USAID

U.S. Agency for International Development

FISCAL YEAR

2002

# Budget Justification to the Congress

## *Annex II*
## *Asia and the Near East*

Note:  The organization of individual country narrative and table pages may not conform to the bound printed version.

Note: This page added to electronic version by
USAID Development Experience Clearinghouse

# U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT
# FY 2002 CONGRESSIONAL BUDGET JUSTIFICATION

## ASIA AND THE NEAR EAST
## ANNEX II

**Overview of Asia and Near East Region ……**

**FY 2002 SO Notification Levels …….**
**FY 2001 SO Notification Levels …….**

**<u>East Asia Region</u>**

**Burma ……**
**Cambodia ……..**
**East Timor ……**
**Indonesia ……..**
**Laos ……...**
**Mongolia ……**
**Philippines ……**
**Vietnam ……**

**<u>South Asia Region</u>**

**Bangladesh ……**
**India ……..**
**Nepal …….**
**Pakistan …….**
**Sri Lanka ……..**

**<u>Middle East and North Africa Region</u>**

**Egypt …….**
**Israel …….**
**Jordan ……...**
**Lebanon ……**
**Morocco ……**
**West Bank and Gaza ……...**
**Yemen ……**

**<u>ANE Regional Programs</u> …….**

**Abbreviations and Acronyms …….**

**Asia and Near East Bureau**

| Program Summary (In Thousands of Dollars) | | | | |
|---|---|---|---|---|
| **Category** | **FY 1999 Actual** | **FY 2000 Actual** | **FY 2001 Estimated** | **FY 2002 Request** |
| Development Assistance | 185,137 | 204,161 | 221,119 | 205,502 |
| Development Fund for Africa | 0 | 0 | 0 | 0 |
| Child Survival & Disease Fund | 84,526 | 89,980 | 109,540 | 112,085 |
| Freedom Support Act Funds | 10,000 | 6,000 | 0 | 0 |
| SEED Act Funds | 0 | 0 | 0 | 0 |
| Economic Support Funds | 2,191,982 | 2,517,573 | 2,036,908 | 1,881,750 |
| P.L. 480 Title II | 267,220 | 249,297 | 140,254 | 139,505 |
| P.L 480 Title III | 0 | 0 | 0 | 0 |
| **Total Program Funds** | **2,738,865** | **3,067,011** | **2,507,821** | **2,338,842** |

**Karen D. Turner**
**Acting Assistant Administrator**
**Bureau for Asia and Near East**

**East Asia Region**

| Program Summary (In Thousands of Dollars) | | | | |
|---|---|---|---|---|
| **Category** | **FY 1999 Actual** | **FY 2000 Actual** | **FY 2001 Estimated** | **FY 2002 Request** |
| Development Assistance | 66,256 | 76,800 | 85,643 | 81,663 |
| Development Fund for Africa | 0 | 0 | 0 | 0 |
| Child Survival & Disease Fund | 25,650 | 34,200 | 42,944 | 44,580 |
| Freedom Support Act Funds | 10,000 | 6,000 | 0 | 0 |
| SEED Act Funds | 0 | 0 | 0 | 0 |
| Economic Support Funds | 18,925 | 68,500 | 111,671 | 135,500 |
| P.L. 480 Title II | 80,504 | 92,123 | 13,851 | 13,360 |
| P.L 480 Title III | 0 | 0 | 0 | 0 |
| **Total Program Funds** | **201,335** | **277,623** | **254,109** | **275,103** |

**South Asia Region**

| Program Summary (In Thousands of Dollars) | | | | |
|---|---|---|---|---|
| **Category** | **FY 1999 Actual** | **FY 2000 Actual** | **FY 2001 Estimated** | **FY 2002 Request** |
| Development Assistance | 73,714 | 73,313 | 86,550 | 84,310 |
| Development Fund for Africa | 0 | 0 | 0 | 0 |
| Child Survival & Disease Fund | 39,360 | 45,286 | 49,050 | 50,390 |
| Freedom Support Act Funds | 0 | 0 | 0 | 0 |
| SEED Act Funds | 0 | 0 | 0 | 0 |
| Economic Support Funds | 250 | 0 | 4,983 | 23,000 |
| P.L. 480 Title II | 184,701 | 154,749 | 125,752 | 126,145 |
| P.L 480 Title III | 0 | 0 | 0 | 0 |
| **Total Program Funds** | **298,025** | **273,348** | **266,335** | **283,845** |

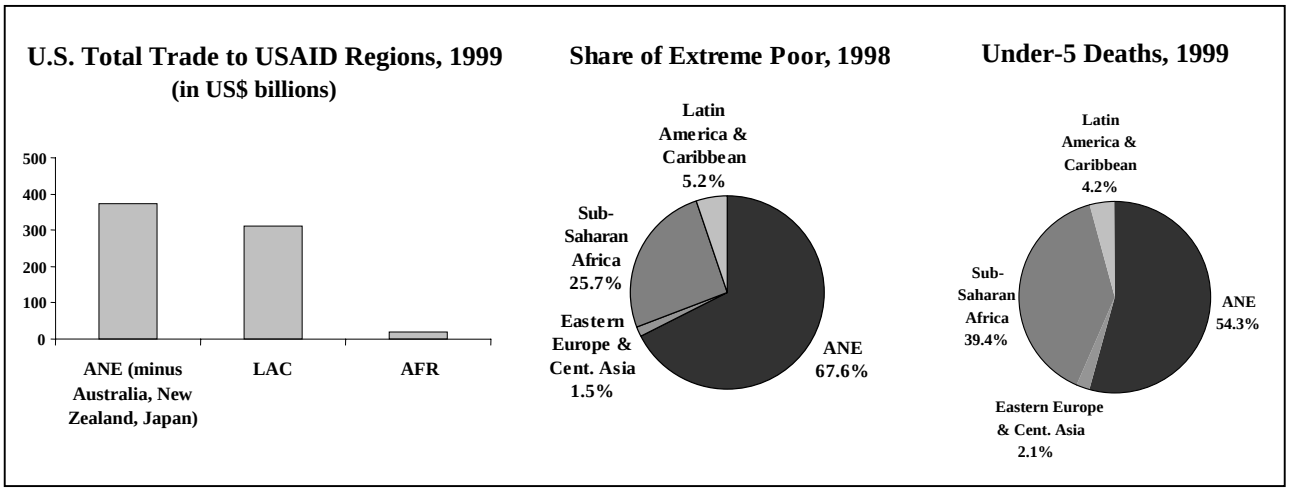
**Middle East and Noth Africa Region**

| Program Summary (In Thousands of Dollars) | | | | |
|---|---|---|---|---|
| **Category** | **FY 1999 Actual** | **FY 2000 Actual** | **FY 2001 Estimated** | **FY 2002 Request** |
| Development Assistance | 8,508 | 7,250 | 5,685 | 6,185 |
| Development Fund for Africa | 0 | 0 | 0 | 0 |
| Child Survival & Disease Fund | 2,826 | 3,000 | 4,902 | 4,628 |
| Freedom Support Act Funds | 0 | 0 | 0 | 0 |
| SEED Act Funds | 0 | 0 | 0 | 0 |
| Economic Support Funds | 2,141,550 | 2,375,823 | 1,805,658 | 1,637,000 |
| P.L. 480 Title II | 2,015 | 2,425 | 651 | 0 |
| P.L 480 Title III | 0 | 0 | 0 | 0 |
| **Total Program Funds** | **2,154,899** | **2,388,498** | **1,816,896** | **1,647,813** |

## ASIA AND THE NEAR EAST

### U.S. NATIONAL INTERESTS

The Asia and Near East (ANE) region consists of three subregions: East Asia, South Asia, and the Middle East and North Africa. The United States has major economic and strategic interests in this very large and diverse region. The ANE region is the second most important market (behind Europe) for U.S. goods and services, ANE countries supply 50% of the oil to the United States and its Asian partners, and ANE countries control crucial shipping lanes essential for international commerce. Instability in the region threatens U.S. efforts to stem the proliferation of weapons of mass destruction, to combat terrorism, and to promote access to commercial opportunities for American businesses. Poverty, infectious diseases, and environmental degradation are not only of concern within Asia and the Near East—they also pose serious threats to global health and well being. USAID's development programs serve U.S. foreign policy objectives within Asia and the Middle East, particularly the promotion of international peace and prosperity, while simultaneously addressing humanitarian needs.




IMF, Direction of Trade, 1999 | World Bank, 1998 | UNICEF, 2001 State of the World's Children, 1999

### DEVELOPMENT CHALLENGE

USAID works in three priority areas: economic growth; global health; and conflict prevention and developmental relief.

#### Economic Growth and Agriculture

*East Asia:* East Asian economies grew rapidly prior to 1997, due largely to sound macroeconomic policies. Thailand and Indonesia had been growing annually at around 7%, while the Philippines doubled its annual growth rate to 3% during the first half of the 1990s. However, the financial crisis in 1997 demonstrated the importance of complementing sound economic policies with adequate economic governance and transparency, especially in the financial sector. But instead of aggressively pursuing economic reform in the wake of the crisis, many governments in East Asia have responded lethargically, or have not implemented planned reforms fully. Asian countries still must contend with massive banking and corporate debts, serious social dislocations, poor quality of education, and pervasive economic governance problems. The U.S. economic slowdown and the shrinking demand for Asian exports, coupled with high oil prices, will make real reform and sustainable economic recovery even more difficult, leaving the subregion vulnerable to future economic shocks. The Institute for Management Development's World Competitiveness Scoreboard for 2000 still ranks many Southeast Asian countries near the bottom due to poor economic governance and lack of transparency. Thailand, the Philippines,

and Indonesia ranked 33rd, 39th, and 45th respectively out of 47 countries surveyed. East Asia still faces major challenges to improve economic governance and ensure broader participation in the economy.

USAID is helping East Asian countries meet these challenges through programs that increase competition, transparency, and accountability in capital markets and other financial sector institutions. Its programs work to liberalize international trade, increase the degree of competition within domestic economies, eliminate restraints on foreign and domestic investment, and privatize infrastructure. USAID's investments are paying off. For example, it supported a groundbreaking competition law in Indonesia in 1999, a first step in dismantling monopolies. USAID advisors have begun to prepare the government and business communities to comply with the law. Through support for economic law reform in Indonesia and other East Asian nations, USAID is helping to lay the foundation for renewed growth.

*South Asia:* Development conditions in South Asia are paradoxical. It has achieved strong economic growth—its 5.4% growth in gross domestic product (GDP) in 1999 made it the fastest growing developing region in the world for the second consecutive year.[1] However, this growth has not translated into reduced poverty levels: half a billion people still live on less than a dollar a day, and South Asia is home to 40% of the world's poor.[2] India alone accounts for one-quarter of the world's total undernourished persons. With the world's highest adult illiteracy rate (35% for men, 59% for women), economic growth does not benefit all segments of South Asian society equally. USAID is trying to maintain the gains already achieved while increasing the equity of economic growth in South Asia through programs that target neglected segments of the population such as women, children, and the destitute. USAID support for microfinance institutions and female literacy programs affirms its commitment to equitable growth.

Energy fuels economic growth, and its availability is central to future economic development. Demand for energy in South Asia is already high, and will skyrocket in coming years. Energy consumption grew at an annual rate of 5.5% between 1988 and 1998 in South Asia, making it the fastest growing energy consumer in the world.[3] The kind of energy consumed is crucial to development as well. Dirty fuels (coal, fuel woods, and agricultural waste) cause costly health and environmental degradations that impair economic growth and hurt the most vulnerable. Facilitating growth without further damaging environmental or health conditions in South Asia demands improved energy efficiency and cleaner industrial processes. USAID is leading donors in South Asia with programs like its South Asia Regional Initiative/Energy (SARI/Energy) that promote the development and trade of clean energy technologies to respond to growing energy demands and to promote regional economic linkages. Another program, the United States-Asia Environmental Partnership (USAEP), drives long-term improvements in urban and industrial environmental performance by linking economic growth to environmental protection. USAEP has assisted in over $1.26 billion in U.S. clean-energy technology exports to Asia, plus numerous joint ventures and licensing agreements benefiting literally hundreds of new-to-market American firms. The United States benefits through increased exports, penetration into Asian markets, and a safer global environment.

*Middle East and North Africa:* Many economic indicators for the Middle East and North Africa look promising—these countries have a higher gross national product (GNP) per capita and lower levels of poverty on average than the developing countries of East and South Asia. However, these positive signs are likely to erode due to high birth rates, which already produce more people than labor markets can absorb. The World Bank estimates that most of the countries in the subregion have unemployment rates in excess of 15%,[4] with even higher rates in the West Bank and Gaza Strip. High birth rates ensure that a large percentage of the Middle East and North Africa's population are children or young adults—59% of Arabs are younger than 25 years old.[5] The subregion could become increasingly unstable if economic growth fails to create enough jobs for its unemployed, as well as for the legions of young people who enter the workforce every year.

---

[1] "South Asia Regional Brief, 2000." World Bank. September 2000.
[2] Ibid.
[3] BP Amoco Statistical Review of World Energy, 1999.
[4] World Bank Annual Report 2000, pg. 75.
[5] "Bloom and Gloom." Economist, 3-26-01.

Promoting reform, investment, and employment opportunities are the keys to economic growth. Countries like Egypt, Jordan, and Tunisia have made limited progress toward reforming their economies. Still, more is needed to promote investment and stimulate growth. Privatization remains slow and the public sector large. Although many individuals attend and graduate college each year, very few have the skills necessary to thrive in a global economy. The subregion attracts less foreign investment than either South Asia or East Asia, and needs to adjust legal and regulatory systems further to encourage competition and investor interest.

USAID's economic growth programs in the Middle East and North Africa address these weaknesses. They promote faster economic growth and increased job creation through improved economic policies, trade and investment liberalization, and expanded microfinance activities. USAID supported the efforts of Jordan to join the World Trade Organization (WTO) in 2000, and helped other member countries understand and meet their WTO obligations. USAID also is working to strengthen the policy and regulatory environment for information and communications technologies to make economies more competitive in the global marketplace. Moreover, USAID-supported microfinance activities spread the benefits of economic growth and create jobs by encouraging formal banking systems to lend to small commercial borrowers.

**Global Health**

*East Asia:* High fertility rates, mother-child health, and HIV/AIDS are the major global health issues across the ANE region. In East Asia, stemming the tide of HIV/AIDS is the priority. The rapid increase in HIV prevalence in Cambodia, Burma, and south China and sustained high prevalence in Thailand constitute a growing threat. Approximately 4% of Cambodians are infected with HIV, the highest prevalence in East Asia.[6] The need to care for orphans and children affected by AIDS is becoming increasingly acute.

To combat the spread of HIV/AIDS and other infectious diseases, USAID has developed bilateral and cross-border prevention programs, as well as outreach and clinical services that reduce risk and save lives. In countries like the Philippines and Indonesia, where the spread of HIV is considerably slower, USAID supports the monitoring and evaluation of HIV and other sexually transmitted diseases as well as operations and behavior research. The regional financial crisis has seriously eroded governments' abilities to respond to the HIV/AIDS crisis and to maintain existing and basic healthcare services. Accordingly, USAID is working with the East Asian countries to develop safety nets for those least able to afford care.

*South Asia:* Mother-child health and HIV/AIDS remain the most glaring health issues in South Asia. The subregion accounts for one-third of the world's maternal deaths. All South Asian countries except Sri Lanka have exceptionally high infant mortality rates per thousand live births (India=70, Nepal=77, Bangladesh=73, Pakistan=91, Afghanistan=149). (The U.S. infant mortality rate is 7 per 1,000 live births.) USAID programs aim to stabilize population growth and protect human health by expanding access to quality maternal-child care and family planning services, and by improving monitoring to warn of growing resistance to antibiotics by selected infectious diseases. Bangladesh offers an excellent example of USAID's impact on family planning and reproductive health work. Since the mid-1970s, overall births per woman have decreased from seven or eight in the 1970s to three today. In urban areas in Bangladesh, fertility is now at the replacement level of 2.1 births per woman, comparable with developed countries.

Similar to East Asia, HIV prevalence continues to increase in South Asia. India has an estimated three to five million HIV cases—second only to South Africa in total number—although infection rates are concentrated in a handful of states and among high-risk populations such as prostitutes and their clients, mobile workers, and injecting-drug users.

Along with bilateral HIV/AIDS programs in USAID presence countries, since 1993 USAID has supported a regional strategy focused on mobile populations, regional capacity building, and programs in non-

[6] UNAIDS, June 2000.

presence countries.[7] In 2000, this program was expanded to address concerns about the increasing incidence of tuberculosis and drug-resistant malaria. Key regional issues include prevention, improved response capacity, and policy reform to increase political and private sector leadership.

*Middle East and North Africa:* Very high fertility levels dominate the health sector in the Middle East and North Africa, coupled with their related maternal and child health concerns. The total fertility rates for most countries far exceed the replacement level of 2.1 births per woman. The average woman in Gaza and Yemen has more than six children,[8] and women in the Middle East and North Africa usually give birth at home without the help of skilled personnel. Yemen and Morocco have the highest maternal mortality rates in this subregion at 350 and 230 per 10,000 live births respectively (maternal mortality rates in the United States are approximately 8 per 10,000 live births),[9] which corresponds to the low levels of trained professionals attending births. Infant mortality rates (number of deaths per 1,000 live births) have declined significantly in the subregion in recent years, mostly due to improved immunization coverage, but are still high relative to the United States' and Europe's seven and nine deaths, respectively. Yemen and Egypt have particularly high infant mortality rates at 70 and 62 infant deaths, respectively.[10]

USAID's population and health programs in the Middle East and North Africa provide information and increase reproductive health options that will reduce maternal and infant mortality and enhance the opportunities for women to improve their lives. Family planning programs also are expected to yield declines in population growth that will reduce the pressure on very limited jobs, water resources and public services, and will improve the context for economic growth. USAID is working with governments to improve health systems, health planning, and policies; to reduce the impact of infectious diseases such as hepatitis C and tuberculosis; and to respond to growing concerns about sexually-transmitted diseases and the emergence of HIV/AIDS.

**Conflict Prevention and Developmental Relief**

*East Asia:* Most East Asian countries assisted by USAID have weak or nascent democratic institutions. However, a series of tumultuous events (e.g., the Asian financial crisis, ethnic and separatist violence in Indonesia and the Philippines, various leadership scandals) have propelled Asian civil societies into action. The Asian financial crisis has forced subjects like corruption, public participation, and labor rights into open public debate. In this sense, upheaval in East Asia has created opportunities for programs to improve transparency and accountability in government and private institutions, to strengthen nongovernmental organizations (NGOs), and to make local and national governments more responsive to citizen needs.

In this new environment, USAID democracy and governance programs can have a significant impact. In the wake of political turmoil in Cambodia, USAID has redoubled its efforts to strengthen NGOs that protect and enhance human rights. Where institutional reform has been slow in East Asia, USAID has emphasized democracy and governance programming to strengthen civil society organizations. While still challenging, this approach is designed to create more political openness and higher levels of participation among average citizens in national affairs.

USAID also helps to mitigate conflict in Asia by assisting refugees and displaced persons, and demobilizing former combatants. For example, in Mindanao, Philippines, the long conflict between Muslim separatists and the central government has sown destruction and poverty. USAID's Growth with Equity in Mindanao program is helping to rebuild the island's war-torn communities and engage former combatants in the economy through activities like producing hybrid corn and seaweed. These activities help provide food security and steady livelihoods for former combatants and their families. USAID activities in Indonesia train specialists in conflict and dispute resolution at the national level as well as in

---

[7] Note: The Regional HIV/AIDS and Infectious Disease program supports activities in both South and East Asia.
[8] U.S. Bureau of the Census, International Database 2000.
[9] UNICEF.
[10] U.S. Bureau of the Census, International Database 2000.

sensitive regions like Papua and Aceh. These activities emphasize interfaith dialogue and land and labor rights. USAID assists in resolving overlapping claims to forests through a mapping process that includes all relevant stakeholders. Finally, USAID provides assistance to internally displaced persons in Indonesia, most recently to ethnic Madurese forced to flee their homes because of sectarian violence in Kalimantan.

*South Asia*: Oppression in South Asia is most evident in the subregion's high levels of human trafficking and child labor. Vulnerable women and children have little voice and scant choice in controlling their physical, social, and psychological well being. Modern-day traders traffic children as young as seven years old within and between South Asian countries. The International Labor Organization estimates that India, Bangladesh, Pakistan, and Nepal have the highest percentage of children in hazardous work, where deaths and dismemberment are common. Worldwide concerns about these centuries-old crimes and injustices have intensified in recent years. USAID's SARI/Equity program strengthens local NGO capacity to document human rights abuses and child labor conditions and sponsors badly needed demographic studies on trafficking and child labor, networking among NGOs, and advocacy training. USAID also will provide women with literacy training and children with basic education, and will fund non-formal education and microcredit programs to eliminate the underlying conditions that allow human trafficking and child labor to continue.

Natural disasters have intensified human-caused problems and misery in South Asia. The January 2001 earthquake in Gujarat, India, killed 20,000 people, injured 150,000 people, destroyed 750,000 shelters, left 800,000 homeless, and caused $2.3 billion in infrastructure damage. While the immediate relief needs largely have been met, the longer-term recovery effort is just beginning. This comes during a time of drought in the subregion, which already is taxing the ability of the agricultural-based economy to meet the needs of the citizens of Gujarat. In response, USAID is reprogramming $10 million in FY 2001 funds to support recovery and reconstruction efforts that resulted from the Gujarat earthquake. These funds complement the approximately $12.5 million invested to date by the United States for immediate relief efforts. Quick initiation of this new earthquake recovery objective will avoid a gap between the provision of relief assistance and longer-term recovery needs.

*Middle East and North Africa:* Beyond the immediate Palestinian-Israeli conflict, longer-term concerns about conflict center on water shortages. Addressing the critical water situation is a top priority for USAID assistance to this subregion. It has the lowest per capita availability of fresh water in the world: from a subregional average of less than 1,000 cubic meters per year to 100 cubic meters per year in the Gaza Strip.[11] High population growth may reduce per capita resources to 600 cubic meters in 25 years. Furthermore, over-extraction, increased salinity from over-irrigation, and raw or inadequately treated wastewater all are degrading water quality. Reduced water availability and quality will increase the propensity for water conflict between competing users. To address this problem, USAID bilateral and regional programs in Egypt, Jordan, Morocco, and the West Bank and Gaza target improved water management, increased access to water and wastewater services, water policy reforms, strong water-sector institutions, and decentralization and privatization.

Other than the water sector, USAID is assisting civil society organizations in the Middle East and North Africa that play an increasing role in decision-making and government oversight. Their participation brings added perspective to the dialogue on regional conflict and democratic development.

**OTHER DONORS**

In response to the complex issues and limited resources, USAID must coordinate effectively with other major donors and mobilize consulting and NGO partner resources efficiently. In addition, USAID has engaged directly with other U.S. Government agencies and the commercial private sector to mobilize their expertise and resources towards these development challenges. To do so, USAID has converted from being a leading development practitioner to being an innovator and mobilizer of other development

[11] World Bank. "Water Resource Management: Sector Overview." September 11, 2000. URL: www.worldbank.org.

resources. USAEP provides an example of USAID's ability to nurture public-private partnerships. The program promotes private-sector funding for technologies that produce a safer global environment, and U.S. companies benefit from increased exports and penetration into Asian markets.

Excluding its assistance to Israel, USAID ranks third among donors in this region, supplying $1.693 billion, or 9.8%, of bilateral and multilateral assistance flows to ANE countries (East Asia, South Asia, and the Middle East/North Africa).[12] The top two lenders are Japan ($6.625 billion, 38.5% of total assistance flows) and the World Bank ($1.807 billion, 10.5% of total assistance flows). Other significant bilateral donors in the region include the European Union ($1.0613 billion, 6.2%), Germany ($955 million, 5.6%), France ($919 million, 5.3%), and the Asian Development Bank ($816 million, 4.7%). USAID continues to work with these donors and United Nations agencies to reach a consensus on development priorities and to coordinate programs in every USAID-assisted country in the region. In particular, USAID will seek new opportunities to further the U.S.-Japan Common Agenda, and to cooperate with Japan on parallel programs in East and South Asia.

## PROGRAM AND MANAGEMENT CHALLENGES

USAID faces four main program and management challenges in the ANE region. First, USAID must be prepared to respond to major political upheavals like those occurring in Indonesia and the West Bank and Gaza where it has major bilateral investments. It must remain flexible in such unstable political environments and be poised to adjust programs to accommodate fluid conditions.

Second, USAID must manage an increasing number of requests to work in USAID nonpresence countries due to various political, economic, or national security imperatives. USAID will continue to support programs in Pakistan, Yemen, Vietnam, Burma and 12 other nonpresence countries, while identifying ways to maximize its personnel and management resources.

Third, transnational challenges increasingly shape development and demand transnational solutions. In response, USAID has launched regional initiatives to more effectively address cross-border development issues such as the spread of deadly diseases, the growing worldwide threat from air and water pollution, participation in the globalizing economy, and the trafficking of women and children.

Finally, USAID must constantly anticipate future development challenges and opportunities. To maintain relevancy in the evolving field of international development, analyzing and adapting to trends is essential. For example, as Internet communication technologies and human capacity development become more central tools for achieving development, ANE is devoting increased attention to them. By thinking strategically about emerging fields, USAID's program responses will continue to reflect development needs, U.S. national interests, and USAID capabilities and comparative advantages.

## FY 2002 PROGRAM

For the ANE region, $2,338,842,000 is requested for FY 2002 programs. Of this amount, $205.5 million is Development Assistance (DA), $112 million is Child Survival and Disease (CSD) program funds, $1.882 billion is Economic Support Funds (ESF), and $139.5 million is P.L. 480 (Title II) resources. The specific programs and results to be achieved with these funds are described in the detailed country and regional program narratives and activity data sheets.

USAID's priorities for DA and CSD resources include the following:

- Supporting economic governance reform programs, especially in East Asia;
- Assisting economic transition and reform that will help ANE countries join the global economy, strengthen the private sector, and create jobs;
- Focusing on increased equity as countries achieve economic growth, particularly in South Asia;
- Continuing to support slower population growth and healthier families;

[12] OECD/DAC Online Database (1999 figures).

- Helping countries make efficient use of scarce resources, such as water, and prevent conflict between competing users;
- Protecting the most vulnerable segments of society, especially women and children;
- Promoting efficient and clean energy development in South Asia;
- Strengthening the rule of law and active citizen participation in governance;
- Helping reduce the spread of infectious diseases such as HIV/AIDS and tuberculosis, while also equipping countries to better care for victims of infectious diseases;
- Promoting the quality and relevance of basic education and training systems that create social and economic opportunities for citizens of developing nations;
- Encouraging broad-based agricultural growth in the ANE region and strengthening links between small farmers and U.S. businesses to improve product quality and production sustainability for the globalized market; and
- Promoting the use of Internet communication technologies that provide new economic opportunities, vital information, and avenues for participation to citizens of developing countries.

The bulk of ESF assistance will continue to support conflict prevention and peace-building initiatives in the Middle East. ESF assistance also will fund bilateral programs in Cambodia and Mongolia and contribute to democratic transitions in East Timor and Indonesia; economic recovery in East Asia; regional trade and investment in North Africa; child labor and anti-trafficking activities in South and East Asia; and regional democracy and environmental programs across the region. P.L. 480 Title II funds will support programs to improve child survival and nutrition in India and enhance rural incomes and nutritional status in Bangladesh.

**Asia and Near East Bureau**
**FY 2002 Program Summary**
**(in thousands of dollars)**

| | FY 1999 | FY 2000 | FY 2001 | FY 2002 |
|---|---|---|---|---|
| **East Asia Region** | | | | |
| Burma | | | | |
| - DA | 300 | 0 | 1,000 | 1,000 |
| - DFA | 0 | 0 | 0 | 0 |
| - CSD | 2,700 | 3,000 | 2,000 | 2,000 |
| - FSA | 0 | 0 | 0 | 0 |
| - SEED | 0 | 0 | 0 | 0 |
| - ESF | 3,500 | 3,500 | 3,488 | 3,500 |
| - P.L. 480/II | 0 | 0 | 0 | 0 |
| Cambodia | | | | |
| - DA | 800 | 0 | 0 | 0 |
| - DFA | 0 | 0 | 0 | 0 |
| - CSD | 3,600 | 3,550 | 9,420 | 10,000 |
| - FSA | 0 | 0 | 0 | 0 |
| - SEED | 0 | 0 | 0 | 0 |
| - ESF | 10,000 | 10,000 | 17,496 | 25,000 |
| - P.L. 480/II | 0 | 7,071 | 1,800 | 0 |
| China | | | | |
| - DA | 0 | 0 | 0 | 0 |
| - DFA | 0 | 0 | 0 | 0 |
| - CSD | 0 | 0 | 0 | 0 |
| - FSA | 0 | 0 | 0 | 0 |
| - SEED | 0 | 0 | 0 | 0 |
| - ESF | 0 | 1,000 | 0 | 5,000 |
| - P.L. 480/II | 0 | 0 | 0 | 0 |
| East Timor | | | | |
| - DA | 0 | 0 | 0 | 0 |
| - DFA | 0 | 0 | 0 | 0 |
| - CSD | 0 | 0 | 0 | 0 |
| - FSA | 0 | 0 | 0 | 0 |
| - SEED | 0 | 0 | 0 | 0 |
| - ESF | 0 | 25,500 | 24,914 | 25,000 |
| - P.L. 480/II | 0 | 6,089 | 0 | 0 |
| Indonesia | | | | |
| - DA | 38,606 | 53,050 | 52,505 | 48,804 |
| - DFA | 0 | 0 | 0 | 0 |
| - CSD | 13,450 | 18,950 | 19,580 | 21,280 |
| - FSA | 0 | 0 | 0 | 0 |
| - SEED | 0 | 0 | 0 | 0 |
| - ESF | 5,425 | 22,500 | 44,845 | 50,000 |
| - P.L. 480/II | 34,119 | 18,110 | 12,051 | 13,360 |

**Asia and Near East Bureau**
**FY 2002 Program Summary**
**(in thousands of dollars)**

| | FY 1999 | FY 2000 | FY 2001 | FY 2002 |
|---|---|---|---|---|
| Laos | | | | |
| - DA | 2,300 | 0 | 0 | 0 |
| - DFA | 0 | 0 | 0 | 0 |
| - CSD | 0 | 0 | 0 | 0 |
| - FSA | 0 | 0 | 0 | 0 |
| - SEED | 0 | 0 | 0 | 0 |
| - ESF | 0 | 0 | 0 | 0 |
| - P.L. 480/II | 0 | 0 | 0 | 0 |
| Mongolia | | | | |
| - DA | 0 | 0 | 0 | 0 |
| - DFA | 0 | 0 | 0 | 0 |
| - CSD | 0 | 0 | 0 | 0 |
| - FSA | 10,000 | 6,000 | 0 | 0 |
| - SEED | 0 | 0 | 0 | 0 |
| - ESF | 0 | 6,000 | 11,959 | 12,000 |
| - P.L. 480/II | 0 | 0 | 0 | 0 |
| North Korea | | | | |
| - DA | 0 | 0 | 0 | 0 |
| - DFA | 0 | 0 | 0 | 0 |
| - CSD | 0 | 0 | 0 | 0 |
| - FSA | 0 | 0 | 0 | 0 |
| - SEED | 0 | 0 | 0 | 0 |
| - ESF | 0 | 0 | 0 | 0 |
| - P.L. 480/II | 46,385 | 60,853 | 0 | 0 |
| Philippines | | | | |
| - DA | 22,750 | 22,500 | 30,634 | 27,259 |
| - DFA | 0 | 0 | 0 | 0 |
| - CSD | 4,400 | 7,200 | 9,450 | 9,800 |
| - FSA | 0 | 0 | 0 | 0 |
| - SEED | 0 | 0 | 0 | 0 |
| - ESF | 0 | 0 | 8,968 | 15,000 |
| - P.L. 480/II | 0 | 0 | 0 | 0 |
| Vietnam | | | | |
| - DA | 1,500 | 1,250 | 1,500 | 4,600 |
| - DFA | 0 | 0 | 0 | 0 |
| - CSD | 1,500 | 1,500 | 2,494 | 1,500 |
| - FSA | 0 | 0 | 0 | 0 |
| - SEED | 0 | 0 | 0 | 0 |
| - ESF | 0 | 0 | 0 | 0 |
| - P.L. 480/II | 0 | 0 | 0 | 0 |
| Subtotal East Asia Region | | | | |
| - DA | 66,256 | 76,800 | 85,639 | 81,663 |
| - DFA | 0 | 0 | 0 | 0 |
| - CSD | 25,650 | 34,200 | 42,944 | 44,580 |
| - FSA | 10,000 | 6,000 | 0 | 0 |
| - SEED | 0 | 0 | 0 | 0 |
| - ESF | 18,925 | 68,500 | 111,670 | 135,500 |

**Asia and Near East Bureau**
**FY 2002 Program Summary**
**(in thousands of dollars)**

| | FY 1999 | FY 2000 | FY 2001 | FY 2002 |
|---|---|---|---|---|
| - P.L. 480/II | 80,504 | 92,123 | 13,851 | 13,360 |

**Asia and Near East Bureau**
**FY 2002 Program Summary**
**(in thousands of dollars)**

| | FY 1999 | FY 2000 | FY 2001 | FY 2002 |
|---|---|---|---|---|
| **South Asia Region** | | | | |
| Afghanistan | | | | |
| - DA | 0 | 0 | 0 | 0 |
| - DFA | 0 | 0 | 0 | 0 |
| - CSD | 0 | 0 | 0 | 0 |
| - FSA | 0 | 0 | 0 | 0 |
| - SEED | 0 | 0 | 0 | 0 |
| - ESF | 0 | 0 | 0 | 0 |
| - P.L. 480/II | 6,278 | 13,905 | 15,783 | 0 |
| Bangladesh | | | | |
| - DA | 31,650 | 31,063 | 42,300 | 38,300 |
| - DFA | 0 | 0 | 0 | 0 |
| - CSD | 14,600 | 14,836 | 15,500 | 14,500 |
| - FSA | 0 | 0 | 0 | 0 |
| - SEED | 0 | 0 | 0 | 0 |
| - ESF | 0 | 0 | 0 | 3,000 |
| - P.L. 480/II | 46,356 | 23,525 | 43,654 | 46,125 |
| India | | | | |
| - DA | 27,750 | 28,700 | 29,950 | 32,710 |
| - DFA | 0 | 0 | 0 | 0 |
| - CSD | 17,250 | 22,750 | 23,600 | 25,840 |
| - FSA | 0 | 0 | 0 | 0 |
| - SEED | 0 | 0 | 0 | 0 |
| - ESF | 0 | 0 | 4,983 | 7,000 |
| - P.L. 480/II | 125,815 | 116,782 | 64,460 | 80,020 |
| Nepal | | | | |
| - DA | 10,624 | 9,900 | 11,300 | 10,300 |
| - DFA | 0 | 0 | 0 | 0 |
| - CSD | 6,410 | 7,000 | 9,250 | 9,750 |
| - FSA | 0 | 0 | 0 | 0 |
| - SEED | 0 | 0 | 0 | 0 |
| - ESF | 0 | 0 | 0 | 3,000 |
| - P.L. 480/II | 0 | 0 | 0 | 0 |
| Pakistan | | | | |
| - DA | 100 | 0 | 0 | 0 |
| - DFA | 0 | 0 | 0 | 0 |
| - CSD | 800 | 0 | 0 | 0 |
| - FSA | 0 | 0 | 0 | 0 |
| - SEED | 0 | 0 | 0 | 0 |
| - ESF | 250 | 0 | 0 | 7,000 |
| - P.L. 480/II | 4,532 | 537 | 1,855 | 0 |

**Asia and Near East Bureau**
**FY 2002 Program Summary**
**(in thousands of dollars)**

| | FY 1999 | FY 2000 | FY 2001 | FY 2002 |
|---|---|---|---|---|
| Sri Lanka | | | | |
| - DA | 3,590 | 3,650 | 3,000 | 3,000 |
| - DFA | 0 | 0 | 0 | 0 |
| - CSD | 300 | 700 | 300 | 300 |
| - FSA | 0 | 0 | 0 | 0 |
| - SEED | 0 | 0 | 0 | 0 |
| - ESF | 0 | 0 | 0 | 3,000 |
| - P.L. 480/II | 1,720 | 0 | 0 | 0 |
| Subtotal South Asia Region | | | | |
| - DA | 73,714 | 73,313 | 86,550 | 84,310 |
| - DFA | 0 | 0 | 0 | 0 |
| - CSD | 39,360 | 45,286 | 48,650 | 50,390 |
| - FSA | 0 | 0 | 0 | 0 |
| - SEED | 0 | 0 | 0 | 0 |
| - ESF | 250 | 0 | 4,983 | 23,000 |
| - P.L. 480/II | 184,701 | 154,749 | 125,752 | 126,145 |

**Asia and Near East Bureau**
**FY 2002 Program Summary**
**(in thousands of dollars)**

| | FY 1999 | FY 2000 | FY 2001 | FY 2002 |
|---|---|---|---|---|
| **Middle East and North Africa Region** | | | | |
| Egypt | | | | |
| - DA | 0 | 0 | 0 | 0 |
| - DFA | 0 | 0 | 0 | 0 |
| - CSD | 0 | 0 | 0 | 0 |
| - FSA | 0 | 0 | 0 | 0 |
| - SEED | 0 | 0 | 0 | 0 |
| - ESF | 775,000 | 727,267 | 692,603 | 655,000 |
| - P.L. 480/II | 457 | 714 | 60 | 0 |
| Israel | | | | |
| - DA | 0 | 0 | 0 | 0 |
| - DFA | 0 | 0 | 0 | 0 |
| - CSD | 0 | 0 | 0 | 0 |
| - FSA | 0 | 0 | 0 | 0 |
| - SEED | 0 | 0 | 0 | 0 |
| - ESF | 1,080,000 | 949,056 | 840,000 | 720,000 |
| - P.L. 480/II | 0 | 0 | 0 | 0 |
| Jordan | | | | |
| - DA | 0 | 0 | 0 | 0 |
| - DFA | 0 | 0 | 0 | 0 |
| - CSD | 0 | 0 | 0 | 0 |
| - FSA | 0 | 0 | 0 | 0 |
| - SEED | 0 | 0 | 0 | 0 |
| - ESF | 200,000 | 199,500 | 149,483 | 150,000 |
| - P.L. 480/II | 0 | 0 | 0 | 0 |
| Lebanon | | | | |
| - DA | 500 | 0 | 0 | 0 |
| - DFA | 0 | 0 | 0 | 0 |
| - CSD | 0 | 0 | | 0 |
| - FSA | 0 | 0 | 0 | 0 |
| - SEED | 0 | 0 | 0 | 0 |
| - ESF | 12,050 | 15,000 | 34,879 | 32,000 |
| - P.L. 480/II | 0 | 0 | 0 | 0 |
| Morocco | | | | |
| - DA | 8,008 | 7,250 | 5,685 | 6,185 |
| - DFA | 0 | 0 | 0 | 0 |
| - CSD | 2,826 | 3,000 | 4,902 | 4,628 |
| - FSA | 0 | 0 | 0 | 0 |
| - SEED | 0 | 0 | 0 | 0 |
| - ESF | 0 | 0 | 0 | 0 |
| - P.L. 480/II | 0 | 0 | 591 | 0 |

**Asia and Near East Bureau**
**FY 2002 Program Summary**
**(in thousands of dollars)**

| | FY 1999 | FY 2000 | FY 2001 | FY 2002 |
|---|---|---|---|---|
| West Bank and Gaza | | | | |
| - DA | 0 | 0 | 0 | 0 |
| - DFA | 0 | 0 | 0 | 0 |
| - CSD | 0 | 0 | 0 | 0 |
| - FSA | 0 | 0 | 0 | 0 |
| - SEED | 0 | 0 | 0 | 0 |
| - ESF | 74,500 | 485,000 | 84,707 | 75,000 |
| - P.L. 480/II | 0 | 0 | 0 | 0 |
| Yemen | | | | |
| - DA | 0 | 0 | 0 | 0 |
| - DFA | 0 | 0 | 0 | 0 |
| - CSD | 0 | 0 | 0 | 0 |
| - FSA | 0 | 0 | 0 | 0 |
| - SEED | 0 | 0 | 0 | 0 |
| - ESF | 0 | 0 | 3,986 | 5,000 |
| - P.L. 480/II | 1,558 | 1,711 | 0 | 0 |
| Subtotal Middle East and North Africa Region | | | | |
| - DA | 8,508 | 7,250 | 5,685 | 6,185 |
| - DFA | 0 | 0 | 0 | 0 |
| - CSD | 2,826 | 3,000 | 4,902 | 4,628 |
| - FSA | 0 | 0 | 0 | 0 |
| - SEED | 0 | 0 | 0 | 0 |
| - ESF | 2,141,550 | 2,375,823 | 1,805,658 | 1,637,000 |
| - P.L. 480/II | 2,015 | 2,425 | 651 | 0 |

| **Subtotal ANE Regional Programs** | | | | |
|---|---|---|---|---|
| - DA | 36,659 | 46,798 | 43,245 | 33,344 |
| - DFA | 0 | 0 | 0 | 0 |
| - CSD | 16,690 | 7,494 | 13,044 | 12,487 |
| - FSA | 0 | 0 | 0 | 0 |
| - SEED | 0 | 0 | 0 | 0 |
| - ESF | 31,257 | 73,250 | 114,596 | 86,250 |
| - P.L. 480/II | 0 | 0 | 0 | 0 |

| **Total Asia and Near East** | | | | |
|---|---|---|---|---|
| - DA | 185,137 | 204,161 | 221,119 | 205,502 |
| - DFA | 0 | 0 | 0 | 0 |
| - CSD | 84,526 | 89,980 | 109,540 | 112,085 |
| - FSA | 10,000 | 6,000 | 0 | 0 |
| - SEED | 0 | 0 | 0 | 0 |
| - ESF | 2,191,982 | 2,517,573 | 2,036,907 | 1,881,750 |
| - P.L. 480/II | 267,220 | 249,297 | 140,254 | 139,505 |

**Asia and Near East Bureau**
**Congressional Budget Justification (CBJ) Fiscal Year 2002**
**Notified Levels for FY 2002**

| Country/Program SO No. | Strategic Objective Title | Account | Amount Being Notified in CBJ |
|---|---|---|---|
| **EAST ASIA REGION** | | | |
| **Burma** | | | |
| 482-002 | Democracy and Humanitarian Assistance | DA | 1,000 |
| | | CSD | 2,000 |
| | | ESF | 3,500 |
| **Cambodia** | | | |
| 442-001 | Strengthened Democratic Processes and Respect for Human Rights | ESF | 18,000 |
| 442-002 | Improved Reproductive and Child Health | ESF | 7,000 |
| 442-005 | Reduced Transmission of STIs and HIV/AIDS in High Risk Populations | CSD | 10,000 |
| **East Timor** | | | |
| 472-001 | Revitalization of Local Economy | ESF | 10,000 |
| 472-003 | Democratic Development Strengthened | ESF | 15,000 |
| **Indonesia** | | | |
| 497-007 | Democratic Reforms Sustained and Deepened | DA | 7,193 |
| | | ESF | 18,500 |
| 497-008 | Health of Women and Children Improved | DA | 10,000 |
| | | CSD | 21,280 |
| | | ESF | 2,500 |
| 497-009 | Impact of Conflicts and Crises Reduced | DA | 4,500 |
| | | ESF | 5,000 |
| 497-010 | Decentralized and Participatory Local Government | DA | 9,000 |
| | | ESF | 4,000 |
| 497-011 | Fnds Set for Rapid, Sustain,& Equitable Econ Grth | DA | 5,623 |
| | | ESF | 18,500 |
| 497-012 | Strengthen and Decentralize Natural Res Mgt | DA | 8,488 |
| | | ESF | 1,500 |
| 497-013 | Energy Sector Governance Strengthened | DA | 4,000 |
| **Mongolia** | | | |
| 438-001 | Accelerate and Broaden Environmentally Sound Private Sector Growth | ESF | 9,000 |
| 438-002 | Consolidate Mongolia's Democratic Transition | ESF | 3,000 |
| **Philippines** | | | |
| 492-002 | A More Stable and Competitive Economy | DA | 5,892 |
| | | ESF | 8,000 |
| 492-003 | Reduced Fertility Rate and Improved Maternal and Child Health | DA | 15,000 |
| | | CSD | 9,800 |
| | | ESF | 2,000 |
| 492-004 | Enhanced Management of Renewable Natural Resources | DA | 3,367 |
| 492-010 | Prospects for Sustainable Peace in Mindanao Strengthened | DA | 3,000 |
| | | ESF | 5,000 |

