SUB-TARGET No. 1.2.3**
    Increased adoption of improved agricultural production technologies.

STRATEGIC OBJECTIVE No. 2

Stabilize biodiversity in target areas.

- **TARGET No. 2.1**
  Improved policy and institutional framework that promotes sustainable natural resource use.
- **TARGET No. 2.2**
  Increased ecotourism through private organizations especially at the local level.
- **TARGET No. 2.3**
  Strengthen incentives for local participation in the management of protected areas.
- **TARGET No. 2.4**
  Established base for improved management of selected protected areas.

STRATEGIC OBJECTIVE No. 3

Improve the quality and efficiency of basic education.

- **TARGET No. 3.1**
  Increased number of students using relevant educational materials.
- **TARGET No. 3.2**
  Increased number of effective teachers.
- **TARGET No. 3.3**
  Increased girls' persistence.

STRATEGIC OBJECTIVE No. 4

Stabilize the health status of Ugandans.

- **TARGET No. 4.1**
  Increased use of modern family planning in intervention communities.
- **TARGET No. 4.2**
  Increased condom use in intervention communities.
- **TARGET No. 4.3**
  Increased correct STD diagnosis and treatment in intervention communities.
- **TARGET No. 4.4**
  Reduced number of persons with casual sexual partners in intervention communities.

ANNEX B

ANNEX C

DETAILED DISCUSSION OF DATA AND INDICATORS

Strategic Objective 1: Increase Rural Men's and Women's Incomes from Agricultural Exports

Performance Indicators:

Average rural household expenditure
Returns to rural producers' labor from major NTAEs

Household expenditure is an accepted proxy for household income and it is the approach used by the Bureau of statistics in its national household survey. The earliest survey was in 1989/90. The 1991/92 survey covered 10,000 randomly selected households distributed across all districts. Annual follow-up or monitoring surveys are using a smaller questionnaire and covering 5,000 households (half of which are from the 10,000 of the 91/92 survey and half of which are new). Funding is available for these efforts through 1994.

The household is the smallest economic unit of measurement in the survey. As a result, there is no way to separate household income by gender retroactively. This would require assigning certain categories of expenditure to men or women. The survey does distinguish between rural and urban households and calculates a rural and an urban household income level. It would be useful to check the operational definitions of rural and urban used in the survey to confirm that rural household income is the appropriate indicator.

Returns to rural producers' labor indicator is used as a proxy for incomes generated by production for export. It is also important as a complement to the first indicator which measures household expenditure or income, because it makes the link between agricultural exports and farm level income, or in this case an estimate of gross revenue.

The only limit to the range of crops covered is the gross margins data. The only source of gross margins data is a series of semiannual reports prepared by the BOU/AS. The reports cover the important traditional and non-traditional export crops (even vanilla), but not some crops of interest to the mission such as certain vegetables, floriculture crops, and other more specialized crops. These crops could possibly be added if gross margins could be obtained through AID projects. The crops covered in the producer price reports account for a large proportion of export volume and value.

Target 1: Increase Exports of Non-traditional Agricultural Exports

Performance Indicators:

Total annual dollar value of Non-traditional Agricultural Exports
Number of Non-traditional Agricultural Exports with a dollar value of exports exceeding $2 million per annum

Both of these indicators are based on customs data. Non-traditional agricultural exports are defined as non-coffee agricultural exports. Because AID programs operate on policy, technical, financial levels with producers, institutions, and government, it is appropriate that this measure be broadly defined so as to capture the impetus given to private enterprise to develop or to expand export activity generally. Although the indicators in Strategic Objective 1 look more directly at rural income, the total dollar value of NTAEs provides an indication of the direction and magnitude of change in rural income from agricultural exports. The second indicator uses the benchmark crop export value of $2 million to highlight the emergence of crops making a substantial contribution to rural incomes and foreign exchange earnings.

Sub-target 1.1: Improve Enabling Environment for NTAE Enterprises

Performance Indicators:

Total value of annual investment in manufacturing and agriculture through the UIA
Difference between the lending rate and the deposit rate at the Cooperative Bank

The value and level of participation in major agribusiness and agricultural investment indicates in large part the favorability of the policy and regulatory environment to foreign and national investors.

Data concerning the total value of annual investment in manufacturing and agriculture is available from the Uganda Investment Authority (UIA). Under the Investment Code, the UIA approves investment licenses for enterprises seeking to establish businesses in Uganda. Investment licenses are required for foreign firms establishing a business of $100,000 or more and for Ugandan firms establishing a business of $50,000 or more. The UIA monitors the investment of firms and keeps a computer database. However, at present, the firms are grouped according to sectors such as manufacturing that lump together agribusiness processing and industrial manufacturing. It is not known if these two can be disaggregated. In addition, the UIA monitoring effort has been overtaken by the pace of investment approvals and

actual investment. To date, they have monitored (visited and collected data from) a bit less than two thirds of the more than 500 licensed firms that have begun construction or operations.

Overall, this indicator is a compromise between what we would like to measure and what data are available. The limitations of using the UIA data are that it captures the larger investors only and that disaggregation of agribusiness from industrial manufacturing may not be possible. For the time being, it can be assumed that if the enabling environment is good for industrial manufacturing it is probably good for agribusiness and that the level of investment reflects this.

The time of obtaining an investment license and other required licenses has been reduced to a matter of weeks in most cases according to UIA records and personnel. Thus the time between application and investment was rejected as a measure of bureaucratic performance because it mostly reflects other variables such as the actions of the investor.

Based on discussion with the General Manager/Credit at the Cooperative Bank, the Mission should be able to obtain access to the average loan rate and the one-year savings deposit rate by making a written request specifying the data desired. The present difference between the two rates is about 12 to 14 percentage points: the rate for an average sized loan is about 28 percent and the rate of interest on a one year savings account is about 14 percent. The difference measures the transaction costs to the bank, the need to provide for loan defaults, inflation, and the profit margin of the bank. Because business opportunities with higher than 28 percent rates of return may decline as investment increases, because competition among commercial banks in Uganda is expected to increase, and because more efficient management and technology will be employed in banking, this gap between the loan rate and the one year savings rate should decline over the next five to ten years perhaps dropping to half its current size.

Sub-target 1.2: Increase Use of Financial Resources by NTAE Enterprises

Performance Indicators:

Value of loans, grants, and credit made by AID-affiliated financial institutions
Number of loans, grants, and credit arrangements made by AID-affiliated financial institutions

These indicators track the magnitude of financial assistance and financial resource use through financial institutions assisted by AID. The indicators do not measure the universe of agriculture-related borrowing in Uganda, rather they are specific to the AID program. Total commercial loans and advances to the private sector for agriculture can be found in the Quarterly Economic Report prepared by the Bank of Uganda.

Before planned grant and venture capital programs begin, this indicator will include the commercial loans made by the Cooperative Bank and the Nile Bank. Based on discussion with the General Manager/Credit at the Cooperative Bank, the Mission should be able to obtain access to number of loans and total value of loans to non-traditional agriculture by making a written request specifying the data desired. A similar request can be made of the Nile Bank.

Sub-target 1.3: Improve Management Performance of NTAE Enterprises

Performance Indicators:

Average annual per firm percentage change in revenues for NTAEs enterprises assisted through AID activities

Data will be collected directly from those firms assisted by USAID through its programs or project implementing units. Assistance is defined as technical, advisory, or marketing assistance, and excludes financial assistance such as credit or grants which is the domain of Sub-target 1.1.2 above. Collection of this data requires that the unit providing the technical assistance (such as the Agribusiness Development Center envisioned for the IDEA project) make arrangements with assisted businesses to obtain year-end financial records. It is assumed that these will be available at the close of the fiscal year at the end of June. The indicator is the average of the percentage change in annual revenue per firm.

Target 2: Increase Rate of Return to Producers and Exporters from Non-traditional Agricultural Exports

Performance Indicators:

Returns per person-day of family labor for major NTAES

We selected this indicator because it will give us a picture of the change in returns to unit labor inputs at the farm level. Returns per person-day are available in semiannual reports from the BOU/AS. The problem with using these, in some form, to create an indicator lies in the fact that the data must first be aggregated and then be deflated to demonstrate changes in real returns. The aggregation question we have resolved by using total labor inputs to export production to weight the individual "returns per person-day" data reported by the BOU/AS. The alternative, using value of individual commodity exports was judged to be less desirable because changes in world market prices would likely lead to changes in returns per person-day, and would therefore unduly bias our results by favoring those commodities whose world prices had increased.

Sub-target 2.1: Increase Efficiency of NTAE Markets

Performance Indicators:

Farmgate price as a percentage of the F.O.B. or border price for selected NTAEs.

Farmgate price as a percent of the border price measures the proportion of the value of the primary product captured by the farmer or outgrower. Assuming no or little processing of the product, this percentage indicates how costly, read efficient, the market is at moving goods from the farm to the export market. Anecdotal information suggests that, as in financial markets and other sectors, there is a high marketing cost or margin between the farmgate and the border price related to excessive costs of marketing and moving goods in the country due to undeveloped infrastructure. Changes in macroeconomy, rehabilitation of infrastructure, and privatization and increase entry into marketing and vertical integration will drive down these costs. The farm gate price as a percentage of the border price may increase as marketing costs decrease.

The only source of farm gate data discovered to date is BOU/AS as described under Strategic Objective 1 above. Care must be taken in choosing the time periods of the farmgate price and the border prices to compare for each crop since agricultural marketing volume and prices tend to have seasonal peaks and valleys. A marketing expert could be consulted to advise on the best approach for calculating this ratio given data availability.

Sub-target 2.2: Improve On-farm Post-harvest Technologies

Performance Indicators:

Cumulative number of farmers adopting post-harvest technologies in targeted areas

This indicator is a direct measure of the impact or goal of developing and demonstrating post-harvest technology. "Targeted areas" refer to areas where extension and demonstration activities will be focused. What constitutes "improved cultural practices" will be determined by the technologies developed and recommended for dissemination under USAID programs.

Tracking the number of farmers adopting post-harvest technologies will be an important part of project-level monitoring and evaluation. It is likely that such tracking will be an exercise carried out by extension workers themselves based on their field records. Alternatively, the proportion of adopting farmers could be estimated from a survey of a random sample of farmers in targeted areas and this percentage tracked from year to year.

Sub-target 2.3: Increase Adoption of Improved Agricultural Production Technologies

Performance Indicators:

Percent of total crop acreage planted with improved seed by crop
Number of farmers in targeted areas employing improved cultural practices

These indicators will need further refinement depending upon USAID programs, such as collaboration/support of the National Agricultural Research Organization (NARO) through the IDEA project. The planted acreage when it is small can be measured directly and divided by the total crop acreage data. Alternatively, acreage planted to improved seed can be estimated by dividing the amount of improved seed sold by the average seeding rate for the crop. Improved seed sales data can be obtained from seed companies or project data or both. The average seeding rate is available from the BOU/AS.

As for the preceding sub-target indicators, "targeted areas" refer to areas where extension and demonstration activities will be focused. What constitutes "improved cultural practices" will be determined by the technologies developed and recommended for dissemination under USAID programs.

617

ASSESSMENT OF PROGRAM IMPACT

FY 1993

SOUTHERN AFRICA

BOTSWANA
MALAWI
SWAZILAND
ZAMBIA
ZIMBABWE

618

ASSESSMENT OF PROGRAM IMPACT

FY 1993

BOTSWANA

619

USAID/BOTSWANA
ASSESSMENT OF PROGRAM IMPACT
FISCAL YEAR 1993

620

Table of Contents

Acronyms i

I. Special Factors Affecting the USAID Program in Botswana 1

II. Progress Toward Overall Program Goal 3

Program Logical Framework and Assessment of Program Impact 3

Program Goal Indicators 5

III. Progress Toward Strategic Objectives and Related Progress Indicators 10

Strategic Objective 1: Increase the level and relevance of what students learn, their receptivity to additional training, and their preparedness for further education 10

Strategic Objective 2: Positively modify behaviors associated with effective family planning and STD/AIDS prevention 15

IV. Progress in Priority Areas 19

Target of Opportunity 1: Demonstrate the Socioeconomic Sustainability of Community-Based Natural Resources Management 19

Target of Opportunity 2: Enhance enabling environment for increased private investment and enterprise growth in non-mineral sectors of the economy 23

Acronyms

API	Assessment of Program Impact
ARTS/FARA	Office of Analysis, Research and Technical Support/Food and Agricultural Research Assistance
BDC	Botswana Development Corporation
BEC	Botswana Education Consolidation
BFHS	Botswana Family Health Survey
BOTSPA	Botswana Population Sector Assistance
BPED	Botswana Private Enterprise Development
BOCCIM	Botswana Confederation of Commerce, Industry and Manpower
BSMP	Botswana Social Marketing Program
BWAST	Botswana Workforce and Skills Training
CSO	Central Statistics Office
CYP	Couple-Years of Protection
DWNP	Department of Wildlife and National Parks
FP/MIS	Family Planning Management Information System
FP/STD	Family Planning/Sexually Transmitted Diseases
GOB	Government of Botswana
HIES	Household Income and Expenditure Survey
JCE	Junior Certificate Exam
JSEIP	Junior Secondary Education Improvement Project
KAP	Knowledge, Attitudes and Practices
MCH/FP	Maternal and Child Health/Family Planning
MCI	Ministry of Commerce and Industry
MER	Monitoring, Evaluation and Reporting
MFDP	Ministry of Finance and Development Planning
MLGLH	Ministry of Local Government, Lands and Housing
MOE	Ministry of Education
MOH	Ministry of Health
NGO	Non-Governmental Organization
NRMP	Natural Resources Management Project
OPEXer	Operational Expert
PDL	Poverty Datum Line
PEIP	Primary Education Improvement Project
PRA	Participatory Rural Appraisal
PSLE	Primary School Leaving Exam
SACU	Southern Africa Customs Union
STD	Sexually Transmitted Disease
WRA	Women of Reproductive Age

SECTION I.
Special Factors Affecting the USAID Program in Botswana

Following years of rapid growth and expansion in social services, fuelled by mineral revenues and sound economic and financial management, Botswana now faces a period of reduced growth. Declining demand for diamonds in developed countries due to global recession, combined with illegal smuggling from Angola, which flooded the international diamond market, led the Central Selling Organization to cut its quota of purchases of diamonds from Botswana by 25% in September 1992. Diamond revenues subsequently declined by about 21% in US dollar terms.

Although diamond prices have recently risen and the quota has been relaxed slightly, the long-term outlook is not promising. The global supply of diamonds has more than doubled since 1980, and new sources of supply are emerging. The likelihood is that Botswana will continue to face reduced mineral revenues and potential budget deficits. Since government spending from diamond-generated revenues has been the principal source of growth in non-mineral sectors of the economy, the emerging revenue problem poses a serious challenge to efforts by the Botswana government and USAID/Botswana to enhance the conditions necessary to support sustained improvement of the economic and social well-being of the average Batswana household. Sustainable economic growth will depend more and more on the capacity of the private sector to identify and develop opportunities for diversification of the nation's economic base.

However, Botswana has a small domestic market and must depend on regional and international trade to diversify away from a dependence on diamonds. Domestic production must compete with goods produced in South Africa, which enjoys advantages in terms of access to raw materials, skills, a highly sophisticated physical and financial infrastructure, a powerful private enterprise sector, lower transport and capital costs, and substantial economies of scale. Increasing acceptance of South Africa by the international community has forced many small and medium-sized companies in Botswana to lay off workers and contract operations as the relative climate for investment in South Africa has improved.

The current period of political, social, and economic transition in South Africa has added to the uncertainties for Botswana and will have a major impact on its strategies for diversification. In April 1991, South Africa announced that accommodation of the differing trade and industrial objectives of the Southern African Customs Union (SACU) members was becoming increasingly difficult within the present SACU agreement and that SACU was becoming financially unaffordable. A task force was established to look into alternatives for regional economic cooperation, but it is unlikely that any decision will be made until a new, post-apartheid government is in place and has had time to formulate its own economic policy agenda. The withdrawal of South Africa from SACU, however, would seriously disrupt a major source of revenue for Botswana and force the Government of Botswana (GOB) to establish its own system of customs and excise.

As other countries in Southern Africa become more market-oriented, Botswana's industries face increased competition for both markets and investment, particularly from Zimbabwe and Zambia. The appreciation of the Pula against the Zimbabwean Dollar, resulting primarily

from structural readjustment in Zimbabwe, has led to a deterioration in the terms of trade with Zimbabwe, a major trading partner.

Contributing to the overall deterioration in the economic situation over the past couple of years was the virtual collapse of the construction industry following the revelation of the Botswana Housing Corporation scandal. The industry depends heavily on Botswana Housing Corporation contracts, and because it is also a major employer of citizens, the effects of a government-imposed spending freeze following the scandal were widely felt throughout the economy.

The adverse impacts of the 1992 drought on the quality of life also continue to be felt, particularly in rural areas. Beef exports remained buoyant and even expanded in 1992, but this was a temporary phenomenon resulting from increased sales related to the drought, and May 1993 exports declined to less than half the May 1992 levels. In the long run, a glut in the European Community beef market may lead to a reduction in Botswana's quota and subsidies, further exacerbating revenue difficulties.

Perhaps most alarming for the future of the country, recent HIV serosurveys indicate that the HIV epidemic has reached catastrophic proportions in Botswana. The health and socioeconomic impacts will be enormous over the next few years and threaten to seriously undermine efforts to improve the social and economic well-being of the average Batswana household. USAID/Botswana has recognized the gravity of the situation and has taken steps to integrate efforts to promote AIDS awareness into the overall Mission program.

SECTION II.
Progress Toward Overall Program Goal

Program Logical Framework and Assessment of Program Impact

In response to Agency efforts to become more results oriented, USAID/Botswana initiated the development of a Program Logical Framework (logframe) and related impact monitoring system in 1990. This first effort was reviewed by USAID/W in November 1990. The logframe was further revised with the assistance of a Monitoring, Evaluation and Reporting (MER) Team and resubmitted in October 1991. USAID/W reviewed the revised logframe in February 1993. In April 1993, another MER Team assisted the Mission in incorporating USAID/W comments into the logframe, identifying impact and progress indicators, and developing a detailed MER system. On the basis of this work, the Mission is submitting its first Assessment of Program Impact (API). However, it must be recognized that much of the information included in this report is the result of an approved evaluation system which is barely six months old.

The logframe submitted to USAID/W in October 1991 articulated a meaningful and measurable program which was in accord with Botswana's development priorities as well as the United States foreign policy objective of fostering stable, long-term political and economic growth in Botswana. The logframe consisted of a program goal which sought the sustainable increased economic and social well-being of the average Batswana household through two strategic objectives, one focussed on the private sector and the other on human resources development. This program structure was supported by two targets of opportunity: 1) natural resources management through sustainable community utilization of resources; and 2) family planning and AIDS prevention.

During the USAID/W review, considerations external to Botswana's development realities were introduced, which resulted in a request from USAID/W to elevate family planning/AIDS to the level of a strategic objective, to modify the wording of the education strategic objective, and to reclassify the private sector development effort as a target of opportunity. To accommodate this change, USAID/Botswana rearticulated its program goal as ***Enhance conditions necessary to support sustained improvement of the economic and social well-being of the average Batswana household***. The revised program structure is diagrammed in the objective tree on page 4.

The two strategic objectives are: 1) ***Increase the level and relevance of what students learn, their receptivity to additional training, and their preparedness for further education***; and 2) ***Positively modify behaviors associated with effective family planning and sexually transmitted disease/AIDS prevention***. The education strategic objective will contribute to the program goal by improving the quality of education and attitudes towards further education and the world of work. These are necessary *conditions* for further education or skills training or for exploring opportunities in the informal sector. The population strategic objective will improve the social well-being of the average Batswana household by creating *conditions* that should lead to lower population growth, reduced family size, fewer teenage pregnancies, improved maternal and child health, and a reduced rate of HIV transmission among the productive population.

The two targets of opportunity, ***Demonstrate the socioeconomic sustainability of community-based natural resources management*** and ***Enhance enabling environment for increased private investment and enterprise growth in non-mineral sectors of the economy***, also contribute directly to the attainment of the program goal as well as to USAID priority areas of encouraging broad-based economic growth and protecting the environment.

Most of the projects in the Mission portfolio have been launched relatively recently, and as a result the Mission is not yet in a position to report impact at the program goal level. However, during the few months since the API framework was reviewed, modified and approved, considerable efforts have been directed toward developing and implementing project data collection and monitoring systems to enable full impact reporting by October 1994. Indicators for measuring impact at the program goal level are described below and presented in summary form on page 9, and subsequent sections of this report highlight available baseline data as well as project impact that can be reported to date.

Program Goal Indicators

Decreased percentage of households living below the Poverty Datum Line (PDL) and ***Decreased average amount by which households living below the Poverty Datum Line fall below the PDL:*** In order to measure people-level impact at the program goal level, the focus has been placed on improving the well-being of the "average Batswana household". USAID/Botswana, through its private enterprise development project, will be developing citizen entrepreneurial skills which will improve the income-generating capacity of Botswana households. In addition, efforts by USAID/Botswana to promote sustainable community-based natural resources utilization will directly improve the economic status of households in targeted rural communities. Because the latter efforts are geographically concentrated in specific areas, the direct impact on households in these areas will be discernible.

In 1989, the Central Statistics Office (CSO) operationalized the concept of the "average Batswana household" in order to compute a PDL for Botswana. CSO adopted a multi-dimensional approach to construct the PDL for a series of specified households which covered the broad range of household types in Botswana. The underlying concept was that "individuals should have the capability to feed and clothe themselves; should be able to work if they wish; should be housed in a manner not prejudicial to health; should be able to enjoy education; and should be able to take their place in society".[1] A basket of goods was constructed for each individual (with differences for age and sex) and for each household (with differences for size and composition). The baskets for urban and rural areas consisted of six broad categories: food, clothing, personal items, household goods, shelter, and miscellaneous items, and the value of the PDL for each household type was based on end-1989 prices for the items in each basket.

The 1986 Household Income and Expenditure Survey (HIES) provided information on actual consumption patterns and estimates of household income against which the PDL for a particular type of household could be compared. Incomes were inflated to 1989 levels, with the result that 55% of households in Botswana had incomes equal to or below their 1989

[1] A Poverty Datum Line for Botswana, CSO, November 1989.

PDL. Around 30% of the 58,897 urban households had incomes equal to or below their 1989 PDL, as compared to 64% in the rural areas.

The PDL provides a benchmark against which to measure the well-being and progress of households. By tracking average index movements for each type of item in the Cost-of-Living index, one can update the PDL over time. The 1993 HIES (currently being fielded) will, in addition, explicitly recompute the PDL. As further income information becomes available from the 1993 HIES, we will be able to compute, in relative terms, whether more or fewer families are living in poverty. Movements in monthly wages can also be tracked as a proxy for average incomes in the absence of income data.

A community-based monitoring and evaluation system currently being developed by the Natural Resources Management Project (NRMP) will provide a basis for estimating the percentage of households living below the PDL in targeted rural communities. By comparing this percentage to national percentages, USAID/Botswana will be able to demonstrate impact of its demonstration projects in community-based natural resources management and their potential for improving the socioeconomic well-being of the average Batswana household.

The second indicator, which measures the average amount by which households living below the Poverty Datum Line fall below the PDL, weights the headcount index (defined as the number of households with income less than or equal to the PDL divided by the total number of households), by the poverty gap ratio (the difference between PDL and income, divided by PDL). In 1989, among those households which fell below the PDL, urban households were below the PDL by an average of 17%, while rural households were below by an average of 33%. As living standards in rural communities targeted by NRMP improve, the values for this indicator will decline, both in absolute terms and relative to national percentages.

Decreased total fertility rate and ***Decreased rates of pregnancies among teenagers:*** Although the GOB has no formal population policy, it has long supported family planning, with the result that the country has an estimated contraceptive prevalence rate of 32%. While the fertility rate has declined, the country's population growth rate remains at about 3.5%, and nearly half the population is under 15 years of age. Maintenance of any growth rate 3% or higher would double the 1991 population of 1,325,000 in less than 24 years, making it increasingly difficult for the country to keep pace with the demand for jobs and services. Moreover, high population growth places unacceptable demands on Botswana's very limited base of water, arable land and forest resources.

Fertility levels remain high in Botswana, despite a significant decline in recent years due to increased use of family planning methods. According to the 1988 Botswana Family Health Survey (BFHS), total fertility rates declined from 7.1 in 1981 to 5.0 in 1988. The fertility of urban women (4.1) was lower than that of rural women (5.4). The largest differences in fertility were by level of education: a woman with secondary or higher education could expect to have a total of 3.3 births during her childbearing years, while a woman with no education would have, on average, 6 births. Improvements in the quality of family planning services and the increased availability and use of condoms due to USAID/Botswana population activities should lead to decreased total fertility rates.

At the time of the BFHS, nearly one-quarter of teenagers were already mothers and an additional 4.9% were pregnant with their first child. Among teenagers who became pregnant, the average age at first pregnancy was 16 years. Four in 10 teenagers with no education had had at least one birth compared with fewer than 2 in 10 teenagers with secondary or higher education. One-third of teenagers who became pregnant (9% of all teenage women) left school because of pregnancy, and only one-fifth of those who left school were later readmitted. The Botswana Education Consolidation (BEC) project will address this problem by integrating Family Life Education into the education curriculum, resulting in decreased rates of teenage pregnancies.

Preliminary Census results suggest that the fertility rate increased to 5.3 in 1991, possibly due to improved economic conditions in rural areas following years of severe drought in the 1980s. Detailed Census results and projections for 1992-1997 are expected to be available in December 1993. In addition, CSO is planning to conduct another Family Health Survey, probably in 1995/96. These data sources will provide indicator data on total fertility, teenage motherhood, and the linkages between education, family planning, and fertility.

Decreased rates of HIV transmission: The HIV epidemic is of relatively recent onset in Botswana, with significant spreading in the population only since the mid-1980's. The percentage of HIV seropositive blood donors increased from .9% in 1987 to 9% in late 1991, a ten-fold increase in five years. Smaller ad hoc surveys conducted in 1989-91 using non-standardized methods revealed HIV seroprevalence among pregnant women to be between 4% and 8%.

The Ministry of Health (MOH) has conducted HIV Sentinel Surveillance since 1992 to collect systematic data on HIV seroprevalence in Botswana. In 1992, 18.1% of pregnant women in three sentinel sites were HIV seropositive. About one out of seven pregnant women in Gaborone, one out of four in Francistown, and one out of eight in the other site were infected with HIV. Although not directly comparable, the results from the 1992 Sentinel Survey suggest that HIV seroprevalence rates doubled from 1991 to 1992.

In 1993, the seroprevalence rate among pregnant women in both Gaborone and Francistown was significantly higher than in 1992: one in five pregnant women in Gaborone and one in three women in Francistown were infected. Approximately 17% of pregnant women in other urban areas and 13% of pregnant women in rural areas were infected, for an overall rate of 22.5%.

A standard World Health Organization computer model was used to estimate that about 59,000 people in Botswana were infected with HIV by early 1992, representing about 4.5% of the total population and 9% of the sexually active population. By early 1993, an estimated 92,000 were infected, representing about 7% of the total population and 15% of the sexually active population. The model projects that there will be 172,000 persons infected with HIV by 1998.

The first AIDS case in Botswana was reported in 1985. By June 1992, 353 cases had been reported to the MOH, and there were 116 reported deaths from AIDS-related complications. By 1993, the reported number of AIDS cases had risen to 804 and the cumulative deaths due to AIDS had reached 154. Because of under-reporting and delays in district reporting, the

real number of AIDS cases in Botswana is probably much higher than the reported number. The MOH has estimated that the cumulative number of AIDS cases was approximately 8,300 by 1993 and that the cumulative number of deaths due to AIDS was 6,700. The projected cumulative number of AIDS cases for 1998 is 44,000, and the projected cumulative number of deaths from AIDS by that year is 39,000.

The projections for 1998 do not take into account changes in sexual behavior resulting from increased awareness of HIV/AIDS. USAID/Botswana efforts in support of its population strategic objective, together with the AIDS awareness component of the education strategic objective, will contribute to lower HIV incidence relative to current projections.

Decreased Incidence of Sexually Transmitted Diseases (STDs) and ***Decrease in Self-reported STD symptoms in last 12 months:*** A large reservoir of people infected with STDs is probably contributing to the HIV epidemic. A Knowledge, Attitudes and Practices (KAP) survey conducted in 1993 revealed that the prevalence of STDs among 18-25 year-olds is very high, affecting between 21.1% and 40.7% of sexually active young male respondents. Although it is clear that STDs are common in Botswana, current reporting systems do not allow for incidence rates to be calculated. The only representative figure is the diagnosis given to patients attending Out-Patient Departments. In 1991, approximately 161,000 attendances in Out-Patient Departments were given an STD diagnosis. However, many patients attend more than once for each episode. Assuming three attendances per episode, and that STDs are confined to the 15-49 age group, 8.9% of the sexually active group had an STD episode in 1991. If there were instead two attendances per episode, the percentage climbs to 13.4%.

USAID/Botswana population project interventions should lower the incidence of STDs and self-reported STD symptoms. In addition, the project will provide technical assistance to improve the ability of the MOH to report on the incidence of STDs, starting in 1994. Annual KAP surveys will gather data on self-reported STD symptoms.

Increased student achievement and competencies as measured by criterion-referenced tests and ***Improved student attitudes toward additional training and preparedness for further education***: These indicators will be derived directly from indicators at the strategic objective level for the BEC project. Pilot school surveys have already been conducted and questionnaires and analysis plans are being refined for the collection of baseline data in early 1994.

Increased private investment in non-mineral sectors of the economy and ***Increased private sector employment in non-mineral sectors of the economy***: These indicators will be derived directly from indicators at the level of the target of opportunity for the Botswana Private Enterprise Development (BPED) project. By early 1994, project data collection and monitoring systems will have been established to estimate the impacts on investment and employment that are directly attributable to project activities.

Program Goal: Enhance conditions necessary to support sustained improvement of the economic and social well-being of the average Batswana household

Performance Indicators	Data Sources	Baseline Data			Expected and Actual Results				
					FY 1993	FY 1994	FY 1995	FY 1996	FY 1997
		Year	Units	Value	Actual	Expected	Expected	Expected	Expected
1. Decreased percentage of households living below the PDL	1989 PDL, 1986 HIES, 1993 HIES, Cost-of-Living Index, average wages as proxy for income, project-sponsored household surveys	1989	-% of urban households: -% of rural households: -% of all households:	30 64 55	to be derived from 1993 HIES results (not yet available)				
2. Decreased average amount by which households living below the Poverty Datum Line fall below the PDL: [(households with income < = PDL)/(total households)] x [(PDL - Income)/(PDL)]		1989	average % amount by which poor households fall below the PDL -urban households: -rural households: -all households:	 17 33 29					
3. Decreased total fertility rate	1988 BFHS, 1991 Census & CSO projections, 1995/96 BFHS	1988	total fertility rate -urban: -rural: -total:	 4.1 5.4 5.0	to be derived from CSO revised projections based on 1991 Census data and projections (available December 1993)				
4. Decreased rates of pregnancies among teenagers	1988 BFHS, 1991 Census, 1995/96 BFHS, Ministry of Education (MOE) statistics on dropouts due to pregnancies	1988	% of teenage women (15-19) who -are mothers: -are pregnant with first child: -left school because of pregnancy:	 23.5 4.9 9.3					
5. Decreased rates of HIV transmission	annual HIV Sentinel Surveillance	1992	HIV seroprevalence rates (percentage of pregnant women infected) -Gaborone: -Francistown: -overall:	 14.9 23.7 18.1	 19.2 34.2 22.5				
6. Decreased incidence of STDs	Family Planning Management Information System (FP/MIS)	1991	% sexually active population:	8.9-13.4 (est.)	USAID/Botswana will provide technical assistance to strengthen FP/MIS to provide necessary indicator data				
7. Decrease in self-reported STD symptoms (last 12 months)	KAP surveys	1994	% of respondents:						
8. Increased student achievement and competencies as measured by criterion-referenced tests	Criterion-referenced tests developed by BEC/MOE personnel	1994							
9. Improved student attitudes toward additional training and preparedness for further education	BEC-operated classroom surveys	1994							
10. Increased private sector investment in non-mineral sectors of the economy attributable to BPED activities	BPED data collection and monitoring systems, spreadsheets	1991	NOTE: more accurate estimates for 1991-93 will be available from BPED data collection systems once data has been entered	$200,000	$1.5m	$1.5m	$1.5m	$1.5m	$1.5m
11. Increased private sector employment in non-mineral sectors of the economy attributable to BPED activities		1991		250	800	800	800	800	800

SECTION III.
Progress Toward Strategic Objectives and Related Progress Indicators

Strategic Objective 1: Increase the level and relevance of what students learn, their receptivity to additional training, and their preparedness for further education

The Botswana Education Consolidation (BEC) project was designed as a follow-on to two previous USAID-funded projects: the Primary Education Improvement Project (PEIP, 1981-1992) and the Junior Secondary Education Improvement Project (JSEIP, 1985-1991). PEIP strengthened the capacity of the MOE and the University of Botswana to organize, revise and implement effective pre-service, inservice and curriculum programs for primary teacher education. Major accomplishments of this project include the formation of a fully functioning Department of Primary Education at the University of Botswana; the reorganization of the teacher training programs at the Primary Teacher Training Colleges; and the development of an inservice education network which included construction of eight new education centers and the training of educators to carry out inservice education programs. The JSEIP project increased the quality and efficiency of an expanding junior secondary education system and played a significant role in curriculum development and in the implementation of a mechanism for structuring the curriculum at the Colleges of Education.

The following table presents basic education indicators which document the tremendous progress made by the government of Botswana in partnership with USAID between 1982 and 1992:

Basic Education Indicators

Indicator	1982	1992
Primary School Enrollment	188,218	301,482
% Male	46.4	48.9
% Female	53.6	51.1
Gross Enrollment Ratio (GER)	100.3	108.2
Net Enrollment Ratio (NER)	84.8	90.2
Primary School Repetition Rates		
Standard 4	.124	.108
Standard 7	.262	.081
All Repeaters	.059	.034
Primary School Teachers	5,995	10,449
% Untrained	32.7	15.1
% Batswana	96.0	96.8
Primary School Pupil/Teacher Ratio	31.4	29.0
Junior Secondary School Enrollment (Forms 1, 2)	12,687	54,781
% Male	42.3	44.5
% Female	57.7	55.5
Progression Rates from Standard 7 to Form 1 (%)	26.9	77.5
Dropout Rates from Form 1, Form 2 (%)		
Pregnancy	(est.) 2.1	1.9
Other	N/A	2.2

Secondary School Teachers	943	3835
% Untrained	26.3	21.1
% Batswana	N/A	68.0

In 1982, a year after PEIP began, there were 463 primary schools with an enrollment of 188,218, representing a net enrollment ratio of 85%. By 1992, there were 643 primary schools with a total enrollment of 301,482, yielding a net enrollment ratio of 90%. Enrollment in Forms 1 and 2 in 1982 totalled 12,687, and, assisted by JSEIP, the government increased enrollments at that level to 54,781 by 1992. Female enrollments were higher than male enrollments throughout the nine years of basic education from 1982 to 1992.

Progression rates from Standard 7 to Form 1 increased from 27% in 1982 to 78% in 1992. Although more students had access to basic education, high repetition rates, particularly in Standards 4 and 7, indicated that a large number of students were not attaining the requisite grade level skills. A Standard 4 Attainment Test was introduced in 1981 as a diagnostic tool to determine what remediation should be offered to children at that level, and in *exceptional* cases, a pupil was to repeat. However, 12% of Standard 4 pupils repeated in 1982, and in 1992 nearly 11% were still repeating, with no remediation being offered in practice. Approximately 26% of the students in Standard 7 repeated in 1982 due to the limited availability of places in secondary schools, but this percentage had fallen to 8% in 1992, as near-universal access to Form 1 has become a reality. In 1993, for the first time, there are more places available for Form 1 entrants than the number of students who applied. Current data suggest that while the number of Standard 7 repeaters is beginning to decline, the number of Form 2 repeaters is growing as students at that level seek another opportunity to enter senior secondary school, since they are still too young to enter the labor market.

Dropout rates in Botswana are quite low at the primary school level, but a major problem has been enrollment loss at the secondary school level due to pregnancy. Roughly 2% of Form 1 and Form 2 students dropped out due to pregnancy in both 1982 and 1992, and very few of them return to complete their studies. BEC will address this problem by integrating Family Life Education into the curriculum.

In 1982, about 33% of the primary school teachers were untrained. The PEIP project, with its focus on pre-service and inservice education for teachers, contributed significantly to the increase in the number and quality of trained teachers, and by 1992 the percentage of untrained teachers had fallen to 15%.

Approximately three-fourths of the Primary Teacher Training College tutors, one-half of the primary education field officers, and three-fourths of the professional education center personnel were graduates of the Department of Primary Education. The professional staff of the Department of Primary Education were all Batswana. All had completed the Master's degree through USAID funding, and three had earned Ph.D. degrees. In addition, two staff members from the Education Foundations Department of the university were supported under PEIP for

Ph.D. degrees. PEIP also developed a graduate program in primary education at the university. The new M.Ed. program admitted 7 students in 1988 and 15 in 1990, a majority of whom were graduates of the Department of Primary Education.

PEIP efforts at the Primary Teacher Training Colleges focussed upon teacher education curriculum development and resulted in completely revised and approved syllabi for all subjects offered in the colleges. Project contributions to inservice education in Botswana consisted of a physical infrastructure of eight new education centers and a large body of Batswana educators who had direct experience in planning, organizing and implementing inservice education programs. Thus the foundations have been laid for an improved quality primary education system.

The BEC project is designed to consolidate the educational gains of the previous decade by assisting the MOE in further strengthening its curriculum development and implementation process to prepare primary and junior secondary students with competencies that are relevant to a modernizing Botswana. These competencies include language, math and science skills, as well as problem-solving and analytical skills, with a program of studies that places emphasis on the world of work, family life and population issues, AIDS awareness, gender sensitivity, and the environment. Increased competence in these areas should lay a foundation for school leavers to participate in the labor force and to enhance their quality of life.

The major activity of the BEC project since the arrival of team members over the past few months has been to collaborate with MOE colleagues to complete a Needs Assessment for Basic Education Consolidation in Botswana. The final report, issued in September 1993, was the prerequisite to further implementation of the BEC project and included detailed workplans specifying outputs, actions, time lines, and assignments of responsibility which specifically relate to API sub-targets established by the Mission in April 1993. Currently BEC team members are engaged in the process of developing a detailed monitoring and evaluation system which will facilitate impact reporting at the strategic objective, target and sub-target levels for the 1994 API report.

Indicators for the education strategic objective are described below and summarized on page 12. ***Data from national and international exams will demonstrate an improvement in student achievement and comparability*** at the strategic objective level. Currently, the internally-set Primary School Leaving Exam (PSLE) and Junior Certificate Exam (JCE) are norm-referenced: their main purpose is to rank pupils in order of merit, and the proportions of high and low grades are approximately determined in advance. Such exams do not measure students' mastery of the curricula, nor can year-to-year comparisons of results measure whether overall performance has improved.

When the criterion-referenced tests to be developed under the BEC Project come on line, they will measure students' achievement and competencies of Botswana's new integrated nine-year curriculum. The number of students meeting established criteria on these assessments is expected to increase as more students are in classrooms that incorporate the new curricula and

have teachers trained to teach it, and as student and program evaluation becomes increasingly linked to these new competencies.

Starting in 1994, ***surveys will demonstrate an improvement in student attitudes to additional training and preparedness for further education***. Pre- and post-testing, using tests developed or adapted by the BEC advisory team, will be used to track student attitudes to continued formal and non-formal education; the world of work; family life issues, including population and AIDS awareness; gender sensitivity; and the environment.

A major component of the BEC initiative is to establish a continuous assessment program which places emphasis on other forms of student assessment, in addition to standardized examinations which too frequently cannot adequately measure how well students are learning what is actually being taught. For this reason, ethnographies and classroom observations will be used to document qualitative features of school environments. Such ***qualitative documentation will demonstrate an increase in student levels of competencies.***

Target 1.A: Increased proportion of students who are offered the new curriculum and pedagogic materials, instructed by teachers trained to apply them

Attainment of this target would assure that the necessary quality inputs for increased learning are evident in the classroom. This requires efficient curriculum and teacher training systems, as well as the supporting logistic and supervisory systems. The indicators for this target are the ***percent of students who have new curricular materials*** and the ***percent of teachers trained to utilize the new curricular materials***. These indicators will be measured by BEC project-operated classroom surveys and other supporting qualitative documentation including annual reports on curriculum development and materials production and distribution.

With the support of PEIP, curriculum at the primary level has been revised with syllabuses distributed to the schools in early January, 1993. Subjects included were Agriculture, English, Mathematics, Religious Education, Science, Setswana, and Social Studies. A primary level syllabus is being developed in Home Economics. At the junior secondary level, Design and Technology is a new subject with a recent syllabus. Mathematics, English, Science and Agriculture have been developed as a continuum from Standard 1 through Form 2. Efforts are ongoing to integrate Environmental Education across the curriculum at all nine grade levels, with support from NRMP. A program of classroom surveys, which was piloted in June 1993, will measure the impact of BEC curriculum development interventions on both teachers and students.

Target 1.B: System established to provide feedback on student learning achievement to pupils, teachers, parents, policy makers, and private sector

A program of classroom surveys will be implemented in early 1994 to track the ***percent of classrooms in which criterion-referenced tests are used*** and to measure progress towards successful implementation of criterion-referenced testing. BEC project staff will report semi-

annually on feedback systems and checklists of ***documentation to demonstrate a progressive implementation process toward a continuous student assessment evaluation and feedback system***. These checklists were developed as part of the Needs Assessment.

Continuous assessment currently constitutes one examination paper in four of the eleven JCE school subjects: Agriculture, Art, Design and Technology, and Home Economics. Baseline data will be collected in early 1994, and periodic classroom surveys will measure the degree to which continuous assessment in these areas is being successfully implemented.

