PD-ABN-308

ACTION PLAN

INITIATIVE

FOR

SOUTHERN AFRICA

(ISA)

FY 1996 - FY 1997

(RCSA)

JUNE 1995

REGIONAL CENTER FOR SOUTHERN AFRICA

AFRICA TABLE 1

Project Impact at the SO Levels

Scenario No:1	FY1995 (000)	FY1995 (000)	FY1995 (000)
Strategic Objective No1.	1,000	3,500	5,500
Strategic Objective No2.	40,300	24,500	25,750
Strategic Objective No3.	16,600	16,500	15,250
Strategic Objective No4.	27,100	15,250	13,500
Target of Opportunity	-	250	-
	85,000	60,000	60,000

Scenario No:2			
Strategic Objective No1.	1,000	3,500	4,000
Strategic Objective No2.	40,300	24,500	20,000
Strategic Objective No3.	16,600	16,500	11,000
Strategic Objective No4.	27,100	15,250	5,000
Target of Opportunity	-	250	-
	85,000	60,000	40,000

Scenario No:3			
Strategic Objective No1.	1,000	2,800	4,000
Strategic Objective No2.	40,300	21,250	20,000
Strategic Objective No3.	16,600	10,700	11,000
Strategic Objective No4.	27,100	5,000	5,000
Target of Opportunity	-	250	-
	85,000	40,000	40,000

B

Regional Center For Southern Africa

AFR Table 2 New Partnership Initiative

		FY 1995		FY 1996		FY 1997		IMPLEMENTING AGENT
		$ (000.000)	%	$ (000.000)	%	$ (000.000)	%	
	FUNDING LEVEL PER SO							
SO 1	Strengthen democratic institutions and processes	1.0		3.5		5.5		
	NGO Empowerment				55		50	
	Democratic Local Governance		50		10		15	
SO 2	Increase Indigenous Business Development & Ownership	40.3		24.5				
	Small Business Partnership		40		40		40	U.S. TRUST, CONTRACTOR
SO 3	Establish Regional Conditions for Sustainable Agriculture & Natural Resources Productivity Increases	16.74		16.5				
	NGO Empowerment		60		40		45	PVO/NGO, UNIVERSITIES
SO 4	Increased Efficiency, Reliability and Competitiveness of Regional Transport and Telecommunications Infrastructure	26.96		15.25				
	Small Business Partnership				10		10	CONTRACTOR

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•Regional Center for Southern Africa

AFR Table 3

G Bureau Services
(all scenarios)

		FY 1996	FY 1997
SO 1	Enhance the skills, knowledge base and capacity of individuals and organizations working to strengthen democratic processes in southern Africa.	1. $150,000 Buy-in to the G/DG Democracy Center Support Project for assistance in developing a long-term D/G strategy and related M&E plan, including indicators. 2. $100,000 Buy-in to the G/DG Implementing Policy Change Project for assistance in designing a "Regional Policy Dialogue Project".	1. $50,000 Buy-in to the G/DG Democracy Center Support Project for a reassessment of the SARDF in light of the new regional D/G strategy.
SO 2	Increase indigenous business development and ownership.	$ 75,000 Buy-in to the G/EG Private Enterprise Development Support Project (PEDS) for assistance in developing a long-term strategy for private sector development and compiling baseline data.	
SO 3	Establish key regional conditions for sustainable increases in agricultural and natural resources productivity by smallholders.	1. $150,000 Buy-in to the G/ENV Environmental & Natural Resources Policy Analysis and Training Project (EPAT) for a biodiversity and tropical forestry assessment in conjunction with the development of the regional natural resources strategy. 2. $300,000 OYB transfer to G/EVR Environmental Planning & Management Project for climate change related activities.	
SO 4	Increase the efficiency, reliability and competitiveness of regional transport and telecommunications infrastructure.	N.A.	N.A.
Cross Cutting		$250,000 Buy-in to a G/HCD Project to carry out a training needs assessment and provide recommend-ations for the design of a regional HRD project.	

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REGIONAL CENTER FOR SOUTHERN AFRICA

AFRICA TABLE 4

Strategic Objective Mortgages

	Scenario No.1		Scenario No.2		Scenario No.3	
	Post FY 1997 Mortgage (000)	Final FY	Post FY 1997 Mortgage (000)	Final FY	Post FY 1997 Mortgage (000)	Final FY
Strategic Objective No1.	3,500	1998	5,000	1998	5,700	1999
Strategic Objective No2.	19,450	1998	25,200	1999	28,450	1999
Strategic Objective No3.	18,600	1999	22,850	2000	28,650	2000
Strategic Objective No4.	53,450	1999	61,950	2000	72,200	2001
	95,000		115,000		135,000	

ACTION PLAN

FY 1996 - FY 1997

REGIONAL CENTER FOR SOUTHERN AFRICA (RCSA)

I. PROGRAM SUMMARY:

A. Strategic Overview:

In September 1994, a document entitled THE STRATEGIC START-UP FRAMEWORK FOR THE INITIATIVE FOR SOUTHERN AFRICA (ISA) was reviewed by USAID/Washington. Following the recommendations made during that review, the document was revised and distributed in March 1995. The Framework document provides the basis for the ISA (formerly the Southern Africa Regional Program - SARP) until the end of FY 1996, by which time a full CPSP will be prepared to justify and govern regional assistance activities in Southern Africa beginning in FY 1997.

The Southern Africa Region is becoming increasingly important to the United States. The region is comprised of eleven countries (Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe) which together cover a land area well over half the size of the United States including Alaska. It is a region rich in natural resources, including petroleum, coal, gold, platinum, diamonds, cobalt, copper and other strategic minerals. Population of the eleven countries totals about 130 million and their combined gross domestic product is some $142 billion. Exports from the region to the United States, about half of which is crude oil from Angola, are on the order of $4.4 billion annually while imports from the United States are valued at some $3.1 billion, or roughly the equivalent of 60,000 U.S. jobs. With the addition last year of a majority-ruled South Africa to the regional lineup, the potential for the region to become even more important to U.S. foreign trade and investment experienced a quantum leap forward.

Moreover, the Southern Africa region is currently in a period of major political, economic and social transition, the outcome of which will be extremely important to the future interests of the United States. The brutal civil unrest that has afflicted much of the region for more than three decades now appears to have subsided and the remaining autocratic regimes are rapidly giving way to fledgling democracies. Highly statist command economies are being transformed into open, free-market economies where market forces rather than government bureaucracies determine the distribution and use of scarce resources, and where conditions exist for the private sector to function as a reasonably efficient engine of growth and

job creation. These dramatic developments offer a unique opportunity to advance U.S. interests by supporting and strengthening the region's newly established democracies, stimulating economic growth and reducing the need for costly humanitarian assistance in response to emergency situations, both natural and man-made. Recognition of this opportunity led the USAID Administrator in January 1994 to announce to the members of the Southern African Development Community (SADC) the creation of a new U.S. Initiative for Southern Africa.

During the second half of FY 1995, the Regional Center for Southern Africa (RCSA) was established in Gaborone, Botswana. The RCSA is currently in the process of staffing up for the task of developing, implementing and managing the Initiative for Southern Africa (ISA). The ISA wilL provide $300 million over the next five years for regional programs to assist efforts by the countries of the region to open their markets, attract increased investment, increase the participation of disadvantaged groups in all segments of the regional economy, strengthen democracies, expand the production of food and fiber, and better develop and utilize their impressive natural resource base in an environmentally sensitive manner.