**Asia and Near East Bureau**
**Congressional Budget Justification (CBJ) Fiscal Year 2002**
**Notified Levels for FY 2002**

| Country/Program SO No. | Strategic Objective Title | Account | Amount Being Notified in CBJ |
|---|---|---|---|
| **Vietnam** | | | |
| 440-006 | Enhanced Environment for Trade and Investment | DA | 4,600 |
| 440-007 | Improved Access to Services for Selected Vulnerable Groups | CSD | 1,500 |
| **SOUTH ASIA REGION** | | | |
| **Bangladesh** | | | |
| 388-001 | Reduced Fertility and Improved Family Health | DA | 23,000 |
| | | CSD | 14,000 |
| | | ESF | 1,000 |
| 388-005 | Growth of Agribusiness and Small Business | DA | 5,600 |
| 388-006 | Improved Management of Open Water and Tropical Forest Resources | DA | 2,000 |
| | | ESF | 500 |
| 388-007 | Improved Performance of the Energy Sector | DA | 1,500 |
| | | ESF | 1,500 |
| 388-008 | Improved Food Security for Vulnerable Groups | DA | 3,200 |
| 388-009 | Strengthened Institutions of Democracy | DA | 3,000 |
| | | CSD | 500 |
| **India** | | | |
| 386-002 | Reduced Fertility and Improved Reproductive Health in North India | DA | 13,500 |
| | | CSD | 2,000 |
| 386-003 | Improved Child Survival and Nutrition in Selected Areas of India | DA | 337 |
| | | CSD | 4,300 |
| 386-004 | Increased Environmental Protection in Energy, Industry and Cities | DA | 10,000 |
| | | ESF | 3,000 |
| 386-007 | Reduced Transmission and Mitigated Impact of Infectious Diseases, Especially STD/HIV/AIDS | CSD | 18,100 |
| 386-009 | Expanded Advocacy and Service Delivery Networks for Women and Girls | DA | 1,068 |
| | | CSD | 1,440 |
| | | ESF | 1,500 |
| 386-011 | Incr Capacity of Financial Markets and Govt to Transparently and Efficiently Mobilize Resources | DA | 7,805 |
| | | ESF | 2,500 |
| **Nepal** | | | |
| 367-002 | Reduced Fertility and Improved Maternal and Child Health | DA | 6,500 |
| | | CSD | 9,750 |
| 367-006 | Incr Private-Sector Participation and Inv in Env and Socially Sustainable Hydropower Dev | DA | 1,500 |
| | | ESF | 1,000 |
| 367-007 | Strengthened Governance of Natural Resources and Selected Institutions | DA | 2,300 |
| | | ESF | 2,000 |

**Asia and Near East Bureau**
**Congressional Budget Justification (CBJ) Fiscal Year 2002**
**Notified Levels for FY 2002**

| Country/Program SO No. | Strategic Objective Title | Account | Amount Being Notified in CBJ | |
|---|---|---|---|---|
| **Pakistan** | | | | |
| 391-XXX | Pakistan Basic Education Program | ESF | 5,000 | * |
| 391-YYY | Pakistan Democracy and Governance | ESF | 2,000 | * |
| **Sri Lanka** | | | | |
| 383-003 | Enhanced Economic and Social Opportunities for Disadvantaged Groups | CSD | 300 | |
| 383-004 | Increased Sri Lankan Competitiveness in the Global Marketplace | DA | 3,000 | |
| | | ESF | 3,000 | |
| **MIDDLE EAST and NORTH AFRICA REGION** | | | | |
| **Egypt** | | | | |
| 263-016 | Environment for Trade and Investment Strengthened | ESF | 515,830 | |
| | Cash Transfer | ESF | - | * |
| | Commodity Import Program (CIP) | ESF | - | * |
| 263-017 | Skills for Competitiveness Developed | ESF | 19,013 | |
| 263-019 | Management of the Environment and Natural Resources in Targeted Sectors Improved | ESF | 47,780 | |
| 263-020 | Healthier, Planned Families | ESF | 44,650 | |
| | cash transfer | | - | * |
| 263-021 | Egyptian Initiatives in Governance and Participation Strengthened | ESF | 13,727 | |
| 263-022 | Basic Education Improved to Meet Market Demands | ESF | 14,000 | |
| **Israel** | | | | |
| 271-001 | Support Policy Reform for Finl Stability and Structural Adj Needed for Rapid Sustainable Growth | ESF | 720,000 | |
| **Jordan** | | | | |
| 278-002 | Improved Water Resources Management | ESF | 58,000 | |
| 278-003 | Improved Access to and Quality of Reproductive and Primary Health Care | ESF | 17,000 | |
| 278-005 | Increased Economic Opportunities for Jordanians | ESF | 75,000 | |
| | cash transfer | | | |
| **Lebanon** | | | | |
| 268-001 | Reconstruction and Expanded Economic Opportunity | ESF | 20,000 | |
| 268-002 | Increased Effectiveness of Selected Institutions that Support Democracy | ESF | 7,000 | |
| 268-005 | Improved Environmental Practices | ESF | 5,000 | |

**Asia and Near East Bureau**
**Congressional Budget Justification (CBJ) Fiscal Year 2002**
**Notified Levels for FY 2002**

| Country/Program SO No. | Strategic Objective Title | Account | Amount Being Notified in CBJ |
|---|---|---|---|
| **Morocco** | | | |
| 608-005 | Increased Opportunities for Domestic and Foreign Investment | DA | 2,685 |
| 608-006 | Improved Water Resources Management in the Souss-Massa River Basin | DA | 1,500 |
| 608-007 | Key Interventions Promote Sustainability of Population, Health and Nutrition Programs | DA | 2,000 |
| | | CSD | 3,100 |
| 608-008 | Increased Attainment of Basic Education Among Girls in Selected Rural Provinces | CSD | 1,528 |
| **West Bank and Gaza** | | | |
| 294-001 | Expanded Economic Opportunities | ESF | 10,872 |
| 294-002 | Greater Access to and More Effective Use of Scarce Water Resources | ESF | 47,250 |
| 294-003 | More Responsive and Accountable Governance | ESF | 12,288 |
| 294-007 | Healthier Palestinian Families | ESF | 4,590 |
| **Yemen** | | | |
| 279-XXX | Broad-Based Economic Growth | ESF | 5,000 |
| **<u>Asia and Near East Regional Programs</u>** | | | |
| 498-007 | Program Development and Learning | DA | 5,494 |
| | | CSD | 1,815 |
| 498-009 | United States-Asia Environmental Partnership (US-AEP) | DA | 18,100 |
| 498-012 | Middle East Regional Democracy Fund | ESF | 7,000 |
| 498-022 | Stabilize Population Growth and Protect Human Health | DA | 300 |
| | | CSD | 10,400 |
| 498-023 | Encourage Economic Growth | DA | 7,700 |
| | | ESF | 10,000 |
| 498-024 | Manage the Environment for Sustainability and Prosperity | DA | 650 |
| | | ESF | 4,000 |
| 498-036 | Improve Middle East Regional Stability Through Democracy and Human Rights | DA | 100 |
| | | ESF | 11,000 |
| 498-037 | Improve East Asia Regional Stability Through Democracy and Human Rights | DA | 1,000 |
| | | CSD | 272 |
| | | ESF | 7,000 |

* - These activities will be notified separately.

**Asia and Near East Bureau**
**Congressional Budget Justification (CBJ) Fiscal Year 2002**
**Notified Levels for FY 2001**

| Country/Program SO No. | Strategic Objective Title | Total FY 01 Amount in CBJ | Account | Amount Being Notified in CBJ |
|---|---|---|---|---|
| **EAST ASIA REGION** | | | | |
| **Burma** | | | | |
| 482-002 | Democracy and Humanitarian Assistance | 1,000 | DA | 1,000 |
| | | 2,000 | CSD | 2,000 |
| | | 6,988 | ESF | 3,488 |
| **Cambodia** | | | | |
| 442-001 | Strengthened Democratic Processes and Respect for Human Rights | 8,495 | ESF | 8,495 |
| 442-002 | Improved Reproductive and Child Health | 7,250 | ESF | 7,250 |
| 442-005 | Reduced Transmission of STIs and HIV/AIDS in High Risk Populations | 9,420 | CSD | - |
| | | 750 | ESF | 750 |
| 442-007 | Expanded Access to Sustainable Financial Services | 1,000 | ESF | 1,000 |
| **East Timor** | | | | |
| 472-001 | Revitalization of Local Economy | 13,695 | ESF | - |
| 472-003 | Democratic Development Strengthened | 11,414 | ESF | - |
| **Indonesia** | | | | |
| 497-007 | Democratic Reforms Sustained and Deepened | 7,886 | DA | - |
| | | 11,835 | ESF | |
| 497-008 | Health of Women and Children Improved | 10,000 | DA | - |
| | | 19,580 | CSD | - |
| 497-009 | Impact of Conflicts and Crises Reduced | 5,000 | DA | - |
| | | 3,000 | ESF | - |
| 497-010 | Decentralized and Participatory Local Government | 9,500 | DA | - |
| | | 4,000 | ESF | - |
| 497-011 | Fnds Set for Rapid, Sustain,& Equitable Econ Grth | 5,619 | DA | - |
| | | 15,000 | ESF | - |
| 497-012 | Strengthen and Decentralize Natural Res Mgt | 10,500 | DA | - |
| | | 1,500 | ESF | - |
| 497-013 | Energy Sector Governance Strengthened | 4,000 | DA | - |
| **Mongolia** | | | | |
| 438-001 | Accelerate and Broaden Environmentally Sound Private Sector Growth | 8,959 | ESF | - |
| 438-002 | Consolidate Mongolia's Democratic Transition | 3,000 | ESF | - |

**Asia and Near East Bureau**
**Congressional Budget Justification (CBJ) Fiscal Year 2002**
**Notified Levels for FY 2001**

| Country/Program SO No. | Strategic Objective Title | Total FY 01 Amount in CBJ | Account | Amount Being Notified in CBJ |
|---|---|---|---|---|
| **Philippines** | | | | |
| 492-001 | Accelerate the Economic Transformation of Mindanao | 200 | DA | - |
| 492-002 | A More Stable and Competitive Economy | 6,405 | DA | - |
| | | 3,986 | ESF | - |
| 492-003 | Reduced Fertility Rate and Improved Maternal and Child Health | 17,865 | DA | 150 |
| | | 4,500 | CSD | 132 |
| 492-004 | Enhanced Management of Renewable Natural Resources | 4,364 | DA | - |
| 492-007 | Threat of HIV/AIDS and Selected Infectious Diseases Reduced | 4,950 | CSD | - |
| 492-010 | Prospects for Sustainable Peace in Mindanao Strengthened | 1,800 | DA | - |
| | | 4,983 | ESF | - |
| **Vietnam** | | | | |
| 440-006 | Enhanced Environment for Trade and Investment | 4,982 | DA | 4,600 |
| 440-007 | Improved Access to Services for Selected Vulnerable Groups | 3,772 | CSD | 2,494 |
| **SOUTH ASIA REGION** | | | | |
| **Bangladesh** | | | | |
| 388-001 | Reduced Fertility and Improved Family Health | 26,000 | DA | 26,000 |
| | | 14,000 | CSD | 14,000 |
| 388-005 | Growth of Agribusiness and Small Business | 5,700 | DA | 5,700 |
| 388-006 | Improved Management of Open Water and Tropical Forest Resources | 1,900 | DA | 1,900 |
| 388-007 | Improved Performance of the Energy Sector | 2,500 | DA | 2,500 |
| 388-008 | Improved Food Security for Vulnerable Groups | 3,200 | DA | 3,200 |
| 388-009 | Strengthened Institutions of Democracy | 4,698 | DA | 3,000 |
| | | 1,500 | CSD | 1,500 |
| **India** | | | | |
| 386-002 | Reduced Fertility and Improved Reproductive Health in North India | 17,000 | DA | 17,000 |
| 386-003 | Improved Child Survival and Nutrition in Selected Areas of India | 337 | DA | 337 |
| | | 4,300 | CSD | 3,300 |
| 386-004 | Increased Environmental Protection in Energy, Industry and Cities | 8,500 | DA | 8,500 |
| 386-007 | Reduced Transmission and Mitigated Impact of Infectious Diseases, Especially STD/HIV/AIDS | 16,600 | CSD | 5,100 |
| 386-009 | Expanded Advocacy and Service Delivery Networks for Women and Girls | 1,958 | DA | 158 |
| | | 1,950 | CSD | 700 |
| 386-011 | Incr Capacity of Financial Markets and Govt to Transparently and Efficiently Mobilize Resources | 3,955 | DA | 3,955 |
| | | 4,983 | ESF | 4,983 |
| 386-012 | Recovery, Reconstruction, and Rehabilitation Needs Met for Targeted Vulnerable Groups | 8,000 | DA | - |
| | | 2,000 | CSD | - |

**Asia and Near East Bureau**
**Congressional Budget Justification (CBJ) Fiscal Year 2002**
**Notified Levels for FY 2001**

| Country/Program SO No. | Strategic Objective Title | Total FY 01 Amount in CBJ | Account | Amount Being Notified in CBJ |
|---|---|---|---|---|
| **Nepal** | | | | |
| 367-002 | Reduced Fertility and Improved Maternal and Child Health | 6,500 | DA | - |
| | | 9,250 | CSD | - |
| 367-004 | Incr Private-Sector Participation and Investment in Env and Socially Sound Hydropower | 185 | DA | - |
| 367-006 | Incr Private-Sector Participation and Inv in Env and Socially Sustainable Hydropower Dev | 2,315 | DA | 2,315 |
| 367-007 | Strengthened Governance of Natural Resources and Selected Institutions | 2,300 | DA | - |
| **Sri Lanka** | | | | |
| 383-003 | Enhanced Economic and Social Opportunities for Disadvantaged Groups | 300 | CSD | 300 |
| 383-004 | Increased Sri Lankan Competitiveness in the Global Marketplace | 3,000 | DA | 3,000 |
| **MIDDLE EAST and NORTH AFRICA REGION** | | | | |
| **Egypt** | | | | |
| 263-016 | Environment for Trade and Investment Strengthened | 94,928 | ESF | 94,928 |
| | Cash Transfer | 200,000 | ESF | - |
| | Commodity Import Program (CIP) | 200,000 | ESF | - |
| 263-017 | Skills for Competitiveness Developed | 15,000 | ESF | 15,000 |
| 263-018 | Access to Sustainable Utility Service in Selected Areas Increased | 53,803 | ESF | 53,803 |
| 263-019 | Management of the Environment and Natural Resources in Targeted Sectors Improved | 35,780 | ESF | 35,780 |
| 263-020 | Healthier, Planned Families | 48,100 | ESF | - |
| | cash transfer | 10,000 | | - |
| 263-021 | Egyptian Initiatives in Governance and Participation Strengthened | 11,092 | ESF | 11,092 |
| 263-022 | Basic Education Improved to Meet Market Demands | 23,900 | ESF | 23,900 |
| **Israel** | | | | |
| 271-001 | Support Policy Reform for Finl Stability and Structural Adj Needed for Rapid Sustainable Growth | 840,000 | ESF | - |
| **Jordan** | | | | |
| 278-002 | Improved Water Resources Management | 43,845 | ESF | - |
| 278-003 | Improved Access to and Quality of Reproductive and Primary Health Care | 17,938 | ESF | - |
| 278-005 | Increased Economic Opportunities for Jordanians | 37,700 | ESF | - |
| | cash transfer | 50,000 | | - |

**Asia and Near East Bureau**
**Congressional Budget Justification (CBJ) Fiscal Year 2002**
**Notified Levels for FY 2001**

| Country/Program SO No. | Strategic Objective Title | Total FY 01 Amount in CBJ | Account | Amount Being Notified in CBJ |
|---|---|---|---|---|
| **Lebanon** | | | | |
| 268-001 | Reconstruction and Expanded Economic Opportunity | 22,920 | ESF | 10,420 |
| 268-002 | Increased Effectiveness of Selected Institutions that Support Democracy | 5,481 | ESF | 2,981 |
| 268-005 | Improved Environmental Practices | 6,478 | ESF | 6,478 |
| **Morocco** | | | | |
| 608-005 | Increased Opportunities for Domestic and Foreign Investment | 3,035 | DA | - |
| 608-006 | Improved Water Resources Management in the Souss-Massa River Basin | 1,500 | DA | - |
| 608-007 | Key Interventions Promote Sustainability of Population, Health and Nutrition Programs | 2,000 | DA | - |
| | | 3,494 | CSD | - |
| 608-008 | Increased Attainment of Basic Education Among Girls in Selected Rural Provinces | 1,508 | CSD | 1,488 |
| **West Bank and Gaza** | | | | |
| 294-001 | Expanded Economic Opportunities | 20,850 | ESF | 12,706 |
| 294-002 | Greater Access to and More Effective Use of Scarce Water Resources | 279,860 | ESF | 255,214 |
| 294-003 | More Responsive and Accountable Governance | 19,769 | ESF | 15,674 |
| 294-005 | Selected Development Needs Addressed | 56,062 | ESF | 56,062 |
| 294-007 | Healthier Palestinian Families | 36,377 | ESF | 35,090 |
| 294-008 | Improved Community Services | 63,996 | ESF | 63,996 |
| **Yemen** | | | | |
| 279-XXX | Broad-Based Economic Growth | 3,986 | ESF | 3,986 |
| **<u>Asis and Near East Regional Programs</u>** | | | | |
| 498-001 | Accelerating Economic Recovery in Asia (AERA) | 598 | DA | - |
| 498-002 | Fostering Resolution of Water Resources Disputes (FORWARD) | 300 | DA | - |
| 498-007 | Program Development and Learning | 10,565 | DA | - |
| | | 1,535 | CSD | - |
| 498-009 | United States-Asia Environmental Partnership (US-AEP) | 20,562 | DA | - |
| 498-012 | Middle East Regional Democracy Fund | 4,986 | ESF | 3,986 |
| 498-013 | South Asia Regional | 350 | ESF | - |
| 498-015 | East Asia and Pacific Environmental Initiative | 300 | ESF | - |
| 498-022 | Stabilize Population Growth and Protect Human Health | 11,237 | CSD | 11,237 |
| 498-023 | Encourage Economic Growth | 17,735 | DA | 17,735 |
| | | 11,568 | ESF | 11,568 |
| 498-024 | Manage the Environment for Sustainability and Prosperity | 500 | DA | 500 |
| | | 4,676 | ESF | 4,676 |
| 498-036 | Improve Middle East Regional Stability Through Democracy and Human Rights | 6,325 | ESF | 6,325 |
| 498-037 | Improve East Asia Regional Stability Through Democracy and Human Rights | 3,800 | DA | 3,800 |
| | | 272 | CSD | 272 |
| | | 10,464 | ESF | 10,464 |

**Asia and Near East Bureau**
**Congressional Budget Justification (CBJ) Fiscal Year 2002**
**Notified Levels for FY 2001**

| Country/Program SO No. | Strategic Objective Title | Total FY 01 Amount in CBJ | Account | Amount Being Notified in CBJ |
|---|---|---|---|---|
| | * - These activities will be notified separately. | | | |

**BURMA**

| Program Summary (In Thousands of Dollars) | | | | |
|---|---|---|---|---|
| **Category** | **FY 1999 Actual** | **FY 2000 Actual** | **FY 2001 Estimated** | **FY 2002 Request** |
| Development Assistance | 300 | 0 | 1,000 | 1,000 |
| Development Fund for Africa | 0 | 0 | 0 | 0 |
| Child Survival & Disease Fund | 2,700 | 3,000 | 2,000 | 2,000 |
| Freedom Support Act Funds | 0 | 0 | 0 | 0 |
| SEED Act Funds | 0 | 0 | 0 | 0 |
| Economic Support Funds | 3,500 | 3,500 | 3,488 | 3,500 |
| P.L. 480 Title II | 0 | 0 | 0 | 0 |
| P.L 480 Title III | 0 | 0 | 0 | 0 |
| **Total Program Funds** | **6,500** | **6,500** | **6,488** | **6,500** |

# BURMA

## Introduction.

Since 1962, Burma has been ruled by a military junta, the State Peace and Development Council (SPDC), that has brutally suppressed any form of dissent and has presided over a significant deterioration of the country's economic and social performance. Since the late 1980s, the regime has carried out aggressive military campaigns against ethnic populations, primarily located along the Thai-Burma border. These campaigns, along with the severe suppression of dissent and the deteriorating economy within Burma, have led to a growing population of economic and political refugees, both within Burma and in surrounding countries. Of the population that fled Burma, approximately 155,000 live in refugee camps in Thailand and Bangladesh. Another estimated 1,000,000 Burmese live in countries surrounding Burma (approximately 700,000 live in Thailand), but outside formal refugee camps.

The regime's war against the ethnic populations along the Thai-Burma border has displaced another estimated 800,000 civilians inside Burma, some of whom have been forcibly relocated to camps near military outposts, while the remainder are hiding from the regime's army in the mountainous jungle.

Beginning in FY 1996, Congress earmarked funds for humanitarian and democracy programs related to the crisis in Burma and along Burma's border with Thailand. In FYs 1996 and 1997, the funds were primarily for activities designed to strengthen and support nascent democratic efforts inside and outside Burma. Those funds were managed by the Department of State's Bureau for Democracy, Human Rights and Labor. In FY 1998, $5 million was appropriated for Burma, of which $1.5 million was allocated to support humanitarian assistance to refugees located along the Thai-Burma border. Those funds complemented activities already being funded under the Department of State's Population, Refugees and Migration program. USAID contributed $1.5 million in Development Assistance funds to those efforts and began that year to manage the humanitarian activities under the earmark. In FYs 1999, 2000, and 2001, the earmark was increased to $6.5 million, including $3 million for humanitarian activities and $3.5 million for democracy activities. USAID has continued to fund and manage the humanitarian component and is taking a greater role in managing the democracy component of the earmark.

## Development Challenge.

The United States is challenged with how to effectively support and influence an eventual peaceful transition to a democratically elected government in Burma, while helping provide critical assistance to the growing number of refugees and displaced people living inside Burma and along Burma's borders. The U.S. Government maintains a continued interest in the transition of Burma from a rogue state to a member of the world community. Until this transition occurs, the U.S. Government is committed to help alleviate the suffering of displaced Burmese.

## Other Donors.

The activities being funded under the earmark operate independently of the Burmese regime, but are coordinated with major donors supporting democracy and humanitarian assistance in Burma. The Organization for Economic Cooperation and Development ranked the United States fourth among donors assisting Burma between 1993-1997, behind Japan, France, and Germany. Bilateral donor programs that focus on humanitarian assistance in Burma include Australia and the United Kingdom. Multilateral donors with activities in Burma include the United Nations Children's Fund, the United Nations Development Program, the World Food Program, and the United Nations High Commission for Refugees.

## FY 2002 Program.

Assistance will continue to focus on three interrelated programmatic objectives that:

- Develop the capacity of the Burmese people to manage the eventual transition to a democratic society in a participatory, transparent, and accountable manner;

- Maintain and/or increase pressure on the SPDC to improve its human rights record; and
- Maintain and/or increase pressure on the SPDC to engage in meaningful dialogue with the democratic opposition and ethnic minorities leading toward a peaceful transition to a democratically elected government.

## ACTIVITY DATA SHEET

**PROGRAM:** Burma
**TITLE AND NUMBER:** Democracy and Humanitarian Assistance, 482-002
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $1,000,000 DA; $2,000,000 CSD; $3,488,000 ESF
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $1,000,000 DA; $2,000,000 CSD; $3,500,000 ESF
**INITIAL OBLIGATION:** FY 1996 **ESTIMATED COMPLETION DATE:** FY 2002

**Summary:** Since 1998, USAID and the Department of State have shared funding of the Burma earmark. The FY 2001 Burma earmark requires that at least $6.5 million be provided to support democracy activities in Burma, democracy and humanitarian activities along the Burma-Thailand border, and for Burmese student groups and other organizations located outside Burma. In FY 2001, USAID will contribute $3 million to fund the humanitarian assistance component of the Burma earmark.

**Key Results:** Appropriated funds support the U.S. Government's overall objectives of supporting progress toward democracy, improved human rights, and provision of humanitarian assistance to people displaced by war. USAID and the Department of State have drafted a planning framework for the program and are developing indicators that can be reported on in future years.

**Performance and Prospects:** In FY 2001, the U.S. Government will invest $1 million in DA funds and $2 million in CSD funds for humanitarian assistance, and nearly $3.5 million in ESF funds for democracy activities. All of these funds will continue activities that assist Burmese refugees, internally displaced people, and pro-democracy groups. To date, these program activities have supported training and advocacy for a transition to a democratic government in Burma as well as and humanitarian assistance to refugees living along the Thai-Burma border. Humanitarian activities have improved access to primary health care, helped maintain nutrition and food security of the refugee population, and improved the quality of education being provided to refugee children.

**Possible Adjustments to Plans:** USAID and the Department of State are exploring opportunities to expand capacity-building activities, especially in the areas of post-secondary training for youths, adult literacy, and technical and advocacy mechanisms.

**Other Donor Programs:** The U.S. Government programs operate independently of the Government of Burma, but are coordinated with efforts of over 30 other donor agencies through the Coordinating Council for Support to Displaced Persons in Thailand and the Burma Border Consortium.

**Principal Contractors, Grantees, or Agencies:** Principal grantees include the National Endowment for Democracy; the International Relief Committee; World Education/World Learning Consortium; the American Center for International Labor Solidarity; Open Society Institute; InterNews; and Prospect Burma.

**Selected Performance Measures:** Performance indicators are being developed that will encompass democracy, human rights, and humanitarian assistance efforts.

## BURMA
### FY 2002 STRATEGIC OBJECTIVE SUMMARY
**(in thousands of dollars)**

| SO number | SO Title<br>Fund Account | FY 1999 | FY 2000 | FY 2001 | FY 2002 |
|---|---|---|---|---|---|
| 482-002 | Democracy and Humanitarian Assistance | | | | |
| | - DA | 300 | 0 | 1,000 | 1,000 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 2,700 | 3,000 | 2,000 | 2,000 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 3,500 | 3,500 | 3,488 | 3,500 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| SO | Totals | | | | |
| | - DA | 300 | 0 | 1,000 | 1,000 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 2,700 | 3,000 | 2,000 | 2,000 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 3,500 | 3,500 | 3,488 | 3,500 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Burma** | | | |
| **Title and Number: Democracy and Humanitarian Assistance, 482-002** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 2,778 DA | 200 DA | 2,578 DA |
| | 1,460 CSD | 970 CSD | 490 CSD |
| | 6,800 ESF | 5,000 ESF | 1,800 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 262 DA | 623 DA | |
| | 3,000 CSD | 935 CSD | |
| | 3,470 ESF | 1,800 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 3,040 DA | 823 DA | 2,217 DA |
| | 4,460 CSD | 1,905 CSD | 2,555 CSD |
| | 10,270 ESF | 6,800 ESF | 3,470 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 3,500 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 1,000 DA | | |
| | 2,000 CSD | | |
| | 3,488 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 1,000 DA | | |
| | 2,000 CSD | | |
| | 6,988 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 1,000 DA | 0 DA | 5,040 DA |
| | 2,000 CSD | 0 CSD | 8,460 CSD |
| | 3,500 ESF | 0 ESF | 20,758 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

**CAMBODIA**

| Program Summary (In Thousands of Dollars) | | | | |
|---|---|---|---|---|
| **Category** | **FY 1999 Actual** | **FY 2000 Actual** | **FY 2001 Estimated** | **FY 2002 Request** |
| Development Assistance | 800 | 0 | 0 | 0 |
| Development Fund for Africa | 0 | 0 | 0 | 0 |
| Child Survival & Disease Fund | 3,600 | 3,550 | 9,420 | 10,000 |
| Freedom Support Act Funds | 0 | 0 | 0 | 0 |
| SEED Act Funds | 0 | 0 | 0 | 0 |
| Economic Support Funds | 10,000 | 10,000 | 17,496 | 25,000 |
| P.L. 480 Title II | 0 | 7,071 | 1,800 | 0 |
| P.L 480 Title III | 0 | 0 | 0 | 0 |
| **Total Program Funds** | **14,400** | **20,621** | **28,716** | **35,000** |

**Mission Director, Lisa Chiles**

# CAMBODIA

## Introduction.

As a key signatory to the 1991 Paris Peace Accord, which ended a decade-long civil war and transformed Cambodia from a one-party Communist state into an emerging pluralistic democracy, the United States' highest national interests in Cambodia has been the promotion of democracy and the continued improvement of human rights. Also of great importance is addressing the global problems of infectious diseases, especially HIV/AIDS. Other important U.S. interests are improvement in reproductive and child health; humanitarian assistance to those still suffering the effects of civil war, genocide and foreign occupation; and improvement in the lives of the 85% of Cambodia's population in rural areas who remain mired in poverty.

## Development Challenge.

Despite progress during this decade, Cambodia was ranked 137th of 174 countries on the human development index by the United Nations Development Program (UNDP) in its 1999 Human Development Report. Cambodia lags behind most of its neighbors in the region in bringing a higher quality of life to its citizens. Per capita annual income is $280, and this figure is even lower for the majority of people who live in rural areas where cash is scarce and life is hard. Infant, child and maternal mortality rates are among the highest in Asia. Rates of malnutrition in children and anemia in both children and women of reproductive ages are alarmingly high. Life expectancy at birth is only in the mid-50s, and even that level is threatened by Cambodia's fast-growing HIV/AIDS epidemic. Since World War II, Cambodia has been torn by political strife and civil war, the worst of which by far was the brutal Khmer Rouge regime led by Pol Pot in the last half of the 1970s, which devastated the country and its people. Years of war and neglect have ravaged the country's physical infrastructure and decimated its human resource base. In this decade, the process of rebuilding has begun. Since 1999, for the first time in 30 years, there is peace and stability.

Within the past two years, policy successes in progress towards democracy and improved governance in Cambodia are numerous. In 1998, a successful election in which 93% of eligible voters expressed their choice resulted in the establishment of a carefully negotiated coalition government. An elected National Assembly and appointed Senate, with a vocal opposition party present in both chambers, have enacted important laws—on the Khmer Rouge tribunal, commune (local) elections and commune administration, to cite a few. The government has embarked upon a comprehensive reform agenda, which is reviewed semi-annually with donors. Although progress is slow, there are signs of progress. Advances have been made in curbing illegal logging, in customs collection and other revenue mobilization, and in shifting resources from military and security to the social sectors. Commune elections to replace officials who were appointed during the 1980s are scheduled in February 2002. These successes, as well as continued reforms, remain fragile, however, in a climate where there is no reliable rule of law, trust and loyalties are fluid, corruption is pervasive, and democratic institutions are in their infancy.

USAID has achieved significant progress in helping meet Cambodia's development challenge. Since the early 1990s, USAID has been assisting the Cambodian people to rebuild their society. The development and strengthening of indigenous nongovernmental organizations (NGOs) has been a cornerstone of this effort. Cambodian NGOs are increasingly stepping forward to deliver services, and to provide training, technical assistance, information exchange and advocacy support previously delivered by international private voluntary organizations (PVOs).

U.S. assistance has been invaluable in supporting programs and organizations to protect human rights and to strengthen civil society. A public defender's program now makes legal aid available to the poor in 88% of the country's courts. Human rights monitoring is ongoing in 23 of Cambodia's 24 provinces and municipalities. USAID-supported Cambodian NGOs are speaking out persuasively for government accountability and to influence public policy.

USAID's NGO partners have penetrated the rural areas with high-impact child survival programs through village development committees and increased the proportion of women seeking antenatal care. They have promoted the micronutrient agenda with the first national micronutrient survey and have provided high quality care for obstetric complications in areas where none was available before. Sales of socially marketed *OK*-brand contraceptive pills increased 87% in one year. The Reproductive Health Association of Cambodia generated a 60% increase in outreach clients over 1999 to a total of 215,000.

As Cambodia's largest HIV/AIDS donor, the USAID program complements the Cambodian government's national AIDS program by strategically targeting the population at highest risk. The NGO social marketing partner sold 16 million condoms in 2000. Thirty-three community-based organizations have been trained to provide AIDS education and care.

To assist Cambodian victims of war and mines, U. S. assistance has built the indigenous capacity to produce the 5,000 prosthetics, orthotics or wheelchairs needed annually. USAID-supported NGOs provide technical training and job search help to over 1,000 orphaned, displaced or poor youth annually. With these efforts successfully underway, disabled Cambodians are now better able to reintegrate into society.

In 1999, to meet the demand of the 85% of the rural poor who do not have access to credit—and with an initial investment of less than $1 million—USAID's NGO partners provided over 90,000 clients with loans totaling over $5.5 million. More than 90% of clients were women; the average loan was less than $200.

**Other Donors.**

Total development assistance to Cambodia has returned to the pre-July 1997 level of $400 to $500 million annually. The United States, the only donor that has not resumed bilateral aid, is now the eighth largest donor, behind Japan, the Asian Development Bank, the World Bank, the UNDP, the European Union, the International Monetary Fund, and Australia—and only slightly ahead of Sweden, France and Germany. Assistance from other donors is provided primarily for infrastructure projects, rural development, poverty alleviation, and social sector spending. Donor coordination, through sector and reform-area working groups, is very good.

**FY 2002 Program.**

USAID requests $25,000,000 of Economic Support Funds (ESF) and $10,000,000 of Child Survival and Disease (CSD) funds for the FY 2002 program of assistance to the Cambodian people. The ESF will support programs to strengthen democratic participation, respect for human rights, and advocacy for environment and natural resources. It also will improve reproductive and child health and the quality of primary education. CSD funds will support HIV prevention, AIDS care and support, and HIV/AIDS impact mitigation programs. Global Leahy War Victims funds will support programs for war and mine victims.

In addition to the bilateral program, USAID's Global Bureau invests modest funds to increase and improve the protection and sustainable use of natural resources, principally forests, biodiversity, freshwater and coastal ecosystems, and agricultural lands.

## ACTIVITY DATA SHEET

**PROGRAM:** Cambodia
**TITLE AND NUMBER:** Strengthened Democratic Processes and Respect for Human Rights, 442-001
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $8,495,000 ESF
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $18,000,000 ESF
**INITIAL OBLIGATION:** FY 1992 **ESTIMATED COMPLETION DATE:** FY 2002

**Summary:** The purpose of this strategic objective is to rebuild Cambodia as a democratic society, after the decimation of its institutions during almost 30 years of civil strife and warfare. Strengthening Cambodia's civil society continues to be a prerequisite for the country's transition to a sustainable and economically viable democratic society. In 2001, USAID will continue assistance to strengthen advocacy institutions in such areas as human rights, good governance, election monitoring and environment and natural resources. These groups monitor government performance in these areas, thereby promoting greater governmental accountability, transparency, and democratic change. In February 2002, commune (local) elections are scheduled to take place. More than 9,600 local officials will be elected from 1,615 communes. Also, 1,615 commune clerks will be appointed by the Ministry of Interior. Activities to support these elections (and the national election in 2003) will be an important part of the democracy and human rights (DHR) program. To develop a long-term framework for the DHR program, during FY 2001, USAID will conduct a comprehensive democracy and human rights sector assessment, a Cambodian environmental review, and a country strategic design process. Using the data from these analyses, USAID will identify required adjustments to key technical and programmatic interventions for the transition period, as well as interventions for the longer term.

**Key Results:** Three intermediate results are critical for meeting this objective: (1) strengthening and nurturing local human rights and civil society organizations so they are sustainable and have greater impact on reducing human rights abuses and creating conditions for equity and justice; (2) increased adherence to the rule of law and the upholding of citizens rights through the provision of public defender services, which will help to reduce violations of due process and other abuses of the legal system; and (3) multi-party local-level elections planned for 2002 must be open, fair, and transparent. It is anticipated that the intermediate results for the next phase of this objective will continue to focus on human rights, good governance, advocacy, and judicial and legislative reform.

**Performance and Prospects:** The objective is on track to meet its initial targets and benchmarks by the end of FY 2002. An independent assessment of this objective acknowledged "very substantial achievements in the fight for human rights and in the difficult battles surrounding legal rights and defense of the poor." Human rights monitoring now covers almost 97% of the total population in 23 of 24 provinces and municipalities. One-third of the primary and secondary teachers nationwide have received training in human rights education. Effective media campaigns have been launched to highlight and combat domestic violence, a problem that affects one out of six Cambodian households. In addition, comprehensive services are provided to victims of sexual trafficking, rape and domestic violence. USAID-supported civil society and human rights NGOs are leading the battles against land confiscation and other land tenure issues, and corruption and degradation of the environment. USAID assistance to nongovernmental organizations (NGOs) has led to a proliferation of human rights education countrywide. Human rights training sessions have been conducted in 87 of 184 districts (47%) in Cambodia, reaching more than 20,000 people, 8,430 of them women. Women's rights and leadership training conducted by four local NGO partners delivered a combined total of 84 training sessions in 47 districts, with women making up 57% of more than 4,000 participants. In FY 2000, the Cambodian Defenders Project (CDP) represented 1,834 civil and criminal cases, an increase of 21% over the prior year. Clients were represented in 21 of 24 courts nationwide. In FY 2000, USAID also began work with the American Center for International Labor Solidarity (ACILS) and the Department of Labor to improve working conditions in the textile and apparel industry through support for the development of effective trade unions and the monitoring of adherence to the labor code by Cambodian companies.

In FY 2001, funds will be used to continue USAID support to local organizations engaged in protecting human rights; advocating for better public policy-making; building democratic processes at the community level; implementing nationwide good governance programs at the local level; promoting adherence to the rule of law; and upholding of citizens' rights through the provision of public defender services.

Communal elections are scheduled to take place in February 2002. USAID will support these local elections in order to spread the growth in democratically based institutions to the local level where much of government's interaction with citizens takes place. In FY 2001 and FY 2002, funds will be used to support a nationwide non-partisan voter education program; a nationwide election monitoring effort; higher levels of participation by Cambodian women; and increased capacity of women to be elected to commune councils.

**Possible Adjustments to Plans:** USAID is planning a democracy sector assessment in FY 2001. Depending on the outcome of the assessment, USAID may seek legislative authority to selectively re-engage in democracy-related assistance to the Government of Cambodia in support of effecting Cambodia's transition to a sustainable democratic society.

**Other Donor Programs:** The United States, Japan, France, Australia, Sweden, Canada, Germany, the European Union, and various United Nations agencies, especially the United Nations Human Rights Commission and the United Nations Development Program, are the major donors working in the democracy sector in Cambodia. Coordination of assistance plans and activities between the donors in specific areas has been good. Although many human rights and democracy activities are funded by multiple donors, coordination generally is excellent.

**Principal Contractors, Grantees, or Agencies:** Current grantees include the Asia Foundation, International Human Rights Law Group, Private Agencies Collaborating Together, ACILS, and the University of San Francisco. USAID plans to continue to implement activities under this objective through grants to NGOs.

**ACTIVITY DATA SHEET**

**PROGRAM:** Cambodia
**TITLE AND NUMBER:** Improved Reproductive and Child Health, 442-002
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $ 7,250,000 ESF
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $7,000,000 ESF
**INITIAL OBLIGATION:** FY 1995 **ESTIMATED COMPLETION DATE:** FY 2002

**Summary:** Cambodia's history of conflict has made it very difficult for the government to provide quality health services. As a result, Cambodia has some of the lowest health outcomes in Asia. Infant mortality and under-five mortality rates are exceedingly high (95 per 100,000 live births and 125 per 1000 live births, respectively). National immunization coverage has increased, but fewer than 50 percent of children complete the series. One-half of the children under five years of age are malnourished, which affects their growth and learning abilities. The maternal mortality rate is one of the highest in Southeast Asia. Though modern contraceptive prevalence has risen from 16 percent in 1998 to 19 percent in 2000, there is a high unmet need for family planning services. Poor access to family planning methods contributes to high levels of unsafe abortions.

Access to health facilities is a major problem. The physical infrastructure of the country is still in dire need of repair. The public health system has suffered deeply, particularly at the district level and below, which has left the primary health care delivery system virtually nonfunctional. Quality of care is very low. The destruction of the educated classes during the Khmer Rouge period has adversely affected the quality of education and left a poorly-skilled workforce and under-trained professional corps. The Ministry of Health (MOH) is aware of all of these constraints and is actively moving to address them, with substantial technical assistance from a variety of organizations and donors. To date, the USAID program has been primarily focused on building human capacity and increasing access to quality maternal, reproductive health, and child survival services in target rural areas through nongovernmental organizations (NGOs).

To develop a long-term framework for the program, during FY 2001 USAID is conducting a comprehensive health sector assessment and designing a new strategy. Using data from this process, USAID will identify required adjustments to key technical and programmatic interventions for the transition period, as well as the development of other interventions for the longer term.

**Key Results:** The three key results for this objective are: (1) expanded supply of reproductive and child health services; (2) increased access to reproductive and child health (RCH) services; and (3) strengthened demand for RCH services. Intermediate results for this objective will continue to focus on access, supply, and demand. Additional results will focus on strengthening health systems.

**Performance and Prospects:** There has been very substantial performance over the past year on this objective. Recently, in testament to the success of USAID implementing partners working in target areas through village development committees, the Government of Cambodia incorporated partner-generated ideas and operating procedures into its national rural development policy. Nationwide, 1,500 referral, mid-level, and health center directors and pharmacists have been trained in logistics management practices and procedures. Ongoing monitoring activities ensure their continued use and will maximize the benefits of a reliable drug and commodity supply. Through an innovative water filtration and hand pump installation activity of an implementing partner in northeastern Cambodia, 142,000 people—over 40% of the total rural population of two remote provinces—benefit from clean water. When the activity started in 1993, only 13% had access to safe water. In family planning, the USAID-supported Reproductive Health Association of Cambodia's outreach program served approximately 215,000 clients, a 60% increase over 1999. Sales of the socially marketed *OK*-brand of oral contraceptive increased by 87% over 1999 to approximately 425,000 monthly cycles. Finally, in collaboration with the United Nations Children's Fund (UNICEF) and United Nations Fund for Population Activities (UNFPA), USAID co-funded the first Demographic and Health Survey conducted in Cambodia. The survey is currently being finalized and will provide the first, truly national population-based survey and the first provincial-level estimates for a wide range of health and other social indicators. As a result of these activities, target area populations have benefited directly from the expanded

supply and increased access for reproductive and child health services. Moreover, national level impact has been achieved in logistics management practices and rural development policies—particularly noteworthy, as these effects will continue to garner benefits for years to come.