BEC Performance Reporting Form: Baseline, Expected and Actual Results

Performance Indicators	Data Sources	Baseline Data			Expected and Actual Results				
					FY 1993	FY 1994	FY 1995	FY 1996	FY 1997
		Year	Units	Value	Estimated	Expected	Expected	Expected	Expected
Strategic Objective 1: Increase the level and relevance of what students learn, their receptivity to additional training, and their preparedness for further education									
1. Data from criterion-referenced PSLE and JCE will demonstrate an improvement in student achievement and comparability	Criterion-referenced PSLE results starting in 1996, JCE results starting in 1997	1996			Baseline data to be collected in early 1994 as project implementation gets underway.				
2. Surveys will demonstrate an improvement in student attitudes to additional training and preparedness for further education	BEC-operated classroom surveys	1994							
3. Qualitative documentation will demonstrate an increase in student levels of competencies	on-going classroom observations, classroom ethnographies, checklists of skills, competencies	1994							
Target 1.A: Increased proportion of students in classrooms who are offered the new curriculum and pedagogic materials, instructed by teachers trained to apply them									
1. Percent of students who have new curricular materials	BEC-operated classroom surveys, classroom ethnographies	1993	% of students:	10	10	20	35	50	80
2. Percent of teachers trained to utilize new curricular materials	training reports, random surveys of first-year teachers, surveys before/after workshops, teacher evaluations	1993	% of teachers:	10	10	20	35	50	80
Target 1.B: System established to provide feedback on student learning achievement to pupils, teachers, parents, policymakers, and the private sector									
1. Percent of classrooms in which criterion-referenced tests are used	Semi-annual progress reports, checklists, classroom surveys	1993	% of classrooms:	0	0	5	15	30	80
2. Documentation to demonstrate a progressive implementation process toward a continuous student assessment evaluation and feedback system		1993	% progress towards implementation:	0	0	10	25	60	100

Strategic Objective 2: Positively modify behaviors associated with effective family planning and STD/AIDS prevention

Botswana faces a similar problem in both its family planning and STD/AIDS prevention programs: the translation of high levels of knowledge and awareness into behaviors which reduce the risk of unwanted pregnancy and infection with HIV and other STDs. Analysis of 1988 Botswana Family Health Survey (BFHS) data indicates that reasons for discontinuation by family planning users - health concerns, inconvenience, and method failure - are strongly related to quality of care. Gaps between knowledge and practice indicators for HIV/AIDS are significant. Therefore, the Botswana Population Sector Assistance project (BOTSPA) is designed to facilitate the transition of knowledge and awareness into sustained adoption of appropriate behaviors through improved family planning/sexually transmitted disease (FP/STD) service delivery in the public health system, increased demand for and accessibility to the Botswana Social Marketing Program (BSMP) condoms, and improved knowledge and attitudes regarding AIDS prevention.

Except for the BSMP, which has been active since November 1992, implementation has only recently been initiated under project components designed to achieve targets for the population strategic objective. Therefore, while baselines for many of the indicators have been established, project activities have not been underway long enough to demonstrate impact. However, the following paragraphs describe the status of the monitoring and evaluation system and the nature of activities being undertaken to enable effective measurement of program impact by October 1994.

In agreement with GOB implementing agencies under BOTSPA, the monitoring and evaluation system which is designed to measure impact depends to a large extent on existing and planned systems within the GOB. These include a Family Planning Management Information System (FP/MIS) which functions as a subsystem of the GOB's health information system and a series of HIV serosurveys and KAP surveys which are coordinated by the AIDS/STD Unit of the MOH. BOTSPA project efforts will strengthen and supplement these systems to enable reporting of impact at the strategic objective level by October 1994.

Monitoring the Strategic Objective: The BOTSPA project will assist in the expansion of the existing FP/MIS to include multiple indicators of contraceptive prevalence, and to enable forecasting of commodity requirements and monitoring of stock levels. This expanded system will be reflected in new guidelines for each level of service delivery and management, to be used in training and on the job. Successful implementation of the strengthened FP/MIS will evolve as a larger proportion of existing service delivery cadres complete training provided under the project.

Monitoring Service Quality: Human resource constraints and a high degree of decentralization in health care service delivery have both contributed to a situation in which frequent, standardized supervision at the district level is not practicable. For project purposes - a functional supervisory system is critical to the sustainability of improvements in service quality -

the Mission will assist the MOH to negotiate with the MLGLH and Local Authorities for the adoption of a standardized checklist to be employed by district-level Maternal and Child Health/Family Planning (MCH/FP) supervisors.

However, the Mission cannot immediately rely on the supervisory system to provide timely, accurate and reliable data for program monitoring. Therefore, the Mission will seek assistance to design and implement a separate mechanism to assess the quality of FP/STD service delivery. This will entail observation of service providers and exit surveys of FP/STD clients to determine the extent of compliance with established standards. A national representative sample of facilities will provide the baseline for quality indicators in early 1994. Subsequently, discrete samples of facilities with and without trained personnel will provide the basis for an assessment of the impact of the planned in-service training activity.

The MCH/FP Unit of the MOH is currently testing a supervisory checklist which will be used to standardize assessment of quality of service delivery. The results of annual surveys conducted by MCH/FP staff, based on a national sample of facilities, will serve as a check on the data for target-level indicators of service quality. As a regular system of reporting from the district-level supervisory systems comes on-line, the coverage and frequency of data to support the service quality indicators will be increased.

A training database to be established and maintained by the contractor will track the deployment of trainees as they exit the program, thus providing a basis for tracking the impact of training on service statistics by individual facility. When operational in 1994, this tool will enable the disaggregation of service statistics and quality of service indicators between facilities with or without project-trained personnel to facilitate assessment of the impact of project activities.

Monitoring the BSMP: Since November 1992, the BSMP has defined target audiences and developed and implemented an advertising campaign to promote the sale of affordably priced condoms to reduce the risk and spread of AIDS. The BSMP is building on an already well-established commercial network and public familiarity with anti-AIDS advertising, which the MOH is currently sponsoring through the media. A trade promotion campaign was launched in late May for both the traditional retail pharmaceutical trade and non-traditional marketing outlets. The BSMP condom was formally launched in June 1993. The event received widespread media coverage, and product sales performance since has exceeded expectations. By the end of October, 871,000 condoms had already been sold, as compared to a first-year target of 500,000 condoms.

Population Services International is in the process of establishing a comprehensive management information system to assess the efficiency and effectiveness of the BSMP program. The financial systems have been expanded to include revenues and accounts receivable. Sales analysis systems track unit sales by package type; wholesale prices; and numbers, kinds and location of outlets.

BOTSPA Performance Reporting Form: Baseline, Expected and Actual Results

Performance Indicators	Data Sources	Baseline Data					Expected and Actual Results											
							FY 1993		FY 1994		FY 1995		FY 1996		FY 1997			
		Year	Units	Value			Actual		Expected		Expected		Expected		Expected			
Strategic Objective 2: Positively modify behaviors associated with effective family planning and STD/AIDS prevention																		
1. Contraceptive prevalence: percentage of women of reproductive age (WRA) currently using any modern family planning method	national demographic and health surveys (1988, 1995/96); FP/MIS	1988	% WRA:	28.9			N/A		32.4		33.7		35.3		37			
2. Couple-years of protection (CYP)	FP/MIS	1988	CYP:	68,363			N/A		106,950		115,546		125,716		136,845			
3. Continuation rates: percentage of family planning acceptors who did not default on their last appointment	FP/MIS	1988	% of acceptors:	49			N/A		57		58		60		62			
4. Number and percentage of women of reproductive age who are new acceptors	Health Statistics Unit, MOH	1988	-total number:	40,300			64,163		51,824		54,877		57,483		60,354			
			% requesting pill:	53			36											
			% requesting condom:	24			52											
			-% WRA:	15			19		15		15		16		16			
5. Frequency of condom use partners: percentage of respondents using condoms with serious/casual partners, by gender	KAP survey results	1993	with serious partners (%)	M	F		M	F	M	F	M	F	M	F	M	F		
			-always/almost always:	33	29		33	29	33	24	35	25	36	27	38	28		
			-about half the time:	28	20		28	20	22	20	23	21	24	22	25	23		
			-hardly ever/never:	39	51		39	51	45	56	42	54	40	51	37	49		
		1993	with casual partners (%)	M	F		M	F	M	F	M	F	M	F	M	F		
			-always/almost always:	60	54		60	54	33	24	35	25	36	27	38	28		
			-about half the time:	23	15		23	15	22	20	23	21	24	22	25	23		
			-hardly ever/never:	17	31		17	31	45	56	42	54	40	51	37	49		
6. Number of partners reported by sexually active respondents, by gender	KAP survey results	1993	% reporting	M	F		M	F	M	F	M	F	M	F	M	F		
			-1 partner:	45	77		45	77	48	77	49	79	50	80	51	82		
			-2 or 3 partners:	37	20		37	20	33	21	35	19	36	18	38	16		
			-4 or more partners:	18	3		18	3	19	2	16	2	14	2	11	2		
7. STD treatment-seeking behavior among males: percentage of male respondents who report an STD symptom who sought treatment	KAP survey results	1994																

Strategic Objective 2. Positively modify behaviors associated with family planning & STD/AIDS prevention

Performance Indicators	Data Sources	Baseline Data			Expected and Actual Results				
					FY 1993	FY 1994	FY 1995	FY 1996	FY 1997
		Year	Units	Value	Actual	Expected	Expected	Expected	Expected
Target 2.A: FP/STD service delivery improved									
1. Family planning service & STD/AIDS diagnoses & treatment provided per clinical norms	MOH/MLGLH supervisory reports based on observations against checklists and client exit interviews	1994							
2. Family planning & STD/AIDS counselling using Information, Education and Communication materials adequately provided		1994							
3. Client satisfaction increased: percentage of clients interviewed who score better than a minimum satisfaction index		1994							
4. Commodities for family planning and STD/AIDS prevention available in facilities	inventory tests conducted by MOH/MLGLH supervisors	1994							
Target 2.B: Demand for and accessibility of the BSMP condom increased									
1. Product sales performance	BSMP management information system	1993	condoms sold as of Oct. 31: number of outlets as of Oct. 31:	871,000 345	871,000 345				
2. Cost per Couple Years of Protection (CYP)		1993	cost/CYP (as of Sept. 30):	$13.45	$13.45				
Target 2.C: Knowledge and attitudes regarding effective AIDS prevention improved									
1. Knowledge of STD/AIDS: percentage of correct responses to questions testing general knowledge of AIDS, by gender	KAP survey results	1993	% of correct responses:	M F 67 66	M F 67 66	M F 84 74	M F 86 76	M F 89 79	M F 92 81
2. Knowledge of effective HIV/AIDS and other STD behavior: % of respondents who give 2 or more correct responses to how people can protect themselves against the AIDS virus, by gender	KAP survey results	1993	% giving 2 or more correct responses:	M F 85 85	M F 85 85	M F 85 77	M F 87 80	M F 90 82	M F 93 85
3. Attitudes regarding condoms, AIDS and other STDs: mean values for attitudinal indices (most positive response = 4), by gender	KAP survey results	1993	mean values for -condom use: -concern about getting AIDS:	M F 3.0 3.1 2.8 2.8	M F 3.0 3.1 2.8 2.8	M F 3.1 3.0 3.0 3.0	M F 3.2 3.1 3.1 3.1	M F 3.3 3.2 3.3 3.5	M F 3.4 3.3 3.4 3.5

SECTION IV.
Progress in Priority Areas

Target of Opportunity 1: Demonstrate the Socioeconomic Sustainability of Community-Based Natural Resources Management

The Natural Resources Management Project (NRMP) aims to improve the social and economic well-being of residents of targeted rural communities by implementing sustainable community-based wildlife and other natural resource conservation and utilization programs. It therefore contributes to the goal of encouraging broad-based economic growth by improving the economic opportunities of poorer segments of society, while protecting the environment by encouraging *sustainable* use of natural resources.

In May 1993, NRMP underwent a midterm evaluation which resulted in recommendations that have direct implications for monitoring, evaluation and impact reporting. The evaluation team confirmed that several of the key assumptions which guided the original project design were faulty. The first key assumption was that proven methods of community-based natural resources utilization had been developed and tested, and that they were ready for widespread demonstration with support from project funds. The second key assumption underlying the strategy was that the numbers of wild animals were adequate to permit community utilization through animal harvesting on a sustainable basis. The third assumption was that there was a network of international and indigenous NGOs that could catalyze the process of community mobilization as a prerequisite to successful community-based wildlife management initiatives. In fact, there are few examples, if any, of successful community-based natural resource utilization in the Southern African Development Community region that can be readily demonstrated and replicated in Botswana. Perceptions of wildlife numbers and what constitutes a sustainable offtake vary, but evidence suggests that original assumptions were overly optimistic. Finally, the pool of NGOs with the requisite experience in both conservation and community mobilization is extremely limited.

The evaluation team concluded, however, that, despite the design flaws, NRMP has adapted itself to the ecological, social, and political forces at work in Botswana to lay the foundation upon which sustainable community-based natural resource utilization can now be built. A major recommendation of the team was that NRMP and the Department of Wildlife and National Parks (DWNP) "should be measured not just by concrete outputs in discrete villages, but by their learning from successes and failures, by their refining systems and testing new approaches, and ultimately by their ability at the end of the project to put in place conditions that will lead to widespread community utilization even if a relatively small number of communities are actually helped during the project's life".

The NRMP Rural Sociologist, who arrived only one month ago, is reviewing the Natural Resources Impact Framework constructed by ARTS/FARA and Mission staff and has proposed a detailed community-based participatory monitoring and evaluation system which addresses many of the issues raised in the midterm evaluation. The proposed system, when complemented

by Participatory Rural Appraisals (PRA) of target communities, will provide impact data and contribute to the strengthening of community capabilities to identify and implement natural resource utilization projects.

One indicator of the socioeconomic sustainability of community-based natural resources management is the ***increased number of communities, outside of NRMP areas, in which community-based natural resources management has been initiated.*** In 1993, the Nata Sanctuary was established by a community of four villages as a wildlife conservation area and as a means for educating the citizens of Botswana about the importance of environmental conservation. In addition to employing four citizens full-time, the sanctuary offers villagers the opportunity to obtain income from selling baskets and firewood. Surplus revenue from the sanctuary will be used for capital development within the villages. While NRMP provided technical support for the Sanctuary through the Kalahari Conservation Society, the initiative for the project came from the communities.

Output 1.A: Select and establish viable community-based natural resources management demonstration projects

Community-based natural resources management demonstration projects have recently been selected and established in two areas: in Chobe Enclave I by the Chobe Enclave Conservation Trust, and in Ghanzi District by the Kuru Development Trust.

NRMP efforts to develop and strengthen the capacity of the Chobe Enclave Conservation Trust to manage community development efforts and to solicit community-based project activities resulted in the submission of two project proposals from the Chobe Enclave communities. The first proposal was to pool the hunting quotas of the five communities and sell them to a hunting safari operator. The potential benefits to the Enclave communities from such an arrangement are estimated to be $38,000 during the first year, significant gains to a population numbering about 8,000 and having average annual household incomes of about $800. In addition, approximately 20 laborers from the community would be required to set up camp, and another 12 laborers would be maintained as staff during the hunting season. One community escort guide would be employed for each hunting client. A second proposal for a forestry project in the Chobe Enclave is still being evaluated by the Forestry Division in the Ministry of Agriculture.

The Kuru Development Trust project will enable the local communities to break into the highly lucrative international market for carmine dye. The project will provide technical support in the establishment of plantations, production and marketing of the dye. It is expected to increase the income and self-sufficiency of 230 families in 9 settlements on 3,000 ha. of land. During the first year, 28 extended family units have been targeted by the Kuru Development Trust for development, and in the second year another 24 extended family units have been targeted. Each extended family unit may expect to produce over 670 kg., worth approximately $16,000 each year once full production has been achieved. The grantee will be required to submit periodic

financial and program performance reports which will enable USAID/Botswana to measure project impact over the three years of the grant's life.

The impact on households of activities funded through the NRMP during the lifespan of the project will be monitored. A baseline study has been conducted in the Chobe Enclave to provide the initial data set for that area and to serve as a model for other areas, and CSO has agreed to provide 1991 Census information to supplement the baseline data already collected for the Chobe Enclave villages. Towards the end of the project, at least two socioeconomic studies will be carried out to compare baseline and follow-up data from the selected demonstration sites to measure the impact of the wildlife and veld product utilization programs on residents.

Output 1.B: Conditions necessary for replicable demonstration projects in community-based natural resources management

The NRMP has supported the GOB's significant efforts with respect to the creation of an enabling policy environment. USAID/Gaborone initiated technical assistance to the GOB natural resources management policy arena prior to 1989 which helped to lay some of the groundwork for the NRMP activities. In 1986, two policies (Wildlife Conservation and Tourism) laid out the GOB's strategy for decentralization of natural resources management and promoted increased community/private sector involvement. The 1991 National Conservation Strategy is a white paper which lays out the GOB's commitment to a cross-sectoral approach to resource conservation. By 1993, the earlier policies became law under the Tourism Act and the Wildlife Conservation and National Parks Act. These acts detail regulations and assign powers of management and rights to resources for National Parks, Wildlife Management Areas, hunting and tourism.

A training workshop in PRA which combined classroom instruction with an actual village PRA was held in June 1993. The PRA stimulated good participation and constructive planning among the residents of the community in which the workshop was held, in spite of previous problems within the community, and resulted in a preliminary Village Resource Management Plan. A follow-up committee has entered into a working alliance with the community to coordinate the Village Resource Management Plan, and, under the guidance of the newly arrived project Rural Sociologist, DWNP has embarked upon an intensive effort to implement PRA on a wider scale.

The proposed monitoring and evaluation plan includes a Participatory Self-Evaluation component which is designed both to strengthen the PRA process and to assess whether the project is succeeding in putting in place the conditions necessary for community-based natural resources management. Focus Group discussions involving community members will also help to identify key processes which affect community adoption of natural resources management concepts and practices. Finally, Rapid Appraisal Surveys will include sections which will measure attitudes towards natural resources management and the role and effectiveness of DWNP.

An indicator of impact at the level of Output 1.B is that the President of Botswana, in a recent speech to Parliament, cited NRMP, and the Chobe Enclave project in particular, as an example of successful implementation of community-based natural resources management.

In the area of environmental education, the formal sector needs assessment has been completed. One early indicator of the impact of this effort is that the University of Botswana has announced that it will use the needs assessment as the foundation for developing an Environmental Education course at the university.

NRMP Performance Reporting Form: Baseline, Expected and Actual Results

Performance Indicators	Data Sources	Baseline Data		FY 1993	FY 1994	FY 1995	FY 1996
		Year	Value	Actual	Expected	Expected	Expected
Target of Opportunity 1: Demonstrate the socioeconomic sustainability of community-based natural resources management							
1. Increased number of communities, outside of NRMP areas, in which community-based natural resources management has been initiated	Contractor reports, DWNP records, field visits, aerial photos	1991	0	4 villages: establishment of game preserve - Nata Sanctuary			
2. Increased number of hectares, outside of NRMP areas, in which community-based natural resources management has been initiated		1991	0	7,000 hectares			
Output 1.A: Select and establish viable community-based natural resources management demonstration projects							
1. Increased number of financially viable, community-based natural resources management demonstration projects, in NRMP areas, which provide income for participants	Contractor reports, demonstration project spreadsheets, survey data on household income and expenditures, aerial photos	1991	0	2: Chobe Enclave I (wildlife), Kuru Development Trust (veld)	3 - Chobe II (veld), Thusano (veld), Xaixai (wildlife)	4 - veld (2), wildlife (2)	
2. Increased number of hectares in NRMP areas devoted to community-based natural resources management demonstration projects		1991	0	4,000 hectares (Chobe), 600 hectares (Kuru)			
Output 2.B: Conditions necessary for replicable demonstration projects in community-based natural resources management							
1. Increased GOB financial resources allocated to natural resources management	GOB reports	1992	baseline figures will be provided by DWNP	consistent annual increases through LOP (report still to be provided)			
2. Increased GOB staff resources allocated to natural resources management		1992		increase of 4 person-years			
3. Increased GOB financial resources allocated to environmental education		1992		increase of $14,000			
4. Increased GOB staff resources allocated to environmental education		1992		increase of 325 person-days			

Target of Opportunity 2: Enhance enabling environment for increased private investment and enterprise growth in non-mineral sectors of the economy

The Botswana Private Enterprise Development (BPED) Project encourages broad-based economic growth through efforts aimed at increasing domestic and foreign private investment in non-mineral sectors of the economy; broadening economic opportunities for citizen entrepreneurs; and increasing the effectiveness of policy dialogue between the private and public sectors to improve the enabling environment affecting private sector expansion. The project builds on the Botswana Workforce and Skills Training Projects (BWAST I, 1982-89 and BWAST II, 1987-1992) which aimed, in part, to expand employment opportunities for Batswana in non-mining and off-farm sectors.

While BPED expects to contribute to an improved *overall* business and investment climate from which all potential foreign and domestic investors will benefit, project monitoring and impact reporting will focus only on investment and employment impacts that can be *directly* attributed to BPED activities. To this end, a computerized system for monitoring the impact of business training and advisory services has been developed for the Botswana Confederation of Commerce, Industry, and Manpower (BOCCIM), and a database management system has been established to track investment and employment creation activities in the Ministry of Commerce and Industry (MCI). Staff in both institutions were trained in using dBASE IV during October 1993, and specialized training and technical assistance is currently being provided to fully implement the BPED data collection and monitoring systems. Data for the period 1991-1994 will be captured over the next few months to enable full purpose- and output-level impact reporting in October 1994.

The data collection and monitoring systems are intended not only to provide data for monitoring the impact of the BPED project, but also to enhance the internal program management and decision-making capabilities of MCI and BOCCIM. For example, data currently being entered into the new system at MCI will support a major industrial policy evaluation scheduled for early next year. The institutionalization of these systems at MCI and BOCCIM will itself be a measure of impact of the BPED project.

Between 1989 and 1992, USAID-supported activities at BOCCIM under BWAST II created or saved 4,510 jobs through 1,347 outreach interventions to businesses. Grants and loans approved for these businesses totalled $1.8 million, and total investment in creating these jobs was about $2.4 million, or about $530 per job.

USAID-supported activities at the Botswana Development Corporation (BDC) over the same period created or saved about 14,000 jobs with a total investment of $268 million, or about $19,200 per job. The principal contribution to both investment and employment growth at BDC was through the programs of the Property Development Division, which was managed by a BWAST-funded Operational Expert (OPEXer). Between 1989 and 1992, this division managed projects which created 596 new hotel rooms, 19,000 square meters of shopping center space,

1,250 hectares of serviced plots, 133,500 square meters of factor space, three new office buildings, a new private hospital, and residential housing for BDC staff.

The Industrial Division of BDC, supported by a BWAST OPEXer, developed or saved ten projects over the last few years which have added or saved 1,656 new jobs, with a total investment in excess of $24 million. BDC anticipates that these projects will continue to expand over the next few years as factory shells are leased and developed and as individual projects expand. Ongoing employment and investment impacts will be captured through the BPED data collection and monitoring systems.

Output 2.A: Increased effectiveness of policy dialogue between public and private sectors in support of private sector-led growth

The first indicator for measuring the increased effectiveness of policy dialogue between the public and private sectors to improve the enabling environment affecting private sector expansion is ***qualitative assessment of the nature and significance of policy recommendations and reforms***. Unless the GOB indicates that a particular measure that it is taking is a direct consequence of a recommendation made by the private sector, one cannot easily quantify the impact of private sector policy initiatives. However, one can assess in a qualitative way whether effective dialogue is taking place and whether it is having an impact on decision makers.

The BWAST project contributed to improving the overall policy environment to encourage private sector development in Botswana through technical support to the Ministry of Finance and Development Planning (MFDP) and other government ministries. For example, a BWAST OPEXer played a major role in the development, coordination and promotion of the Revised Incomes Policy, which the Vice President and Minister of Finance and Development Planning referred to as "an essential component of the set of GOB policies which include monetary and fiscal policy, financial sector policy and an improved industrial development strategy, intended to promote private sector development". The policy revision was approved by the National Assembly in 1990, and many of the policy changes not requiring legislation have been implemented.

Another BWAST OPEXer reactivated and strengthened the Regulations Review Committee, charged with monitoring change in legislation and regulations to ensure that they conform to established policy. Significant progress on key issues concerning work and residence permits and industrial and trade licensing was made, and the relevant acts and regulations are being revised. A third OPEXer influenced the direction and priorities of national development by preparing key sections of national development plans, budgetary guidelines and development strategies which impact on private sector development.

The BWAST project also contributed to early private-public sector dialogue in the policy arena by providing financial and technical support to the Second Private Sector Conference in Francistown in 1991. The conference was attended by senior GOB officials and private sector leaders, who were able to exchange views on a variety of issues related to private sector

development. The government is currently reviewing the conference proceedings, which were prepared and distributed by BOCCIM, and a third such conference is scheduled for 1994.

As a result of previous efforts under BWAST, as well as by the current BPED Policy Advisor at BOCCIM, it is clear that the government now attaches greater weight to BOCCIM policy statements, position papers, reports and studies than has been the case in the past. There is far less criticism now of BOCCIM's advocacy role for the private sector and much more respect for the organization as a whole. For example, BOCCIM's Executive Council presented private sector recommendations emanating from a Workshop on Inflation and Recession held in October 1992 to the Acting Permanent Secretary of MFDP, who responded specifically to each recommendation and shared his response with the Permanent Secretary in MCI. At about the same time, MFDP invited BOCCIM to participate in the mid-term review of the National Development Plan.

BOCCIM, through the BPED project, conducted a one-day seminar on the Competitive Advantage of Nations to address the question of whether Botswana could truly be competitive in the manufacturing sector given the serious constraints confronting local manufacturers. It is a measure of the impact of the project and BOCCIM's earlier work that the seminar was attended by senior leaders from the GOB, the private sector, and parastatal organizations. Furthermore, the President of Botswana learned of the seminar and requested a private viewing of the Competitive Advantage video tape.

The BPED project has also made an important contribution to the question of foreign exchange control liberalization, and a team of consultants is currently completing a study of the relevant issues in the context of Botswana's efforts to diversify the economy. The initial draft of the study indicates that the consultants favor a staged but accelerated approach to liberalization. The Acting Permanent Secretary in MFDP stated in an article in the local press that the GOB looks forward to the BOCCIM report on foreign control liberalization, another indication of the GOB's increased respect for policy dialogue with the private sector.

The second indicator of increased effectiveness of policy dialogue between the public and private sectors is ***policy-specific impact analyses to measure effects on output, exports, employment created/saved, and investment, by citizenship and gender.*** The first major policy study funded by BPED, completed in early 1993, addressed critical issues facing the construction sector, which is one of Botswana's key industries, the second largest formal sector employer, and a major contributor to Gross Domestic Product. It is also a sector in which citizen entrepreneurs play a key role. Because nearly 90 percent of the construction contracts are awarded by the GOB, it presented a particularly relevant and

controversial public sector/private sector policy issue. The study confirmed that government tenderers specified foreign brand name construction materials, resulting in foreign contractors receiving a disproportionate amount of governmental contracts. It is estimated that this practice

resulted in Botswana losing $225-$285 million in potential Gross Domestic Product. The study made seven key recommendations aimed at enhancing the competitiveness of local material producers and construction contractors.

The study is receiving serious attention from the GOB and has resulted in specific improvements in opportunities for local tenderers. In particular, the GOB no longer specifies name brands in its tendering documents, a practice which used to favor South African over Botswana suppliers. For example, Lobatse Clay Works, a local manufacturer of bricks, shut down operations for three months in 1992 for lack of tenders, and nearly shut down for good, which would have put 120 employees out of work. When the GOB agreed to include only materials specifications in its tender documents, rather than naming brands, Lobatse Clay Works was able to bid competitively. Currently the enterprise employs 246 people who are pressed into 24-hour daily shifts to handle a 6-month backlog of orders. In early 1994 a quantitative impact analysis of the construction sector study will be carried out to generate more detailed indicator data in support of Output 2.A.

The BPED Policy Advisor at MCI prepared a major position paper which analyzed the impact of proposed protective tariffs on the competitiveness of Botswana's automotive industry in SACU countries. The process resulted in an official Botswana delegation going to South Africa for talks with South African trade officials, and the issues will likely be subsumed under the renegotiation of SACU. BPED policy advisors have been involved in a number of other policy initiatives and will be tracking and reporting on their impacts to provide more detailed policy-specific indicator data in 1994.

Output 2.B: Strengthened human capital resources to support private sector development

BPED advisors responsible for entrepreneurial/management skills development have joined the project only recently. As a result, the project's ability to report significant purpose- and output-level impacts is limited at this time. However, quantitative indicators of BPED-specific impacts on employment, enterprise creation, and investment will be available in 1994 from the BPED data collection and monitoring system.

A major focus of BWAST was to provide training for Batswana in skills which foster employment generation. A total of 179 individuals were trained outside Botswana under BWAST II, and another 2,937 persons received in-country training. Nearly half of the international training participants and two-thirds of the in-country training participants were from the private sector. Approximately 30% of the international training participants were women.

A follow-on questionnaire mailed to participants who completed long-term training under BWAST II indicated that 46% of them had received a promotion and 29% had localized a position upon returning from training. As a result of their training under BWAST, a significant number of individuals were involved in activities related to sustaining economic growth in Botswana: 27 were providing training to others, 21 were assisting new entrepreneurs in starting

businesses, 19 were providing management assistance to businesses, 15 were providing marketing assistance, and 14 were drafting new policy and/or regulations.

A Training Quality Survey was conducted to obtain the views of employers as to the value of training courses held in Botswana and sponsored in whole or in part by BOCCIM (using BWAST II and other donor funds). Generally, employers felt that training objectives had been met by the training.

BWAST also contributed to significantly to the development of a Management of Training system under the leadership of the Department of Public Service Management. All members of the Department of Public Service Management training department, and all but two of the GOB Training Officers, are Batswana, most of whom received specialized training under BWAST. Under BWAST II, monthly Training Officers' meetings chaired by the Department of Public Service Management were broadened to include representatives from BOCCIM and other private sector institutions, thus improving communication between the public and private sectors with respect to training issues. With BWAST OPEXer assistance, BOCCIM has become an effective coordinating body for managing training within the private sector, and the BOCCIM Training Officer, after returning from long-term training in the U.S. under BWAST, has assumed full responsibility for the BOCCIM Training Department. A BPED Training Advisor has recently begun efforts to further enhance BOCCIM's effectiveness in the training sphere.

A BWAST OPEXer was instrumental in creating the capacity within BOCCIM to provide management and entrepreneurial assistance to private sector businesses. During the past few months, a BPED Management Assistance Advisor arrived to guide BOCCIM in the further development of its management assistance programs. Preliminary data for 1993 indicate that these efforts have so far resulted in 9 new citizen-owned business startups. New investment in new businesses totals $73,000 to date, while increased investment among firms receiving assistance totals $196,000. New citizen employment in new businesses amounts to 32, and increased employment among firms receiving assistance amounts to 55. A total of 29 firms receiving assistance have demonstrated improved performance or profitability.

Output 2.C: Strengthened local capacity to promote domestic and foreign investment in the private sector

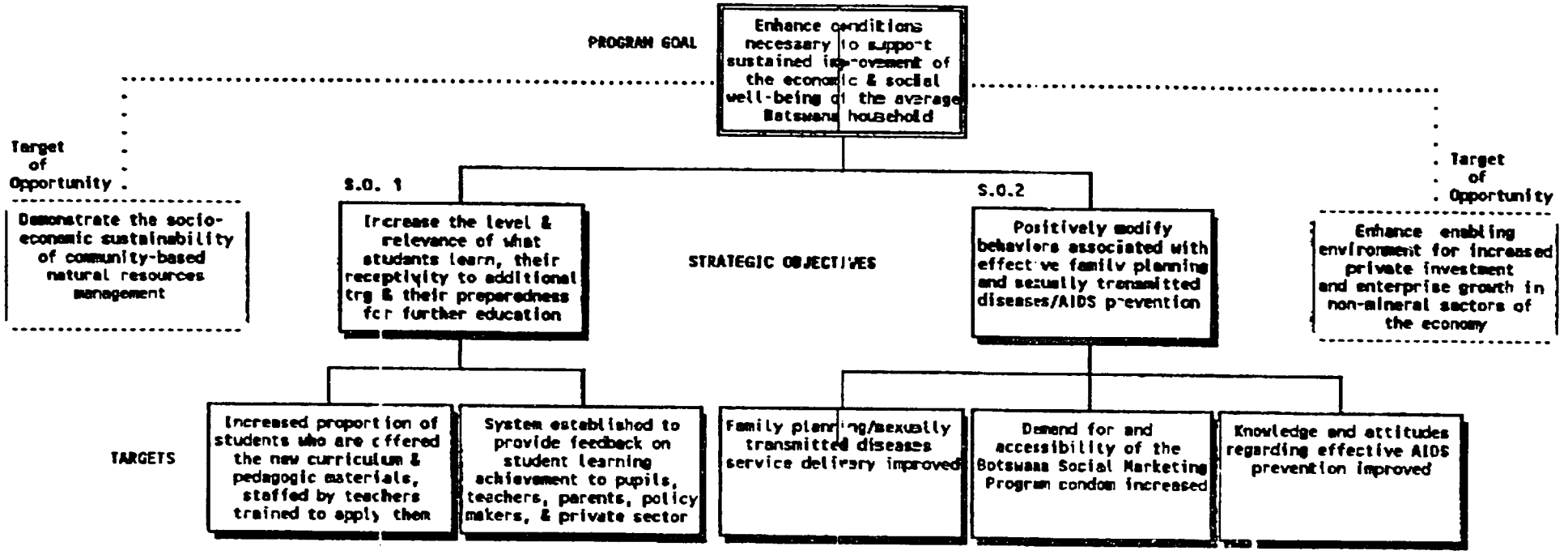
BPED advisors responsible for investment promotion activities in BDC have also only recently joined the project. Preliminary impact data for 1993 indicate that 12 companies with which the Management Assistance Advisor to BDC is directly involved have demonstrated increased employment, profitability, or profits. Three companies have been privatized, and an additional four companies are under study or negotiation for privatization. In response to recessionary pressures, six BDC portfolio companies have been reorganized or refinanced, requiring estimated new investment of $12 million and saving approximately 350 jobs.

652

BPED Performance Reporting Form: Baseline, Expected and Actual Results

Performance Indicators	Data Sources	Baseline Data		Expected and Actual Results			
				FY 1993	FY 1994	FY 1995	FY 1996
		Year	Value	Estimated	Expected	Expected	Expected
Target of Opportunity 2: Enhance enabling environment for increased private investment and enterprise growth in non-mineral sectors of the economy							
1. Increased private investment in non-mineral sectors of the economy attributable to BPED activities (including both new and expanded investment)	computerized BPED data collection and monitoring systems developed for BOCCIM and MCI; BDC spreadsheets maintained by BPED personnel	1991	see narrative	$1.5 m	$1.5 m	$1.5 m	$1.5 m
2. Increased private sector employment in non-mineral sectors attributable to BPED, by citizenship and gender (employment targets are based on company forecasts and will include jobs saved)		1991		+800	+800	+800	+800
Output 2.A: Increased effectiveness of policy dialogue between public and private sectors in support of private sector-led growth							
1. Qualitative assessment of the nature and significance of policy recommendations and reforms	policy/position papers generated; GOB responses	1991	see narrative				
2. Policy-specific impact analyses to measure effects on output, exports, employment created/saved, investment, by citizenship and gender	policy-specific impact data collected by BPED personnel	1991	see narrative; quantitative impact analysis of construction sector policy study will be conducted in early 1994		200 jobs $400,000	200 jobs $400,000	200 jobs $400,000
Output 2.B: Strengthened human capital resources to support private sector development							
1. New citizen-owned business startups	computerized BPED data collection and monitoring systems; BDC spreadsheets	1991	Baseline and indicator data for 1991-1993 will be available from the data collection and monitoring system which has been developed for BOCCIM: data will be entered into the system and analyzed in early 1994		10	10	10
2. New investment in new businesses and increased employment among firms receiving assistance		1991			$100,000	$100,000	$100,000
3. New citizen employment in new businesses and increased employment among firms receiving assistance		1991			150	150	150
4. Improved performance of firms receiving assistance: number of firms demonstrating improved performance, profitability, output, revenue growth		1991			10	10	10
Output 2.C: Strengthened local capacity to promote domestic and foreign investment in the private sector							
1. New enterprises/joint ventures formed with BPED-related assistance	computerized BPED data collection and monitoring systems; BDC spreadsheets	1991	to be derived from BPED data collection systems	12	4	4	4
2. New private investment attributable to BPED promotion activities		1991		$200,000	$200,000	$200,000	$200,000
3. New citizen employment in ventures successfully promoted with BPED assistance		1991		250	250	250	250

USAID/BOTSWANA PROGRAM STRUCTURE
Objective Tree



659

654

ASSESSMENT OF PROGRAM IMPACT

FY 1993

MALAWI

655

USAID/Malawi

FY 1993

Assessment of Program Impact (API)

November 22, 1993

TABLE OF CONTENTS

656

ACRONYMS i

FOREWORD iii

SECTION I SPECIAL FACTORS AFFECTING THE USAID/MALAWI PROGRAM 1

SECTION II PROGRESS TOWARD OVERALL COUNTRY PROGRAM GOAL . . . 4
- GOAL 4
- SUB-GOAL 1 5
- SUB-GOAL 2 6

SECTION III PROGRESS TOWARD STRATEGIC OBJECTIVES AND RELATED INDICATORS 9
- STRATEGIC OBJECTIVE 1 9
- STRATEGIC OBJECTIVE 2 14
- STRATEGIC OBJECTIVE 3 15
- STRATEGIC OBJECTIVE 4 19
- STRATEGIC OBJECTIVE 5 22

SECTION IV OTHER PROGRESS IN PRIORITY AREAS 26
- Democracy and Governance 26
- Environment / Natural Resource Management 28

ANNEX A REVISION OF PROGRAM AND DATA SOURCES 30

ANNEX B ASSESSMENT OF USAID/MALAWI'S WOMEN IN DEVELOPMENT (WID) ACTIVITIES 36

ACRONYMS

ADD	-	Agricultural Development Division
ADMARC	-	Agricultural Development and Marketing Corporation
AIDS	-	Acquired Immune Deficiency Syndrome
AIDSCAP	-	AIDS Control and Prevention
API	-	Assessment of Program Impact
ARI	-	Acute Respiratory Infections
ASAP	-	Agriculture Sector Assistance Program
AVSC	-	Association for Voluntary Surgical Contraception
CBD	-	Community Based Distribution
CHAM	-	Christian Health Association of Malawi
CHSU	-	Community Health Services Unit
CPR	-	Contraceptive Prevalence Rate
DHS	-	Demographic Health Survey
EPA	-	Extension Planning Area
EPIMODEL	-	WHO AIDS Projection Model
FAMPLAN Model	-	Family Planning Model
FY	-	Financial Year
GABLE	-	Girls' Attainment in Basic Literacy and Education
GOM	-	Government of Malawi
GDP	-	Gross Domestic Product
HIV	-	Human Immunodeficiency Virus
HRID	-	Human Resources in Development
HSA	-	Health Surveillance Assistant
HYV	-	High Yielding Varieties
IMR	-	Infant Mortality Rate
JHU	-	Johns Hopkins University
KAP	-	Knowledge, Attitude, and Practices
KCH	-	Kamuzu Central Hospital
KG	-	Kilograms
KGME	-	Kilograms of Maize Equivalent
MANEB	-	Malawi National Examination Board
MOA	-	Ministry of Agriculture
MOH	-	Ministry of Health
MOEC	-	Ministry of Education and Culture
MK	-	Malawi Kwacha
MT	-	Metric tons
MUSCCO	-	Malawi Union of Savings and Credit Cooperative
NABW	-	National Association of Business Women
NACP	-	National AIDS Control Program
NCC	-	National Consultative Council
NEC	-	National Executive Council
NFWCM	-	National Family Welfare Council of Malawi
NGOs	-	Non-governmental Organizations
NSO	-	National Statistical Office
OCS	-	Oral Contraceptive Services
ODA	-	Overseas Development Administration

658

OYB	-	Operational Year Budget
PHICS	-	Promoting Health Interventions in Child Survival
PVO	-	Private Voluntary Organization
QECH	-	Queen Elizabeth Central Hospital
RDP	-	Rural Development Project
SACA	-	Savings and Credit Association
SFFRFM	-	Smallholder Farmers Fertilizer Revolving Fund of Malawi
SOMARC	-	Social Marketing
S-P	-	Sulfadoxine Pyrimethamine
STAFH	-	Support to AIDS and Family Health
STDs	-	Sexually Transmitted Diseases
T/HA	-	Tons per hectare
TFR	-	Total Fertility Rate
UN	-	United Nations
USAID	-	United States Agency for International Development
WHO	-	World Health Program
WOCCU	-	World Council of Credit Unions
WWB	-	Women's World Banking Affiliated of Malawi

659

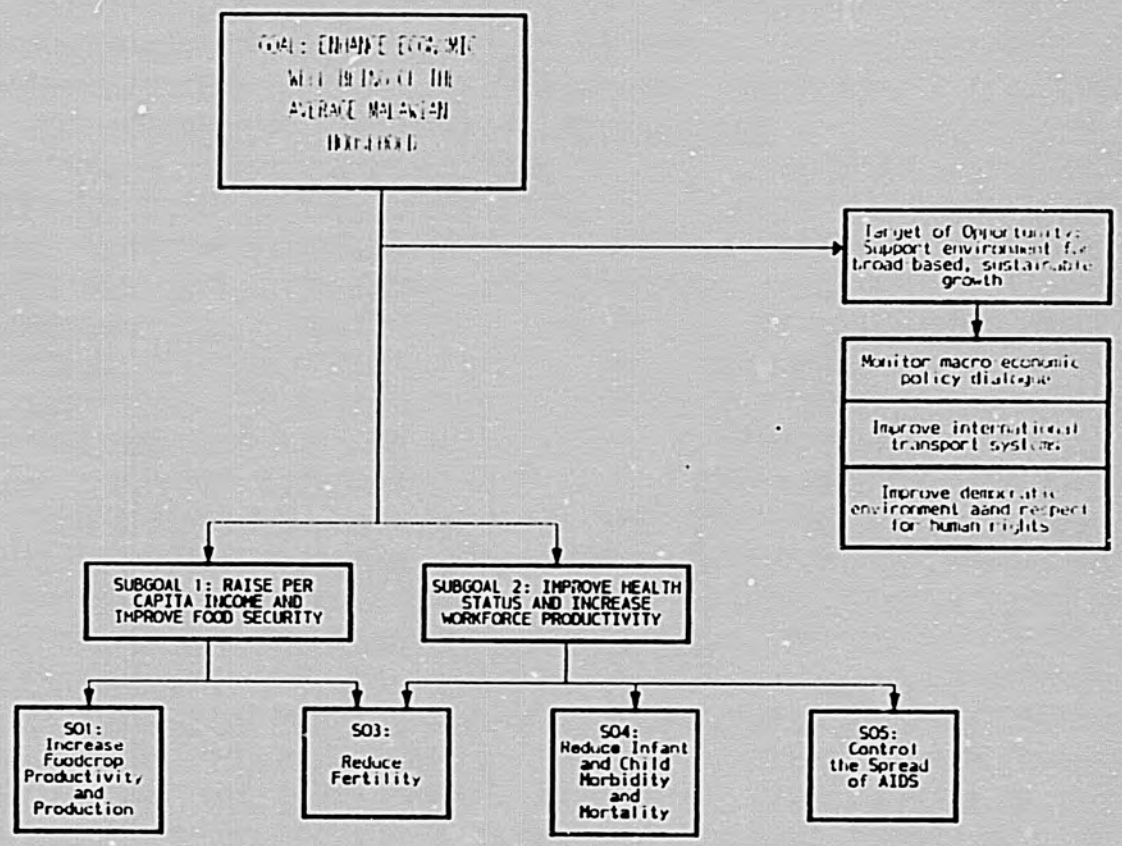
FOREWORD

USAID/Malawi continued to operate at low budget (OYB) levels established as a result of the Consultative Group (CG) meeting in May 1992. In April 1993, the Mission submitted to USAID/Washington a strategy revision paper, which presented three interim program options, each based on different political scenarios covering the period leading up to the June 14, 1993 Referendum and after it. Each of these scenarios serves to bridge the transition between the existing strategy, developed in 1989, and the new Mission strategy to be developed in FY 1994. In addition, the revision requested deleting the **"Increasing Off-Farm Employment Opportunities"** from the Mission's approved strategic objectives. USAID/W concurred and this strategic objective was formally dropped from our program strategy. The current program consists of activities concentrated in the agricultural and health and population sectors, as well as supportive activities in primary education for girls, non-governmental organization (NGO) development, human resources development, and, as a result of the on-going political liberalization, democracy-building.