B. Overall Progress:

At this writing, a number of ongoing projects and activities previously funded under the SARP and managed by country-level Missions in the region are being transferred to the RCSA and incorporated into the ISA. Such projects are being continued under ISA Strategic Objectives No. 3 (Establish Key Regional Conditions for Sustainable Increases in Productivity of Agriculture and Natural Resources by Smallholders) and No. 4 (Increased Efficiency, Reliability and Competitiveness of Regional Transport and Telecommunications Infrastructure). S.O. 3 is considered an above average performer (top 25%) while S.O. 4 is considered average (middle 50%) at this time. Activities under S.O. 3 have been especially effective in establishing a well-functioning network of agricultural research institutions in the region with very good coordination and information flow managed by the Southern Africans themselves. While we see room for improvement in the transfer of research results to our target group of smallholders, there have been notable successes even in that area. The planting by more than 50% of Namibia's millet growers of a short season, drought resistant hybrid developed by USAID-funded research is just one example. Similar successes have been registered in the area of Natural Resources Management where selected communities in four of the SADC member countries are showing remarkable acumen in managing local wildlife resources for conservation and increased revenues.

Until now, progress within the activities now grouped under S.O. 4 has been steady but not spectacular. Over a period of more than a decade, assistance to regional and national transportation improvement efforts have registered significant gains in a number

of areas. Locomotion and rolling stock have been rationalized, maintenance and turn-around times have been improved and overall system management has shown progress. In Swaziland, for example, a team of expatriot managers was used to carry out a complete restructuring of the national railway company while the company's top Swazi managers were receiving long-term U.S. training. The expatriots were able to make the kind of difficult changes that social and political considerations would have prevented Swazi managers from implementing. The railroad is now turning a profit and is managed by well-trained Swazis. Efforts in Malawi and Zimbabwe to improve regulation, and legislation governing the regulation, of public enterprises have shown significant promise. Perhaps most promising, though, is that both these countries appear to be on the threshold of privatization for a significant portion of their railway operations. While our regional assistance to telecommunications activities is in its first year of operation, more than fifty executives in that field have already received training in options for financing telecommunications growth which included substantial exposure to privatization issues.

ISA Strategic Objectives No. 1 (Enhance the Skills, Knowledge Base and Capacity of Individuals and Organizations Working to Strengthen Democratic Processes and values in Southern Africa) and No. 2 (Increased Indigenous Business Development and Ownership) are still too new to report substantive progress against their projected outcomes. However, the design of the major interventions planned for each of these S.O.s is proceeding on schedule. The Enterprise Fund has been designed and authorized with $39.5 million obligated. The implementing agent, a New Jersey Trust, has been legally established and ten of its required fifteen board members have been appointed by the President of the United States. The Fund's objectives have been set and a concept paper for an accompanying T.A. project has been completed following consultations with the region's USAID Missions. Authorization of the T.A. project is planned for November 1995. Authorization of the Southern Africa Regional Democracy Fund, delayed due to a Congressional hold, is scheduled for June 1995.

II. STRATEGIC OBJECTIVES AND TARGETS OF OPPORTUNITY:

Strategic Objective No. 1: Enhance the Skills, Knowledge Base and Capacity of Individuals and Organizations Working to Strengthen Democratic Processes in Southern Africa.

A. Relevance to Agency Goals:

ISA Strategic Objective No. 1 is fully consistent with and supportive of the Agency's goal of fostering the growth of democratic institutions and political systems in recipient countries and regions.

B. Progress to Date:

The inclusion of a Strategic Objective in this area was approved for the Initiative for Southern Africa in September 1994 and the revised S.O. shown above was included in the ISA Strategic Start-Up Framework finalized in March 1995. Given the recent approval of the objective and the early stage of the ISA program, it is too soon to report significant substantive progress. However, substantial progress has been made in designing the objective's core project, The Southern Africa Regional Democracy Fund (SARDF), which is scheduled for authorization in June 1995. The Fund will provide grants to organizations and individuals in the region for training and technical assistance; networking via workshops, seminars and conferences; mechanisms and centers for information dissemination; internships and exchanges; leadership and political skills development and curriculum development for civics education. Legislatures, civic organizations and women's groups will be especially targeted in implementation of the project.

C. Assessing S.O. Performance:

As noted above, this is a new Strategic Objective in a new program initiative. It is still too early to assess its performance at this time.

D. Donor Coordination:

There has been substantial coordination in the development of the Democracy Fund project design with other donor representatives and officials of the SADC secretariat responsible for donor coordination. We found that there are a growing number of democracy programs funded by other donors in the Southern Africa region. The Nordics, some of the Western Europeans and the Canadians are engaged in such programs as are a number of private foundations and NGOs. Special efforts are being made to design activities that compliment rather than duplicate other donor programs. During project implementation, liaison will be maintained with all donors at the field level by the Democracy Fund secretariat and the RCSA project officer.

Strategic Objective No. 2: Increased Indigenous Business Development and Ownership.

A. Relevance to Agency Goals:

The Strategic Objective is fully consistent with and supportive of the Agency's strategic objective of stimulating rapid balanced economic growth in recipient countries and regions. Under this objective, badly needed financing together with financial and technical services will be provided to the owners and operators of indigenous small and medium enterprises in the Southern Africa region. The full package of assistance in support of achieving the objective will include venture capital, loans and credit lines for indigenous SMEs as well as selected technical assistance and training for intermediate financial institutions and entrepreneurs and policy dialogue with and for political and business leaders throughout the region.

B. Progress to Date:

As with Strategic Objective No. 1, S.O. 2 was approved in September 1994 and formalized in the Strategic Start-Up Framework completed by RCSA in March 1995. While substantial progress has been made in project design and in establishing the legal and corporate structure for the activities that will achieve the objective, it is too early to report progress in terms of the projected outcomes expected under the objective. The Southern Africa Enterprise Fund project has been authorized and, to date, $39.5 million has been obligated. The Fund has been incorporated as a financial trust in the State of New Jersey and the U.S. President has appointed ten of the fifteen members of its Board of Directors. The ten board members already named will select the remaining five members from among outstanding business leaders and policy makers in Southern Africa. Ethnic and gender diversity will be a consideration in this selection. A concept paper for a technical assistance project to support and compliment the Enterprise Fund has been prepared in consultation with the country-level USAID Missions in the region and project design is going forward. Authorization of the project is expected in November 1995.

C. Assessing S.O. Performance:

Because the Strategic Objective has only recently been approved and activities to achieve the objective are in their infancy, it is not yet possible to rank its performance as outlined in the FY 1997 Action Plan Guidance.

D. Donor Coordination:

Since the Enterprise Development Fund will not be able to meet the total annual investment needs of Southern Africa's SMEs (an estimated US$800 million to US$1.0 billion), USAID will leverage ISA contributions by encouraging other donors to participate in the

fund, either directly or on a parallel or co-financing basis. The Government of Japan has already agreed to contribute to the fund. Other donors in the region who might also participate include the Nordic and European Union countries. During project implementation, liaison will be maintained with such donors by both EDF management and the RCSA project officer.

Strategic Objective No. 3: Establish Key Regional Conditions for Sustainable Increases in Productivity of Agriculture and Natural Resources by Smallholders.

A. Relevance to Agency Objectives:

This Strategic Objective supports two of the Agency's sustainable development strategic objectives: rapid, balanced economic growth and preservation and protection of the environment. Activities under the objective will assist smallholders to expand the production of food and fiber and improve food security in the region. At the same time, efforts are being undertaken to increase awareness among government, private sector and community leaders within the region of the importance of preserving and protecting the region's environment and natural resources and of devising environmentally sensitive methods for their development and exploitation.

B. Progress to Date:

While this Strategic Objective and its associated outcomes are new for the Initiative for Southern Africa (ISA), many of the activities being supported to achieve the objective have been in existence for some time, having been funded and implemented under the earlier Southern African Regional Program (SARP).

Outcome 3.1: Sustainable and profitable technologies and approaches developed and demonstrated for regional application. The regional research program for improved sorghum and millet production has produced some 300 different varieties and hybrids of the two grains. More than forty varieties have been released and another 30 are in on-farm trials. During the past growing season, more than 50% of the millet growers in Namibia used a short season, drought resistant hybrid developed by aid-financed research activities. In the area of natural resources management, selected local communities in four of the region's countries, Botswana, Namibia, Zambia and Zimbabwe, have been empowered to manage and develop their available resources for long-term preservation and sustainable incomes. For example, five villages near Botswana's Chobe National Park now manage their local wildlife resources and earn substantial revenues through public tender of limited hunting concessions. Village leaders have learned the value of such

resources and carefully maintain wildlife populations at sustainable levels. In doing so, they are learning to conserve and protect their area's ecological balance and have mounted vigorous campaigns to discourage illegal poaching and bring game law violators to justice. Similar results are being realized in the other three countries participating in the program and a fifth country, Malawi, has asked to participate.