In FY 2001, all ESF funds will be used to expand and strengthen the activities noted above. Vitamin A activities targeted to children under age 5 will be expanded, and USAID will continue to provide support for quality health facility level improvements in areas such as antenatal care, breastfeeding, and tetanus vaccination. With support to the Reproductive and Child Health Alliance, guidelines for clinical management of safe motherhood and reproductive health services will be implemented. An alliance of USAID partners will develop and expand a workplace intervention in reproductive health in the garment industry in Phnom Penh that will focus on young women between the ages of 16 and 29.

Enormous progress has been made in the development of the public health sector in an extremely short time. There is a very positive policy environment and openness to new approaches and NGO/private sector involvement in Cambodia. Therefore, USAID expects that Cambodia's health system will continue to make significant progress toward the goal of making quality health services accessible nationwide. However, the progress will be in stages, and will take time. Meanwhile, the development of the basic skeleton of a health care delivery system is still in progress. Cambodia faces extremely high levels of infant, child, and maternal mortality and, as a result, the need to deliver effective interventions is urgent and cannot wait for full development of the health care system. At the same time, interventions cannot be delivered without such a system and will always be constrained by the level and pace of health system development. Any effort to improve health conditions in Cambodia must, therefore, incorporate development and strengthening of service delivery systems along with a focus on specific high-impact cost-effective interventions.

**Possible Adjustments to Plans:** USAID is assessing its current programs and will redesign its health portfolio by the end of FY 2001. FY 2002 will be a transition year from the old to the new strategy.

**Other Donor Programs:** The World Health Organization (WHO) supports infectious disease and national-level vector control programs. In addition, WHO provides technical advisors for health sector reform and the provincial health management teams in several provinces. UNICEF supports the national immunization and essential drugs programs, as well as provincial health advisors in four provinces. UNICEF and WHO, together with the MOH, continue to support introduction and adaptation of the Integrated Management of Childhood Illness initiative, with pilot tests beginning in early 2000. UNFPA, with European Union funding, coordinates a youth reproductive health project implemented by seven local and international NGOs. UNFPA also supports continuing analyses of the 1998 national census data. The World Bank and Asian Development Bank support provincial-level health system strengthening projects in eleven and four provinces and municipalities, respectively. Germany provides technical support to the National Institute of Public Health. Australia provides technical support for primary health care activities at the provincial level. A coordination committee of government, donor, international, and implementing agencies meets monthly for joint review, planning, and monitoring of health activities.

**Principal Contractors, Grantees, or Agencies:** USAID implements its RCH activities through U.S., international, and local NGOs. Grantees include CARE International, Helen Keller International, Partners for Development, Reproductive Health Association of Cambodia, Population Services International, and World Vision International. USAID's Global Bureau partners include AVSC International and John Snow, Inc.

**ACTIVITY DATA SHEET**

**PROGRAM:** Cambodia
**TITLE AND NUMBER:** Improved Quality of Primary Education, 442-003
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** None.
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** None.
**INITIAL OBLIGATION:** FY1995 **ESTIMATED COMPLETION DATE:** FY 2002

**Summary:** A weak and seriously underdeveloped human resource base remains one of the most serious constraints to Cambodia's future development. Under the Khmer Rouge, the education system was dismantled and a large majority of the educated population was either killed or forced to flee. As a result, an entire generation of educated Cambodians was lost. Attempts to rebuild the educational system in the 1980s fell far short of expectations. Although there is considerably more donor support now, concerted efforts among bilateral and multilateral donors and nongovernmental organizations (NGOs) are required so the next generation of Cambodians can learn the basic skills needed to operate in an expanding and dynamic society.

Prior to its suspension in July 1997, a USAID-supported nationwide initiative, called Cambodian Assistance to Primary Education (CAPE), was using the school cluster approach to provide in-service training for the country's estimated 45,000 primary school teachers in a classroom methodology known as child-centered learning. CAPE made significant progress in helping to reorient the centralized structure of Cambodia's primary school administration toward a more community-based structure. Following the suspension of assistance to the Cambodian government, a local NGO continued the program in several clusters where the concept had achieved ownership by the community. In FY 2000, USAID added support to this very successful effort, renamed KAPE, with the original "Cambodian" changed to "Khmer."

**Key Results:** Prior to suspension of the activity, 4,185 out of an estimated 45,000 primary school teachers received significant exposure to the new student-centered teaching methodology under the year-long in-service teacher training program. These teachers worked and lived in 72 school clusters, comprised of 464 schools and representing 10 percent of primary school teachers and administrators. Training programs were initiated for the 72 established local cluster school committees and for resource center managers. Resource center construction was completed for 49 of 51 planned centers. These centers were turned over to the cluster school committees, and still are being actively used by teachers and communities.

**Performance and Prospects:** From September 1994 to July 1997, USAID worked closely with the Ministry of Education, Youth and Sports (MoEYS) to develop and refine the government's investment plan for the education sector. This action was necessary to ensure that USAID's in-service teacher training activities (which began in earnest in the fall of 1996) were coordinated with related activities undertaken by other donors and NGOs. The methodology used under the USAID program built upon pilot activities pioneered by MoEYS, with assistance from the United Nations Children's Fund (UNICEF), in teacher training and cluster school development. USAID's assistance combined elements of these programs in an effective, low-cost fashion that enhanced the likelihood that MoEYS would be able to continue skills development on its own after USAID assistance ended. Alternatives to the use of school clusters also were being explored for the more remote, sparsely-populated areas. Studies also were being conducted to examine constraints to the participation of girls in primary school and to develop strategies to increase their participation.

**Possible Adjustments to Plans:** None. Should legislative restrictions on assistance to the Cambodian government be lifted, USAID will consider the possibility of providing primary education assistance under a new activity.

**Other Donor Programs:** Previous USAID assistance to the primary education system built upon Cambodian government initiatives to enhance teacher skills and to develop school clusters. USAID's work has complemented assistance provided by other donors, including UNICEF, the Asian Development

Bank, Japan, Australia, the United Kingdom, and France. Various NGOs have provided a range of assistance in cluster schools, curricula, textbooks, capacity building, teacher training, and language.

**Principal Contractors, Grantees, or Agencies:** Prior to activity suspension in 1997, teacher training and cluster school development activities were implemented through a consortium made up of the U.S. NGOs World Learning, World Education, and Save the Children. Capacity building in education policy was partially provided through a USAID Global Bureau activity, Advancing Basic Education and Literacy II.

**Selected Performance Measures:** Indicators and targets prior to activity suspension included:

-- Schools and clusters able to support quality classroom instruction, i.e., improved teacher knowledge and practice; reduced constraints on teachers' planning and performance; improvements in communication among and between teachers, schools, and parents; and improvements in decision making and problem solving by teachers, schools, and clusters.

-- Effective teacher training, i.e., improved math and Khmer competency; increased use of student-centered teaching methodologies; and increased access to teaching resources. (Original target: 9,000 teachers trained each year in using student-centered teaching methodologies, with country-wide coverage by 2002.)

-- Effective school clusters, i.e., increased interaction between teachers, schools, clusters, and PTAs; resource centers set up and functioning; and increased community involvement. (Original target: 75 school clusters established each year, with functioning resource centers in cluster schools constructed and stocked, with country-wide coverage by 2002.)

-- Appropriate primary education policies.

## ACTIVITY DATA SHEET

**PROGRAM:** Cambodia
**TITLE AND NUMBER:** Enhanced Assistance for War and Mine Victims, 442-004
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $2,000,000 (Global Leahy War Victims Funds)
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $1,000,000 (Global Leahy War Victims Funds)
**INITIAL OBLIGATION:** FY 1993 **ESTIMATED COMPLETION DATE:** FY 2002

**Summary:** Because of Cambodia's tragic history of war and civil unrest, approximately 3% of Cambodia's population have been impaired due to landmine and unexploded ordnance (UXO) incidents. Another 3% are impaired by poverty and health-related factors including polio, rickets, cerebral palsy, and congenital defects. These individuals face tremendous social and physical barriers hampering their effective participation in family life and in productive social and economic activities. Nationally, the percentage of widows in the population is about 17%, in a largely rural economy where there is a strong correlation between the lack of male labor and poverty. Cambodia has a young population, with 53% of the population below the age of 18. This young population includes a large number of orphans, street children, and victims of sexual trafficking and child abuse.

With a yearly per capita income of less than $300, Cambodia has insufficient resources at the family, local, and national levels to support the costs of assistance to these most vulnerable populations. In addition to the problem of large numbers of war-affected individuals, an inadequate health care system, widespread poverty, and lack of a social safety net conspire to push war and mine victims to the extreme margins of Cambodian society. USAID partners implement rehabilitation, training, and service provision activities to allow these individuals to participate more fully in society and to lead productive lives. Given the limited capacity of the Cambodian government and other Cambodian institutions, support for war and mine victims will require significant international donor and NGO assistance for some time to come.

**Key Results:** To date, the two key results for this special objective have been: (1) increased access to rehabilitation care and job training; and (2) establishment of 10 functional coordinating and training mechanisms in government agencies and NGOs. As the program continues**,** intermediate results will focus on indigenous capacity, operational capacity and sustainability, and public awareness and support.

**Performance and Prospects:** Overall performance under this special objective has been good. To date, USAID has focused its assistance on people with disabilities and others with special needs in two key areas: (1) provision of prosthetics, orthotics, loans and training; and (2) increased Cambodian capacity to provide rehabilitation care and job training by establishing functional coordinating and training mechanisms. Indicative of the progress that has been made, the management of the Disability Action Council—a USAID-supported coordinating body—has become entirely Cambodian. Expatriate support has decreased throughout the program. Now Cambodian prosthetists, orthotists, and physical therapists provide the large majority of services for the disabled. The national school for the training of prosthetists and orthotists received international certification in 2000. It continues to train Cambodian and other Southeast Asian students. Its enrollment for the three-year program is approximately 60 students.

USAID support for the provision of services continues. Approximately 4,573 new and replacement orthotic and prosthetic devices and 541 wheelchairs were produced in 2000. A new rehabilitation center serves the isolated, northeastern part of Cambodia, and provides access to disabled persons in four provinces. Community follow-up programs monitor the progress of all beneficiaries. According to their specific needs, the programs can provide referral to other services or offer financial assistance for income generation. A national information referral system provides locally available medical and rehabilitative services, training, and job opportunities information to people with disabilities.

Vocational training continues to expand. Approximately 1,143 students were enrolled in training classes in 2000. The courses prepared students for the marketplace. Over 90% of graduates opened their own

businesses or moved into paid positions. Networks of students and schools have continued to provide support after graduation.

This special objective is entering a second phase. During the first phase, emphasis was on provision of services, such as providing prosthetics and orthotics, training, or loans. The emphasis has shifted to building indigenous capacity to offer these services, helping create an enabling environment, strengthening the operational capacity and sustainability of the institutions, and raising public awareness and support.

USAID will provide support for the following illustrative activities: adopting legislation to support the rights of people with disabilities, orphans and women; increasing public awareness on disability and vulnerability issues; sharing information and local expertise within the region and in regional programs; increasing the number of vulnerable persons with access to services and improving the quality of those services; improving local capacities to provide services to vulnerable persons; reducing costs and improving efficiency of rehabilitation and assistance for vulnerable persons; providing services to vulnerable persons in their communities; preventing disease and accidents that can disable; detecting and treating impairments and diseases; and assisting community workers and volunteers who work with vulnerable persons.

**Possible Adjustments to Plans:** None.

**Other Donor Programs:** Japan, Australia, Germany, and the United Nations Educational, Scientific and Cultural Organization provide support for vocational training initiatives. The European Union, Australia, UNICEF, and the International Committee of the Red Cross provide support for rehabilitation programs. The International Organization on Migration provides assistance for a mental health training program. The World Food Program provides food-for-work programs. The United Nations High Commission for Refugees provides assistance for internally displaced persons. The Asian Development Bank and Canada provide support for small-scale economic activities. The United Kingdom provides technical assistance for demining activities.

**Principal Contractors, Grantees, or Agencies:** Current USAID grantees include the Vietnam Veterans of America Foundation, the American Red Cross, Salesian Missions, and Handicap International.

## ACTIVITY DATA SHEET

**PROGRAM:** Cambodia
**TITLE AND NUMBER:** Reduced Transmission of Sexually Transmitted Infections and HIV/AIDS in High-Risk Populations, 442-005
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $9,420,000 CSD; $750,000 ESF
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $10,000,000 CSD
**INITIAL OBLIGATION:** FY 1998 **ESTIMATED COMPLETION DATE:** FY 2002

**Summary:** Cambodia is facing the most serious HIV/AIDS epidemic in Southeast Asia. Some estimates place the overall adult population prevalence at 3.7%. More than 180,000 persons have been infected and approximately 7,000 to 8,000 people have AIDS. HIV is now a generalized epidemic, affecting men, women and children in all of Cambodia's 24 provinces and municipalities. The Cambodian government, donor, and nongovernmental organization (NGO) communities all recognize that HIV is no longer simply a health issue, but rather poses a serious threat to Cambodia's fragile national development. To head off an explosive spread of the epidemic in the general population, USAID's interventions focus on behavior change interventions in high-risk populations coupled with improved quality of and access to treatment of high-risk populations for sexually transmitted infections (STIs). A particularly important target group comprises the individuals (mainly men such as police officers and military personnel) who form "bridges" between the high-risk groups and the general population. In late calendar year 2000, under a new USAID-wide expanded response to the global HIV pandemic, Cambodia was identified as one of four countries worldwide—and the only country outside of Africa—requiring a rapid scale-up in HIV/AIDS assistance. Concurrent with this designation, funding for HIV/AIDS activities increased significantly from approximately $2.5 million in FY 2000 to nearly $10 million in FY 2001.

**Key Results:** The three key intermediate results for the special objective are as follows: (1) policy makers are informed about the HIV/AIDS epidemic in Cambodia; (2) high-risk behaviors are reduced in the target areas; and (3) reproductive health service delivery programs for high-risk populations are piloted and replicated in the target areas. Activities that will be added when the transition is made to a strategic objective include: provincial and district prevention and care activities, including programs for orphans and vulnerable children; implementation of community-based tuberculosis (TB) directly observed therapy, short course (DOTS) program; workplace interventions, policy and advocacy development; and continued surveillance activities.

**Performance and Prospects:** Overall performance on this special objective has been good. As a result of USAID's assistance to strengthen the surveillance system, Cambodia has one of the most advanced HIV surveillance systems in Asia. The system already adheres to many of the principles of the second-generation surveillance. There has been success in the area of STI services over the last year. Forty-six health care providers in 11 health facilities in Phnom Penh have been trained since May 2000. Over 2000 patients monthly have been treated for STIs since the training began. USAID's successful condom social marketing program once again exceeded its target. Sales for calendar year 2000 was 16 million (24% higher than 1999's sales). At the end of FY 1999, CSD-funded activities targeting children affected by and infected with HIV were initiated. During 2000, 14 NGOs throughout Cambodia, working with USAID and its partners, redesigned their projects to include support for orphans and vulnerable children.

In FY 2001 and FY 2002, USAID will continue institutional strengthening of NGO networks to deliver quality HIV/AIDS interventions and advocate for change. USAID/Cambodia has recently received approval to work with the Cambodian Government on HIV/AIDS. The Mission will increase linkages between local NGOs and provincial and district health authorities. This will increase the distribution of targeted educational materials that will address sexual behavior change, reduce HIV/STI/TB transmission; and increase symptom recognition, treatment, and safe-sex negotiation skills, especially to high-risk groups. In order to foster linkages to the for-profit private sector, resources will also be used to increase outreach activities for HIV/AIDS/TB in the garment industry and to work with the private sector to rationalize pharmaceutical use.

**Possible Adjustments to Plans:** USAID is assessing its current programs and will redesign its HIV/AIDS activities by the end of FY 2001.

**Other Donor Programs:** The USAID program is currently the largest HIV/AIDS program in Cambodia. The World Health Organization (WHO) supports nationwide expansion of the 100% condom use policy in brothels, modeled after the successful program in Thailand. WHO, with some USAID technical assistance, provides support to the technical bureau of the National AIDS Authority for the behavioral and HIV sentinel surveillance systems. The United Nations Children's Fund supports interventions targeting adolescents and street children. The World Bank provides technical advisors to the technical bureau of the National AIDS Authority. The Joint United Nations Program on HIV/AIDS works closely with the National AIDS Authority and its technical bureau to plan and coordinate activities with major international donors and implementing partners to maximize their benefits. A coordination committee of host government, donor, international, and implementing agencies meets monthly for joint review, planning, and monitoring of activities.

**Principal Contractors, Grantees, or Agencies:** USAID implements its STI/HIV prevention activities through Family Health International and its partners in the IMPACT project, Population Services International, Reproductive Health Alliance of Cambodia, and the Khmer HIV/AIDS NGO Alliance.

**ACTIVITY DATA SHEET**

**PROGRAM:** Cambodia
**TITLE AND NUMBER:** Expanded Access to Sustainable Financial Services, 442-007
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $1,000,000 ESF
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** None.
**INITIAL OBLIGATION:** FY 1999 **ESTIMATED COMPLETION DATE:** FY 2005

**Summary:** This special objective was developed to respond to the scarcity of formal savings and credit programs available to the poor, especially in rural areas, where 85% of Cambodia's population lives. While the number of NGO-led microfinance programs directed to serving the needs of the poor has increased significantly since the United Nations-monitored elections of eight years ago, more than three-quarters of the country's rural population still do not have regular access to basic credit and savings facilities. The primary goal of this special objective is to increase the number of poor rural families that will, for the first time, have access to sustainable financial services. In order to achieve this goal, intermediate results directed to expanding outreach activities of sustainable microfinance institutions in a secure operating environment are required. The ultimate beneficiaries of achieving this goal will be the families of an estimated 150,000 to 200,000 poor women.

**Key Results:** The intermediate results that form the cornerstones for achieving this special objective include: 1) increased access of the rural poor to credit and savings facilities; 2) increased self-sufficiency of microfinance institutions (MFIs); and 3) an enhanced enabling environment for providing financial services to the poor.

**Performance and Prospects:** The program has continued to assist microfinance credit providers to consolidate operations, and to strengthen organizational structures and administrative and financial systems. The technical assistance and training has been provided by USAID's implementing partners was specially designed to enable these organizations to become, in a relatively short timeframe, financially solvent, licensed microfinance institutions. The assistance provided to the Association of Cambodian Local Economic Development Agencies (ACLEDA) by USAID, in collaboration with the United Nations Development Program (UNDP), helped ACLEDA transform into a licensed financial entity widely recognized for its outstanding performance.

The technical assistance and training provided to Catholic Relief Services (CRS) has enabled it to assume what is expected to be an increasingly important role, as several of CRS' local NGO partner organizations have agreed to merge into a single financial institution.

A particularly satisfying development of the past year was the settlement of a prolonged internal ownership dispute between World Relief and Cambodia Community Building, its local NGO partner. The dispute had threatened to compromise the program. The lessons learned will improve program performance throughout the sector. Some of the more important insights provided by this experience include the manner in which microfinance programs should be localized and their advisory boards and boards of directors constituted; the importance of effective channels of communication between international and local partner NGOs; and the effective use of negotiated mediation to resolve internal disputes.

During the past year, credit providers, funded by USAID, have provided 100,000 poor families with access to credit facilities. Perhaps more importantly, they have become better positioned to expand outreach activities at a rapid pace. Micro loans disbursed through program activities have allowed client families to use previously underutilized entrepreneurial skills to increase family incomes. This has enabled them to improve the quality of their lives. Outstanding loan balances, which are composed primarily of group-collateralized loans of less than $100, exceed $7 million. Most of the loans were provided to poor women, many of whom are the sole source of support for their families. The continued strengthening of the operational capacity of microfinance organizations funded by USAID and the enhanced enabling environment in which these organizations operate, is expected to be particularly

conducive to the expansion of outreach activities over the next few years. The enabling environment continued to improve during FY 2000, particularly with respect to prevailing conditions of peace and security and the successful implementation of a number of recent reforms of the banking and financial systems. These reforms have established a more prudential regulatory environment for the operation and supervision of financial organizations.

**Possible Adjustments to Plans:** None.

**Other Donor Programs:** The UNDP, the European Union, France, and Germany have been significant providers of funds to NGO microfinance organizations. During the past year, the Asian Development Bank (ADB) initiated an important program of assistance to support the development of the microfinance sector in Cambodia. The ADB program is providing more than $20 million of loan funds to licensed microfinance institutions through the facilities of the Rural Development Bank. An associated component of the program provides specialized technical assistance and training to strengthen the organizational capacity and prudential operations of both the Rural Development Bank and the National Bank of Cambodia.

**Principal Contractors, Grantees, or Agencies:** Current partners receiving USAID assistance include the Association of Cambodian Local Economic Development Agencies, CRS, and World Relief. Other selected microfinance organizations also may receive funding before the completion of this program to support their transformation into licensed MFIs.

## ACTIVITY DATA SHEET

**PROGRAM:** Cambodia
**TITLE AND NUMBER:** Other Activities in Support of Agency Objectives, 442-008
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** None.
**PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE:** None.
**INITIAL OBLIGATION:** FY 1992 **ESTIMATED COMPLETION DATE:** FY 2002

**Summary:** This special objective provides a mechanism to track the remaining disbursement of funds under the earlier private voluntary organization (PVO) co-financing and technical support activities that did not fit under any of USAID's new objectives when the portfolio was restructured. In addition, disaster assistance in FY 2000 and FY 2001 will be reported here.

Due to Cambodia's political problems in 1997 and the resulting Agency management changes, USAID restructured its portfolio, moving away from the previous strategic objective of encouraging broad-based economic growth. In the Budget Justifications for FYs 1996 and 1997, key results were reported under 442-002. During FY 1998, the earlier projects were split between multiple objectives under USAID's interim program plan.

**Key Results:** The long-term impact of this activity is to provide support through the country's transition from historical devastation to lesser-developed country.

**Performance and Prospects:** In FY 2000 and early FY 2001, USAID provided disaster relief for floods that resulted in widespread devastation of homes and crops. During this time, USAID provided 7,000 household emergency kits and 1,300 tons of rice seed.

Funds provided under the earlier PVO activities were used to help stabilize the rapidly deteriorating conditions in Cambodia. Grants were made to about 15 PVOs to provide food assistance, community outreach, and programs for children and victims of war. Funds also were used to help PVOs strengthen their ability to develop, implement, and monitor activities.

**Possible Adjustments to Plans:** None. This objective will be closed when funds are fully expended.

**Other Donor Programs:** No bilateral or multilateral donors were involved in this activity.

**Principal Contractors, Grantees, or Agencies:** Principal implementers have included the American Red Cross; Concern Worldwide; Partners for Development; CARE; World Vision; and Johns Hopkins University.

**Selected Performance Measures:** Results were measured for each individual PVO grant; this information was not aggregated to provide objective-level performance data.

**FY 2002 Performance Table**

**Cambodia: 442-001**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Increased sustainability of targeted indigenous human rights and civil society organizations | 7 | 8 | 10 | 11 | 11 | 12 | 13 |
| Indicator 2: Percent of human rights abuses reported, and investigated, which are resolved | 33 | 39 | 29 | 27 | 35 | 40 | NA |
| Indicator 3: Lawyer/public defenders providing access to services for the accused poor in 80% of courts country wide | 83 | 83 | 83 | 88 | 80 | 88 | 92 |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | Number of sustainable NGO groups advocating for increased human rights and government accountability. | TAF and NGO reports. | Sustainable NGOs = USAID-funded organizations active in promoting human rights, public policy and democracy, able to continue to function without external, administrative support. |
| Indicator 2: | IR | Percentage of total number of human rights complaints investigated which was resolved. | LICADHO. | Human rights abuses as they are defined by the Cambodian Constitution. Total number of investigations = statistics from USAID-funded NGOs |
| Indicator 3: | IR | Courts utilizing public defenders (percent). | Reports from IHRLG, the Cambodian Bar Association, and UNCHR | Courts = 21 provincial, 1 supreme, 1 appeals, 1 military |

**FY 2002 Performance Table**

**Cambodia: 442-002**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Couple-years of protection (CYP) | 102,557 | 138,992 | 162,268 | 194675 | 185,000 | 203,000 | 220,000 |
| Indicator 2: Percentage of target population with access to safe water | 16 | 41 | 49 | NA | 54 | 58 | 62 |
| Indicator 3: Number of Number One brand condoms sold | 10.5 | 11.5 | 12.9 | 16 | 14 | 17.2 | 18.5 |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | Absolute number of couple-years of protection. | Service statistics from partners | CYP is a summary measure of protection against pregnancy provided by birth spacing services based on volume of commodities sold or distributed. Each commodity has a specific conversion factor to estimate the duration of contraceptive protection, thus allowing aggregation into a single figure. Conversion factors incorporate assumptions about failure rates and other factors that impact the duration of protection. |
| Indicator 2: | IR | Percentage. | Biannual surveys in randomly sampled communities in the target areas conducted by implementing partners. | Target areas are the communities in which the implementing partner works, namely areas of two northeastern Cambodian provinces. To be counted in the numerator, a household must be within 200 meters of a project-installed well or if outside 200 meters, use a project-designed family water filter for the household's drinking water. The denominator for this indicator grows as security constraints make more of the target population accessible for implementing partner activities. |
| Indicator 3: | IR | Number of Number One brand condoms sold - millions | Population Services International social marketing sales figures | Baseline and targets are calculated from actual and projected sales figures. |

**FY 2002 Performance Table**

**Cambodia: 442-004**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Quality assistive devices provided | 4,790 | 5,176 | 4,673 | 5114 | 4,000 | 4,500 | 5000 |
| Indicator 2: Non-formal education made available for orphans and disabled | 654 | 1,072 | 1,011 | 1143 | 1,200 | 1,500 | 1500 |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | Absolute number of assistive devices fitted | Implementing partner reports. | This indicator captures the overall number of artificial limbs (prosthetics), artificial feet, braces (orthotics), and wheelchairs that are manufactured and properly fitted for clients during the year. Both new and replacement devices are counted. |
| Indicator 2: | IR | Number of persons enrolled in vocational training courses. | Implementing partner reports. | This indicator describes the number of persons in the vocational training programs run by USAID/C's implementing partners. Priority for enrollment is given to orphans, widows and disabled persons. These numbers effectively represent the size of the student body at each of the institutions supported by USAID. |

**FY 2002 Performance Table**

**Cambodia: 442-005**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Percentage of men in target areas reporting always using condoms with commercial sex workers in previous three months. | 43 | 55 | 73 | NA | 70 | 75 | 80 |
| Indicator 2: Percentage of female commercial sex workers in target areas reporting consistent condom use with clients over past 12 mos. | 42 | 53 | 78 | NA | 80 | 83 | 85 |
| Indicator 3: Percentage of men in target areas reporting always using condoms with sweetheart in previous three months. | 0 | 5 | 13 | NA | 17 | 20 | 23 |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | Percentage. | National behavioral surveillance surveys (BSS). | This indicator measures male condom use with commercial sex workers (CSW) in the three months before a survey. Only men who have been to a CSW over that time are included in the denominator. To be counted in the numerator, men must report always using condoms when having sex with a CSW in that timeframe. For our purposes, this indicator is tracked for men in the military, a major focus of our interventions. |
| Indicator 2: | IR | Percentage. | National behavioral surveillance surveys (BSS). | The denominator is female commercial sex workers (CSWs) who report at least one client over the past week. The numerator is those CSWs who report they always use condoms during commercial sex acts with their clients over that time period. |
| Indicator 3: | IR | Percentage. | National behavioral surveillance surveys (BSS). | The denominator includes only men who both have a sweetheart and who report having sex with their sweetheart in the three months prior to the survey. The numerator includes only men who report always using a condom when having sex with their sweetheart over that time frame. For our purposes, this indicator is tracked for men in the military, a major focus of our interventions. |

**FY 2002 Performance Table**

**Cambodia: 442-007**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: 20% minimum average annual growth rate in client outreach | NA | 87,787 | 90,601 | 100000 | 110,000 | 130,000 | 156,000 |
| Indicator 2: Percent of operational self-sufficiency achieved by credit providers | NA | 70 | 75 | NA | 85 | 90 | 90 |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | Total number of active microenterprise clients served by USAID-funded microcredit providers. | Credit organizations funded by USAID | This indicator provides a direct measure of the extent of microenterprise outreach programs to the rural poor. |
| Indicator 2: | IR | Percentage of operational self-sufficiency achieved by USAID-funded credit providers | Credit organizations funded by USAID | This indicator provides a direct measure of the capacity of USAID-funded organizations to sustain credit operations without donor support, and to achieve financial self-sufficiency in the long run. |

**CAMBODIA**
**FY 2002 STRATEGIC OBJECTIVE SUMMARY**
**(in thousands of dollars)**

| SO number | SO Title<br>Fund Account | FY 1999 | FY 2000 | FY 2001 | FY 2002 |
|---|---|---|---|---|---|
| 442-001 | Strengthened Democratic Processes and Respect for Human Rights | | | | |
| | - DA | 0 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 5,000 | 4,250 | 8,495 | 18,000 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 442-002 | Improved Reproductive and Child Health | | | | |
| | - DA | 0 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 1,075 | 1,500 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 4,000 | 4,000 | 7,250 | 7,000 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 442-004 | Enhanced Assistance for War and Mine Victims | | | | |
| | - DA | 800 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 1,000 | 1,000 | 0 | 0 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 442-005 | Reduced Transmission of STIs and HIV/AIDS in High Risk Populations | | | | |
| | - DA | 0 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 2,525 | 2,050 | 9,420 | 10,000 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 750 | 0 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 442-007 | Expanded Access to Sustainable Financial Services | | | | |
| | - DA | 0 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 750 | 1,000 | 0 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| SO | Totals | | | | |
| | - DA | 800 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 3,600 | 3,550 | 9,420 | 10,000 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 10,000 | 10,000 | 17,495 | 25,000 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |

| U.S. Financing (in thousands of dollars) | | | |
|---|---|---|---|
| **Program: Cambodia** | | | |
| **Summary** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 59,911 DA | 55,627 DA | 4,284 DA |
| | 2,350 CSD | 250 CSD | 2,100 CSD |
| | 102,418 ESF | 80,941 ESF | 21,477 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 3,092 DA | 3,084 DA | |
| | 3,870 CSD | 905 CSD | |
| | 9,998 ESF | 12,235 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 63,003 DA | 58,711 DA | 4,292 DA |
| | 6,220 CSD | 1,155 CSD | 5,065 DA |
| | 112,416 ESF | 93,176 ESF | 19,240 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 9,420 CSD | | |
| | 17,495 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 9,420 CSD | | |
| | 17,495 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 63,003 DA |
| | 10,000 CSD | 0 CSD | 25,640 CSD |
| | 25,000 ESF | 0 ESF | 154,911 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Cambodia** | | | |
| **Title and Number: Strengthened Democratic Processes and Respect for Human Rights, 442-001** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 3,000 DA | 3,000 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 47,246 ESF | 37,349 ESF | 9,897 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 500 DA | 42 DA | |
| | 0 CSD | 0 CSD | |
| | 4,248 ESF | 4,591 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 3,500 DA | 3,042 DA | 458 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 51,494 ESF | 41,940 ESF | 9,554 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 8,495 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 8,495 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 3,500 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 18,000 ESF | 0 ESF | 77,989 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Cambodia** | | | |
| **Title and Number: Improved Reproductive and Child Health, 442-002** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 6,954 DA | 6,712 DA | 242 DA |
| | 1,100 CSD | 0 CSD | 1,100 CSD |
| | 15,700 ESF | 9,689 ESF | 6,011 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 2,200 DA | 542 DA | |
| | 1,500 CSD | 558 CSD | |
| | 4,000 ESF | 4,444 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 9,154 DA | 7,254 DA | 1,900 DA |
| | 2,600 CSD | 558 CSD | 2,042 CSD |
| | 19,700 ESF | 14,133 ESF | 5,567 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 7,250 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 7,250 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 9,154 DA |
| | 0 CSD | 0 CSD | 2,600 CSD |
| | 7,000 ESF | 0 ESF | 33,950 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (in thousands of dollars) | | | |
|---|---|---|---|
| **Program: Cambodia** | | | |
| **Title and Number: Improved Quality of Primary Education, 442-003** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 2,000 DA | 2,000 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 7,990 ESF | 7,631 ESF | 359 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 0 DA | |
| | 0 CSD | 0 CSD | |
| | 0 ESF | 131 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 2,000 DA | 2,000 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 7,990 ESF | 7,762 ESF | 228 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 2,000 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 7,990 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Cambodia** | | | |
| **Title and Number: Enhanced Assistance for War and Mine Victims, 442-004** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 5,326 DA | 3,084 DA | 2,242 DA |
| | 250 CSD | 250 CSD | 0 CSD |
| | 7,792 ESF | 5,109 ESF | 2,683 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 390 DA | 1,153 DA | |
| | 0 CSD | 0 CSD | |
| | 1,000 ESF | 2,080 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 5,716 DA | 4,237 DA | 1,479 DA |
| | 250 CSD | 250 CSD | 0 CSD |
| | 8,792 ESF | 7,189 ESF | 1,603 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 5,716 DA |
| | 0 CSD | 0 CSD | 250 CSD |
| | 0 ESF | 0 ESF | 8,792 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Cambodia** | | | |
| **Title and Number: Reduced Transmission of STIs and HIV/AIDS in High Risk Populations, 442-005** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 1,300 DA | 666 DA | 634 DA |
| | 1,000 CSD | 0 CSD | 1,000 CSD |
| | 500 ESF | 168 ESF | 332 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 2 DA | 634 DA | |
| | 2,370 CSD | 347 CSD | |
| | 0 ESF | 332 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 1,302 DA | 1,300 DA | 2 DA |
| | 3,370 CSD | 347 CSD | 3,023 CSD |
| | 500 ESF | 500 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 9,420 CSD | | |
| | 750 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 9,420 CSD | | |
| | 750 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 1,302 DA |
| | 10,000 CSD | 0 CSD | 22,790 CSD |
| | 0 ESF | 0 ESF | 1,250 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Cambodia** | | | |
| **Title and Number: Expanded Access to Sustainable Financial Services, 442-007** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 1,690 DA | 1,016 DA | 674 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 1,973 ESF | 922 ESF | 1,051 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 490 DA | |
| | 0 CSD | 0 CSD | |
| | 750 ESF | 507 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 1,690 DA | 1,506 DA | 184 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 2,723 ESF | 1,429 ESF | 1,294 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 1,000 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 1,000 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 1,690 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 3,723 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Cambodia** | | | |
| **Title and Number: Other Activities in Support of Agency Objectives, 442-008** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 39,641 DA | 39,149 DA | 492 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 21,217 ESF | 20,073 ESF | 1,144 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 223 DA | |
| | 0 CSD | 0 CSD | |
| | 0 ESF | 150 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 39,641 DA | 39,372 DA | 269 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 21,217 ESF | 20,223 ESF | 994 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 39,641 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 21,217 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

**EAST TIMOR**

| Program Summary (In Thousands of Dollars) | | | | |
|---|---|---|---|---|
| **Category** | **FY 1999 Actual** | **FY 2000 Actual** | **FY 2001 Estimated** | **FY 2002 Request** |
| Development Assistance | 0 | 0 | 0 | 0 |
| Development Fund for Africa | 0 | 0 | 0 | 0 |
| Child Survival & Disease Fund | 0 | 0 | 0 | 0 |
| Freedom Support Act Funds | 0 | 0 | 0 | 0 |
| SEED Act Funds | 0 | 0 | 0 | 0 |
| Economic Support Funds | 0 | 25,500 | 24,914 | 25,000 |
| P.L. 480 Title II | 0 | 6,089 | 0 | 0 |
| P.L 480 Title III | 0 | 0 | 0 | 0 |
| **Total Program Funds** | **0** | **31,589** | **24,914** | **25,000** |

# EAST TIMOR

## Introduction.

East Timor stands at a crossroads. After 450 years of Portuguese rule and 25 years under the Indonesians, the East Timorese people were given the opportunity to decide their future in an August 1999 referendum. Nearly 80% chose independence over greater autonomy within Indonesia. The referendum sparked violence, marked by human rights violations among pro-integration militias sponsored by the Indonesian army, who were soon joined by army units. More than 75% of the population was displaced, thousands were killed and the majority of the homes, public buildings, and essential utilities were destroyed. Literally from the ashes, the 770,000 people of this tiny country are struggling to craft a new nation that will represent their aspirations for freedom, democracy and justice. The U.S. assistance program is part of a multi-donor effort to support East Timor's transition to democracy.

## Development Challenge.

The United Nations Transitional Authority for East Timor (UNTAET) now governs the country, and will continue to do so until early 2002. UN peacekeeping forces maintain a fragile balance among the numerous political factions and a civilian population that wants reconciliation with justice. International donors are helping the Timorese create new institutions and a society that is prepared for the challenges of statehood. The obstacles are daunting: high illiteracy, the legacy of Portuguese and Indonesian rule, geographic isolation, limited economic growth opportunities, a lack of basic infrastructure and a severe shortage of public administration professionals necessary to assume management of the country. In August 2001, East Timor will again go to the polls, this time to vote for a Constituent Assembly which will be responsible for drafting a constitution and deciding the future shape of this newly independent nation.

USAID, primarily through the Office of Transition Initiatives (OTI), provided timely and essential support in the aftermath of the August 1999 referendum, and has focused on civil society strengthening, community stabilization, and economic recovery through support for East Timor's coffee industry. The East Timorese generally view the USAID program as particularly efficient and even-handed. U.S. credibility and projected levels of USAID assistance through 2003 will enable the United States to continue to play a key role in the process of nation building.

## Other Donors.

In December 1999, over 50 countries and international agencies pledged $522 million in bilateral and multilateral development and humanitarian assistance over a period of three years. In June 2000, donors pledged their continued support for East Timor with substantial funds for the country's reconstruction and development and the administration of the first East Timor government. Donors agreed to donate to two trust funds—a World Bank-administered trust fund for East Timor (TFET) for reconstruction projects in all sectors, and a consolidated fund for East Timor (CFET), administered by UNTAET. The CFET fund pays for the administrative costs of government and for projects that will develop the capacity of the East Timorese to play an active role in government and guide the future direction of the new nation. Decisions regarding the use of both trust funds are made in collaboration with a consultative council of East Timorese representatives. The trust funds are supplemented by bilaterally-funded activities in various sectors. Preparations are now underway for the next donor meeting, which will take place in June 2001 in Canberra, Australia. Concerted attention to donor coordination will be essential for effective utilization of assistance to address East Timor's vast development needs.

## FY 2002 Program.

USAID will maintain programmatic flexibility within an extremely fluid political and social environment. USAID is revising its East Timor strategy for FY 2002 in light of projected funding increases above previous planning levels over the next three years. In FY 2002, USAID will focus on strengthening democratic institutions in the post-election period and supporting East Timor's coffee industry to promote

economic growth and generate employment. Through OTI, USAID will continue to foster the development of civil society in East Timor.

USAID will support East Timor's transition to full independence by strengthening democratic institutions. Five grantees are currently engaged in a broad range of activities to prepare for the Consultative Assembly elections scheduled for August 2001. Given the importance of disseminating and explaining election results and galvanizing public support for new leaders and institutions, these projects will continue in the critical post-election period. USAID recently completed an assessment to identify potential democracy programs in East Timor, which will guide program planning for FY 2002 and for the next several years. The assessment's recommendations include support for constitution drafting, governance, justice sector institutions, and civil society outside the capital of Dili. These recommendations will be fleshed out and incorporated into the overall East Timor Strategy that is currently under development.

While planning to phase out its operations in calendar year 2002, OTI continues to support East Timorese civil society and independent media with small, targeted grants. FY 2002 funding will support OTI activities and incorporate OTI's network of and experience working with local NGOs into other aspects of USAID's strategy.

USAID will continue to support the Cooperative Coffee Timor (CCT) through the National Cooperative Business Association in FY 2002. USAID funding supports investment in equipment and facilities; training for East Timorese managers in bookkeeping, management, and other business skills; and the startup of health clinics in coffee growing regions to serve cooperative members and their families. U. S. assistance is helping prepare the East Timorese cooperative members for full ownership of CCT, including responsibility for all aspects of harvesting, production, marketing and selling to the international specialty coffee market. In FY 2002, the coffee project will open an additional two health clinics, bringing the total number to six. The project will also support small retail outlets in rural areas of East Timor to further stimulate economic growth, as well as conduct pilot studies of other cash crops such as vanilla and pepper. By the next harvest season, beginning in May 2002, the project anticipates working with 100,000 coffee farmers and another 4,000 seasonal workers in the processing and preparation for export of select organic coffees for world markets.

One critical area in which USAID will begin working in FY 2002 is HIV/AIDS prevention. There is currently little information about the scope of the HIV/AIDS problem in East Timor. USAID will coordinate with UNTAET efforts to study the extent of the problem and design an appropriate bridging response that can be adopted and developed further by other donors.

Since choosing independence, the East Timorese people have made clear that they want to establish a nation that is truly their own. As one of the first bilateral aid agencies to establish a presence in Dili, USAID earned the trust and respect of many Timorese by working hand-in-hand with Timorese organizations to identify targets of assistance and design practical and effective activities. This approach will be replicated in USAID's future activities and in the strategy for the next several years. As OTI prepares to phase out its activities, USAID's bilateral activities will learn from OTI's unique experience in responding to emerging problems or opportunities. Ongoing programs may need to be adjusted, or new activities launched, to respond to the changing political environment.

**ACTIVITY DATA SHEET**

**PROGRAM:** East Timor
**TITLE AND NUMBER:** Revitalization of the Local Economy, 472-001
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $13,500,000 ESF
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $10,000,000 ESF
**INITIAL OBLIGATION:** FY 2000 **ESTIMATED COMPLETION DATE:** FY 2003

**Summary:** East Timor has long been one of the poorest areas in Southeast Asia. Agriculture is the mainstay of the economy, contributing the largest share to GDP, employing almost three-quarters of the workforce, and offering the greatest potential for exports and trade. East Timor's rugged erosion-prone terrain, poor soils, and often unpredictable rainfall have always presented challenges to agriculture. Approximately 30% of households are below the poverty line; life expectancy is 56 years; and only two out of five people are literate. It is important to move beyond humanitarian assistance to restarting economic activities in order to help avoid dependency on donor programs and to focus societal efforts on reconstruction rather than on past conflicts.

Coffee has been the main income earner for farmers since the Portuguese presence in East Timor. Coffee exports accounted for half of agricultural revenues prior to the conflict. Production—primarily of a high quality Arabica hybrid variety organically grown in the upland areas of central East Timor—increased substantially and became a major income earner for small holders. Coffee is one of the few cash crops and foreign exchange earners in East Timor. From the small producer to intermediaries and final crop processing and storage, the coffee sector has survived nearly intact. During the devastating events of August and September 1999, some coffee producers were killed, and thousands of participating families were forced to flee their villages, resulting in a temporary suspension of the National Cooperative Business Association (NCBA) program. The violence came after the harvest and therefore did not affect the basic production regimen employed by East Timor's smallholders.

The USAID-supported NCBA has worked closely with approximately 17,000 coffee farm families (roughly 10% of the population) through a cooperative network, Cooperative Coffee Timor (CCT), producing specialty coffees for export. The program includes production, training, and extension services as well as the development of processing, transport and warehousing facilities. It is the single most important means of providing immediate assistance to large portion of East Timor's farm families.

From the outset, program field staff reported the poor health conditions of the rural population and cited the lack of health care and health maintenance services as serious impediments to sustainable development. As a result, in July 1998 USAID provided additional funding for NCBA, working with CCT, to initiate the "Health Maintenance and Health Care in East Timor" activity to provide basic health services to the rapidly growing number of coffee producing families affiliated with the project. By meeting a minimum delivery level of coffee cherry to the program's processing enterprises, the costs for health services are covered through a deduction of a small percentage of the margins paid to farmers on their coffee sales. Participating coffee farmers and their families are eligible for health services, including prenatal care, well-baby check-ups and vaccines, deliveries attended by trained health care providers, micronutrient supplementation for pregnant women and newborns, and treatment for malaria and tuberculosis.