During FY 1993, the Mission continued to review the indicators for a number of the targets under its three health sector strategic objectives. This review has resulted in revising or expanding several health indicators, a summary of the changes is presented in Annex A. Because of the importance of women in development (WID) issues in our program, and since the API as currently structured does not lend itself to sufficient discussion of the subject, Mission decided to include an annex in this API detailing our WID activities (Annex B). In accordance with the additional Bureau guidance for FY 93 API reports, this document also contains Section IV which reports on progress/impact of Mission's targets of opportunity as well as on activities in one or more of the Agency's four priority areas not already captured in other sections of the report.

We hope this FY 1993 API will be of use and interest to the Bureau for Africa and to other colleagues in Washington.

USAID/MALAWI PROGRAM STRATEGY
1990-1995



660

SECTION I

SPECIAL FACTORS AFFECTING THE USAID/MALAWI PROGRAM

During the past year, Malawi experienced major political and economic developments. While the effects of the donor actions taken in May 1992 to suspend all but non-humanitarian assistance to Malawi continued to be felt throughout the Malawian economy, major and significant political and social changes have been taking place. The reduction in assistance, coupled with continued domestic political and economic pressure, has resulted in significant improvement in the political environment, but in a slow and limited economic recovery. The socio-culture transformation that is underway is changing forever the way Malawians in all economic strata relate to each other. Demands for higher wages in the formal sector and growing pressure from smallholders to participate in the formal economy are but two manifestations of this. At the same time, Malawi's dire AIDS epidemic and high population growth threaten the glans made.

Improved Political and Human Rights Situation: Since the submission of FY 1992 API, Malawi has progressed to a multi-party system. This sea change in politics has been mirrored by a sea change in the human rights situation. With a new legal framework guaranteeing basic human rights as well as democracy, there is now throughout the society, a clear, firm and irreversible political commitment to a new governance system.

On June 14, 1993, Malawians voted overwhelmingly (63%) for a multi-party democracy in a Referendum that was declared by all national and international observers and monitors to have been an accurate reflection of the will of the Malawian people. The Government of Malawi (GOM) reacted quickly to the outcome of the Referendum by declaring amnesty which allowed political refugees to return to Malawi and freeing remaining political prisoners. By June 29, 1993, Parliament had met and repealed Article IV of the Constitution, which made Malawi a one-party state,and passed legislation recognizing the right of political parties to operate in Malawi. Provisions were published for the registration of political parties; and today Malawi has seven registered political parties. A free press sprang up during the Referendum campaign, and has vigorously continued throughout the post-Referendum period.

By August 1993, the Opposition and Government agreed on the establishment and modus operandi for two bodies to oversee the transition: the National Consultative Council (NCC) and the National Executive Committee (NEC). Both bodies benefit from equal participation of each registered political party. Several NCC subcommittees drafted legislative and constitutional changes

necessary for (1) multi-party elections to take place, (2) basic human rights to be recognized and protected, and (3) the actions of the NCC and NEC to be codified. By October 14th, the NCC announced that general elections will be held May 17, 1994. Separate presidential and parliamentary elections will be held simultaneously. The President, who will form a new government, will be popularly elected.

The Parliament was called to meet on November 16, 1993 to enact the set of constitutional and legal changes drafted by the NCC and government. These include: a bill of rights in the constitution; an electoral law which provides for an Election Commission, the registration of voters, and successful multi-party campaigning; and the modification or repeal of several anti-human rights statutes (e.g., the Preservation of Public Security Act, the Forfeiture laws, etc.).

In general, the human rights climate has improved significantly since the June 1993 Referendum. This improvement has been across the board, i.e., it is relative to the respect for the person, respect for civil liberties, respect for political rights, governmental attitude regarding international and non-governmental investigations of alleged violations of human rights, and discrimination.

Economic Situation: The Malawian economy has continued to stagnate, and in some areas deteriorate, since the last API, due largely to the 1992/93 drought, the perception by the private sector of a potentially risky political transition, a substantial wage increase in both the public and private sectors following labor unrest, and the impact of donor withholding of balance of payments support. Probably the most serious outcome is the severe decline in the country's foreign exchange reserves, to less than one month's import requirements during most of FY 1993. As a result, Malawi's per capita gross domestic product (GDP) remained among the lowest in the world, despite the currently projected increase for 1993. Although many had hoped for a healthy recovery of the economy following a bumper maize harvest, low domestic and international prices for tobacco and other exports, and persisting foreign exchange problems, continued to impede any significant recovery. Malawi continued to face a significant external financing gap, low foreign exchange reserves, and marked increase in inflation over the past 12 months.

While USAID/Malawi firmly believes that progress on, and the sustainability of, a democratic political system that respects human rights is a precursor to sustainable economic development, we also believe that failure to achieve broad based economic growth and a higher standard of living for Malawi's poor can seriously undermine any political gains. Therefore, in its **Program and Staffing Reassessment** paper, submitted to USAID/W in October 1993,

the Mission recommended that **USAID** provide an incentive increase in the assistance level to Malawi in FY 1994. This is necessary to acknowledge the important and positive political changes to date, to insure that the political transition is supported be an economy that is functioning albeit in low gear, and to help the continuation of the transition process.

New Paragraph

Worsening HIV/AIDS Situation: AIDS is rapidly becoming a leading cause of death for under fives as it has already become for young adults. Currently, it is estimated that 11 percent of the adult population is seropositive for HIV, and projections are that 1-2 percent of adults are infected annually. An additional 555,000 deaths from AIDS are expected by 2005. Without AIDS, average life expectancy would have been projected to reach 53.0 years by 2000-2005; with AIDS, life expectancy (same period) is projected to be only 45.4 years.

By all accounts AIDS is the most frightening problem that will affect Malawi's future, striking young adults who are the most productive segment of the population. Mission projects staff have encountered the impact of AIDS first hand. For example, key Malawian counterparts often become increasingly absent, progressively more ill, and eventually die. This has a devastating effect on all development efforts as an acutely short supply of trained human resources is further decimated because of AIDS. If unchecked, AIDS will continue to add to the already strained health resources and will seriously reduce workforce productivity and the country's economic growth. The Mission believes that it is important to flag this emerging factor which is seriously undermining recent development and progress in the health area, and will also have far reaching implications for the economy.

SECTION II

PROGRESS TOWARD OVERALL COUNTRY PROGRAM GOAL

The goal of USAID/Malawi program is to enhance the economic well-being of the average Malawian household. The Mission's sub-goals are: 1) to raise per capita income and improve food security; and 2) to improve health status and work force productivity.

GOAL: Enhance the Economic Well-Being of the Average Malawian Household

In spite of continued donor withholding of non-humanitarian assistance to Malawi, the country made some short-term gains on some macroeconomic and social indicators in 1993, compared with the severe contraction in 1992. According to Government of Malawi (GOM) statistics, real GDP is estimated to have increased by 11.2 percent in 1993, compared to a decline of 7.9 percent in 1992, enabling real per capita income to resume positive growth. A significant increase in the hectarage devoted to high-yielding varieties of maize (HYV), coupled with normal rainfall resulted in record high gross foodcrop production. This, combined with significant expansion in smallholder burley tobacco production, most of which was sold directly on the auction floors, is estimated to have resulted in a large cash injection into poor rural households. The impact of smallholder access to burley production quota and marketing mechanisms alone accounts for an increase of $8 million into 29,000 rural families.

The 1992 Malawi Demographic and Health Survey (DHS) recorded significant achievements on Malawi's social indicators. The total fertility rate, which had shown little decrease between the 1977 and 1987 census taking, is now showing signs of decline, indicating the beginning of the demographic transition to lower fertility. Although the infant mortality rate (IMR) remained roughly constant over the last ten years at 135 per 1,000 live births, under-five mortality declined from an estimated 258 per 1,000 in 1984 to a current estimate of 234 per 1,000 children aged 0-4 years.

Budgetary allocations to health care and education have increased following declining or stagnating shares during 1992. The GOM has submitted a plan showing annual percentage increases of 4 percentage points per year in the share of the education budget devoted to primary education during each year of the Girls' Attainment in Basic Literacy and Education (GABLE) program. In fact the GOM has exceeded GABLE targets for 1992/93 by allocating 56.7% of the education budget to primary education.

SUB-GOAL 1: Raise Per Capita Income and Improve Food Security

The principle USAID program to increase per capita income and increase food security is the Agricultural Sector Assistance Program (ASAP). Under this program, burley earnings are beginning to have positive effects on rural incomes directly through cash earnings and indirectly through increased purchases of agricultural inputs for food and cash crop production, increased demand for goods and services, and increased demand for labor and certain types of land.

In addition to ASAP, the mission's food relief efforts during the drought not only averted starvation and death, but also prevented the early harvesting of this year's crop and enabled farmers to direct resources to future production.

1. Increase per Capita Income -- A sharp increase in real output in 1993 due to the increase in food crop production by smallholders is projected to enable real per capita income to resume positive growth. Between 1992 and 1993 real per capita income is estimated to grow by 8.2 percent, following a decline of 10.9 percent from 1991 to 1992. Over the 1990-1993 period, growth in real per capita income only averaged 0.9 percent.

2. Increase Rural Incomes -- A higher smallholder burley quota, which doubled from 3.5 million kgs in 1991/92 to 7.0 million kgs in 1992/93 more than offset the low prices on the auction floors this season. The Mission estimates that close to MK36.0 million ($8.2 million) was injected into the rural areas from smallholder tobacco, resulting in an improvement in rural incomes and at the same time, enhancing rural household food security.

Considerable evidence of indirect benefits of the burley program on rural communities have been reported in recent studies of the Zomba area. These include the proliferation of micro enterprises in trading services, increased rents for low lying land where burley nurseries are grown, and a decline in surplus labor upon which estates have always relied during peak labor periods of tobacco production. To increase our understanding of the direct and indirect effects of the program on rural communities, the mission will be conducting in January 1994 a study of micro, small and medium enterprises in communities with a high concentration of smallholder burley earnings.

Prices of burley paid to tenants fell by only 18 percent in real terms from 1992 to 1993, despite the fact that auction floor prices fell by roughly 60 percent in real terms. One ASAP target is to insure that smallholders receive at least 62 percent of the auction floor price from the Agricultural Development and Marketing Corporation (ADMARC) through a two part payment scheme. Last year's combined payment fell short of the target, but this year's

first payment is already at 54 percent of the average auction floor price. This improvement in payments to tenants is the result of the policy change under the ASAP program, which gave farmers a number of marketing choices this year, forcing ADMARC to compete actively for burley purchases.

3. Increase per Capita Food Production -- Per capita grain production reached 232.0 kilograms (maize equivalent), the highest since 1985. The dramatic rise is due to the sharp increase in maize production, the largest ever recorded in Malawi, a result of a substantial increase in use of high yielding varieties of maize. That farmers planted more land than ever to HYV maize is attributable to the development of new hard endosperm varieties, seed donations to farmers as part of the drought relief program, and increased incomes generated from burley under the ASAP program. In addition to a bumper harvest, a recent USAID/Malawi study reports that less maize was harvested green because sufficient quantities of relief maize had been made available.

SUB-GOAL 2: Improve Health Status and Increase Work Force Productivity

USAID programs aimed at improving health status and increasing work force productivity include the Promoting Health Interventions in Child Survival (PHICS) project, the Support to AIDS and Family Health (STAFH) project, the GABLE and ASAP programs. Together, these programs improve child health status, reduce fertility, reduce the prevalence of the Acquired Immune Deficiency Syndrome (AIDS), increase educational attainment, and improve nutritional status.

1. Decrease Infant and Child Malnutrition -- Three measures of under-five nutritional status were used in the recent DHS: 1) height-for-age which reflects the cumulative effect of chronic malnutrition; 2) weight-for-height, which describes the current nutritional status; and 3) weight-for-age, which is a composite index of the former two. Because the DHS was conducted from September-November 1992, some effects of the 1992/93 drought are reflected in these measures, especially weight-for-height.

For Malawi as a whole, nearly half of all children under the age of five are stunted (reflecting chronic malnutrition) and about half of these children are severely stunted. Low weight-for-height was found in 5 percent of the children (reflecting current under-nutrition). One quarter of these (or over 1 percent of all children under the age of 5 years old) were severely wasted.

2. Reduce Infant and Child Mortality -- Results from the DHS indicated that while infant mortality has remained roughly the same

over the past ten years, at about 135 infant deaths per 1,000 live births, under-5 mortality dropped from 258.0 estimated in 1984 to 233.8 (deaths per 1,000) estimated in 1992. As in other sub-Saharan African countries, boys suffer slightly higher rates of deaths at all ages than girls. The mission continues to combat infant and child morbidity and mortality through research on malaria treatment and prevention, through increased access to safe water, and through increased community based strategies to promote better health and sanitation practices. Other donors and NGOs have played a vital role in other areas--providing immunizations and supplemental feedings, improving service delivery of primary health care, and developing community-based health care services in selected parts of the country, to name a few.

3. Reduce Fertility -- The total fertility rate for a Malawian woman of child bearing age (15-49 years) is now estimated at 6.7 children, down from the previous adjusted 1984 estimate of 7.2 children. Comparison between rural and urban areas shows that fertility is higher in rural areas (6.9 children) than in urban areas (5.5 children). The contraceptive prevalence rate is now estimated at 7.4 percent for modern methods, up from approximately 1% in 1984. The STAFH project and GABLE program are the Mission principle activities supporting this objective by providing greater access to improved contraceptive services together with better educated women. Other donors provide complementary assistance in commodity supply and other efforts to reducing fertility.

4. Increase Literacy -- Several indicators of literacy were obtained from the DHS: 1) percent of population who have completed standard 4 or higher; 2) percent of population who can read and understand English or Chichewa easily; and 3) percent of population who read newspapers or magazines at least once a week. Of women aged 15-49, 34.2 percent attained standard 4 or higher levels of education; 24.1 percent can read and understand English or Chichewa easily; and 18.5 percent read either newspapers or magazines weekly. Corresponding percentages for men aged 20-54 were: 57.6 percent; 52.2 percent; and 40.6 percent.

The Mission's standard indicator of literacy, reported by the Ministry of Education and Culture (MOEC), is the percent of the population age 10 or higher who completed standard 4. Using the MOEC indicator, we see a steadily increasing literacy rate, resulting from a steadily increasing primary school enrollment rate. For example, roughly 33 percent of the population--men and women, aged 10 and older--is literate, which is an improvement. It should be pointed out that the results from the two sources (i.e., DHS and MOEC) are not directly comparable.

668

SELECTED INDICATORS OF PROGRESS TOWARDS OVERALL PROGRAM GOAL

	1985	1986	1987	1988	1989	1990	1991	1992	1993
Real GDP (Annual growth rate) a/	4.4	0.3	1.4	3.3	4.3	4.8	7.8	−7.9	11.2
Real per Capita (annual growth rate) b/	1.2	−2.9	−1.8	0.1	1.1	1.6	4.8	−10.9	8.2
Pera Capita Maize Production (in Kg)	188.2	174.9	156.1	180.2	184.1	159.9	182.7	73.8	221.1
Per Capita all Grain Production (KgME) c/	197.3	183.9	162.7	188.4	193.3	167.9	192.3	76.9	232.0
Literacy Rate	27.5	28.5	29.0	30.1	30.9	32.2	32.7	n.a.	n.a.
Health Expenditures/GOM Budget									
Development	1.7	3.0	4.3	6.7	7.3	8.3	11.4	8.4	14.8
Recurrent	9.2	8.4	6.6	7.2	7.2	7.3	6.7	5.6	7.2
Education Expenditures/GOM Budget									
Development					13.4	12.9	18.6	15.7	15.8
Recurrent d/					10.1	12.2	11.7	14.6	17.3

Notes: a/ Real GDP growth for 1993 is high because of the low base in 1992. Real GDP grew by only 1.0 percent between 1991 and 1993, averaging 0.5 percent.

b/ Population growth rate was estimated at 3.2 percent from 1985 to 1990, and 3.0 percent from 1990 - 1993, with effect of AIDS factored in. Excludes Mozanbican refugees.

c/ Per capita grain production is expressed in kilograms of maize equivalent (KgME). All grain includes maize, rice, sorghum, and millet.

d/ From 1990, total recurrent expenditures by the education sector include expenses incurred by parastatl education institutions.

Sources : Economic Planning and Development, Economic Reports, various.
Ministry of Agriculture, Third Crop Estimate.
Ministry of Finance, Budget Documents, various.
Ministry of Education and Culture, Education Statistics, various.

SECTION III

PROGRESS TOWARD STRATEGIC OBJECTIVES AND RELATED INDICATORS

STRATEGIC OBJECTIVE 1: Increase Foodcrop Productivity and Production

The most striking and important food security achievement in FY 1993 was the dramatic increase in farmers' use of high HYV maize. This contributed significantly toward achieving the Mission's strategic objective of increased food crop production and productivity.

Among the many factors accounting for the increased use of HYV maize seed are the local development of hard endosperm hybrid maize varieties and donations of hybrid maize seed from the drought relief effort. A less direct, but equally important, contribution to the increase was USAID's ASAP program, which contributed to increased cash incomes which enabled farmers to buy modern , including HYV seed. The mission's massive food relief effort, which relieved pressure on households' immediate demands on incomes, also contributed significantly. Both factors enabled farmers to focus their efforts and resources more on future production and less on the current crisis.

Sales of smallholder burley on the auction floors and to non-parastatals has exceeded all expectations since the ASAP program was conceptualized. The mission had anticipated that 10,000 kgs of burley would be sold directly by smallholders on the auction floor in 1992 and 50,000, in 1995. In fact, roughly a million kgs were sold in 1992 and 5.8 million kgs were sold in 1993. This popular program, has contributed an estimated $12 million to smallholder incomes in the past two seasons and has put tremendous pressure on the government to continue liberalizing the agriculture sector, specifically in changing policies which have heretofore marginalized the smallholder sector. The ASAP will continue to support this liberalization.

Thus, despite a potentially devastating drought, Malawi was able to move forward in its agricultural development program. USAID assistance was directed at swiftly responding to the crisis, but also maintained dialogue and progress towards policy reform under its key agricultural program. As a result, nearly all performance indicators exceeded the 1992 targets and are well on track to meet the 1995 targets, while some have already met or exceeded the 1995 targets.

TARGET 1.1 Intensify Production, Especially of Food Crops

Production of all food crops is estimated at 2.5 million metric tons (MT), with 2.0 million MT being maize. The current maize crop is 25 percent greater than the largest previous crop of 1.6 million MT in 1990-- a result of an increase in the area planted to HYV maize from 17 percent of total area cropped in 1992 to nearly 25 percent in 1993. Compared to the extremely low shares of HYV in the recent past (4.0 percent in 1987 up to 14.0 percent in 1991), the current rates of farmer adoption of HYV are highly significant.

Smallholder purchases of fertilizer increased by 12,000 metric tons in 1992 despite the elimination of subsidies on two types of fertilizer and the reduction of subsidies on the remaining types. Relative to the high percentage of area planted to HYV, which is dramatically affected by application of fertilizer, this uptake of smallholder fertilizer is none-the-less lower than expected. This is largely due to the effect of last season's drought on purchasing power and poor credit repayment.

Approximately MK141.0 million ($32.0 million) of credit was extended to more than 400,000 smallholders, of whom 28.0 percent were women. This represents an increase of 12.5 percent in real terms over last season and is due largely to an increase in the number of farmer clubs. Unfortunately, early indications suggest that the repayment rate of these loans is significantly lower than in the past (less than 15% compared to over 50% by this time last year). This situation is being carefully monitored by the GOM and all donors. Preliminary indications suggest that its causes are a complex mixture of largely external factors, including unclear signals from the GOM, campaign promises/accusations from seven political parties competing for the rural vote, a marked change in the credit recovery techniques, the continued high price of fertilizer due to the high transport differential, etc. This loan recovery crisis is likely to have a downward impact on next year's production.

TARGET 1.2 Reduce Discrepancies in Input and Output Prices Faced by Estates and Smallholders

The expanded role of the private sector in the distribution of seed and fertilizer continues to be hampered by subsidies, albeit low, offered to smallholders and by leakages of subsidized fertilizer and seed to estates and other non-smallholder entities. Private sector sales of fertilizer are just over one quarter of all sales (28.0 percent) and of HYV maize seed sales are just under (22.0 percent). Private sector competitiveness can be greatly enhanced if subsidies are eliminated. USAID and other donors continue to pursue this issue with Government.

Since smallholders have been allowed direct access to the auction floors for their burley tobacco, the amount sold through this marketing option has increased from 31 percent of smallholder production in 1992 to 83 percent in 1993. Prices obtained on the auction floors by smallholders were higher than those of estates on average, thus allaying industry fears that smallholder production would adversely affect Malawi's international reputation.

During 1993 season, ADMARC's prices paid to smallholder burley growers increased slightly from the 51% of floor price (total of first and second payment) last year. Although the value of the second payment for 1993's crop has not yet been determined, the first payment (54.0 percent of floor price) already exceeded the total of first and second payments from last year. This can be attributed to the fact that the policy change under the ASAP program gave farmers a number of marketing choices this year--auction floors, estates, and ADMARC--forcing ADMARC to compete in a more open market for its purchases of burley, which is ADMARC's most lucrative crop.

TARGET 1.3 Increase Crop Diversification

The share of smallholder land planted to cash crops increased from 7.5 percent in 1992 to 8.1 percent in 1993, which barely exceeds the 1992 target of 8 percent. This aggregate figure, however, does not reflect considerable changes in land planted to different types of cash crops.

For example, although smallholder land planted to burley production increased dramatically as a result of the increased quota to smallholders under the ASAP program, land planted to dark fired tobacco was reduced by nearly 20 percent. Land planted to other major cash crops--cotton and soybeans--also declined. Cotton hectarage declined by roughly 9 percent, from 58,000 hectares to 54,000 hectares and soybeans hectarage declined by nearly 40%, from 22,000 hectares to 16,000 hectares. Meanwhile, land planted to sunflowers, a hitherto insignificant crop, increased by 60%, from 10,000 hectares to 16,000 hectares during the period.

Among the factors that have adversely affected smallholder cash crop diversification are the drought, low dark fired tobacco prices, low world prices for other cash crop commodities, autoregressive ADMARC intervention, and a restrictive regulatory climate. Because the drought severely depleted their own supply of maize and increased the uncertainty of ADMARC's supplies, many households may have reduced the amount of land planted to some cash crops to insure adequate supplies of staples. Despite strong world demand for dark fired tobacco, low ADMARC prices to smallholders (ADMARC being the only marketing channel for this crop) discouraged its production. Government's ban on private trade in groundnuts mid-season also sent discouraging price signals for this commodity.

Finally, the regulatory climate and restrictive licensing requirements mitigate against greater private sector participation in agricultural marketing.

Given the dominance of tobacco in the agriculture sector and its well-organized, well articulated industry and support services, other cash crops do not yet compete well, especially at current prices. With the historically low prices at the auction floors this season, however, Malawi may start to see some changes in crop patterns. The diversification is most likely or may be most visible in the estate sector, however, leaving open the opportunity for increased smallholder production of more traditional cash crops. At the same time, constraints and barriers to entry mentioned above must be removed to provide an enabling environment for crop diversification. Phase II of the ASAP program will address these constraints.

TARGET 1.4 Reform and Strengthen Agricultural and Institutional Framework

Despite severe budgetary constraints, the Ministry of Agriculture's (MOA) Agricultural Development Divisions (ADDs) did a remarkable job of registering smallholder burley growers for the 1993/94 season. This was done using USAID-supplied computer hardware, training, and a computerized registration system developed jointly by the Ministry and USAID.

However, the MOA appears to be facing the problem of an overburdened and strained extension service. Many field assistants have too many farmers scattered over too large an area to do an adequate job on all crops. Transportation is a perennial problem and affects the abilities of the ADD, the Rural Development Project (RDP), and the Extension Planning Area (EPA) staff to do their jobs adequately.

Open discussions of agricultural policies by affected private sector parties and government regarding tobacco, fertilizer, and seed, continue to provide a strong forum for the expression of views of all interested parties.

STRATEGIC OBJECTIVE NUMBER ONE

Strategic Objective/Target	Indicators	Baseline	Actual			Planned
S.O. # 1		1985	1991	1992	1993	1995
Increase Foodcrop Production and Productivity	1. National average maize production per unit land increases (t/ha)	1.2	1.1	0.5	1.5	1.4
	2. Gross foodcrop production increases (million MT)	1.6	1.9	0.8	2.5	2.6
Target 1.1	Indicator	1985	1991	1992	1993	1995
Intensify Smallholder Production of Foocrops	1. Maize Production per unit of land increases (t/ha)	1.2	1.1	0.5	1.5	1.4
	2. Smallholder purchases of HYV maize seed increases ('000MT)	1.8	4.9	5.6	6.0	7.8
	3. Smallholder purchase of fertilizer increases ('000MT)	69	113	131	143	166.0
	4. Smallholder use of farm credit increases in real terms (MK million)	16.0	29.8	32.0	36.0	40.0
	5. Smallholders farm families adopting agroforestry increases	n.a.			197	
	6. % smallholder HYV maize/total maize area increases	8.4	14.2	16.8	24.9	23.6
Target 1.2	Indicator	1985	1991	1992	1993	1995
Reduce Discrepancies in Input and Output Prices Faced by Estates and Smallholders	1. Private sector/total sales of fertilizer increases (%)	42.1	35.4	27.7	28.1	47.0
	2. Private sector/total sales of HYV maize seed increases (%)	11.8	10.8	10.1	25.6 a/	
	3. Direct smallholder sales of burley tobacco at Auction increases (mil. kg)	n/a	n/a	1.0	5.8	0.05
	4. % ADMARC price of auction Floor Burley price increases (%)		58.0	51.0	54.0b/	65.0
Target 1.3	Indicator	1985	1991	1992	1993	1995
Increase Crop Diversification	1. % smallholder hectarage devoted to cash crop increases (10% per year)	7.4	7.0	7.4	8.1	10.0
	2. % smallholder burley tobacco sold through Non-parastatals increases			31.0	82.9	
Target 1.4	Indicator	1985	1991	1992	1993	1995
Reform and Strengthen Agricultural and Institutional Framework	1. Agricultural budget/GOM budget is maintained – Recurrent (%)	4.8	5.5	4.8	5.0	5.5
	2. Agricultural Research budget increases in real terms – Recurrent (MK m)		5.1	6.5	4.1	6.8
	3. Fuel expenditures for Extension Services expand in real terms (Mk m) (5%/yr)		1.2	1.2	0.5	1.5
	4. Increasingly open discussion of agricultural policies (number of interagency seminars)					

a./ The share of private sector sales of HYV maize seed is distorted due to the fact that much of it was the result of PVO/NGO drought related sales.

b./ From the 1990/91 marketing season ADMARC had agreed to pay the farmers in two installments. Final 1991/92 amounted to 51.0%. First payment for 1992/93 was 54.0%, higher than the total for 1991/92 due to the fact that auction floor prices are at an historic low.

674

STRATEGIC OBJECTIVE 2: Increase off-farm employment

In April, 1993, the Mission proposed, and A.I.D./W concurred with the deletion of the strategic objective, "to increase off-farm employment." However, a few activities in this area continue their orderly phase-out: the World Council of Credit Union (WOCCU) project is providing support to the expansion of Malawian Credit and Savings Cooperatives (MUSCCO), and the Malawi Enterprise Development (MED) program provides assistance to the GOM in its effort to develop a Unit Trust in conjunction with the planned parastatal privatization efforts. Because of lack of information to measure and compare the impact with previous API reports, and because it has been formally deleted from Mission's strategic objectives, we will not report on this Strategic Objective this year, and will not mention it in future API reports.

STRATEGIC OBJECTIVE 3: Reduce Fertility

The 1992 Demographic and Health Survey supports the view that Malawi is beginning a demographic transition to lower fertility. The total fertility rate declined from 7.2 in 1984 to 6.7 in 1992. Most importantly, the DHS revealed that a majority of married women (61%) want to either space their next birth or end childbearing altogether. The STAFH project supports this objective by providing increased access to improved contraceptive services, and the GABLE program seeks to increase the number of women with basic education which further enhances demand for smaller families and slower population growth.

TARGET 3.1 Increase the Contraceptive Prevalence Rate

The decline in the fertility rate reflects an increasing knowledge and use of contraception primarily among married women. The contraceptive prevalence rate (for modern methods) among currently married women was reported at 7.4 percent, compared with 1.0 percent reported in 1984, and 3.3 percent in 1988. Knowledge of modern contraceptive methods also increased to 92 percent among currently married women.

TARGET 3.2 Increase the Supply of Child Spacing Services

Along with progress towards lower fertility objectives and indications of increased demand for family planning services, the policy environment for family planning has improved remarkably in the past 18 months. Increased commitment to and support for family planning are evident in three public policy strategies: the revised Child Spacing Policy and Contraceptive Guidelines (October, 1992) which liberalized access to child spacing services, the National Population Policy (final draft), and the National Family Planning Strategy: 1994 - 1998 (final draft).

The National Family Welfare Council of Malawi (NFWCM) has emerged as the vanguard agency for family planning services in Malawi. It is coordinating closely with its partner agencies, the Ministry of Health (MOH), other Government agencies, non-governmental organizations, and donors. NFWCM has taken an active stance in advocating greater community and NGO involvement in reproductive health, made its influence felt in impending legislation and debate over the national population policy, and been a consistent and effective advocate of greater GOM commitment to fertility objectives.

As reported in the 1992 API, the National Child Spacing Guidelines give all women, regardless of age, marital status or parity, access to voluntary family planning services. Malawi's family planning program is still constrained by a limited number of trained service

providers. As a result of a recent review of the national family planning curriculum, the curriculum was shortened from twelve to four weeks. This will allow training to proceed in 1994 on an accelerated course.

Increased investment in service facilities planned under ODA's new population project and under the STAFH Project (USAID) should, in conjunction with the liberalized guidelines, results in more dynamic leadership, and priority given to population issues. The result in vastly improved and increased service availability will be visible over the coming years. For these reasons, USAID has established ambitious targets for decreasing fertility and remains optimistic for FY94 and beyond.

TARGET 3.3 Increase Girl's Attainment of Literacy and Education

Girls' gross enrollment continues to rise, reflecting a long-run trend of increasing enrollment rates for boys and girls. Targets and achievements of the GABLE program include the following:

- fee waivers for non-repeating girls benefitted 75 percent of all girls enrolled in standards 2 through 8 in 1992/93;
- increased budgetary share to the education sector and to primary education in particular, the GOM allocated 15% of the total revised government budget for 1992/93 to the education sector thereby meeting the GABLE target. In the education subsector, total primary education expenditures in the 1992/93 revised budget was 56.7%, which exceeded the GABLE target;
- smooth progress in implementing the gender appropriate curriculum reform; and
- increased teacher training college utilization has resulted in a 95 percent utilization rate as targeted by GABLE.

The 1992 DHS provided additional supporting evidence to many studies done worldwide on the expected relationship between female education attainment and fertility preferences. The Malawi DHS results, which interviewed women age 15-49, showed that less educated women prefer to have more children than more educated women, as indicated in Table 1. Note that because the age of the women

Table 1

Level of Education	Percent Using Any Modern Method	Mean No. of Children Ever Born
None	4.1	4.2
Std 1-4	5.1	3.2
Std 5-8	8.5	2.7
Secondary+	24.0	2.0

interviewed ranged from 15-49, most of them are still in the reproductive age, hence the average number of children shown here is not indicative of the total they will have in their lifetimes.

STRATEGIC OBJECTIVE NUMBER THREE

Strategic Objective/Target	Indicators	Baseline		Actual		Planned
S.O. # 3		1984			1993	1998
Reduce Fertility	1. Reduce Total Fertility Rate a./	7.2			6.7	6.0
	2. Raise mean age of women first birth b./	19.0			18.9	21.0
	3. Increase interval between births such that percentage of births spaced less than two years apart will decline (months)	21.0			21.0	15.0
Target 3.1	Indicator	1984	1991	1992	1993	1998
Increase the Contraceptive Prevalence Rate	1. Increase Contraceptive Prevalence Rate (modern methods)	1.0			7.4	20.0
	2. Increase no. of clients choosing voluntary surgical contraception ('000)	100.0	1239.0	1700	1700.0	4800
	3. Increase no. of women using OCS in a year ('000)	9.8			35.0	55.4
	4. Increase no. of women using injectable ('000)	1.0			23.0	70.5
Target 3.2	Indicator	1984		1992	1993	1998
Increase the Supply of Child Spacing Services	1. Increase no. of MOH and CHAM health facilities providing comprehensive child spacing services					
	MOH	2		3		25
	CHAM	0		8		10
	2. Increase no. of clinics providing core child spacing services	2		326		593
	3. Increase no. of CBD agents distributing contraceptives	0		134		1,800
Target 3.3	Indicator	1986	1991	1992	1993	1998
Increase Girls' Attainment of Literacy and Education	1. Girls' gross enrollment rate, primary school d./	47.0	64.6	n.a.	79.4	n.a.

a./ Analysis based on the 1992 Malawi DHS indicated that the 1984 estimate of TFR of 7.3 is inconsistent with 1992 findings. As a result, the 1984 TFR was adjusted downward to 7.2.

b./ Baseline for mean age at first birth is 1987, and baseline for birth interval is 1992.

c./ 1992 estimates are based on DHS estimates of 1.8 and 1.2 percent of all women age 15–49 using OCS and injectables and an estimated population of women age 15–49 of 1.9 million.

d./ Two factors account for the sharp increase in girls' gross enrollment: 1) data from the National Pupil Registration system implemented during the 1992/93 school year represent more complete data than that of prior years; and 2) fees were waived for standard 1 beginning in the 1992/93 academic year.

STRATEGIC OBJECTIVE 4: Reduce Infant and Child Mortality and Morbidity

Infant and child mortality rates dropped slightly, though the DHS revised downwards earlier mortality estimates (for 1983-1987) as well as for the most recent five year period (1988-1992). Diarrheal disease, malaria and ARI are still the major causes of under-five mortality. However, AIDS is rapidly becoming a leading cause of death for under fives as it has already become for young adults.

IMR is now estimated at 134 deaths per 1,000 live births, down from 138 (for 1983-1987). It should be noted that earlier estimates -- from the 1984 Family Formation Survey, for example, and the 1987 census had estimated IMR at 151 and 159 respectively. Under five mortality is now reported at 234 as compared with 246 for the period five years earlier. Finally, neonatal mortality (first 30 days of life) went down from 57.5 (5-9 years ago) to 40.8 (0-4 years ago), suggesting improved maternity services and reproductive health. Post neo-natal mortality actually went up to 93.5 (0-4 years ago) from 80.1 (5-9 years ago), an indication that malnutrition, diarrhea, malaria, respiratory infections, and AIDS remain major problems.

TARGET 4.1 Decrease Infant and Child Morbidity and Mortality Caused by Malaria

In March 1992 S-P (Fansidar) was officially made the first-line treatment for malaria. It was also made available without a prescription to enhance availability. Unfortunately, commercial suppliers have applied high mark-ups (from producer to retailer) and consumer price is at least MK4.90 (or $1.16) per cure. This has discouraged shopkeepers from stocking S-P and severely restricted consumers' ability and willingness to buy it. S-P is also available free of charge in government health facilities, but in insufficient quantities. Policy dialogue with MOH is needed to ensure greater access to S-P, an effective malaria treatment. The possibility of a social marketing program for S-P is also being considered.

TARGET 4.2 Increase Access to Safe Water, Hygiene and Sanitation

Although the mission's primary efforts to reduce diarrheal disease has been through increased access to potable water, we continue to monitor diarrheal disease management. The DHS reported that seven percent of children under the age of five were reported to have diarrhea in the 24-hour period before the survey, and 22 percent in the two-week period before the survey. Over half the children were

treated with some form of rehydration therapy. Results from sentinel sites indicated that 56 percent of all children brought to the sites for diarrhea had been treated with fluids at home.

Early introduction of water and food in environments where contamination is common increases the risks of illness and death from diarrhea, especially among infants in the first 6 months of life. Breast feeding practices have not been perceived as a problem by most health professionals in Malawi since women breast for a long duration (over 18 months). However, more recent evidence indicates that fluid and food supplementation is almost universally practiced even in the first month. In FY94 and beyond, USAID will place high priority on strengthening diarrheal disease interventions and encouraging breast feeding only for longer period.

TARGET 4.3 Strengthen Institutional Capacity of Public and Private Health Sector

The chronic shortage of skilled health workers continues to remain a key constraint to expanding access to primary health care. Beginning in April of 1993, however, the MOH began training community health assistants (HSAs). This will place more than 1,000 trained and salaried health workers into under-served communities by the end of 1993. The outlook for increased training and deployment of other, more skilled workers: nurses, medical assistants, health assistants and clinical officers remains clouded under the management problems of the Lilongwe School for Health Sciences, which has yet to achieve administrative autonomy or organizational viability. These policy issues and the steady decreases in the share of resources allocated to non-wage budgetary items during the last several years have become key topics for policy dialogue and donor coordination.

Note finally, that although the budgetary share that went to the health sector in 1992 is actually lower than levels in prior years, this is a result of the fact that resources were withdrawn from the health sector to address the pressing needs of the drought. Government remains committed to increasing resources in this sector.

STRATEGIC OBJECTIVE NUMBER FOUR

Strategic Objective/Target	Indictors	Baseline		Actual		Planned
S.O. # 4		1984			1993	1998
Decrease Infant and Child Morbidity and Mortality	1. Reduce infant mortaility rate (deaths per 1,000) a./	151.0			135.8	100.0
	2. Reduce under-5 mortality rate (deaths per 1,000)	258.0			233.8	150.0
Target 4.1 Decrease Infant and Child Morbidity & Mortality Caused by Malaria b/	Indicator	1993				1998
	1. Increase proportion of children under-5 who receive the recommended first line anti-malaria treatment at home during last malaria episode	15.0				50.0
	2. Increase percent of surveyed population who took recommended first-line malaria treatment (currently S-P)	56.0				80.0
	3. Increase percent of pregnant women who received recommended first-line treatment during pregnancy	60.0				80.0
	4. Increase percent of adults who identify mosquitoes as the malaria vector	55.0				85.0
	5. Increase percent of health workers who correctly treat patients (according to 1992 guidelines)	n.a.				95.0
Target 4.2 Increase Access to Safe Water and Hygiene and sanitation	Indicator	1985	1991	1992	1993	1998
	1. Increase percent of population with access to safe water b./			70.0		
	2. Proportion of children under-5 who were given appropriate fluids during last diarrheal episode (%)				56.0	90.0
	3. Percent infants age 1 -4 months who are exclusively breastfed				2.0	60.0
Target 4.3 Strengthen Institutional Capacity of Public and Private Health Sector	Indicator	1985	1991	1992	1993	1998
	1. Health care budget/total GOM budget increases -- Recurrent	9.2	7.2	6.6	7.2	9.1
	2. National health surveillance personnel increases		500	700		4000
	Total population (in millions)	7.2	8.7	8.9	9.2	9.8

a/ The 1992 DHS shows infant mortality rate of 137.7 per 1,000 live births for 5-9 years preceding the survey, that is, including the 1984 baseline. The Mission has reported in its previous APIs. For consistency, we have maintained a baseline IMR of 151.

b/ The 1992 figure was reported by the UNDP but the Mission believes this estimate is too high. In the upcoming PHICS evaluation, the water component and associated indicators will be assessed.