One of the achievements of regionally-funded activities may prove beneficial to U.S. livestock growers. Successful research in Zimbabwe on tick-borne heartwater disease, undertaken in collaboration with the University of Florida, could be useful in the United States where livestock have no resistance and are threatened by the presence of the disease in some Caribbean areas.

Outcome 3.2: Regional policies support sustainable productivity increases. In late 1994, support was provided for the annual SADC Food Security Policy Workshop attended by key agriculture policy makers from the eleven member countries. The workshop provides member governments the opportunity for their policy makers to network and exchange information on new and successful policy approaches for stimulating agricultural production in the region. A recent impact assessment of regional Agricultural Research Management Training (ARMT) activities indicated that training provided to research directors and policy staff had resulted in the development of National Research Master Plans in four of the eleven SADC member states and that substantial progress toward developing such plans had been made in four others. Emphasis is now being placed on gearing training programs to reach policy makers in key ministries responsible for such areas as finance, economic planning, manpower development, science and technology and natural resources management.

Outcome 3.3: Mechanisms for regional sharing of information and technology institutionalized. Agricultural grants made to ICRISAT for research in sorghum and millet production have been amended to expand and reinforce their technology dissemination function. The Sorghum and Millet Improvement project (SMIP) has published more than 220 publications on improvement technologies for the two grains. SACCAR publishes the Zimbabwe Scientific Journal quarterly and produces a widely distributed newsletter on the agriculture and natural resource activities they coordinate. In addition, the regional Natural Resources Management project includes a regional coordination component through which regional actors in community based natural resources management are brought together periodically for workshops to share experiences (a particularly successful workshop was held in April 1995 in Kisane, Botswana), and newsletters and other publications are shared.

Intermediate Outcome 3.4: Strengthened regional institutional capacity. The capacity of both regional and national research

institutions have been significantly strengthened. In SACCAR, the regional organization responsible for coordinating agricultural research, a new director has brought an improved focus to research efforts and has developed a prioritized agenda for meeting regional research requirements. In addition, the directors of natural resource coordination units have been added to SACCAR's board of directors. This assures that the scope of SACCAR's activities will be broadened to encompass critically important research in sustainable natural resources utilization and conservation.

Scientific skills of regional and national organization staff have been greatly enhanced through USAID training efforts. Under SMIP alone more than ninety degree graduates have been produced, 30% of whom were women. A recent impact assessment of regional Agricultural Research Management Training (ARMT) activities found significant positive impact on the management skills of former trainees (some 720 senior and mid-level managers and researchers from 26 training workshops, 15% of which were women).

Intermediate Outcome 3.5: Improved data analysis for regional ecosystem management: While it is too early to report substantive progress for this new (less than four months old) outcome, an assessment of information needs and sharing mechanisms is scheduled for September 1995. In addition, a grant to the University of Swaziland is being processed this fiscal year to finance policy and comparative advantage studies and establish a trade policy network.

C. Assessing S.O. Performance:

While this S.O. was identified and approved for inclusion in the ISA program only in September 1994, most of the activities being carried out in support of the objective have been on-going for some years with funding formerly provided through SARP. Several new activities will be initiated in FY 1995 and FY 1996 to further strengthen regional linkages and collaboration in addressing agriculture and natural resources policy issues and to more actively involve NGOs in the technology dissemination process. Assessment of progress in on-going efforts under this strategic objective demonstrates well above average achievement and success. Impact assessments indicate that targets are being achieved generally on time and that the leadership in country level organizations is improving rapidly. Perhaps more important, country and regional leaders are themselves identifying further requirements for policy and research. Such results support the conclusion that what we are doing in this area will lead to self-sustaining institutions and programs when our work is completed.

D. Donor Coordination:

Numerous bilateral and multilateral donors, as well as private and public foundations and private voluntary organizations have provided assistance to the Southern African agriculture and natural resources sector during the past decade. USAID has been the largest bilateral donor to sector programs and has played a strong leadership role in regional programs directed toward food security, agricultural research, community based natural resources management, human resources development and institutional capacity building. Through its support to regional research institutions and national and regional environmental planning activities, USAID has contributed substantially to donor collaboration and coordination in the area. RCSA project officers will continue to give high priority to such coordination.

Strategic Objective No. 4: Increased Efficiency, Reliability and Competitiveness of Regional Transport and Telecommunications Infrastructure.

A. Relevance to Agency Objectives:

This Strategic Objective supports the Agency's sustainable development strategic objective for rapid, balanced economic growth. Improvements in the efficiency, reliability and competitiveness of the region's transportation and telecommunications infrastructure are critically important to the expansion of the private sector and attracting urgently needed foreign investment to the area. The current state of railways, port facilities and communications in the region places indigenous and other enterprises at a significant competitive disadvantage in international markets and makes local and national distribution of goods and services unduly costly. ISA assistance in this area is focussed on rationalizing and improving the operation of the region's transport and telecommunications systems to further stimulate private sector expansion.

B. Progress to Date:

Outcome 4.1: Improved managerial and operational capacity. Results contributing to this outcome, while largely positive, have been mixed. In Tanzania, major progress was achieved under the TAZARA program with the regional railway link nearly doubling its carrying capacity. Locomotive availability increased from 46% to 76% and wagon turn-around time was reduced from 35 days to 16. TAZARA's maintenance capability was dramatically improved through staff training, provision of spare parts and the strategic location of repair facilities. In Zimbabwe, progress has been made in institutional reform and a management improvement plan has been developed for the national railway company, NRZ. A computerized, real-time wagon management system will be installed. In

Mozambique, efforts to improve railway engineering and equipment utilization and maintenance have been completed with encouraging results. The railway's locomotive fleet has been rehabilitated and surplus capacity retired from service. A new financial management system has been substantially completed and computerized accounting systems have been installed. However, efforts designed to improve organizational efficiency have been stalled due to an apparent lack of commitment by railway senior management. Redundant workforce has not been retrenched as planned despite the availability of project funds to pay statutory benefits for retrenched workers. Loss making short lines were not closed as promised and progress was lacking on the World Bank-led Maputo Corridor Revitalization Project. Because of the foregoing, a decision has been made to de-obligate $25.0 million of project funds during 1995.

One success story is worth highlighting for this S.O. 4 outcome. In Swaziland, the five top-level Swazi managers of the national railroad were sent for long-term U.S. training at the same time and replaced during their absence by interim expatriot managers. By the time the Swazi managers had completed their training the interim managers had restructured the railroad's management, arranged refinancing of the enterprise, installed new financial and rolling stock management systems, retrenched redundant workers and retired excess and obsolete equipment. The expatriots were able to take the difficult measures that no Swazi manager could have, given local social and political considerations. The result of the effort is a fully restructured, profit-making railway enterprise now being well managed by trained Swazi staff.

Outcome 4.2: Privatized and restructured state-owned enterprises. Significant progress has been made toward this outcome in two countries in the region. In Malawi, a complete assessment has been made of railway assets and a new company formed. Plans are underway to issue a public tender for a private company to assume management and, probably, partial ownership of the railway enterprise. In Zimbabwe, NRZ management has recognized the need for more radical restructuring of company functions and has begun to spin off certain activities such as the unprofitable Road Motor Service, and to contract out for services such as food catering. In addition, the realization that competition from more responsive road transport and a large oil pipeline has permanently reduced the railway's revenue base has begun to change the attitudes of key GOZ officials as to the need for state ownership of an over-large, loss-producing rail system. A joint World Bank-USAID preappraisal mission is planned to review the NRZ's long-term corporate strategy. Included in the mission's mandate will be financial restructuring, concessioning and/or privatization options, labor force rationalization, asset base restructuring in light of projected reduced demand, legal implications of restructuring options and the need for new or revised legislation. It is expected that the joint mission's recommendations will lead to World Bank funding for future NRZ programs and to possible

participation by private capital.