In the absence of a civil administration (other than the United Nations Transitional Authority for East Timor—UNTAET), local communities in East Timor must assume greater responsibility for the recovery and development of their communities. Through the Office of Transition Initiatives (OTI), USAID supports a community-based stabilization program using small-scale interventions to promote community normalization. These activities focus on gaps in local social services and economic infrastructure. Through these projects, communities are integrally involved in prioritizing their needs; participating in decision-making to allocate donor resources to meet those needs; and implementing funded projects. In addition to promoting local economic recovery, these programs foster participatory processes and democratic principles at the community level and create a climate for new, grassroots political leaders to

emerge. Other donors such as the World Bank and United Nations are undertaking similar programs. Thus, OTI's "jump start" activities feed into the longer-term initiatives of these other donors who need a much longer lead time.

**Key Results:** The NCBA project will be expanded to include an additional 4,000 farmers each year. By the end of the project, the maximum number of coffee farmers who could be reached would be close to 27,000. Assuming approximately 20,000 people are involved seasonally in the coffee trade, a total of over 240,000 people, including family members, will benefit from the expanded project.

At least 30 civil society organizations will benefit from USAID's in-kind assistance—equipment, supplies, and technical support. This support will enable these organizations to help their communities participate in the rebuilding of their country through employment provision, human rights advocacy and training, voter education, and civil society education. Increased participation of women in political empowerment and decision-making training ensures that all activities involve women beneficiaries as well as men.

**Performance and Prospects:** In FY 2001, USAID intends to obligate $13.5 million in ESF to stimulate local economic growth.

USAID's NCBA activity has integrated business education and training into its project by providing apprenticeships and starting a business-training program for CCT managers. Although coffee represents the only viable commercial operation at this time, it is recognized that this project has the potential to diversify into other crops such as vanilla and pepper, which will further increase rural farm income. Business training will strengthen the capacity of small entrepreneurs to speed East Timor's economic recovery.

The OTI program seeks to strengthen the democratic nation-building process and assist with economic recovery during East Timor's transition to independence. Support for local organizations engaged in civic education will promote mechanisms for communities to express their views on such issues as the new constitution, government structure, and electoral laws. Support for open discussions on the role of political parties in a democracy will promote an atmosphere of political tolerance and peaceful debate. In-kind assistance for rehabilitation projects (e.g., schools and markets); community-based cooperatives (e.g., rice); and income generating workshops also will be provided. In implementing the community-based stabilization program, USAID partners will coordinate with the representative community council structures that are being established under the World Bank-funded Community Empowerment Program and other organizations sponsoring community-based programs.

Major activities using projected FY 2001 funding include:

*In FY 2001, USAID plans to provide $4.0 million in ESF* for the NCBA/CCT coffee project to incorporate 27,000 farm families into the project by the year 2003. The benefits of this program include training in basic financial management for coffee cooperatives and micro-businesses and expanded production of high-value export crops. NCBA also will continue to provide health services to villagers, and will coordinate these services with those provided by UNTAET and other donors.

*In FY 2001, USAID plans to provide $9.5 million in ESF,* in addition to separate OTI funding, to support local economic recovery and strengthen civil society and independent media. This will be achieved through a community-based stabilization program that targets small-scale interventions in support of community normalization by focusing on local services and economic infrastructure.

**Possible Adjustments to Plans:** The fragility of the operating environment for development and the possibility of instability in the near term might slow project progress or warrant adjustment of on-going programs.

**Other Donor Programs:** In December 1999, over 50 countries and international agencies pledged $522 million in bilateral and multilateral development and humanitarian assistance over the following three years. In June 2000, donors reaffirmed their substantial pledges for the reconstruction and development

of East Timor and the East Timorese national administration. Donors agreed to contribute to two trust funds—a World Bank-administered trust fund for reconstruction projects in all sectors and a second trust fund administered by UNTAET. The second fund contributes to the costs of governance and projects that will build the capacity of the East Timorese to play a leading role in governance and in determining the future direction of the new nation. Decisions regarding the use of both trust funds are made in collaboration with a consultative council of East Timorese representatives. The trust funds are supplemented by bilaterally funded activities in various sectors. Concerted attention on donor coordination will be essential for effective utilization of assistance to address East Timor's vast development needs.

**Principal Contractors, Grantees, or Agencies:** USAID will work primarily with NCBA on the coffee activity. In the community stabilization activity, USAID's partners are local NGOs, the International Organization for Migration, UNTAET district administrations, and the World Bank.

**Selected Performance Measures:**

| | **Baseline (1999)** | **Actual (2000)** | | **Target (2001)** | **Target (2002)** |
|---|---|---|---|---|---|
| Number of farmers employed by NCBA/CCT | 17,000 | 19,000 | 23,000 | 27,000 | |
| Number of health clinics established | 3 | 4 | 6 | 6 | |
| Number of retail outlets established by small-scale enterprises | 0 | 0 | 5 | 35 | |

**ACTIVITY DATA SHEET**

**PROGRAM:** East Timor
**TITLE AND NUMBER:** Selected Development Needs Addressed, 472-002
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** None.
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** None.
**INITIAL OBLIGATION:** FY 2000 **ESTIMATED COMPLETION DATE:** FY 2002

**Summary:** East Timor faces a very serious challenge. At issue is not only the massive physical destruction but the social trauma wreaked after the ballot. East Timor lacks the institutional capacity necessary for a nation state. Major investments and reform programs are needed. This special objective is composed of selected activities that support the reconstruction effort of East Timor and complement the mainstream activities of the primary USAID program.

Given the vast reconstruction and development needs to build a sustainable nation state in East Timor, it is crucial for donor assistance to work together in a coordinated and comprehensive manner to tackle these needs. The Joint Assessment Mission (JAM) to East Timor, coordinated by the World Bank, was endorsed at a meeting of donors, United Nations agencies and East Timorese representatives in September 1999. Early deployment of the mission was driven by lessons of other post-conflict countries, where the lack of coordination between relief and development planning delayed the transition from emergency relief to more sustainable development support. The JAM identified priority short-term reconstruction initiatives and provided estimates of external financing needs. Among its recommendations was the establishment of two trust funds to facilitate a coordinated donor approach to supporting East Timor's recovery and reconstruction.

The World Bank-administered trust fund will finance reconstruction activities in economic management, health, education, community empowerment, agriculture, and infrastructure. The United Nations Transitional Authority in East Timor (UNTAET) and East Timorese representatives are responsible for prioritizing, approving, and implementing projects. A second trust fund, focused on governance and capacity-building, will be administered by UNTAET. This trust fund will be used to ensure that basic public services continue and that East Timorese develop the skills to provide them. Most of the trust fund proceeds will be used to directly benefit East Timorese by paying salaries for public workers, most of them teachers and health care workers. UNTAET also will use the funds for democracy and governance projects. In supporting both trust funds, the U.S. Government will help strengthen overall coordination of the international reconstruction effort in East Timor. A high degree of donor coordination is vitally important to reducing duplication of effort and gaps between projects and for facilitating the involvement of East Timor's leadership in decision-making regarding uses of donor funds.

In addition to the U.S. Government's contribution to the trust funds, the Department of State will provide assistance in judicial training, institution building, and promotion of the rule of law. In 2000, there were only five certified lawyers in East Timor, and only 60 people with any minimal legal training. Assistance includes training of judges and prosecutors, help in revising the legal code, and assistance in thinking through the judiciary's role as an independent arm of the government.

There also is an urgent need for human rights training and forensic assistance. The East Timorese who are responsible for investigating and documenting human rights abuses lack a basic understanding of how to conduct such investigations, have little access to forensic expertise, and possess little of the specialized equipment. In addition to financing these activities and equipment, the Department of State will assist the East Timorese to monitor current human rights abuses, e.g., through establishment of a human rights ombudsperson, and to prevent future abuses.

**Key Results:** The Department of State will develop a performance monitoring plan that will establish key results anticipated under this objective.

**Possible Adjustments to Plans:** Any additional funding for the two trust funds will be reported under objective 472-003, Democratic Development Strengthened.

**Other Donor Programs:** Concerted attention to donor coordination is essential for effective utilization of assistance to address East Timor's vast development needs. In December 1999, over 50 countries and international pledged $522 million in bilateral and multilateral development funds and humanitarian assistance over the following three years. Donors agreed to contribute to the World Bank-administered and UNTAET trust funds described above. Decisions regarding the use of both trust funds have been undertaken in collaboration with a newly established consultative council of East Timorese representatives. The trust funds are supplemented by bilaterally-funded activities in various sectors.

**Principal Contractors, Grantees, or Agencies:** UNTAET, the World Bank, and the Asian Development Bank.

**Selected Performance Measures:** The Department of State will develop indicators for, and report on, forensics and human rights assistance, judicial training, and rule of law.

**ACTIVITY DATA SHEET**

**PROGRAM:** East Timor
**TITLE AND NUMBER:** Democratic Development Strengthened, 472-003
**STATUS:** New
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $11,414,000 ESF
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $15,000,000 ESF
**INITIAL OBLIGATION:** FY 2001 **ESTIMATED COMPLETION DATE:** FY 2003

**Summary:** The future development of East Timor depends on how the new government is designed and structured, and on the extent to which the East Timorese people are involved. Effective, efficient, and democratic government is imperative for development and national integration. Currently, East Timor lacks the institutional capacity necessary for a nation-state. It needs major investments and reform programs. This objective is composed of selected activities that develop democratic institutions and strengthen civil society organizations in creating a democratic and responsible government.

USAID will focus on the establishment of democratic institutions. General elections are planned for August 2001. Pre-election activities include identifying and training indigenous non-government organizations (NGOs) in voter education and election monitoring; encouraging platform development by political parties; and providing technical assistance to the election commission for election-day administration, and other activities. Post-election activities will include working with indigenous NGOs in designing longer-term civic-education strategies; developing training programs for newly-elected legislators and executives; diplomatic training; assistance to the election commission in drafting electoral regulations; and assistance to local newspapers and radio stations to develop stronger reporting skills.

East Timor must address vast reconstruction and development needs to build a sustainable nation-state. Well-coordinated and comprehensive donor assistance is crucial to meet these needs. The Joint Assessment Mission (JAM) to East Timor, coordinated by the World Bank, was endorsed at a meeting of donors, United Nations agencies, and East Timorese representatives in September 1999. Early deployment of the mission was driven by lessons of other post-conflict countries, where the lack of coordination between relief and development planning delayed the transition from emergency relief to more sustainable development support. The JAM identified priority short-term reconstruction initiatives and provided estimates of external financing needs. It recommended the establishment of two trust funds to facilitate a coordinated donor approach to supporting East Timor's recovery and reconstruction. The first is the World Bank-administered trust fund for East Timor (TFET) for reconstruction projects in all sectors. The second is the Consolidated Fund for East Timor (CFET) administered by the United Nations Transitional Authority for East Timor (UNTAET) for the costs of governance and building the capacity of the East Timorese to govern themselves and guide the direction of the new nation.

UNTAET's (CFET) ensures that basic public services continue and that East Timorese develop the skills to provide them. In FY 2000, most of the trust fund proceeds were used to pay salaries to public workers, most of them teachers and health care workers. In FY 2001, USAID will provide up to $4.5 million to CFET to support UNTAET efforts to strengthen the new Timorese government's ability to prepare for elections in August 2001.

In order to effectively monitor and manage all USAID activities in East Timor, USAID will use up to $1 million of program funding to cover operating expenses, as permitted under the FY 2001 Foreign Appropriations Act.

**Key Results:** USAID assistance will help prepare East Timorese democratic institutions to conduct free and fair elections. International and Timorese nongovernmental organizations (NGOs) will work together to provide voter education and to train election monitors to ensure that the election process moves forward in a timely manner. USAID and other donors will establish systems to identify and report any voting discrepancies as well as to resolve election conflicts. Political parties, with USAID support, will present platforms that are clear and in a language that the general population can understand. USAID will help train elections administrators and provide sufficient technical assistance to complete the election

process transparently, credibly, and on time. USAID also will help train the media to report the results of the elections, and prepare newly elected legislators and executives to respond to their constituents' needs. Post-election activities will include a long-term civic education program and more targeted courses to ensure the election processes and outcomes are understood by this diverse community.

**Performance and Prospects:** In FY 2001, USAID intends to obligate $11.4 million in ESF to enhance citizen participation and transparency in election administration and the design of a constitutional assembly that will lead to the first elected Timorese government. Major anticipated activities include:

*In FY 2001, USAID plans to provide $5 million* for democracy and governance activities to assist the constitution-drafting and governance design processes, strengthen justice sector institutions, and support civil society and their role in local governance in the post-election period.

*In FY 2001, USAID plans to provide $4.5 million* to CFET to strengthen the new Timorese government's ability to assume management of the country.

*In FY 2001, USAID plans to use up to $1 million* of program funding to cover operating expenses.

*In FY 2001, USAID also plans to provide $1 million* to support a study on HIV/AIDS in East Timor and coordinate with UNTAET to design a potential program response. This amount will be notified under the ANE regional program, Stabilize Population Growth and Protect Human Health (498-022).

**Possible Adjustments to Plans:** The fragility of the operating environment and possibility of instability in the near term might slow project progress or warrant adjustment of the program.

**Other Donor Programs:** In December 1999, over 50 countries and international agencies pledged $522 million in bilateral and multilateral development and humanitarian assistance over the next three years. In June 2000, donors pledged their continued support for East Timor and reaffirmed their substantial pledges for the reconstruction and development of East Timor and the East Timorese national administration. Concerted attention to donor coordination will be essential for effective utilization of assistance to address East Timor's vast development needs. A high degree of donor coordination is vitally important to reducing duplication of effort and gaps between projects and for facilitating the involvement of East Timor's leadership in the decision-making regarding uses of donor funds.

**Principal Contractors, Grantees, or Agencies:** The International Republican Institute, the National Democratic Institute, Internews, The Asia Foundation, the International Foundation for Election Systems, and the Carter Center.

**Selected Performance Measures:** This is a new activity. Performance measures still are being developed, but are likely to include: the number of East Timorese democratic institutions able to provide election assistance; the number of East Timorese residents registered to vote; and the number of election administrators trained to conduct free and transparent elections.

## EAST TIMOR
### FY 2002 STRATEGIC OBJECTIVE SUMMARY
**(in thousands of dollars)**

| SO number | SO Title<br>Fund Account | FY 1999 | FY 2000 | FY 2001 | FY 2002 |
|---|---|---|---|---|---|
| 472-001 | Revitilization of the Local Economy | | | | |
| | - DA | 0 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 18,600 | 13,500 | 10,000 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 472-002 | Selected Development Needs Addressed | | | | |
| | - DA | 0 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 6,900 | 0 | 0 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 472-003 | Democratic Development Strengthened | | | | |
| | - DA | 0 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 11,414 | 15,000 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| SO | Totals | | | | |
| | - DA | 0 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 25,500 | 24,914 | 25,000 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |

| U.S. Financing (in thousands of dollars) | | | |
|---|---|---|---|
| **Program: East Timor** | | | |
| **Summary** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 0 DA | |
| | 0 CSD | 0 CSD | |
| | 20,805 ESF | 1,397 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 DA |
| | 20,805 ESF | 1,397 ESF | 16,568 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 195 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 24,914 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 25,109 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 25,000 ESF | 11,500 ESF | 67,414 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: East Timor** | | | |
| **Title and Number: Revitalization of the Local Economy, 472-001** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 0 DA | |
| | 0 CSD | 0 CSD | |
| | 18,405 ESF | 1,397 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 18,405 ESF | 1,397 ESF | 17,008 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 195 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 13,500 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 13,695 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 10,000 ESF | 0 ESF | 42,100 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: East Timor** | | | |
| **Title and Number: Selected Development Needs Addressed, 472-002** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 0 DA | |
| | 0 CSD | 0 CSD | |
| | 2,400 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 2,400 ESF | 0 ESF | 2,400 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 2,400 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (in thousands of dollars) | | | |
|---|---|---|---|
| **Program: East Timor** | | | |
| **Title and Number: Democratic Development Strengthened, 472-003** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 0 DA | |
| | 0 CSD | 0 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 11,414 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 11,414 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 15,000 ESF | 11,500 ESF | 22,914 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

**Indonesia**

| Program Summary (In Thousands of Dollars) | | | | |
|---|---|---|---|---|
| **Category** | **FY 1999 Actual** | **FY 2000 Actual** | **FY 2001 Estimated*** | **FY 2002 Request** |
| Development Assistance | 38,606 | 53,050 | 52,505 | 48,804 |
| Development Fund for Africa | 0 | 0 | 0 | 0 |
| Child Survival & Disease Fund | 13,450 | 18,950 | 19,580 | 21,280 |
| Freedom Support Act Funds | 0 | 0 | 0 | 0 |
| SEED Act Funds | 0 | 0 | 0 | 0 |
| Economic Support Funds | 5,425 | 22,500 | 44,845 | 50,000 |
| P.L. 480 Title II | 34,119 | 18,110 | 12,051 | 13,360 |
| P.L 480 Title III | 0 | 0 | 0 | 0 |
| **Total Program Funds** | **91,600** | **112,610** | **128,981** | **133,444** |

* FY 2001 ESF excludes $4.983M transferred into the Transition Initiatives account.

**Mission Director, Desaix B. Myers**

# INDONESIA

## Introduction.

A stable, democratic, prosperous and unified Indonesia is a major U.S. interest. The vast archipelago straddles sea lanes vital to all of East Asia. It is the fourth most populous country on earth, the third largest democracy and the largest Muslim country, with vast resources of energy, minerals and biodiversity. Indonesia's transition to democracy and sustained economic growth is threatened by a failure of leadership and a lack of governance. A flexible new strategy and increased resources have allowed USAID to keep its programs responsive to the fluid situation. USAID and its partners are helping Indonesia build a framework of rules, regulations, institutions and a civil society that can support Indonesia's fledgling democracy and economic recovery while simultaneously responding to short-term crisis issues and critical humanitarian demands.

## Development Challenge.

Indonesia is experiencing a grave crisis in leadership. While politicians bicker and jockey in Jakarta, long-simmering resentments fueled by perceptions of injustice among ethnic, religious, and economic groups have flared across the country, generating a million internally displaced people and raising fears of Indonesia's breakup. Struggling to recover from an economic recession that began in 1997 that wiped out 15% of its gross domestic product, the economy is hobbled by pervasive corruption that affects everything from national policy decisions to village relationships.

Reformers in the Indonesian government are trying to strengthen political institutions that can provide greater transparency and accountability, improve governance, and reform corrupt systems. They are seeking ways to restore the confidence of both domestic and foreign investors, maintain civilian control of the military, develop processes for reconciling the abused and abusers, and institute major changes that will reform the judicial systems and decentralize power. A comprehensive decentralization process, begun in January 2001, is causing uncertainty among investors and officials, but is critical to maintaining Indonesia's territorial integrity. Indonesia faces great challenges to build and equitably finance local institutions of good governance that are democratic and accountable, and can manage services and resources effectively.

The economic and political crisis has had a dramatic social impact. The number of Indonesians living below the poverty line increased by around 10 million in the depths of the crisis, and although there has been noticeable improvement in recent years, over 40 million are still classified as poor. High inflation and widespread unemployment have reduced the ability of many households to purchase basic medicines and meet minimum nutritional requirements, resulting in an increase in micronutrient deficiencies, especially among women and children. Together with declining government resources for health services, this imperils many Indonesians. Children continue to drop out of school, which suggests that the long-term impact of the crisis may not yet be fully realized. Health care services are sought less frequently since stretched family budgets go to other priorities. Sexually transmitted diseases are on the rise as a result of inadequate condom use, delayed treatment, and increased prostitution.

USAID's strategy in Indonesia is to use program flexibility to deal tactically with short-term political, economic, and humanitarian crises that threaten to push Indonesia over the brink, while simultaneously helping Indonesia build a framework of rules, regulations, institutions, and a civil society necessary for long-term political and economic development.

To address short-term democratic and political crises, USAID is supporting constitutional reforms to clarify the current confusion over the roles and responsibilities of the President and Parliament. USAID is funding activities that provide training to hundreds of newly elected parliamentarians on drafting legislation and dealing with constituents, and is encouraging greater press responsibility in areas such as coverage of corruption and conflict. Finally, in response to Indonesia's January 2001 launching of its decentralization initiative, USAID is strengthening a network of local governments, parliaments,

universities, and civil society organizations to increase their ability to respond effectively to the authority and resources being transferred to them.

In response to immediate economic challenges, USAID is increasing its efforts to improve tax administration in order to increase tax revenues. USAID also is working with Indonesians to cut farmers' food and fuel subsidies in order to free up more funds for poverty alleviation, and to adjust resource allocations to local governments to better match allocations with needs. To maintain macroeconomic stability in Indonesia and restore investor confidence, USAID is assisting with the timely reform and privatization of the banking system and the sale of assets acquired by the Government of Indonesia during the financial crisis.

USAID's crisis and conflict team has provided critical assistance to thousands of refugees affected by a spate of manmade and natural disasters, including those evacuated from Central Kalimantan in March 2001. USAID is supporting civil society development and community stabilization to reduce tension in conflict areas such as Papua and Aceh and is helping to resettle refugees returning to their homes in Maluku.

Although responsive to immediate demands, USAID has not lost sight of longer-term development goals in Indonesia. USAID-assisted nongovernmental organizations (NGOs) have strengthened local initiatives to document human rights abuses, and further civic education. Local governments have adopted a new, participatory planning process developed by USAID advisors to increase community access to local policy formulation and decision-making. The central parliament now broadcasts all meetings and commission conferences on cable television. And USAID activities continue to engage central and local government and civil society organizations on conflict resolution and reconciliation.

The new decentralization laws that came into effect in January 2001 afford new opportunities and risks that cut across all of USAID's areas of interest: democracy, economic reform, natural resources management, energy, and delivery of health and humanitarian services. USAID is the largest donor providing assistance on decentralization, and the only one with significant programs that work directly with local governments to build the capacities needed to play increased roles. USAID consultants advise on fiscal issues, natural resources management, environmental governance, and health service delivery.

USAID continues technical assistance to the ministries involved in trade and competition policy and regulation and for the establishment of independent regulatory agencies. As part of USAID's work on justice reform, USAID consultants are involved in a variety of programs to strengthen governance and provide investors with greater certainty.

USAID's energy program has helped influence and assist the government to reduce poorly targeted energy subsidies that drain the national budget and contribute to Indonesia's dire fiscal situation while promoting smuggling and inefficiency and contributing to poor air quality. USAID has been the primary bilateral donor working on energy sector reform and has helped leverage larger multilateral loans. This reform will provide a clear legal and regulatory framework for much-needed investment in the energy sector.

USAID programs have strengthened the nutrition and health surveillance system and increased the coverage of vitamin A programs. USAID's health and humanitarian assistance programs have helped alleviate the suffering of the thousands of people affected by conflicts and disasters across Indonesia. Through its longstanding partnership with local and international NGOs and with the World Food Program, USAID provides food aid to allow Indonesia to deal with the needs of some 700,000 internally displaced people. Until there is greater certainty that social unrest is under control, there will be a need for continued humanitarian aid.

**Other Donors.**

The donor community in Indonesia breaks down into two groups: donors with annual program budgets of $1 billion or more and those with annual budgets of $250 million or less. Multilateral organizations—the International Monetary Fund, the World Bank, the Asian Development Bank, and the Islamic Bank—and the Japanese bilateral program constitute the larger donors. USAID is the largest contributor in the group of smaller donors, which also includes the European Union, the bilateral programs of Australia, Germany, the United Kingdom, France, Italy, the Netherlands, Canada, New Zealand, and South Korea, and private U.S., German and Dutch foundations.

Since the U.S. is a leading member of the International Monetary Fund, the World Bank and the Asian Development Bank allow USAID to work closely with multilateral donors on development issues. As part of the Consultative Group for Indonesia, USAID collaborates with both multilateral and bilateral donors. Despite its relatively modest level of assistance, USAID's flexibility and country presence provide a unique capability to play a leadership role in donor assistance. USAID has executed this role most notably in the development of civil society organizations and in its work on democracy and governance, economic reform, natural resources management and health and humanitarian assistance.

**FY 2002 Program.**

The situation in Indonesia remains extraordinarily fluid, with quickly evolving crises often being matched by equally sudden opportunities. To accommodate this environment, in FY 2001, USAID shifted from a crisis response strategy to a transition strategy. Strategic objective names and numbers may not necessarily match those in the previous year's Budget Justification.

USAID's program seeks to retain a high degree of flexibility to respond effectively to these challenges. However, specific targets and performance indicators, especially in the areas of democracy and governance, may require adjustment more frequently than in more traditional assistance programs.

FY 2002 Development Assistance (DA) and Economic Support Funds (ESF) will continue to permit USAID and its partner organizations to help Indonesia deal with the multiple crises that are afflicting its fledgling democracy: social unrest; ethnic, class and religious conflict; separatist movements; corruption; social welfare needs; natural resources degradation; and uncertain protection of human and property rights. USAID will be able to support reformers within the government to strengthen the key processes and institutions required for efficient governance. These resources will provide funding and technical support for civil society organizations and media efforts to increase accountability and provide access for private citizens to the political process. The major theme running through all areas of USAID's dynamic strategy in Indonesia is justice: the right of the average Indonesian citizen to due process, fair and equal treatment, access to the political system, and legal recourse if aggrieved. Progress on justice sector reform will be critical to calming social unrest and establishing the context for sustainable economic growth.

Assistance in FY 2002 builds on that of FY 2000 and FY 2001. It will strengthen key Indonesian government institutions and civil society organizations. The program provides assistance to stimulate judicial sector reform, including assistance to develop professional and competent legal organizations. USAID is working with the national and local parliaments to improve their capacity for research and analysis and to draft legislative and constituent communications. The program provides training for political parties and for new parliamentarians to enable them to be responsible, accountable, transparent and active participants in the governance of the country. USAID also is working with government organizations and independent regulatory agencies on improved governance; supports media and advocacy groups; and helps promote human rights, ethnic and religious tolerance, and conflict resolution and reconciliation. USAID will implement these programs through a consortium of NGOs, both local and U.S.-based, and through long-term technical advisors.

USAID is working on economic reform, focusing on the financial sector, bank and corporate debt, including efforts on competition, anti-corruption, secured transactions and increased certainty for

investors. It encourages small business development, particularly through support for microfinance lending, and assists NGOs and universities in their efforts to increase public participation in the economic reform process.

USAID's health program is directed toward the most vulnerable, protecting poor women and children by improving access to essential primary health services, supporting monitoring systems to improve efficiency of resource allocation, and encouraging better health information and nutrition. To improve food security for those most in need, particularly Indonesia's more than one million internally displaced, USAID is supporting better food management and policies, increased food accessibility, humanitarian assistance and efforts at conflict mitigation and reconciliation. USAID is working with the government and other donors to increase employment in targeted urban areas through the creation of temporary jobs that build, maintain, and rehabilitate basic infrastructure and community facilities.

USAID is helping to strengthen environmental management to protect areas under increased stress from the financial crisis and the breakdown of law and order while continuing to respond to global environment issues. Assistance goes to indigenous NGOs and local governments to strengthen environmental management and restructure essential energy and water services in urban areas. The program works with local governments to increase their capacity to handle the additional responsibilities flowing from decentralization, including greater community participation in the management of local resources and planning for public works.

USAID is helping create a more efficient and transparent energy sector. By minimizing the role of government as a regulator, reducing subsidies, and promoting private sector involvement, a reformed energy sector can contribute billions of dollars in tax revenue. A more efficient energy sector will also have positive environmental impacts, rationalize pricing, increase access to energy and help sustain Indonesia's natural resource base.

In addition to the bilateral program, there are several Asia and Near East regional activities in Indonesia. The East Asia and Pacific Environmental Initiative has eleven environmental and natural resources activities in realms such as biodiversity, fire suppression and coastal resources management; the Global Bureau's Global Technology Network supports U.S. technology transfer through private sector business linkages; and the United States-Asia Environmental Partnership undertakes initiatives toward a clean energy revolution in Asia.

**ACTIVITY DATA SHEET**

**PROGRAM:** Indonesia
**TITLE AND NUMBER:** Democratic Reforms Sustained and Deepened,* 497-007
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $7,886,000 DA; $10,985,000 ESF
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $7,193,000 DA; $18,500,000 ESF
**INITIAL OBLIGATION:** FY 1998 **ESTIMATED COMPLETION DATE:** FY 2004

**Summary:** The goal of this activity is to strengthen key democratic institutions and processes in Indonesia to ensure that its transition to democracy succeeds. With a popularly elected and legitimate government now leading the country, there are great opportunities for Indonesia to build a true democracy for the first time in its history. Indonesia's transition to democracy, however, is far from complete or assured. Democratic traditions and institutions are weak; violent sectarian and separatist conflicts undermine democratic processes; and elements of the military and other powerful interests seek to limit or even reverse the process of democratization.

USAID contributed significantly to the critical first phase of Indonesia's democratic transition: the 1999 completion of the first free and fair parliamentary and presidential elections in over 40 years. Since the elections, USAID's Democracy and Governance (DG) program has focused on strengthening key democratic institutions: national and sub-national assemblies, political parties, civil society organizations, and the media. In addition, the program works with civic organizations and the Indonesian government on the development of new approaches and processes for justice sector reform, conflict resolution and reconciliation, all of which are critical for Indonesia's social stability given its current unrest and authoritarian history.

**Key Results:** Three intermediate results are necessary to achieve this objective: 1) Key national and local level government institutions made more responsive and effective; 2) Increased citizen participation in governance; and 3) Capacity and support for justice sector reform increased.

**Performance and Prospects:** In FY 2001, USAID intends to obligate a total of $7.886 million in Development Assistance (DA) and $10.985 million in Economic Support Funds (ESF) to strengthen key democratic institutions and processes in Indonesia. Progress in building democratic institutions is necessarily slow and incremental, and it does not always proceed in a straight line. Indonesians are still sorting out many elements of their new political system, a process complicated by political rivalries, economic crisis, and increased communal conflict.

Despite this challenging and fluid environment, significant progress has been made toward building a functioning democracy in Indonesia. Although much remains to be done, the progress to date is significant—particularly when viewed in the context of the authoritarian traditions and legacy Indonesians must replace.

The national legislature (comprised of the DPR—House of Representatives—and MPR—People's Consultative Assembly) has many weaknesses and is a long way from being genuinely representative. But the legislature has asserted itself vis-a-vis the presidency—it is no longer a rubber stamp—and it has become a forum for genuine debate of legislation and state policies. An indication of this was the peaceful and generally successful annual meeting of the MPR held in August 2000 where a number of important constitutional revisions were drafted and debated in a generally transparent and democratic fashion.

USAID has been providing institutional and technical assistance to the DPR and MPR since late 1999. On an institutional level, USAID has supported the efforts of International Foundation for Election Systems (IFES) to install SWARA (an Indonesian acronym meaning "Voice of the People's Representatives"), an unedited broadcast of the parliamentary sessions and commission meetings recorded live and replayed 24 hours daily as well as streaming video and audio on the internet. Since the elections, IFES has also

* Previously reported as "Democratic Transition Strengthened."

worked with the DPR and MPR Secretariat offices to host *Indonesia Baru*, a weekly thirty-minute television talk show (with call-ins) on critical policy issues that encourages substantive dialogues among government representatives, officials, civil society and the public. At the request of the MPR and DPR, IFES recently managed a "Comprehensive Assessment and Modernization Plan for the DPR and MPR" study that will form the basis for computerization of the DPR/MPR.

USAID's U.S. and Indonesian partners support the DPR with technical assistance to its research bureau. Partners also support parliamentary Commissions on an ad hoc basis as well as Members of Parliament through workshops and seminars. With USAID funding, IFES, the National Democratic Institute, the Asia Foundation, and Chemonics also have been providing ongoing advice, guidance, international expertise, and research support to the DPR on a variety of issues. This includes but is not limited to electoral reform, procedures and rules for establishing a new Election Commission, human rights, women in legislatures, law drafting, regional autonomy, and civil-military relations.

In FY 2001, USAID plans to provide $2.61 million DA and $4.01 million ESF to increase the responsiveness and effectiveness of the national legislature and selected sub-national assemblies in designated provinces, as well to enhance the capacity of political parties to contribute to good governance.

With support from USAID, the International Republican Institute (IRI) and a number of Indonesian non-governmental organizations (NGOs) are also working to strengthen the capabilities of selected sub-national assemblies. The implementation of decentralization in 2001 makes it essential that the capacity as well as the transparency of these legislative bodies be increased. USAID and other donors have been working to enhance the legislative skills of local-level representatives at the same time that it supports the efforts of NGOs to engage and monitor local assembles.

Although they still have a long way to go, government officials at all levels in Indonesia (including legislators) increasingly recognize that decision-making needs to be more participatory and transparent. To capitalize on this, NGOs and other citizen groups must be able to represent effectively the needs of constituents. USAID is continuing to strengthen the capacity of non-governmental organizations to play a role in governance on both the national and sub-national levels. The principal goal is to increase participation and transparency in government decision-making by helping NGOs develop the skills they need to do policy-oriented research, strengthen advocacy capacities and monitor the government. A secondary goal is to make these NGOs sustainable by strengthening their management, building membership, and developing fund raising skills.

USAID supports NGOs that are working to sustain and deepen democratic reforms in areas such as defending human rights, promoting constitutional and electoral reform, improving the environment, combating corruption and other abuses of power, bolstering religious tolerance, empowering women and people with disabilities, and developing Islamic approaches to democracy.

In FY 2001, USAID plans to provide $4.372 million DA and $2.4 million ESF to increase citizen participation in governance by strengthening civil society organizations and their ability to affect the policy making and implementation processes.

With USAID support, significant progress has been made to strengthen a particularly critical element of democratic society: a free and responsible media. USAID supports efforts to professionalize journalists, develop a comprehensive media law, protect journalists and promote better use of the media by NGOs.

In FY 2001, USAID plans to provide $631,000 DA and $2.8 million ESF to enable the electronic and print media to improve the dissemination to the public of information on democracy and governance issues. The support will also help the media to more effectively perform its mandate as a key institution in the country's democratic transition.

A final area of activity is support for reform of the justice sector. To date, the Indonesian government has shown only limited willingness and ability to move forcefully in this area. USAID, in collaboration with the

Departments of State and Justice, has supported virtually all reform-minded entities inside and outside the government in an effort to build a “critical mass” of advocates for justice sector reform. USAID also has supported Indonesian activities to combat corruption and to examine and come to terms with past abuses.

In FY 2001, USAID plans to provide $273,000 DA and $1.78 million ESF to increase the capacity and support for justice sector reform through advocacy, analysis and public dialogue. It is anticipated that this dialogue will focus on the need for such reform, the expansion of support for a credible truth and reconciliation process, and a stronger capability to combat corruption.

**Possible Adjustments to Plans:** The implementation of decentralization in 2001 will make it likely that greater emphasis will be placed on making sub-national governance more participatory and transparent. Changes in the security situation may require that adjustments be made regarding the regions where USAID activities will be conducted.

**Other Donor Programs:** USAID coordinates closely on a range of donor activities in the democracy and governance area. The most significant of these is the United Nations Development Program (UNDP)/World Bank “Partnership for Governance Reform” program, which coordinates donor support in the areas of justice sector reform, decentralization, legislative strengthening, civil service reform, and civil society strengthening. The partnership is expected to place more emphasis on government bodies than on civil society. In the area of justice sector reform, the most active donors are the World Bank, the Asian Development Bank, the Netherlands, Australia, and the Open Society Institute. Donors active in the area of decentralization include the World Bank, Germany, the Ford Foundation, and the German political party foundations (stiftungs). In addition to the UNDP, the United Kingdom and Japan are expected to provide support for legislative strengthening. Donors supporting the development of civil society include Australia, Canada, the Ford Foundation, and the Friedrich Naumann Stiftung (FNS). The United Nations Educational, Scientific and Cultural Organization, the British Broadcasting Corporation, FNS and the Netherlands support the strengthening of the media.

**Principal Contractors, Grantees, or Agencies:** The principal contractor is Chemonics International. Principal grantees include 100 Indonesian civil society organizations; the Asia Foundation; the National Democratic Institute for International Affairs; the International Republican Institute; the International Foundation for Election Systems; Participating Agencies Collaborating Together; the Trickle-Up Foundation; the American Center for International Labor Solidarity; and CARE. Principal agencies include the Political and Public Affairs Sections of the U.S. Embassy, and the Department of Justice.

**ACTIVITY DATA SHEET**

**PROGRAM:** Indonesia
**TITLE AND NUMBER:** Health of Women and Children Improved,* 497-008
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $10,000,000 DA; $19,580,000 CSD
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $10,000,000 DA; $21,280,000 CSD; $2,500,000 ESF
**INITIAL OBLIGATION:** FY 1999 **ESTIMATED COMPLETION DATE:** FY 2003

**Summary:** Indonesia faces a health and health care crisis. The progress made in building a national health care system and improving health status has been undermined by several years of economic and political turmoil in Indonesia. In January 2001, Indonesia launched a massive decentralization program, placing additional pressure on the health care system as local governments assume planning and budgetary authorities. An estimated 80 million people (nearly 40% of the total population) continue to live below or near the poverty line and cannot meet basic needs, including a nutritious diet, transportation to health facilities, and payment of fees for health care, medicines, and contraceptives. Many Indonesians can no longer afford care from private providers and must increasingly rely on the public sector for maternal health care (i.e., safe pregnancy and delivery); prevention of neonatal mortality; prevention of micronutrient deficiencies; family planning; child health services; and treatment and control of infectious diseases. Indonesia also faces a rapidly increasing threat from HIV/AIDS and a resurgence of infectious diseases, such as tuberculosis (TB) and malaria.

This strategic objective will improve the health of women and children by strengthening local government commitment for reproductive and child health; improving access, quality and sustainability of health service systems; and empowering women, families and communities to take responsibility for improving health.

**Key Results:** At the strategic objective level, impact will be demonstrated by increases in the national contraceptive prevalence rate and the proportion of births attended by trained personnel. Achievement of this objective also relies on three key intermediate results: 1) policy environment for reproductive and child health improved; 2) health service systems strengthened to improve access, quality and sustainability; and 3) women, families and communities empowered to take responsibility for improving health.

**Performance and Prospects:** USAID intends to obligate a total of $29.58 million in FY 2001 ($10 million in DA and $19.58 million in CSD) to improve the health of women and children in Indonesia. This objective was refined in FY 2001 as USAID shifted from a "Crisis and Response Strategy (1998-2000)" to a "Transition to Democracy Strategy (2000-2004)." Activities under the crisis strategy will continue through FY 2001. These activities are designed to meet the needs of the urban poor and internally displaced persons. These activities will monitor family planning utilization, maternal health, and the nutritional status of mothers and children. In FYs 2001-2003, USAID activities will help local governments ensure that the delivery of health services does not decline in quality or scope under decentralization. USAID will also address the sharp increases in HIV/AIDS, TB and malaria.

USAID support allows the Government of Indonesia and nongovernmental organizations (NGOs) to play an active role in the collection, analysis and dissemination of data required by policy makers to determine resource allocations for health sector programs. USAID programs have played an important role in defining the policy agenda for the Ministry of Health and Social Welfare and assisting it to monitor the effects of the crisis on health service delivery and use. However, with decentralization, the centralized systems used in the past to implement national programs may not be the priority of local governments. Protection of the most vulnerable groups requires decision-makers at the local level to identify the effects of household and government expenditures on nutritional intake, disease outbreaks, and use of the health care system. This will allow local governments to prioritize limited resources for basic preventive health

* Previously reported as "Protecting the Health of the Most Vulnerable Women and Children."

services, family planning, maternal/child health and nutrition, and prevention and control of HIV/AIDS, TB and malaria. Strengthening the Government of Indonesia capacity at all levels to monitor health, nutrition and disease and to prioritize resources for health will be important for the transition period and beyond.

Key primary health care services continue to be available to those most adversely affected by the political and economic crisis in Indonesia through the health Social Safety Net program, which is scheduled to be completed in 2001. However, the availability and use of high quality primary health care services remains low and consequently improvements in the health status of women and children have been marginal. Maternal mortality remains high because the providers used by poor women have not been trained properly. Use of basic child health services is static, which has led to increased child mortality. A lack of reliable contraceptive choices and appropriate counseling has resulted in increased unintended pregnancies and higher birthrates.

In FY 2001, USAID plans to provide $10 million in DA funds to improve the quality of reproductive and family planning services and increase acceptability, availability and effective use. Support would also be provided to a national demographic and population survey, communication strategies, and program management. USAID activities are also providing contraceptives to expand method choice and strengthening the provision of quality family planning and counseling services in selected districts.

Policies affecting the price and availability of rice, the staple food of the poor, have resulted in micronutrient deficiencies and poor nutritional status of women and children. Sexually transmitted infections and intravenous drug use have increased, which have contributed to the spread of HIV/AIDS. Shortages of diagnostics and drugs have impeded the ability of the health system to diagnose and treat infectious diseases.

In response, USAID activities are addressing high priority needs. Micronutrient supplementation (particularly vitamin A and iron) in selected areas has increased vitamin A coverage in children aged 12-59 months from 65% in 1999 to 70% in 2000, which has saved an estimated 47,000 lives. Child feeding programs, in collaboration with other donors, are assisting the urban and rural poor benefiting over 150,000 infants. USAID has responded quickly to meet health and nutrition needs in areas affected by conflict such as the Malukus and, most recently, the Madurese evacuated from Central Kalimantan. Over 320,000 internally displaced persons have benefited from this type of assistance.

In FY 2001, USAID plans to provide $14.8 million in CSD funds to improve the survival of vulnerable women and children through expanding vitamin A capsule distribution, conducting surveillance to identify micronutrient, health and nutritional status, reducing micronutrient deficiencies that contribute to maternal, neonatal and low birth weight, training midwives and doctors in essential life saving clinical skills, improving community and family level preparedness to address the most important causes of maternal and neonatal morbidity and mortality and improving the care of mothers and their newborns in the home during the first week of life. Support is also provided for surveillance and case detection for acute flaccid paralysis (AFP) for the National Polio Eradication Initiative and for vulnerable children in complex emergency situations.

With CSD funding, USAID activities support: introducing clinical principles of preventing and managing complications in pregnancy and childbirth in pre-service and in-service training of midwives and doctors; U.S. private voluntary organizations, indigenous NGOs and private sector entities that provide primary health care programs at the community level; and improving service delivery and education to prevent the transmission of STIs and HIV/AIDS and other infectious diseases, specifically TB and malaria.

In FY 2001, USAID plans to provide $3.88 million in CSD funds to support the STI/HIV/AIDS initiative that will increase the use of high-quality services and promote prevention behavior by high-risk groups. Activities will be focused on ten large urban port cities that represent the highest risk for transmission of HIV/AIDS.

Also in FY 2001, USAID plans to provide $900,000 in CSD funds to the Tuberculosis Coalition for Technical Assistance managed by USAID's Global Bureau. Specific activities in Indonesia will be

managed by the Royal Netherlands Tuberculosis Association in association with the National Stop TB program to implement the Directly Observed Treatment Short Course strategy.