STRATEGIC OBJECTIVE 5: Control the Spread of AIDS

AIDS victims and the number of people becoming infected with the Human Immunodeficiency Virus (HIV) continue to increase rapidly in Malawi. The AIDS Secretariat estimates that 11% of the adult population is HIV-infected. According to a 1992 UN study, World Population Prospects, Malawi will be among the countries most affected by the AIDS epidemic. An additional 555,000 deaths from AIDS are expected by 2005.

Ongoing Johns Hopkins University and Ministry of Health collaborative research at the Queen Elizabeth Community Hospital (QECH) provides the best information on the spread of the epidemic in urban areas. HIV seropositivity among pregnant women attending QECH antenatal clinics (Blantyre) continues to rise: it was 2 percent in 1985, 23 percent in 1991, 27 percent in 1992, and 30 percent in 1993.

In rural areas, the 1992 rural hospital study found a median of 8 percent seropositivity; the 1993 preliminary results suggest a rapid progression of HIV, to an estimated 12-17 percent of the rural population. The 1993 preliminary estimates testify to the gravity of the HIV/AIDS epidemic in Malawi. Even if the number of HIV transmissions could be reduced dramatically in the next few years, new AIDS cases and annual deaths from AIDS will continue to climb steadily for the next 5-10 years due to incubation period of HIV.

Efforts to control the spread of AIDS have been led by the National AIDS Control Program (NACP). An external WHO-led 1993 program review completed in July 1993 found little evidence to suggest that the peak of the epidemic had been reached, and that key programs to combat the spread of AIDS/HIV had achieved any documented success. The report makes many recommendations that should lead to a more innovative and dynamic program of AIDS prevention and control. Among the most important of these is to mobilize resources across sectors (agriculture, education, radio and press, private sector, etc.) in the fight against AIDS.

TARGET 5.1 Increase Condom Use

The two principle means of preventing sexual transmission of HIV center around condom use and sexually transmitted disease (STD) control. The 1992 DHS indicates that 6.3 percent of currently married men report using condoms. HIV positive and HIV negative women attending the QECH antenatal unit from January to May 1993 reported the following condom use (with men other than their husbands): HIV positive -- occasionally (18.6 percent), most of the time (5.3 percent), all the time (1.8 percent); and HIV negative -- occasionally (15.4%) most of the time (3.0 percent) and, all the time (0.4 percent).

Distribution of free condoms continues to take place sporadically without adequate reporting or monitoring. Sales of socially marketed condoms have been sluggish and are still less than 80,000 units per month. due largely to these disappointing results, USAID has elected to phase out SOMARC in 1994 and is developing an agreement with another firm for the social marketing of condoms.

TARGET 5.2 Reduce Incidence/Seroprevalence of Other Sexually Transmitted Diseases (STDs)

Following several years of research, a symptom-based treatment protocol and revised drug schedule were prepared and approved by the Ministry of Health for STDs (other than HIV). Revised and improved STD Treatment Guidelines have been finalized, selection of pilot sites is underway, and drug procurement is proceeding. So, activities associated with this target are just underway.

TARGET 5.3 Increase Access to Education, Counselling, and AIDS Prevention Materials

Achievements under Target 5.3 were somewhat overshadowed by the continued spread of HIV, slow GOM and NGO endorsement of home based care and other strategies to reduce the inundation of hospitals by AIDS patients. Continued reticence on the part of government to take highly visible measures to convey the need for a strong, multi-sectoral response to AIDS and to utilize communication channels to publicize the AIDS emergency have resulted in slow implementation of preventative and control measures. In spite of the problems, there were some noticeable accomplishments in the past twelve months:

- AIDS education workshops were conducted for private sector companies, religious leaders, and women;
- Teachers and District Inspectors of Schools were oriented to the AIDS curriculum. Implementation of the curriculum is now going forward after delays resulting from cultural barriers and weak commitment;
- GOM granted permission for more direct radio advertising for condoms and more explicit language on AIDS prevention messages;
- The time necessary for approval of behavioral messages was substantially reduced;
- A program was instituted to conduct and monitor AIDS education in classrooms; and
- Funding was obtained for additional AIDS control staff.

In sum, the necessary changes in socio-cultural acceptance of AIDS as a fact of life are slow in coming, but they are happening. As

the barriers drop further, we expect to see less reticence and greater activity towards achieving this strategic objective.

STRATEGIC OBJECTIVE NUMBER FIVE

Strategic Objective/Target	Indicator	Baseline	Actual			Planned
S.O. # 5	Indicator	1985	1990	1992	1993	1998
Control the Spread of AIDS	1. Reduce HIV sero-prevalence among urban antenatal clients (%) a./	2.0	23.0	27.0	29.8	27.4
	2. Reduce HIV sero-prevalence among rural antenatal clients (%) b./	8.0		8.0	14.0	8.0
	3. Reduce HIV sero-prevalence among high risk groups (%)	2.0				40.0
Target 5.1	Indicator	1985	1991	1992	1993	1998
Increase Condom Use	1. Increase percent of men who reported using condoms in the last week in casual sexual encounter(s)	5				40
	2. Increase total number of condoms distributed and sold annually:					
	free (millions) c./	0		3.0	3.5	6.0
	social marketing (millions)	0		0.4	0.6	4.0
Target 5.2	Indicator	1985		1992	1993	1998
Reduce Incidence/Seroprevalence of STDs	1. Reduce percent of pregnant women ages 15-24 infected with STDs among urban women			8-14	10.9	4-7
	2. Increase number of CHAM and MOH hospitals providing comprehensive STD prevention and control services	0			0	10
	3. Percentage of patients whose STDs are correctly diagnosed and treated, according to the national STD treatment guidelines					
Target 5.3	Indicator	1992		1992	1993	1998
Increase Access to Education, Counseling, and AIDS Prevention Materials	1. Increase percent of private sector companies and estates with AIDS prevention and condom distribution programs (>300 employees)	10.0				90.0
	2. Increase percent of students with access to AIDS textbooks	0.0				80.0

a./ The source for this indicator for 1993 was QECH data analyzed by Johns Hopkins Research Unit based on all women attending antenatal clinic between January and May, 1993. Projections are based on WHO EPIMODEL using assumptions from the National AIDS Control Program report "Forecast of HIV-AIDS in Malawi by the Year 2002."

b./ No data was available for 1993. Information is expected in November, 1993 through a special AIDSCAP-funded study in collaboration with AIDS Secretariat.

SECTION IV

OTHER PROGRESS IN PRIORITY AREAS

Democracy and Governance

Three efforts on the part of USAID/Malawi have contributed to, or are expected to contribute to, Malawi's efforts to create a legal and political framework which safeguards human rights, basic freedoms, and political accountability. The first is the mission's participation in the May 1992 Consultative Group (CG) meeting and its support of the collective decision to reduce non-humanitarian, and especially balance of payments, support to Malawi pending "tangible and irreversible evidence" of the fundamental transformation in the GOM's approach to human rights.

The second and third efforts are expected to contribute to Malawi's political liberalization and better human rights environment. One is an increase in development assistance, particularly in NPA, to on-going programs/projects. This acknowledges the important and positive changes made to date and reverses the steadily downward trend in Malawi's OYB since 1991-92, although it does not restore it to its previous high levels. The third element is the mission's Democratic and Civic Institution Development project (DECIDE) authorized in FY 1993. The purpose of DECIDE is to establish and consolidate democratic and civic institutions in Malawi and it aims to accomplish this purpose through election support, judicial/legal support, and support for the development of civic institutions in Malawi.

Between 1991 and 1992, USAID program levels were cut by more than 50%. Combined with a major deobligation of program funds, the political signal sent to the GOM was a strong one. In support of the decision at the 1992 CG meetings, USAID/Malawi further cut its OYB in 1993. As a result of these reductions, the mission's strategic objective related to economic growth in the small and medium enterprise sector was eliminated. This set the OYB at $15 million, the lowest since 1987. USAID's action, combined with the actions of other bilateral donors, has had a powerful impact. Most of the opposition in Malawi today credit the donors with the turn about in the Government's current commitment to democracy and human rights improvements.

One of the most notable demonstrations the GOM made in favor of democracy was the endorsement of the June 14, 1993 Referendum. On June 14, 1993, Malawians voted to choose a single or multi-party system of government. After 30 years of single party rule, Malawian's voted overwhelmingly (63%) to change to a multi-party system. International Observers declared the Referendum to be an accurate reflection of the will of the Malawian people, and on June

16 the results were formally announced, accepted and acted upon by the GOM. Since the Referendum, Malawians have taken the building of democracy much further than the mission had envisioned. Specifically, the President announced that he would like to see general elections held within a year of the Referendum. Section 4 of the Constitution was repealed and the regulations for the registration of political parties was put in place. The regional and national traditional courts of appeals courts were suspended; the NCC and the NEC were established with opposition membership to oversee the transition period. And the NCC was empowered to draft the first set of legal reforms to be repealed, amended, and/or enacted upon by Parliament. These reforms include, among others, abolishing the life presidency, drafting a bill of rights, establishing an electoral law and commission, repealing the trappings of a one party state, repealing the Forfeiture Act, and liberalizing the establishment, role, and powers of the NCC and NEC.

Malawi has also made significant progress in its approach to basic freedoms and human rights, which forms the basis for Malawians to freely choose the system and the individuals which will govern them. Specific actions include the release of political prisoners and granting of general amnesty of all political exiles, the move to repeal or modify the sedition laws and some of the other most heinous anti-human rights sections of the penal code, and greater tolerance of political expression allowing political rallies and independent newspapers to flourish.

Although USAID/Malawi firmly believes that progress on, and the sustainability of, a democratic political system and human rights improvements in Malawi are precursors to sustainable development in this country, the mission equally believes that failure to achieve broad based economic growth and development and higher standard of living can seriously undermine any gains in democracy. To this end, the Mission submitted a request to USAID/W to approve an incentive increase in the assistance level to Malawi in FY 1994. This was necessary to acknowledge the important and positive changes to date, and to strengthen the economy in order to sustain the democratic process.

With increased funding, the DECIDE project will be adequately funded to assist and sustain Malawi's political transition. Through the election support component, DECIDE will support free and fair elections by providing expertise in voter registration, election administration, public information, and international observers. DECIDE will also train the political parties on a non-partisan basis in voter education, grassroots organization, message development, use of the media, election monitoring, and code of conduct. The legal/judicial reform component will support the process of reforming the constitution and civil and criminal codes and will encourage the development of existing and new legal aid societies and human rights groups which seek to empower Malawians.

The civic institution development component will provide broad support to the development of NGOs committed to the promotion and preservation of democratic culture in Malawi over the long term. The mission believes that the development of such NGO capacity on a permanent basis will be extremely important to the future and sustainability of democracy in Malawi.

Finally, increased funding will allow the Mission to amend two of its most successful programs/projects (ASAP and GABLE) and to broaden the policy and institutional reform agenda of each, also to include specific democracy/governance priorities. Both of these amendments will indirectly empower Malawians, increase broad based participation, and reinforce the principals of a democratic society.

With these elements in place, the mission will seek during the analytical phase for the upcoming CPSP to (1) ensure that a democracy/governance target of opportunity is sufficiently focused on tangible results; and (2) articulate those indicators which will determine success in this area.

Environment / Natural Resource Management

Environmental Monitoring

The rate of deforestation in Malawi is estimated to be one of the highest in the world, and anecdotal information on environmental degradation abounds. However, there is little or no data on the actual environmental impact of GOM development policies, intensified smallholder crop production, and the expansion of the estate sector. In recognition of this situation, the Mission's Agricultural Sector Assistance Program (ASAP) Support Project is providing direct funding of $1.3 million for the establishment of an environmental monitoring and analysis capability within the GOM. The environmental monitoring activity is specifically designed to collect data on critical physical and social parameters in order to monitor the environmental impact of ASAP-supported policy changes in five watersheds throughout Malawi.

The information collected is expected to serve as an indication of program impact on deforestation, soil erosion, and water quality. These indicators will be analyzed, and utilized to develop interventions to mitigate any negative impacts resulting from the program. Five separate GOM departments are responsible for data collection and analysis within their respective areas of interest. The GOM Department of Research and Environmental Affairs (DREA) is responsible for coordinating the activity, and for reporting on the impact of policy change. Implementation is just beginning, and the Mission expects to includes the highlights of DREA reporting in subsequent years as part of the API process.

The activity will also receive complementary funding to expand the

methodology and cooperation to a Global Environmental Facility project promoting biological diversity in Lake Malawi.

Agroforestry

The $2.6 million ASAP Support Project Agroforestry Extension Activity is designed to increase agricultural productivity, improve production efficiency, and reduce natural resource degradation. This will be accomplished by developing an agroforestry extension methodology for delivery of agroforestry techniques, based upon agroforestry research carried out in Malawi, to smallholder farmers. These techniques include alley cropping, systematic interplanting of trees with crops, contour vegetation strips, living fences, boundary and homestead planting of multi-purpose trees, fodder banks, short-term fallows and woodlots. Agroforestry extension activities are being carried out at five pilot sites located throughout the country. A total of 207 farm families in the five pilot areas participated during the first year of the activity. This is expected to increase to over 400 farm families during the coming year.

In addition to the pilot sites, the agroforestry extension activity is being expanded to identify and disseminate ecologically sound and cost-effective methods for integrating agroforestry techniques with smallholder burley tobacco production. These techniques are expected to decrease the demand for indigenous trees and grass, and substitute for a portion of the nitrogen fertilizer applied during cultivation.

ANNEX A

REVISION OF PROGRAM AND DATA SOURCES

Changes in health sector indicators from FY 1992 to FY 1993

As discussed in last year's API, USAID/Malawi has revised or expanded on indicators for a number of the targets for the three health sector strategic objectives. Indicators for the fertility and AIDS strategic objectives were revised upon completion of the design for the mission's STAFH project. Indicators for the child survival strategic objective, specifically morbidity and mortality by cause, were revised because data against the original indicators were difficult to collect and interpret. A summary of indicators used last year compared with this year is contained in table B-1.

Fertility and AIDS

Regarding the fertility and AIDS strategic objectives, the new indicators comprise either more refined or better defined data, or additional indicators to reflect the elements of the STAFH project strategy. In particular, one element of the STAFH project strategy is to increase contraceptive use by broadening clients' contraceptive options and making services more convenient. This strategy is reflected in our choice of indicators for targets 3.1 and 3.2.

With respect to the AIDS strategic objective, two elements are to improve the supply of services and increase knowledge of AIDS prevention. These elements are reflected in a third target under the AIDS strategic objective--increase access to education, counselling, and AIDS prevention materials.

Infant and child morbidity and mortality

The three major causes of infant and child mortality are malaria, diarrhea, and acute respiratory infection (ARI). Although the mission has been primarily involved in malaria research and institutional development, we are interested in all major causes of infant and child mortality in our broader monitoring and evaluation activities.

The mission determined, however, that deaths and prevalence of childhood disease by cause should not be our principle indicators of progress because they are difficult statistics to collect and interpret. In addition, malaria, diarrhea, malnutrition, and ARI frequently occur together. Furthermore, many interventions are aimed at treatment, not prevention. Therefore, we removed the four indicators of mortality and morbidity by cause under target 4.1 and

Table B-1: Health Sector Indicators Used in 1992 Compared with Revised Indicators in 1993

SOs and Targets	1992 Indicators	1993 Indicators
SO3: Reduce Fertility	1. Reduce total fertility rate	1. Reduce total fertility rate 2. Raise mean age of women at first birth 3. Increase interval between births such that percentage of births spaced less than two years apart will decline
Target 3.1: Increase Contraceptive Prevalence Rate	1. Increase contraceptive prevalence rate	1. Increase contraceptive prevalence rate 2. Increase no. of clients choosing voluntary surgical contraception 3. Increase no. of women using OCS in a year 4. Increase no. of women using injectable
Target 3.2: Increase the Supply of Child Spacing Services	1. Increase total number of clients using modern methods of child spacing (100) 2. Increase no. of clients choosing voluntary surgical contraception 3. Increase no. of health facilities providing child spacing services	1. Increase no. of MOH and CHAM health facilities providing comprehensive child spacing services 2. Increase no. of clinics providing core child spacing services 3. Increase no. of CBD agents distributing contraceptives
Target 3.3: Increase Girls' Attainment of Literacy and Education	1. Girls' gross enrollment rate, primary school	1. Girls' gross enrollment rate, primary school
SO4: Decrease Infant and Child Morbidity and Mortality	1. Reduce infant mortality rate (deaths per 1,000) 2. Reduce under-5 mortality rate (deaths per 1,000)	1. Reduce infant mortality rate (deaths per 1,000) 2. Reduce under-5 mortality rate (deaths per 1,000)
Target 4.1: Decrease Infant and Child Morbidity and Mortality Caused by Malaria	1. Reduce rate of under-5 outpatient visits for malaria 2. Reduce rate of under-5 deaths in hospital caused by malaria 3. Reduce rate of under-5 outpatient visits for anemia 4. Proportion of children with diagnosed malaria who receive the correct dosage of recommended anti-malarial	1. Increase proportion of children under-5 who receive the recommended first line anti-malarial treatment at home during last episode 2. Increase percent of surveyed population who took recommended first-line malaria treatment 3. Increase percent of pregnant women who received recommend first-line treatment during pregnancy 4. Increase percent of adults who identify mosquitos as the malaria vector 5. Increase percent of health workers who correctly treat patients (according to 1992 guidelines)
Target 4.2: Increase Access to Safe Water, Hygiene, and Sanitation	1. Access to piped, potable water improves (% of rural population)	1. Increase percent of population with access to safe water 2. Proportion of children under 5 who were given appropriate fluids during the last diarrheal episode 3. Percent of infants age 0-4 months who are exclusively breast-fed

SOs and Targets	1992 Indicators	1993 Indicators
SO3: Reduce Fertility	1. Reduce total fertility rate	1. Reduce total fertility rate 2. Raise mean age of women at first birth 3. Increase interval between births such that percentage of births spaced less than two years apart will decline
Target 4.3: Strengthen Institutional Capacity of Public and Private Health Sector	1. Health care budget/total GOM budget increases -- recurrent 2. National per capita health surveillance personnel increases	1. Health care budget/total GOM budget increases -- recurrent 2. National per capita health surveillance personnel increases
SO5: Control the Spread of AIDS	1. Reduce HIV prevalence among urban antenatal clients (%) 2. Reduce HIV prevalence among rural clients (%) 3. Reduce HIV prevalence among high risk groups (%)	1. Reduce HIV sero-prevalence among QECH antenatal clients 2. Reduce HIV sero-prevalence among rural antenatal clients 3. Reduce HIV sero-prevalence among high-risk groups
Target 5.1: Increase Condom Use	1. Increase percent of men using condoms 2. Increase total number of condoms distributed and sold annually: --free distribution (million) --social marketing (million)	1. Increase percent of men using condoms in last sex act involving risk of HIV/STD 2. Increase total number of condoms distributed and sold annually: free distribution (mn) social marketing (mn)
Target 5.2: Reduce Incidence/sero-prevalence of Classical STDs	1. Reduce percent of women infected with syphilis 2. Percent male reported STDs in past 6 months	1. Reduce percent of pregnant women infected with STDs among urban and semi-urban women 2. Increase percent of CHAM and MOH hospitals providing comprehensive STD prevention and control services 3. Increase percent of patients whose STDs are correctly diagnosed and treated, according to the national STD treatment guidelines
Target 5.3: Increase Access to Education, Counseling, and AIDS Prevention Materials		1. Increase percent of private sector companies and estates with AIDS prevention and condom distribution programs (> 300 employees) 2. Increase percent of students with access to AIDS textbooks

replaced them with indicators related to interventions. A higher level indicator, infant and child mortality, will be monitored through periodic demographic health surveys.

Changes in values of indicators as reported in FY1992

Changes in values of indicators occurred primarily in budgetary expenditures and in fertility. Because of the severe economic contraction, withdrawal of budgetary support by donors, and substantial civil service pay increases, the GOM had to substantially revise its original budget for its 1992 and 1993 fiscal years. Therefore, nearly all budgetary data has been revised for these years.

The DHS provided new evidence of contraceptive prevalence and total fertility in Malawi. As is the standard practice in demographics, old data were scrutinized, based on the new evidence. As a result, demographers from Resource Triangle Institute have revised downward the estimated total fertility rates and revised upward the contraceptive prevalence rates as reported from the Family Formation Survey, as well as planned future levels.

694

DATA SOURCES

Strategic Objective No. 1

Indicator	Source
1.1, 1.2	MOA third crop estimates.
1.1.1	MOA third crop estimates.
1.1.2	National Seed Company of Malawi.
1.1.3	Economic Report.
1.1.4	MOA SACA reports.
1.2.1	Ministry of Trade and Industry, SFFRFM, Norshydro and other major fertilizer importing companies.
1.2.2	National Seed Company of Malawi.
1.2.3	Smallholder burley registration system, Auction Holdings Limited.
1.2.4	Auction Holdings Limited.
1.3.1	MOA third crop estimates.
1.3.2	Smallholder burley registration system, Auction Holdings Limited.
1.4.1-3	Ministry of Finance Budget Documents.

Strategic Objective No. 3

3.1	1984, Family Formation Survey, adjusted downward based on new information from the DHS; 1993, DHS
3.2, 3.3	1984, Estimated from Family Formation Survey data; 1993, DHS
3.1.1	1984, Family Formation Survey data; 1993, DHS
3.1.2	AVSC reports
3.1.3	DHS and Demproj (demographic projection model)
3.1.4	DHS and Demproj
3.2.1-2	MOH
3.2.3	JSI/SEATS Trip report, 1993
3.3.1	1993, National Pupil Registration System; other, MOEC Annual Education Statistics

Strategic Objective No. 4

4.1, 4.2	1984, Family Formation Survey; 1993, DHS
4.1.1	Report on Sentinel Sites for Diarrhea and Malaria, CHSU
4.1.2-4	1992 KAP baseline survey
4.1.5	Report on Sentinel Sites for Diarrhea and Malaria, CHSU
4.2.1	???
4.2.2	Report on Sentinel Sites for Diarrhea and Malaria, CHSU; DHS
4.2.3	DHS, Early Introduction of Supplemental Foods and Diarrheal Disease in the First Six Months of Life, report by Paul Courtright, et al, 1993
4.3.1	Ministry of Finance Budget Documents.
4.3.2	MOH

695

Strategic Objective No. 5

Indicator	Source
5.1	Antenatal clinic in Blantyre, JHU Project. Projections based on World Health Organization EPIMODEL.
5.2	Special Rural Seroprevalence Studies, AIDSCAP in collaboration with AIDS Secretariat.
5.3	STD patients - Kristensen study at KCH.
5.1.1	Weighted urban-rural average from SOMARC survey.
5.1.2	SOMARC.
5.2.1	JHU study of prenatal women in Blantyre.
5.2.2	MOH
5.2.3	MOH
5.3.1	Returns selected from estates and companies.
5.3.2	Ministry of Education and Culture yearly survey of textbooks.

ANNEX B

ASSESSMENT OF USAID/MALAWI'S WOMEN IN DEVELOPMENT (WID) ACTIVITIES

Enhancing the economic well being of the average Malawian household entails enhancing the well being of individual Malawians within households. Whether households are male- or female-headed, they rely on women for food and cash crop production, off-farm labor earnings and other income generating activities, child bearing and rearing, and other essential household activities.

Involved largely in subsistence agriculture, women constitute nearly 70% of all full time farmers on their holdings and work more hours at a given task than men. This is because women are not only involved in the more labor intensive farming activities, such as weeding and marketing any surplus food crops, but also because women rarely use the improved tools and equipment that are available to men for farm tasks.

In terms of fertility, Malawi has one of the highest fertility rates of African nations with 6.7 children per woman and only 7% of women using modern contraceptive methods. Inevitability, women bear the burden of raising those children in meager rural settings. The literacy rate for women stands at roughly 35% compared to approximately 60% for men in the 15-45 age group; and at all levels of the education system, males out-number females despite the fact that at each age group, there are more women than men.

In Malawi, female-headed households represent 30% of the population and are disproportionately concentrated at the bottom 25% of the income distribution. In fact, women in Malawi fare less well across all sectors.

In light of these statistics, USAID/Malawi recognizes the special constraints that girls/women face and attempts to redress these constraints with an integrated WID approach in each of its programs and project portfolios. Our WID efforts are included in the API where it is applicable to API guidance. Where it is not, this section attempts to capture them. USAID/Malawi recognizes that this section does not follow the strict requirements of API reporting; rather it is designed to fill the gap between existing reporting mechanisms and the WID efforts that are being made in the field.

GOAL: Enhance the Economic Well-being of the Average Malawian Household

USAID/Malawi predicates its WID strategy upon the belief that raising the standard of living of women most directly raises the

standard of living of their families. Studies have shown that when women have access to and control over resources, they tend to spend those resources on the welfare of the family. Given the important contribution of women to the economic well-being of the household as well as its general health and welfare, USAID/Malawi includes women in all aspects of its development portfolio as a necessary condition for achieving sustainable economic and social progress in Malawi.

Strategic Objective 1. Increase Agricultural Productivity and Production

The smallholder burley program under ASAP is specifically intended to target farmers with less than 1.5 hectares of land and female-headed households. In the first season of the program, 10 percent of all smallholder burley club members were women, increasing to 12.5% in 1992/93 and 15% in 1993/94. These increases are due to a concerted effort on the part of both the mission and MOA to encourage women. In a recent evaluation of the ASAP program, some constraints faced by women were suggested: women are more risk averse than men and therefore tend to be conservative about responding to new opportunities and activities; the size of the credit package for the production of a 300 kg quota may be prohibitive, especially for women on less than 1.5 hectares of land; women have less access to hired labor; and the fact that tobacco, more than any other crop in Malawi, has long been regarded exclusively as a man's crop.

To examine these constraints more closely and to encourage greater female participation in the burley program, the Women's Program Section at the MOA, with financing from USAID, is implementing a study to profile women in burley clubs in order to better understand their constraints and opportunities in joining and participating in those clubs. The study will create awareness about ASAP's policy to involve women as burley growers among the extension workers who conduct the study. As the type of assistance and support necessary for improving women's performance in burley production is identified, increased numbers of women farmers will be mobilized to participate in the burley program.

Strategic Objective 3. Reduce Fertility

The correlation between the number of years of education and a woman's fertility rate has been well documented, including the 1992 DHS conducted in Malawi. Specifically, educated women tend to plan their families, marry later, and have fewer children. The GABLE program therefore aims to increase girls' attainment in basic education. One of GABLE's interventions to assist girls in persisting through the primary system is the provision of school fee waivers for nonrepeating girls from standards 2 through 8. During the 1992 school year, over 400,000 girls benefited from

these waivers. School fees range between MK 3.5 and MK 7.5 ($0.85 to $1.70) per year per student, but even this small amount is enough to discourage parents who earn less than $200/year from sending their girls to school. Anecdotal evidence suggests that, when the fee is waived, the girls attend and progress through the system. As a generation of girls are sent to school and attain eight years of primary education, it is envisioned that the fertility rate of that generation will change in accordance with their schooling and that the daughters of these girls and boys will be more likely to enter and persist through the educational system.

Other USAID activities provide a number of incentives for those women who actually make it to the tertiary level. Currently, only 1% of female pupils from the original primary cohort enter at the university level. Progress to date includes the following:

- A Women's Registrar was established at the University of Malawi to recruit female students for non-traditional programs.
- Of the total who received/are receiving graduate level training in the U.S., 28% are women. Of the 28%, nine entered health, six entered arts and sciences, and four entered business/management.
- Chancellor College has instituted a Masters Degree Program in Sociology, concentrating on Women in Development. To date, seven women have completed graduate studies in this program through USAID funding.
- Fifty-seven scholarships per year at the University of Malawi have been given to women accepted into undergraduate programs in non-traditional fields. This number may increase to seventy-five this year.
- As a result of policy dialogue, Chancellor College is increasing the intake of women in the 1993 school year from 18% to 27% and building a women's dormitory.

Strategic Objective 4. Reduce Infant and Child Mortality and Morbidity

A recent study in Malawi corroborated studies elsewhere by concluding that female education plays an important role in determining levels of infant mortality. Other factors that affect infant mortality in developing countries, according to the same report, include female autonomy and egalitarianism. Since better educated mothers are more likely to have children that survive infancy, and since children of educated mothers are also better nourished and healthier, USAID/Malawi education programs also assist in addressing this objective.

The health component of the PHICS project is directed at improving women's knowledge and skills as primary caretakers of children.

Women are targeted for most of the child survival messages because of their child rearing responsibilities. In addition, PHICS has made a concerted effort in the last year to ensure that 33% of the Health Surveillance Assistants (HSAs) are women. Increased numbers of women HSAs will translate into increased outreach to mothers who feel more comfortable discussing sensitive health issues with other women.

In an effort to increase access to safe water, hygiene, and sanitation, women's village committees are taken as a vehicle for constructing and managing water systems so that safer water is available to the community. Over 80% of membership of some water committees are women, and women actively participate in village health committees. Women are reported to save time and energy used to carry water from traditional sources and have increased quantities of water which enable them greater time to devote to other efforts.

Strategic Objective 5. Control the Spread of AIDS

AIDS affects women in Malawi at approximately the same rate as it does men. Because men play the dominant role in sexual decision-making, however, many AIDS prevention and condom promotion messages have been targeted at men and/or the general public. While supporting these efforts, the mission has increasingly supported activities aimed at improving women's access to both information about the epidemic and to the means of preventing the spread of HIV infection. Specific activities include:

- Training of HSAs (both male and female) in Thyolo District on AIDS prevention and condom promotion.
- Training of women in the work place about AIDS prevention.
- Training of women at the Women's Training Center in AIDS prevention and control.
- Research on the acceptability of the female condom to commercial sex workers in Salima District.
- The introduction of the AIDS curriculum at the primary level ensure the greatest opportunity for girls as well as boys to learn about AIDS.

CONCLUSION

In conclusion, this section attempts to highlight the efforts USAID/Malawi has made in integrating women throughout its development program. Our hope is that this section complements and expands upon the people level impact described in the first four sections of the API.

700

ASSESSMENT OF PROGRAM IMPACT

FY 1993

SWAZILAND

ASSESSMENT OF PROGRAM IMPACT
USAID/SWAZILAND, JANUARY 1994

SECTION I. SPECIAL FACTORS AFFECTING THE USAID PROGRAM

A. FACTORS EXTERNAL TO AID

1. Restrictions on GOS capital and recurrent expenditures.

While Swaziland is still relatively well off compared to most of sub-Saharan Africa, donors and some elements of the Government of Swaziland (GOS) have become increasingly concerned over the past two years about the rapid declines in key economic indicators. While there is disagreement about the precise numbers, IMF, World Bank and GOS data all reflect slowing of the GDP growth rate and a decline in 1992. Although there were major fluctuations from year to year, the average annual growth in the GDP over the five years from 1985 to 1990, was about 4.4%. All estimates for 1992 indicate a decrease in GDP. The IMF estimates a decline of 2.6% and the Central Bank of Swaziland estimates a decline of 1.9%.

There is increasing concern among government officials that Swaziland will be subjected to an IMF adjustment program. Some elements of the GOS recognize an urgent need to control government spending and to increase revenue collection. Receipts from the South African Customs Union, (SACU), which have traditionally accounted for over half of the GOS tax revenue, have been stagnant over the past three years and there is some apprehension that they may decline with the anticipated political changes in South Africa.

The GOS current and capital accounts, which have shown a healthy surplus for most years since independence, are now projected by the IMF to have a 76.5 million Emalengeni deficit in budget year 1992/93. Current account expenditures, which through the late 80s averaged from 17% to 19% of GDP each year, are estimated by the IMF to have climbed to 20.4% in 1991/92 and 26.7% in 1992/93. Over half (55%) of the increase in current expenditures from fiscal year 1990/91 to fiscal year 1993/94 is attributable to rapid increases in the public sector wage bill.

(Sources: Central Bank of Swaziland Annual Report for Financial Year 1992-93, May 1993; Swaziland Public Expenditure Review, World Bank, July 1, 1993; Swaziland - Statistical Appendix to Staff Report on 1993 interim Article IV consultations, March 29, 1993.)

Attempts by the GOS to reduce expenditures will likely have effects on USAID and other donor programs. Both the donors and the GOS are increasingly concerned that new projects and programs must not require significant increases in government positions to implement the project. At the moment, there is one effect on USAID's program which is immediately apparent. News reports indicate that the Ministry of Education was informed in early January that only 88 new teaching posts will be allowed this year, rather than the 700 which had been planned. This implies a worsening rather than improvement of the teacher\student ratio

which is currently one teacher per 50 or 60 students in the primary grades. While this crisis in the primary education budget should have little, if any effect on the achievement of project outputs under the Education Policy, Management and Technology (EPMT) project, there will be effects on the longer term impact of AID's interventions in the sector.

While it is too early to be sure whether this specific restriction will hold or be reversed or mitigated, it does seem clear that GOS budgets for many development projects will be curtailed over the next few years. The overall effects on AID and other donor development initiatives can not yet be predicted but will need to be carefully monitored.

2. Political Developments

In October 1993, Swaziland held elections for parliament under a new system which allows for more direct election of the majority of parliamentarians. The new cabinet has been appointed and is functioning but the new parliament has not yet met. While some of the new ministers have made some very positive statements about development problems, it is too early to see whether these statements can be turned into action. We may be better able to judge the omens for development impact after parliament meets and the budget for the coming financial year is approved. The King has said that, following the recent political reforms, the next priority is to formulate a strategy for economic development.

B. INTERNAL A.I.D. FACTORS

The possible long term impact of the USAID program will be affected by the decision to phase out AID's residential presence by the end of FY 1996. Rather than looking to following up on lessons learned from the current program, most of which will end by mid 1996, and building on successes of the projects, we are now in a somewhat different strategy of trying to find ways to assure sustainability of current programs, particularly in family planning and in small and medium business development, and designing a new program which can be managed without and A.I.D. staff in country. The long term impact will depend largely on the success of strategies to sustain such AID created institutions as the Business Management Extension Program (BMEP), the Swazi Business Growth Trust (SBGT), and the Family Planning Association of Swaziland (FLAS).

SECTION II. PROGRESS TOWARDS OVERALL PROGRAM GOALS

The stated goal of the Swaziland program is to "Expand Swaziland's accelerating economic growth into a process of equitable and sustainable development that enhances the quality of life of all Swazis."

As noted in Section I, the assumption that Swaziland's economic growth is accelerating now appears dubious. While we do not have any new data to measure distribution directly, GOS statistics

show that growth is mainly in the larger industrial sector and in estate agriculture. The small farmers, without access to irrigation were the most affected by the drought in 1992. In the last two years inflation has hit hardest on the lower income groups. Data from the GOS Central Statistical Office show that the Consumer Price Index increase from 1992 to 1993 was 13.6% for lower income groups and 11.5% for middle and high income groups. The largest increases were in basic foods and health care. (Source: Swaziland Government Statistical News, Central Statistical Office, August 1993.) This data provides a strong indication that the disparities between urban and rural populations persist and that the distribution of income and benefits remains skewed.

It remains to be seen whether the political changes which were initiated during 1993 will increase the will and ability of the GOS to address these problems. On the positive side, the GOS remains committed to private sector led growth and has encouraged USAID programs such as SBGT, BMEP, and CAPM, as well as similar programs funded from other sources which are targeted to lower income groups.

The rate of population growth is a major constraint to increasing per-capita incomes and the quality of life of the majority of Swazis. Despite the inability to reach agreement with the GOS on NPA in family planning, we believe there is progress in this area. The perception both in the government and in the general population that the rapid population growth is a major impediment to development and national well being seems to be increasing. There is increasing commentary in the press, by both government officials and the general public, linking problems such as inadequate health care and education facilities to rapid population growth.

The new Minister of Health has made numerous public statements about the importance of increased attention to family planning as well the need to accelerate programs for AIDS prevention and treatment. We are awaiting the new budget to see whether this increase in support will be manifested in higher budget allocations for such concerns.

During the past year, there has been a noteworthy success, outside of the strategic objectives, in improving the lives of Swazi people. This was in the response to the drought emergency. The USG was the major contributor of food for the drought relief effort, contributing a total of 21,500 MT of maize through the World Food Program toward a relief effort which reached nearly 400,000 Swazis. The Mission also took the lead in a drought recovery program under which OFDA granted $1,866,000 through WFP for a program to provide agricultural inputs to approximately 13,000 homesteads which had lost their resources in the drought. The assistance allowed these families to plant maize in the 1992-1993 growing season and, to a large extent, regain their self sufficiency. Additionally, this program demonstrated that the

productivity of small, dryland farms can be dramatically increased with relatively modest increases in inputs such as improved seeds and fertilizer if these inputs are complemented by competent extension services. The successes of this program have been documented in several evaluations.

There has also been notable progress since the last API report in the HIV/AIDS prevention area, which is shown on the objective tree as a target of opportunity. In late 1992, the GOS established a national AIDS program within the Ministry of Health and appointed a highly qualified Swazi to head the program. A GOS/UNDP sponsored survey of HIV prevalence, released in December 1993, has stimulated a great deal of renewed interest in the problem. In recent weeks, the subject of AIDS has come into the spotlight with greatly increased coverage in the local media and numerous public statements by the new Minister of Health. The GOS is working to develop a workable strategy to address the AIDS problem. They have invited a wide variety of donor organizations, GOS ministries, NGOs, and members of the public to a conference, scheduled for February 1994, to review and comment on the draft strategy.

SECTION III. PROGRESS TOWARD STRATEGIC OBJECTIVES AND RELATED INDICATORS

(N.B. Numbers in the table which appear in parentheses are actuals)

STRATEGIC OBJECTIVE 1. Increase Contraceptive Prevalence Rate

While the targets and indicators for this S.O. are fairly narrowly defined to measure the effect of the FLAS program, there are other unquantifiable indications of progress toward the sub-goal of reducing the population growth rate which can , at least in part, be attributed to the information and education work done by FLAS.

After several years of indifference to the concept of commercial marketing for contraceptives, the GOS wrote a letter in 1992 pledging their support for the SOMARC program.

The FLAS target of introducing family planning programs in five industrial clinics was met in 1992 when the program was installed in the sugar plantation clinics, the five largest employers in the country. In 1993, at the request of four smaller industries, FLAS assisted them to initiate FP programs in their clinics. Within the last six months, FLAS has received requests from the large forestry plantations, citrus growers, and a mining company for assistance in initiating FP services.

Two years ago, when FLAS invited physicians in the country to attend a one day, weekend "Contraceptive Update" workshop to discuss technical information and advice on contraception, no one responded. In 1993, FLAS set up a workshop, anticipating that

nine doctors would attend. Nineteen showed up on Saturday and requested that the workshop be continued through Sunday.

STRATEGIC OBJECTIVE 2. Increase the Number of Swazis who effectively direct, manage and participate in National Development.

While we have been able to get data for indicator 2 for the strategic objective and for the two indicators for Target 2.1, we do not think they measure impact of USAID's EPMT project. The EPMT is introducing continuous assessment and criterion based testing (i.e. tests which measure each student's grasp of key concepts in the curriculum and pinpoint areas where remedial training is required) in two subjects, math and English. It would not be reasonable to anticipate positive effects on student achievement before the new system has been fully installed and operating for several years. The impact of the EPMT activity on the kinds of indicators in the API will only be after several years, beyond the end of the project in 1996, if the systems introduced by the project are institutionalized and expanded by the Ministry of Education.

Nevertheless, we believe there are strong indications that the concepts of the project are having an effect and that the prospects for institutionalization are good. Initial fears that parents would not understand, and would resist continuous assessment reporting have proven to be unfounded. Continuous assessment reports on each child's mastery of specific subjects and notes areas for improvement in lieu of the traditional report card which ranks each child by his or her standing in the class. Parents attending meetings where the new kind of reports in math and English were presented were quick to grasp the concept of the new system and enthused about its benefits. They demanded to know why similar reports could not be made for other subjects. As a result of parental interest, the MOE agreed to provide an expert who would institute the system for other subjects as quickly as possible.

MOE officials have seen the value of the data which can be provided to decision makers by the Management Information Systems (MIS) installed by the EPMT project. After presentations by the MOE in various planning and budgeting meetings, the Ministry of Economic Planning has recommended that other ministries follow the MOE lead in collecting relevant data for better decision making and resource allocation. This represents a change of nearly 180 degrees in the central ministries' views of the MOE compared to other line ministries.

The data for Target 2.4, indicator 1 show that the projected numbers for community leaders trained were exceeded in FYs 1991 and 1992. However, the program came to a standstill in 1993 because community leaders were preoccupied with drought relief activities and with preparations for the national elections. The Mission anticipates resumption of the activity in 1994 with

training of community leaders in support of the farmer organizations which are engaged in the CAPM program. With the installation of the new, elected parliament, we have received several requests for training of parliamentarians, most of whom have had no experience in government. We will consider using some of these training resources to meet critical Democracy/Governance training needs.

The second indicator for target 2.4 is being dropped because data is not available, as indicated in Annex A. However, we are able to get some idea of progress in this area by looking at the number of business training courses requested and provided by BMEP in rural areas. People trained in rural areas has increased dramatically from 17 (6 male, 11 female) in 1991 to 202 (50 M, 152 F) in 1992 and 326 (124 M, 202 F) in 1993.

STRATEGIC OBJECTIVE 3. Expand the Swazi-owned small business sector.

While we are trying to get data from the National Provident Fund (equivalent to Social Security system) to measure the growth in employment nationally, there are positive and quantifiable results at the project level. About 70% of the 100 self employed entrepreneurs with whom the BMEP has worked in the past three years have been able to expand and hire additional people. This group now employs a total of 235 additional people, an average of 3.5 new employees per enterprise.