Outcome 4.3: Increased private investment in infrastructure. As noted above, a public tender is expected in Malawi for private participation in management and ownership of the Malawi railway system. In addition, it appears likely that the planned joint World Bank-USAID preappraisal mission to Zimbabwe will lead to private participation in the ownership and operation of that country's railway system.

Outcome 4.4: Increased access to and enhanced quality of telecommunications. Regional telecommunications restructuring is a relatively new component of USAID's regional activities in Southern Africa. It is in its initial stages of implementation with a US$1.0 million grant to the International Telecommunication Union (a United Nations specialized agency) signed in June 1995 and an accompanying institutional contract currently under negotiation. The institutional contract will provide both short- and long-term expertise to increase management capacity, promote privatization and private investment and improve telecommunications regulatory structures in the region. Despite the relative youth of the activity, more than 50 executives from the region have received training in options for financing telecommunications growth. This training, which included exposure to issues relative to privatization in the sector, will have a direct impact on the managerial and operational capacity of telecommunications activities in the region.

Outcome 4.5: Improved regulatory structures. Training and technical assistance in transportation policy and regulatory functions have been provided in Malawi, Mozambique, Zimbabwe and Botswana. Significant efforts to improve regulation and legislation governing regulation have been made in Malawi and Zimbabwe with the greatest success to date having been achieved in Malawi.

C. Assessing S.O. Performance:

Overall, performance under this Strategic Objective has been slow but satisfactory. Most of the transportation-related activities have been in operation in one form or another for several years. While the gains made have been impressive in most cases, they have often been achieved with difficulty and over a period of time. Even when performance in certain countries has been below acceptable standards, progress has been made and appropriate action has been taken by USAID to minimize our financial exposure and maximize results. The decision to deobligate substantial funding from the Mozambique effort is less an example of failure than one of good program management. Progress under the activity was still substantial and of significant value to the recipient.

D. Donor Coordination:

The United States is the major bilateral donor to the transportation sector in southern Africa. In carrying out its assistance in the transportation and telecommunications sectors, USAID is working closely with SATCC, the regional organization responsible for coordination among donors. We have participated in jointly financed programs with the World Bank for railway restructuring and privatization activities in Malawi and Mozambique. Policy and regulatory reform activities have been coordinated with the Canadian International Development Agency which is implementing national capacity-building programs in support of railway reforms. French aid agencies have focussed assistance on railway institutional reform, while the principal German aid agency, GTZ, has provided training modules for national level road and rail operators. Design for USAID funded transport projects has been coordinated with the Overseas Development Agency of the United Kingdom. The World Bank is the primary donor in the telecommunications field, with restructuring activities in Tanzania and Zambia and a study of telecommunications in Zimbabwe. There is close coordination with the International Finance Corporation which has goals congruent with those of USAID. The Swedish International Development Agency has been active in providing assistance in Zimbabwe, Angola, Mozambique and Tanzania. While Japan and France have been engaged in some telecommunications assistance activities in the region, there has been no coordination between their representatives and USAID.

III.. PROGRAM AND BUDGET SCENARIOS:

RCSA has carefully assessed the effects of the funding cuts projected by USAID/Washington for Budget Scenarios 2 and 3 and have concluded that such cuts would seriously impede the achievement of the program outcomes outlined in the Strategic Startup Framework for the Initiative for Southern Africa (ISA) distributed in March 1995. The anticipated effects are discussed below in the sections on the two budget-cut scenarios.

Program and Budget Scenario No. 1:

Under this optimum Scenario, the RCSA would proceed as planned to implement the $300 million Initiative for Southern Africa (ISA) with funding of all major programs currently projected being completed on schedule in FY 1999.

Because planned democratic initiatives could be fully funded, at the end of the ISA we would see significant advances in the understanding and application of democratic concepts and principals at all levels of government and community life throughout the region. Legislatures would be equipped to recognize the need (or lack of need) for additional legislation and, more importantly,

anticipate the full effect of such measures. Many community level organizations would have the ability and access to mechanisms to effectively present their views and aspirations to elected political representatives and government officials and the knowledge of what to do when such leaders and officials proved unresponsive to their views and aspirations. The role of women and their organizations in the political life of the region would be greatly expanded.

With full funding for indigenous business development programs, we would expect to see greatly expanded access to capital and credit lines for indigenously owned small and medium enterprises (SMEs). Improvements in the management and technical capacities of the owners and operators of indigenous SMEs will lead to more efficient production and marketing and significantly increased competition at all levels of industry and commerce with lower retail prices to benefit the region's consumers. Perhaps more important in terms of long term benefits is the major expansion of private sector employment that will be generated. The Regional Enterprise Fund will be a well established and self-sustaining activity with significant funding being contributed by other donors and member financial institutions. The private sector and free market economics will be accepted facts to the region's political leaders and will have their continuing support.

Full funding of planned agriculture and natural resources (ANR) activities will lead to markedly improved capacities among Southern African scientists and agricultural experts to conceptualize, develop and implement effective research and operational programs to increase the productivity of the region's agriculture and natural resources. NGOs and PVOs will have been assisted to fully support community based natural resource management (CBNRM) activities facilitating community empowerment over technological improvements for the sustainable utilization of local natural resources. The policy environment in the region relative to collaboration and integration of efforts to expand the production of food and fiber and protect, preserve and develop natural resources will be open and supportive of activities at all levels. Producers will be receptive to the adoption and use of new sustainable profitable technology and approaches.

If Scenario 2 and 3 reductions are not made in the ISA and if our assumption holds that funds from the $25.0 million deobligation in the Mozambique Railroad Restructuring project remain available for ISA infrastructure programs, we can expect to see significant improvements in the management and operation of the region's rail transportation systems with a large percentage of such systems privately owned and operated. With private ownership and operation, major increases in private investment in transportation infrastructure will be forthcoming. As the region's private sector expands, there will be a tremendous increase in demand generated for improved and expanded telecommunications services. If that

demand cannot be met, the growth of the region's private sector will be significantly constrained. Full funding for planned activities in the telecommunications field will go far toward assuring that lack of telecommunications infrastructure will not become a serious constraint to private sector expansion. Given the nature of large rail and telecommunications enterprises, effective regulation by national and/or regional bodies is needed. Continued support for planned improvements in the region's regulatory structures is important to expansion and privatization in both the rail and telecommunications fields.

Program and Budget Scenario No. 2:

Cuts in the ISA totalling $20.0 million in FY 1997 would, to begin with, make completion of ISA funding in FY 1999 possible only with a return to higher funding levels in both FY 1998 and FY 1999. Otherwise, funding of the ISA mortgage would have to be extended into FY 2000.

Beyond the question of the mortgage, we would make nearly 30% fewer grants under the Southern Africa Regional Democracy Fund program. This would clearly reduce the impact of our efforts to institutionalize democracy within the region. Availability of lendable funds for small and medium indigenous enterprises would be reduced by more than 22% and slow the pace of expansion in this important sector. Funding for natural resources management and agro-ecological zones and related studies would fall by 25% while funding for heartwater disease research would shrink by 20% and some of the momentum in these efforts would be lost. Grants to NGO/PVOs for CBNMR activities promoting local empowerment over sustainable utilization of natural resources would be significantly reduced. The heaviest impact from the budget cuts would be felt in our support for improvements in regional telecommunications infrastructure. Specifically, we would not be able to provide FY 1997 funding for planned telecommunications modernization activities in Zambia ($6.0 million) and in Tanzania ($1.55 million) and technical support for telecommunications activities in the region would have to be reduced by 40%.

In addition, three important activities that cut across the four strategic objectives identified for the ISA will face significant cuts. Reductions of 32% in the budget for Regional Dialogue support will affect the impact of such efforts primarily in two areas: indigenous business development and natural resources. A lower level of effort in dialogue on the private sector could mean that some constraints to expansion of indigenous business activity might not be removed in time to avoid damage to expansion efforts. Maintaining a vigorous dialogue on natural resource conservation, protection and rational, environmentally sensitive development is clearly important to achieving our objectives in this vital area.