During a time of transition and decentralization of health services, effective communication is needed at all levels to advocate for sustained improvements in the health of women and children. USAID is working to empower women, families and communities in defining health needs and advocating for high quality, responsive family planning and maternal/neonatal health programs. Care-seeking behaviors for maternal and child survival are being mobilized. Knowledge and utilization of micronutrient rich foods and supplements to improve maternal and child nutrition will be increased. USAID has helped to establish a health coalition consisting of NGOs, local health boards and advocacy groups to develop a public information and media program in support of healthy life styles for a Healthy Indonesia 2010. Over time, the new paradigm will shift the health program from a highly centralized program focused on curative care to a decentralized one based on prevention. Families will also have comprehensive information about service availability in the private sector.

**Possible Adjustments to Plans:** Program emphasis has been on reproductive and child health (including family planning, maternal, and newborn health), nutrition, and HIV/AIDS. Additional support for infectious disease programs, particularly TB and malaria, may be needed over the next several years. Government of Indonesia and USAID monitoring efforts will determine necessary program adjustments.

**Other Donor Programs:** USAID works closely with several bilateral and multilateral donors active in the health sector. The Asian Development Bank and World Bank have significant investments in the health Social Safety Net program and are initiating block grants to allow selected provinces to test varying approaches to the decentralization of health services. Australia will support a Decentralization Unit in the Ministry of Health and Social Welfare and will continue its women's health program in eastern Indonesia. Canada is completing its donation of oral contraceptives. Japan will assist the Government of Indonesia in maintaining essential blood bank and transfusion services in Sulawesi and provide support for medicine and disposable medical supplies. The Netherlands will donate $4 million for control of TB. The United Nations Fund for Population Assistance will initiate a new country program on reproductive health with a special focus on adolescents. The United Nations Children's Fund will launch a new country program with a focus on growth monitoring, salt iodization, and rights of women and children. The World Health Organization will introduce a "Making Pregnancy Safer" initiative, and support planning for decentralized health systems and infectious diseases.

**Principal Contractors, Grantees, or Agencies:** Helen Keller International; Johns Hopkins University; Save the Children; Program for Appropriate Technology in Health; Family Health International; World Vision; Ministry of Health and Social Welfare; Ministry of Women's Empowerment; the National Family Planning Coordinating Board; the Midwives Association; and the Royal Netherlands TB Association.

**ACTIVITY DATA SHEET**

**PROGRAM:** Indonesia
**TITLE AND NUMBER:** Impact of Conflicts and Crises Reduced,* 497-009
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $5,000,000 DA; $3,000,000 ESF
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $4,500,000 DA; $5,000,000 ESF
**INITIAL OBLIGATION:** FY 1998 **ESTIMATED COMPLETION DATE:** FY 2003

**Summary:** This activity aims to improve the nutritional status of targeted beneficiaries through the provision of Title II food aid. The USAID three-year Transitional Activity Program will provide a crucial safety net for those in both urban and rural areas impacted by the prolonged economic crisis. As circumstances permit, USAID will implement activities to address humanitarian and economic needs in Aceh Province.

During the course of implementing the prior emergency food assistance program, four fundamental points became evident:

1. Although the more favorable weather patterns caused the availability of food to increase, access to food by the poorer segments of society had not significantly improved and food insecurity remained;

2. The presence of emergency feeding programs, particularly in urban areas (which continue to be very susceptible to growing social tensions) had a stabilizing and calming affect;

3. Food for Work programs and supplementary food resources to poor households contributed to the maintenance of their nutritional status; and

4. The international non-governmental organization partners that implemented the emergency food program proved to be very efficient conduits of assistance and their continued presence is warranted as Indonesia continues to face political and social challenges.

Consequently, USAID agreed to support a three-year Title II Transitional Activity Program that will continue to provide Title II food assistance to poor urban and vulnerable rural areas. The "transitional" food assistance program is designed to help targeted vulnerable communities by providing temporary work and supplemental household food supplies until the economy recovers. The transition program is a bridge between a quick response, short-term emergency feeding intervention and a longer-term developmental food assistance program that normally spans a five to ten year time period.

Transitional Activity Program activities are limited, three-year programs that assist beneficiaries to gain access to food security until the economy improves. Expectations may be limited and results hard to quantify, but food can have a positive and measurable impact on health, productivity and social stability.

**Key Results:** Two intermediate results are key to achieving this objective: (1) Improved welfare of populations affected by natural or man-made disasters; and (2) Food security for vulnerable populations improved.

**Performance and Prospects:** The proposed FY 2001 obligation totals $8 million ($5 million DA and $3 million ESF). In anticipation of a slow economic recovery, continued political uncertainty and current nutritional status of beneficiaries, USAID plans to continue the provision of Title II food assistance for another three years (FY 2001 to FY 2003). USAID will provide over 29,000 metric tons of Title II commodities for FY 2001 and plans to provide an additional 55,000 metric tons over the next two fiscal years (FY 2002 and FY 2003). The distribution of food is designed to directly improve individuals' and families' nutritional status, but the overall effect of Transitional Activity Program activities will improve the quality of life of whole communities. Beginning in FY 1999, USAID refocused a great deal of its food

* Previously reported as "Improved Food Security for the Most Vulnerable Groups."

distribution activities to urban areas, particularly in Java, because of research indicating these areas had been severely impacted by the economic crisis.

In FY 2001, USAID will provide $3 million ESF for economic rehabilitation and related activities in Aceh Province.

In FY 2001, USAID will provide $5 million in DA to support the first year of the planned 3-year Title II Transitional Activity Program food activities. Key illustrative activities include food distribution in the form of supplementary and institutional feeding, food for work programs in the form of community approved and directed infrastructure improvements, and food for training in the form of health education and agriculture extension programs.

In FY 2001, USAID anticipates funding these major food program activities:

- USAID plans to provide $2.7 million in the Transitional Activity Program for a food for work activity. This activity will encourage the community to engage in reconstructing, rehabilitating and increasing access to critical community services.

- USAID plans to provide $1.5 million for work through USAID's Office of Transition Initiatives on supporting indigenous efforts to resolve ethnic and religious conflict and providing assistance to internally displaced persons.

- USAID plans to provide $500,000 to assist a food for training activity. This activity will facilitate cooperating sponsors to conduct training programs for beneficiaries in the field of agriculture, health knowledge, and other vocational sectors.

- USAID plans to provide $300,000 to support a supplementary feeding program in the Transitional Activity Program. The program will target children under five.

**Possible Adjustments to Plans:** Security conditions may limit the programs that can be carried out in Aceh Province. Amounts for feeding programs may be adjusted depending upon needs and availability of funds and commodities.

**Other Donor Programs:** The World Food Program (WFP) has re-approved the Protracted Relief and Recovery Operation that provides food assistance to urban areas and to internally displaced persons country wide. The USG, through USDA resources, is a main supplier of commodities to support WFP activities. Other donors, principally Canada, Australia and Japan, have indicated a willingness to continue food assistance. USAID has collaborated with the World Bank, the International Monetary Fund, and other donors to strengthen Government of Indonesia food policy. USAID collaborates with USDA in reviewing 416(b) programs to avoid duplication of activities.

**Principal Contractors, Grantees, or Agencies:** USAID implements programs through WFP; CARE International; Catholic Relief Services; Church World Service; World Vision International; and Mercy Corps International.

**ACTIVITY DATA SHEET**

**PROGRAM:** Indonesia
**TITLE AND NUMBER:** Decentralized and Participatory Local Government,* 497-010
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $9,500,000 DA, $4,000,000 ESF
**PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE:** $9,000,000 DA; $4,000,000 ESF
**INITIAL OBLIGATION:** FY 1996 **ESTIMATED COMPLETION DATE:** FY 2004

**Summary:** Decentralization is dramatically changing governance and inter-government relations in Indonesia. On January 1, 2001, Indonesia formally devolved extensive authorities to local governments, moving from one of the most centralized to one of the most decentralized countries in the world. Decentralization is essential to maintaining Indonesia's unity by re-shaping political and fiscal relations across the archipelago. While the implementation regulations and policies governing decentralization are still being worked out, the nearly 400 local governments throughout Indonesia now have far more autonomy and control of local decisions than at any other time. However, local capacity to manage services and resources is generally inadequate, local governments are almost wholly dependent on the center for resources, and local civil society organizations and citizens themselves have little experience interacting effectively with their local administrations. Laws, regulations, and operating practices of local officials are rarely transparent or accountability.

This strategic objective seeks to strengthen citizen participation in and effective management of local governments within a policy environment that enables successful decentralization. USAID will work closely with local governments, key central government ministries, and independent associations of local governments. Stronger and more capable local governments, sustained by independent networks that foster innovation and improved practices, are critical to the development of local democracy and to improved delivery of all services.

**Key Results:** Four intermediate results are critical to achieving this objective: 1) appropriate environment established to enable effective local government; 2) local government capacity strengthened to deliver effective services; 3) participation increased in local government decision- making; and 4) associations of local governments and officials established as effective advocates.

**Performance and Prospects:** USAID intends to obligate a total of $13.5 million ($9.5 million in DA and $4 million in ESF) in FY 2001 to strengthen local governments in the context of decentralization by improving fiscal and administrative management skills and increasing citizen participation in local decision-making. Significant progress has been made in decentralization over the past year. The basic laws enacted in 1999 have now gone into effect. Numerous regulations have been issued that clarify the roles of the different levels of government and provide measures to enhance accountability and address local corruption. Many local governments are already demonstrating willingness to assume local leadership, analyzing their new roles and responsibilities and identifying areas where the local government does not believe it has the fiscal or technical capacity to manage. Throughout Indonesia, central government staff who work at the local level are being merged into local government structures.

USAID technical experts, working with the Government of Indonesia's Ministry of Finance and the Ministry of Home Affairs and Regional Autonomy, played a major role in the development of the basic laws and regulations needed for fiscal and administrative decentralization. USAID advisors will continue to strengthen the policy and legal environment, in a manner that enables local governments to act responsibly. Assistance will focus on clarifying and improving local authority over revenue and ensuring that new regulations clarify roles and responsibilities and enable, rather than constrain, local governments to address local problems effectively.

In FY 2001, USAID plans to obligate a total of $2.5 million (DA and ESF funds) through various buy-ins, contracts, and grants to assist the Government of Indonesia to build a system to monitor and evaluate

* Previously reported as "Urban Environment and Energy Management Strengthened."

decentralization, and to assist associations of local governments to develop innovative techniques to improve local-government management.

As the policy environment is further defined, USAID will focus on directly supporting local governments to develop participatory budget and financial management practices, including helping local governments switch from centrally-driven investment decision-making to a performance oriented budget process that associates funding with community priorities. Opening the budget and financial management process to public scrutiny is critical to addressing the issue of local corruption. USAID assistance also will help local governments prepare medium-term investment plans and reorganize to ensure the delivery of mandatory services, such as water.

In FY 2001, USAID plans to provide a total of $1 million (DA and ESF funds) for the Local Government Water Services project under a contract with the Urban Institute. This activity focuses on assisting local governments to increase citizen access to water by putting water services on a rational economic basis.

USAID will continue to support three independent associations of local governments, representing cities, provinces, and *"kabupaten*," the equivalent of counties. Enhancing the management and advocacy capabilities of these associations enables them to more effectively lobby for better local government, deliver a broad range of capacity-building services to members, and serve as sources of information and expertise for local governments. Such services include best practices, guidelines on budgeting and planning, model local by-laws, and analysis of local revenue opportunities. Effective associations are critical to sustaining decentralization and the development of participatory, democratic local governments. USAID's Resource Cities program is partnering twelve Indonesian local governments with twelve local governments in the U.S., including technical staff exchanges between cities.

In FY 2001, USAID plans to provide an additional $5 million (DA and ESF funds) for the PERFORM project under contract with Research Triangle Institute. This activity will support improvement of the policy environment for local government and assists local governments to build capacity to undertake participatory medium-term planning.

Also in FY 2001, USAID plans to provide an additional $5 million (DA and ESF funds) to the Building Institutions of Good Governance Project under contract with the International City/County Management Association (ICMA). This project will build the capacity of Indonesian local governments to execute budget and financial management functions, and will strengthen the new, independent associations of local governments.

**Possible Adjustments to Plans:** Increased demand by local governments for direct capacity-building technical assistance, a decrease in the political will to decentralize, or changes in the security situation in Indonesia may warrant adjustments to the program.

**Other Donor Programs:** USAID is a principal donor and coordinates closely with other donors on decentralization assistance, including the World Bank, the Asian Development Bank (ADB), the United Nations Development Program, and bilateral donors such as Germany. USAID's recognized comparative advantages are in local government finance, service delivery, urban management practices, association development, and local government investment planning. USAID assistance to local governments on investment planning will help leverage planned lending programs of the World Bank and ADB, both of which will support local government development by linking donor investment to the priorities established by local governments.

**Principal Contractors, Grantees, or Agencies:** The principal contractor for fiscal and administrative decentralization and medium-term investment planning is the Research Triangle Institute. The Urban Institute manages the local government water services program. The principal contractor for budget and financial management and organizational restructuring assistance to local governments is the ICMA.

## ACTIVITY DATA SHEET

**PROGRAM:** Indonesia
**TITLE AND NUMBER:** Foundation Set for Rapid, Sustainable, and Equitable Economic Growth,* 497-011
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $5,619,000 DA; $15,000,000 ESF
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $5,623,000 DA; $18,500,000 ESF
**INITIAL OBLIGATION:** FY 1998 **ESTIMATED COMPLETION DATE:** FY 2004

**Summary:** Indonesia is staging a modest, but fragile, economic recovery. The economy grew by 4.8% in 2000, driven by investment (up 18%) and exports (up 27%). Economic policies and institutions are gradually being strengthened even as political will for reform has stagnated. The legal and regulatory environment is more conducive to private investment and the rule of law. Increased lending to and licensing of small and medium enterprises is opening up access to economic opportunity. However, the benchmark interest rate in 2000 remained a high 14% and inflation accelerated to reach just over 9%. Much work remains to be done in bank and corporate restructuring, in strengthening market institutions and governance systems, in creating opportunities for the disadvantaged, and in informing the public debate.

This strategic objective will set the foundation for rapid, sustainable and equitable economic growth in Indonesia. An array of USAID technical advisors in key ministries and economic institutions are helping create sound policy to stimulate recovery, liberalize the economy and generate sound economic growth. Advisors are working on budget, fiscal, policy and other macroeconomic issues. Technical assistance is helping the Government of Indonesia with debt management, tariff and non-tariff trade barriers, domestic competition, monetary policy and taxation issues.

**Key Results:** At the strategic objective level, impact is measured by increases in the annual value of Indonesia's non-oil and gas trade. Four intermediate results are critical to achieving this objective: 1) sound economic policy and institutions; 2) a conducive legal and regulatory framework; 3) open access to economic opportunity; and 4) knowledgeable public participation in economic decision-making.

**Performance and Prospects:** USAID intends to obligate $5.623 million in DA and $15 million in ESF in FY 2001 to set the foundations for rapid, sustainable, and equitable economic growth in Indonesia. Progress has been made in strengthening economic policies and institutions. Asset recovery and corporate debt restructuring have met International Monetary Fund targets for 2000 on revenues collected and amount of debt rescheduled. USAID has helped the Jakarta Initiative Task Force restructure $9.3 billion in corporate debt, which is above its $8 million target for 2000. USAID advisors, working with the Indonesia Bank Restructuring Agency, have facilitated the remittance of over $2 billion to the Ministry of Finance. USAID advisers will continue to work with these two institutions to improve technical expertise and international standards for transparency to meet current and future IMF targets.

USAID macroeconomic advisers have supported changes in the structure of interest rates that have increased the effectiveness of monetary policy; increased understanding of underlying inflation trends and policies to control future inflation; helped move commercial banks to a market based in lending to small and medium enterprises; and improved tax policies. USAID supports the National Development Planning Agency (*Bappenas*) and the Ministry of Agriculture on developing a sustainable and development oriented food policy. In FY 2000, there was progress in improving the ratio of food expenditures on non-starchy staples to total food for the bottom one-third of the population, as reflected in household surveys. USAID provides analytical assistance to the Central Board of Statistics to improve the quality of data (economic indicators, labor market statistics, price indices) used in macroeconomic policy decision-making.

---

* Previously reported as "Recovery of Economic and Financial Systems."

In FY 2001, USAID plans to provide $3 million in DA and $5.9 million in ESF to fund activities to strengthen economic policies and institutions in Indonesia. Economic advisors and other knowledge transfer initiatives aim to improve economic data analysis and help formulate better policies on trade, fiscal and monetary issues, taxation, the macro economy, bank restructuring, corporate debt restructuring and food.

In order to foster a conducive legal and regulatory environment, USAID advisors have been substantially involved in seven major laws governing competition and anti-monopoly, corporate governance, consumer protection, decentralization, trade, and small and medium enterprise policies. USAID has helped draft regulations establishing a Corruption Commission, Registration of Secured Transactions, and the Good Corporate Governance Code. In addition, USAID has trained parliamentarians in legislative drafting and policy analysis. USAID will continue work on the implementation of these laws and regulations.

In FY 2001, USAID plans to provide $1 million in DA and $3.2 million in ESF to fund activities to foster a more conducive legal and regulatory environment. Under a new economic law project, USAID will provide advisors and training for legislative drafting and case management in areas such as capital markets, secured transactions, company law, cyber law, and anti-corruption.

To strengthen public participation in economic decision-making, USAID assists with policy reforms in partnership with national and local governments, parliaments, and universities through policy workshops, media campaigns, and policy dialogue sessions. In collaboration with the University of Maryland and the economic research institute of the University of Indonesia, USAID has established a network involving twenty-three universities throughout the country to provide training, workshops and research activities. A cadre of local experts is being developed that can help national and local government institutions better understand critical economic issues.

In FY 2001, USAID plans to provide $1 million in DA and $2.7 million in ESF to enhance knowledgeable public participation in economic decision-making. Activities will include regional economic development programs, training and linkages with regional universities.

In collaboration with the Bank Rakyat Indonesia, USAID supports economic recovery and growth through microlending, particularly for low-income families throughout Indonesia. Over 2.6 million people have received loans to date. USAID funds the Asia Foundation, which assists an active network of small and medium enterprise owners in fourteen of Indonesia's provinces. These groups have successfully advocated for improved licensing procedures, raised awareness about competition policy, and brought attention to burdensome requirements affecting agricultural processing.

In FY 2001, USAID plans to provide $619,000 in DA and $2.3 million in ESF to fund improved access to economic opportunity. USAID will help improve microfinance policies and institutions to foster the growth of micro and small enterprises.

In FY 2001, USAID plans to transfer to the Department of State $1.2 million ESF (including $600,000 in FY 2000 carryover funds) for the Fulbright Scholarship program. USAID also plans to transfer to the Department of State $300,000 in FY 2001 ESF funds for the legislative leadership program.

**Possible Adjustments to Plans:** Indonesia's economic recovery and growth depend heavily on the external economic environment and on the domestic political and security situation. Changes in the security situation, a decrease in political will to support the required economic reforms, or an interruption in multilateral lending may warrant adjustments to the program.

**Other Donor Programs:** USAID works closely with other donors, primarily with the World Bank, Asian Development Bank, and the International Monetary Fund, in supporting macroeconomic stability, financial sector reform, and trade policy initiatives. While the international financial institutions have taken the lead in budget support, USAID’s comparative advantage is in providing technical assistance and working with non-governmental organizations. USAID plays an essential role in identifying and shaping needed policy

reforms, helping Indonesia fulfill policy commitments, fostering citizen participation in economic decision-making, and monitoring economic progress.

**Principal Contractors, Grantees, or Agencies:** The Barents Group is responsible for technical assistance to the Ministry of Finance and bank restructuring. The Nathan/Checchi consortium provides technical assistance to the Bank Indonesia, the Ministry of Industry and Trade, and Bappenas. Major grantees include the Asia Foundation and the Universities of Maryland, San Francisco, Columbia, Georgetown, South Carolina, and Southern California.

**ACTIVITY DATA SHEET**

**PROGRAM:** Indonesia
**TITLE AND NUMBER:** Strengthened and Decentralized Natural Resources Management, 497-012
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $10,500,000 DA, $1,500,000 ESF
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $8,488,000 DA, $1,500,000 ESF
**INITIAL OBLIGATION:** FY 1998 **ESTIMATED COMPLETION DATE:** FY 2003

**Summary:** While Indonesia ranks first in the world in abundance of plant and marine biodiversity and second to the Amazon Basin in area of tropical forests, these natural resources are under relentless pressure. Increased deforestation threatens a number of endangered species**,** including orangutans. Coral reef destruction affects over 30 million Indonesians who depend on the sea for their livelihood. In January 2001, Indonesia launched an ambitious decentralization effort devolving a sweeping set of authorities and functions to local governments. Natural resource management is a critical element of decentralization, with control of vast areas of wealth at stake.

This strategic objective will strengthen local management of Indonesia's forests, protected areas, and coastal zones. More transparent, accountable, and inclusive local management will promote the sustainable use of natural resources, the maintenance of ecosystem functions, and the conservation of biological diversity. USAID plays a significant role in this sector, with a decade of experience in promoting accountability and participation in natural resources management and strong relationships with official counterparts and NGOs.

**Key Results:** At the strategic objective level, impact is demonstrated by increases in the amount of land (number of hectares) where strengthened management practices have stabilized or improved the condition of targeted natural resources. Achievement of this objective also relies on three key intermediate results: 1) roles and responsibilities for natural resource decision-making and management clarified; 2) capacity of local stakeholders to manage natural resources improved; and 3) broader and more knowledgeable public demand for sustainable natural resource management established. The last result was modified this past year as part of the July 2000 approval of a new USAID strategy for Indonesia.

**Performance and Prospects:** USAID intends to obligate $10.5 million in DA and $1.8 million in ESF (including $300,000 in carry-over funds) in FY 2001 to strengthen natural resource management in Indonesia. This amount includes $1.5 million for orangutan habitat protection. The decentralization process has generated new threats to natural resource management as well as new opportunities, and USAID is taking advantage of the greater access to local decision-makers afforded by decentralization to achieve results.

In FY 2000, USAID supported local efforts in South Lampung to develop and implement a coastal zone management plan for the province. As a result, the planting of 50,000 new trees has rehabilitated degraded mangrove areas and the water quality in Lampung Bay has shown measurable improvement. USAID efforts at the Blonko Marine Sanctuary in North Sulawesi have increased the live coral reef cover from 44% in 1997 to 67% in 2000. The total number of species observed has increased from 20 to 69 in this same time period. In the resource-rich provinces of East Kalimantan and West Irian, USAID is working with local governments to slow the pace of deforestation. The *Bupati* (District Chief) of West Kutai, East Kalimantan, declared over 100,000 hectares of community forests as protected areas. In West Irian, the Governor has endorsed the creation of a new national park in the "Birds Head" Peninsula.

USAID is working to help national and local government administrators, NGOs and local communities understand the new "rules of the game" under decentralization regarding who will be responsible for tackling natural resource issues. USAID has made significant progress in clarifying local roles and responsibilities for natural resource policy, planning, implementation, and monitoring. USAID has played a key role in drafting decentralization legislation, including the implementing regulations relating to

forestry, coastal and protected areas resources. In FY 2001, the focus will be on the involvement of local communities in implementing the new rules and guidelines for decentralized resource management.

USAID has promoted more pluralistic and transparent natural resource decision-making and management by supporting the development and implementation of site-specific management plans and agreements among local stakeholders. These management plans and agreements are a reflection of the increased willingness of the government to work with non-governmental stakeholders on natural resources management. These agreements have been concluded with varying degrees of success among different entities (e.g., resource user groups, communities, traditional groups, private sector companies, and local government units). Successful implementation of the agreements have been supported by training programs for natural resource users in the biology of resources, market analysis, and other areas.

In FY 2001, USAID plans to provide $9.1 million in DA for continuation of current activities under its Natural Resource Management Program in support of decentralized and improved natural resource management in key focus areas of Indonesia, including East Kalimantan, North Sulawesi, and Irian Jaya. These activities will be funded through grants and cooperative agreements with international NGOs such as The Nature Conservancy, Conservation International, and local NGOs such as World Wildlife Fund-Indonesia and Kemala, as well as buy-ins to various USAID Global Bureau indefinite quantity contracts and cooperative agreements.

Community resource mapping programs conducted by USAID partner organizations have led to the adoption of community-managed zones in parks and incorporation of the maps into local development plans in twenty areas. In Lore Lindu National Park in Central Sulawesi, a formal decree awarded both the Katu and Robo Behoa people the right to retain control over their traditional lands. They have already proven themselves to be more effective than the park rangers in keeping illegal loggers and poachers from operating in the national park.

USAID plans to provide $1.0 million in DA in FY 2001 to help launch a new nation-wide public awareness media campaign designed to increase public awareness and demand for sustainable and transparent forestry management.

In FY 2001, USAID will engage the central government in pursuing multi-stakeholder participation in the formulation of new environmental policies. Devolving increased authority for natural resource management and decision-making to local government is an important and necessary step in promoting the sustainable use of Indonesia's natural resources. The NRM program will work to strengthen non-governmental constituencies who value the resources in their natural state and who can influence official policy and resource practices in the field. Shaping and amplifying the popular voice by engaging community, business, religious and academic groups, NGOs, the media and other elements of civil society in the development of environmentally beneficial policies increases the likelihood of appropriate policy formulation and enactment.

USAID plans to provide $400,000 in DA in FY 2001 to support the U.S. Department of Interior, Office of Surface Mines, in its ongoing assistance to the Ministry of Mines and Energy for decentralization planning, coal fire suppression, and improved mining regulations.

Under the NRM program, USAID intends to take a strategic approach to meet the challenges of orangutan protection in Indonesia. USAID will develop an action plan in consultation with its partners and stakeholders to identify priority activities and guide program implementation. USAID will also encourage other donors to help protect the charming, yet highly threatened, orangutans of Indonesia. In FY 2001, USAID plans to provide $1.5 million in ESF for grants to NGOs working to conserve orangutan habitat.

USAID will consolidate and disseminate lessons learned from field sites to capture stakeholder interests in resource management techniques so that they may be used to inform policy formulation, implementation, and planning.

**Possible Adjustments to Plans:** The program balance between national policy and local capacity building may have to be modified as the ramifications of decentralization emerge over the next year. Changes in the security situation may also warrant adjustments.

**Other Donor Programs:** USAID coordinates closely with other donors in the natural resource management area. The World Bank, the Asian Development Bank, and Australia are replicating USAID's community-based approaches. A number of multilateral banks, bilateral donors, and international research centers work with USAID to support Indonesia's forestry conservation. Japan works with USAID on biodiversity conservation. Canada, Finland and Japan work with USAID in the formulation of forestry policy.

**Principal Contractors, Grantees, or Agencies:** Principal implementers include: World Wildlife Fund Indonesia; Conservation International Indonesia; The Nature Conservancy; University of Rhode Island; International Resources Group, and Orangutan Foundation International.

## ACTIVITY DATA SHEET

**PROGRAM:** Indonesia
**TITLE AND NUMBER:** Energy Sector Governance Strengthened, 497-013
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATIONS AND FUNDING SOURCE:** $4,000,000 DA
**PROPOSED FY 2002 OBLIGATIONS AND FUNDING SOURCE:** $4,000,000 DA
**INITIAL OBLIGATION:** FY 2000 **ESTIMATED COMPLETION DATE:** FY 2004

**Summary:** The energy sector is critical to the Indonesian economy, generating nearly 30% of total Government of Indonesia revenues and serving as a major source of foreign exchange. However, massive national energy subsidies ($4.5 billion annually, or half of all energy revenues) bleed the national budget and reduce funding for critical education, health and other social programs. Poorly conceived energy policies have resulted in inefficient production and distribution by state-owned monopolies and wasteful energy consumption. Reform efforts have accelerated since 1999, however, and the Government of Indonesia energy sector reform agenda has focused on improving efficiency and attracting private sector investment. The few vested interests benefiting from the current structure and the lack of transparency remain as obstacles to reform.

This strategic objective will strengthen energy sector governance to help create a more efficient and transparent energy sector. By minimizing the role of government as a regulator, reducing subsidies, and promoting private sector involvement, a reformed energy sector can contribute billions of dollars in tax revenue. A more efficient energy sector will also have positive environmental impact, rationalize pricing, increase access to energy services, and help sustain Indonesia's natural resource base. USAID has been the primary bilateral donor working on energy sector reform, which helps leverage larger multilateral loans.

**Key Results:** At the strategic objective level, impact is demonstrated by increases in energy sector contributions to Government of Indonesia revenues and increases in emission units avoided (greenhouse gases, lead and other local pollutants). Achievement of this objective also relies on three key intermediate results: 1) energy sector reform implemented; 2) broader and more knowledgeable participation in energy sector reform; 3) environmentally friendly investments in the energy sector increased.

**Performance and Prospects:** USAID intends to obligate a total of $4 million in DA in FY 2001 to strengthen energy sector governance and help create a more efficient and transparent energy sector. USAID advisors play a catalytic role in helping the Government of Indonesia develop and implement key policy, legal and regulatory reforms. In 2000, the Government of Indonesia reduced energy subsidies by increasing electricity prices by 20% and fuel prices by 12%. Wary of public reaction to the price hikes because similar increases in 1998 led to street demonstrations, the Government of Indonesia, with USAID assistance, ensured that national and local parliaments, civil society organizations, media, and universities were involved in the decision. As a result, there was minimal public outcry. USAID also supported this process by providing policy analysis for energy pricing and subsidy removal. Additional increases are necessary and will require greater public understanding of the impact on the economy and on vulnerable groups. USAID will continue to provide technical analysis on the macroeconomic and microeconomic impact on industries and households, including a study on the impact of pricing policy on women and vulnerable populations.

USAID is helping restructure the electricity sector to open it to private competition, increase efficiency, and reduce the demand for scarce public funds in the sector. USAID advisors work directly with Government of Indonesia officials responsible for implementing power sector reform, revising draft electricity legislation and redesigning regulatory structures. USAID has provided much-needed assistance to the state electricity monopoly in improving power plant efficiency. The program has been replicated quickly within the monopoly as it prepares for sector restructuring.

In FY 2001, USAID plans to provide $2.85 million in DA to incrementally fund contractors under the Global Bureau Energy indefinite quantity contracts for energy analysis and policy assistance, and for assistance in restructuring the electricity, and oil and gas sectors.

USAID helped draft new oil and gas policy legislation submitted to Parliament in October 2000. The legislation will increase competition and efficiency by reducing the role of the state-owned oil company in exploration and production. A more efficient oil and gas sector will lower prices, increase product quality for consumers, increase government revenues, and improve air quality. USAID will continue to work on developing implementing regulations for the oil and gas legislation.

USAID, in partnership with an Indonesian NGO, has been instrumental in gaining the commitment of the state-owned oil company to phase out leaded gasoline in Jakarta by July 2001. USAID is assisting the Ministry of Energy's Oil and Gas Directorate to develop and implement a long-range fuel standards plan that will provide the foundation for refinery upgrade decisions and the production of cleaner fuels.

In FY 2001, USAID plans to provide $850,000 DA to support NGOs and universities in developing programs for raising awareness and supporting involvement of local government and the public of energy sector issues, including removal of energy subsidies and phase out of leaded gasoline.

New decentralization laws have devolved the licensing of electricity businesses and management of non-oil and gas resources to local governments. USAID has helped establish a university network that can serve as a resource for local governments to address revenue sharing and regional pricing issues. The program will provide education on national policy issues and a forum for local governments to analyze and understand their own energy issues, provide input into national policy and develop their own local policy.

In FY 2001, USAID plans to provide $300,000 in DA to support U.S. Department of Energy/Albany Research Center to partly fund the expansion of the performance and efficiency improvement program and possibly to support Indonesian and international NGOs in developing renewable energy and energy efficiency investment activities.

**Possible Adjustments to Plans:** An increase or decrease in political will for energy sector reform may warrant adjustments to this objective. The appointment in 2000 of a private sector-oriented reformist as the new head of the State oil and gas company bodes well for reform agenda progress.

**Other Donor Programs:** USAID works closely with the Asian Development Bank (ADB) and the World Bank on energy-sector reform. USAID assistance is leveraging a $20 million ADB power sector-restructuring loan, with USAID advisors playing project management and planning roles. The ADB and USAID worked together on drafting a new oil and gas law in 2000. Complementing USAID efforts, the World Bank has conducted comprehensive studies of the oil and gas sector, pricing policy, and provided assistance to the State electric company on financial and corporate restructuring. Along with USAID, Canada and the ADB are helping Indonesia develop an action plan for leaded gas phase-out and reducing overall transportation emissions.

**Principal Contractors, Grantees, or Agencies:** The Energy Policy Analysis Office and Oil and Gas Policy programs are implemented by Advanced Engineering Associates International. The Institutional Strengthening for Electricity Sector Reform program is implemented by the Institute of International Education. The Power Plant Improvement program is implemented by Albany Research Labs, U.S. Department of Energy.

**FY 2002 Performance Table**

**Indonesia: 497-007**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Number of effective public advocacy campaigns by USAID-supported NGOs and coalitions (The number of times CSOs effectively engage on Women's issues will be broken out.) | 101 | | 219 | NA | NA | NA | NA |
| Indicator 2: : Number of effective public advocacy campaigns by USAID-supported NGOs and coalitions (The number of times CSOs effectively engage on Women's issues will be broken out.) | 21 | | 21 | | 0 | 0 | |
| Indicator 3: Citizen's general satisfaction with performance of democratic institutions in Indonesia | NA | NA | NA | NA | TBD | TBD | TBD |
| Indicator 4: Legislative achievements of the national legislature (MPR/DPR) that promise to strengthen Indonesian democracy | NA | NA | NA | 8 | 3 | 3 | 3 |
| Indicator 5: Breakthroughs in provision of media services to Indonesian citizens | NA | NA | NA | 3 | 3 | 3 | 3 |
| Indicator 6: Breakthroughs in provision of media services to Indonesian citizens | NA | NA | NA | 3 | 3 | 3 | 3 |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | (a) Number of effective advocacy campaigns in specified areas, initiated by targeted NGO | NGO records and semi-annual reports | "Effective" advocacy leads to discernible impact on policy by 1) influencing the parameters of decision-making (e.g. opening a process to participatory dialogue;) or 2) influencing the final form of a policy or program; or 3) influencing implementation (e.g. helping to define regulations or methods of dissemination.) |
| Indicator 2: | IR | (b) Number of campaigns addressing women's issues | NGO records and semi-annual reports | "Effective" advocacy leads to discernible impact on policy by 1) influencing the parameters of decision-making (e.g. opening a process to participatory dialogue;) or 2) influencing the final form of a policy or program; or 3) influencing implementation (e.g. helping to define regulations or methods of dissemination.) |
| Indicator 3: | IR | Percentage of citizens making positive responses | Annual poll | Annual poll to be performed in USAID's six focus provinces and two to three control provinces ("Net positive responses" to be recorded;" ie. "strongly negative" and "negative" responses to be substracted from "strongly positive" and "positive" responses.) |
| Indicator 4: | IR | Achievements are major reforms pursued by USAID funded PVOs and CSOs to strengthen democracy. | Open news sources, Semi-Annual Reports, Policy Matrices, direct observation. | At least three achievements will be listed annually, each will be described in 3-4 sentences. |
| Indicator 5: | IR | At least three (a) national level innovative uses of media | NGO records and Semi-Annual Reports | At least three examples from national level and three examples from local level "breakthroughs in information services or presentation formats that are innovative in the Indonesian context and provide a positive service to Indonesian democracy. |
| Indicator 6: | IR | At least three (b) local level innovative uses to media | NGO records and Semi-Annual Reports | At least three examples from national level and three examples from local level "breakthroughs in information services or presentation formats that are innovative in the Indonesian context and provide a |

| | | | | |
|---|---|---|---|---|
| | | | | positive service to Indonesian democracy |

**FY 2002 Performance Table**

**Indonesia: 497-008**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Contraceptive prevalence rate remains stable | 57% | NA | NA | NA | NA | NA | 57% |
| Indicator 2: Increased vitamin A capsule (VAC) coverage among children 6-11 months old | NA | NA | 41% | 61% | 53% | 64% | 77% |
| Indicator 3: Increased condom use in last commercial sex encounter | NA | 37% | 48% | 41% | 65% | TBD | TBD |
| Indicator 4: Proportion of births attended by a skilled provider | 31% | NA | NA | NA | NA | 32% | 33% |
| Indicator 5: Improved quality of care in family planning program | NA | NA | NA | NA | NA | NA | 1.5 point increase over baseline |
| Indicator 6: Increased proportion of pregnant women in program areas with a birth plan | NA | NA | NA | NA | NA | NA | 41% |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | S | Percentage | Indonesian Demographic and Health Survey | CPR is the number currently married women age 15-49 using contraceptive methods divided by total number of currently married women age 15-49. |
| Indicator 2: | IR | Weighted proportion. Intervention areas represent over 70% of population in 11 sites: 4 urban slum zones (Jakarta, Surabaya, Semarang & Makassar), and 7 rural zones (West, Central and East Java, South Sulawesi, Lombok, West Sumatera & Lampung) | GOI/HKI Nutritional and Health Surveillance System | Weighted proportion of children age 6-11 months old who reportedly received 100,000 IU dose of vitamin A during the most recent semi-annual campaign (February and August) |
| Indicator 3: | IR | Percentage weighted aggregate average for all intervention sites | Behavioral Surveillance Survey (special survey). | The number of female commercial sex workers (FSWs) who report using a condom with their most recent client divided by number of commercial by the number of FSWs interviewed. |
| Indicator 4: | S | Number of births attended by a skilled provider divided by number of total births | a) Demographic and Health Survey (DHS); b) Nutrition and Health Surveillance System (NHSS) and special survey. | Attended birth: skilled provider (midwives or physician) present at stages II, III, IV of labor/delivery. |
| Indicator 5: | IR | Scale of 1 to 10 | Quick Inventory of Quality (QIQ) survey | Mean score among health centers surveyed on family planning quality index (QIQ) composite. |
| Indicator 6: | IR | Women with birth plan divided by women with a live birth in past year | Special Population-based survey program areas in W. Java | Birth plan included a composite of behaviors including women seeing a trained provider for antenatal care, delivery, post-partum and postnatal car |

**FY 2002 Performance Table**

**Indonesia: 497-009**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: U.S.G. Title II commodities distributed to target beneficiaries | NA | 78,375 | 50,471 | 19,000 | 29,650 | 28,985 | NA |
| Indicator 2: : Beneficiaries receiving Title II commodities through FFW and other supplemental feeding programs | NA | 1,083,062 | 918,800 | 383,699 | 403,000 | 520,230 | NA |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | Metric Ton | CRS, CARE, CWS, WVI, MCI, ADRA | The purpose of this indicator is to monitor USG Title II commodities distribution to beneficiaries in targeted areas. Target areas include: East Nusa Tenggara, West Nusa Tenggara, Lampung, Central Java/ Yogyakarta, E Kalimantan, S. Sulawesi/ Makasar, Jakarta and Surabaya |
| Indicator 2: | IR | Number of persons | CRS, CARE, CWS, WVI, MCI, ADRA. | The purpose of this indicator is to monitor beneficiaries of FFW and all other supplemental feeding programs. The beneficiaries consist of FFW workers and their dependents and individual vulnerable children and mothers participating in the other supplemental feeding program. |

**FY 2002 Performance Table**

**Indonesia: 497-010**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Composite matrix value demonstrating progress made by GOI in creating a policy framework for local governments to be effective | NA | NA | 20 | 30 | NA | 40 | 50 |
| Indicator 2: : Number of local governments using improved management tools and practices | NA | NA | 0 | 0 | 0 | 12 | 24 |
| Indicator 3: Composite score of progress made by associations on demonstrating improved management services (based on ICMA's Municipal Association Viability Milestone Index model) | NA | NA | 0 | 0 | 0 | 25 | 50 |
| Indicator 4: Number of local governments using participatory medium-term planning | NA | NA | 0 | 9 | NA | 21 | 39 |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | Policy Reform Index (Point score 1 to 100) | Provided by Monitoring, Evaluation and Management Information team in consultation with DLG team contractors, and counterparts | Four distinct categories will be monitored to indicate progress at the policy level: administrative decentralization, fiscal decentralization, streamlined central government, and transparency in decentralization process. Along each category, five levels of progress have been determined which indicate stages of decentralization ranging from one (centralized) to five (decentralized). Five points are assigned to the accomplishment of each stage; incremental points may be awarded. The baseline value is 20; the goal is 100. |
| Indicator 2: | IR | Number of local governments | Provide by Core Management and Budget Skills Activity (ICMA); Monitoring, Evaluation and Management Information team | The number of local governments in targeted areas which have incorporated one or more of the following such practices: capital and operating budgets are separate and distinct, performance-based budgeting practices are utilized, zero-based budgeting is utilized, local fiscal policies are developed through the budget process, and cost-recovery is applied to all city services and investment. |
| Indicator 3: | IR | Association viability index | Provide by Local Government Support and Partnership Program Activity (ICMA). | The index value from ICMA's Municipal Association Viability Milestone Index model will be applied to each of the associations with which USAID is working. A numerical value will be assigned to each, based on an assessment completed by ICMA, and the average value of all associations will serve as the value for this indicator. |
| Indicator 4: | S | Number of local governments | Provided by the Performance-Oriented Regional Management (PERFORM) project (RTI); Monitoring, Evaluation and Management Information team; local government associations | The number of local governments in which the process for developing and approving medium-term plans (2-8 years) include one or more of the following participatory aspects: budget is made available to public in written and/or electronic form; public hearings are conducted on planning and budgeting issues; city council includes citizen-at-large position; feedback is routinely provided to local officials by citizens on local matters; records of official meetings on city plan and budget are available to public. |

**FY 2002 Performance Table**

**Indonesia: 497-011**

**Performance Measures**:

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Cumulative Assets sold under Indonesian Bank Restructuring Agency (IBRA) | NA | NA | 13,1 | 33,8 | 28 | 51 | 81 |
| Indicator 2: Cumulative key enactments of laws, regulations, decrees, and rules | NA | NA | 4 | 11 | 10 | 16 | 26 |
| Indicator 3: Annual US dollar value of Indonesia's non oil and gas International Trade | NA | NA | 59 | 75 | 77 | 80 | 85 |
| Indicator 4: Number of outstanding loans by Bank Rakyat Indonesia (BRI) village units | NA | NA | 2.520 | 2.650 | 2.600 | 2.650 | 2.725 |
| Indicator 5: Cumulative number of substantial policy engagements with government or parliament | NA | NA | 389 | 1279 | 600 | 850 | 1100 |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | Trillion Rupiah | Indonesian Bank Restructuring Agency (IBRA) | Cumulative value of assets sold under IBRA |
| Indicator 2: | IR | Number | Partnership for Economic Growth (PEG). | Cumulative count of satisfactory, significant enactments, i.e. laws, regulations, decrees, rules passed or modified in selected areas and on which USAID and/or USAID partners where substantially involved. |
| Indicator 3: | S | US $ billion | Central Board of Statistics Indonesia | Sum of US dollar value of Indonesia's non-oil and gas exports and imports |
| Indicator 4: | IR | Number (in thousands of borrowers) | Bank Rakyat Indonesia (BRI). | Number of outstanding loans by BRI village units at the end of the calendar year. Beginning in 2002, the number of outstanding loans will be disaggregated by gender |
| Indicator 5: | IR | Number | Partnership for Economic Growth (PEG). | "Substantial Policy Engagements" is defined as the number of the following: 1) policy workshops held with appropriate participants; 2) media campaigns; 3) policy dialogue session held with government or parliament on chosen policy issues. |