In the absence of national data on the growth of sales and/or assets for small businesses, it is worth noting that the 29 firms which have established a relationship with SBGT (i.e. those which have used services over a period of a year or more), have shown an average increase in profit of 43% and an increase of liquid assets of 30%.

As shown in the table under sub-target 3.2B, business associations, with SBGT assistance, have exceeded expectations in sponsoring forums where members could share concerns and views among themselves and with other key organizations. The four fora in 1993 covered: Housing Policy, Transport Policy, Access to Credit, and Tendering Processes. All of the conferences brought together small and large businesses and the relevant GOS ministries.

Some of the results of these conferences and of other project efforts to increase communication between small business suppliers and GOS and large business consumers can be seen in the data reported for sub-target 3.3A. The numbers of small businesses which have been able to secure contracts and sub-contracts with government and large companies has greatly exceeded initial project expectations.

There are several positive developments in the area of this strategic objective which are not quantifiable and do not show up in the indicators. There have been numerous attempts in the past, primarily by the government, to assist the small business

sector. Most of these have encountered problems and failed. There remained a strong skepticism about the possibility of working with small businesses. The BMEP and SBGT programs are demonstrating that with proper management, small business training and financial services can be effectively delivered. When BMEP began operations in 1986, they had trouble attracting clients for free training courses and advisory services. In 1992, they began charging fees for these services and, although the fees represent a substantial outlay for the micro-enterprises which they serve, the demand for the services continues to rise.

In provision of credit to small businesses, the high cost of administration for small loans has always been a major problem. SBGT has introduced a new technology, the "Smart Card" to Swaziland and Southern Africa. This low cost electronic technology can reduce the time and the cost needed to administer small loans. Both commercial banks and other government assisted loan schemes are beginning to pick up on this cost saving technology. SBGT's lending history is still fairly short but the 100% repayment rate on the 140 loans made to date, helps to dispel the long standing prejudice that small business loans necessarily require a high rate of write-offs.

ANNEX A. CHANGES IN TARGETS AND INDICATORS

STRATEGIC OBJECTIVE 1, Increase in the contraceptive prevalence rate.

Second indicator - Couple Years of Protection. (CYP) This indicator is being dropped from the S.O. level but retained at the Target level. The measurement of CYP at the S.O. level was based on the start-up of a program in GOS clinics. Since this will not be a part of the program, the indicator has been limited to the industrial clinic program, Target 1.4.

Target 1.1, Increase in the Family Planning services provided by the Ministry of Health, was based on the Family Planning NPA which was being designed when the last API was submitted. After extended negotiations, the Mission reluctantly concluded that we could not reach agreement with the GOS on this program. The money was reprogrammed for an extension of the FLAS project. Therefore, the target and associated indicators are being deleted from the API.

Target 1.2, Increase commercial availability of contraceptives.

The indicator for this objective was formulated before the SOMARC program, to implement the objective, was designed. Now that the design is completed, we are revising the indicator to measure the number of condoms sold through new commercial outlets rather than the number of new commercial outlets. This appears to be a more direct measure of the project's effectiveness and utilizes data which the project will be collecting.

Target 1.3, Increase community-based distribution/sales of contraceptives. This would have been a component of the proposed NPA and is therefore deleted from the API.

Target 1.4, Increase Family Planning services provided through industrial clinics. We are adding two additional indicators for this Target. In addition to CYP in industrial clinics, we will be tracking new FP acceptors in the industrial clinics and the number of condoms distributed through the industry based program. We believe this additional measure will enhance the understanding of program effectiveness. Also, the number of industrial clinics (5) is being deleted from the indicator. FLAS has exceeded the original design and is now working with 9 clinics and will probably be able to add several more during the life of the project.

Target 1.5, Increase understanding of family planning among adults under 45 and students. With completion of project design, the indicators for this target have been refined, and disaggregated to measure effectiveness of specific messages. Also note that indicator number 2 is geared for males.

STRATEGIC OBJECTIVE 2, Increase the number of Swazis who effectively direct, manage and participate in national development.

Indicator No. 1, Increased proportion of Swazis in mid-senior management positions is being dropped. The Central Statistics Office (CSO), which is shown as the source of the data, does not collect data in the format required. The definition used by CSO for "Management Position" is not relevant to what we are trying to measure and there is no breakout by level of management. USAID has not been able to identify another source for similar data which could measure the desired effect.

Target 2.1, indicator 1 will need to be modified because: a) the main component of the project which directly affects this indicator, i.e. continuous assessment, was delayed by a year when the Ministry of Education was not able to fill the positions required for implementation, and b) the mid-term evaluation of the project in mid 1993 recommended that the project be redesigned to focus on grades 1 through 4 rather than 1 through 7 as was proposed in the original design. Also we have changed the language from "Standardized tests" to "Criterion referenced tests" since the objective of continuous assessment is to move away from standardized tests.

The quantifiable, measurable impact of the project will be slight during the life of the project. Under the new schedule, the baseline data for grade 1 was collected in 1993 and is now being analyzed. In 1994, the baseline data for grade 2 will be collected and the first year of continuous assessment test results for grade 1 will be available. In FY 95, baseline data for grade 3 will be collected and test results for grades 1 and 2 will be available. Further, it is unrealistic to expect improved test results in the first year after a shift from standardized testing to criterion referenced testing. We are projecting an improvement for grade 1 in FY 1995 which will be the second year under the new system.

Target 2.2, Improve the effectiveness of Swazi mid-senior managers. The description of the indicator has been revised to more accurately describe the data which is being collected. Although the description referred to percent of Swazi managers, the data was clearly absolute numbers and not percentage. The data being collected is not changed.

Target 2.4, Indicator 2, increased number of requests received by Community Development agents (CDs) for assistance with business related activities, is being dropped. There is no central collection of data by which this indicator could be measured, getting any realistic numbers would involve contacting community development agents throughout the country.

STRATEGIC OBJECTIVE 3, Expand the Swazi-owned small business sector.

Indicator No.1 has been modified. The accuracy of the initial baseline is dubious and, in any case, there is no way to provide a comparable annual measure without special studies which would be prohibitively costly. We have therefore substituted data from the Registrar of Companies, in the Registrar General's Office of the Ministry of Justice. The data represent the number of companies registered and operating each year. We can not disaggregate the numbers by gender and the totals include large and small companies. However, the number of large Swazi-owned companies (over 50 employees) in Swaziland is so small that the total growth can be almost entirely attributed to small companies.

Indicator no. 2 is being modified. The data as presented in the current table are not available. SBGT has recently gained access to the data base of the National Provident Fund and we believe that meaningful data to measure employment growth in small businesses nationally can be extracted from this data base. The number presented for 1993 comes from SBGT's analysis of the National Provident Fund data. The data is for 2,070 registered companies of which 1,865 have 1 to 50 employees. The 1,865 small companies employee 15,693 people or an average of 8.4 employees per company. However, some further information is needed from the Provident Fund regarding how the data was entered before, similar numbers for prior years can be extracted. SBGT, in cooperation with the fund, hopes to get the required information in the next few months. If we can continue to get access to the Provident Fund's data, collection of future annual data should be relatively easy.

Indicator no. 3 is also being modified for the same reason, the data is not available from the source cited. The Mission believes that there is data in the GOS Tax Office which could provide relatively good information on growth in sales, but we have not yet been able to secure the data.

Indicator no. 4, which intended to measure the gross value of small farmer fresh produce sales has been modified. The project was not able to collect reliable data to measure progress in this indicator because a signifigant amount of production is sold informally. We propose to look at export sales by small commercial farmers. This together with the next indicator which tracks imports of similar produce, will give an approximation of the same effect. The export increases can be largely attributed to CAPM activity since the project works with over 90% of the small commercial vegetable growers in the country.

<u>Target 3.1.</u> Indicator No. 2, which measured tonnage per hectare produced by project farmers has been modified. The tonnage produced per hectare is highly variable depending on what crop is being grown. The aim is to improve the small farmers income

by growing high value crops which meet market needs. Therefore, it seems more reasonable to measure income per hectare than tonnage per hectare.

Target 3.2. The business associations have not been able to provide the data for this indicator. SBGT has been working with four business associations and has recently begun to provide them with assistance in management information systems. We hope this data will be available in FY 1994. Note, however, that indicators for sub-targets 3.2 A and B also demonstrate progress toward the stated Target 3.2, to strengthen business associations.

Target 3.3. Increase access to markets.

The indicators for this sub-target have been modified or eliminated. For the first indicator, it has been found that the markets for which linkages have been established through 1993 can easily absorb the produce of the target farmers. The emphasis is now on strengthening existing market linkages and assuring a reliable supply so that the established markets will continue to demand Swazi produce.

Reliable data for the second indicator, produce supplied to domestic markets, has proven impossible to collect. In the absence of any signifigant changes in domestic consumption, the desired impact should be captured by the measurement of decreases in imports of fresh produce and the increases in farmer income as shown in the Strategic Objective indicator and the indicator for Target 3.1.

The third indicator, Increase in # of project assisted small businesses offering new types of products and services, is being eliminated. Experience in both BMEP and SBGT projects has shown that there is sufficient room for expansion in markets for the goods and services which small businesses are already producing. Attempts to induce small businesses to move into other products have not proven to be an efficient use of project resources. BMEP has, in fact, decided that they need to focus their services more narrowly on businesses which deal in a smaller number of products and services.

Sub-target 3.3 C. Although the subtarget remains the same, the indicator has been changed to reflect redirection of the project following the 1993 evaluation. The project no longer works with marketing firms but intervenes in the marketing chain at the level of farmer associations. Thus, the indicator will measure effectiveness of the farmer organizations in marketing produce.

Sub-target 3.3 D. The 1993 project redesign eliminated the effort to penetrate specialty markets. The target for FY 1994 has been dropped.

Swaziland OBJECTIVES	INDICATORS	BASELINE (YR)	FY90	FY91	Planned and (Actual) FY93 Report FY92	FY93	FY94	FY95
Strategic Objective 1 Increase contraceptive prevalence (CP) rate	1. Increase CP rate Source: Population Survey 2. (DELETED)	17% (1988)			22% (22%)			30%
Target 1.1 (DELETED)								
Target 1.2 Increase commercial availability of contraceptives.	Condoms sold through new commercial outlets (thousands) Source: SOMARC project data	0 (1993)					334	401
Target 1.3 (DELETED)								
Target 1.4 Increase family planning services provided by industrial clinics	1. Increase CYP in industrial clinics 2. New FP acceptors in indus. clinics 3. Condoms distributed by indus. based distributors (thousands) Source: Project Data	0 (1992) 0 (1992) 0 (1992)				(2,447) (1,841) (87.7)	2,725 2,025 105.3	2,998 2,228 126.3
Target 1.5 Increase knowledge of family planning among adults under 45 and students	1. Knowledge of FP benefits 2. Reduction of misunderstandings and fears among males about contraception 3. Enlightened attitudes about FP, STD treatment and HIV/AIDS 4. Improved knowledge and attitudes about sexual responsibility and FP among teenagers. Source: FHS Project reports	(June 1994 KAP study will establish baselines. Sample surveys conducted every 6 months thereafter will measure progress)						

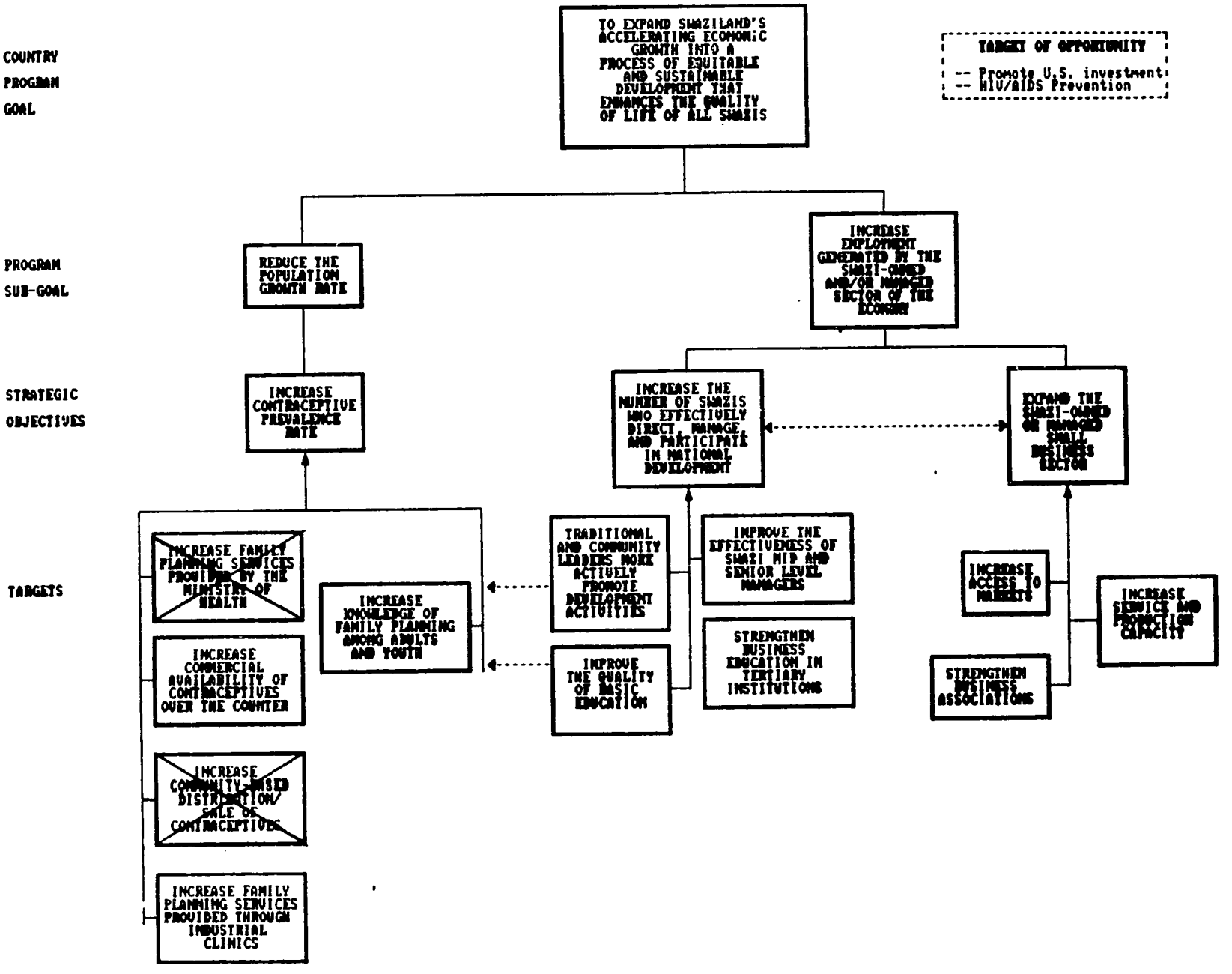
713

Swaziland OBJECTIVES	INDICATORS	BASELINE (YR)	FY90	FY91	FY92	FY93	FY94	FY95
			Planned and (Actual) FY 93 Report					
Strategic Objective No. 2 Increase the number of Swazis who effectively direct, manage and participate in national development	1. Increased proportion of Swazis in mid-senior management positions (DELETED)	1988 (65) CSO Nat'l workforce survey	65% (N/A)	65-66 (N/A)	66-67 (N/A)	67-69 (N/A)	69-72	72-75
	2. Increased number of children who complete 7 years of primary school on time.	160/1000 (1988)	160/1000 (172/1000)	160/1000 (178/1000)	160/1000 (183/1000)	170/1000 (N/A)	180/1000	200/1000
Target 2.1 Improve the quality of basic education	1. Improved student achievement in grades 1-4 math and English measured by criterion referenced tests.	N/A	N/A	N/A		Baseline established for grade 1	Baseline established for grade 2	10% improvement grade 1 and baseline for grade 3
	2. Fewer children drop-out of primary school	46% (1988)	46% (35%)	46% (35%)	46% (41%)	42% (39%)	38%	36%
Target 2.2 Improve the effectiveness of Swazi mid-senior managers	1. Number of Swazi managers who complete academic and technical training	N/A	N/A	10 long term fellows (degree training US) (10)	16STT (US/TC) (11) 10 LTT US (11) 120 In-C (448)	8 STT (US/TC) (10) 10 LTT (US) (13) 120 In-C (957)	8 STT (US/TC) 10 LTT 120 In-C	8 STT (US/TC) 4 LTT
Target 2.3 Strengthen business education in tertiary institutions	2. Increased number of Bachelor of Commerce graduates	45 (1990)	45	52 (50)	52 (52)	53 (50)	88	127
	3. Increased number of students studying A&T level III at SCOT	0 (1992)	0	0	0	20 (20)	25	25
	4. Number of students trained in computer applications for business - Source: SCOT, UNISWA, STRIDE	0 (1990)	0	0 (10)	320 (269)	440 (480)	580	580
	5. Increase number of qualified business faculty (MS or better)	40% Unqualified (990)	(40%)	40% (5%)	30% (0%)	20% (0%)	0	0

7/4

OBJECTIVE TREE OF USAID/SWAZILAND

JANUARY 1994



Swaziland OBJECTIVES	INDICATORS	BASELINE (YR)	FY90	FY91	Planned and (Actual) FY 93 Report FY92	FY93	FY94	FY95
Target 2.4								
Traditional and community leaders more actively promote the economic development of their areas	1. Increased number of leaders trained in economic development	0 (1990)	0	0 (73)	30 (65)	435 (0)	450	450
	2. Increased number of requests received by CD for assistance with business related activities (DELETED)	(DELETED)	0	0	8	8	10	10

Swaziland OBJECTIVES	INDICATORS	BASELINE (YR)	FY90	FY91	Planned and (Actual) FY 93 Report FY92	FY93	FY94	FY95
Strategic Objective No. 3	1. Increase # of Swazi-owned small business (Calendar Year data) Source: GOS Registrar of Companies	634 (1990)	(634)	(678)	(781)	(920)	1,200	1,500
Expand the Swazi-owned small business sector	2. Increase in employees of small (1 - 50 employees) businesses (To be modified) Source: National Provident Fund	Ave. 2.12 (1991 (excluding owner)		2.72 (N/A)	2.79 (N/A)	2.86 (8.4) (1,865 Cos.)	2.93	3.00
*Defined as having at least one paid employee in addition to the owner and a fixed place of business	3. Increase in number of businesses having 5-50 employees with increased sales or assets (To be modified) Possible Source: GOS Tax Records	Est. 500-1000; to be refined during FY 92			(Refined Baseline)	5%	15%	25%
	4. Exports of vegetables produced by Swazi small commercial farmers (MT) Source: CAPM Project	Negligible (1991)			(128)	(300)	1,000	1,500
	5. National fresh produce imports (Annual, calendar year) Source: NAMBoard	23,357 metric tons (1990)	(23,357)	(20,768)	22,082 (21,878)	21,282 (N/A)	20,582	
Target 3.1 Increase service and production capacity	1. No. of SBD assisted firms which increase capital and net worth Source: SBD project	0 (1992)			0	(21)	+15%	+25%
	2. Average annual income/per hectare for project farmers. Source: CAPM Project	E3,000 (1991) CAPM baseline study		(E3,000)	(N/A)	(E4,500)	E6,300	E8,500
Sub-target 3.1A Increase access to institutional credit	1. Increase in project assisted institutional loans extended to small business and farmers (of which female) Source: SBD/CAPM, BMEP, Central Bank	19 (1988)	(29) SSE	303 (32) SSE	353 SSEs (270,(102F)) 3 firms (3) 15 farmers (15,(2F))	403 SSEs (403,(125F)) 5 firms (3) 24 farmers (20,(3F))	453 SSEs 33 farmers	503 SSEs

Swaziland OBJECTIVES	INDICATORS	BASELINE (YR)	FY90	FY91	Planned and (Actual) FY 93 Report FY92	FY93	FY94	FY95
Sub-target 3.1B Improve business management skills	1. Increase number of people trained Source: SBD, BMEP, CAPM projects	28 Male, 35 Female (1991)		300 (28 M, 35 F)	900 (309 M, 307 F)	1,300 (601 M, 464 F)	1,800	2,300
Sub-target 3.1C Accelerated irrigated small farm technology transfer	1. No. of farmers adopting new technologies annually 2. Introduction of new horticultural crops Source: CAPM Project	0 (1991) 0 (1991)		5 (0) (1)	65 (100:84M,16F) 10 (6)	100 (168:126M,42F) 15 (17)	135 18	260
Target 3.2 Strengthen business associations	1. Increase in paid membership (% of member paying dues) Source: SBD project	To be estab. by SBD project FY94			(Baseline) (N/A)	20% (N/A)	40% (Baseline)	60%
Sub-target 3.2A Increase services provided by business associations	1. Increase in programs provided to members Source: SBD project	5 (1992)			(5)	40 (51)	50	140
Sub-target 3.2B Increase business association initiation and participation in policy dialogue	1. Increase in forums for dialogue Source: SBD project	0 (1992)			0	1 (4)	2	3
Target 3.3 Increase access to markets	1. Increase in # of regional markets supplied with fresh produce	2 (1991)		2	17 (9)	25 (9)	30 Delete	
	2. Increase in volume of fresh produce supplied by small farmers to domestic markets (DELETE) Source: CAPM project	(DELETED)			1,500 MT	2,300 MT	3,000 MT	
	3. Increase in # of project assisted small businesses offering new types of products and services (DELETE)	(DELETED)			(Baseline)	10%	15%	20%

Swaziland OBJECTIVES	INDICATORS	BASELINE (YR)	FY90	FY91	Planned and (Actual) FY 93 Report FY92	FY93	FY94	FY95
Sub-target 3.3A Increase provision of goods and services to large business and GOS	1. No. of SBGT assisted small businesses with subcontracts to large businesses or the GOS Source: SBD project	0 (1991)		(0)	0 (4)	5 (24)	10	15
	2. No. of SBGT assisted Swazi construction firms having a contract with the GOS Source: SBD project	0 (1991)		(0)	0 (4)	3 (26)	6	10
Sub-target 3.3B Improve market information for fresh produce	Number of farmers receiving market information signalling product quality, quantity and timeliness demand details Source: CAPM project	0 (1991)		(0)	70 (100: 84M,16F)	100 (168: 126M, 42F)	134	230
Sub-target 3.3C Improve marketing chain for fresh produce	No. of farmer organizations effectively managing production, grading, packing and marketing of vegetable crops. Source: CAPM project	0 (1992)		0	(0)	(1)	3	3
Sub-target 3.3D Increase supply of fresh produce to specialty markets	1. Increase in sales to specialty/niche markets Source: CAPM project	Negligible (1991)			E100,000 (E47,000)	E600,000 (E322,000)	E1 million (Deleted in project redesign)	

ASSESSMENT OF PROGRAM IMPACT

USAID/SWAZILAND, OCTOBER 1991

SECTION I: SPECIAL FACTORS AFFECTING THE USAID PROGRAM

Swaziland is reaching a level of development that few other African countries can match. The Government is committed to an equitable, pro-growth strategy leading to the social and economic betterment of the Swazi people. Many professionals, technicians and senior managers in the Government have acquired the skills to support Swaziland's continued progress and deal with difficult issues confronting the nation. While additional training and technical assistance is still needed, especially for private sector development, more and more Swazis are actively involved in addressing development issues facing their country.

More positive attitudes towards family planning, traditionally a sensitive topic, are one illustration of the country's more mature outlook. Public leaders increasingly note the importance of family planning in maintaining the country's economic and social gains. Society in general is more open to discussions on the subject, as illustrated by frequent articles and commentary in the media. This new-found receptivity is spurred by the threat of HIV/AIDS and the need to frankly discuss the consequences of certain sexual behavior. As a result of this new openness, USAID's family planning dialogue with the GOS advanced significantly during 1991. The Ministry of Health has agreed that family planning should be given higher priority, accepted social marketing of condoms and agreed to pilot test community-based distribution of contraceptives. The latter two agreements are not only significant for increasing contraceptive availability but also for their acknowledgement that the Ministry of Health will consider allowing others besides health professionals to distribute contraceptives. This change in attitude is an important step towards increasing the contraceptive prevalence rate, one of the Mission's strategic objectives. This momentum is expected to help conclude negotiations for a Non-Project Assistance program in early 1992.

An important change in the environment for private sector development has also occurred during the past year. At the top levels of government, there has been a recognition of the need to support the private sector and a willingness to use donor assistance, traditionally channeled through the government, to foster private sector development using non-government mechanisms. The business community itself has begun to close the long-standing communication gap between the large, expatriate-dominated firms and small, Swazi-owned enterprises. Both sides are moving towards a more enlightened attitude towards the other and are recognizing that they can benefit from working together. These developments auger well for USAID's private sector strategy.

While there are numerous other examples of positive change, there is also potential for derailment of Swaziland's development progress. During 1991, power struggles between the traditional and modern sectors of government and within the modern government weakened the country's decision-making ability. As in other African countries, the political system is being challenged by newly organized labor and political groupings. The government's response, particularly its use of a 60-day detention without charge order, raised concerns about its commitment to basic human rights.

A committee appointed by the king to review the traditional political system (Tinkhundla) began to hold public hearings in late 1991 which opened a wide-ranging and at times heated debate on the roles and responsibilities of the traditional and modern sectors, the role of political parties and the appropriate form of government for Swaziland. Many observers are skeptical, however, about the prospects for meaningful changes in the system. If they are right, modern government decision-making is likely to be further stifled, and discontent, particularly among youth, will increase. Much depends on the decisions made by King Mswati III during the next year. One hopeful sign is the recent Cabinet change which brought in individuals who do not have strong ties with the traditionalist, "old guard" politicians.

Events in neighboring countries are also affecting Swaziland's future prospects. Professional and blue collar workers are leaving the country for better opportunities in "the new South Africa." Although important benefits are expected from prospective political changes in South Africa, as well as in Mozambique, the unsettled atmosphere in South Africa appears to be inhibiting foreign investment in the region.

The global economic downturn has also contributed to a reduced rate of investment in Swaziland. It is a factor in delaying a major U.S textile investment planned for 1991. Infrastructural improvements are falling seriously behind the needs of foreign investors and the expectations of the population. Rapid urbanization along the Manzini-Mbabane corridor, attended by rising unemployment and crime, is straining the social fabric of the society.

The manner in which the traditional and modern sectors of government respond to the problems and challenges outlined above will, to a large extent, determine the nation's future. Extraordinary openness to change and new ideas will be required. AID's strategy also asks the Swazi government to take greater risks than it is accustomed to, especially in small business development and family planning. While the government has been responsive, there have also been hesitations., The GOS's often cautious approach or inability to build an internal concensus has contributed to longer than expected project design and negotiations.

In sum, 1991 was a year in which USAID offered new approaches to help Swaziland address its development issues. USAID's program is one of high risk but potentially high returns. It is risky in the sense that the new approaches, particularly in the private sector, might arouse resistance among those who have traditionally benefited from similar projects but who are no longer involved. The proposed NPA program will test the ability of the government to take the lead in implementing major changes in the delivery of primary health care; and it may not work. If the new approaches do work, however, USAID assistance will have made a major contribution to the sustainability of Swaziland's development, and the stage will be set for a new, mutually beneficial relationship between our two nations.

SECTION II: PROGRESS TOWARDS OVERALL PROGRAM GOALS

A. PROGRAM GOAL AND INDICATORS

USAID/Swaziland's program goal is to "expand Swaziland's accelerating economic growth into a process of equitable and sustainable development that enhances the quality of life of all Swazis."

With AID/W and contractor assistance, the Mission has identified six macro-economic and social indicators to measure progress towards the program goal. The status and expected progress of each is discussed below.

1. A stable or increasing GDP growth rate. Swaziland's economic growth, as measured by real Gross Domestic Product (GDP) averaged four percent over the last decade, with some significant fluctuations - growth as high as 8.5 percent and as low as -2.3 percent. Estimates for 1991 are for growth of about four percent. The prospects for a substantial improvement in the growth rate do not appear good, given the political and economic uncertainties in the region. The country's more rapid growth in the latter half of the 1980's was driven by increased foreign investment. New investment is continuing, but at a slower rate. USAID therefore believes that Swaziland will be doing well if it can maintain a four percent annual increase in GDP.

2. Increase in real per capita income. Per capita GNP was $810 in 1988 and the average annual growth rate was 2.2 percent from 1965-88 (World Development Report 1990). Continued growth in per capita income depends on maintaining or increasing economic growth and reducing population growth. Given current estimates of population growth (see below), it is likely that the growth in per capita income is currently substantially less than the 2.2 percent average cited above, perhaps in the neighborhood of 0.5-0.8 percent annually.

3. Increase in the number of formal sector employees. In 1988, 88,000 people were employed in the private and public sectors. The rate of increase of formal sector employment averaged just under 2 percent per year between 1984 and 1988. USAID expects to see a stable rate of increase over the next few years. Growth will occur as a result of labor intensive investments in the textile industry and expansion of the public sector, but at the same time, employment has been or will be scaled back at at least one large parastatal and a company that received substantial government loans.

4. Decrease in infant mortality rate. The infant mortality rate is estimated at 98/1000 in 1986. This represents a substantial drop from a 1976 estimate of 140/1000. While 98 is still high considering Swaziland's income level, it is clear that infant mortality is dropping and will continue to drop over the next decade due to rising income and education levels and better quality health care.

5. Decrease in the population growth rate. A recent re-examination of the 1986 census data (J.G.C.Blacker, Fertility, Mortality and Population Growth in Swaziland, 1990) has concluded that the population growth rate reported following the Census (3.2 percent) may have been significantly underestimated due to undercounting of children. The 1990 study calculates a growth rate of 3.7 percent. The growth rate of 3.4 percent that USAID has reported in other documents lies between these two estimates. Whatever the figure is now, it can be expected to fall due to declining fertility rates. Projections for the period 1991-96 suggest a population growth rate of 3.6 percent if fertility falls slowly and 3.1 percent if fertility falls more rapidly. Increasing use of family planning is expected to have a substantial impact on fertility rates.

6. More equitable income distribution. While there is very little data available on income distribution in Swaziland, analysis of the 1985 National Income and Expenditure Survey suggests that the 10 percent of rural homesteads at the top of the income distribution earned 35 percent of national income while the poorest 10 percent earned less than 2 percent of national income. A comparison of these results with an earlier study suggest that the distribution of income is becoming more equitable. Observation, on the other hand, suggests that the income disparity between urban and rural households is increasing. USAID intends to work with the GOS's Central Statistics Office to obtain additional income distribution data.

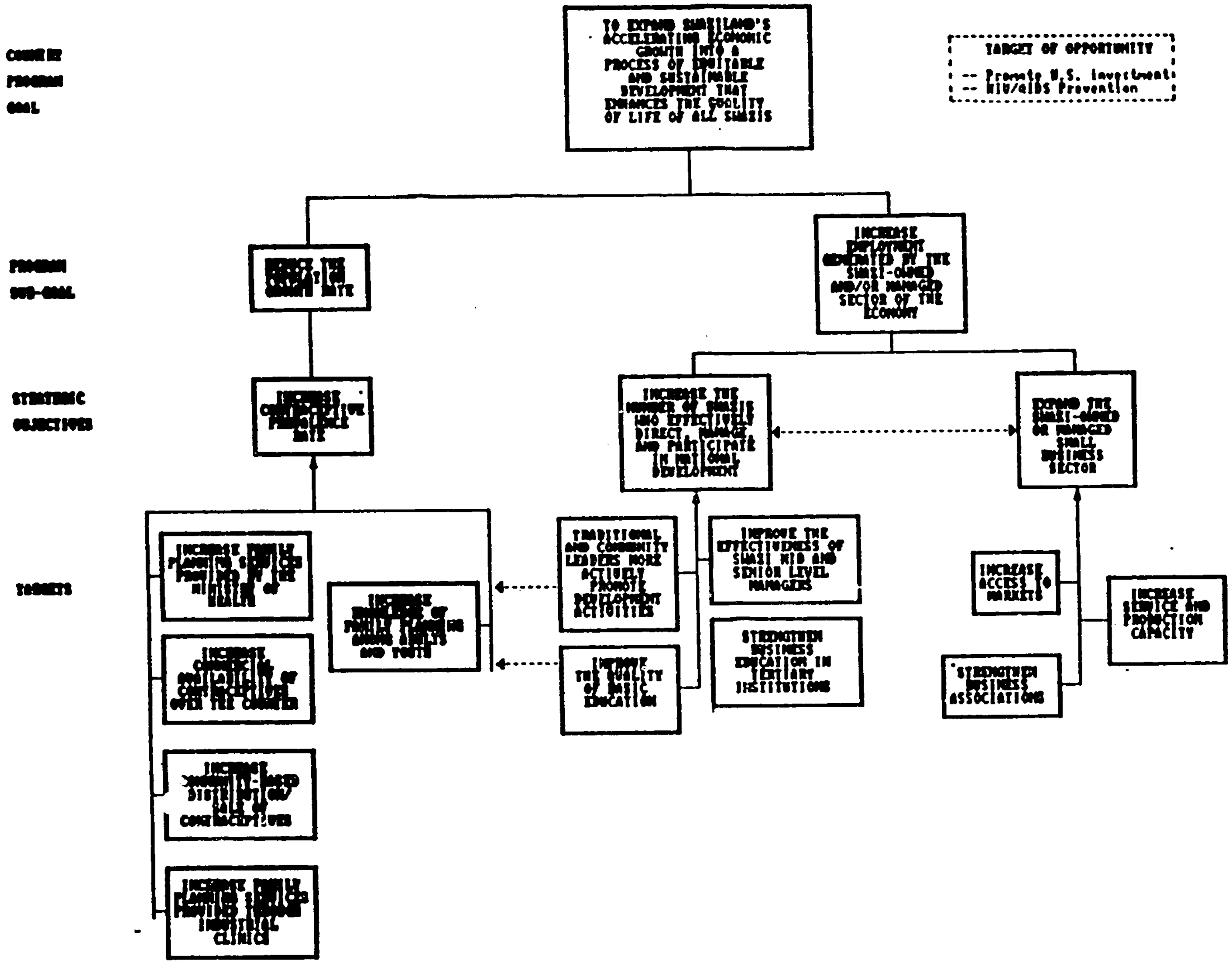
B. RELATIONSHIP BETWEEN PROGRAM GOAL, SUB-GOALS AND STRATEGIC OBJECTIVES

The relationship between the country program goal, sub-goals, strategic objectives and targets is illustrated in the diagram on the following page. Two sub-goals link USAID's three strategic objectives to the program goal:

* Reduce the population growth rate;
* Increase employment generated by the Swazi-owned and/or managed sector of the economy.

OBJECTIVE TREE OF USAID/SWAZILAND

NOVEMBER 7, 1991



724

These sub-goals relate directly to the equity and sustainability of Swaziland's economic development. A lower rate of population growth will mean that incomes will increase, even with a constant rate of economic growth. Furthermore, a more gradual increase in population reduces the pressure on natural resources and on social expenditures. The latter implies that resources can be devoted to improving the quality of health, education and other social services rather than merely increasing the quantity, while degradation of the natural resource base negatively impacts the long-term prospects for continuing economic growth.

The second sub-goal of increasing employment generated by the Swazi owned/managed sector of the economy is important for improved equity and for sustainability of economic growth. Swaziland's economy, and hence most of the private sector employment, is dominated by foreign interests. Swazi-owned businesses, which are less likely to pull out their capital in difficult times, need to develop a larger role in the economy. Likewise, Swazis must participate in the management of large, well-established industries so that when the costs of ex-patriate management become prohibitive, these industries do not suffer. For economic growth to be ultimately sustainable, Swazis themselves must have a leading role in the process.

The USAID program has three strategic objectives:

* Increase the contraceptive prevalence rate;
* Increase the number of Swazis who effectively direct, manage and participate in national development;
* Expand the Swazi-owned or managed small business sector.

The first strategic objective contributes directly to the sub-goal of reducing population growth since increased use of contraceptives will lead to a lower fertility rate and hence, a lower population growth rate (even assuming gradual, modest increases in life expectancy).

The second and third strategic objectives interact with each other (i.e., progress in one contributes towards progress in the other and vica versa) and both impact on the second sub-goal relating to employment in the Swazi-owned/managed sector. Clearly, expansion of the Swazi-owned business sector will increase employment in this same sector, and if there are more, qualified Swazi managers and potential employees with good basic skills, employment in the Swazi-owned or managed sector can be increased.

SECTION III: PROGRESS TOWARDS STRATEGIC OBJECTIVES AND RELATED INDICATORS

During FY 1991, USAID completed the design or redesign of its portfolio to be in position to implement its program strategy. While all three sectors had on-going activities that contributed to accomplishment of targets and strategic objectives, more substantial impact is expected beginning in FY 1992, after a full year or more of project implementation. Also during FY 1991, the Mission continued to refine its program logframe and impact indicators. A two-week visit by PRISM specialists in June/July was instrumental in this process. As a result of the team's work and further refinements by the Mission, a number of targets and indicators are different from last year's API. The strategic objectives and the means of accomplishing them are not, however, different from the FY 90 API. The Mission is confident that this revised API is a clearer and more realistic portrayal of the program and the expected impact.

Progress Towards Strategic Objective One:
Although a contraceptive prevalence survey will not be conducted until next year, prevalence may already be approaching the FY 92 target of 22 percent. Greater public awareness and receptivity to family planning, partly a result of leadership by the Family Life Association of Swaziland (FLAS) which USAID is assisting, and a dramatic increase in the condom use rate as a result of AIDS publicity and education are significant factors in this development. USAID is set to capitalize on the current situation with all but one of the pieces of its family planning strategy in place. The remaining activity, the Family Planning/Maternal and Child Health program, has been designed and is currently being negotiated with the GOS. This program will increase the provision of quality family planning services by the Ministry of Health (MOH) and introduce community-based distribution of contraceptives, two major targets under the strategic objective. Program initiatives will be underway by mid-1992. The recently begun second phase of the Family Health Services project with FLAS will increase the provision of FP services at industrial clinics (target 1.4) and play a key role in increasing knowledge of FP (target 1.5). As noted earlier, the MOH has signed off on a social marketing proposal that will increase commercial availability of contraceptives (target 1.2). Since FY 92 will be the first year of implementation under most of these targets, USAID believes that the first significant impact at the target levels will be seen in FY 1993.

Progress Towards Strategic Objective Two:
The proportion of Swazi managers in mid-senior level positions increased by 9 percent over the period 1982-1988, the most recent year for which this data has been published. Although the statistics do not distinguish between management levels, it is apparent that most of the increase is at lower management levels. Beginning in 1988, USAID's training program has focused heavily on management training: 1,200 Swazis have participated in in-country management training programs and 32 have gone for management-related short or long-term training. While the availability of qualified Swazi managers is a necessary condition for progress towards this strategic objective, it is not sufficient. Recent investigation has revealed the presence of a "glass ceiling" in the private sector that makes it difficult for Swazis to rise above a certain level. USAID expects that our dialogue with the private sector on management training will help to change prevailing attitudes that limit upward mobility for Swazi managers.

In basic education, continuous assessment and other systems are currently being put in place that will begin to positively affect student achievement in FY 1993. Already, however, USAID'S project activities are contributing to improved school management which directly affects the quality of education. One example is management of school finances. Mismanagement and misuse of parent-paid school fees by headmasters is a perennial problem. During ten days of training in managing school finances, the 200 participating headmasters identified important gaps in current procedures. Improved audit and other procedures are expected to make more headmasters more accountable and thereby increase resources for education.

Progress Towards Strategic Objective Three:
While much effort was devoted to putting the major components of USAID's private sector strategy, the Swazi Business Development (SBD) Project (645-0235) and the amended Commercial Agricultural Production and Marketing (CAPM) Project (645-0229), in place, some progress towards the strategic objective was made during FY 1991. On the small business side, there was a greater commitment among top government officials to support the growth of Swazi businesses, and there was a marked improvement in the climate for dialogue both between small and large (foreign-owned) businesses and between businesses and the goverment. USAID played a key role in these developments by organizing fora for dialogue and through the consultative process associated with the launching of the SBD project. In commercial agriculture, the CAPM team has already identified several new marketing opportunities and is currently working with private marketing firms and farmers to exploit these. As a result, USAID expects to see the establishment of linkages between the farmers and the marketing firms and improvements in small farmer fresh produce sales during FY 1992.