RCSA plans to implement a cross-cutting Human Resources Development activity to support all four of the ISA strategic objectives. The activity is important in mobilizing the educational institutions of the region in support of those objectives, particularly in the areas of democratic governance and natural resource conservation and development. The proposed budget cuts (23% in this activity) would restrict our ability to engage government officials and organizations in efforts to resolve specific problems through education, training and conflict resolution. The third cross-cutting activity that would be affected by Scenario No. 2 budget cuts is a new NGO/PVO support program. The reduction in funding for this activity would be 45% and would be felt in the democratic initiative, agriculture and natural resources and transport and telecommunications infrastructure. While our ability to engage in activities to support the Vice President's New Partnerships Initiative (NPI) would be somewhat reduced in absolute terms, our analysis of the budget changes indicates that the percentage of funding under each S.O. dedicated to NPI would not be significantly changed.

Since we will be using Global Bureau resources only for development of ISA strategy and selected project designs which will go forward under any of the program and budget scenarios, there will be no change in our requirements for Global Bureau support under this scenario.

Program and Budget Scenario No. 3:

Cuts in programmed ISA funding of $20.0 million in both FY 1996 and FY 1997 would have a profound effect on our ability to achieve the outcomes projected for Strategic Objectives 3 and 4 (ANR and Infrastructure programs) and would slow progress under our two remaining objectives. In addition, such cuts would extend the period needed to cover the ISA post-1997 mortgage into FY 2000 or possibly into FY 2001 unless higher levels of funding are restored for the fiscal years after 1997.

Under Scenario 3, we would have to reduce the number of grants available under the Southern Africa Regional Democracy Fund by 20% in FY 1996 and 29% in FY 1997. Lendable funds available for indigenous SMEs under the Southern Africa Regional Enterprise Development Fund would be reduced by at least 12.5% in FY 1966 and by 22.5% in FY 1997. We could hold technical assistance for SMEs and intermediate financial institutions at programmed levels in FY 1996 but would have to reduce TA and training by 10% in FY 1997. While such reductions in these activities would not have a crippling effect, progress would be slowed and momentum lost.

With the drastic Scenario 3 cuts, total funding for Agriculture and Natural Resources would fall by 36% in FY 1996 and by 28% in FY 1997. Heartwater research would be reduced by 56% in FY 1996 and 20% in FY 1997. Cuts of this magnitude will clearly slow progress

and lead to avoidable livestock losses in the region. The planned conservation and bio-diversity activity would be reduced by 33% in FY 1996 and not continued in FY 1997. A cut of 50% in FY 1996 PD&S funding will slow development of new natural resources conservation and protection efforts.

As was the case in Scenario No. 2, budget cuts will fall heaviest on regional infrastructure improvement efforts. Budget reductions for Strategic Objective No. 4 will total $10.25 million (67%) in FY 1996 and $8.5 million (63%) in FY 1997. Obligation of a third ($.6 million) of the funding scheduled for the SADC Transport Efficiency Project (STEP) in Mozambique in FY 1996 will be deferred until FY 1997. The STEP activity programmed for Zimbabwe ($2.0 million in FY 1996) will have to be dropped entirely. We will be unable to provide funding for telecommunications modernization activities for Zambia in either FY 1996 ($6.0 million) or FY 1997 ($6.0 million) and FY 1997 funding for telecommunications improvements in Tanzania ($1.55 million) will be dropped. Technical support for telecommunications activities will be reduced by 40% ($1.2 million in FY 1996 and $0.8 million in FY 1997). Obviously, cuts of this magnitude will seriously constrain our ability to achieve the outcomes projected for this Strategic Objective. Should such a budget scenario materialize, the RCSA will be forced to review the viability of continuing efforts under this objective on a regional basis.

For the three regional activities that provide important support for all four of the RCSA's strategic objectives, the effects of the budget cuts dictated for Scenario No. 3 range from none to total. Because of the critical need for a strong thrust in regional policy16 dialogue early in the operating life of the ISA, funding for the Regional Policy Dialogue project will be maintained at original levels for FY 1996 while the reduction projected under Scenario No. 2 above will remain unchanged. If cuts are as drastic as those posited in Scenario No. 3, we will need as much policy dialogue as possible to ameliorate the effects of the cuts in the regional program by seeking ways to substitute other resources and funding sources, whether other donor or local, for at least part of the lost USAID funding. The most drastic action required by Scenario No. 3 is the dropping of all funding for the Regional Human Resources Development project in FY 1996 and deferring project start-up until 1997 and then with only the reduced funding levels projected for the activity in FY 1997 under Scenario No. 2. The deferral for another year of this activity means that we will be hampered in meeting early institution building requirements under the ISA. Scenario No. 3 cuts would also reduce our ability to make NGO/PVO grants under both Strategic Objectives No. 3 and 4. Such grants would be reduced by $1.8 million (45%) for agriculture and natural resources activities and by $250,000 (100%) for transport and telecommunications infrastructure activities. This will, in turn, reduce the level of advice and assistance available to agriculture, natural resource, transport and telecommunications

organizations in the region. While our ability to engage in activities to support the Vice President's New Partnerships Initiative (NPI) will also be significantly reduced in absolute terms, our analysis of the budget changes indicates that the percentage of funding under each S.O. dedicated to NPI would not be significantly changed.

Since we will be using Global Bureau resources only for development of ISA strategy and selected project designs which will go forward under any of the program and budget scenarios, there will be no change in our requirements for Global Bureau support under this scenario.

TABLE I : APPROPRIATION SUMMARY ($000)

ACCOUNT	FY 1995 ESTIM.	FY 1996 ESTIM.	FY 1997 REQUEST	FY 1997 @100%
DEVELOPMENT FUND FOR AFRICA	85,000	60,000	40,000	
SUBTOTAL SUSTAINABLE DEVELOPMENT:	85,000	60,000	40,000	0
SUSTAINABLE DEVELOPMENT THEMES:				
BROAD BASED ECON GRWTH	73,454	44,485	27,960	
GLOBAL ENVIRONMENT	10,546	12,016	8,040	
DEMOCRATIC PARTICIPATION	1,000	3,500	4,000	

TABLE III : STRATEGIC OBJECTIVES ($000)

OBJECTIVE	ACCOUNT	FY 1995 ESTIM.	FY 1996 ESTIM.	FY 1997 REQUEST	FY 1997 @100%
S.O. 01	STRENGTHEN DEMOCRATIC PROCESSES AND VALUES IN SOUTHERN AFRICA				
	DEVELOPMENT FUND FOR AFRICA	1,000	3,500	4,000	
S.O. 02	INDIGENOUS BUSINESS DEVELOPMENT AND OWNERSHIP				
	DEVELOPMENT FUND FOR AFRICA	40,300	24,500	20,000	
S.O. 03	ESTABLISH REGIONAL CONDITIONS FOR SUSTAINABLE ANR PRODUCTIVITY				
	DEVELOPMENT FUND FOR AFRICA	16,740	16,500	11,000	
S.O. 04	INCREASED EFFICIENCY & COMPETITIVENESS OF REGIONAL INFRASTRUCTURE				
	DEVELOPMENT FUND FOR AFRICA	26,960	15,250	5,000	
S.O. OT	PD&S - HIV/AIDS				
	DEVELOPMENT FUND FOR AFRICA		250		

TABLE IIIA : AC/SI AGGREGATE ANALYSIS
ACTIVITY CODES
(U. S. Dollars Thousands)