**-FY 2002 Performance Table**

**Indonesia: 497-012**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Total areas of USAID assisted sites where the condition of the targeted natural resources is stable or improving as a result of best practices being implemented | 562,189 | NA | 298,757 | 564,707 | 270,800 | 411,500 | 737,000 |
| Indicator 2: Number of site-specific management plans/agreements between stakeholders that are GOI recognized and under implementation | 12 | 43 | 78 | NA | 92 | 131 | 181 |
| Indicator 3: Number of policy advances along policy index | 28 | 196 | 493 | 708 | 365 | 447 | 600 |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | S | Number of hectares | Field reports/surveys | Best practices: Refers to a socially sustainable practice, process or pattern of resource use employed by stake-holders and managers at the field level that contributes to the condition of the targeted natural resource's stability or improvement. |
| Indicator 2: | IR | Number of site-specific management plans and agreements | Government and advisor records | Site-specific management plans/agreements refers to any kind of document, e.g. An MOU, a map, etc. Which represents the end product of a process of consensus compromise between stakeholders and GOI and which serves as an indicator of increasing pluralism in management of the targeted resource. |
| Indicator 3: | IR | Number of policy advances | Government and advisor records | The policy and enabling conditions index is a matrix of five non-sequential policy advances: policy demonstration/analysis completed, policy adopted, education activities, policy implemented, and document improvement |

**FY 2002 Performance Table**

**Indonesia: 497-013**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Increase in net contribution to GOI from energy sector | NA | NA | 0 | 500 | 200 | 800 | 1300 |
| Indicator 2: Number of advances along the policy development and enabling regulations index | NA | NA | 20 | 32 | 35 | 50 | 65 |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | S | Hundreds of millions of US dollars | Government Report.(The State Budget (APBN), Bureau of Statistic Report) | The increase in dollars flowing to the GOI through subsidy reduction, taxes and fees and sale of government assets through privatization |
| Indicator 2: | IR | Policy index (100 points) | Knowledge of USAID staff and partners, interviews with the GOI counterparts and PLN staff and updates from other donors and partner NGOs. | Four categories of policy progress will be monitored: electricity reform, oil & gas reform, transportation reform and general policy/pricing reform |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: India** | | | |
| **Title and Number: Reduced Fertility and Improved Reproductive Health in North India, 386-002** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 170,956 DA | 122,100 DA | 48,856 DA |
| | 5,693 CSD | 396 CSD | 5,297 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 14,500 DA | 21,986 DA | |
| | 3,500 CSD | 1,429 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 185,456 DA | 144,086 DA | 41,370 DA |
| | 9,193 CSD | 1,825 CSD | 7,368 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 17,000 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 17,000 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 13,500 DA | 106,694 DA | 322,650 DA |
| | 2,000 CSD | 6,707 CSD | 17,900 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: India** | | | |
| **Title and Number: Improved Child Survival and Nutrition in Selected Areas of India, 386-003** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 2,650 DA | 852 DA | 1,798 DA |
| | 3,925 CSD | 0 CSD | 3,925 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 300 DA | |
| | 3,000 CSD | 2,225 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 2,650 DA | 1,152 DA | 1,498 DA |
| | 6,925 CSD | 2,225 CSD | 4,700 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 337 DA | | |
| | 4,300 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 337 DA | | |
| | 4,300 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 337 DA | 0 DA | 3,324 DA |
| | 4,300 CSD | 7,275 CSD | 22,800 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: India** | | | |
| **Title and Number: Increased Environmental Protection in Energy, Industry, and Cities, 386-004** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 80,490 DA | 52,575 DA | 27,915 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 11,800 DA | 10,905 DA | |
| | 0 CSD | 0 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 92,290 DA | 63,480 DA | 28,810 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 8,000 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 500 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 8,500 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 10,000 DA | 36,215 DA | 147,005 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 3,000 ESF | 22,000 ESF | 25,000 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: India**<br>**Title and Number: Reduced Transmission and Mitigated Impact of Infectious Diseases, Especially STD/HIV/AIDS, in India, 386-007** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 5,920 DA | 5,259 DA | 661 DA |
| | 33,569 CSD | 13,737 CSD | 19,832 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 661 DA | |
| | 15,000 CSD | 12,421 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 5,920 DA | 5,920 DA | 0 DA |
| | 48,569 CSD | 26,158 CSD | 22,411 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 16,600 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 16,600 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 5,920 DA |
| | 18,100 CSD | 48,280 CSD | 131,549 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: India** | | | |
| **Title and Number: Expanded Advocacy and Service Delivery Networks for Women and Girls, 386-009** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 3,497 DA | 3,497 DA | 0 DA |
| | 400 CSD | 400 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 0 DA | |
| | 0 CSD | 0 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 3,497 DA | 3,497 DA | 0 DA |
| | 400 CSD | 400 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 1,800 DA | | |
| | 1,250 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 158 DA | | |
| | 700 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 1,958 DA | | |
| | 1,950 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 1,068 DA | 1,237 DA | 7,760 DA |
| | 1,440 CSD | 5,050 CSD | 8,840 CSD |
| | 1,500 ESF | 8,500 ESF | 10,000 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: India**<br>**Title and Number: Capacity of Financial Markets and Government to Transparently and Efficiently Mobilize Resources, 386-011** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 3,500 DA | 0 DA | |
| | 0 CSD | 0 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 3,500 DA | 0 DA | 3,500 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 3,955 DA | | |
| | 0 CSD | | |
| | 4,983 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 3,955 DA | | |
| | 0 CSD | | |
| | 4,983 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 7,805 DA | 29,740 DA | 45,000 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 2,500 ESF | 7,517 ESF | 15,000 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: India** | | | |
| **Title and Number: Recovery, Reconstruction, and Rehabilitation Needs Met for Targeted Vulnerable Groups, 386-012** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 0 DA | |
| | 0 CSD | 0 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 8,000 DA | | |
| | 2,000 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 8,000 DA | | |
| | 2,000 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 8,000 DA |
| | 0 CSD | 0 CSD | 2,000 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: India** | | | |
| **Summary** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 263,513 DA | 184,283 DA | 79,230 DA |
| | 43,587 CSD | 14,533 CSD | 29,054 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 29,800 DA | 33,852 DA | |
| | 21,500 CSD | 16,075 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 293,313 DA | 218,135 DA | 75,178 DA |
| | 65,087 CSD | 30,608 CSD | 34,479 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 9,800 DA | | |
| | 1,250 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 29,950 DA | | |
| | 23,600 CSD | | |
| | 4,983 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 39,750 DA | | |
| | 24,850 CSD | | |
| | 4,983 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 32,710 DA | 173,886 DA | 539,659 DA |
| | 25,840 CSD | 67,312 CSD | 183,089 CSD |
| | 7,000 ESF | 38,017 ESF | 50,000 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

# INDIA
## FY 2002 STRATEGIC OBJECTIVE SUMMARY
**(in thousands of dollars)**

| SO number | SO Title<br>Fund Account | FY 1999 | FY 2000 | FY 2001 | FY 2002 |
|---|---|---|---|---|---|
| 386-002 | Reduced Fertility and Improved Reproductive Health in North India | | | | |
| | - DA | 19,000 | 14,500 | 17,000 | 13,500 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 1,500 | 3,500 | 0 | 2,000 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 0 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 386-003 | Improved Child Survival and Nutrition in Selected Areas of India | | | | |
| | - DA | 0 | 0 | 337 | 337 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 1,500 | 3,000 | 4,300 | 4,300 |
| | - FSA | 5 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 0 |
| | - P.L. 480/II | 125,815 | 116,781 | 64,460 | 80,020 |
| 386-004 | Increased Environmental Protection in Energy, Industry, and Cities | | | | |
| | - DA | 6,500 | 8,900 | 500 | 10,000 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 3,000 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 386-007 | Reduced Transmission and Mitigated Impact of Infectious Diseases, especially STD/HIV/AIDS, in India | | | | |
| | - DA | 0 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 14,250 | 15,000 | 16,600 | 18,100 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 0 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 386-009 | Expanded Advocacy and Service Delivery Networks for Women and Girls | | | | |
| | - DA | 2,250 | 1,800 | 158 | 1,068 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 1,250 | 700 | 1,440 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 1,500 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 386-011 | Increased Capacity of Financial Markets and Government to Transparently and Efficiently Mobilize Resources | | | | |
| | - DA | 0 | 3,500 | 3,955 | 7,805 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 4,983 | 2,500 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |

## INDIA
## FY 2002 STRATEGIC OBJECTIVE SUMMARY
**(in thousands of dollars)**

| SO number | SO Title<br>Fund Account | FY 1999 | FY 2000 | FY 2001 | FY 2002 |
|---|---|---|---|---|---|
| 386-012 | Recovery, Reconstruction, and Rehabilitation Needs Met for Targeted Vulnerable Groups | | | | |
| | - DA | 0 | 0 | 8,000 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 2,000 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 0 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| | SO Totals | | | | |
| | - DA | 27,750 | 28,700 | 29,950 | 32,710 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 17,250 | 22,750 | 23,600 | 25,840 |
| | - FSA | 5 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 4,983 | 7,000 |
| | - P.L. 480/II | 125,815 | 116,781 | 64,460 | 80,020 |

**LAOS**

| Program Summary (In Thousands of Dollars) | | | | |
|---|---|---|---|---|
| **Category** | **FY 1999 Actual** | **FY 2000 Actual** | **FY 2001 Estimated** | **FY 2002 Request** |
| Development Assistance | 2,300 | 0 | 0 | 0 |
| Development Fund for Africa | 0 | 0 | 0 | 0 |
| Child Survival & Disease Fund | 0 | 0 | 0 | 0 |
| Freedom Support Act Funds | 0 | 0 | 0 | 0 |
| SEED Act Funds | 0 | 0 | 0 | 0 |
| Economic Support Funds | 0 | 0 | 0 | 0 |
| P.L. 480 Title II | 0 | 0 | 0 | 0 |
| P.L 480 Title III | 0 | 0 | 0 | 0 |
| **Total Program Funds** | **2,300** | **0** | **0** | **0** |

# LAOS

## Introduction.

Laos is one of the poorest and least developed countries in East Asia. In 1998, its 5.1 million people had an estimated per capita income of just $320. Social indicators in the Laos, among the worst in the region, are comparable to those of sub-Saharan Africa, e.g., infant mortality in Laos is 96 per 1,000 births, compared with an average of 92 in Sub-Saharan Africa. Agriculture remains the economic mainstay, contributing 53 percent of the Gross Domestic Product (GDP) and employing over 80 percent of the labor force. Laos remains the world's third largest producer of illicit opium.

USAID assistance to Laos is provided under two programs: the Laos Economic Acceleration Program for the Silk Sector (LEAPSS – initiated in 1998 through a Congressional earmark) and the War Victims and Displaced Children program, funded through the Leahy War Victims Fund (LWVF). LEAPSS was designed to build on development activities of the Lao American Crop Control Project—premised on the observation that opium in the region is largely grown for economic security. Yields from rice, the staple crop, are insufficient to feed farmer families. Because of its high value and resistance to spoilage, opium has been the best cash crop available to isolated farmers. Inadequate transportation infrastructure and uncoordinated economic policies have prevented silk production from reaching its full potential. Consequently, the production of high quality Lao silk is insufficient to meet demand in Vientiane. Silk weavers in the capital must use imported silk although they would prefer to use Lao-produced varieties.

In 1990, USAID began providing assistance for the prosthetics and orthotics needs of the disabled in Laos through the LWVF. In 1995, the emphasis was shifted to strengthening activities to prevent unexploded ordnance (UXO) accidents and to strengthening the medical and surgical treatment capabilities in Xieng Khouang province.

## Development Challenge.

As Laos transitions from a centrally planned and controlled economy to a more market-driven environment, technical assistance, training, and investment in productive areas of the agricultural sector are needed. USAID is helping to build a strong market niche for the silk sector in targeted rural areas. Frequent UXO accidents in the northeast Lao provinces of Xieng Khouang and Houaphan are reminders of heavy bombings during the Vietnam War. USAID is strengthening UXO accident prevention in heavily affected northern provinces of Xieng Khouang, Houaphan, Savannakhet and Salavane, and is improving medical and surgical treatment for UXO victims in Xieng Khouang province.

## Other Donors.

USAID coordinates its activities with Japan, Germany, Sweden, France, Australia, and Norway, which support activities in Laos focused on education, health, and rural development. The World Bank and the Asian Development Bank focus on the financial sector and state-owned enterprise reforms needed to create an enabling environment for private sector development.

## FY 2002 Program.

Assistance in FY 2002 under LEAPSS will continue to focus on increasing the volume and profitability of silk production, focusing on Xieng Khouang and Houaphan provinces. The LWVF activity will continue to focus on medical and educational activities. These include upgrading the medical, surgical, and emergency services of district and provincial Lao medical personnel and institutions in Xieng Khouang Province, improving the technical capacity of the medical and surgical staff at provincial and district hospitals, and increasing UXO awareness among primary school children.

In addition to these programs, the Asia and Near East Bureau's Regional HIV/AIDS and Infectious Disease program is active in Laos, as is the Bureau's East Asia and Pacific Environmental Initiative, which strengthens biodiversity conservation. A Global Bureau democracy and governance activity helps

legal systems to operate more effectively and to embody democratic principles and protect human rights, and a Global human capacity development activity helps to increase the contributions of institutions of higher education to sustainable development.

## ACTIVITY DATA SHEET

**PROGRAM:** Laos
**TITLE AND NUMBER:** War Victims and Displaced Children, 439-002
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $0
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $0
**INITIAL OBLIGATION:** FY 2000 **ESTIMATED COMPLETION DATE:** FY 2003

**Summary:** In 1990, USAID began providing assistance for the prosthetics and orthotics needs of the disabled in Laos through the Leahy War Victims Fund (LWVF). In 1995, the emphasis was shifted to activities to prevent unexploded ordnance (UXO) accidents as well as strengthening the medical and surgical treatment capabilities in Xieng Khouang province. Currently, the activity works with the Lao government to provide both educational and medical services. Since 1990, more than $6.5 million has been provided under the Fund.

**Key Results:** As a result of the Fund-initiated UXO awareness program, the Laotian Ministry of Education has mandated that the primary school curriculum in four of the most heavily affected provinces—Xieng Khuoang, Savannakhet, Hua Phan, and Saravanne—include a UXO awareness component, and other affected provinces are adapting the materials to their local situations. The Ministry will incrementally mandate the curriculum for all primary schools. Nearly 70,000 primary education students have successfully completed it. In addition, a provincial training network consisting of local medical professionals from the main teaching hospital in the capital, Vientiane, has been established and is meeting nearly all of the training and technical assistance needs of the provincial and district-level hospitals in the four, target provinces.

**Performance and Prospects:** This activity has made substantial progress both in reforming management systems and strengthening human resource development for the targeted hospital systems in Laos. Through the activity, multiple training programs have been conducted, involving locally developed training networks. Lower rates of long-term hospitalization and increased utilization of services reflect how provincial and district health personnel have upgraded their skills and abilities.

Under the education initiative, the activity has developed a provincial-level local curriculum on UXO awareness. It was one of the first local curricula accepted by the Ministry of Education and mandated for inclusion in all primary schools.

The organizational reforms pioneered at the provincial level in Xieng Khouang province are having impacts beyond unexploded ordnance awareness and the treatment of disabled persons. The activity has effectively transferred ownership for activities from Consortium-Laos (the World Education/World Learning partnership) to the Government of Laos and has established a practical model for decentralizing these authorities to the provincial level.

**Possible Adjustments to Plans:** None.

**Other Donor Programs:** UXO Lao, United Nations Children's Fund, United Nations Development Program.

**Principal Contractors, Grantees, or Agencies:** A consortium led by World Education and World Learning.

| **Selected Performance Measures:** | **Baseline (1995)** | **Actual (2000)** | **Target (2000)** | **Target (2001)** |
|---|---|---|---|---|
| Medical, surgical, emergency personnel trained | 0 | 165 | 55 | 200 |

| | | | | |
|---|---|---|---|---|
| Number of primary school children instructed in UXO awareness | 300 | 67,680 | 61,000 | 75,000 |
| Number of teachers trained to use UXO curriculum | 0 | 2,124 | 1,800 | 2,500 |

## ACTIVITY DATA SHEET

**PROGRAM:** Laos
**TITLE AND NUMBER:** Laos Economic Acceleration Program for the Silk Sector, 439-004
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $0
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $0
**INITIAL OBLIGATION:** FY 1999 **ESTIMATED COMPLETION DATE:** FY 2002

**Summary:** The Laos Economic Acceleration Program for the Silk Sector (LEAPSS) was initiated through a Congressional earmark. It builds on the development activities of the Lao American Crop Control Project. This program is premised on the observation that opium in the region is largely grown for economic security reasons. Yields from rice, the staple crop, are insufficient to feed farmer families. Opium is the best cash crop available to isolated farmers because of its high value and resistance to spoilage. Silk production has not reached its full potential due to inadequate roads and other transport systems, weak and fragmented information dissemination programs, understaffed agricultural extension services, protectionist policies, as well as technical and institutional constraints. Consequently, the production of high-quality Lao silk is insufficient to meet demand in Vientiane. Although they would prefer to use Lao-produced varieties, silk weavers in the capital must use imported silk.

**Key Results:** The objectives of this activity are to: (1) strengthen institutional capacity of local and national authorities to support private silk sector activities; (2) identify and address national policy issues that impede the development of the Lao silk industry; (3) build capacity for sustainable information development and dissemination that meets the needs of the Laos silk sector; and, (4) enhance the role of women in all components of the silk sector.

**Performance and Prospects**: The Government of Laos has given the Consortium-Laos (a World Education/World Learning partnership) formal authorization to implement the LEAPSS program, and program activities have commenced. Training of district and provincial government officials recently began, and a study tour of silk production in Northeast Thailand is being organized to demonstrate the role that government can play to support private development of the silk sector. Information is being collected to develop baseline data and performance monitoring. Plans are being drafted for media centers located in key villages to distribute technical information on sericulture and markets.

**Possible Adjustments to Plans:** None.

**Other Donor Programs:** None.

**Principal Contractors, Grantees, or Agencies:** USAID implements LEAPSS activities through a grant to World Education, Inc., the lead organization in the Consortium-Laos.

**Selected Performance Measures:** Selected performance measures are under development, but are expected to include improved production of raw silk and increased volume and productivity for existing silk enterprises.

## LAOS
### FY 2002 STRATEGIC OBJECTIVE SUMMARY
**(in thousands of dollars)**

| SO number | SO Title<br>Fund Account | FY 1999 | FY 2000 | FY 2001 | FY 2002 |
|---|---|---|---|---|---|
| 439-002 | War Victims and Displaced Children | | | | |
| | - DA | 800 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 0 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 439-004 | Laos Economic Acceleration Program for the Silk Sector | | | | |
| | - DA | 1,500 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 0 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| | SO Totals | | | | |
| | - DA | 2,300 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 0 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Laos** | | | |
| **Title and Number: War Victims and Displaced Children, 439-002** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 568 DA | 0 DA | 568 DA |
| | 250 CSD | 0 CSD | 250 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 1,783 DA \1 | 568 DA | |
| | 0 CSD | 250 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 2,351 DA | 568 DA | 1,783 DA |
| | 250 CSD | 250 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 2,351 DA |
| | 0 CSD | 0 CSD | 250 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

1\ Includes $1M of FY 99 Carryover from the Global Bureau.

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Laos** | | | |
| **Title and Number: Laos Economic Acceleration Program for the Silk Sector, 439-004** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 1,498 DA | 375 DA | 1,123 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 0 DA | |
| | 0 CSD | 0 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 1,498 DA | 375 DA | 1,123 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 1,498 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

**MONGOLIA**

| Program Summary (In Thousands of Dollars) | | | | |
|---|---|---|---|---|
| **Category** | **FY 1999 Actual** | **FY 2000 Actual** | **FY 2001 Estimated** | **FY 2002 Request** |
| Development Assistance | 0 | 0 | 0 | 0 |
| Development Fund for Africa | 0 | 0 | 0 | 0 |
| Child Survival & Disease Fund | 0 | 0 | 0 | 0 |
| Freedom Support Act Funds | 10,000 | 6,000 | 0 | 0 |
| SEED Act Funds | 0 | 0 | 0 | 0 |
| Economic Support Funds | 0 | 6,000 | 11,959 | 12,000 |
| P.L. 480 Title II | 0 | 0 | 0 | 0 |
| P.L 480 Title III | 0 | 0 | 0 | 0 |
| **Total Program Funds** | **10,000** | **12,000** | **11,959** | **12,000** |

**Mission Director, Edward Birgelis**

# MONGOLIA

## Introduction.

Assistance to Mongolia supports U.S. interests by fostering the development of a free-market economy and a stable, democratic government. As a small buffer state located between two of the world's largest nations, it contrasts with its neighbors, as well as many other Asian countries, as it is attempting to reform both its economic and political systems at the same time. Mongolia has been receptive to external advice and ideas and has been willing to undertake the difficult steps necessary to ensure its rapid transformation to a market-oriented democratic society.

Mongolia held parliamentary elections in July 2000. The elections led to the decisive victory of the Mongolian Peoples Revolutionary Party (MPRP), which was in power during the communist period, over the ruling Democratic Union Coalition. Despite the change in government, a broad consensus remains across the political spectrum on the need for reform in Mongolia, and the new government is expected to commit itself to pursue policies that will encourage the continued development of a democratic, market-oriented society in Mongolia.

Mongolia's reform governments have been able to make important economic progress despite serious internal political problems. Sound macro-economic policies, supported by the donor community, have allowed Mongolia to weather the worst of the Asian financial crisis. Nonetheless, preliminary estimates show that Mongolian gross domestic product rose by only 1.1% in 2000, well below the 3.5% average growth rate Mongolia has experienced since the mid-1990s. This reflects a 21.4% decline in agricultural sector value-added as a result of the loss of livestock in the winter storms. Losses this year will also be significant. This will pose an extremely serious problem for the medium-term growth of Mongolia and will drive thousands of herder families into poverty. Agricultural sector value-added comprises approximately 40% of Mongolian GDP, almost all of it from the livestock sector. The steady but unsustainable growth of herds in recent years has contributed significantly to overall economic growth in the past.

The non-agricultural private sector value-added figures provide a very different and impressive picture. Real value-added in the non-agricultural private sector grew by 22.1% in 2000, up significantly from the average 15.3% growth of the previous four years. This reflects strong continued growth in private sector transportation and communication services; the ever-increasing dominance of private firms in trade and domestic commerce as the state-owned economy continues to lose market share; and impressive growth in the private provision of banking services and social services, such as private schools and healthcare services. The banking sector has demonstrated a dramatic turnaround, thanks in great part to USAID assistance in restructuring the sector. In 2000, the entire banking sector showed a profit of approximately $9 million, compared with a loss of approximately $8 million in 1999.

One especially fortuitous development was the rapid rise of commodity prices, especially of copper and cashmere. The former led to a significant increase in government revenues and reduced the inflationary effects of a sharp increase in GOM spending ahead of the national election. The rise in cashmere prices helped to raise incomes in rural areas. This, along with the impact of the USAID-funded Market Watch, which provides biweekly reports of commodity prices, was responsible for a significant redistribution of wealth from traders to herders, as herders refused to sell below prices quoted by Market Watch.

**Development Challenge.**

Specific obstacles to growth include: (1) undeveloped energy supplies, transportation and communications systems that contribute to fragmented domestic and international markets; (2) ineffective public institutions, which operate in a top-down, dictatorial manner within a closed and protective environment; (3) inefficient state-run institutions, which drain public revenues and limit the productivity of resources; (4) inadequately developed judicial and enforcement services unable to ensure the rule of law; and (5) inexperienced civil society organizations that lack the ability to foster economic growth and provide feedback to national and local levels of government. Without addressing these issues, long-term growth and democratic government cannot be sustained.

Two additional factors have emerged over the past year. First, the combination of severe winter storms, drought, and land misuse have resulted in a significant loss of animals and a resultant loss of the capital stock of the country. This may impact the accelerated economic growth rates anticipated in the USAID strategy. Second, the landslide victory of the MPRP, winning 72 out of 76 parliamentary seats, dealt a severe blow to the parties of the former Democratic Union Coalition. The parties have reorganized under the banner of the Mongolian Democratic Party in order to participate in the presidential election scheduled in May. The success of the reorganization will depend in part on the party's success in the presidential election. Therefore, the jury is still out on whether a successful opposition to the MPRP has been established—a critical issue for the future of electoral democracy in Mongolia.

Nonetheless, development activities in Mongolia have been able to build upon a number of strengths, including: (1) a broad commitment to the development of democracy and a market economy among members of Mongolian society; (2) a literate human resource base; (3) a high degree of internal social cohesion; and (4) a government committed to reform and development. The assistance provided by the United States is especially valued because America is seen as a vigorous advocate of democracy and market-oriented growth with no vested interests in Mongolia.

USAID's strategy for Mongolia is to help establish a market-oriented and democratic society by consolidating Mongolia's democratic transition and accelerating and broadening environmentally-sound private sector growth, with a particular focus on bringing change to rural areas. USAID's strategy of private sector-led economic growth is a vital part of the Embassy's Mission Performance Plan. USAID's approach has been to define areas where U.S. assistance can foster the reform program and to work on issues that other donors are not in a position to address. This approach has led to some clear successes for the USAID over the last year, particularly in the areas of judicial, banking, and energy reform.

**Other Donors.**

Based on figures from the June 1999 Consultative Group Meeting, the United States currently ranks third, behind Japan and Germany, in the amount of its grant assistance to the Government of Mongolia. The International Monetary Fund (IMF), the Asian Development Bank (ADB), the World Bank, and the Government of Japan also provide substantial development-related loans to Mongolia. The IMF, the World Bank, the ADB, Germany, the United Nations Development Program (UNDP), and Japan have active programs to promote economic growth. The World Bank, ADB, Germany, UNDP, and the Soros Foundation all have active programs to promote democracy.

**FY 2002 Program.**

In 1999, USAID began a new five-year strategy to help Mongolia consolidate its transition to democracy and accelerate and broaden sustainable private sector growth. The new MPRP Government has adopted a strong economic reform program and appears committed to democracy. At a recent party conference of the ruling MPRP, the leadership of the reform wing of the party, headed by Prime Minister N. Enhbayar, was reaffirmed. Accordingly, USAID expects to continue to implement the program outlined in the current country strategy.

Under its economic growth program, USAID is funding programs to: (1) transfer productive assets to the private sector; (2) increase the efficiency of financial markets; (3) improve the business environment; and (4) improve management of natural resources. The program places special emphasis on the development of rural Mongolia, particularly the Gobi region.

With the passage of a new energy law by Parliament in February 2001, USAID expects to provide long-term support to develop an independent regulatory agency and to assist the GOM with the restructuring of the sector through FY 2002. In the same month Parliament passed privatization guidelines that presented a four-year strategy for privatization in Mongolia. Immediately thereafter, the Cabinet agreed to the privatization of the three "most valuable companies" (MVCs) that have been the focus of USAID's initial efforts in this area. It is anticipated that other MVCs will be put on the block in the future and, accordingly, USAID expects to continue providing assistance in this area through FY 2002. USAID also anticipates providing further assistance to the banking sector, and in the areas of tax policy and debt management.

In FY 2002, USAID will continue its efforts to promote competitiveness in the Mongolian economy. The Competitiveness Initiative focuses on three critical areas: non-traditional meat exports, cashmere marketing, and tourism. The Initiative is also working to create public/private sector cooperation on competitiveness issues.

USAID's Gobi Regional Growth Initiative (GREGI) and the Farmer to Farmer (FtF) program will continue to be the primary vehicles for USAID's rural area focus. In the past year GREGI has been refocused to more comprehensively address herder management and land use issues. FtF will continue to help develop private agriculture, with a focus on animal health, improved animal breeding, and improved efficiency of the crop sector.

USAID will continue its efforts to broaden and deepen democratic reform. Resources will be used to establish the foundation for an effective rural civil society and to improve the effectiveness of the parliament and the judiciary. USAID began its new Judicial Reform Program in March 2001. Initial program activities will focus on strengthening court administration and case management, developing a centralized training system for legal professionals, improving coordination and collaboration among Mongolia's justice system agencies, developing a system of legal qualifying standards, and strengthening and enforcing ethical standards among judiciary and legal professionals. The parliamentary strengthening component of this activity is under review. The International Republican Institute (IRI) is now developing a new program of parliamentary support within the context of activities of other donors. In addition, because of MPRP's lopsided victory in the elections, IRI is now reviewing its role in political party development. USAID will provide funding to IRI for one year to attempt to develop appropriate programs and responses to the changing political climate. With civil society building being undertaken through GREGI and FtF, USAID does not anticipate other major programs in the democracy area.

USAID will continue its U.S. degree program to support objectives in both economic growth and democracy. USAID plans to provide modest support for Mongolia's participation in Eisenhower Foundation programs beginning in FY 2001; this support will last through the strategy period. USAID will also ensure that Mongolia's accelerated growth is environmentally sustainable by addressing issues critical to pasture and crop land degradation and better resource management, particularly of Hovsgol National Park. Urban environmental issues also will be addressed through USAID's regional United States-Asia Environmental Partnership.

In addition to the bilateral and regional USAID programs, the Bureau for Humanitarian Response is helping to meet humanitarian needs arising from the winter 2000-2001 snow emergency.

**ACTIVITY DATA SHEET**

**PROGRAM:** Mongolia
**TITLE AND NUMBER:** Accelerate and Broaden Environmentally Sound Private Sector Growth, 438-001
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $8,959,000 ESF
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $9,000,000 ESF
**INITIAL OBLIGATION:** FY 1994 **ESTIMATED COMPLETION DATE:** FY 2003

**Summary:** USAID's economic growth program seeks to increase the standard of living of the people of Mongolia and to improve economic and social indices by assisting the Government of Mongolia's (GOM) transition from a centrally planned economy to a private sector-led market economy. Activities under this program provide technical assistance, training, and other inputs to establish environmentally sound growth-oriented market economy policies and practices, and to develop and strengthen key public and private sector institutions that will develop and sustain a market-oriented economy.

All Mongolians are benefiting from lower inflation and a more vibrant urban economy, for which USAID can take partial credit. All Mongolians should benefit from the achievement of USAID's economic growth program goals, including a reformed financial sector, competitive export-oriented industries, increased foreign investment through the privatization of large, strategic, state-owned enterprises, the development of a commercial power sector, improved rural banking services and expanded credit in rural areas, and improved pensions. Activities in rural Mongolia will establish linkages between economic growth, improved environmental quality, and increased democratic participation.

The hallmarks of USAID's economic growth activities in Mongolia have been their speed, flexibility, and high quality. These activities have helped Mongolia to go further, faster, and achieve higher quality reform outcomes than would have been possible without USAID assistance.

**Key Results:** USAID's economic growth and democracy strategic objectives are mutually supportive: both will help establish a market-oriented democratic society in Mongolia. USAID considers four results necessary to achieve the goal of accelerating and broadening environmentally sound private sector growth: (1) transferring public productive assets to private ownership; (2) increasing the efficiency of financial markets; (3) improving the business environment; and (4) improving the management of the natural resource base.

It is expected that by 2003 three-quarters of the Mongolian economy will be in private hands; the private sector will be universally recognized as the paramount engine of economic growth; the economy will be growing at a sustained rate of 5% annually, with positive growth in much of rural Mongolia; and the national savings and investment rates will have increased substantially. The increased economic growth that results from USAID's activities is expected to broaden and deepen popular support for a market oriented and democratic society in Mongolia.

**Performance and Prospects:** The proposed FY 2001 obligation is $8,959,000 ESF. USAID has played a key role in helping to implement the macroeconomic reform agenda of various Mongolian governments. USAID assistance was instrumental in contributing to a more stable macroeconomic environment, for taking the lead in reform of certain key sectors, such as banking and the power sectors, and in advancing the effort of Mongolia to privatize key state-owned entities and in improving its auction mechanism to increase revenues and make the process more transparent. USAID also played a key role in promoting passage of legislation for pension reform and establishing the institutional framework for implementing the law. USAID continues to play a key role in training a core cadre of economic analysts capable of implementing the GOM's economic growth objectives. The new Mongolian People's Revolutionary Party (MPRP) government has readily accepted USAID support in its reform agenda. USAID is the only donor that is implementing systemic rural development in Mongolia. The Gobi Regional Growth Initiative's (GREGI's) Market Watch and Gobi Business News are of vital importance to herders and have helped them to increase their incomes and well being. The Agricultural Cooperative Development

International/Volunteers in Overseas Cooperative Assistance (ACDI/VOCA) goat breeding-improvement program is the only program of its kind in Mongolia. The program is systematically increasing the number of purebred cashmere bucks to eventually improve the stock of cashmere goats. USAID assistance to herders is increasing their skills to produce and market their bucks and help them in association building and in establishing a registry for purebred stock. This program, along with GREGI's herder management and information programs, is having a significant impact on the quality of cashmere and on herder incomes.

Privatization of State-Owned Assets and Energy Sector Restructuring: *USAID will provide approximately $2,600,000 in FY 2001* to finance privatization and energy sector restructuring activities. USAID will provide assistance to the Mongolian State Property Committee to expedite the process of privatization of large state owned companies. Firms ready for privatization include the Trade and Development Bank, Gobi Cashmere Company and the Neft Import Concern. The GOM is awaiting Parliament's approval to proceed with the privatizations. The GOM recently passed a new energy law, which will lay the foundation for the restructuring of the power sector. USAID will assist the GOM with unbundling the generation, transmission, and distribution systems and establishing an independent energy regulatory authority.

Bank Restructuring and Competitiveness: *USAID will use approximately $3,500,000 in FY 2001 funds* to increase the efficiency of financial markets and improve the business environment in Mongolia. USAID is assisting the Bank of Mongolia in restructuring the Agriculture Bank, under a World Bank approved restructuring plan. The Agriculture Bank has the potential to be the leading rural bank in Mongolia. USAID assistance will end in July 2002, and it is expected that by then the Bank can be privatized. USAID will help government ministries and private firms and associations to improve Mongolia's competitiveness. A series of action plans geared to increase exports are being jointly developed for the cashmere, meat and tourism industries; the goal is to raise value-added exports to non-traditional markets over the next two years. The program stresses helping private enterprises to improve productivity and marketing and to better define the government's role in this effort.

Rural Development and Improved Management of Natural Resources*: USAID plans to use approximately $2,600,000* for sustainable rural development and a program to encourage and help implement environmentally sound park management. GREGI is working in four provinces in the Gobi region of southern Mongolia. GREGI is fostering microenterprise and small and medium enterprise growth, through training and the provision of credit through Goviin Ecklel, a non-bank financial institution. It is implementing programs to improve herder management and marketing and will begin activities to improve land management practices. GREGI sponsors Market Watch, a twice-weekly radio program that provides commodity prices, weather information and herder management tips to one million Mongolian herders. With USAID funding, ACDI/VOCA also is improving cashmere goat breeding stock and animal health. ACDI/VOCA is also undertaking applied research on conservation tillage techniques for improving the productivity and environmental sustainability of the crop sector. USAID provides funds to the U.S. Department of Interior to improve the management of the Lake Hovsgol National Park, one of the most important parks in Mongolia. The Lake Hovsgol National Park Management Improvement Program is developing the park into an effective protected area that will lend itself to sustainable, local economic development.

Training and Human Development: *USAID intends to use approximately $300,000* to send promising Mongolians for economics and business training in the United States. Most of these funds will be used to provide Masters degree level scholarships.

The USAID-supported privatization program and energy program suffered severe delays last year due to the organizational decay of the Democratic Union Coalition Government. USAID's other programs remained on track. The new MPRP government has adopted its own reform agenda that fits well with the overall USAID reform program. The MPRP agenda includes an accelerated program for privatization, as well as renewed emphasis in commercializing the power sector. The USAID reform program is still relevant, and there is an excellent chance USAID targets will be met in 2001.

**Possible Adjustments to Plans:** The new Government appears to have adopted a viable program for economic reform. If it is able to implement its stated program, USAID sees no need for adjustments to current plans. If privatization or energy reform do not go forward, USAID is prepared to end support in these areas and redirect support into other reform areas, such as tax policy and administration or public finance reform.

**Other Donor Programs:** The International Monetary Fund, the World Bank, including the International Finance Corporation (IFC), the Asian Development Bank (ADB), the United Nations Development Program (UNDP), Germany, and Japan provide technical assistance in the fields of economic policy and public administration. Germany and the UNDP have active environmental programs. The IFC and the ADB both plan to take active roles in marketing the Trade and Development Bank once it is privatized.

**Principal Contractors, Grantees, or Agencies:** USAID implements this activity through the following partners: Development Alternatives, Inc.; Academy for Educational Development; Barents Group; Mercy Corps International; USAID's Global Technology Network; U.S. Department of the Interior; Philadelphia Academy of Sciences; Robert Nathan and Associates; and ACDI/VOCA. Principal Mongolian agencies include the Office of the Prime Minister; the Ministry of Finance and Economics; the Mongol Bank (central bank); the State Property Committee; the Ministry of Food and Agriculture; the Ministry of Nature and Environment; and the Ministry of Infrastructure Development.

**ACTIVITY DATA SHEET**

**PROGRAM:** Mongolia
**TITLE AND NUMBER:** Consolidate Mongolia's Democratic Transition, 438-002
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $3,000,000 ESF
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $3,000,000 ESF
**INITIAL OBLIGATION:** FY 1996 **ESTIMATED COMPLETION DATE:** FY 2003

**Summary:** USAID has supported Mongolia's democratic transition from the very beginning of its democratic movement. The first phase of USAID support helped open doors to the West and allowed Mongolians to study other democratic systems. The second phase improved the capabilities of Mongolia's new democratic institutions and fostered the development of robust and sustainable citizen-initiated, non-governmental organizations. A third phase began in FY 1999 with the approval of USAID's current strategic plan for Mongolia. Under this plan, USAID will help Mongolia complete its unfinished transition to democracy by improving the effectiveness of parliament and the judiciary and by establishing the foundation for a vigorous rural civil society. The current program includes activities to strengthen public institutional and civil society in rural areas; improve electoral, legislative and executive branch processes; and reform the judiciary.

**Key Results:** Two results are necessary to consolidate Mongolia's transition to democracy: establishing the foundation for effective rural civil society, and improving the effectiveness of parliament and the judiciary.

**Performance and Prospects:** The proposed FY 2001 obligation is $3,000,000. Mongolia's overall accomplishments in embracing democracy have been profound: (1) a new constitution has been put into effect that guarantees basic democratic rights and protection; (2) a representative parliament has been created; (3) six free and fair national-level elections have been held; and (4) a nascent community of citizen-initiated non-governmental organizations (NGOs) has emerged. USAID assistance has supported all these accomplishments.

During the past year significant strides were made in transforming institutional, community and individual behavior in rural Mongolia by improving the flow of information to these areas. With USAID assistance, a new business magazine and radio programming aimed at the Gobi region were initiated. These initiatives have generated consistently positive feedback from Mongolian decision-makers, community leaders and local citizens. USAID hopes to expand these initiatives to cover rural areas throughout Mongolia. In addition, the Gobi Initiative supports two important rural NGOs: The Foundation for Agricultural Development and the Mongolian Private Veterinarian Association.

Political Party Strengthening and Parliamentary Development*: USAID proposes to obligate $260,000 in FY 2001 funds* to continue International Republican Institute (IRI) assistance for programs to respond to the changing political climate in Mongolia. Through IRI, USAID is working to strengthen the organizational capacity of political parties and to educate new members of Parliament on democratic processes, separation of powers, and corruption issues. Funds also will be used to strengthen election laws and anti-corruption legislation. IRI activities seek to strengthen democratic representative processes throughout Mongolia, particularly in the countryside. During Mongolia's successful free and fair elections at the national and local levels, IRI was the only international institution to provide election monitoring. IRI also provided assistance to all major parties contesting the elections. These activities are expected to continue through FY 2001.

Strategic Judicial Reform*: USAID proposes to obligate approximately $2,689,000 in FY 2001* for its Judicial Reform program. With significant USAID assistance, key elements of the GOM reached a consensus on a broad strategy to reform the judiciary. Building upon this consensus—the "Strategic Plan of the Justice System of Mongolia"—USAID began development of the Judicial Reform Program in March 2000. This program will operationalize the four core values of the Strategic Plan by promoting the development of judicial sector institutions that are effective and responsive, accountable, accessible, and

independent. Initial activities will focus on strengthening court administration and case management; improving coordination and collaboration among Mongolia's justice system agencies; developing a centralized training system for legal professionals; developing a system of legal qualifying standards; and strengthening and enforcing ethical standards among judiciary and legal professionals. USAID will work closely with the Ministry of Justice in the implementation of this program and will coordinate its efforts with other donors undertaking related programs.

Training and Fellowships*: In FY 2001 USAID will use approximately $50,000* to fund its ongoing Eisenhower Foundation Fellowship program. This program sends young, promising Mongolians interested in policy issues to the United States to study and meet with leading Americans in their respective fields.

Rural Institution Development: In FY 2001, USAID will obligate approximately $90,000 for the rural institution development components of the Agriculture Cooperation Development International/Volunteers in Overseas Cooperative Assistance (ACDI/VOCA) and Gobi Regional Growth Initiative programs. In FYs 2002 and 2003, USAID will continue to foster the development of institutions that support rural enterprise development, such as business associations, herders' associations and cooperatives. The goal is to have these institutions provide training and support to develop rural enterprises and agriculture, reduce obstacles to private sector growth, and promote alternative livelihoods for the rural poor.

Legislative Drafting Training: Approximately $100,000 in FY 2001 funds will be used to develop and present to a broad audience in Mongolia a course on effective legislative drafting.

**Possible Adjustments to Plans:** None.

**Other Donor Programs:** The Asian Development Bank, Germany, and the Soros Foundation are engaged in efforts to improve the quality of legal professionals. Germany and the United Nations Development Program (UNDP), the European Union, Japan, and several private voluntary organizations have active programs in rural areas. The UNDP may provide assistance to the Mongolian Parliament.

**Principal Contractors, Grantees, or Agencies:** USAID implements this activity through the following partners: The International Republican Institute; the National Center for State Courts; Mercy Corps International; and ACDI/VOCA. Principal Mongolian agencies include the Parliament, Ministry of Justice, General Council of Courts, and provincial governments in the Gobi region.

**FY 2002 Performance Table**
**Mongolia: 438-001**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Number of superior male breeding goats (FN 7) | NA | NA | 300 | 563 | 1155 | 1080 | 1200 |
| Indicator 2: The rate of growth of the private sector measured in constant dollars. (FN 1) | NA | NA | 0.06 | -0.5 | 0.2 | 0.25 | 0.3 |
| Indicator 3: Number of businesses with permits or licenses in selected rural aimags disaggregated by gender of business owner - Female (FN 3) | NA | NA | 75 (541 revised) | 611 | 95 (553 revised) | 765 | 841 |
| Indicator 4: Steps taken toward restructuring and commercializing the energy sector. (FN 6) | NA | NA | Steps 2-3 | Step 4 | Steps 6-7 | NA | NA |
| Indicator 5: Steps taken toward strengthening the banking sector (FN 5) | NA | NA | Steps 2&3 | Step 1 | Step 1 | NA | NA |
| Indicator 6: Number of most valued companies (MVCs) privatized by international tender (FN 4) | NA | NA | 0 | 0 | 8 | 10 | 10 |
| Indicator 7: Number of businesses with permits or licenses in selected rural aimags disaggregated by gender of business owner - Total (FN 2) | NA | NA | 462 (1190 revised) | 1388 | 550 (1228 revised) | 1302 | 1432 |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | Number of goats | ACDI/VOCA | These animals are pure Mongolian Cashmere goats. They are being produced under the Cashmere Breed Improvement Program, which seeks to raise the quality of cashmere produced in Mongolia. |
| Indicator 2: | IR | Percentage Growth | Mongolia State Statistical Office | The rate of growth of the private sector measured in constant dollars. |
| Indicator 3: | IR | Number of businesses - female | GREGI aimag offices | The number of businesses entering the formal sector as indicated by the granting of permits to micro- and small enterprises and the granting of licenses to medium and large-scale businesses. Indicator data is reported cumulatively. |
| Indicator 4: | IR | Number of steps | Ministry of Infrastructure Development, Parliament, and regulatory agencies | Steps include: # 1) agenda developed; # 2) consensus of major stakeholders achieved; # 3) energy law drafted; # 4) energy law passed; # 5) legal establishment of a regulatory agency; # 6) unbundling of generation, transmission and distribution functions; and # 7) regulatory agency commences operations. |
| Indicator 5: | IR | Number of steps | Central Bank | Steps to strengthen the sector include: # 1) rehabilitation or liquidation (R or L) of the Agricultural Bank; # 2) R or L of the Investment and Technical Innovation Bank; # 3) R or L of the Reconstruction Bank. |
| Indicator 6: | IR | Number of MVCs | Mongolian State Property Committee | Most valued companies are a subset of state-owned companies. An MVC is a company more than 50% owned by the state that has the scale and potential to interest a foreign strategic investor. |
| Indicator 7: | IR | Number of businesses - total | GREGI aimag offices | The number of businesses entering the formal sector as indicated by the granting of permits to micro- and small enterprises and the |

| | | | | |
|---|---|---|---|---|
| | | | | granting of licenses to medium and large-scale businesses. Indicator data is reported cumulatively. |

Footnote 1: The actual growth figure for 1999 only takes into account private sector growth in the formal sector. The 2000 data takes into account the growth generated by the informal sector.