OBJECTIVES	INDICATORS	BASELINE (FY)	Planned and Actual FY90	FY91	FY92	FY93	FY94	FY95
Strategic Objective 1								
Increase contraceptive prevalence rate	1. Increase CP rate Source: Population Survey	17% (1988)	-	-	22%	-	-	30%
	2. Increase Couple years of protection (CYP) Source: DOH Information Systems (HIS); FLAS	19700 (1990)	-	-	-	50%	-	-
Target 1.1								
Increase family planning services provided by the Ministry of Health	1. Increase percentage of DOH clinics and outreach sites offering FP	Est. 60% DOH clinics in 1991 (To be revised by 12/91) 0% outreach				100% clinics 50% outreach		100% OR
	2. 100% of clinics and outreach sites using integrated FP/MCH protocols Source: Ministry HIS	0 with integrated protocols				25% clinics 50% OR		100% clinics 100% OR
Target 1.2								
Increase commercial availability of contraceptives over the counter	1. Increase number of commercial outlets Source: SOMARC project data	0 (1991)				To be generated by SOMARC by 1/92		?
Target 1.3								
Increase community-based distribution/ sales of contraceptives	1. Increase number of CBD agents Source: Ministry HIS	0 (1991)				To be generated in project by end of FY 92		?
Target 1.4								
Increase family planning services provided through industrial clinics	1. Increase CYP in 5 industrial clinics Source: Ministry HIS, Project Data	To be est. 1/92			(baseline)	50% increase		
Target 1.5								
Increase knowledge of family planning among adults under 45 and students	1. Changes in knowledge re family planning and STDS, especially misconceptions. Source: FHS Project reports	Focus group assessment				Focus group assessment		

OBJECTIVES	INDICATORS	BASELINE (TB)	Planned and Actual FY90	FY91	FY92	FY93	FY94	FY95
Strategic Objective No. 2	1. Increased proportion of Swazis in mid-senior management positions	1988 (65) CSO Nat'l workforce survey	65%	65-66	66-67	67-68	68-72	72-75
Increase the number of Swazis who effectively direct, manage and participate in national development.	2. Increased number of children who complete 7 years of primary school on time.	160/1000 (1988)	160/1000	160/1000	baseline 160/1000	170/1000	180/1000	200/1000
Target 2.1								
Improve the quality of basic education	1. Improved student achievement in grades 1-7 math and English measured by standardized tests.	N/A	N/A	N/A	Pilot test scores for grade 1	Nat'l baseline established for grade 1-2	10% improvement grades 1-2	10% improvement grades 1-5
	2. Fewer children drop-out of primary school	46% (1988)	46%	46%	46%	42%	38%	36%
Target 2.2								
Improve the effectiveness of Swazi mid-senior managers	1. Increased percent of Swazi managers who complete academic and technical training	N/A	N/A	10 Long term Fellows (degree training US)	10 STT (US/TC) 10 LTT US 120 In-C (PrEP)	8 STT (US/TC) 10 LTT (US) 120 In-C	8 STT (US/TC) 10 LTT 120 In-C Improvement (estimate)	8 STT (US/TC) 1 LTT Improvement (estimate)
Target 2.3								
Strengthen business education in tertiary institutions	2. Increased number of Bachelor of Commerce graduates	45 (1990)	45	52	IV 52	III 53	II 88	I 127
	3. Increased number of students studying BAT level III at SCOT	0	0	0	0	20	25	25
	4. Number of students trained in computer applications for business	0	0	0	320	40 400	80 500	80 550
	5. Increase number of qualified business faculty		80% unqualified	80%	50%	20%	0	0
Target 2.4								
Traditional and community leaders more actively promote the economic development of their areas	1. Increased number of leaders trained in economic development	0	0	0	30	435	450	450
	2. Increased number of requests received by CD for assistance with business related activities	0	0	0	0	0	10	10

1. Growth during 1982-88 averaged 2% per year.

2. Mission has been unable to identify any indicator of increased mgt. effectiveness of Swazi incumbents that is measurable with available resources.

OBJECTIVES	INDICATORS	BASELINE (FY)	FY90	FY91	FY92	FY93	FY94	FY95
Strategic Objective No. 3	1. Increase # of Swazi-owned small businesses Source: SSE study*	9110 Women-owned 4590 men-owned (1991)		13,000	14,200	14,600	15,000	15,500
Expand the Swazi-owned small business sector	2. Increase in employees of small businesses (within firms) Source: SSE Study	Ave. 2.72 (1991) (excluding owner)		2.72	2.78	2.86	2.93	3.00
(Defined as having at least one paid employee in addition to the owner and a fixed place of business	3. Increase in number of businesses having 5-50 employees with increased sales or assets Source: SSE Study, SBD project	Est. 500-1000; to be refined during FY 92			(Refined Baseline)	5%	15%	25%
	4. Increase in gross value of small farmer fresh produce sales Source: CAPU Project	Baseline to be estab in FY 92			82.5M	83.0M	84.4M	
	5. Decrease in national fresh produce imports Source: MARBoard	23,357 metric tons (1990)			22,002	21,202	20,502	
Target 3 1 Increase service and production capacity	1. Increase in # of project-assisted businesses with new capital investment Source: SBD project	To be generated by SBD project FY92-FY93			(Baseline)	5%	15%	25%
	2. Increase in marketable yield per hectare for fresh produce Source: Contractor	Est. 20 Ton/ha (1990) To be refined during FY 92			25 MT/ha	30 MT/ha	35 MT/ha	
Sub-target 3 1i Increase access to institutional credit	1. Increase in project assisted institutional loans extended (to business and farmers) Source: SBD/CAPU, MHEP, DMAS, Central Bank	Baselines to be estab. in FY 92		303	353 SSEs 3 firms 15 farmers	403 SSEs 5 firms 24 farmers	453 SSEs 33 farmers	503 SSEs

* A country-wide study of Small Scale Enterprises in Swaziland by Jacob Fiasche and Michael A. McPherson, May 1991 (SSE Study)

OBJECTIVES	INDICATORS	BASELINE (YR)	PLANNED AND ACTUAL (CUMULATIVE) FY90	FY91	FY92	FY93	FY94	FY95
Sub-target 3.1B Improve business management skills	1. Increase number of people trained Source: SBD, BUKP, SEAS, CAPM projects			300	900	1,300	1,800	2,300
Sub-target 3.1C Accelerated irrigated on farm technology transfer	1. Increase in # of farmers adopting new technologies	0		5	65	100	135	
	2. Introduction of new horticultural crops Source: CAPM project	0			10	15	18	
Target 3.2 Strengthen business associations	1. Increase in paid membership (% of member paying dues) Source: SBD project	To be estab. by SBD project FY92			(Baseline)	20%	40%	60%
Sub-target 3.2A Increase services provided by business associations	1. Increase in programs provided to members Source: SBD project	To be estab. by SBD project FY92			(Baseline)	40	50	140
Sub-target 3.2B Increase business association initiation and participation in policy dialogue	1. Increase in forums for dialogue Source: SBD project	0			0	1	2	3
Target 3.3 Increase access to markets	1. Increase in # of regional markets supplied with fresh produce	2 (1991)		2	17	25	30	
	2. Increase in volume of fresh produce supplied by small farmers to domestic markets Source: CAPM project	Est. 225 MT (Baseline to be refined)			1,500 MT	2,300 MT	3,000 MT	
	3. Increase in # of project assisted small businesses offering new types of products and services	To be generated by SBD project FY92			(Baseline)	10%	15%	20%

OBJECTIVES	INDICATORS	PLANNED AND ACTUAL (CUMULATIVE) BASELINE (FB)	FY90	FY91	FY92	FY93	FY94	FY95
Sub-target 3.3A Increase provision of goods and services to large business and GOS	1. Increase in # of small businesses with subcontracts to large businesses or the GOS Source: SBD project	To be generated by SBD project FY92				5	10	15
	2. Increase in # of rural construction firms having a contract with the GOS Source: SBD project	To be generated by SBD project FY92			(Baseline)	3	6	10
Sub-target 3.3B Improve market information for fresh produce	1. Increase the # of farmers receiving market information signalling product quality, quantity and timeliness demand details Source: CAPE project	0			70	100	135	
Sub-target 3.3C Improve marketing chain for fresh produce	1. Increase in the # of sustainable vertically integrated Small-owned fresh produce marketing firms Source: CAPE project	0		0	2	4	4	
Sub-target 3.3D Increase supply of fresh produce to specialty markets	1. Increase in sales to specialty/ niche markets Source: CAPE project	Baseline to be est. (March '92)			E100,000	E600,000	E1 million	

API Indicator: Objective No.2

Assumptions:

1. During 1989 and 1990 a 2% increase per year is assumed for the number of Swazi managers based on the 1988 CSO Employment and Wages Survey. It is important to note that this percentage is an average based on the 1982-1988 trend where in some years there was negative growth.

2. The second assumption is that there will be a 4% economic growth rate based on the 1989 Census Report GDP figurers.

3. Expatriates occupy executive positions in the private sector. The pool of Swazi's that have the skills and experience to occupy these positions is limited. Training high caliber Swazi's in management should help to increase the number of Swazi Executive Managers.

4. It is assumed that the Government of Swaziland will be committed to strengthening the function of the localization unit inorder to monitor the progress being made in the localization process.

Comments:

1. Issues outside the scope of the project e.g. foreign investment trends or climate, economic boom or depression are factors that are outside the control of the project.

2. The baseline data indicates that in 1988 there were 65% Swazi's and 35% expatriates in management/ administrative positions. This figure is at odds with anecdoctal information on this subject which suggests a lower percentage of Swazi's managers. To measure impact, a survey needs to be conducted that will give data on the number of Swazi's that are truely performing management/administrative functions.

3. The GOS does not issue work permits to lower/middle level managers.

4. Social/racial attitudes of expatriate managers create additional constraints to upward mobility of Swazi managers.

5. Incountry training is not correlated with upward mobility or promotion but is necessary to improve skills that the individual lacks or needs to improve performance on the job.

6. Other donors e.g. Canadian International Development Agency, British Council, EEC, Australian Government are also involved in human resource training in Swaziland.

Drafted:GM:10/30/1991:259H:

735

ASSESSMENT OF PROGRAM IMPACT

FY 1993

ZAMBIA

736

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ZAMBIA

NOVEMBER 1993

USAID

Agency for International Development
Washington, D.C. 20523

USAID/ZAMBIA 737

ASSESSMENT OF PROGRAM IMPACT

NOVEMBER, 1993

I. Overview of Special Factors Affecting the USAID Program

The major factors affecting USAID implementation of the bilateral economic assistance program are: a) the GRZ's economic stabilization and structural adjustment program; and, b) slow progress in the areas of public service reform and other institutional reforms required to improve governance and reduce the widespread perception of abuse of public office.

Zambia is in the second year of an ambitious economic stabilization and structural adjustment program. Bold economic reform measures have been effected with evident stabilizing impact. Exchange rates are market-determined; import and export licenses have largely been abolished, and tariffs have been lowered and simplified; price controls and subsidies have been abolished; and, tax reform has lowered rates, widened the base and provided relief to low wage earners. At the same time, government appears to have radically reduced inflation with its commitment to a cash-based budget; and, commercial interest rates are now in decline.

Limited government administrative capacity has stifled implementation of the social action program which is designed to improve schools, health services, road infrastructure and other traditional public services and, in the short-run, "compensate" the public for harsh economic austerity measures. Civil service reform, which aims to transform the civil service into a leaner, better paid, and more efficient bureaucracy, has only just been launched. Poor management structures, lack of qualified personnel, and hesitant decision-making have hindered privatization, revenue collection, and legal reform.

The government has drafted legislation which aims to establish a code of conduct for holders of public office. The Government Ethics Act along with other administrative measures[1] are being promoted to improve governmental transparency and accountability.

Zambian agriculture has made a solid recovery from the drought, and a bumper maize crop has been harvested. Crop marketing has, however, been a problem as the private sector response to the opportunities of a liberalized marketing system has been constrained by very high interest rates and limited availability of credit.

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[1] Other measures include the updating of the handbook on procedure for Ministers of Government; establishment of a Human Rights Commission; establishment of a Constitutional Reform Commission; electoral law reform; and formulation of a technical assistance program for the strengthening of the Anti-Corruption Commission, the Ombudsman, the Drug Enforcement Commission, the Zambian Police, the Auditor General's office and the National Tender Board.

II. Progress Toward Overall Program Goal

Recognizing the changes taking place in Zambia today and the social and political factors necessary to make the changes successful, **the goal of the bilateral economic assistance program to Zambia is a socially stable, economically productive, and politically active population.** While the primary goal indicator, GDP per capita, measures economic growth and productivity of the population, the Mission is also monitoring living standards as reflected by the incidence of poverty, and public stewardship in the interest of consolidation of democratic processes.

Economic contraction is to be expected under current stabilization and adjustment measures. Indeed, a further contraction of percapita GDP of about four percent is expected for 1993, following on negative percapita growth rates of 6.1 percent in 1992 and 4.8 percent in 1991. Negative growth in 1993 is attributable mostly to declines in industrial output as manufacturers struggle to cope in a fast changing and uncertain market. The copper sector is maintaining good production levels but copper prices have dropped sharply leading to lower revenues. Higher than expected production and prices for copper and cobalt in 1992 countered a sharp drought-induced downturn in agricultural output to keep GDP from falling further than anticipated.

Living condition standards have been falling for more than 20 years for the average Zambian. A November 1991 survey found 67.4 percent of all Zambian households living below the poverty line with an average urban monthly wage equivalent to less than $29. The Zambian spirit remains, nevertheless, unbroken. In a June 1993 country-wide survey conducted under USAID's Democratic Governance project, respondents expressed a moderately positive view of their circumstances, with 58.9 percent saying they are "very" or "fairly" satisfied with the lives they are leading. The poor are evidently finding ways to cope with economic crisis and to changed incentives caused by adjustment. Consumption patterns are changing and new income-generating activities are being developed, albeit almost exclusively in the informal sector.

While giving their GRZ leadership a better than average performance rating, Zambian survey respondents made it clear that a solution to the problem of falling real living standards remains the key to their political satisfaction in the long run. They have also expressed their concern about perceived corruption among public officials, as well as their desire for stronger measures to ensure democratic accountability. A sweeping majority (70.7 percent) of survey respondents opposed the statement that "bribery is very rare among public officials of Zambia." Indeed, there is a streak of deep cynicism in the Zambian populace about the motivations of political leaders, with most respondents (72.5 percent) supporting the notion that "most government officials and politicians are mainly concerned with enriching themselves." Nevertheless, a large majority (74.5 percent) of Zambians willingly credit the political transition of 1991 with the installation of real democratic gains: far from "becoming another single-party state" the current regime offers Zambian citizens "a real choice among different political parties

and candidates."

Visible improvements in the quality of life are critical during this period of economic restructuring to reinforce public confidence and attitudes for continuation of the program. Because the change to a market-driven economy and improvements in the quality of life need to occur simultaneously, **the Mission is supporting two subgoals: a market-oriented economy with broad participation, and sustainable improvements in general health status.** New productive investment and growing domestic saving rates will indicate progress toward subgoal one. An array of broad health measures, including mortality, life expectancy, HIV sero-prevalence rates, and fertility are used for subgoal two.

New investment is a prerequisite for sustainable economic growth in Zambia; and, domestic savings, particularly of longer-term maturity, are key to ensure an adequate pool of financial resources for private sector investment expansion. The investment/GDP ratio for Zambia measured below sub-Saharan Africa averages at 13 percent in 1991, far below the 29.5 percent average attained over the 1965 - 1991 period. Private investment as a percentage of GDP for 1993, as projected by the World Bank, is expected to be seven percent, rising from five and two percent in the two preceding years respectively. Gross domestic savings as a percentage of GDP presently calculate to less than 10 percent. This ratio needs to double to the twenty percent level if adequate investment is to be attained to ensure long-term sustainable growth.

Predictably, as economic problems have worsened, there has been an erosion in the quality of health care services in Zambia in recent years. The country's health statistics now reflect this. For example, life expectancy (52.9 years for men and 55 years for women) and infant mortality (107 per 1000 live births) are now comparable to those of other low income countries, whereas Zambia's health sector investments in the 1960's and 70's had paid off in significantly better performance until recently. The public health care system is suffering from under-investment and over-subscription. The HIV/AIDS pandemic aggravates the situation, increasing demand on the already over-burdened system. Available data, as shown, and other anecdotal evidence suggest that the incidence of HIV and AIDS in the population is already high and on the rise.

Zambia's high rate of population growth, 3.2 percent per year, together with the high dependency ratio of over 100 percent, makes the objective of positive percapita growth a difficult challenge. The 1992 Demographic and Health Survey found evidence though that fertility levels have declined over the past decade. If fertility were to remain constant at the levels measured in the survey, a Zambian woman would bear 6.5 children in her lifetime. This is lower than the rate of 7.2 estimated from the 1980 census data, implying a decline of about 10 percent over the past decade.

III. Progress Toward Strategic Objectives and Related Indicators

Four strategic objectives (SO) and two targets of opportunity (TO) delineate the bilateral economic assistance program to Zambia.

A. Target of Opportunity #1: Improved democratic governance.

This component of the program strategy targets both civic society and the governmental sector in a "demand/supply" relationship to improve democratic governance. Specifically, USAID seeks to make public decision-making more accessible and effective by increasing citizen awareness of rights and responsibilities, enabling independent journalism, enhancing legislative performance, and improving public policy implementation. Public surveys of citizen perceptions and confidence in their government's ability to bring about positive long-run change in the manner in which political, economic and social institutions function will be used to measure performance generally. Other measures are absolute in terms of key actions taken, i.e. actions will be monitored and assessed as having occurred or not.

As cited previously, Zambian public opinion is favorable toward the Movement for Multiparty Democracy and its handling of governmental affairs since coming to power in free and fair elections in October 1991. Some 44 percent of the population assess the performance of the MMD as "good" or "very good", while half as many believe performance has been "poor" or "very poor".

Constitutional reform is the foundation upon which the GRZ has proposed to guarantee basic human rights and democratic processes. While the debate on constitutional reform is on, it has not yet moved beyond procedural considerations.

Similarly, work in the area of civic education is just beginning, but baseline survey work has been completed. Following are selected results on Zambian citizen political knowledge and participation:

- A solid majority of Zambians are attitudinally predisposed to become active citizens;
- while the evidence is mixed, many respondents express a set of political values that form a basis for the emergence of a democratic political culture;
- there is considerable confusion among respondents about the distinct functions of political parties and government, and between central and local governments;
- between elections, mass political participation is quite extensive in community arenas, but rarely involves contacts with elected representatives;
- about one-third of eligible voters are not registered to vote.

Initial efforts to achieve the media independence target are focussed on policy reform. Assistance has been provided for the preparation of Cabinet memoranda on the privatization of the state-owned print and broadcast media and for regulatory and legislative change to improve access to, and dissemination of, public information as well as to remove restrictions on freedom of expression. Although the GRZ seems to be vacillating on

privatization of state-owned media, an open opportunity for private media to operate is sought at minimum. Several private newspapers are now publishing regularly, despite regulatory and legislative constraints which could conceivably be enforced to make the cost of doing business prohibitive. Performance indicators which reflect what is expected to be an increasingly competitive and private market have been identified.

A more active and critical role in policy-making and oversight is expected of the National Assembly as a result of program strategy on legislative reform, but USAID-supported activity is essentially suspended on this front due to a perceived lack of commitment to project objectives by the long-time Speaker of the Parliament. Strategic subtargets include reorganization of structures and the opening of procedures within the Assembly, and a more active opposition and backbench. USAID is nevertheless encouraged by individual members of Parliament that opportunity to reactivate project support will come as the participatory process of constitutional reform can be expected to raise issues on the separation of governmental powers and expose the weakness of the National Assembly vis a vis that of the strong Executive branch.

Taken together, activities targeted to improve public policy implementation will enable Cabinet Office to more effectively perform its role of "nerve center" of government, i.e. coordinating and monitoring the implementation of public policy. In particular, the Cabinet will attain better understanding of the implications of ministerial proposals, ministries will become accountable for specific tasks, and in general, the business of government should become more transparent. Eventually, there should be evidence that Cabinet Office is playing a more active and effective role in policy coordination and implementation. To date, accomplishments are unmeasurable as they relate only to early organizational strengthening and management systems planning for Cabinet Office and liaison offices of line ministries.

B. Strategic Objective #1: The state removed from the provision of private goods and services.

Undoing the inappropriate policies of the past and extracting the state from what should be private markets is the first step in reviving private sector investment in Zambia. Acknowledging that parastatals are a drain on the national budget and a barrier to private sector growth, the GRZ has committed to divestiture of the 170 parastatals which have dominated economic activity for twenty years in Zambia. Currently targeted are the 152 subsidiaries of a large holding company which are involved in every sector from mines to bakeries. All of these parastatals are to be sold, liquidated or contracted out to private management within five years. The aim of USAID strategy is to ensure that necessary conditions for privatization are established, firms are prepared for divestiture, and deals are consummated. Target indicators identify step-by-step progress toward divestiture, while the indicators for the strategic objective report the relative size of the private and parastatal sectors.

Of the total 170 parastatal companies, six were privatized in 1993. While donors are relieved that the process is finally underway, the completion of only six sales in FY 1993 is disappointing. Donors, following the USAID lead, are now questioning the political will of the GRZ on this key component of economic restructuring, and confronting leadership at the highest levels to secure renewed statements of policy. Further, clear direction to parastatal management and key ministerial leadership and staff to cooperate in and expedite the privatization process is required.

Protracted negotiations are another reason why more sales were not completed. This is due to three factors: First, a swift and unexpected appreciation of the kwacha led to increased prices to be paid for the parastatals being sold as all prices were tied to the dollar. Some bidders subsequently dropped out at very late stages of negotiations due to lack of funding, leading to re-tender or fresh negotiation with an alternate bidder. Second, there was occasional confusion or disagreement within the independent and support negotiating teams on the government side. Third, there have been signing delays due to legal action from losing bidders, and to lack of an effective tracking mechanism for the approval of agreements by the Attorney General and the Minister of Finance. These problems are being resolved by better tracking mechanisms and clearer guidelines for negotiations within the Zambia Privatization Agency (ZPA), provision of negotiations skill training by USAID, and better documentation of bidder financing before negotiations start.

Supportive public opinion is critical if privatization is not to be derailed. Recent research and press show that there is suspicion of foreign investors and of some domestic minority groups buying SOEs; in fact, only 39.4 percent of survey respondents said they supported privatization. USAID is financing technical assistance to educate the public on the privatization process and the expected benefits of economic restructuring.

To ensure maximum opportunity for Zambian participation in the privatization program, various investment and financing schemes are being established to complement existing methods of divestiture already included in the Privatization Act.[2] These include privatization trust funds, investments funds, unit trusts, and venture capital funds. A Privatization Trust Fund has already been established. It is designed as a warehousing facility whereby small holdings of company shares will be held in trust for sale to ordinary Zambians as the security market develops.

The assessment of potential environmental liabilities as a step

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[2] Methods approved in the Privatization Act are: public offering of shares, private sale of shares through negotiated competitive bids, offer of additional shares in a SOE to reduce government share holding, sale of the assets and business of the SOE, reorganization of the SOE before the sale of the whole or part of the SOE, management or employee buy-outs, and lease and management contracts.

in the preparation of the state owned enterprises for divestiture has already resulted in the identification of two significant polluters. One is a cement plant with excessive dust problems and the other is a chemicals plant which produces explosives for the mining industry. An existing minority share owner of the cement plant which will be buying the majority holdings of the government has agreed as a condition of sale to clean up the dust problem to international standards. The fate of the chemicals plant remains to be determined.

C. **Strategic Objective #2: Appropriate policies, laws and regulations promulgated and enforced for increased agricultural production.**

Zambian agricultural production has recovered fully from the exceptional drought of the 1991/92 production season. A bumper maize crop of an estimated 1.62 million metric tons has been produced; a record crop of 60,000 tons of sorghum has been harvested; the tobacco crop is the largest on record at 10,000 tons; and, hectarage planted in cotton, wheat, groundnuts and sunflower was up 10-40 percent from the previous year with good harvests in all cases.

The increase in hectarage planted was a positive response by farmers to sectoral adjustments. Liberalization of marketing structures has failed though to garner the same kind of private response. Chief among the problems for the marketing of the staple maize crop has been the uncertain and tentative position of prospective private buyers who are constrained by lack of financing and storage facilities. The lingering effects of the inherent mentality of a command-driven system on the part of the politicians has contributed in no small way to market uncertainties; and, now, after much confusion, the bulk of the crop is again being purchased by government agents.

Large-scale industrial maize milling is largely state-owned, but due to be privatized within the next twelve months. Improved crop processing efficiencies coupled with higher production levels and improved marketing systems are the means to lower food prices to the consumer. These developments are critical, as free market pricing and the discontinuation of processing and consumer subsidies on the staple maize meal has resulted in commercial prices which the typical Zambian household finds difficult to afford. Food security at the household level is thus rightfully an issue with which the politicians are concerned.

Small-scale private hammermillers are capturing a growing percentage of the processing market as policy reforms have allowed hammermillers to compete freely with the parastatals. There are now about 5,000 hammermills employing some 8,000 to 10,000 workers. They provide close to 100 percent of rural resident processing needs and an increasingly important share of urban processing requirements. They are as such providing a key source of relief to the high prices of the ineffectively managed commercial mills. Although the longterm prospects for the urban based hammermills are dubious because of the economies of scale advantage of the industrial mills, the rural hammermills offer sound investment potential. Already, a growing number of rural-based hammermillers have proven themselves to be successful

businessmen, and expansion of milling operations and auxiliary or additional businesses is becoming more common. Project monitoring under USAID's ZAMS (Agricultural Marketing Support) project has found that up to 35 percent of the rural millers have ventured into ancillary entrepreneurial efforts. It is clear that hammermills are now the predominant rural non-farm agribusiness in Zambia.

The experience of the 1993 maize marketing season indicates how far the country needs to go yet to establish a fully operational competitive market. Twenty-five years of state dominance of the economy has left both the public and private sectors ill-prepared to act in a market economy. The overriding question for the transition period is how government can refrain from direct intervention in the economy but still provide support for the market to allow economic growth. While USAID's ZATPID II project provided the technical capability for the identification, development and promulgation of important fundamental sectoral reforms, it remains clear that if the structural adjustment program is to have the desired effect of creating sustainable growth, increased employment opportunities and economic prosperity, the reforms will need to be deepened and effectively implemented. This is a difficult and painful process for a country that had, until recently, actively and aggressively discouraged entrepreneurship, institutionalized state control over the factors of production and monopolized the productive sector, including agriculture. USAID is now considering means by which to support second generation reforms and policy development to effect the needed change and prevent policy reversals as implementation problems are encountered.

D. **Strategic Objective #3: Increased use of modern contraceptives.**

The GRZ adopted a population policy in 1989 which among other objectives specified the following: reduction of population growth to 2.5 percent by the year 2015; and decline in total fertility from 7.2 births to 6.0 and 4.0 by the years 2000 and 2015 respectively. USAID authorized the bilateral Family Planning Services (611-0235) project at the end of FY 1993 to assist the GRZ in meeting these targets by addressing the constraints to increased use of modern contraceptives. Four components are encompassed within the overall project: contraceptive social marketing; information, education and counseling; service delivery; and, policy development.

The primary indicators for the strategic objective are couple years protection, and the contraceptive prevalence rate among women. Target indicators will measure intent to use family planning, beneficiary satisfaction with access to family planning, range of services offered, and retention rates among family planning acceptors.

E. **Strategic Objective #4: Improved HIV/AIDS/STD control practices by high risk individuals.**

The AIDS epidemic in Zambia is among the worst in the world. Although epidemiologic data concerning HIV/AIDS are not comprehensive and, at times, are conflicting, GRZ sentinel

surveillance surveys conducted in 1990 indicate HIV prevalence rates ranging from 13 percent (Mukinge rural) to 30 percent (Solwezi peri-urban) among pregnant women attending antenatal clinics. Prevalence rates among patients attending STD clinics in the provinces ranged from 33 percent to 71 percent in 1991. As of October 1993, 25.734 cumulative cases of AIDS and AIDS-related complex had been officially reported.

Late in FY 1992 USAID obligated the HIV/AIDS Prevention Project to improve public health education, provide greater access to condoms, reduce HIV transmission through cost-effective STD treatment, and strengthen multi-sectoral support for implementation of the National AIDS Prevention and Control Program. The Morehouse School of Medicine was awarded a Cooperative Agreement in late FY 1993 to implement the project. Establishment of baseline data for program monitoring and evaluation purposes is just getting started. Measures at the objective level will gauge high-risk sexual behavior. Target indicators will measure knowledge about ways of protecting against HIV infection, access to condoms, cost-effective control of STDs, and improved policies which will facilitate implementation of the National AIDS Prevention and Control Program. The USAID-sponsored condom social marketing program, which is being implenmented by PSI under cooperative agreement, sold 4.2 million condoms in the first eleven months of operation to surpass the first year goal of four million.

F. **Target of Opportunity #2: Child Survival Enhanced.**

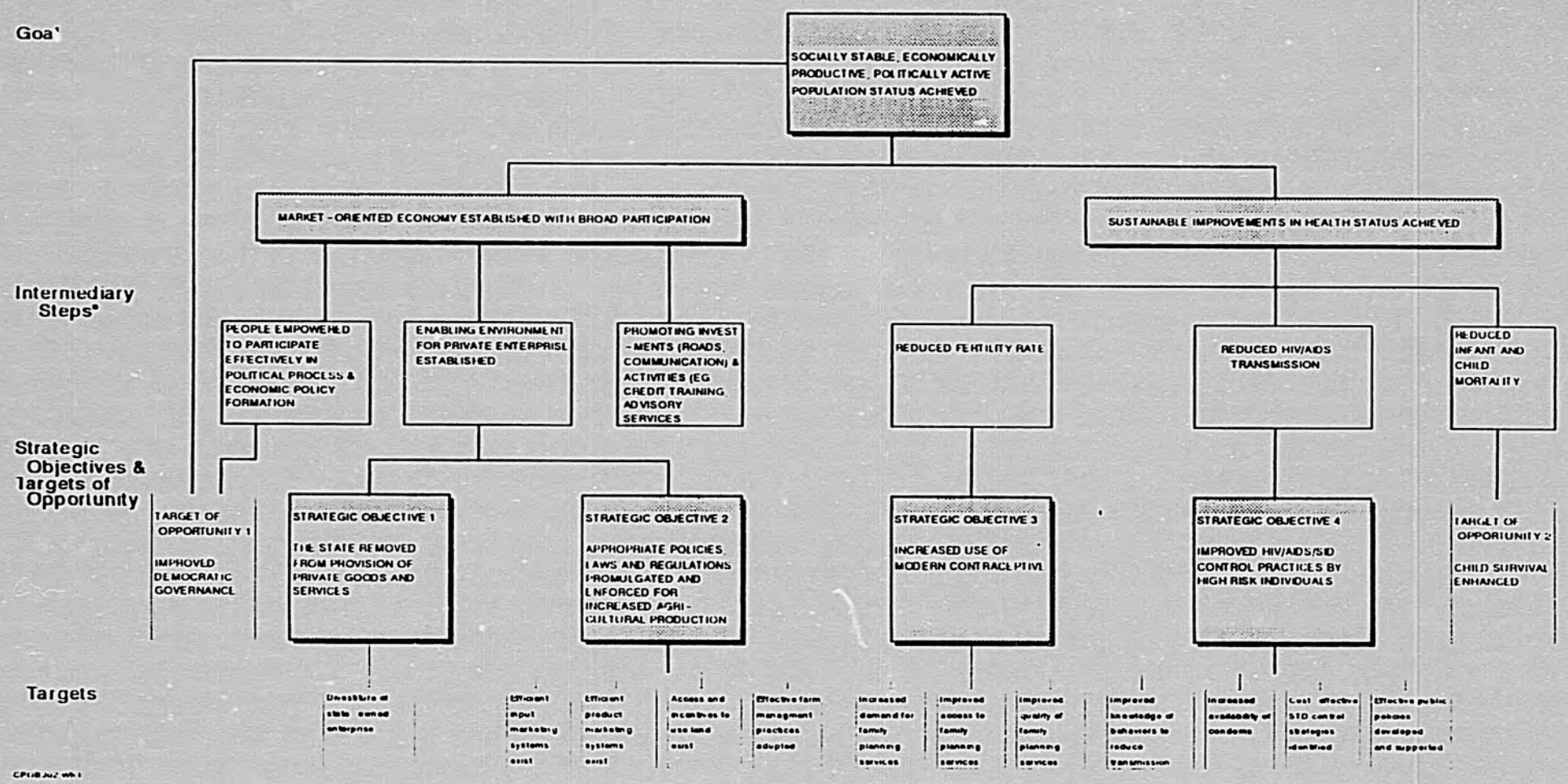
Given high and rising levels of infant and child mortality, and identified gaps in donor funding, USAID plans to assist the GRZ in developing programs to improve the health of children. Such assistance can complement the GRZ health reform program and address sustainability issues of primary and maternal child health care. USAID's plan is to focus on three major causes of infant and child mortality: diarrheal diseases, malaria, and acute respiratory infection. In addition, USAID will become proactive in public policy development affecting health care financing. While program feasibility and preliminary design work has just begun, possible measures to be tracked may include quality of care and treatment of diarrheal diseases and ARI, treatment protocols and diagnosis of malaria, and identification of a strategy to increase the funding available for PHC/MCH programs.

IV. Other Progress in Priority Areas

The A.I.D. Administrator has established four priority areas which the Agency is emphasizing in pursuing sustainable development: encouraging broad-based economic growth; protecting the environment; stabilizing population growth and protecting human health; and, building democracy. The Zambia bilateral program corresponds well to these Agency priorities; and, bilateral program impact as it relates to Agency priorities is presented within the preceding reporting context of bilateral objectives and the two targets of opportunity.

The Zambia bilateral program strategy and its relation to Agency priorities is summarized as follows. Economic growth is sought by: a) satisfying the major prerequisite to the establishment of a market-oriented economy, i.e. the removal of the state from the provision of goods and services which the private sector can otherwise provide more effectively; and, b) legal, regulatory and systemic changes to deepen economic reform and support agricultural sector liberalization. In the area of environment, sustainable resource management will feature heavily in USAID's work on Zambia's land tenure system, and industrial-source pollution is being identified and damage assessed as part of USAID's work on the packaging of firms for government divestiture of state-owned enterprise. USAID's democratic governance program in Zambia targets improved access to and effective decision-making by government. Health sector investments aim to a) reduce fertility rates, b) reduce HIV/AIDS transmission rates, and c) improve infant and child mortality and morbidity rates.

USAID/ZAMBIA PROGRAM OBJECTIVE TREE



PROGRAM LOGFRAME
REPORTING YEAR FY 93

	INDICATORS	UNITS	BASELINE NO	BASELINE (YEAR)	ACTUAL AND PROJECTED 1990	1991	1992	1993	1994	1995	LATEST SOURCE
GOAL: Socially stable, economically productive, politically active population	Real GDP per capita (1977 prices)	$	381 0	1990	381 0	364 0	348 0	334 0			CSO
	Real GDP per capita growth	%	-2 0	1965 - 91	-3 5	-4 8	-6 1	-4.0			
	Population in poverty	%	67 4	1991							IBRD Priority Survey
	Population growth rate	%	3 2	1980 90							Census report
	Popular stewardship										
	- voter registration	%	78 0	1991							NDI
	electoral turnout	%	45 0	1991							NDI
	- knowledge of MP	%	50 0	1993							D/G Project
	- favorable assessment of GRZ performance	%	78 3	1993							D/G Project
SUBGOAL 1: A market-oriented economy with broad participation	Total investment GDP ratios	%	29 5	1965 - 1991	15 5	12 7	15 6	19 4	21 2	21 4	IBRD. Econ Mem p 15 Projections p 94
	Private investment GDP ratios	%	2 0	1991	NA	2 0	5 0	7 0	8 0	8 0	IBRD. Econ Mem p 103
	Gross domestic savings GDP ratios	%	6 0	1992	NA	11 0	6 0	7 0	9 0	10 0	Econ Mem p 103
SUBGOAL 2: Sustainable improvements in health status	Infant mortality	per 1,000 live births	97 0	1980			107 0				DHS
	Under 5 mortality	per 1 000 live births	152 0	1980			191 0				DHS
	Total fertility rate	# of children born/woman	7 2	1980			6 5				DHS
	Life expectancy										
	- Male	years	50 4	1980	52 9						Census reports
	- Female	years	52 5	1980	55 0						
	HIV sero-prevalence rate among antenatal clients										
	- Lusaka urban	%	25 0	1990							WHO weekly
	Mukinge rural	%	13 0	1990							Epidemological
	- Solwezi periurban	%	30 0	1990							report
	HIV incidence rates among targetted populations by gender										Project monitoring
	- Employees in workplace		TBD								
	- Clients of traditional healers		TBD								
	- Out-of-school youth		TBD								
	- Clients of counselling centers		TBD								

148

PROGRAM LOGFRAME
REPORTING YEAR FY 93

	INDICATORS	UNITS	BASELINE NO	BASELINE (YEAR)	ACTUAL AND PROJECTED 1990	1991	1992	1993	1994	1995	LATEST SOURCE
STRATEGIC OBJECTIVE #1: The state removed from provision of private goods and services	- Private sector share of GDP	%	<50 0	1990	<50 0						CSO
	- Private sector share of formal employment	%	20 0	1990	20 0						CSO
TARGET Divestiture of state - owned enterprise	- Parastatal companies	# of companies	170 0	1992			170	164			ZPA
	- ZPA staff trained	%									
	- Public in favor of privatization	%	39 4	1993				39 4			Project monitoring public survey
	- environmental reviews conducted	# of companies	0	1992			0	29 0			Project monitoring
	- market studies completed	# of companies	0	1992			0	39 0			ZPA
	- method of sale approved	# of companies	0	1992			0	43.0			ZPA
	- sales memo completed	# of companies	0	1992			0	28 0			ZPA
	- companies advertised for bid	# of companies	0	1992			0	20 0			ZPA
	- tenders under review	# of companies	0	1992			0	17 0			ZPA
	- Minority shareholders requesting negotiations	# of companies	0	1992			0	4 0			ZPA
	- companies dissolved liquidated	# of companies	0	1992			0	1 0			
TARGET OF OPPORTUNITY OBJECTIVE #1 Improved democratic governance	Public assessment of ruling part,										
	- very good	%	16 7	1993				16 7			D G Project
	- good	%	27 5	1993				27 5			D/G Project
	- fair	%	34 1	1993				34 1			D/G Project
	- poor	%	13 5	1993				13 5			D/G Project
	- very poor	%	7 7	1993				7 7			D G Project
TARGET ONE Improved citizen awareness of rights and responsibilities	Constitutional Reform	yes no	no	1993							D G Project
	Eligible voters registered	%	66 0	1993							D/G Project
	Citizens who know their MP	%	50 4	1993							D/G Project
	Citizens who have contacted their MP within last five years	%	6 9	1993							
TARGET TWO Independent journalism	Private sector share of newspaper print per week	%	19 0	1993							USIS
	Private sector share of working journalists	%	24 0	1993							USIS
TARGET THREE Improved legislative performance	Citizens who find their political representative effective	%	40 1	1993							D/G Project
	Percent of all motions and bills introduced by private members	%									D/G Project
	Legislature re - organized	yes/no						no			D/G Project
TARGET FOUR Improved public policy implementation	Cabinet office re - organized	yes/no						yes			D/G Project
	Cabinet sub - committees functioning	# of committees									D/G Project

746

PROGRAM LOGFRAME
REPORTING YEAR FY 93

	INDICATORS	UNITS	BASELINE NO	BASELINE (YEAR)	ACTUAL AND PROJECTED 1990	1991	1992	1993	1994	1995	LATEST SOURCE
STRATEGIC OBJECTIVE #2: Appropriate policies, laws and regulations promulgated and enforced for increased agricultural production	Agricultural GDP growth	%	2 0	1965-91		-15 1	-39 3	100	7 0	7 0	IBRD Econ Memo pgs 14 & 103
	Production growth	%									IBRD Econ Memo
	- maize	(annual)	8 3	1974 90				230			p 25 & MAFF
	sorghum		24 0	1974 90				173			final crop fore
	sunflower		19 8	1974 90				1 319			casts p 7
	- soy beans		25 1	1974 90				300			
	cotton		42 1	1974 90				125			
	Yield increases										IBRD Econ Memo
	- maize	(annual)	1 9	1974 90				225			p 25 & MAFF
	- sorghum		4 3	1974 90				267			final crop fore
	- sunflower		2 7	1974 90				1 200			casts p 7
	- soybeans		1 9	1974 90				433			
	- cotton		1 6	1974 90				69			
	Smallholder yields (average)	tons Ha									IBRD Ag Sec
	- maize		2 3	1989							Strategy, p 37
	- sorghum			1989							
	- sunflower		0 8	1989							
	- soybeans		0 7	1989							
	- cotton		0 8	1989							
TARGET ONE Efficient input marketing systems exist	Fertilizer subsidies discontinued	K million	950	1990	950			0			IBRD Ag Sec Strategy, p 14
	Private supplier share of input market	%		1989							Project Monitoring
	- seed		0	1989							
	- fertilizer		0	1989							
TARGET TWO Efficient product marketing systems exist	Share of crop marketing conducted by private sector	%	0	1992							Project Monitoring
TARGET THREE Access and incentives to use land exist	Area planted to hybrid seed	hectares	275 560	1985	544 160						IBRD Econ Memo p 26
	Smallholder lands rights protected under new laws and regulations										
	Women s inheritance rights expanded										
	Sale transfer of leasehold title permitted										
	Increased capital improvements in land										
TARGET FOUR Effective farm management practices adopted	"Emergent Farmers"	number	25 000	1965	120 000						IBRD Econ Memo p 26

PROGRAM LOGFRAME
REPORTING YEAR FY 93

	INDICATOR	UNITS	BASELINE NO	BASELINE (YEAR)	1992	1993	1994	1995	LATEST SOURCE
STRATEGIC OBJECTIVE #3: Increased use of modern contraceptives	Couple years of protection								Service statistics
	Contraceptive prevalence rate among women								
	- *all methods*	%	15.0	1992					ZDHS
	- *Modern methods*	%	9.0	1992					ZDHS
TARGET 2.1: Increased demand for family planning services	Intend to use FP	%	46.0	1992					ZDHS
	% of married women aged 15-49 who currently are not using family planning but intend to do so in next 12 months								
Sub-target: Increased knowledge of services	Know source for a modern method	%	81.0	1992					ZDHS
	% of all/married women aged 15-49 who know how to use a modern method among those who know a method		88.0	1992					
	Know how to use modern method	%							KAP Survey
	% of all/married women aged 15-49 who can identify a source for modern contraceptives								
Sub-target: Increased motivation to use family planning	Don't want a child now	%	33.0	1992					ZDHS
	% of non-pregnant, non-amenorrheic women (& % of men) who want no more children or want to wait at least 2 years before a (next) child								
	Approval: % of non-sterilized women aged *15-49 (and % of men) who say they approve of FP among those who know a modern method*	%	81.0	1992					ZDHS
Sub-target: Policy impediments (to increased demand) removed	Restrictions on advertising	yes no	yes						
	Amount of advertising by method								
TARGET 2.2: Improved access to family planning services	Client satisfaction	%							KAP Survey Client survey
	% of married women aged 15-49 who report "satisfactory access" to family planning services								
	Range of services offered	%							Provider survey
	% of delivery points providing 3 or more methods								
Sub-target: Distribution points expanded	Number of service distribution points								Provider survey
	- In public sector								
	- In private sector								
Sub-target: Financial resources available & improved quality of services	Funds allocated to/expended in FP								USAID annual budget
	- Private sector (government reimbursement)								
	- Public sector								
Sub-target: Policy impediments removed & improved quality of services	Regulations on prescription of oral contraceptives and other modern methods: provision of injectables								
TARGET 2.3: Improved quality of family planning services	Clients satisfaction								Service statistics
	% of new acceptors who continue to use FP: return visits								
Sub-target: Appropriate incentive-based systems established	Number of new incentive-based service providers								Provider survey
Sub-target: Private sector capacity strengthened	Source	%	33.0	1992					ZDHS
	% of current users among married women aged 15-49 whose source of supply is private sector								
	Number of private sector delivery points								
	Number of commodities provided through the private sector	number number							Provider survey Service statistics