	ACTIVITY	FY 1995 ESTIMAT AMOUNT	PCT OF TOTAL PROGRAM	FY 1996 PLANNED AMOUNT	PCT OF TOTAL PROGRAM	FY 1997 PROPOSE AMOUNT	PCT OF TOTAL PROGRAM	FY 1997 @100% AMOUNT	PCT OF TOTAL PROGRAM
AGCP	CROP PRODUCTION	2,511	3.0%	1,320	2.2%	1,100	2.8%		
AGLP	LIVESTOCK PRODUCTION			1,650	2.8%	1,100	2.8%		
AGPP	AGRICULTURAL POLICIES & PLANNING	2,511	3.0%	1,650	2.8%	1,100	2.8%		
AGRM	RESOURCE MGMT FOR AGRIC. PRODUCTION & PRODUCT	1,172	1.4%						
AGTE	AGRICULTURAL TRAINING AND EXTENSION . . .			1,155	1.9%	1,100	2.8%		
DICE	CIVIC EDUCATION	200	0.2%	525	0.9%	520	1.3%		
DICS	CIVIL SOCIETY	250	0.3%	875	1.5%	1,080	2.7%		
DIDE	DECENTRALIZATION/LOCAL GOVERNANCE			700	1.2%	880	2.2%		
DIME	FREE FLOW OF INFORMATION	250	0.3%	595	1.0%	640	1.6%		
DIPI	REPRESENTATIVE POLITICAL INSTITUTIONS . . .	300	0.4%	805	1.3%	880	2.2%		
EVCB	CONSERVATION AND BIOLOGICAL DIVERSITY . . .	1,339	1.6%						
EVMP	ENVIRONMENTAL MGMT, PLANNING AND POLICY . .	9,207	10.8%	10,725	17.9%	6,600	16.5%		
EVWR	WATER RESOURCES MANAGEMENT			763	1.3%	1,000	2.5%		
INCO	TELECOMMUNICATIONS	14,828	17.4%	9,913	16.5%	2,250	5.6%		
INTR	TRANSPORTATION	12,132	14.3%	4,575	7.6%	1,750	4.4%		
PDAS	PROGRAM DEVELOPMENT AND SUPPORT			250	0.4%				
PEBD	BUSINESS DEVELOPMENT PROMOTION	40,300	47.4%	24,500	40.8%	20,000	50.0%		
	PROGRAM TOTAL	85,000	100.0%	60,000	100.0%	40,000	100.0%		100.0%

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TABLE IIIA : AC/SI AGGREGATE ANALYSIS
SPECIAL INTEREST CODES
(U. S. Dollars Thousands)

	SPECIAL INTEREST	FY 1995 ESTIMAT AMOUNT	PCT OF TOTAL PROGRAM	FY 1996 PLANNED AMOUNT	PCT OF TOTAL PROGRAM	FY 1997 PROPOSE AMOUNT	PCT OF TOTAL PROGRAM	FY 1997 @100% AMOUNT	PCT OF TOTAL PROGRAM
	I. Substantive								
	A. Special Targets								
FBN	FEMALE SHARE OF BENEFITS	30,271	35.6%	22,598	37.7%	14,988	37.5%		
MBN	MALE SHARE OF BENEFITS	54,729	64.4%	37,152	61.9%	25,012	62.5%		
STD	SEXUALLY TRANSMITTED DISEASES			250	0.4%				
CPF	CAPITAL PROJECTS FINANCING			1,525	2.5%				
CPS	CAPITAL PROJECTS SERVICES	6,740	7.9%	4,575	7.6%	500	1.3%		
DEC	DECENTRALIZATION			504	0.8%	475	1.2%		
PSD	PRIVATE SECTOR DEVELOPMENT	56,476	66.4%	32,653	54.4%	21,690	54.2%		
SFI	SOCIAL SECTOR FINANCING			330	0.5%	220	0.5%		
PVX	PVO INSTITUTIONAL DEVELOPMENT	218	0.3%	532	0.9%	462	1.2%		
INS	INSTITUTION BUILDING	27,716	32.6%	18,050	30.1%	8,960	22.4%		
SPR	SECTORAL POLICY REFORM	14,828	17.4%	8,388	14.0%	1,500	3.8%		
EDU	EDUCATION			462	0.8%	440	1.1%		
	B. Food, Agriculture & Rural Development								
APP	AGRICULTURAL POLICIES AND PLANNING	753	0.9%	289	0.5%	275	0.7%		
NFC	NUTRITION AND FOOD CONSUMPTION	502	0.6%						
	C. Energy/Environment								
ESA	ENVIRONMENTALLY SUSTAINABLE AGROECOSYSTEMS			528	0.9%	440	1.1%		
NRM	NATURAL RESOURCE MANAGEMENT	10,086	11.9%	10,750	17.9%	6,820	17.1%		
PPM	PARKS AND PROTECTED AREAS MANAGEMENT	2,302	2.7%	1,609	2.7%	1,980	5.0%		
CBS	SUSTAINABLE USE OF BIODIVERSITY	3,222	3.8%			330	0.8%		
WTL	WETLANDS			1,073	1.8%	660	1.7%		
	II. Institutional Mechanisms								
	A. PVO/NGOs								
PVU	PVO/NGOs, U.S.	70	0.1%	112	0.2%	116	0.3%		
PVL	PVO/NGOs, LOCAL	6,035	7.1%	6,053	10.1%	4,703	11.8%		
PVO	PVO/NGOs, OTHER THAN U.S. OR LOCAL	45	0.1%	53	0.1%	52	0.1%		
	B. Universities								
UNV	UNIVERSITIES (OTHER THAN HBC AND TITLE XII)	1,507	1.8%	784	1.3%	605	1.5%		
	III. Research and Devlopment Activities								
	A. Applied Research								
REN	ENVIRONMENTAL BIOLOGICAL RESEARCH (NON-BIOMED			2,681	4.5%	660	1.7%		
RAG	AGRICULTURAL RESEARCH	1,674	2.0%	330	0.5%	220	0.5%		
RSS	SOCIAL SCIENCE RESEARCH	2,260	2.7%	495	0.8%	330	0.8%		
	B. Basic Research								

TABLE IIIA : AC/SI AGGREGATE ANALYSIS
SPECIAL INTEREST CODES
(U. S. Dollars Thousands)

	SPECIAL INTEREST	FY 1995 ESTIMAT AMOUNT	PCT OF TOTAL PROGRAM	FY 1996 PLANNED AMOUNT	PCT OF TOTAL PROGRAM	FY 1997 PROPOSE AMOUNT	PCT OF TOTAL PROGRAM	FY 1997 @100% AMOUNT	PCT OF TOTAL PROGRAM
RBS	BASIC RESEARCH (if not applied or development			1,320	2.2%	880	2.2%		
	C. Development								
	IV. Training								
TTH	TRAINING, THIRD COUNTRY-BASED	800	0.9%	2,993	5.0%	3,542	8.9%		
TIC	TRAINING, IN-COUNTRY	1,841	2.2%	809	1.3%	2,090	5.2%		
TPU	TRAINING, PUBLIC	800	0.9%	3,091	5.2%	3,584	9.0%		
TPV	TRAINING, PRIVATE	1,841	2.2%	693	1.2%	1,980	5.0%		

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TABLE IIIB : AC/SI SUMMARY REPORT
(U. S. Dollars Thousands)