The negative private sector growth rate in 2000 is a product of a 21.4% decline in the agricultural sector as a result of the loss of livestock in the Dzud (winter snow emergency). If only non-agricultural private sector growth is examined, to remove the effects of the Dzud, a very different and very impressive picture emerges. It shows that real value-added in the non-agricultural private sector grew by 22.1% in 2000, up significantly from the average 15.3% growth of the previous four years. The increase in 2000 primarily reflects continued strong growth in private sector transportation and communication services, the ever increasing dominance of private firms in trade and domestic commerce, and the declining market share of certain state-owned firms.

Footnote 2: Data for 1999-2003 covers Umnugovi and Dundgovi aimags (provinces).

The large jump between "actual" figure reported last year and the revised figure reported above, reflects the inclusion of the new data that became available in 2000 on very small business enterprises. Accordingly, the 2001-2003 targets have been revised upward.

Footnote 3: Data for 1999-2002 covers Umnugovi and Dundgovi aimags (provinces).

The large jump between the "actual" figure reported last year and the revised figure reported above, reflects the inclusion of new data that became available in 2000 on very small business enterprises. Accordingly the originally 2001-2003 targets have been revised upward.

Footnote 4: The run-up to the national elections in July 2000 and the resulting change of government led to a temporary slow down in the USAID supported privatization program. However, in late February 2001 Parliament passed Privatization Guidelines that presented a four-year strategy for privatization in Mongolia. Immediately thereafter the Cabinet agreed to the privatization of the three MVCs that have been the focus of USAID's initial efforts in this area. The planned totals have been adjusted to reflect existing realities.

Footnote 5: With the achievement of Step 1 in 2000, the performance targets being monitored by this indicator have been achieved. The Mission will develop a new indicator more specifically focused on the rehabilitation of the Agricultural Bank later this year for inclusion in next year's R4.

Footnote 6: Step 1 was completed in 1998. The Energy Law was passed in February 2001 and it will take effect on April 15, 2001. The legal establishment of the energy regulatory agency will follow shortly thereafter. USAID expects that will take 1-2 years for the regulatory agency to become fully operational. The GOM has been instructed by Parliament to commence the unbundling of generation, transmission and distribution functions immediately, within the framework established by the new Energy Law and to complete this process within 2001. However, it is likely to extend into 2002.

Thus, with the time period originally allotted for the achievement of the steps associated with this indicator has proven to be overly optimistic, the Mission remains confident that the steps will be achieved by the end of the strategy period.

Footnote 7: In the spring of 2000, 1660 male goats were born. A culling rate of 75% was used to select the most superior kid bucks to sell for the 2001 year. Thus 420 superior breeding male goats were available. In addition, 143 superior breeding males were selected by national research making a total of 563 superior goats available.

In the spring of 2001, 2200 male goats are expected to be born. A culling rate of 75% will yield 550 superior male kids. The total includes this 550 plus the 563 from the previous year - assuming a death rate of 5%. In the spring of 2002, the number of male goats born is expected to be slightly higher due to the young superior does (females) entering the flock for the first time. The total number of breeding does will increase only slightly due to older does being culled.

The program did not reach its target of 1,155 goats because of an outbreak of Agalactia at one of the program sites. (Agalactia is a contagious disease affecting small ruminants such as goats and sheep.) This meant that no superior goats could be produced in this locality. The second reason the number of goats fell short of the planned target was that a second site decided to "over cull" above the 75% rate. Nonetheless, the production of 563 superior goats is still quite successful considering that there were only 1,000 additional superior goats available for the entire country.

**FY 2002 Performance Table**

**Mongolia: 438-002**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Number of aimags that demonstrate improvement in the identification and implementation on joint local government/RCSO action plans. (FN 3) | NA | NA | 3 | 4 | 4 | 4 | 6 |
| Indicator 2: Steps taken towards the establishment of an independent judiciary. (FN 5) | NA | NA | Step 1 | Steps 2,3,&4 | Steps 2,3,&4 | NA | NA |
| Indicator 3: Rural civil society organizations (RCSOs) perceptions of meaningful engagement with parliament and government. (FN 1) | NA | NA | 1.0 | In the final July 1999 Performance Monitoring Plan USAID and Mercy Corps agreed to begin collecting data on this indicator in 2001. Thus, in next year's BJ the Mission hopes and expects to report that RCSOs achieved an average score of 2.5 or better. | 1.5 | 2.5 | 3.0 |
| Indicator 4: National elections (parliamentary and presidential) are fair and free and provide meaningful choice to voters. (FN 2) | NA | NA | NA | Yes | Yes | Yes | NA |
| Indicator 5: Number of soums that demonstrate improvement in the identification and implementation on joint local government/RCSO action plans. (FN 4) | NA | NA | 4 | 5 | 10 | 16 | 32 |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | Number of aimags | Mercy Corps and partners | "Demonstrated improvement" is measured by the following steps taken: 1) meetings of interested local actors determine action plan; 2) public and stakeholder education in support of the plan; 3) an action plan decided by a process of consensus; 4) allocation of responsibilities to subcommittees for aspects of the plan; 5) implementation of the plans; and 6) usage of the facility or services envisioned in the plan. |
| Indicator 2: | IR | Number of steps taken | Information will be derived from interviews with those associated with the USAID reform initiative and with other judges and lawyers as well as by reference to relevant documents. | Steps include: 1) national conference on the independence of the judiciary; 2) strategic plan drawn up: 3) allocation of responsibilities to subcommittees; 4) action plans (including priorities) designed by subcommittees. |

| | | | | |
|---|---|---|---|---|
| Indicator 3: | IR | Scale of 1-5: 1=no responsiveness; 2=very limited response; 3=some two-way discussion; 4=substantive two-way interchange; 5=government seriously considers RCSOs in decision making. | Mercy Corps and partners in cooperation with RCSOs. | RCSOs refer to organizations with which USAID is working, have a rural focus, significant rural membership and have attempted to engage parliament and government in advocacy on issues of significance to their members. Each RCSO will be asked only about their own experiences. See scale above. |
| Indicator 4: | IR | Yes/No | IRI and the Mongolian central election commission | "Fair and free" is broadly understood terminology that incorporates key principles including political parties are free to participate without hinderance from the state; that no party makes unfair use of the state appartus and that parties provide meaningful choice to voters through offering clear issue-oriented policy platforms. |
| Indicator 5: | IR | Number of soums | Mercy Corps and partners | "Demonstrated improvement" is measured by the following steps taken: 1) meetings of interested local actors determine action plan; 2) public and stakeholder education in support of the plan; 3) an action plan decided by a process of consensus; 4) allocation of responsibilities to subcommittees for aspects of the plan; 5) implementation of the plans; and 6) usage of the facility or services envisioned in the plan. |

Footnote 1: In the Mission's July 1999 Performance Monitor Plan USAID and Mercy Corps agreed to begin collecting data on this indicator in 2001. Thus, in next year's R4 the Mission hopes and expects to report that RCSOs achieved an average score of 2.5 or better.

Footnote 2: Mongolia successfully conducted a free and fair parliamentary election at the national level this year. A presidential election scheduled for May/June 2001.

The Mission expects to replace this indicator with another SO-level indicator after the 2001 results have been reported.

Footnote 3: The aimags are Umnugovi, Dundgovi, Govi-Altai, and Uvurhangai.

Footnote 4: The shortfall at the soum level is the result of the mid-year decision to re-orient the GREGI program to place greater emphasis on the role of the private sector (including micro-enterprise) and more effective range management practices in the development of the Gobi region. As a result, later this year, the Mission will consider selecting an alternative indicator to use in reporting progress under this IR.

The soums are located in Umnugovi, Dundgovi, Govi-Altai, and Uvurhangai aimags.

Footnote 5: The performance goals being monitored by this indicator have now been achieved. The Mission will develop one or more indicators more specifically focused on high-level results from the Mission's new Judicial Reform Program for inclusion in next year's R4.

## MONGOLIA
### FY 2002 STRATEGIC OBJECTIVE SUMMARY
**(in thousands of dollars)**

| SO number | SO Title<br>Fund Account | FY 1999 | FY 2000 | FY 2001 | FY 2002 |
|---|---|---|---|---|---|
| 438-001 | Accelerate and Broaden Environmentally Sound Private Sector Growth | | | | |
| | - DA | 0 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 9,100 | 4,640 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 6,000 | 8,959 | 9,000 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 438-002 | Consolidate Mongolia's Democratic Transition | | | | |
| | - DA | 0 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 900 | 1,360 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 3,000 | 3,000 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| SO Totals | | | | | |
| | - DA | 0 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 10,000 | 6,000 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 6,000 | 11,959 | 12,000 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |

| | U.S. Financing (In thousands of dollars) | | |
|---|---|---|---|
| **Program: Mongolia** | | | |
| **Title and Number: Summary of Mongolia Sheets** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1998 | 19,011 DA | 17,694 DA | 1,317 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 43,398 ESF | 41,561 ESF | 1,837 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 13,000 FSA | 7,686 FSA | 5,314 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 1999 | 0 DA | 1,298 DA | |
| | 0 CSD | 0 CSD | |
| | 6,000 ESF | 2,289 ESF | |
| | 0 SEED | 0 SEED | |
| | 6,000 FSA | 5,707 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 1999 | 19,011 DA | 18,992 DA | 19 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 49,398 ESF | 43,850 ESF | 5,548 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 19,000 FSA | 13,393 FSA | 5,607 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2000 NOA | 0 DA | | |
| | 0 CSD | | |
| | 11,959 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2000 | 0 DA | | |
| | 0 CSD | | |
| | 11,959 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2001 NOA | 0 DA | 0 DA | 19,011 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 12,000 ESF | 6,882 ESF | 80,239 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 19,000 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Mongolia** | | | |
| **Title and Number: Accelerate and Broaden Environmentally Sound Private Sector Growth, 438-001** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 5,569 DA | 5,502 DA | 67 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 4,140 ESF | 3,412 ESF | 728 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 11,099 FSA | 6,583 FSA | 4,516 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 67 DA | |
| | 0 CSD | 0 CSD | |
| | 6,000 ESF | 1,217 ESF | |
| | 0 SEED | 0 SEED | |
| | 4,640 FSA | 4,437 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 5,569 DA | 5,569 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 10,140 ESF | 4,629 ESF | 5,511 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 15,739 FSA | 11,020 FSA | 4,719 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 8,959 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 8,959 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 5,569 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 9,000 ESF | 0 ESF | 28,099 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 15,739 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (in thousands of dollars) | | | |
|---|---|---|---|
| **Program: Mongolia** | | | |
| **Title and Number: Consolidate Mongolia's Democratic Transition, 438-002** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 1,442 DA | 192 DA | 1,250 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 2,950 ESF | 2,052 ESF | 898 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 1,901 FSA | 1,103 FSA | 798 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | DA | 1,231 DA | |
| | 0 CSD | CSD | |
| | ESF | 861 ESF | |
| | 0 SEED | 0 SEED | |
| | 1,360 FSA | 1,270 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 1,442 DA | 1,423 DA | 19 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 2,950 ESF | 2,913 ESF | 37 ESF |
| | 0 SEED | SEED | 0 SEED |
| | 3,261 FSA | 2,373 FSA | 888 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 3,000 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 3,000 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 1,442 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 3,000 ESF | 2790 ESF | 11,740 ESF |
| | 0 FSA | 0 SEED | 0 SEED |
| | 0 DFA | 0 FSA | 3,261 FSA |
| | | 0 DFA | 0 DFA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Mongolia** | | | |
| **Title and Number: Mongolia Energy System Reformed, 438-003** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 12,000 DA | 12,000 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 36,308 ESF | 36,097 ESF | 211 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 0 DA | |
| | 0 CSD | 0 CSD | |
| | 0 ESF | 211 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 12,000 DA | 12,000 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 36,308 ESF | 36,308 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Esimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 12,000 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 4,092 ESF | 40,400 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

**PHILIPPINES**

| Program Summary (In Thousands of Dollars) | | | | |
|---|---|---|---|---|
| **Category** | **FY 1999 Actual** | **FY 2000 Actual** | **FY 2001 Estimated** | **FY 2002 Request** |
| Development Assistance | 22,750 | 22,500 | 30,634 | 27,259 |
| Development Fund for Africa | 0 | 0 | 0 | 0 |
| Child Survival & Disease Fund | 4,400 | 7,200 | 9,450 | 9,800 |
| Freedom Support Act Funds | 0 | 0 | 0 | 0 |
| SEED Act Funds | 0 | 0 | 0 | 0 |
| Economic Support Funds | 0 | 0 | 8,969 | 15,000 |
| P.L. 480 Title II | 0 | 0 | 0 | 0 |
| P.L 480 Title III | 0 | 0 | 0 | 0 |
| **Total Program Funds** | **27,150** | **29,700** | **49,053** | **52,059** |

**Mission Director, Patricia K. Buckles**

# PHILIPPINES

## Introduction.

The Philippines is a major U.S. trading partner and a strategic friend on the periphery of continental Asia. As the only market economy in East Asia that has never enjoyed a prolonged period of rapid economic growth, the Philippines remains hobbled by political uncertainty and poverty. The armed insurrection in Mindanao feeds on the lack of development and economic opportunity. Environmental degradation impedes economic development in rural areas that are the backbone of food security and discourages investment in urban areas. Corruption continues to keep the country mired in economic and fiscal limbo, justifying its reputation as one of the most corrupt economies in Asia. The excesses and corruption of President Estrada and his Administration eroded much of the gradual progress that the Philippines had made against these chronic problems. Although the country was pushed to the brink of a financial collapse, the worst was avoided thanks to the peaceful transition of government. The new Administration has moved quickly to reverse previous policies, waging "all-out peace" in the south and developing plans to attack the economic problems that the last several months of political turmoil had exacerbated. The Government of the Philippines (GOP) has announced plans to curb spending and improve tax collection to lower its large budget deficit. Alongside these moves are efforts to strengthen governance and fight corruption.

The U.S. government supports a USAID program that: 1) encourages reforms to reduce corruption and increase transparency and probity in economic governance; and 2) addresses the root causes of instability in Mindanao by providing livelihood alternatives for former and current combatants, should they choose to pursue the road to peace. USAID also plays a prominent role in achieving broader U.S. goals of trade expansion and financial stability in East Asia by supporting Philippine government efforts to further liberalize trade and strengthen financial sector governance. Liberalization offers the prospect of broader U.S. access to the Philippine domestic market of 78 million people and the possibility of creating more export-oriented jobs in the United States. This support also contributes to the overall trend of liberalization in the region by making the Philippines a more informed participant in regional fora.

USAID helps to revitalize the Philippine economy and transform governance in order to accelerate sustainable growth. USAID's approach is rooted in a sound understanding of the new Philippine administration's priorities and knowledge of USAID's comparative advantage. It builds on the potential for synergies within USAID's portfolio and takes advantage of opportunities for increased collaboration with the GOP and other donors. USAID's program contributes to improvement of the quality of Philippine life while strongly supporting broader U.S. interests in the Philippines and in the region. USAID assistance will play a critical role in achieving the goals of accelerating sustainable economic growth and reducing poverty by assisting development of an investment climate less constrained by corruption and poor governance, while strengthening prospects for continued peace in Mindanao. USAID programs help make institutions, policies, and practices more transparent and accountable; and remove competitive barriers to the development of infrastructure and trade. Finally, USAID programs place increased attention on the economic consequences of unsustainable natural resource use and a population growth rate that is one of the highest in Asia.

USAID assistance to the Philippines directly supports the stability and progress of one of the U.S. Government's most trusted allies in this rapidly changing part of the world. Broader U.S. interests, articulated in the Mission Performance Plan and supported by USAID's program, include: (a) ensuring that the Philippines plays an active role as a security partner in Asia; (b) maintaining Philippine support for expanding its trade and investment regime; (c) increasing U.S. exports and investment; (d) promoting economic development that fosters equitable growth and increased economic opportunity; (e) strengthening constitutional democracy and enhancing the Philippines' role as the region's hub for the promotion of democracy and human rights; (f) alleviating the suffering of those affected by crises and social marginalization; (g) reducing Philippine environmental degradation, promoting global climate change mitigation, promoting sustainable management of natural resources and biodiversity, and encouraging greater Philippine support for U.S. environmental objectives in international fora; (h) reducing the fertility rate; (i) reducing the threat of HIV/AIDS and other infectious diseases; and (j)

fostering ties to the Philippine government and civil society that provide access to information and can exert influence to promote U.S. interests.

**Development Challenge.**

Philippine economic growth has lagged behind most of its Asian neighbors over the past 30 years—not only behind the Asian "tigers," but also behind less advanced economies of the region. For example, 1999 per capita income in the Philippines (measured in terms of purchasing power parity) was $3,815. This exceeded only that of China ($3,291), economically troubled Indonesia ($2,439), and Vietnam ($1,755). However, the change in per capita income between 1975 and 1999 in the Philippines (measured in 1987 dollars) was only 14%, compared with 326% in Indonesia and 235% in China. In East Asia, only Burma, North Korea, and the economies of Indochina have performed more poorly. Ironically, while the Philippines has lagged economically, its democratic system has demonstrated vibrancy and resilience. The failure of the Philippines to more effectively capitalize on its democratic system is the result of several deeply ingrained obstacles to growth, including:

- High fertility rates and consequent rapid population growth (2.0% per year), and very high rates of infectious diseases such as tuberculosis;

- Profound systemic weaknesses that have allowed corruption to flourish, inhibited development of fully competitive markets, and limited government capacity to raise revenue and make critical investments in human resources and infrastructure; and

- Lack of technical skills, financial capacity, and the political will to protect the natural environment. This in turn threatens basic food security and globally significant biological diversity, promises to greatly accelerate rural to urban migration over the short-term (thereby placing even greater stress on already inadequate infrastructure), and could make large parts of the Philippines virtually uninhabitable over the longer term.

USAID's program consists of a series of highly focused and inter-connected activities to combat all three of these obstacles to development.

**Other Donors.**

Based on actual 2000 levels, the United States is the fifth largest donor, after Japan, the Asian Development Bank, Germany, and the World Bank. Nonetheless, USAID and the U.S. government continue to play a critical role in Philippine development and policy change because of USAID's experience, expertise, and long established relationships with key players in the GOP and the donor community. USAID collaborates with many multilateral and other bilateral donors in a variety of fora on a daily basis. In FY 2001, USAID expects to provide $48.8 million in grant assistance. At the 2000 Consultative Group meeting, donors, including the U.S., pledged a total of $2.6 billion for development assistance to the Philippines.

**FY 2002 Program.**

USAID continues to narrow the focus of its activities in the economic growth, environment, population and health fields to specifically address the obstacles to sustainable growth identified above, and to integrate democracy and governance efforts into the rest of its programs.

As planned, USAID will phase out trade and investment enhancement programs specifically targeted on the island of Mindanao, and will focus on programs aimed at producing national-level impacts. Due to an unexpected escalation of the Mindanao conflict, however, USAID initiated a follow-on program in 2001 to complete the process of assisting former combatants to develop the capability of making a living. This will continue in 2002, along with complementary programs for conflict management and structuring of the political frameworks to establish or improve governance in parts of Mindanao.

USAID‘s high priority economic policy assistance activities will focus on responding directly to the security crisis and to the Philippines' long-standing governance crisis. Assistance will focus on reforms that institutionalize transparency and accountability in economic governance and reduce barriers to entry in the provision of critical infrastructure services and trade. Planned outcomes include enhanced transparency of economic institutions, improved tax collection, efficient and corruption-free customs valuation, and reform of government budgeting and procurement at both the national and local government levels. Within this program of activities, USAID will also help the Philippines to implement its World Trade Organization (WTO) commitments, foster more productive use of information technology, and commercialize biotechnology.

USAID will integrate its population, health and infectious disease programs for more effective implementation. The new program is expected to result in expanded activities that strengthen the capacity of the private sector and local governments to deliver family health and reproductive health services. It will also result in more focused advocacy for health sector reforms, new initiatives in private sector treatment of tuberculosis, new health insurance packages, and more effective food fortification programs. Activities to combat HIV/AIDS and infectious diseases will focus on sustaining local level capacity for surveillance and education.

In the environment area, USAID has integrated its biodiversity conservation and global climate change activities to focus scarce financial resources and increase synergy among ongoing and planned efforts. A new initiative under the Integrated Resources Management (IRM) program is strengthening local environmental governance as a means to conserve biological diversity, stimulate economic growth, and resolve natural resource use conflicts. Program integration will also focus on the close link between biodiversity conservation and the ongoing global climate change (GCC) program. For the GCC program, USAID will foster the use of innovative technology and promotion of clean technologies and focus on renewable energy programs for power generation in off-grid areas. After passage of the power sector restructuring legislation, USAID will take on the challenge of reducing the Philippine transportation sector's contribution to global climate change.

In addition to the above program, USAID will support implementation of numerous centrally-funded programs. These include, among others, programs in microfinance; anti-corruption and financial sector strengthening programs under the Asia and Near East Bureau’s Accelerated Economic Recovery in Asia program; exploration of renewable energy alternatives; and grants to U.S. nongovernmental organizations for activities that complement the Mission’s strategic thrusts. Until recently, the Office of Transition Initiatives implemented the Support with Implementing Fast Transition program for ex-combatants in Mindanao. USAID will provide logistical and administrative support for its Mongolia and Japan offices and for the regional offices of the Inspector General, the Office of Foreign Disaster Assistance, and the U.S.-Asia Environmental Partnership. In addition, USAID will provide legal support services to USAID programs in Vietnam, Laos, Cambodia, Thailand, Mongolia and Japan.

## ACTIVITY DATA SHEET

**PROGRAM:** Philippines
**TITLE AND NUMBER:** Accelerate the Economic Transformation of Mindanao, 492-001
**STATUS**: Completed
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $200,000 DA
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** None.
**INITIAL OBLIGATION**: FY 1995 **ESTIMATED COMPLETION DATE**: FY 2001

**Summary:** The island of Mindanao has more than a third of the landmass of the Philippines, and is home to one-fourth of the country's population. The quality of life of the people of Mindanao has historically been well below national levels, but the island has potential for substantial and accelerated economic growth. USAID is implementing an aggressive, broad-ranging enterprise development program on the island to facilitate maximum participation of small farmers, fishermen, and small and microentrepreneurs in the economy, while at the same time carrying out various activities intended to improve the overall trade and investment environment on the island.

Enterprise development activities include: helping marginal farmers and fishermen access more lucrative markets; creating new jobs by attracting and facilitating the establishment of new businesses; and helping private banks develop the capability to profitably provide services to microenterprises. Activities aimed at improving the trade and investment environment on the island include: policy modification assistance; infrastructure development assistance; and various programs aimed at facilitating the establishment and optimal functioning of key "business support organizations" and equity investment funds. To help solidify the peace agreement between the Government of the Philippines (GOP) and the principal Muslim separatist organization, the Moro National Liberation Front (MNLF), USAID supports programs aimed at assisting former combatants develop the capability to make a living. The recent political turmoil in the Philippines and the change in Presidents makes it all the more important for the United States Government to support continuing efforts to encourage MNLF and other Muslim groups to maintain a negotiated peace.

**Key Results:** Given the major disruptions Mindanao faced during the year—the explosion of armed conflict between the GOP and the Moro Islamic Liberation Front (MILF—an MNLF splinter group); a series of highly publicized kidnappings; and the generally poor performance of the national economy associated with the country's political upheaval—satisfactory progress has been made toward attainment of the objective's goals. Good progress has been made in some areas; less than satisfactory results have been attained in others. The number of marginal farm and fishing families initiating commercial-level production of more lucrative products during the year was above 11,640, exceeding the target of 10,600. Beneficiaries included some 5,523 former MNLF combatants, a special target of USAID's Mindanao programs. Although new investment from USAID-supported investment promotion efforts improved from $58 million to $73 million in 2000, this was below the 2000 target of $250 million, reflecting the outbreak of serious violence that brought new investment in Mindanao virtually to a standstill. Mindanao's annual share of the total infrastructure budget increased from 23.75% in 1999 to 26.70% in 2000—the largest annual increase ever, and above the general target of 25% per year. In 2000, over 33,000 microenterprises accessed services from banks assisted by USAID to develop their capability to profitably service the microenterprise sector. This was more than twice the target, and triples the 1998 level. Rural banks' participation in USAID's programs has been so successful that rural banks throughout the country are clamoring to join.

**Performance and Prospects:** Progress has been made in transforming Mindanao's economy since USAID began focusing economic growth resources there in the early 1990s, and especially since this objective was formally adopted in 1995. This period has seen sustained increases in annual investment levels, numbers of jobs, value of exports, and production of higher value products. There has been a major expansion of public infrastructure. Telephone density has increased at least twenty-fold. The peace agreement reached with the MNLF in 1996 made possible an expansion of opportunities for economic prosperity to areas of the island where, because of continuing strife, this previously had been

impossible. USAID's very successful programs aimed at facilitating re-entry of former MNLF combatants into the economic mainstream have been crucial to this effort, and have also helped contain the violence in many areas. However, the recent escalation of the armed conflict between the GOP and the MILF (which was not party to the 1996 peace agreement) resulted in significant slowdowns in new investment and job creation during 2000.

Performance in 2001 will be affected by the general poor performance of the national economy and the degree to which progress is achieved in managing the continued conflict in parts of Mindanao. Nonetheless, significant program accomplishments are expected. It is expected that at least 2,000 additional former MNLF combatants will enter and graduate from current programs aimed at helping them obtain the capability to make a reasonable living. This will bring the total number of former combatant graduates from this program to 13,000. Mindanao's share of government infrastructure resources has been disproportionately low in the past, but should approach 30%, thereby helping to ensuring progress of key infrastructure activities. Several Muslim business support organizations in western and central Mindanao will be strengthened and linked into larger associations that can speak for the Muslim business community, and will provide a full range of needed services for their members.

**Possible Adjustments to Plans:** Activities associated with the current phase of the Mindanao program will end in 2001. Activities intended to strengthen the policy advocacy capabilities of key business support organizations on the island will be continued under objective 492-002. Support for peace prospects will be included in a new special objective (492-010). This support will involve a new, follow-on program that consolidates the best practices of two prior programs aimed at reintegrating former combatants and communities into the productive economy. USAID's highly successful Microenterprise Access to Banking Services in Mindanao (MABS-M) Program will be continued under objective 492-003, and expanded more aggressively into Muslim areas.

**Other Donor Programs:** Following USAID's lead—and in spite of the upsurge in armed conflict in 2000—all major donors have continued to focus on Mindanao. The level and type of USAID interaction with donors varies. For donors with limited on-the-ground program development and management capability (i.e., the United Kingdom, Italy, New Zealand), USAID provides assistance in identifying, planning, and implementing suitable assistance activities that are financed by those countries. For countries and organizations with greater on-the-ground planning and implementation capability, such as the World Bank and Australia, frequent meetings are held to discuss how programs might support each other. For example, USAID has provided considerable assistance to local government units in developing and submitting proposals for small infrastructure project funding under the World Bank-sponsored Social Fund, which focuses on the Muslim areas of Mindanao.

**Principal Contractors, Grantees, or Agencies:** Louis Berger International, Inc. is principal contractor for trade and development activities on Mindanao, and one of two major contractors for the prior programs focused on former combatants. (The second contractor, under an Office of Transition Initiatives-funded activity, was Development Alternatives, Inc.) Chemonics, Inc. is the contractor for the Microenterprise Access to Banking Services-Mindanao Program. Philippine counterparts include the Presidential Advisor for National Development, the Southern Philippines Council for Peace and Development, and the Rural Bankers' Association of the Philippines.

## ACTIVITY DATA SHEET

**PROGRAM:** Philippines
**TITLE AND NUMBER:** Investment Climate Less Constrained by Corruption and Poor Governance,* 492-002
**STATUS**: Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCES:** $6,405,000 DA; $3,986,000 ESF
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCES:** $5,892,000 DA; $8,000,000 ESF
**INITIAL OBLIGATION**: FY 1995 **ESTIMATED COMPLETION DATE**: FY 2004

**Summary:** USAID's goal for this activity is to create jobs and reduce poverty in the Philippines by reducing the constraints on investment caused by corruption and poor governance, including the barriers to competition that inhibit domestic and international investment. The activity will increase transparency and accountability in the Philippine economy, provide incentives for expansion of critical infrastructure services, and increase the country's competitiveness in international trade. Armed conflict on Mindanao is also a factor in constraining the Philippines investment climate. This activity will continue USAID's support for the economic development of Mindanao as a complement to USAID's objective 492-010 aimed at promoting peace on Mindanao.

USAID is helping to increase transparency and accountability in the Philippines by means of an anticorruption program in high priority areas such as tax collection; customs valuation; reform of government budgeting and procurement; strengthening oversight of the banking sector; capital markets and microfinance institutions; and promoting institutional development in the securities markets. To provide incentives for expansion of infrastructure services, USAID is helping to break up monopolies and promote reforms in infrastructure contracting and implementation. To increase Philippine competitiveness in international trade, USAID is promoting reduction of tariffs and other barriers to trade such as WTO non-compliance, as well as increased competition in domestic industries such as transportation and communications. In support of these aims, USAID, in partnership with local governments and civil society, is implementing activities in policy advocacy, reform, and implementation oversight and monitoring. The overall program contributes directly to the Agency's economic growth objectives, and to the following FY 2001-2003 U.S. Mission Performance Plan goals: (a) maintaining Philippine support for expanding its trade and investment regime; (b) increasing U.S. exports and investments; (c) promoting economic development that fosters equitable growth and increased economic opportunity; (d) strengthening constitutional democracy and enhancing the Philippines' role as the region's hub for the promotion of democracy and human rights; and (e) fostering ties to the Philippine government and civil society that provide access to information and can exert influence to promote U.S. interests.

**Key Results:** Two new indicators were adopted in March 2000. The domestic tax revenue indicator replaced the total tax revenue indicator. The new indicator reflects a specific focus on the problem of income tax collection, given that revenues from trade taxes have declined due to tariff reforms. The employment indicator replaced the trade openness indicator, as the latter duplicated the effective protection rate indicator. The employment indicator will measure the economic and social impact of effective policy reform on the creation of productive jobs.

As demonstrated by these indicators, performance in 2000 continued the pattern of the previous year. While trade protection continued to shrink as projected, inadequate implementation of reforms and existing policies, along with a major political crisis, adversely affected all other economic indicators. Gross capital formation slowed from 21.1% to 20.4% of GDP due to a decline in construction, especially public construction, as the government battled an increasing budget deficit. The slow recovery of the economy and continued deterioration in tax administration had a significant impact on corporate tax revenues, resulting in a reduction in the domestic tax effort from 11.6% to 10.7% of GDP. The bleak economic outlook severely affected the industrial sector and employment growth, which turned negative for both sexes. Males were hit harder, with a 1.2% reduction in formal-sector jobs, while females suffered a reduction of 0.8%.

---

* Previously notified as A More Stable and Competitive Economy.

**Performance and Prospects:** Despite the weak economic results, the breadth and depth of USAID-supported policy reforms in the year 2000 were impressive, especially considering that such exceptional events as the impeachment trial of then-President Estrada interrupted the Philippine legislature's work on reform bills.

In the early 1990s, the Philippines achieved political and economic stability and entered a sustained period of economic reform emphasizing trade liberalization and increased domestic competition. Although Philippine economic growth continued to lag behind that of its neighbors, the incidence of poverty fell by approximately 1% of the population per year between 1991 and 1997. The Asian financial crisis and the El Niño phenomenon in 1997-99 brought a pause in Philippine growth that was extended by the country's heightened governance problems in 1999 and 2000. Charges of corruption and poor governance focused especially on financial markets, government procurement, and tax administration. As a result of widespread dissatisfaction, a new GOP Administration under President Macapagal-Arroyo came to office in January 2001. The new Administration offers improved prospects for combating corruption, attracting investment, and reducing the incidence of poverty.

USAID's 2000 program increasingly emphasized economic governance, including enforcement of regulatory policies. With USAID support, a new securities regulation code was signed into law in 2000 to better regulate the abuse-plagued stock exchange. USAID expanded its assistance for banking supervision and helped the GOP formulate a supervisory framework to make deposit-taking cooperatives more sustainable, thus increasing microenterprise access to the formal financial sector. As responsibility for managing bankruptcy cases was transferred to the courts in 2000, USAID assisted in drafting judicial guidelines pending congressional action on a new Corporate Recovery Act (also drafted with USAID assistance). In support of policy reform, USAID has encouraged civil society organizations to advocate for transparency and accountability in government and for overseeing performance of government procurement and service provision.

To increase fiscal transparency, USAID continued to lead a multi-donor effort encouraging the GOP to restructure the problem-plagued Bureau of Internal Revenue. USAID also assisted in computerization of value-added tax returns and creation of income-tax databases to improve tax policy analysis and to better target improvements in tax administration.

To address policy enforcement problems, USAID initiated support to the judicial sector in reviewing legal doctrines affecting commercial law and economic regulation. In addition, USAID supported the use of alternative dispute resolution systems to reduce the backlog of cases hampering the judiciary's efficiency.

To encourage provision of critical infrastructure services, USAID assisted in reforms to break up infrastructure monopolies, particularly in civil aviation and ports. Results included helping preserve Philippine-Taiwan air services agreements and progress in adopting airline competition rules. An Executive Order that would have contracted out management of the country's largest port on a non-competitive basis was stopped, and a commitment to transparent, open bidding was elicited. Finally, a road user charge and road maintenance fund was designed with USAID's support, and was passed by the Congress in 2000. This laid the groundwork for competitive private participation in road maintenance.

The dynamic information and communications technology (ICT) sector holds tremendous promise in the Philippines. USAID was instrumental in the adoption of an electronic commerce law in 2000, which for the first time recognizes the legality of electronic transactions and criminalizes computer hacking. To ensure openness and competition in the ICT sector, USAID assisted the National Telecommunications Commission in issuing revised rules on interconnection between carriers, and in conducting an in-depth technical analysis of inter-firm pricing.

In a signal success for competition, USAID played a major role in passage of a law in 2000 that opened retail trade to foreign investment for the first time in almost 50 years. Also to increase openness and competition, USAID continued to support compliance with WTO commitments. With USAID support, the Bureau of Customs successfully implemented the customs import valuation system, and advocated

related legislative changes, which passed Congress in February 2001. USAID supported the revision of the GOP's tariff schedule in 2000; use of the harmonized system in the generation of and dissemination of foreign trade statistics; implementation of intellectual property rights legislation; and analysis and advocacy for global competitiveness.

Anticorruption and Improved Governance: *In FY 2001 USAID will devote $3.986 million ESF and $3.65 million DA to this activity*, which is a special focus of FY 2001 ESF resources. Beginning in 2001, at both the national and local levels, this activity will focus on transparency, accountability, and anticorruption initiatives, particularly on expenditure management, transparent budgeting, procurement reform, revenue generation, tax and customs management, accounting and audit reform, regulatory strengthening, and commercial law. Special activities will include efforts to build constituencies for reform in civil society for purposes of advocacy, monitoring, and oversight of reforms. To ensure that reforms are adequately enforced, USAID will target assistance to the judicial sector, including training in commercial law and reforms that unclog court dockets. This emphasis also encompasses the competition and regulatory barriers to development of the major infrastructure required to attract investment, as well as WTO issues that hinder international trade.

The program also continues USAID's support for economic development in Mindanao, in conjunction with USAID's objective 492-010 of strengthening the prospects for peace between the GOP and Muslim rebels on that island. Activities include strengthening the policy advocacy capabilities of business support organizations in Mindanao and improving production and marketing of tradable crops. About $2.75 million in FY 2001 DA resources will be used to support these Mindanao-specific activities under this objective. Mindanao's transparency and accountability issues will be addressed by activities under the component described above.

**Possible Adjustments to Plans:** During the past year, USAID closed out a number of activities in order to concentrate its limited resources on policy and regulatory design and legislative drafting and advocacy. The recent change of government in the Philippines promises a more positive environment for addressing corruption and governance issues that impede economic growth, as the programs described above indicate.

**Other Donor Programs:** USAID plays a unique role in supporting the structural adjustment framework of the GOP and multilateral donors. In response to the Asian financial crisis, the Government of Japan, the International Monetary Fund (IMF), the World Bank and the Asian Development Bank (ADB) have provided large packages of support for the Philippines. USAID is the principal source of technical assistance for advocacy and implementation of the economic policy reforms targeted by this assistance. For example, USAID-supported resident advisors assist the Central Bank and the Department of Finance in managing World Bank funds for technical assistance on bank supervision and retirement pensions. USAID works with the IMF and the Bureau of Internal Revenue to improve tax administration, and is helping the ADB design and implement grain markets reform. USAID is also actively coordinating with both multilateral and bilateral donors on anti-corruption and governance efforts in areas such as procurement reform, judicial reform, and local government finance. USAID also supports private business and trade groups' contributions to the reform effort.

**Principal Contractors, Grantees, or Agencies:** USAID activities are implemented through contracts with Development Alternatives, Inc.; PricewaterhouseCoopers; the Inter-American Management Consultancy Corporation; the Barents Group; Chemonics; and Louis Berger International; through grants to The Asia Foundation and local non-governmental organizations; and through PASAs with the U.S. Customs Service and the U.S. Bureau of Census.

**ACTIVITY DATA SHEET**

**PROGRAM:** Philippines
**TITLE AND NUMBER:** Reduced Fertility Rate and Improved Maternal and Child Health, 492-003
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $17,865,000 DA; $4,500,000 CSD
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $15,000,000 DA; $9,800,000 CSD; $2,000,000 ESF
**INITIAL OBLIGATION:** FY 1994 **ESTIMATED COMPLETION DATE**: FY 2004

**Summary:** The 2000 census for the Philippines showed that the population growth rate has remained at 2.36%. At this rate, the Philippines' population will double by 2029. This demographic situation has grave consequences for economic growth, social welfare, and the environment. Because the population growth rate is largely fueled by high fertility, USAID will continue its focus on helping to reduce the fertility rate and improve maternal and child health.

Recent experience has shown that the central government health service delivery model has not produced the desired results. The 1998 Demographic and Health Survey and independent assessments of USAID's program confirmed a lack of progress and limited effectiveness. The focus of USAID's population program over the next five years will be on building the capacity of the private sector and local governments to deliver family planning and health services. In mid-1999, USAID helped establish the Friendly Care Foundation (FCFI), a private sector foundation that will provide financially sustainable, demand-driven family health and reproductive health services to lower-middle and middle-income groups—estimated to be more than two-thirds of the total population. The establishment of FCFI clinics will add to the growing network of midwife clinics under the highly innovative Well Family Midwife Clinic program.

USAID's public sector population and health activities, mainly implemented through its Local Government Performance Program (LPP), have been redirected toward the poorest sector of the population and concentrate on improving the quality of service delivery at the local level. Building on a Department of Health (DOH) reform initiative, USAID focuses on improving district health administration; local procurement and distribution of drugs; hospital management and fiscal autonomy; and an expanded and strengthened social insurance system. Both the public and private sector programs will provide accessible, high quality, affordable, and sustainable services to their clients.

These activities directly support the Agency's goal of stabilizing population growth and protecting human health, as well as the FY 2000-2002 U.S. Embassy's Mission Performance Plan goal of reducing the fertility rate from 4.1 in 1993 to 3.0 in 2004. Approximately 10.9 million women and two million children under age one are the direct beneficiaries of programs supported under this strategic objective.

**Key Results:** The Government of the Philippines' (GOP) commitment to making family planning (FP) and maternal and child health (MCH) services accessible to the population was never more apparent than in the past year. For the first time, the GOP included funding for contraceptives in the national budget. The GOP also issued an administrative order approving post-abortion care. The GOP launched the Health Sector Reform Agenda and developed a Food Fortification Strategy that is acknowledged by international experts as the first comprehensive strategy to be developed in Asia. The private sector's response to the urgent need for FP and MCH services was also laudable. A total of 57 clinics were added to the private sector network of health providers. These achievements, assisted by USAID-funded activities, were reflected in USAID's objective-level and intermediate results. The year 2000 showed steady progress in the performance of selected indicators. Compared to 1999 figures, the contraceptive prevalence rate for modern methods remained stable at 32%. High-risk births decreased dramatically from 55.7% to 39.8%. The percentage of fully immunized children increased from 64.5% to 65.2%. Tetanus toxoid coverage increased from 33.2% to 34.0%.

**Performance and Prospects:** The proposed FY 2001 obligation is $17.865 million Development Assistance (DA), and $4.5 million Child Survival and Disease (CSD). DA funds will allow USAID to

strengthen the capacity of the public sector to provide quality and affordable FP and MCH services targeted at the poor, and support expansion of the private sector's share in the provision of FP and MCH services. Using CSD funds, USAID will implement activities in the following key child survival areas: acute respiratory infection, child immunization, oral rehydration therapy, and micronutrients (including Vitamin A supplementation and fortification). Because USAID is implementing an integrated FP and MCH program, both DA and CSD funds are used, when appropriate, to support most of the objective's activities.

Expanding the Private Sector*: The FY 2001 planned obligation for this component is $5.06 million DA and $2.45 million CSD.* USAID supports the expansion and improvement of private sector provision of reproductive health services to middle and lower income groups. USAID technical assistance and grants support an expanding network of 240 privately owned Well-Family Midwife Clinics and help support coordination and management mechanisms to maintain the brands, market and quality to ensure sustainability. The clinics provide quality FP and MCH services for a modest price to underserved communities in both urban and rural settings while, at the same time, the midwives, who have gained the skills and knowledge to become health entrepreneurs, have increased their personal incomes. In 2001, 190 clinics are expected to graduate from full dependence on USAID support and become paying clients of USAID-provided technical assistance. USAID also provides extensive technical assistance and operations support to FCFI, which aims to establish a network of low-cost, fee-for-service clinics in urban areas that provide a full array of family health services. This network has founded seven new clinics and is already attracting large numbers of clients for family planning services.