151

PROGRAM LOGFRAME
REPORTING YEAR FY 93

	INDICATORS	UNITS	BASELINE NO	BASELINE (YEAR)	ACTUAL AND PROJECTED 1990	1991	1992	1993	1994	1995	LATEST SOURCE
STRATEGIC OBJECTIVE #4: Improved HIV/AIDS/STD control practices by high risk individuals	Reported non regular sex partners										KAP surveys
	Condom use in high risk relationships										KAP surveys
TARGET 3.1 Improved knowledge of behaviors to reduce transmission	% of women men who can cite at least two effective ways of protecting against HIV among	%									ZDHS analysis 1992
	– Women men aged 15 24										KAP surveys
	– Employees of targeted workplaces										project monitoring
	– Clients of traditional healers										
	– Out-of-school youth										
Sub target Education programs established	No of training workshops conducted										Project monitoring
	No trained among target populations										Project monitoring
TARGET 3.2 Increased availability of condoms	Condoms distributed in past 12 months	%									Project monitoring
	Condoms sold through social marketing	%									Service statistics
Sub-target Distribution points expanded	No of distribution points	number									Provider survey
	Distribution points providing condoms that are social marketing points	%									Provider survey
Sub target Sufficient supplies maintained services	Continuous supply	%									Service statistics
	Distribution points with continuous supply that are social marketing points	%									Service statistics
TARGET 3.3 Cost effective STD control strategies identified	STD prevalence women	%									Tests done at surveillance sites
	STDs men	%									Project monitoring
	Cost-effectiveness										Project monitoring
Sub-target Treatment protocols developed	Operations research findings used to develop protocols										
Sub-target Education programs established	No of training workshops conducted	number									Project monitoring
	No trained among targeted providers	number									Project monitoring
TARGET 3.4 Effective policies developed and supported	Policies developed and implemented to facilitate implementation of National AIDS Prevention and Control Programme										
Sub target heightened policymaker awareness/Commitment	Accurate and supportive public statements made by key leaders										
	Multi-sectoral council established with active participation										

PROGRAM LOGFRAME
REPORTING YEAR FY 93

	INDICATORS	UNITS	BASELINE NO	BASELINE (YEAR)	ACTUAL AND PROJECTED 1990	1991	1992	1993	1994	1995	LATEST SOURCE
TARGET OF OPPORTUNITY #3: Child Survival enhanced	Decrease in prevalence of - diarrheal disease - ARI - malaria										DHS, MOH HIS, Surveys
TARGET 3.1 Diarrheal disease controlled	Increase in percentage of mothers treating correctly	%									DHS
	Improved quality of CDD care in health facilities										Supervisory visits and surveys
	Improved environmental conditions										MOH water & san reports; MOH logistics & supply reports; private pharm. records
	Increased availability of ORS	%									
TARGET 3.2 ARI treatment improved	Increase in percentage of mothers treating correctly	%									DHS
	Improved quality of ARI care in health facilities										Supervisory visits & surveys
	Improved efficacy of treatment through OR										Research reports
TARGET 3.3 Malaria controlled	Strengthened lab diagnosis										Supervisory visits &
	National policy and case management protocol developed										MOH records
	Bed nets extended through private sector										Supplier records
TARGET 3.4 Health Care Financing	Identification of sustainable funding strategies for PHC/MCH programs										

APIWK1 - PART3

953

754

ASSESSMENT OF PROGRAM IMPACT

FY 1993

ZIMBABWE

755

USAID/ZIMBABWE

ASSESSMENT OF PROGRAM IMPACT

NOVEMBER 15, 1993

ACRONYMS

ADB	African Development Bank
CAMPFIRE	Communal Areas Management Program for Indigenous Resources
CPR	Contraceptive Prevalence Rate
CYP	Couple Years of Protection
DHS	Demographic Health Survey
ERS	Export Retention Scheme
ESAP	Economic Structural Adjustment Program
FCDA	Foreign Currency Denominated Account
FEWS	Famine Early Warning System
GEMINI	Growth and Equity through Microenterprise Investments and Institutions
GMB	Grain Marketing Board
GOZ	Government of Zimbabwe
ICRISAT	Institute for Crop Research for the Semi-Arid Tropics
IESC	International Executive Service Corps
IPZ	Intensive Protection Zone
MCH	Maternal and Child Health
MOH	Ministry of Health
NGO	Non Governmental Organization
NRM	Natural Resources Management
NRZ	National Railways of Zimbabwe
OGIL	Open General Import License
PASA	Participating Agency Service Agreement
TFR	Total Fertility Rate
UNFPA	United Nations Fund for Population
ZIMMAN	Zimbabwe Manpower Development
ZNACP	Zimbabwe National AIDS Coordination Program
ZNFPC	Zimbabwe National Family Planning Council

757

TABLE OF CONTENTS

Acronyms i

Program Logframe ii

Program Impact Indicators iii

Map of Zimbabwe's Natural Regions x

Section I - Special Factors Affecting the USAID/Zimbabwe Program 1

Section II - Progress Toward Overall Program Goals 4

Section III - Progress Toward Strategic Objectives and Related Progress Indicators 8

Strategic Objective I: Increased Household Food Security in Communal Areas of Natural Regions IV and V 8

Strategic Objective II: Increased Black Ownership and Investment at All Levels of Zimbabwe's Economy 14

Strategic Objective III: Sustainable Decrease in Fertility 18

Target of Opportunity: Decreased HIV High Risk Behavior by Selected Occupational Groups 21

Section IV - Other Progress in Priority Areas 23

SECTION I
SPECIAL FACTORS AFFECTING THE USAID/ZIMBABWE PROGRAM

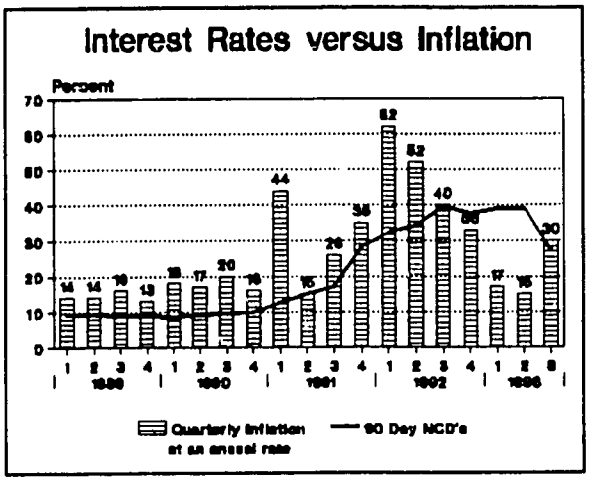
1993 brought with it the rains, although Zimbabwe was still reeling from the negative macro-economic effects of financing the importation of 1.2 million tons of maize to feed its population. As Zimbabwe began to recover economically and socially from the devastating impact of the worst drought in the past century, it can be credited with forging ahead in implementation of its structural adjustment program. Despite the staggering impact of the drought, significant progress was recorded in economic stabilization, as the country moved down the path toward structural reform of the economy. Areas recording less than acceptable progress including public enterprise reform, discussed below, will inevitably negatively impact the pace of implementation of our program, so closely linked to ESAP, most notably in the rail, grain marketing, housing and telecommunications sector. Despite the social, political and economic problems created by the drought, opportunities were created which positively impacted our program -- accelerated reforms in agricultural marketing and demand for drought resistant seed crops, notably sorghum and millet.

Perhaps most critical in the policy arena is the Government's posture on land reform, impelling ever more strongly the cry by the Government for "indigenization" of the economy and thereby elevating the urgency of our second strategic objective, increased black ownership and investment of Zimbabwe's economy. The land policy and structural adjustment program, will continue to be key determinants of the progress achieved in our intertwined strategy and are discussed below.

Economic Structural Adjustment Program: Despite the serious economic and social dislocations created by the drought, ESAP remained on course during 1992 and through the first half of 1993. Import liberalization proceeded in line with program targets, with a market for import licenses derived from Export Retention Scheme entitlements created, effectively developing a secondary market for foreign exchange. Decontrol and adjustment of prices proceeded more quickly than targeted, including the granting of price increases for many parastatals, and a dramatic rise in agricultural producer prices to provide significant incentives for recovery of the agricultural sector. Miller subsidies were removed and grain marketing policies governing distribution of crops were significantly liberalized, encouraging the entry of small black traders and black transporters into markets previously controlled by parastatal marketing boards.

With regard to budgetary policy, significant real cuts in non drought-related expenditures were effected with major cuts in the public wage bill, elimination of numerous subsidies and introduction of cost recovery measures in various sectors. Tough monetary policies were introduced to reduce inflation and create positive interest rates. (See graph on following page.) The tightness of the financial markets impacted our program, severely limiting the availability of mortgage finance and funds for new business start-up. During this past

quarter, liquidity has improved measurably, which should have a significant positive impact on achievement of our second strategic objective.



Despite this progress, areas deserving of greater attention include public enterprise reform, private investment stimulation and local government deregulation. These areas will be addressed through IBRD and IMF policy conditions and our program interventions. Further, inefficient administration of the Social Dimensions Fund, created to ameliorate the negative impact of ESAP on vulnerable groups, prevented the release of significant funds to finance such social programs.

Most critical is the need to generate a supply side investment response to take advantage of the significant progress made in implementing ESAP. This response has been impeded by: Government's continued suspicion of the private sector; fear of economic domination by non-"indigenous" (meaning black) investment interests; and the seeming lack of full commitment by the civil service to implement the reforms embraced by ESAP and relinquish mechanisms of control.

Recommended actions to help create the necessary investment response for economic growth include: liberalized remittability of dividends; reduced requirements for local equity participation; greater access to foreign exchange; continued reduction of the budget deficit to force down interest rates; improved black access to capital; <u>and most importantly, consistent signals from the GOZ that it welcomes and will protect ALL private sector interests</u>. (Recent implementation of the land policy has seriously eroded the credibility of the GOZ's stated support for the private sector.)

Land Policy: Perhaps foremost among United States' concerns with Zimbabwean policy relates to the access to and use of land in Zimbabwe. Access to land is a pivotal issue with Zimbabwe and was central to the struggle for the independence of Zimbabwe. Thirteen years later, it remains a major political and economic concern.

According to the Lancaster House Agreement negotiated at independence in 1980, for a ten year period, land could only be transferred from private hands for resettlement purposes according to the principle of "willing buyer/willing seller". By the end of the 1980's, the pattern of access to land remained much as it was in 1980 with fewer than 5,000 large-scale white commercial farmers owning 45% of agricultural land, compared with 800,000 black communal area farmers having access to 49%. Although land resettlement was a priority for the new Government at independence, with a target of resettling 162,000 families on 7

million hectares, through the end of 1990, only 52,000 families were resettled on 3.3 million hectares. In addition, much of the land acquired for resettlement remains vacant, and the entire resettlement program is almost universally regarded as a disaster. Not only does there continue to be vast disparity in the size of communal area farms vs. white owned large-scale commercial farms -- 23 hectares per farm vs. 2,300 hectares -- but in the quality of land to which the respective groups have access. Over 50% of large-scale farmers are in the prime agricultural regions whereas 70% of communal area farmers are located in the areas of marginal agricultural productivity. The commercial farming sector remains the heart of the vital agricultural export sector.

In 1992, a new law, the Land Acquisition Act, was passed to strengthen the Government's hand in reaching its goal of acquiring an additional 5 million hectares of land for resettling an additional 110,000 families. The major change in the resettlement policy was the removal of the guiding principle of "willing buyer/willing seller", with the Government able to designate land to be bought for resettlement. Although, originally, the amount of compensation paid for farms could be challenged in administrative courts, there is no access to the courts to appeal the government's decision to "designate"/acquire land. An amendment in March 1993 to the 1992 Land Acquisition Act revoked the right of appeal through the courts over the level of compensation. Publicly, President Mugabe has stated that he would not tolerate any decision reached by any court prohibiting the Government from acquiring any land. Critically, while the GOZ originally claimed that it intended to acquire only unproductive land, recent press statements by the President and actions indicate otherwise. In addition, the GOZ has applied a double standard with regard to land owned by white and black farmers.

The tension between the Government's desire to maintain high levels of agricultural productivity and employment, and at the same time, to redistribute farmland to landless Zimbabweans as a matter of social and economic equity remain almost as strong as it was at independence.

While the United States recognizes the need for land reform, concerns with good governance, due process transparency and the rule of law are critical to its implementation. Recent designation of productive farmland for punitive purposes and for solely political rationale are already receiving negative press coverage in the United States, thereby undermining the reforms undertaken as part of the structural adjustment program to create an environment conducive to investment -- both foreign and domestic -- and to economic growth. We believe that the GOZ's aggressive, politically motivated land acquisition could well undermine its stated objective of encouraging job creating investment. The real domestic political issue in Zimbabwe for the future is "jobs", not "land" but this is not being reflected by Zimbabwe's political leaders until they get past the black ownership issue.

This pivotal issue impacts USAID program interventions to improve food security in communal areas in the marginal agricultural lands and increase black ownership and investment throughout the economy to create the potential for a de-controlled enabling

environment conducive to investment and economic growth. Furthermore, our family planning interventions aim to reduce the total fertility rate because current population levels in many of these marginal lands has exceeded the carrying capacity of the land and is not sustainable.

AIDS: The gravity of the impact of AIDS on the economic and social fabric of the nation is deserving of mention. Increasingly, it will be a factor in limiting the economic growth of the country, place upward pressure on government expenditures and strain the vitality of the workforce as business owners must assume the cost of retraining their workforce lost to the AIDS epidemic. Already, nearly 1 million people, or 10% of Zimbabwe's population is sero-positive. Fortunately, the Government of late has abandoned its policy of passivity or denial and has endorsed the importance of the crusade against AIDS. This presents USAID, working in coordination with the GOZ, its national campaign, other donors and NGO organizations, an opportunity to address this pandemic, targeting a change in behavior among those most at risk in their workplace.

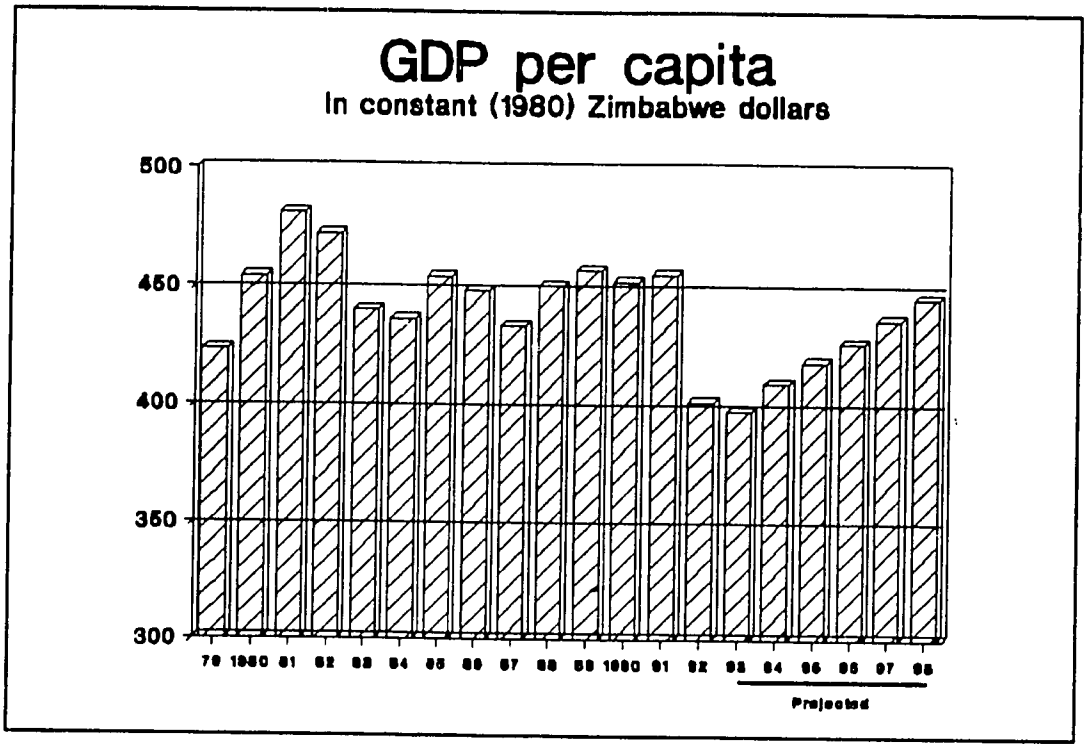
Save the Rhino Campaign: Zimbabwe, once the home to the world's largest herds of rhinoceros, has been continually thwarted in its campaign to prevent the poaching of this prehistoric animal. Indeed, the virtual extinction of the species is likely within this decade. The black rhino population has been reduced from 2,000 in 1988 to fewer than 200 today, with remains of rhino carcasses reported almost weekly in the Zimbabwean press, bringing the species to the edge of extinction. The campaign to de-horn the rhino to deter poachers has met failure and a translocation exercise inevitably will confront budgetary resource limitations. The decimation of one of the "big five" animals will inevitably limit the potential household income to be derived from tourism as part of community-based natural resources management activities. On the positive side, the elephant herd continues to grow and attracts visitors.

SECTION II
PROGRESS TOWARD OVERALL PROGRAM GOALS

The strategic framework for the Mission's Country Program Strategic Plan for FY1994 - FY1998 is shown on page ii. The Mission's goal is "increased economic growth that is participatory and equitable".

The Mission has chosen to measure GDP growth per capita in constant Zimbabwean dollars. We felt that given the significant (61.1%) depreciation of the Zimbabwean dollars since 1991, measurement in U.S. dollars would distort the trend in true welfare of the local population.

As shown in the graph on the following page, GDP per capita declined between 1981 and 1987. By the end of the 1980's, GDP per capita was no different from its level at the beginning of the decade. After hovering around the Z$ 450 level in constant 1980 dollars for much of the decade, GDP fell by more than 10% to Z$ 400 in 1992, largely because of



the dramatic impact of the drought, and to a lesser extent ESAP on personal incomes. We anticipate that given adherence to the structural adjustment agenda, GDP per capita will rise steadily from Z$ 397 in 1993 to Z$ 445 in 1998.

The GDP annual growth rate, which averaged 4% during the 1980's, experienced a negative 7.7% growth in 1992 (this decline may actually be larger), largely as a result of the drought, the draconian demand management program instituted by the GOZ to reign in spiraling inflation and worldwide depressed commodity prices. After a 24.4% decline in agricultural output in 1992 (based on volume of output)[1], this sector is expected to grow by approximately 15% this year. The recovery in agriculture has been less robust than expected, with only maize and tobacco output in 1993 expected to exceed 1991 production levels. (The value of the tobacco crop will be perhaps half of that in 1991 due to the worldwide decline in prices.) It is expected that full recovery of the agricultural sector will not occur until 1994. While the mining sector may grow by 3% this year, manufacturing sector output, which historically has provided approximately 24% of GDP, is projected to decline by 10%, attributed to the lag effects of the 1992 drought and the liquidity crisis through the first half of the year. As a result of the collapse in tobacco prices and large declines in the manufacturing sector, a maximum of a 2% GDP growth rate is projected for

[1] Although aggregate agricultural output fell by about 25% in volume terms, maize, cotton and sugar production fell by 70% to 75%.

1993. Hence, although the agriculturally led recovery from the drought has already started, it will be 1995 before pre-drought levels of output are regained.

Merchandise exports as a percentage of the GDP were 28.2% in 1993, up from 26.2% in 1990. Given the strong bias in the ESAP program toward trade liberalization reforms and the very significant progress made by the GOZ to date in improving the trade regime in Zimbabwe, the Mission is projecting that merchandise exports should approach 40% of GDP by the end of 1998.

Trade liberalization is a key ingredient to increasing the value of exports but also to facilitating foreign and domestic investment and economic growth. Important progress has been achieved in the implementation of trade liberalization. The introduction this year of the inward processing rebate system to replace the duty drawback scheme for exporters is consistent with trade liberalization. Goods under Open General Import License (OGIL) were increased to cover 20% of imports in December 1992. Subsequent trade reform has focused on the expansion of the Export Retention Scheme (ERS), which allows importation of all goods except those on a negative list. The retention rate under the ERS was increased to 35% in January 1993 and to 50% in April. The entitlements under the ERS have been made tradeable and can be used for invisibles. The next phase of the trade reform process will result in the transformation of the ERS into a system where foreign exchange will be directly retained and traded. Thus, entitlements to forex generated by export proceeds will be replaced by a system of direct retention of foreign exchange proceeds in foreign currency denominated accounts (FCDA's). (FCDA's can also be used by individuals with access to external funds.)

In the future, exporters will be able to directly deposit a proportion of their foreign earnings (50%) into a FCDA held with a local bank. The remaining forex must be surrendered to the Reserve Bank at the official exchange rate as currently occurs. (Residual balances of ERS entitlements will continue to be honored by the Reserve Bank.) Funds in corporate FCDA's will be utilized or sold at a market-determined rate of exchange, for the importation of goods and services and for capital payments. An interbank market will be established between authorized dealers to assist trade in the private market and to help determine the market rate of exchange. Importers will access their forex requirements from the FCDA market, with the Reserve Bank no longer selling forex at the official exchange rate. The goals of introducing FCDA's is to eventually merge the official and parallel market rate for foreign exchange (the GOZ will buy and sell foreign exchange into the market to do so) and achieve the ESAP objective of a convertible currency by the end of 1995.

While the Mission plans to track the Gini coefficient as a measure of income distribution, final tabulations of the 1992 Household Income and Expenditure Survey for both urban and rural areas have yet to be released. Once available, this data will be used to track the equity of income distribution throughout the population.

The Mission's sub-goal, a de-controlled enabling environment conducive to investment, was

identified as the critical linkage between the second strategic objective, increased black ownership and investment at all levels of Zimbabwe's economy and our goal of equitable economic growth. By broadening access to economic assets, opportunities for increased competition and improved efficiency are created. Importantly, by demonstrating that blacks are in the mainstream of the economy, the potential creation of a de-controlled enabling environment conducive to investment, and ultimately to economic growth is created, which ir turn can increase employment and ownership opportunities for all in the Zimbabwean economy.

One reason for the marginal economic growth experienced since independence is the inadequate level of investment during this period, which has effectively perpetuated the existing skewed industrial and corporate structure inherited at independence. Despite the solid infrastructure, educated and low-cost workforce, Government "culture" and policies have created an unattractive climate for both domestic and international investment. Among the measures required to enhance the investment environment are the removal of legislated monopolies and the dilution of Government equity in commercial enterprises. Unfortunately, the political landscape dictates that this will not oceur until it has been clearly demonstrated that blacks are in the mainstream of the economy, as owners and as producers. The Government will not begin to unravel its control -- now exercised through legislated monopolies, agricultural marketing boards, equity ownership, and directed subsidies -- until it is evident that indigenous blacks have the opportunity to participate in the economy and compete for a stake as owners.

Black ownership and investment at all levels of Zimbabwe's economy are necessary for overall increased non-racial investment and economic growth. The various targets to achieve black ownership and investment -- increased black access to efficient infrastructure that reduces the transactions cost of trade and production; an improved policy and regulatory environment; improved technical and management capacity of the private sector; and improved black access to capital -- are important not only in their own right but for their demonstration effect throughout the economy. While black ownership does not by itself imply growth, without it, the potential of a de-controlled enabling environment conducive to investment, employment and economic growth is untenable.

We plan to measure the impact of the creation of a de-controlled enabling environment conducive to investment by examining private investment as a percentage of GDP, private domestic investment in U.S. dollar terms, net direct foreign investment and numbers of blacks employed. Investment data will be obtained through the Central Statistics Office and the IMF, while data relating to black employment will be made available through the GEMINI Survey, which should provide us with baseline data by the end of calendar year 1993.

Despite the important structural reforms introduced during 1991 and 1992, investment remains low, in part due to the drought-induced recession but also because of the high relatively high structure of interest rates prevailing from 1991 through the middle of 1993.

Despite the easing in the availability of credit and lowering of interest rates in the second half of 1993, in order to restore growth in the economy and elicit a strong supply side response, adjustment must continue in the following areas:

- accelerated deregulation of the economy to reduce the cost of conducting business in Zimbabwe and to facilitate foreign and local investment; these includes further relaxation of investment licensing requirements and liberalization for remittance of profits and dividends;

- export enhancements including establishing FCDA's for corporations and a reduction of the fiscal burden on exporters;

- demonstrated progress on improving the operational efficiency of parastatals or privatizing them to reduce their demands on the Government fiscus and signal private sector openings in the economy. (Although price increases enabled parastatals to contain their financial losses, actual improvement in operational efficiency was not widely demonstrated.)

SECTION III
PROGRESS TOWARD STRATEGIC OBJECTIVES AND RELATED PROGRESS INDICATORS

STRATEGIC OBJECTIVE I: Increased Household Food Security in Communal Areas of Natural Regions IV and V

Despite the historic levels of food production of Zimbabwe in non-drought years, there are a significant number of Zimbabweans who experience chronic food insecurity. The 716,000 households, comprising 3.9 million people in the communal areas of Natural Regions IV and V comprise the vast majority of this most vulnerable, food-insecure group. The relative poor quality of agricultural resources available to them limits their food grain production and productivity, while few alternative sources of income constrain their purchasing power to buy grain.

USAID/Zimbabwe's strategy focuses on the most at-risk households in Zimbabwe by addressing the three causes of food insecurity: (1) inadequate production capacity: (2) inadequate income; and (3) inadequate market access to food.

The Mission plans to measure increased household food security in these regions by monitoring: average household foodgrain availability; own production retained for household production; and estimated actual foodgrain/meal purchases. In order to access the desired information for the targeted agro-ecological regions, the Mission will utilize a PASA with the U.S. Geological Survey to continue the work conducted during the drought period under the FEWS mandate. The Mission believes that the sophisticated database developed to date using geographic information systems in Zimbabwe is invaluable for the purposes of

monitoring food security in these semi-arid lands.

In gathering our baseline data for 1993, data was collected for all communal areas, in both the more agro-ecologically favorable Natural Regions I-III and the disadvantaged Regions IV and V. The following table below confirms the significantly different yields experienced by communal farmers in these two respective areas:

1992/1993 (Drought Recovery) Growing Season
Kg/Household

Communal Areas in Natural Regions:	Total Production of All Grains	Total Production Retained of All Grains	Total Estimated Purchases of All Grains
I-III	1890.04	783.45	22.55
IV-V	884.03	533.36	319.14

It is obvious from the previous table that members of our Natural Region IV and V target population are net purchasers of foodgrains.

Market price data comparing these two areas was developed from a survey of approximately 50 rural markets for the July to September period, after price de-control occurred. Not surprisingly, in Natural Regions I to III, more than a Z$ 3 differential existed between the price of a 15 kg. bag of maize grain compared with its milled product, roller meal. (See table on next page.) On the other hand, virtually no such differential existed in the pricing structure of maize grain vs. roller meal in Natural Regions IV and V. This can be explained by the fact that consumers in these regions are net purchasers of grain and must incur the transport cost associated with procuring both unmilled grain and its milled by products. In Natural Regions I, II and III, on the other hand, maize grain can be obtained locally from farms, avoiding the cost of transporting the bagged maize grain.

Market Price Data (Z$)
July - September 1993

Communal Areas in Natural Regions:	Maize Grain Per 15 Kg Bag	Roller Meal per 15 Kg Bag
I-III	14.92	17.81
IV-V	18.27	18.41

The issue of inadequate production capacity is being addressed through **increased smallholder production and productivity of sorghum and millet**, crops most suited to the semi-arid conditions characteristic of Zimbabwe's agro-ecological regions IV and V.

Agricultural research on sorghum and millet has been working toward the introduction of shorter-season and more disease-resistant varieties appropriate to farm households in Natural Regions IV and V. Continued support of this research, and importantly, a new emphasis on dissemination of improved sorghum and millet seed varieties to rural farmers in the target areas is being pursued by the Mission. The potential contribution of the on-farm adaptation of this research was demonstrated during this past drought period, when a U.S. funded $1.16 million seed multiplication effort by the Institute for Crop Research for the Semi-Arid Tropics (ICRISAT) in the Zambezi Valley, provided 50,000 drought-ravaged farm families in Zimbabwe with access to seeds for drought-resistant strains of sorghum and millet. It is expected that total hectarage planted by communal farmers in Natural Regions IV and V to improved varieties of sorghum and millet will increase over 20% from 137,100 to 168,000 hectares of sorghum and from 159,600 to 195,000 hectares of pearl millet. Similarly, production of sorghum and millet in these areas will increase from 87,100 to 110,000 mt of sorghum and from 113,800 to 120,000 mt of pearl millet by 1998. It is expected that sorghum and pearl millet yields per hectare will increase from 500 kg/ha in 1993 to 660 kg/ha for sorghum and from 350 kg/ha to 600 kg/ha for pearl millet. This will be achieved through increasing the number of improved varieties available from 2 in 1991 to 12 by 1998 and increasing the hectarage planted of these improved varieties. Importantly, productivity, as measured by decreased production cost per unit of output, should decline by 20%. It is not anticipated that the impact of this effort will transform grain-purchasing households into grain-selling households; rather, the impact will be to increase the contribution of these grains to overall foodgrain production and food security in the communal areas of Natural Regions IV and V.

The decline in the total hectares planted to sorghum and pearl millet and total production of these crops from 1988/1990 to 1993 can be attributed to the lingering impact of the drought, the limited availability of seedpacks, the high producer price offered by the Grain Marketing Board prior to 1991 for red sorghum and the strong incentive provided by the high producer price of maize since 1991. We believe that this decline in hectarage and production is temporary and conditions will begin to improve, especially given the new mandate of ICRISAT for emphasizing dissemination of new seed technologies for on-farm adoption, making more drought-resistant seed varieties available and disseminating information on how best to incorporate these crops into normal household diets.

The problem of inadequate income will be responded to, in part, by improved agricultural productivity, and also by providing opportunities in these areas for **generating additional income through community-based natural resources management activities.** This strategic target recognizes that agricultural subsistence activities in Natural Regions IV and V are marginal at best, and that the exploitation of wildlife resources, concentrated in Natural Regions IV and V, provides an opportunity to significantly impact the level of household cash income available to inhabitants of these areas. USAID's experience with the CAMPFIRE (Communal Areas Management Program for Indigenous Resources) program in four communities has shown that community management of resources can be consistent with both wildlife conservation and incremental generation of household income. By extending

support for expansion of community-based natural resources management activities throughout the 24 districts with appropriate authority over wildlife resources, we anticipate a significant increase in community earnings from the sustainable exploitation of natural resources, with the sharing of these earnings among households to elevate their level of household food security. In the future, the definition of natural resources will be broadened to encompass all renewable wildlife, including plant and animal species. (Community-based management schemes now center on wild animal resources alone.)

Since the Program's implementation in 1989, an explosive growth in the number of households actively participating in community-based natural resources management activities has been evidenced, growing from 8,683 households to 50,965 households. Although the average household income from these activities has declined from Z$ 200 to Z$ 95, this has more than been compensated for by the six-fold increase in the number of families benefitting from the program.

Several notable developments have occurred warranting mention. These demonstrate both the current impact of the program on household welfare and the viability and potential for the expansion of the program in the future. Last year, as a result of this program, 7,000 families in Binga District habitually living at below the subsistence level generated Z$ 600,000 which supported a Supplementary Feeding Program at 11 primary schools, averting famine for the children of the district.

With regard to policy, a decision has been made to transform the Department of National Parks and Wild Life Management from a Government Department of the Ministry of Environment and Tourism into a semi-autonomous authority to report to the Minister of Environment and Tourism. This very promising move will allow some partial funding of the Department from the Ministry, yet provides the Parks Department with the opportunity to retain revenues generated from park fees, with donors dealing directly with the new authority. This has been proposed and endorsed at the Cabinet level and now needs Parliamentary approval. This measure will help alleviate the budgetary constraint the Parks Department has experienced in the past in pursuing wildlife conservation activities and will help preserve the wildlife resources currently available that are critical to the survival of community-based natural resources management schemes.

Another significant development is the changing attitude toward wildlife among communal peoples. For example, in Tsholotsho, where one of the USAID-funded community-based wildlife management project is located, the local community decided to move the southern most fence of the contiguous national park into its communal area allowing that area to serve as a conservation zone where wildlife preservation activities co-exist with thatching grass collection, with cattle grazing prohibited. Hence, the villagers' perception of wildlife has been transformed from that of a livestock raiding liability into an asset.

Finally, to combat the decline of the rhino population, a new strategy has been adopted by the Department of Parks. Instead of the de-horning exercise which proved unsuccessful, the

Department will establish Intensive Protection Zones (IPZ) within the national parks where endangered species will be translocated to. The wildlife inhabiting these IPZ's will be protected by a concentrated force of anti-poaching units with interdiction of poachers also involving the police in the contiguous communal lands and army at the national borders. Conserving these wildlife resources is critical to the success of community-based natural resources management schemes and the potential income to be generated from photographic safaris and tourism, in general.

Neither increased production or increased cash incomes will necessarily increase household food security in communal areas in Natural Regions IV and V unless foodgrain from outside the region is available for these net purchasers of grain at reasonable prices. Hence, Mission interventions will target **more marketed grain available, at lower cost, for rural households in communal areas of Natural Regions IV and V**. Until recently, processed foodgrain supply has been the monopoly responsibility of the Grain Marketing Board (GMB). First steps in the reform of the foodgrain marketing system have already occurred: GMB no longer has an official monopoly on foodgrain purchases and sales and subsidies for industrial milling of GMB maize stocks were eliminated in June of this year. With additional reforms, opportunities for commercial trade in foodgrain should be opened to private firms. Analyses indicate that inter-regional trade will grow, costs of transport and processing will decline, average processing rates will rise and greater volumes of foodgrains will be available for consumption at lower prices in deficit areas.

The Mission will continue to address the challenge of inadequate market access to food resources by focusing on liberalization of grain marketing policies and encouraging greater indigenous participation in grain marketing activities, as both a source of income and a means to encourage development of more competitive grain markets. It is in this latter area that very significant impact has already been documented. The Program goal of the Grain Marketing Reform Support Program is the improvement of rural consumer welfare through support of a GOZ initiative to move grain marketing towards a competitive, efficient system by reducing market controls and allowing more broad-based participation in the grain marketing system.

As a result of USAID-funded research during the 1989-1991 marketing years, the extent to which rural deficit households are dependent upon expensive commercially milled maize meal due to the unavailability of maize grain was documented. The USAID program has made notable progress in promoting the development of a lower-cost competitive private grain trade. Analyses indicate that such developments, will, in turn make grain more available and affordable to deficit rural consumers and low-income urban consumers through increased marketing efficiency, thereby achieving improvement in household food security. Also, the reform of the Grain Marketing Board's single-channel marketing system is expected to increase rural incomes as rural-based entrepreneurs are legally permitted to engage in grain marketing activities and the demand for locally milled maize meal expands.

Building on the relationship with the Ministry of Agriculture and the GMB developed

through earlier agriculture projects and intensive policy dialogue in coordination with other donors, significant policy reforms have been taken by the GMB regarding grain marketing liberalization. These included the establishment of an autonomous Board of Directors at the GMB, permitting the sale of grain from GMB depots to any buyer at whatever quantity is demanded greater than one bag, and allowing the resale of grain through any channel in Natural Regions IV and V, without paying any portion of the revenues back to the GMB. Moreover, Government formally allowed grain to be sold at selected GMB collection points and/or other non-depot distribution point to any buyer. All this was achieved in the 1991/92 season, despite or possibly because of the need to import and distribute 2.4 million tons of grain.

A further step toward the deregulation of all crop marketing was taken on June 1 when the subsidy on roller meal of Z$ 562/ton was removed, causing an initial rise of 50% in the retail price of commercially milled maize. Building on the past success in liberalization of maize movement, especially in Natural Regions IV and V, the Cabinet approved the redefinition of buyers from the Grain Marketing Board. This redefinition was announced in the July 1993 Agricultural Policy Statement by the-Minister of Lands, Agriculture and Water Development. This effectively deregulated maize prices and trade throughout most areas of the country while maintaining floor (Z$ 900/ton for white maize) and ceiling prices through the GMB's continuing role as residual buyer of grain. GMB was to remain the sole seller of maize to Zone A firms, comprised of the four large commercial millers. These actions, combined with the removal of the subsidy to the large commercial millers on June 1, 1993 removed the artificial incentive to purchase commercially milled roller meal and help induce consumers to purchase the more nutritious and less refined straight run meal which now enjoys a cost advantage over the more refined roller meal. Importantly, less than six months later, significant impact is being demonstrated in the development of a vibrant black small hammermill industry. Hence, GOZ marketing reforms have increased competition in the marketing system and provided a lower cost whole meal option to economically strapped consumers, thereby averting political unrest from removal of a large (Z$ 562/ton) subsidy.

USAID has helped in the development by the GOZ of an overall maize marketing liberalization plan. The medium-term strategy, which is currently under review for Cabinet approval lays out a three phase plan for a comprehensive GOZ reform program which will move the GMB to operate as a commercial entity in competition with other marketing channels.

GOZ maize marketing policy reforms to date indicate a strong GOZ commitment. In order to further the reform process, fill a critical analytical capacity constraint with the GOZ and private sector and inform the politically sensitive reform process, the Grain Marketing Reform Research Project will be utilized.

The impact we anticipate from these reforms is more marketed grain available, at lower cost for households in communal areas of Natural Regions IV and V. In order to measure this impact, the Mission has developed a series of monitoring and assessment instruments to

measure people level impact of grain policy reforms.

At the target level, more marketed grain at lower cost for rural households will be measured through: monitoring retail market prices of foodgrain and processed foodgrains; volumes of foodgrain marketed through private channels; and volumes of foodgrain processed by selected hammermill operators in Natural Regions IV and V. The assessment of grain milling, trading and household grain consumption in communal areas of Natural Regions IV and V is to be conducted from September 1993 through April 1994 by rural household surveys. While the first phase of the research, from September through December 1993, will focus on grain trade and market prices, the second phase, from January through April 1994 will analyze household food grain consumption patterns. Supporting this future research and informing the policy dialogue have been two important analyses -- first, an analysis of consumer preference and the impact of grain market reforms on the maize milling industry. Second, is an assessment of the effects of the liberalization of maize and the maize marketing system and follow-up policy initiatives. This analysis includes examination of the role of small-scale millers in maize meal processing and marketing and identification of legislative measures to be instituted to facilitate and formalize the maize and maize meal marketing system. One area deserving of future attention is the tracking of the food security of the recipients of supplemental feeding under GOZ schemes and tracking the progress of this most vulnerable group of 700,000 in the hopes of removing them from the food rolls.

STRATEGIC OBJECTIVE II: Increased Black Ownership and Investment at All Levels of Zimbabwe's Economy

The economy of Zimbabwe is characterized by high levels of concentration, an uncompetitive and insular private sector dominated by whites and an unacceptably large role of the Government in the productive sector. Government ownership of productive assets, combined with regulatory control over the economy have stifled private sector investment and growth and perpetuated the inequitable access to economic assets inherited at independence. Increasing black ownership and investment have become both economic and political imperatives, and are critical not only in their impact on the indigenous population, but will be decisive in the creation of a more hospitable Government environment for non-racial private investment necessary for growth. The proposed strategy will target the economically disempowered majority using project interventions that will address the need for investment at all levels of the economy, not just among the black elite. The ingredients for increased black Zimbabwean ownership and investment include: access to efficient infrastructure (transport, telecommunications, energy, water) to facilitate business transactions; a conducive policy and regulatory environment, human and technological resources; and access to capital.

The Mission plans to measure impact for this strategic objective by the growth in home ownership among blacks as well as business ownership by blacks. This data will be disaggregated by gender. Baseline data is being developed as part of the Private Sector Housing Program and a GEMINI survey of small and medium-scale enterprises, whose results should be available by early 1994.

Blacks need to be afforded **increased access to efficient infrastructure that will reduce the transactions cost of trade and production** and enables them to compete domestically and internationally. Initially, the Mission will target restructuring efforts toward existing parastatals in the rail transport and telecommunications sectors, where there are opportunities for effecting both increased efficiencies and broadened ownership. Rail transport cost per ton/kilometer, telephone density among blacks, average telephone completion rates in black communities and number of black-owned businesses with telephones will be used to measure improved black access to efficient transport and telecommunications services. Utilizing the Regional Telecommunications Restructuring Project, the National Railways of Zimbabwe Project and Regional Railways Restructuring Project, the Mission will highlight potential privatization of non-core services (including telephone directories, billing, equipment sales and service for telecommunications; and maintenance, catering, laundry, hotel and road haulage for rail transport) to black-owned firms, and increasingly rely on black-owned firms to supply and sub-contract to these industries. We will use the Zimbabwe Manpower Development II Project (ZIMMAN II), the International Executive Service Corps and a new Black Equity Development Project to help introduce employee stock ownership plans in these industries and to introduce alternative equity ownership methods (including stocks and mutual funds) in target sectors to access small investors. Concurrently, we will introduce GOZ policy makers to the advantages and techniques to advance sub-contracting, privatization and alternative equity ownership methods. This year alone, 22 people from both the National Railways and other Government policy makers were introduced to the advantages and technical aspects of privatization.

Specifically with regard to railway services, significant progress is being recorded in moving the industry toward commercialization/privatization, and broadened ownership in order to effect operational efficiencies. In part, this is because the Ministry of Transport endorses this as its flagship restructuring. Road motor services, previously controlled by the National Railways of Zimbabwe (NRZ), are being operated autonomously as the first step toward privatization, guard services for the Railways have been contracted out to private organizations, most catering outlets throughout the system have been leased out to private operators and maintenance of NRZ properties has been sub-contracted to local firms. Very significantly, new legislation has been gazetted permitting the railways to sub-contract out for services.