	% FY95	% FY96	% FY97 @100%	% FY97 @100%	% FY97 @ 0%	FY 1995 ESTIMATE	FY 1996 PLANNED	FY 1997 REQUEST	FY 1997 @100%
OBJECTIVE NUMBER: 01 TITLE: STRENGTHEN DEMOCRATIC PROCESSES AND VALUES IN SOUTHERN AFRICA									
DICE CIVIC EDUCATION									
SI CODE: FBN	45 %	45 %	45 %	0 %	0 %	90	236	234	
SI CODE: MBN	55 %	55 %	55 %	0 %	0 %	110	288	286	
SI CODE: PVL	80 %	80 %	80 %	0 %	0 %	160	420	416	
SI CODE: PVO	10 %	10 %	10 %	0 %	0 %	20	52	52	
SI CODE: PVU	10 %	10 %	10 %	0 %	0 %	20	52	52	
SI CODE: PVX	15 %	15 %	15 %	0 %	0 %	30	78	78	
SI CODE: TPU	80 %	80 %	80 %	0 %	0 %	160	420	416	
SI CODE: TTH	80 %	80 %	80 %	0 %	0 %	160	420	416	
TOTAL AC CODE:	20 %	15 %	13 %	0 %	0 %	200	525	520	
DICS CIVIL SOCIETY									
SI CODE: FBN	45 %	42 %	42 %	0 %	0 %	112	367	453	
SI CODE: MBN	55 %	58 %	58 %	0 %	0 %	137	507	626	
SI CODE: PVL	80 %	78 %	71 %	0 %	0 %	200	682	766	
SI CODE: PVO	10 %	0 %	0 %	0 %	0 %	25			
SI CODE: PVU	10 %	0 %	0 %	0 %	0 %	25			
SI CODE: PVX	15 %	11 %	0 %	0 %	0 %	37	96		
SI CODE: TPU	80 %	79 %	96 %	0 %	0 %	200	691	1,036	
SI CODE: TTH	80 %	80 %	99 %	0 %	0 %	200	700	1,069	
TOTAL AC CODE:	25 %	25 %	27 %	0 %	0 %	250	875	1,080	
DIDE DECENTRALIZATION/LOCAL GOVERNANCE									
SI CODE: DEC	0 %	72 %	54 %	0 %	0 %		504	475	
SI CODE: FBN	0 %	42 %	18 %	0 %	0 %		294	158	
SI CODE: INS	0 %	36 %	32 %	0 %	0 %		252	281	
SI CODE: MBN	0 %	58 %	82 %	0 %	0 %		406	721	
SI CODE: TPU	0 %	58 %	58 %	0 %	0 %		406	510	
SI CODE: TTH	0 %	58 %	58 %	0 %	0 %		406	510	
TOTAL AC CODE:	0 %	20 %	22 %	0 %	0 %		700	880	
DIME FREE FLOW OF INFORMATION									
SI CODE: FBN	30 %	30 %	30 %	0 %	0 %	75	178	192	
SI CODE: MBN	70 %	70 %	70 %	0 %	0 %	175	416	448	
SI CODE: PVU	10 %	10 %	10 %	0 %	0 %	25	59	64	
SI CODE: PVX	60 %	60 %	60 %	0 %	0 %	150	357	384	
SI CODE: TPU	80 %	80 %	80 %	0 %	0 %	200	476	512	
SI CODE: TTH	80 %	80 %	80 %	0 %	0 %	200	476	512	
TOTAL AC CODE:	25 %	17 %	16 %	0 %	0 %	250	595	640	

TABLE IIIB : AC/SI SUMMARY REPORT
(U. S. Dollars Thousands)

	% FY95	% FY96	% FY97 @100%	% FY97 @100%	% FY97 @ 0%	FY 1995 ESTIMATE	FY 1996 PLANNED	FY 1997 REQUEST	FY 1997 @100%
DIPI REPRESENTATIVE POLITICAL INSTITUTIONS									
SI CODE: FBN	30 %	32 %	33 %	0 %	0 %	90	257	290	
SI CODE: INS	50 %	47 %	43 %	0 %	0 %	150	378	378	
SI CODE: MBN	70 %	68 %	67 %	0 %	0 %	210	547	589	
SI CODE: TPU	80 %	79 %	76 %	0 %	0 %	240	635	668	
SI CODE: TTH	80 %	80 %	80 %	0 %	0 %	240	644	704	
TOTAL AC CODE:	30 %	23 %	22 %	0 %	0 %	300	805	880	
OBJECTIVE TOTAL	100 %	100 %	100 %	0 %	0 %	1,000	3,500	4,000	0
OBJECTIVE NUMBER: 02 TITLE: INDIGENOUS BUSINESS DEVELOPMENT AND OWNERSHIP									
PEBD BUSINESS DEVELOPMENT PROMOTION									
SI CODE: FBN	30 %	30 %	30 %	0 %	0 %	12,090	7,350	6,000	
SI CODE: INS	20 %	25 %	27 %	0 %	0 %	8,060	6,125	5,400	
SI CODE: MBN	70 %	70 %	70 %	0 %	0 %	28,210	17,150	14,000	
SI CODE: PSD	100 %	100 %	100 %	0 %	0 %	40,300	24,500	20,000	
TOTAL AC CODE:	100 %	100 %	100 %	0 %	0 %	40,300	24,500	20,000	
OBJECTIVE TOTAL	100 %	100 %	100 %	0 %	0 %	40,300	24,500	20,000	0
OBJECTIVE NUMBER: 03 TITLE: ESTABLISH REGIONAL CONDITIONS FOR SUSTAINABLE ANR PRODUCTIVITY									
AGCP CROP PRODUCTION									
SI CODE: APP	30 %	0 %	0 %	0 %	0 %	753			
SI CODE: ESA	0 %	40 %	40 %	0 %	0 %		528	440	
SI CODE: FBN	60 %	60 %	60 %	0 %	0 %	1,506	792	660	
SI CODE: INS	30 %	0 %	0 %	0 %	0 %	753			
SI CODE: MBN	40 %	40 %	40 %	0 %	0 %	1,004	528	440	
SI CODE: NFC	20 %	0 %	0 %	0 %	0 %	502			
SI CODE: NRM	0 %	25 %	30 %	0 %	0 %		330	330	
SI CODE: PSD	0 %	40 %	40 %	0 %	0 %		528	440	
SI CODE: PVL	0 %	50 %	50 %	0 %	0 %		660	550	
SI CODE: RAG	20 %	0 %	0 %	0 %	0 %	502			
SI CODE: RSS	10 %	0 %	0 %	0 %	0 %	251			
TOTAL AC CODE:	15 %	8 %	10 %	0 %	0 %	2,511	1,320	1,100	
AGLP LIVESTOCK PRODUCTION									
SI CODE: FBN	0 %	50 %	50 %	0 %	0 %		825	550	
SI CODE: MBN	0 %	50 %	50 %	0 %	0 %		825	550	
SI CODE: RAG	0 %	20 %	20 %	0 %	0 %		330	220	

TABLE IIIB : AC/SI SUMMARY REPORT
(U. S. Dollars Thousands)

	% FY95	% FY96	% FY97 @100%	% FY97 @100%	% FY97 @ 0%	FY 1995 ESTIMATE	FY 1996 PLANNED	FY 1997 REQUEST	FY 1997 @100%
SI CODE: RBS	0 %	80 %	80 %	0 %	0 %		1,320	880	
TOTAL AC CODE:	0 %	10 %	10 %	0 %	0 %		1,650	1,100	
AGPP AGRICULTURAL POLICIES & PLANNING									
SI CODE: FBN	50 %	50 %	50 %	0 %	0 %	1,255	825	550	
SI CODE: MBN	50 %	50 %	50 %	0 %	0 %	1,255	825	550	
SI CODE: RSS	80 %	30 %	30 %	0 %	0 %	2,008	495	330	
SI CODE: SFI	0 %	20 %	20 %	0 %	0 %		330	220	
SI CODE: UNV	60 %	30 %	30 %	0 %	0 %	1,506	495	330	
TOTAL AC CODE:	15 %	10 %	10 %	0 %	0 %	2,511	1,650	1,100	
AGRM RESOURCE MGMT FOR AGRIC. PRODUCTION & PRODUCTIVITY									
SI CODE: FBN	60 %	0 %	0 %	0 %	0 %	703			
SI CODE: MBN	40 %	0 %	0 %	0 %	0 %	468			
SI CODE: RAG	100 %	0 %	0 %	0 %	0 %	1,171			
TOTAL AC CODE:	7 %	0 %	0 %	0 %	0 %	1,171			
AGTE AGRICULTURAL TRAINING AND EXTENSION									
SI CODE: APP	0 %	25 %	25 %	0 %	0 %		288	275	
SI CODE: EDU	0 %	40 %	40 %	0 %	0 %		462	440	
SI CODE: FBN	0 %	40 %	40 %	0 %	0 %		462	440	
SI CODE: MBN	0 %	60 %	60 %	0 %	0 %		693	660	
SI CODE: NRM	0 %	20 %	20 %	0 %	0 %		231	220	
SI CODE: TIC	0 %	70 %	70 %	0 %	0 %		808	770	
SI CODE: TPU	0 %	40 %	40 %	0 %	0 %		462	440	
SI CODE: TPV	0 %	60 %	60 %	0 %	0 %		693	660	
SI CODE: TTH	0 %	30 %	30 %	0 %	0 %		346	330	
SI CODE: UNV	0 %	25 %	25 %	0 %	0 %		288	275	
TOTAL AC CODE:	0 %	7 %	10 %	0 %	0 %		1,155	1,100	
EVCB CONSERVATION AND BIOLOGICAL DIVERSITY									
SI CODE: FBN	55 %	0 %	0 %	0 %	0 %	736			
SI CODE: INS	50 %	0 %	0 %	0 %	0 %	669			
SI CODE: MBN	45 %	0 %	0 %	0 %	0 %	602			
SI CODE: NRM	100 %	0 %	0 %	0 %	0 %	1,339			
SI CODE: PVL	80 %	0 %	0 %	0 %	0 %	1,071			
TOTAL AC CODE:	8 %	0 %	0 %	0 %	0 %	1,339			
EVMP ENVIRONMENTAL MGMT, PLANNING AND POLICY									
SI CODE: CBS	35 %	0 %	5 %	0 %	0 %	3,222		330	

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TABLE IIIB : AC/SI SUMMARY REPORT
(U. S. Dollars Thousands)

	% FY95	% FY96	% FY97 @100%	% FY97 @100%	% FY97 @ 0%	FY 1995 ESTIMATE	FY 1996 PLANNED	FY 1997 REQUEST	FY 1997 @100%
SI CODE: FBN	60 %	60 %	60 %	0 %	0 %	5,524	6,435	3,960	
SI CODE: INS	50 %	20 %	25 %	0 %	0 %	4,603	2,145	1,650	
SI CODE: MBN	40 %	40 %	40 %	0 %	0 %	3,682	4,290	2,640	
SI CODE: NRM	95 %	95 %	95 %	0 %	0 %	8,746	10,188	6,270	
SI CODE: PPM	25 %	15 %	30 %	0 %	0 %	2,301	1,608	1,980	
SI CODE: PVL	50 %	40 %	45 %	0 %	0 %	4,603	4,290	2,970	
SI CODE: REN	0 %	25 %	10 %	0 %	0 %		2,681	660	
SI CODE: TIC	20 %	0 %	20 %	0 %	0 %	1,841		1,320	
SI CODE: TPV	20 %	0 %	20 %	0 %	0 %	1,841		1,320	
SI CODE: WTL	0 %	10 %	10 %	0 %	0 %		1,072	660	
TOTAL AC CODE:	55 %	65 %	60 %	0 %	0 %	9,207	10,725	6,600	
OBJECTIVE TOTAL	100 %	100 %	100 %	0 %	0 %	16,740	16,500	11,000	0
OBJECTIVE NUMBER: 04 TITLE: INCREASED EFFICIENCY & COMPETITIVENESS OF REGIONAL INFRASTRUCTURE									
EVWR WATER RESOURCES MANAGEMENT									
SI CODE: CPF	0 %	10 %	0 %	0 %	0 %		76		
SI CODE: CPS	25 %	30 %	10 %	0 %	0 %		228	100	
SI CODE: FBN	30 %	30 %	30 %	0 %	0 %		228	300	
SI CODE: INS	50 %	60 %	25 %	0 %	0 %		457	250	
SI CODE: MBN	70 %	70 %	70 %	0 %	0 %		533	700	
SI CODE: PSD	60 %	50 %	25 %	0 %	0 %		381	250	
SI CODE: SPR	55 %	55 %	30 %	0 %	0 %		419	300	
TOTAL AC CODE:	0 %	5 %	20 %	0 %	0 %		762	1,000	
INCO TELECOMMUNICATIONS									
SI CODE: CPF	0 %	10 %	0 %	0 %	0 %		991		
SI CODE: CPS	25 %	30 %	10 %	0 %	0 %	3,707	2,973	225	
SI CODE: FBN	30 %	30 %	30 %	0 %	0 %	4,448	2,973	675	
SI CODE: INS	50 %	60 %	25 %	0 %	0 %	7,414	5,947	562	
SI CODE: MBN	70 %	70 %	70 %	0 %	0 %	10,379	6,938	1,575	
SI CODE: PSD	60 %	50 %	25 %	0 %	0 %	8,896	4,956	562	
SI CODE: SPR	55 %	55 %	30 %	0 %	0 %	8,155	5,451	675	
TOTAL AC CODE:	55 %	65 %	45 %	0 %	0 %	14,828	9,912	2,250	
INTR TRANSPORTATION									
SI CODE: CPF	0 %	10 %	0 %	0 %	0 %		457		
SI CODE: CPS	25 %	30 %	10 %	0 %	0 %	3,033	1,372	175	
SI CODE: FBN	30 %	30 %	30 %	0 %	0 %	3,639	1,372	525	
SI CODE: INS	50 %	60 %	25 %	0 %	0 %	6,066	2,745	437	
SI CODE: MBN	70 %	70 %	70 %	0 %	0 %	8,492	3,202	1,225	

TABLE IIIB : AC/SI SUMMARY REPORT
(U. S. Dollars Thousands)

	% FY95	% FY96	% FY97 @100%	% FY97 @100%	% FY97 @ 0%	FY 1995 ESTIMATE	FY 1996 PLANNED	FY 1997 REQUEST	FY 1997 @100%
SI CODE: PSD	60 %	50 %	25 %	0 %	0 %	7,279	2,287	437	
SI CODE: SPR	55 %	55 %	30 %	0 %	0 %	6,672	2,516	525	
TOTAL AC CODE:	45 %	30 %	35 %	0 %	0 %	12,132	4,575	1,750	
OBJECTIVE TOTAL	100 %	100 %	100 %	0 %	0 %	26,960	15,250	5,000	0
OBJECTIVE NUMBER: OT TITLE: PD&S - HIV/AIDS									
PDAS PROGRAM DEVELOPMENT AND SUPPORT									
SI CODE: STD	0 %	100 %	0 %	0 %	0 %		250		
TOTAL AC CODE:	0 %	100 %	0 %	0 %	0 %		250		
OBJECTIVE TOTAL	0 %	100 %	0 %	0 %	0 %	0	250	0	0
REPORT TOTALS						85,000	60,000	40,000	0

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AGGREGATION OF AC/SI CODES FOR SPECIAL ISSUES
(U. S. Dollars Thousands)

	FY 1995 ESTIMATE	FY 1996 PLANNED	FY 1997 REQUEST	FY 1997 @100%
(1) Child Survival Funding	--	--	--	--
(2) Other Health	--	--	--	--
(3) Environment	10,546	12,015	8,040	--
(4) Energy	--	--	--	--

Refer to AC/SI Coding Instructions for aggregation basis

The above summaries are agggregations of ACs and SIs. Other aggregations consist of ACs only and can be derived from AC section of the Aggregate Analysis Report

TABLE IIIC : OBJECTIVES BY TARGET AREA
(U.S Dollars Thousands)

STRATEGIC OBJECTIVE	AREA	FY 1995 ESTIMATE	FY 1996 PLANNED	FY 1997 REQUEST	FY 1997 @100%
01 STRENGTHEN DEMOCRATIC PROCESSES AND VALUES IN SOUTHERN AFRICA					
02 INDIGENOUS BUSINESS DEVELOPMENT AND OWNERSHIP					
03 ESTABLISH REGIONAL CONDITIONS FOR SUSTAINABLE ANR PRODUCTIVITY	ENVIRONMENT	10,546	11,253	7,040	0
04 INCREASED EFFICIENCY & COMPETITIVENESS OF REGIONAL INFRASTRUCTURE	ENVIRONMENT	0	763	1,000	0
OT PD&S - HIV/AIDS					
REPORT TOTALS	ENVIRONMENT	10,546	12,016	8,040	0