During the next year, USAID efforts will support the continued rationalization of NRZ's staff and equipment and commercialization of its operations. Union leadership, previously the bottleneck in the proposed process of retrenchment of redundant employees, will be sent to the United States for exposure to efficient railway operations.

In addition to the need for access to efficient infrastructure, an **improved policy and regulatory environment must be created** that facilitates blacks' participation in the economy. The Mission has decided to focus its efforts on the sectors where we have cross-cutting, reinforcing program relations -- transportation, telecommunications, housing, grain marketing, sorghum and millet production, and natural resources management. Using the

Grain Marketing Program and its ancillary Grain Marketing Research Project, we will work toward facilitating the licensing of more black private grain marketers and traders. Although, as noted under the first strategic objective and target related to grain marketing, significant liberalization has occurred in grain marketing, the establishment of policies to actively promote blacks' entry into this sector has not yet occurred. We will also measure impact at the household level by monitoring the number of serviced plots made available for low income households each year, looking toward the decline in the average real cost of a minimum newly constructed unit by nearly 50% from Z$ 18,000 in 1992 to Z$ 9,600 in 1998, while increasing the availability of construction and building materials by liberalizing importation of these commodities. In addition, we will measure land registration coverage, the portion of urban areas covered by land registration systems, which relates to the critical policy issue of land tenure and the availability of surveyors in country.

The particular areas targeted in the policy/regulatory reform arena are increased competition in capital intermediation, reduced monopolistic practices and local and national government deregulation. We will be focusing on deregulation of interest rates impacting housing finance (most other interest rates have already been liberalized), achieving real interest rates for low-income housing finance (for other than low-income shelter, positive interest rates have now been evidenced) and increasing the number and type of institution providing mortgage finance. Since 1992, the number of institutions extending this long-term finance has increased from 3 to 5 institutions. The Mission will measure the growth in the number of blacks owning unit trusts, mutual funds and other small equity investments. Through the Zimbabwe Black Equity Development Project, the Mission plans to reduce the incidence of restrictive business practices (e.g., price fixing, collusion, interlocking directorates), targeting the six sectors mentioned above. Impact will be measured by the reduction in the number of GOZ parastatals in these sectors acquired in whole or in part by blacks, the reduction in the four-firm concentration ratios in these sectors and black business ownership in whole or part among the largest four firms in the target sectors.

During 1993, very consequential changes were recorded in local regulations governing housing and building standards. As a result of two years of intense policy dialogue, subsequently incorporated into the conditionality for the Private Sector Housing Program, the GOZ reduced the minimum plot size for low-income housing from 300 sq. meters to 150 sq. meters, reduced the standard of a minimum house from a four-room core to a wet core and one room slab, reduced the residential access road standards from tarred surface to compacted gravel and reduced the minimum size of school sites by 15%. The impact of these changes is the reduction in the real cost of a low-income unit, which will be monitored over the life of the project. These regulatory changes to facilitate greater home ownership by blacks are important not only in their contribution to provision of the basic human need for shelter, but because of the role of housing equity to collateralize debt for business start-up and expansion. In addition, the home is often the first site for nascent enterprises. In addition to regulations relating to home ownership, the Mission will monitor the removal of regulatory and licensing impediments to new business creation through monitoring the amount of time required to register a business.

Although the human resource base for business is sufficiently educated in Zimbabwe, deficiencies exist among the public and private sector in being able to maximize opportunities for increased ownership of the economy by blacks. Most importantly, the **private sector must be equipped with the technical and management skills** to support a greater role in the economy. Utilizing the ZIMMAN II project, the Mission will focus on supporting the expansion of small and medium-scale enterprises, improving the managerial expertise of key decision-makers in existing large enterprises, strengthening the private sector's training capacity and enhancing the Government's understanding of the private sector. Business planning, managerial and technical expertise will be promoted among blacks, utilizing both training under the ZIMMAN II Project and technical assistance provided by the International Executive Service Corps (IESC). The extension of a grant to the IESC which cross-subsidizes the cost of technical assistance provided to small businesses will complement the training provide under the ZIMMAN II Project. In addition, the Government and the private sector will be introduced to the advantages and technical aspects of techniques to broaden ownership of productive assets, including the use of employee stock ownership plans, mutual funds, and sub-contracting. We will measure the number of black company officers in target sectors and the number of blacks introduced to new legal, strategic, managerial and operational skills relevant to their businesses that remain in business for a minimum 2 years.

Another major impediment to entry by blacks into the ownership class is their limited **access to capital** to finance business start-up and expansion. As a result of an overly restrictive regulatory environment, the financial sector in Zimbabwe remains segmented, contributing to the high costs of financial intermediation, a slow responsiveness of the financial system to service demand and the rationing of credit through the GOZ's exercise of interest rate controls. The present credit allocation system is skewed toward servicing existing clients with both a credit history and access to collateral, thereby discriminating against emergent black businesses. In addition, GOZ determination of interest rates has biased depositors toward Government controlled institutions, prompting a significant withdrawal of funds from commercial credit institutions, notably building societies which provide mortgage finance. With the general liberalization of the economy under ESAP, and national and local government deregulation, financial sector reforms are required to complement productive sector reforms and ensure that as barriers to entry are removed, emergent black businesses are not constrained by lack of access to credit. The impact of the Mission program, as facilitated by the implementation of the Private Sector Housing Program and the Black Equity Development Project, will be measured by the number of loans made by the formal sector to blacks and the number of mortgages granted to low-income households. Using the ZIMMAN II project, improved access to capital can be promoted through the introduction of cash flow evaluation techniques to banking managers to assess new credits, thereby reducing the importance of collateral in obtaining financing. Under the Private Sector Housing Program, we are currently evaluating the inclusion of housing cooperatives as loan recipients. Extension of the experience gained in working with cooperatives in the housing sector could be extended into other areas of the financial sector.

STRATEGIC OBJECTIVE III: Sustainable Decrease in Fertility

Zimbabwe's population grew by 3.1% annually between 1982 and 1992. At this rate, the population will double in 22 years, diminishing the prospect of substantive increases in per capita incomes, food, jobs and growth. A sustainable reduction in the fertility rate would help achieve a lower population growth rate, and concurrently, contribute to improved health among women and children. Fortunately, Zimbabwe has achieved many of the enabling factors associated with fertility rate reduction -- school enrollment is relatively high, infant and child mortality rates relatively low, with urbanization rates and the proportion of workers in non-agricultural sectors increasing. Despite these factors and the country's high and increasing contraceptive prevalence -- 38% and 43% in 1984 and 1988, respectively -- the fertility rate remains a high 5.5 children per woman, largely due to the overwhelming reliance on less effective recurrent methods of contraception, principally oral contraceptives.

In order to assure that the high contraceptive prevalence in Zimbabwe leads to fertility reduction and the long-term viability of the family planning program is not undermined by high recurrent costs, the Mission is pursuing a four-prong strategy aimed at: (1) increased contraceptive use; (2) better contraceptive use; (3) increased private sector support for family planning; and (4) more sustainable financing of public sector family planning service delivery.

We will measure the impact of these interventions by using Demographic Health Survey data to monitor the total fertility rate (TFR) both nationally and for the rural population, which traditionally has recorded higher birth rates. We plan to build on past success in reducing the national TFR from 6.5 in 1984 to 5.5 in 1988 to 4.9 by 1998. For the rural population, a reduction from 6.2 in 1988 to 5.8 by 1998 is anticipated. We believe that with the proposed targeted interventions, this is possible, given that Zimbabwe has already earned the reputation of having the most successful family planning program in Africa. Contraceptive knowledge is nearly universal with 96% of all women in 1988 reporting that they had heard of a minimum of one method of contraception. A follow-up DHS will be conducted in 1994 and again in 1998, providing us data not only on contraceptive prevalence and fertility rates, but utilization rates of varying methods of contraception.

Increased contraceptive use will be promoted through increased availability of a more diversified method mix, with USAID funding utilized for technical assistance, training, commodities and strengthening of the Zimbabwe National Family Planning Council (ZNFPC) in its ability to counsel in and provide longer-acting methods and to train Ministry of Health (MOH) nurses working in integrated family planning/maternal child health facilities. Zimbabwe has showed continued progress in increasing its contraceptive prevalence rate (CPR), from 38% to 43% between 1984 and 1988. Similarly, use of modern contraceptive methods have increased from 27% to 36% among Zimbabwean women of reproductive age

in union[2]. Zimbabwe's modern method contraceptive prevalence rate is three times the average for East Africa and comparable to that of Morocco and Turkey. Planned program interventions will help to contribute to the increase in the all methods CPR to 50% and modern methods CPR to 48% by 1998. While modern method prevalence is much higher in urban areas (48.8%) than in rural areas, almost one third (30.8%) of rural women are using modern methods. This high utilization of modern contraceptive methods in rural areas can be credited to Zimbabwe's success in building a strong rural outreach program through community-based distributors.

One significant occurrence this past year is the expansion of the "male motivation" campaign to increase the acceptance of family planning responsibilities by males. Started in 1987, this year's much expanded program included a high profile campaign spearheaded by Zimbabwe's much adored soccer team, its "dream team", and publicly supported by GOZ leaders, the U.S. Ambassador, USAID Director and Deputy Director (all males!).

In addition to monitoring CPR -- both all methods and modern methods -- the Mission will measure the use of longer-acting methods (sterilization, IUD's, Norplant and injectables) and other modern methods (oral contraceptives, condoms and vaginal methods). A survey just completed by SEATS/FPLM based on 8 sentinel sites provides the Mission with its 1992 baseline data. Broadening the method mix available and increasing knowledge of and access to longer-acting methods responds to the recognition that no single method meets the needs of all contracepting couples. The promotion of longer-acting methods recognizes the cost implications of serving a growing population of acceptors to even maintain contraceptive prevalence rates.

The Mission will promote **better contraceptive use** to help respond to the "population paradox" in Zimbabwe wherein high contraceptive prevalence rates have not resulted in the anticipated decline in fertility rates. Given the problems associated with non-compliance with the use of oral contraceptives (oral contraceptives account for 86% of modern method use) and condoms and the unmet need to promote longer-acting methods among contraceptors, especially among those who wish no more children, the Mission will target use of longer-acting methods. Another problem relates to the high prevalence of progestin-only pill -- currently comprising 50% of oral contraceptives used in country. While the progestin-only pill should be used by breastfeeding women, it provides less protection from pregnancy than the combined pill should one or two pills be missed. The Mission will monitor use of longer-acting methods as a percentage of total modern methods CPR from a recorded 3.9% in 1988 to a projected 12% in 1998. Use of longer-acting methods among limiters should increase from 17.6% in 1988 to 25% in 1998, while the percentage of breastfeeding women using the wrong oral contraceptive formulation should decline from 16% to 10%.

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[2] Preliminary results from the first sentinel survey of the family planning program indicated that the modern method CPR had increased to 42.1% by the end of 1992.

Program interventions should particularly impact "high risk" women, those women "too young / (children) too close / too old / or with too many" children. Progress has already been recorded in increasing modern contraceptive practice among these high risk women. From 1984 to 1988, modern contraceptive use among those too young or with children too closely spaced increased from 33.8% to 44.9% and hopefully by 1998 will increase to 50%. Among women too old or with too many children, contraceptive use increased from 23.8% (1984) to 30.1% (1988); planned interventions should increase this rate to 35% by 1998. During this last year, significant progress was made in expanding the method mix available in Zimbabwe. The first group of community-based distributors was re-trained to better counsel and refer clients for long-term methods, while training in sterilization methods and counselling continued. Year-end statistics reflect a 30% increase in laparotomies since the USAID project began. USAID-funded Norplant trials were met by an overwhelming pool of volunteer participants and the Mission is funding the training of private sector physicians in Norplant insertion techniques. Further, the ban on Depo-Provera, previously proscribed in Zimbabwe because it was a perceived by the post-independence Government as a means used by the previous colonial regime to control the black population, has been removed. This contraceptive technique holds great promise given the longer-acting nature of the treatment, a relative low cost of the technique. UNFPA has committed to bring in a supply of these injectables to Zimbabwe. The Mission will continue to promote those long-term and permanent methods that are both culturally acceptable and financially sustainable.

In addition to the challenge of providing a growing population of users with more and better contraceptive choices, and improving service quality, the family planning program must become more efficient, less donor dependent and more financially sustainable. Hence, the third prong of the strategy is the involvement of the private sector, whose role in the future delivery of family planning services in Zimbabwe is critical to the sustainability of the program and the reproductive health of the nation. In order to **increase the participation of the private sector in family planning service delivery** and reverse the experience of the past decade where the costs of the family planning program were borne completely by the public sector and the donor community, USAID will encourage an expanded role by private physicians and nurses, private clinics, hospitals and pharmacies to reduce the burden on the public sector.

The actual dimensions of the commercial market for contraceptive services and supplies remain unclear. We do know that 4% of the users of contraceptive users in 1988 were serviced by the private sector. This will again be measured in 1994 and 1998 as part of the Demographic Health Survey. The Mission's interventions are intended to increase this rate from 4% to 10%. In order to assess the potential of this market, a survey of insurers and the private sector will be conducted in 1994 as a baseline measure of private sector payments for family planning. Although social marketing in Zimbabwe has met limited success to date, this in large part can be attributed to the availability of free or heavily subsidized contraceptives in country. However, during this past year, the removal of tariffs on imported contraceptives, as well as placing contraceptives on the OGIL (eliminating the need for an import license to import contraceptives) has evidenced an increased availability of

contraceptive supplies and a decline in their retail price in private retail outlets. (The price of one brand of oral contraceptives declined more than 60% from Z$ 39 per cycle to Z$ 15 per cycle.) Another significant outcome of continuing policy dialogue in this sector is the removal of the requirement by pharmacies for a prescription for oral contraceptives; instead, disbursement is at the pharmacist's discretion. In addition to the direct involvement of the private sector in the provision of family planning services, the Mission plans to promote financial support for family planning through insurance plans or cost reimbursement by employers.

Finally, **more sustainable financing of public sector family planning service delivery** hinges on the increased ability of the Zimbabwe National Family Planing Council to recover program costs, make decisions based on sound cost analyses and efficiently program and distribute contraceptives. The GOZ commitment to family planning is a matter of record. Government revenues covered 75% of the public sector program and over 50% of the ZNFPC program costs between 1984 and 1992. Last year, the GOZ began to assume part of the costs of purchasing oral contraceptives, increasing from 0% in 1992 to 21% in 1993. (Its contract was with the U.S. firm, Wyeth-Ayerth, to procure 1.8 million cycles.) Under the planned program interventions, the GOZ will assume the total cost for orals by 1996.

One development impacting the financing the public sector family planning service delivery is the GOZ's revised guideline on payment for health services to mandate free services for all rural residents and urban residents with monthly incomes below Z$ 400. This has the effect of limiting to 20% the number of households from whom costs can be recovered. The Mission will continue to monitor progress on ensuring the sustainability of the public sector family planning program by measuring GOZ support for the ZNFPC (this is to remain at a minimum of .9% of the GOZ budget -- it was .95% in 1993), examining ZNFPC cost recovery, its rural service delivery cost per CYP and urban service delivery cost. Baseline data for these last three indicators will be provided in 1994 as part of a cost effectiveness study now being designed.

TARGET OF OPPORTUNITY: Decreased HIV High Risk Behavior by Selected Occupational Groups

AIDS in Zimbabwe is already of epidemic proportions, and will increasingly have measurable effects on population growth rates, employment, the structure of the labor force and the welfare of individual households nationwide. Given the size of the pandemic approaching 1 million HIV sero-positive people, and the compelling human and economic consequences, the Mission has designated AIDS as a target of opportunity. Based on sentinel surveillance data among STD patients and antenatal women, it appears that HIV prevalence is highest in small towns along major transport routes, in the main urban areas, in rural areas near transport arteries, in mining areas or on military bases. In fact, AIDS in the greatest cause of death among infants in urban areas. Based on these data, and the interventions of other donors and NGO's, the Mission is focusing on decreased HIV high risk behavior by selected occupational groups and will work to strengthen service delivery for reducing the

spread of HIV and other STD's among target groups. Anticipated initiatives under a newly authorized AIDS Prevention and Control Project will include workplace interventions for those at high risk and those in the productive sector including the military and armed forces, prostitutes, the transport sector, agricultural worker, and teachers and students at tertiary institutions. The workplace was chosen as an effective forum to reach large number of people and to demonstrate impact easily. Complementing specific workplace interventions, the Mission will utilize such facilitation mechanisms as policy dialogue on employment policies for those with AIDS and media training.

Indicators of progress toward the target of opportunity are condom use in most recent sexual intercourse of risk (outside of a stable relationship) and number of sexual partners the previous month. This data will be collected using Knowledge, Attitude and Practice Studies. Although the Mission is just initiating a new bilateral AIDS project, since 1987, USAID/Zimbabwe has funded $8.4 million for AIDS initiatives through multiple centrally-funded interventions.

Prompted by these interventions and the policy dialogue relating to HIV/AIDS, the GOZ began screening blood for HIV in 1985, followed by the establishment of an AIDS Advisory Committee of health personnel in 1986, the drafting of medium-term plan for AIDS for the 1988-1993 period and the establishment of the National AIDS Control Program in 1988. Since that time, provincial AIDS committees have been established, various care organizations and service organizations for AIDS patients have been established and a senior intersectoral policy body has been formed. Finally, later this year, the Second Medium Term Plan for the Prevention and Control of AIDS will be prepared.

In one example of an AID-funded intervention, community-based peer educators in selected urban areas were trained to educate commercial sex workers (prostitutes) and their clients in bars and hotels to reduce the sexual transmission of HIV by behavioral change and safe sex practices. Significant impact has been achieved in increasing the knowledge of HIV among these groups and in effecting behavioral change -- one survey confirmed an increase from 18% to 80% in condom use among clients of prostitutes over a 3 year period. In addition to strengthening the capacity of various drama and theater groups to be effective in presenting HIV/AIDS/STD information to a variety of local target groups around the country, USAID has funded the physical expansion of the Harare and Bulawayo Blood Transfusion Services to expand their capacity to conduct HIV/AIDS testing and has provided equipment and reagent supplies for HIV testing. Two thirds of the 5 million condoms shipped to Zimbabwe in 1989 by USAID have been used for AIDS and STD prevention.

In addition to funding the training of laboratory technicians in HIV testing and health care providers in AIDS prevention techniques, using baseline sociological surveys, HIV/AIDS messages were developed for booklets, stickers etc. facilitating a continuing AIDS awareness campaign by the National AIDS Coordination Program. Finally, an USAID-funded education program among commercial farm workers accompanied by condom distribution has helped to increase awareness among this high risk group and help decrease transmission of

HIV/AIDS among farm workers.

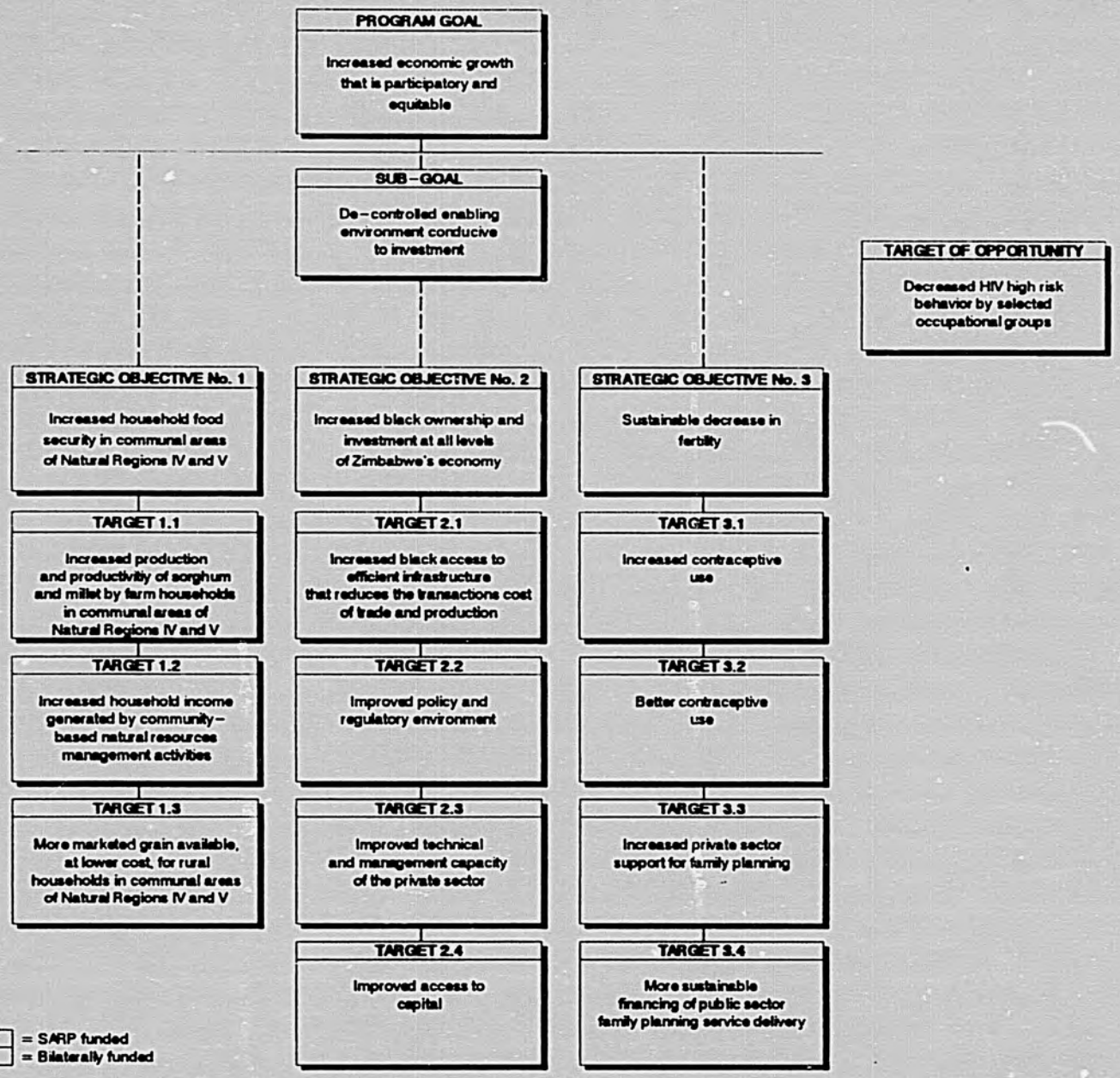
A very significant attitudinal change has been demonstrated on the part of the GOZ. While public discussion of HIV/AIDS was all but banned in 1988, recognition of the illness and the negative impact of this disease have been publicly pronounced; in fact, the Vice President is a very outspoken spokesperson for the prevention of HIV/AIDS among Zimbabweans. As a result of continued openness about this pandemic, STD and HIV counselling are being integrated into family planning counselling.

We will continue to monitor the impact of the specific interventions included as part of our new bilateral program and will share the lessons learned about appropriate interventions among specific high risk groups.

SECTION IV
OTHER PROGRESS IN PRIORITY AREAS

Discussion of progress in priority areas has been discussed in Sections I-III.

USAID/ZIMBABWE PROGRAM OBJECTIVE TREE



181

USAID/Zimbabwe
Program Impact Indicators

Objective	Indicator Description	Unit	Baseline Year	Baseline Value	Actual 1991	Actual 1992	Planned 1993	Planned 1994	Planned 1995	Planned 1996	Source
Goal:											
Increased economic growth that is participatory and equitable	GDP per capita (Z$ in constant 1980 dollars)	Z$	1980's 1992	450 400	397	409	418	426	436	445	IBRD World Dev. Indicators
	GDP annual growth rate	%	1980's	4 avg	2 (prelim)	6	5	5	5	5	CSO, IBRD, IMF
	Value of merchandise exports/GDP	%	1990	26.2	26.2	34.6	37.4	37.6	38.5	38.9	CSO, Reserve Bank of Zimbabwe
	More equitable distribution of income (Gini coefficient)	Gini	1992	0 [XX]						0.35	Income, Consumption and Expenditure Surveys, CSO
Strategic Objective No. 1:											
Increased household food security in communal areas of Natural Regions IV and V. (Note: will measure communal areas falling predominantly within Natural Regions IV and V)	Average household foodgrain availability (kg/household/year)	kg	1993	884.03	884.03					[X]	FEWS Survey; Grain Marketing Board (GMB)
	Own production retained for household consumption (kg/hh/yr)	kg	1993	533.36 (60% of prodctn)	533.36 (60% of prodctn)					[X]	Probe Rural Household Survey
	Estimated actual foodgrain/meal purchases (kg/hh/yr)	kg	1993	319.14	319.14					[X]	Probe Rural Household Survey
Target No. 1.1											
Increased production and productivity of sorghum and millet by farm households in communal areas of Natural Regions IV and V.	Total hectares planted to sorghum and millet in communal areas of Natural Regions IV and V	ha ha	1988-90 1988-90	137,100 sorghum; 159,600 pearl millet	121,050 sorgh; 144,000 pearl millet					168,000 sorgh; 195,000 pearl millet	ICRISAT/MLAWD Second Crop Ferecast for Zimbabwe
	Total production of sorghum and millet in communal areas of Natural Regions IV and V	mts mts	1988-90 1988-90	87,100 sorghum; 113,800 pearl millet	60,525 sorgh; 50,400 pearl millet					110,000 sorgh; 120,000 pearl millet	ICRISAT/MLAWD Second Crop Forecast for Zimbabwe
	Area planted to improved varieties of sorghum and pearl millet	ha	1988-90	Nil	6,000 sorgh; 7,000 pearl millet					38,000 sorgh; 43,000 pearl millet	ICRISAT/MLAWD Second Crop Forecast for Zimbabwe
	Sorghum and pearl millet yields per hectare	kg/ha	1988-90	635 sorg; 700 pearl millet	500 sorg 350 prl millet					560 sorg 300 prl millet	ICRISAT/MLAWD Second Crop Forecast for Zimbabwe
	Production cost per unit output (productivity) of sorghum and pearl millet	Z$/ton	1988-90	TBD						20% less	ICRISAT/MLAWD Second Crop Forecast for Zimbabwe

780

USAID/Zimbabwe
Program Impact Indicators

	Indicator		Baseline		Actual			Planned				
Objective	Description	Unit	Year	Value	1992	1993	1994	1995	1996	1997	1998	Source
Target No. 1.2												
Increased household income generated by community-based natural resources management activities.	Average household cash income from participation in community-based natural resource management activities (Z$ per household)	Z$	1989	200	95						[X]	CAMPFIRE and CASS surveys
	Number of households actively participating in community-based natural resource management activities	No.	1989	8,683	50,955						[X]	CAMPFIRE Association
Target No. 1.3:												
More marketed grain available, at lower cost, for rural households in communal areas areas of Natural Regions IV and V.	Retail market prices of foodgrains and processed foodgrains in selected markets of communal areas of Natural Regions IV and V (per 15 kg) – maize grain – roller meal	Z$	1993	18.27 18.41	18.27 18.41						[X]	National Early Warning System
	Volumes of foodgrain marketed through private channels as compared to GMB channels at the national level	tons	1993	[X]							[X]	Probe Rural Household Survey
	Volumes of foodgrains processed by selected hammermill operators in communal areas of Natural Regions IV and V	tons	1993	[X]							[X]	Probe Rural Household Survey
Sub-Goal:												
De-controlled enabling environment conducive to investment.	Private investment as a % of GDP	%	1990	15.6	18.8	17.8	18.5	19.5	21.5	25.0		Central Statistics Office; IMF; IBRD
	Private domestic investment in U.S. dollar terms	US$ mil	1993	1,109	1,109	1,121	1,257	1,409	1,500	1,600		Central Statistics Office; IMF
	Net direct foreign investment	US$ mil	1993	5	5	38	44	57	67	80		Central Statistics Office; IMF
	Black employment	No.	1994	[X]							[X]	GEMINI follow-up survey

788

USAID/Zimbabwe
Program Impact Indicators

Objective	Indicator Description	Unit	Baseline Year	Baseline Value	Actual 1991	Actual 1992	Actual 1993	Planned 1994	Planned 1995	Planned 1996	Source
Strategic Objective No. 2:											
Increased black ownership and investment at all levels of Zimbabwe's economy.	% of total homes owned by blacks	%	1992	[X]						[X]	Private Sector Housing Program, MPCNH; 1992 Census
	% of total homes owned by black women	%	1992	[X]						[X]	1992 Census Data; Follow-up survey
	% of total businesses owned by blacks	%	1994	[X]						[X]	GEMINI follow-up survey
	% of total businesses owned by black women	%	1994	[X]						[X]	GEMINI follow-up survey
Target No. 2.1											
Increased black access to efficient infrastructure that reduces the transactions cost of trade and production.	Average rail transport cost per ton/km (in constant 1989 Z$)	Z$	1991	.048	.048					[X]	NRZ Reports; Railway Restructuring Project
	Telephone density among blacks (telephones per hundred persons)	No.	1994	[X]						[X]	GEMINI follow-up survey
	Average telephone completion rate (domestic calls) in black communities	%	1993	30%	30%					[X]	PTC
	Number of black-owned businesses with telephones	No.	1994	[X]						[X]	GEMINI follow-up survey
Sub-Target No. 2.1.1:											
Privatization of public enterprises to blacks.	Privatization of non-core telecommunications services to black-owned firms	Y/N	1993	N	N					Y	PTC (Note; Non-core businesses include directories, billing, equipment sales, maintenance)
	Privatization of non-core railway services to black-owned firms	Y/N	1990	N	N					Y	NRZ; Railway Restructuring Proj. (Note: Non-core business include maintenance, catering, laundry, hotels, road haulage)
	Volume of telecommunications business sub-contracted to blacks or supplied by black-owned firms	Z$	1993	0	0					[X]	PTC; special telecommunications survey
	Volume of railroad business sub-contracted to blacks or supplied by black-owned firms	Z$	1990	0	0					[X]	Railway Restructuring Project

984

USAID/Zimbabwe
Program Impact Indicators

Objective	Indicator	Unit	Baseline Year	Baseline Value	Actual 1993	1994	1995	Planned 1996	1997	1998	Source
Sub–Target No. 2.1.2:											
Introduction of methods to broaden black ownership.	Introduction of Employee Stock Ownership Plans (ESOP's) in target sectors	No.	1993	0	0					Avail.	Black Equity Development Project documentation
	Introduction of alternative equity ownership methods (e.g., stocks, mutual funds) in target sectors to access small investors	No.	1993	0	0					Avail.	Black Equity Development Project documentation
	Number of GOZ policy makers introduced to advantages of sub–contracting, privatization and alternative equity ownership methods in target sectors	No.	1990	0	22					[X]	ZIMMAN II Project documentation; NRZ Project documentation
	Training in implementation to encourage Government promotion of equity ownership methods in target sectors	Y/N	1993	N	N					Y	Black Equity Development Project
Target No. 2.2:											
Improved policy and regulatory environment.	Policy(ies) in place to facilitate licensing of private grain marketers/traders	Y/N	1991	N	N					Y	Grain Marketing Research Project
	Policy(ies) in place to facilitate black private sector ownership/provision of railway services	Y/N	1991	N	Y					Y	National Railways of Zimbabwe
	Number of serviced plots for low income households (annually)	No.	1992	5,500						[X]	MPCNH
	Average real cost of a minimum unit (Z$) (newly constructed)	Z$	1992	18,000						9,600	MPCNH
	Number of construction/building materials on free import list	No.	1992	5	5					[X]	Private Sector Housing Program
	Land registration coverage (portion of urban areas covered by land registration system)	%	1994	[X]						[X]	Private Sector Housing Program
Sub–Target No. 2.2.1:											
Increased competition in capital intermediation.	Regulations governing building society deposit, interest and surplus fund rates are lifted	Y/N	1993	N	N					Y	Private Sector Housing Program
	Real interest rates for housing finance for low–income shelter	Y/N	1992	N	N					Y	Association of Building Societies
	Number and type of institutions providing mortgage finance	No.	1992	3	4 bldg socty; 1 mg bnk					[X]	Association of Building Societies; Registrar of Banks
	Number of blacks owning unit trusts, mutual funds and other small equity investments	No.	1994	[X]						[X]	Financial Sector Survey

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785

USAID/Zimbabwe
Program Impact Indicators

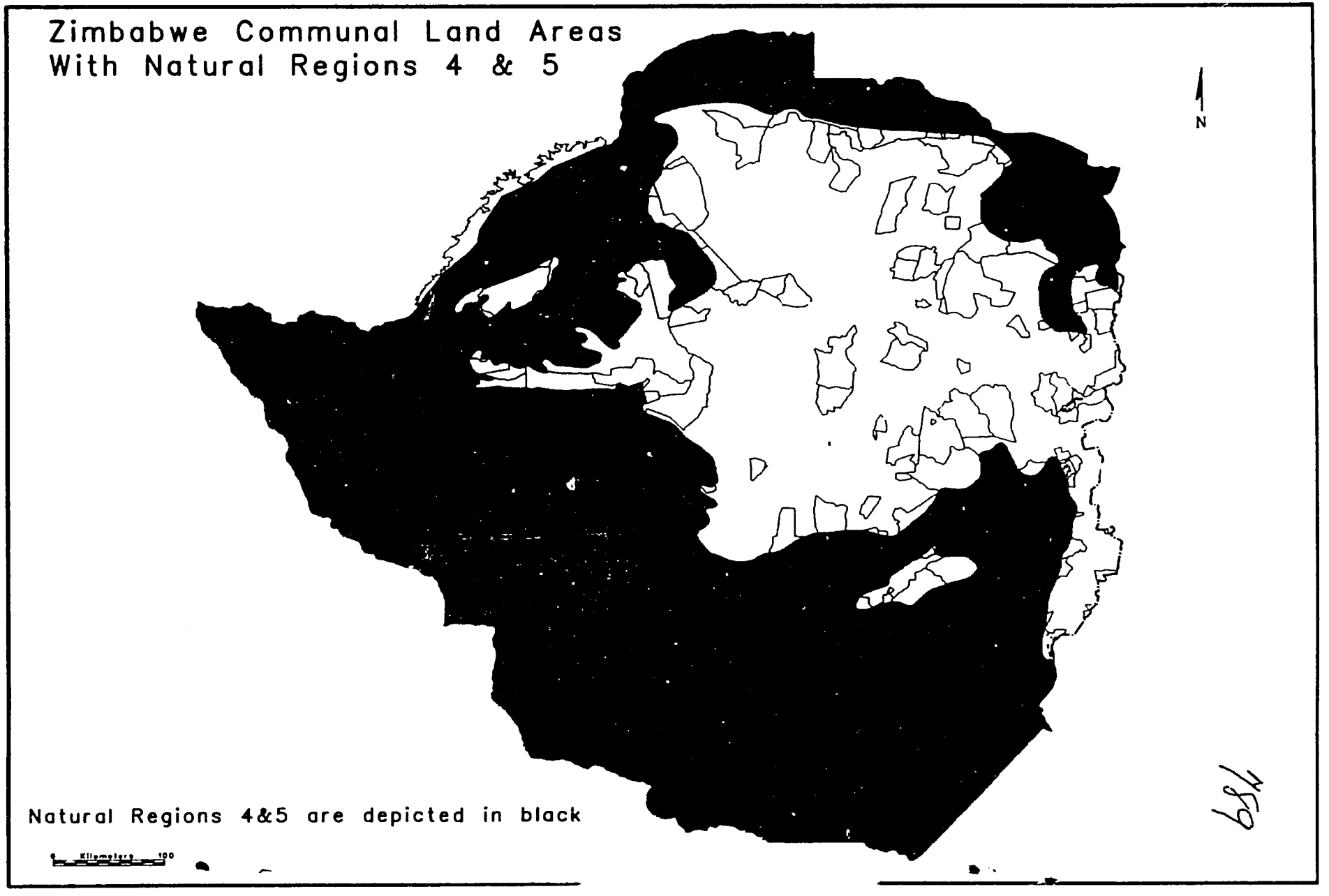
Objective	Indicator: Description	Unit	Baseline: Year	Baseline: Value	Actual: 1991	Actual: 1992	Actual: 1993	Planned: 1994	Planned: 1995	Planned: 1996	Source
Sub–Target 2.2.2:											
Reduced monopolistic (restrictive business) practices.	Number of GOZ parastatals in target sectors (housing; transport; telecommunications; grain marketing; natural resources management; sorghum and millet) acquired in whole or part by blacks	No.	1994	[X]						[X]	Survey of GOZ parastatals
	Four–firm concentration in target sectors (CR4)	%	1990	CR4 = 100%*						50	Monopolies Commission Report follow–up studies
	Black business ownership in whole or part among largest 4 firms in target sectors	No.	1994	[X]						[X]	Monopolies Commission Report follow–up studies
	*in cement mfg; rail transport; telecomm; grain marketing										
Sub–Target No. 2.2.3:											
Local and national government deregulation.	Minimum plot size (sq.m.)	sq.m.	1992	300	150					150	Private Sector Housing Program
	Minimum housing size (wet core & one room slab)	Y/N	1992	N	Y					Y	Private Sector Housing Program
	Off–site infrastructure costs are treated equally for public and private housing developments (public & private sector treated equally)	Y/N	1992	N	N					Y	Private Sector Housing Program
	Residential access road standards reduced from tarred surface to compacted gravel	Y/N	1992	N	Y					Y	Private Sector Housing Program
	Minimum size of school sites reduced by 15%	Y/N	1992	N	Y					Y	Private Sector Housing Program
	Standards for water and sewerage system reduced	Y/N	1992	N	N					Y	Private Sector Housing Program
	Reduced amount of time to register a business in target sectors	months	1994	[X]						[X]	Black Equity Development Project
Target No. 2.3:											
Improved technical and management capacity of the private sector.	Number of black company officers in target sectors	No.	1994	[X]						[X]	Manpower Survey
	Number of blacks introduced to new legal, strategic, managerial and operational skills relevant to their business remaining in business 2 years later	No.	1994	[X]						[X]	ZIMMAN II Project documentation

USAID/Zimbabwe
Program Impact Indicators

Objective	Indicator: Description	Unit	Baseline: Year	Baseline: Value	Actual: 1991	Actual: 1992	Actual: 1993	Planned: 1994	Planned: 1995	Planned: 1996	Source
Target No. 2.4:											
Improved access to capital.	Number of loans made by formal financial sector to blacks	No.	1994	[X]						[X]	Financial sector survey
	Number of mortgages granted to low-income households	No.	1992	[X]						[X]	Survey of banking institutions
Strategic Objective No. 3:											
Sustainable decrease in fertility.	Total Fertility Rate (TFR) – National	TFR	1984	6.5							
	– National	TFR	1988	5.5		5.3				4.9	Demographic Health Surveys
	– Rural	TFR	1984	N/A							
	– Rural	TFR	1988	6.2		6.0				5.8	Demographic Health Surveys
Target 3.1:											
Increased contraceptive use.	Use of contraception (CPR) – all methods	CPR	1984	38%							
			1988	43%						50%	Demographic Health Surveys
	– modern methods	CPR	1984	27%							
			1988	36%						48%	Demographic Health Surveys
	Annual use of longer-acting methods	CYP	1992	89,184 (prelim unwtd)						[X]	SEATS/FPLM Survey
	Annual use of other modern methods	CYP	1992	691,642 (prelim unwtd)						[X]	SEATS/FPLM Survey
Target 3.2:											
Better contraceptive use.	Use of longer-acting methods (% of total modern methods CPR)	%	1988	3.9						12	Demographic Health Surveys
	Use of longer-acting methods by those who wish no more children (% of limiters)	%	1988	17.6						25	Demographic Health Surveys
	Pill use by breastfeeding women (% of breastfeeding women using wrong OC formulation)	%	1988	16						10	Demographic Health Surveys
	Modern contraceptive practice by high risk women (% of high risk women)										
	– too young/too close	%	1984	33.8							
	– too young/too close	%	1988	44.9						50%	Demographic Health Surveys
	– too old/too many	%	1984	23.8							
	– too old/too many	%	1988	30.1						35%	Demographic Health Surveys

USAID/Zimbabwe
Program Impact Indicators

Objective	Indicator	Unit	Baseline Year	Baseline Value	Actual 1991	Actual 1992	Actual 1993	Planned 1994	Planned 1995	Planned 1996	Source
Target 3.3:											
Increased private sector support for family planning.	Service provision by the private sector (% of current users served by the p.s.)	%	1988	4						10	Demographic Health Surveys
	Private sector payments for family planning (expenditures by third party providers)	Z$	1994	[X]						[X]	Survey of insurers and private sector
	Annual service provision by the private sector (% of CYP by the p.s.)	%	1993	[X]						[X]	SEATS/FPLM Survey
Target 3.4:											
More sustainable financing of public sector family planning service delivery.	GOZ financing of oral contraceptives (% financed by GOZ)	%	1992	0	21			100		100	GOZ budget data
	GOZ support for ZNFPC (% of GOZ budget)	%	1992	0.9	0.95					0.9+	GOZ budget data
	ZNFPC cost recovery (% of ZNFPC operating budget)	%	1994	[X]						[X]	Cost effectiveness study
	ZNFPC rural service delivery cost (Cost per CYP)	Z$	1994	[X]						[X]	Cost effectiveness study
	ZNFPC urban service delivery cost (Cost per CYP)	Z$	1994	[X]						[X]	Cost effectiveness study
Target of Opportunity:											
Decreased HIV high risk behavior by selected occupational groups.	Condom use in most recent sexual intercourse of risk (% of respondents)	%	1994	[X]						[X]	Knowledge, Attitude and Practice (KAP) Studies
	Sexual partners the previous month	No.	1994	[X]						[X]	Knowledge, Attitude and Practice (KAP) Studies


Zimbabwe Communal Land Areas
With Natural Regions 4 & 5
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Natural Regions 4&5 are depicted in black
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