Strengthening the Public Sector*: The FY 2001 planned obligation for this component is $9.81 million DA (including $3.0 million for contraceptives) and $1.4 million CSD.* USAID is developing the capabilities of local governments to implement their FP/MCH interventions. This is particularly important in the Philippines, as health service delivery is one of the vital government functions that has been devolved to local government units. Through the LPP's base grant and matching grant programs, USAID provides technical assistance to provinces, municipalities and cities to plan and manage an integrated FP/MCH program. Participating provinces, municipalities and cities represent about 90% of the total population. LPP also supports public-private sector partnerships with selected local governments, leading to increasing DOH and local government funding as USAID funding drops. USAID also supports the *Sentrong Sigla* (Centers of Wellness) Program, a quality assurance program to improve health services at local health facilities. This program ensures that the country's public health facilities meet quality standards. Since its inception in 1998, the number of facilities certified as *Sentrong Sigla* has reached 1,000. Child survival interventions in 2002 are projected to result in further reductions in infant mortality rates and births in high-risk groups.

Creating the Enabling Environment for Provision of FP/MCH Services: *The FY 2001 planned obligation for this component is $2.85 million DA and $650,000 CSD*. USAID will continue to develop the enabling environment that is vital for successful implementation of FP and MCH programs for both the public and private sectors. USAID technical assistance to the Health Sector Reform Agenda, the flagship program of the DOH, is intended to correct inefficiencies and inequalities in the delivery and financing of health care and to improve the performance of the Philippine health sector. The focus of this assistance is to: 1) improve the benefit package by including outpatient benefits such as immunization, family planning services, TB treatment, and selected diagnostic services; 2) expand coverage with the ultimate goal of attaining universal coverage; and 3) increase the share of social health insurance as a percentage of total health spending. Because the poor shoulder most of their health costs out-of-pocket, this initiative will benefit them in particular. USAID is also assisting the GOP's Contraceptive Interdependence Initiative to phase in local health resources for oral contraceptives, and is working with the DOH toward self-reliance in FP service delivery. The DOH recently awarded a contract for procurement of contraceptives worth approximately $1.7 million. USAID will provide technical assistance for procurement, and for policy and legal changes to reduce reliance on government provided contraceptive commodities. In an environment where political support for family planning programs is uncertain, USAID will support advocacy efforts for greater government, private and public support for contraceptive commodities, and for policies that enhance population programs.

**Possible Adjustments to Plans:** As articulated in the USAID strategy approved in October 1999, adjustments will be made to integrate activities of the HIV/AIDS-ID special objective (592-007) and to further refine the program indicators. Future requests for funding for this objective will include HIV/AIDS and ID activities.

**Other Donor Programs:** While USAID remains the largest donor to the Philippines National Family Planning Program, other donors also made significant contributions. In 2000-2004, the United Nations Fund for Population Assistance will contribute about $30 million to strengthen public and private sector reproductive health at national and local government levels and through selected non-governmental organizations (NGOs). A combined World Bank and bilateral donor loan/grant program supports a five-year, $120 million Women's Health and Safe Motherhood program. The DOH, clearly signaling its support for family planning, increased the family planning service budget in 1998 by 50% over the 1997 allocation, and maintained an average annual increase of 30% to the year 2000, excluding the amount allocated for contraceptives.

**Principal Contractors, Grantees, or Agencies:** USAID implements activities through the DOH, the Philippine Commission on Population, local governments, and NGOs (U.S. private voluntary organizations and private commercial sector entities) involved in the Philippine National Family Planning Program. Major contractors include Management Sciences for Health; John Snow, Inc.; the Futures Group; the Population Council; Association for Voluntary Surgical Contraception (now Engender Health); Johns Hopkins University, and Macro International.

**ACTIVITY DATA SHEET**

**PROGRAM:** Philippines
**TITLE AND NUMBER:** Environmental Management Improved,* 492-004
**STATUS**: Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE**: $4,364,000 DA
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE**: $3,367,000 DA
**INITIAL OBLIGATION**: FY 1995 **ESTIMATED COMPLETION DATE**: FY 2004

**Summary:** USAID has merged biodiversity conservation and global climate change activities under one strategic objective, "Environmental Resources Management Improved." This consolidation will focus scarce financial resources and increase synergy among ongoing and planned efforts. A new initiative under this strategic objective, the Integrated Resources Management (IRM) program, will strengthen local environmental governance to conserve biological diversity, stimulate economic growth, and resolve natural-resource use conflicts. Advisors will assist local government units to plan and carry out natural resource management activities within large land/seascapes; link increasing local government revenues with improved environmental management; and support environment rural enterprises, including renewable energy investments. The global climate change (GCC) program seeks to reduce the emission of greenhouse gases and to maintain/expand forest cover serving as carbon sinks. Program activities in power generation and transport sectors encourage the use of clean fuels such as natural gas as well as renewable energy sources such as hydropower, solar, and wind energy. As forest and coral cover increases with the adoption of conservation and sustainable practices, program activities will increase the sequestration of carbon dioxide and improve the maintenance of environmental services. Economic instruments, including water user fees and park entrance fees, will be developed to generate funding for the sustainable management of critical natural resources such as watersheds and coral reefs.

USAID's focus on conserving biological diversity responds to the grave threats facing the Philippines' unique biological heritage, recognized as one of the richest in the world per unit area. The Philippines is home to approximately 3,000 unique and endemic plant species and more than 500 of the world's 700 known coral species. Only 5% of the coral reefs are in excellent condition; only 20% of original mangrove forest remain; and less than 5% of old growth forests are intact. In addition, increasing urban and industrial wastes are polluting water, soil, and coastal resources. Managing these natural resources wisely is critical as they provide for food security, employment, and valuable environmental services such as water supplies for hydropower and irrigation.

In addition to these threats, power industry emissions in the Philippines have more than doubled over the last ten years as a result of economic and population growth, and due to the continued heavy use of fossil fuels to meet the country's energy needs. USAID's global climate change strategy helps mitigate greenhouse gas emissions from the power and transport sectors by expanding the use of clean fuels and new and renewable energy, as well as increased efficiencies in power generation, transmission, distribution, and end use.

**Key Results:** USAID assistance has been instrumental in developing innovative environmental policies to devolve authority for natural resource management to communities and local governments, a condition imperative for the sustainable use of natural resources and maintenance of environmental services. The experience of USAID and other donors, however, has demonstrated that local institutions need to be strengthened to carry out these new policies. Under the new IRM component, expected results include increased local revenue generation for improved environmental management, increased forest cover and improved management of coastlines. Under the GCC component, expected results are as follows: (a) to prevent the release of some 20 million metric tons of carbon dioxide (CO2)-equivalents into the atmosphere by 2002 with no adverse impact on economic growth through the use of cleaner fuels (such as natural gas, small-scale hydropower, wind, and solar energy); and (b) to increase efficiencies in power generation, transmission, distribution, and end use. The major quantitative impact of the global climate

* Previously notified as Environmental Resource Management Improved.

change program—to support development of the natural gas sector—is expected to be realized in 2002 when natural gas-fired power plants will be operational.

**Performance and Prospects:** IRM component will empower local government units (LGUs) and local organizations to conserve biological diversity and promote rural economic stability. Working through national and regional associations of LGUs and training institutions, training with follow-on technical assistance will be provided to strengthen LGU skills in such areas as revenue generation for improved environmental management; conflict resolution; large land/seascape conservation; and environment friendly enterprises. Program advisors will facilitate and coach participants in the preparation of action plans, obtaining funding, and implementing activities. Coaching LGUs to apply best practices for improved environmental management will strengthen their ownership and capabilities. The IRM component will focus on four key areas: increasing local revenues; supporting environmental advocacy; promoting environmentally responsible investments; and strengthening local environmental governance.

Integrated Resources Management: *In FY 2001 USAID plans to obligate $1.364 million* for the following IRM activities:

Increase local revenues**.** Local revenues will be increased through the use of environmentally-sound economic instruments. There is considerable potential to increase local government revenues from the improved management of natural resource assets such as public lands, private lands, coastal areas, water, and minerals. Promoting appropriate valuation of natural resources can also contribute to more efficient and sustainable use. The IRM component will help strengthen LGUs' ability to—

- Increase real estate taxes on "alienable and disposable" lands, cultivated forest lands, and coastal areas by applying land/seascape zoning, re-classification, and re-evaluation techniques;
- Increase local business taxes by (a) promoting joint ventures on community-managed forest lands and coastal areas; (b) supporting environmentally-responsible investments based on sound zoning; and (c) encouraging the filing of corporate taxes locally rather than in Manila;
- Collect natural resource use fees such as water user fees, entrance fees for protected areas, and developmental fees for forest use; and
- Determine the national/local sharing of revenues from natural resource use fees using economic incentive instruments, and facilitate the issuance of natural resource use permits.

Support environmental advocacy. LGUs will be trained to design, obtain funding for, and carry out effective communication plans. Communication strategies will identify host-country advocates, institutions, and advocacy groups to address critical issues such as overfishing by both commercial and municipal fishermen; intrusion of commercial fishermen in municipal waters; illegal logging; water pollution; and destruction of coral reefs.

Promote environmentally responsible investments. LGUs will be assisted to encourage private sector investments in the environment sector. Investment and enterprise development plans will aim to increase household incomes and employment opportunities. Providing security of land/seascape tenure and resource extraction rights, and transparency in determining the private sector/government sharing of benefits from resource-use are critical incentives for long-term stewardship and investment. The costs and benefits will be identified, for example, of providing key economic infrastructure such as post-harvest facilities and communal irrigation systems. Advisors will assist in brokering appropriate enterprises and investments such as joint ventures in tree/plantation crops and grower contracts with farmers/community organizations.

Strengthen local capacity in environmental management. As most biological diversity is located outside of protected areas, LGUs will be encouraged to work across sectors and jurisdictions. Local capability will be built to identify and address threats to biological diversity and promote the improved management of forest and coastal resources. The capability of local staff will be strengthened to resolve natural resource use conflicts, such as indigenous people's claims. Environmental service fees will be developed that directly support the maintenance of environmental resources. Finally, a local framework will be built for promoting collaboration with other donors within the environment sector and among other sectors, such as health and family planning.

Global Climate Change: *In FY 2001 USAID will use $3 million for Global Climate Change (GCC).* Under this component USAID fosters the use of innovative technology such as fuel cells and promotion of clean technologies such as natural gas. After passage of the power sector restructuring legislation, starting in 2001 USAID will take on the challenge of reducing the Philippine transportation sector's contribution to global climate change. Recent analysis indicates that the Philippine transportation sector now produces as much atmospheric carbon as the power sector. This issue is also directly associated with deteriorating quality of life in urban areas. This activity is a collaborative effort with other donors and government agencies involved in the implementation of the Clean Air Act.

**Possible Adjustments to Plans**: Over the next two years, USAID will bring to a close its remaining coastal and industrial activities in order to focus on integrated resources management. Development of this activity began in FY 2000 with implementation scheduled to begin in FY 2001.

**Other Donor Programs:** Natural resource management activities continue to be closely coordinated with the World Bank (WB), Japan, Asia Development Bank (ADB), the United Nations Development Program (UNDP), Sweden, and the Ford Foundation. For example, USAID collaborates with Japan and the WB on accessing soft loan funds for coastal management activities of local governments. Many USAID-developed best practices are now being adopted by two large ADB projects. USAID-funded technical assistance to improve energy sector policies continues to provide a basis for multilateral donors to extend major energy loans to the Philippines. USAID's assistance is helping the Philippine government meet conditionalities (in particular, development of new legislation) associated with over $1 billion in ADB and Japanese loan programs to support power sector restructuring and privatization. USAID also provided experts to a World Bank team exploring opportunities for expanded use of renewable energies. USAID's current program efforts in this area will contribute significantly to the development of a $200 million World Bank sector loan to the government of the Philippines. USAID also is collaborating with ADB to help the government meet the conditionalities related to the implementation of the “Air Quality Improvement in Metro Manila” and the “Clean Air” acts.

**Principal Contractors, Grantees, or Agencies:** USAID implements activities through GOP agencies; U.S. contractors; and U.S. and local NGOs, including the Philippine Department of Environment and Natural Resources, Chemonics; Conservation International, Enterprise Works Worldwide, Institute of Environmental Science for Social Change, International Institute for Energy Conservation, International Marinelife Alliance, PA Consulting, Tetratech, and the U.S. DOE-National Renewable Energy Laboratory.

**ACTIVITY DATA SHEET**

**PROGRAM:** Philippines
**TITLE AND NUMBER:** Reduced Emissions of Greenhouse Gases, 492-005
**STATUS**: Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE**: None.
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** None.
**INITIAL OBLIGATION**: FY 1996 **ESTIMATED COMPLETION DATE**: FY 2004

**Summary:** Global warming can affect global ecosystems adversely; increase the severity of weather extremes, resulting in typhoons, droughts and flooding; raise sea-levels; and increase associated losses in life, biodiversity, infrastructure, and food supplies. Since the Philippines is an archipelago and an agriculture and fishery-based economy, it is particularly vulnerable to the likely effects of sea-level rise, El Niño and La Nina phenomena. USAID's global climate change (GCC) strategy addresses global warming by mitigating greenhouse gas (GHG) emissions from the power sector. This is being done by expanding the use of clean fuels, promoting more efficient electricity generation, distribution, and consumption and improving the policy environment. The benefits from the anticipated final passage of a USAID-assisted legislation that will restructure the power sector and privatize the government owned National Power Corporation (NPC), will include more private sector investments and increased use of clean indigenous fuels resulting in reduced GHG emissions, and the lowering of electricity rates.

**Key Results:** The end-of-activity target is to avoid the release of some 20 million metric tons of carbon dioxide (CO2)-equivalents into the atmosphere by 2002, with no adverse impact on economic growth. The major quantitative impact of the GCC activity comes from its support for development of the natural gas sector. These numbers should be realized in 2002, when the natural gas-fired power plants become operational.

**Performance and Prospects:** USAID has, as provided for in its strategy, has merged the GCC activity into the environment objective (492-004) for a more integrated and comprehensive program. The $2.997 million obligation for the GCC activity planned for FY 2001 instead will be made from funding under the expanded environment objective. Ongoing policy reform activities for the energy sector will continue to be funded out of the stand-alone GCC program from previously obligated funds.

Implementation of the GCC activity is on track. The climate change team carried out activities to reduce the growth of greenhouses gases from the energy sector in four key areas: 1) increase the use of clean fuels such as natural gas and renewable energy that are also indigenous to the country, 2) improve the policy environment especially in the area of restructuring of the electricity industry and privatization of the government-owned National Power Corporation (NPC) that has been a monopoly since 1936, 3) increase energy efficiency in the generation, transmission and end-use applications and 4) strengthen the capability of government agencies involved in the restructuring of the electricity industry and in formulating global climate change policies.

Policy: The proposed Electricity Industry Reform Act 2001 has reached the stage of final deliberation in the Bicameral Committee of the Philippine House and the Senate. USAID has supported the Coalition of Consumers for the Power of Choice with accurate technical information that highlighted the flaws in the proposed bicameral version. Both the executive and legislative branches of government are reworking the legislation to achieve a "good and effective" bill—one that promotes fair and open competition and provides benefits to consumers. Private sector investments will be encouraged to construct new power plants and transmission facilities to spur the economy and prevent potential power shortages in the future. The GOP's Executive and Legislative branches, and civil society, have expressed their appreciation to USAID for providing experts to lead and facilitate crucial discussions on the major issues in the bill. After passage of the power sector restructuring legislation, USAID will assist the Department of Energy (DOE) in developing implementing rules and regulations.

Clean Fuels: A renewable energy (RE) action plan is being finalized. The increased use of RE in far-flung and isolated areas for rural electrification will help alleviate poverty. The action plan will promote

sustainable RE projects through community ownership, livelihood activities and strengthening of existing government institutions such as the local government units (LGUs) and electric cooperatives (ECs). Technical assistance will be provided to identify the technology to be used, conduct social preparation of the community, build linkages to financing for implementation, and develop a communication plan to replicate the successes in other parts of the country. USAID will also assist private sector initiatives in promoting community awareness and participation.

USAID has completed the baseline analysis of the solar, biomass, and mini-hydro resource maps. These maps have identified great potential for power generation and agricultural uses in the upland, coastal and island areas of the country. These maps will assist prospective developers and investors in identifying the most appropriate and economical technology. A guidebook for developing sustainable rural renewable energy services has been drafted to help stakeholders assess potential renewable energy resources, encourage community participation, develop a business plan, and obtain financing.

To encourage more private sector participation, USAID assisted the DOE to remove technical and financial barriers for RE investment found in existing administrative and executive orders. Royalties and franchise costs have been waived for RE projects. Moreover, RE projects are no longer regulated as conventional sources of energy. USAID also assisted in drafting a proposed RE bill that will provide incentives for more investments in RE. In 2001, USAID will continue to work closely with other donors to encourage increased and sustainable development and utilization of renewable energy.

Capacity building. USAID has supported the Philippine Department of Energy in informing its ASEAN counterparts of the science, policies, economics and market opportunities of climate change. Participants included senior energy and environmental officials from Indonesia, Malaysia, Singapore, Thailand, Laos, Cambodia, Vietnam, Brunei, Burma, and the Philippines. At an ASEAN conference on climate change held in the Philippines, the Deputy Director of the Malaysia Meteorological Service and chair of a subsidiary body under the UN Convention on Climate Change was greatly impressed by the advanced state of knowledge on climate change at the USAID-funded, Manila-based Climate Change Information Center (CCIC). He recommended that his ASEAN colleagues use CICC's website. In addition, the chairman of the ASEAN Center for Energy (ACE) and the Director of the CICC signed an agreement endorsing the CCIC as the "one-stop information center" for the ASEAN nations for information exchange, technical collaboration, training and research, for an initial period of five years. The CCIC is the only electronic hub on climate change in the region, and is now linked to the worldwide web on climate change.

In FY 2000, USAID made significant progress in capacity building in the energy sector. For example, a training program involving the Energy Regulatory Board (ERB) technical staff was launched. ERB's ability to be an effective and independent regulator is critical in implementing a restructured electricity industry. USAID sponsored the first Harvard Institute for International Development (HIID) workshop on climate change in Asia. This highly successful event heightened the awareness of the participants of the economic development perspective on climate change other than the negotiation aspect. USAID also sent officials from government, NGOs and government financial institutions to observe renewable energy and electric cooperative activities in the U.S. This created host-country advocates to move forward the renewable energy program and increase capacity building of electric cooperatives in the Philippines.

End-Use Efficiency. USAID provided technical support to educate building owners and trade organizations and to include energy efficiency as a topic in the curriculum of major universities. Today, commercial building owners are introducing energy efficiency methods in lighting and mechanical equipment to save electricity. Professional trade organizations are recommending energy efficient equipment in their building specifications. The resulting reduction in energy consumption translates to less burning of fossil fuels. Similarly, the heat rate program recommended to NPC power plants has resulted in savings in fossil fuels for power generation, and in a significant reduction in GHG emissions.

**Possible Adjustments to Plans**: None.

**Other Donor Programs:** USAID-funded technical assistance to improve energy sector policies continues to provide a basis for multilateral donors to extend major energy loans to the Philippines. USAID's assistance in enacting a good power sector reform bill will enable the GOP to meet conditionality associated with approximately $1.0 billion in Asian Development Bank, Japan Export and Import Bank and Japan Bank of International Cooperation loans to support power sector reforms and construction of new facilities. USAID also provided assistance to DOE and the World Bank in identifying opportunities for expanded use of renewable energies. This effort will support the development of a World Bank $200 million rural electrification loan.

**Principal Contractors, Grantees, or Agencies:** USAID implements activities through major contractors and cooperators including PA Consulting, U.S. DOE, the National Renewable Energy Laboratory, U.S. Energy Association, and the International Institute for Energy Conservation.

**ACTIVITY DATA SHEET**

**PROGRAM:** Philippines
**TITLE AND NUMBER:** Broadened Participation in Formulation and Implementation of Public Policies,* 492-006
**STATUS**: Completed
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE**: None.
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** None.
**INITIAL OBLIGATION**: FY 1994 **ESTIMATED COMPLETION DATE**: FY 2001

**Summary:** USAID will complete its stand-alone democracy program in FY 2001, and has been integrating its DG activities in local governance and civil society across the Mission's portfolio. This strategy ensures that activities to improve local governance and civil society participation will be more directly related to and supportive of USAID's other priorities in areas such as anti-corruption, competitiveness in the marketplace, community-based management of environmental resources, and promoting peace on Mindanao. The local governance program focussed on helping local-level government units become more democratic and more effective. It addressed revenue concerns, and ways of incorporating broad-based participation into governance via NGO involvement, and assisted progressive provinces, municipalities and cities in adopting participatory mechanisms for improved service delivery, environmental management, development investments, resource mobilization, and partnership with business and private sectors. The civil society program focused on developing coalitions of disadvantaged groups, and facilitating their participation in national and local political dialogues. USAID assistance to these coalitions enabled them to analyze and debate policy issues and participates actively, as advocates, in the public policy arena. As these programs come to an end, mechanisms for program continuity and financial sustainability have been set in place.

**Key Results:** Indicators selected to demonstrate results are: 1) the number of NGO representatives actively participating in local special bodies; 2) the net amount of self-generated revenues collected by target LGUs; 3) the major issues addressed by coalitions; and 4) the skill level of coalitions in identifying and working with interested parties that share the coalition's agenda.

**Performance and Prospects:** The current democracy and governance program will terminate in September 2001. Performance in 2000 was on track, and the targets were exceeded in several cases. For example, the net amount of self-generated revenues by local government units (LGUs) excluded the target of 1,200 million pesos. And, even with stricter criteria for NGOs' eligibility to participate in local-level special bodies, there were 1,468 of them actively involved—just slightly less than the target of 1,500.

Policy advocacy activities by NGO coalitions have resulted in such changes as: ratification by the Philippine Senate of ILO Convention 182 (Convention Against the Worst Forms of Child Labor); implementation of concrete programs that provide informal sector workers, particularly women and youth, with social protection (e.g., health insurance) and access to resources such as training and capital; and establishment of a women's desk in police precincts to handle complaints related to harassment, abuse and violence.

Local Governance: The Governance and Local Democracy (GOLD) activity has institutionalized participatory development tools and approaches in 46 of the 75 Philippine provinces, 23 of the more than 70 cities, and more than 400 of the 1,500 municipalities. This is about six times the coverage USAID originally anticipated, with only a 20% increase in total funding. Using GOLD's tools, LGUs are now better able to promote investments in their communities, manage the environment, involve more people in governance, and adopt measures of excellence in public service.

Mechanisms were developed or strengthened to ensure program sustainability. Six Centers of Local Governance (CLGs) were established with USAID funds, all of them capable of continuing to provide technical assistance and training to LGUs after the activity ends. Their major expertise includes

* Previously notified as Sustainable, Self-Correcting Democratic Governance Nationwide.

technology of participation, planning and budgeting, real property taxation, environmental planning, investment prioritization, public service excellence program, community based feedback mechanism, and participatory strategic organizational assessment. The CLGs are now providing technical services to local governments on a reimbursable basis. GOLD sites continue to provide technical assistance to other LGUs, e.g., Bulacan is helping the province of Bataan to incorporate real property tax information in the province's database. Collaboration between LGUs has been established, e.g., the GOLD sites are sharing their experiences on inter-LGU collaboration in the management of natural resources, such as on watershed and municipal bays and waters, to non-GOLD areas. Local government leagues have been professionalized and partnerships established between local government and national agencies, academe and the private sector.

Five GOLD-assisted LGUs recently received the prestigious Galing Pook award for effective and efficient public service: Bulacan province for Information Systems and Technology; Bohol province for cultural tourism and investment promotion; Nueva Vizcaya province for its health sector quality improvement program; Dumaguete City for its integrated livelihood and ecological program; and the municipality of Looc, Romblon for coastal resource management.

GOLD achievements in the field of information systems and technology include completion and piloting of the Financial Trend Monitoring System Guidebook. The Financial Management Information System, which combines the functions of treasury, budget, and accounting, was completed and pilot tested in the province of Negros Oriental where the entire system will be transferred and made available to other LGUs. The Real Property Tax Information System is up and running and is linked to the Geographic Information System in Bulacan.

The Leagues of Local Governments continued to be actively involved in deepening decentralization efforts by collaborating with civil society in formulating local development agenda presented to the new administration of President Macapagal-Arroyo. The close working relationship between the national government, through the Department of Interior and Local Government (DILG), and the Leagues has intensified. The President of the League of Provinces and the Union of Local Authorities has been designated as the new DILG Secretary.

In the close out conference held in January 2001, Governor Josefina de la Cruz of Bulacan Province and Chairperson of the GOLD Project Steering Committee said: "GOLD was instrumental in raising the consciousness level of LGUs to commit to the goals of decentralization. GOLD helped strengthen democracy and empowerment in the Philippines."

Civil Society-Advocacy: As the program winds down, NGO coalitions working on policy advocacy have developed strategies for their financial sustainability and for their coalition partners. Nine grants have been provided to civil society coalitions with technical and financial assistance to develop their fundraising capability. The Asia Foundation (TAF) has developed training modules for board development and governance and various fundraising techniques appropriate for NGOs. The latter initiative aims to gradually wean USAID's long-time NGO partners from dependence on traditional donor grants.

The focus of advocacy activities has been monitoring the implementation of new legislation, e.g., the coalition of indigenous peoples closely monitored implementation of the Indigenous Peoples Rights Act to ensure the awarding of Certificates of Ancestral Domain Claims to large indigenous groups like the Manobos and Higaunons of Mindanao.

The coalition of small coconut farmers and farmworkers (BUCO) is recognized as a major stakeholder in the reform of the coconut industry, particularly in the recovery of the coconut levy. The levy was imposed during the Marcos regime, and Marcos and his cronies used the funds (approximately $200 million) to acquire shares of major Philippine companies. This activity strengthened the coconut farmers' capacity to focus on the issues and engage the government as an equal partner. Their capability was proven by their effective participation in top-level government negotiations. BUCO also demonstrated its ability to harness allies from non-farming sectors and the media. Very recently, the Arroyo administration issued an Executive Order declaring the coconut levy to be public funds. The President urged all stakeholders to

come to a consensus on the best use and effective disposition of the coconut levy, including implementing mechanisms that will better serve the best interests of the coconut farmers and their families.

Another important achievement is the creation and establishment of the Microfinance Council of the Philippines, Inc. (MCPI). MCPI aims to improve governance of microfinance institutions (MFIs), especially NGOs, and advocates for a better microfinance policy environment. MCPI was largely responsible for the Bangko Sentral's (Central Bank of the Philippines) recognition of MFIs as key players in industry.

Three coalition grantees also implemented a comprehensive program against abusive forms of child labor. The coalitions facilitated the establishment of more than 500 Barangay Councils for the Protection of Children (BCPCs). The BCPC is a village-level, multi-sectoral body charged with formulating policies and programs to promote and protect children's rights, including monitoring compliance with Philippine child labor laws. At the national level, the coalition participated extensively in activities related to the ratification of ILO Convention 182. The coalition is recognized by the GOP's Department of Labor and Employment, and the donor community, including the United Nations Children's Fund (UNICEF) and ILO's International Program to Eliminate Child Labor.

**Possible Adjustments to Plans**: None.

**Other Donor Programs:** USAID continues to coordinate with Canada, the Ford Foundation, Australia and the World Bank in building capacities and spreading USAID's best practices in local governance and civil society.

**Principal Contractors, Grantees, or Agencies:** Associates in Rural Development, Inc. was the major contractor for local governance support. The major grantees for civil society-advocacy are Agricultural Cooperative Development International; Volunteers in Overseas Cooperative Assistance; American Center for International Labor Solidarity; CARE; Gerry Roxas Foundation; Mondragon International Philippines, Inc.; Philippine Business for Social Progress; Pearl S. Buck International; Strategic Program for Enhancing Education and Development in Mindanao; The Asia Foundation; TSPI Development Corporation; and World Vision Relief and Development.

**ACTIVITY DATA SHEET**

**PROGRAM:** Philippines
**TITLE AND NUMBER:** Threat of HIV/AIDS and Other Selected Infectious Diseases Reduced, 492-007
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $4,950,000 CSD
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** None.
**INITIAL OBLIGATION:** FY 1992 **ESTIMATED COMPLETION DATE**: FY 2004

**Summary:** Infectious diseases (IDs) continue to be the leading cause of morbidity and mortality in the Philippines. Seventy-five Filipinos die of tuberculosis (TB) every day. The Philippines has the highest tuberculosis burden in the Western Pacific region, with an estimated 30 million people (32% of the entire Philippine population) infected with TB bacilli. Sixty-six of the seventy-nine provinces in the Philippines are considered endemic for malaria, with malaria infection rates of 40%-60% widespread in rural areas. Widespread dengue epidemic outbreaks occur every 2-3 years in the urban areas. Because of the dismal health situation, prevention and control of major infectious diseases have become key goals for the Philippines Department of Health (DOH). In 1999, the Government of the Philippines (GOP) and USAID, working closely with the U.S. Centers for Disease Control and Prevention (US-CDC), developed an activity to respond to the emergence of resistant varieties of tuberculosis and malaria in epidemic proportions and to periodic occurrences of dengue epidemics.

AIDS has caused deaths by the hundreds of thousands in many parts of the world, including Southeast Asia, and the Philippines has had its share of deaths caused by AIDS. While the Philippines has so far been successful in keeping a widespread AIDS epidemic at bay, an active sex industry and a sizable population of injecting drug users serve as constant reminders that complacency is not an option. Focused prevention activities and very strong surveillance are the keys to keeping the disease under control and preventing the need for the high cost, national scale interventions that have become necessary in many other Asian countries. The GOP, with USAID assistance, is implementing a program that is aimed at: 1) controlling HIV/AIDS transmission through focused education programs that will encourage behavior change among target groups, both to reduce the individual risk of becoming infected with or transmitting sexually transmitted diseases and HIV; and 2) institutionalizing the HIV Sentinel and Behavioral Surveillance Systems to monitor HIV prevalence and high risk behaviors.

The activities described above complement USAID's global infectious diseases and HIV/AIDS strategy. The primary beneficiaries of the HIV/AIDS program are high-risk individuals (i.e., registered female commercial sex workers and injecting drug users). The general population will also benefit from the HIV/AIDS program since increased public awareness about HIV/AIDS will enable them to adopt practices that will prevent a rapid increase in HIV/AIDS infections. Direct beneficiaries of the ID activities are the general population of the Philippines; other countries, including the U.S., benefit indirectly by control of the cross-border spread of IDs.

Child Survival and Disease (CSD) funds, particularly those that fall within the HIV/AIDS and IDs directives, will be used to support activities under this special objective.

**Key Results:** The HIV Sentinel Surveillance System operating in eight sites continued to detect low HIV prevalence (<3%) in the high-risk groups. The 3% level is critical because international experience shows that rates higher than 3% among high-risk populations indicate a spread of HIV into the general population and, hence, the need to expand prevention activities from the high-risk group to the entire population. On the new ID initiative, systems required to fully move the program forward have been established. In addition, USAID-supported advocacy resulted in two of eight local governments passing ordinances ensuring funding for HIV/AIDS education activities in those cities, and three other local governments are beginning to assume the costs associated with surveillance and education activities.

**Performance and Prospects:** There has been no explosion of HIV infection thus far in the Philippines. The HIV Sentinel Surveillance System operating in the eight sentinel sites continues to indicate that HIV

seroprevalence rates remain below 3% among the sentinel group of registered female commercial sex workers (RFCSWs). In addition, data from the Behavioral Surveillance System shows that the proportion of RFCSWs using condoms with non-regular partners/clients steadily increased from 74% in 1997 to 83% in 1999, as a result of intensive condom promotion. The 2000 data show a general trend of increasing condom use in majority of the sites. Average condom use in five of the sites increased to 87% in FY 2000. In 3 of the sites, however, average condom use decreased to 38%, thus pulling down the national average to 69%. These sites are Davao City and General Santos City, both located in Mindanao, and Iloilo City, which is located near Mindanao. The presumed reason is the migration of people caused by the war between the Philippine government and the secessionist Moro Islamic Liberation Front, and also the kidnappings by the terrorist group Abu-Sayyaf. Many internally displaced people could have traveled to the nearby metropolitan areas. With such a large turnover and increase in the number of commercial sex workers as a whole, the programs were not able to meet the same impact levels as the other five surveillance areas. USAID is confirming the reasons for the decline in condom usage.

Sustaining the HIV/AIDS Program: The FY 2001 planned obligation for sustainability activities is $1.5 million CSD. USAID's HIV/AIDS surveillance and education activities have made it possible for the Philippines to continue to remain a low prevalence country through early and effective targeting of HIV prevention interventions to high-risk groups. The HIV Sentinel Surveillance and Behavioral Sentinel Surveillance systems that have been established are cost effective models for countries with low HIV/AIDS prevalence to monitor the disease and associated behavioral change among the high-risk groups. Prospects that HIV prevalence rates for the target groups will remain below 3% through the year 2002 are good, indicating that threat of a major HIV/AIDS epidemic among the general population is still contained.

At this point, there is a need to ensure the sustainability of gains achieved under the HIV/AIDS program, particularly in the areas of surveillance and education. Ongoing and future USAID technical assistance is now focused on strengthening the capability of local governments to fund and manage activities to maintain the low prevalence of HIV/AIDS in their communities themselves. Two sentinel sites (General Santos and Angeles cities) have enacted local ordinances promulgating policies and measures for the prevention and control of HIV/AIDS/STD, such as the 100% condom use policy, institutionalization of multi-sector AIDS councils, and appropriation of funds to support their HIV/AIDS prevention activities. A system for policy compliance monitoring for implementation in all sites has also been developed to improve their capacity to monitor the local sex industry's compliance with labor laws prohibiting employment of minors. A barangay (i.e., smallest unit of government at the local level) legal action against child prostitution advocacy strategy has been developed to protect children against possible sexual exploitation in and around entertainment establishments in the sentinel sites. Reproductive health services have been expanded to involve not only physicians but also drugstore sellers, nurses, midwives and other health service providers.

Establishing ID Surveillance and Control Systems: The FY 2001 planned obligation of $3.45 million CSD will allow USAID to accelerate implementation of its ID activities as mobilization activities have been completed. The ID Activity Management Office and the DOH technical working groups have been established. Baseline assessments have been completed, and plans have been developed to improve infectious disease control in the target areas. Training activities (Directly Observed Treatment Short Course for TB, malaria diagnosis, surveillance, basic epidemiology, etc.) are underway. The strengthening of laboratory systems is also taking place. In addition, the increased level of resources that USAID is receiving will support activities aimed at directly improving TB diagnosis and treatment in the private sector, a new area of focus worldwide. This is especially important as almost 40% of Filipinos with TB seek treatment from the private sector.

**Possible Adjustments to Plans:** As articulated in USAID's 1999 strategy, USAID will integrate the HIV/AIDS and ID special objective (492-007) into the Population and Health Strategic Objective (492-003). An assessment of the HIV/AIDS program will be conducted in April 2001 to determine areas of integration. Based on the recommendations of the assessment, appropriate adjustments to the objective will be made early in FY 2002, resulting in a well-targeted results framework. Future funding for HIV/AIDS and ID activities will be requested under objective 492-003.

**Other Donor Programs:** USAID continues to be the largest contributor to the Philippine National HIV/AIDS/STD Prevention and Control Program, although other donors are now showing a high level of interest in the program. The US-Japan Common Agenda was critical in leveraging resources from Japan. USAID provides technical assistance to the HIV sentinel surveillance system, while Japan provides laboratory, office, and communications equipment. Both Japan and the Netherlands contribute STD drugs that complement USAID-supported training activities on STD syndromic case management. USAID's focus on HIV/AIDS education for high-risk groups is complemented by other donors' educational activities aimed at the general population. Both Australia and the European Union (EU) support NGO projects to strengthen community-based responses to AIDS. The World Bank and the United Nations Fund for Population Activities are supporting programs to diagnose and treat sexually transmitted diseases. The TB program receives funding from Japan, the World Health Organization (WHO), the World Bank and Canada. Australia, the EU and WHO provide limited support to the DOH Malaria Program. CDC and WHO are providing partial funding for polio surveillance. The U.S. National Institutes of Health provide funding to support various activities pertaining to infectious diseases.

**Principal Contractors, Grantees, or Agencies:** USAID implements the program through the GOP's Department of Health and selected local government units; the U.S. Centers for Disease Control; the World Health Organization/Western Pacific Regional Office; the Program for Appropriate Technology in Health, Family Health International; and the New Tropical Medicine Foundation, Inc.

## ACTIVITY DATA SHEET

**PROGRAM:** Philippines
**TITLE AND NUMBER:** Assistance to Amerasians, 492-008
**STATUS**: Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE**: None.
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** None.
**INITIAL OBLIGATION**: FY 1996 **ESTIMATED COMPLETION DATE**: FY 2001

**Summary:** This special objective of the civil society program aims at facilitating the sociocultural and economic integration of Filipino Amerasians, through enhancement of their skills and productivity and that of their families, job placement, provision of capital, and access to health and psychosocial services. This three-year grant to a coalition of 11 PVOs led by the Pearl S. Buck International was completed in December 2000, but was extended to September 2001 to develop sustainability mechanisms for five subgrantees of Pearl S. Buck Foundation, using remaining dollar savings.

**Key Results:** Two performance indicators are being reported to track progress on results—percent of Amerasians and caregivers who are 1) employed/self-employed; and 2) receiving preventive health care training. The first indicator is reported in the Performance Monitoring Plan. The second indicator was completed in 1999.

**Performance and Prospects:** As the grant to assist Filipino Amerasians came to a close last year, all targets were exceeded. As of December 31, 2000, 962 Amerasians and their caregivers received microfinance services, 452 obtained permanent jobs through the project's referral system, 1,986 benefited from skills training or education assistance, and 2,718 received training in preventive health care and/or psychosocial services.

The coalition implementing this activity has taken steps to transform itself from a tactical coalition to a more permanent council of NGOs providing services to Amerasians, their caregivers and families.

**Possible Adjustments to Plans:** None.

**Other Donor Programs:** USAID is the principal donor in this area.

**Major Contractors, Grantees, and Agencies:** The major grantee is Pearl S. Buck International. Its coalition members are the American Association of the Philippines, American Chamber Foundation, Buklod Center, Mixed-Race Children Foundation, Philippine-American Guardian Association, Saint Joseph Community Center, Salesian Fathers, Daughters of Many Help of Christians, Samahan ng Mga Magulang at Tagapangalaga ng Amerisians, United NGOs of Olongapo, and Women's Education, Development, Productivity and Research Organization.

**ACTIVITY DATA SHEET**

**PROGRAM:** Philippines
**TITLE AND NUMBER:** Prospects for Peace in Mindanao Strengthened, 492-010
**STATUS**: New
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $4,983,000 ESF; $1,800,000 DA
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $5,000,000 ESF; $3,000,000 DA
**INITIAL OBLIGATION**: FY 2001 **COMPLETION DATE**: FY 2003

**Summary:** The objective of this activity is to strengthen prospects for a lasting peace on the southern Philippines island of Mindanao. Achievement of this objective will contribute, in turn, to the broader USAID objective of improving the climate for investment in the Philippines. USAID will strengthen the prospects for peace in Mindanao by reintegrating more former rebels and bringing additional members of rebel communities into the productive economy, in part by expanding microenterprise banking on Mindanao, in order to increase the opportunities for all of Mindanao's citizens to pursue peaceful, sustainable economic activities. USAID will build upon past successes to impart agriculture and fishery skills and provide initial inputs to former rebels and members of rebel communities, and encourage financial institutions to provide services to microenterprises throughout Mindanao, particularly in Muslim areas.

The security situation in Mindanao remains precarious. Although fighting between the Government of the Philippines (GOP) and the Moro Islamic Liberation Front (MILF) has declined from its height in April-August 2000. Between 100 and 200 people still are being killed each month in the ongoing conflict, which could easily escalate again. To strengthen prospects for peace, an earlier peace agreement signed in 1996 between the GOP and another rebel group, the Moro National Liberation Front (MNLF), must hold. For this to occur, more former MNLF combatants (and prospective combatants) must be integrated into the economy. USAID estimates that 13,000 former combatants and several hundred MNLF communities still need this type of assistance.

**Key Results:** This activity will begin in 2001. Projected key results include: (a) the number of reported incidents of armed conflict in Mindanao will decline by 20% in 2002 (from 2000 levels); (b) the number of former combatants who become successful farmers and/or fishermen increases by at least 2,000 in 2002; (c) members of at least 50 communities of former combatants will be trained in community project management techniques by 2002 and for at least 100 communities by 2002; and (d) at least 10,000 microentrepreneurs in Mindanao, including in Muslim areas, will have acquired bank loans by 2001, and at least 20,000 by 2002.

**Performance and Prospects:** The island of Mindanao contains more than a third of the landmass of the Philippines, and is home to one-fourth of the country's population. Although the quality of life of the people of Mindanao has historically been well below national levels, Mindanao clearly has potential for substantial and accelerated economic growth. For nearly three decades, Muslim rebel groups in Mindanao battled the Armed Forces of the Philippines to attain independence. In September 1996, the MNLF, the largest Muslim separatist group, signed a peace agreement with the GOP. The MILF, a group that splintered from the MNLF, did not sign the peace agreement, and has continued its armed conflict with the GOP. Through other, previous USAID activities, USAID has made a special effort to assist the estimated 45,000 former MNLF combatants to transition from being guerrilla fighters to being productive participants in the mainstream economy. Recent evaluations confirm that USAID programs for ex-combatants have significantly improved the lives of the participants and their families, and thus have been instrumental in keeping the peace in many parts of Muslim Mindanao. More than 13,000 former combatants already are profitably producing corn, rice, or seaweed on a continuing basis. In addition, some 378 communities where former combatants live have received production or post-harvest facilities or community infrastructure facilities. These facilities have reduced the cost of producing and marketing commodities and have increased the availability of basic amenities, benefiting an estimated 10,000 families in those communities. USAID's program to encourage Mindanao's private banks to lend to microenterprises has been so successful that banks in the rest of the country are clamoring for access to USAID technical assistance. The total number of microenterprises that gained access to financial

services from banks under that program exceeded 14,000 during 2000, more than seven times the 1995 level.

The planned FY 2001 obligation is $4.983 million ESF and $1.8 million DA. The ESF will fund the assistance to ex-combatants and affected communities. The DA will fund the microenterprise program.

**Possible Adjustments to Plans:** As a result of the installation of a new President, Gloria Macapagal-Arroyo, in January 2001, cease-fire agreements with various rebel groups are expected in the next several months, especially with the MILF. Depending on the level of resources made available, USAID also may include some members of these subgroups in its livelihood and microfinance programs. USAID may also assist in exploring alternative local government systems and alternative conflict resolution approaches in support of the Mindanao peace process. In the latter case, it is anticipated that these activities would be funded from ESF.

**Other Donor Programs:** Major donors, including the World Bank, the Asian Development Bank, and Japan, all have increased their focus on Mindanao and, along with USAID, have attempted to accelerate development of infrastructure such as roads, irrigation, and ports, in Muslim areas. Australia, Canada, the United Kingdom, the United Nations Development Program and other donors have mounted programs to improve health care, local governance, and community organization. The GOP and several donors and non-governmental organizations are providing relief for people displaced by fighting. As of December 2000, about 80,000 of the 120,000 families displaced by fighting in the spring of 2000 still could not return to their homes because of the insecure situations in their areas.

**Principal Contractors, Grantees, or Agencies:** Contractors have not yet been determined. Philippine counterparts include the Presidential Advisor for National Development, the Southern Philippines Council for Peace and Development, and the Rural Bankers' Association of the Philippines.

**FY 2002 Performance Table**

**Philippines: 492-001**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Families initiating commercial production of more lucrative products | 7,959 | 13,472 | 13,906 | 11,640 | 10,600 | 10,600 | NA |
| Indicator 2: Level of USAID-facilitated private investment per year | 247 | 88 | 58 | 73 | 150 | 125 | NA |
| Indicator 3: Microenterprises and small producers receiving financial services from formal institutions (depositors and borrowers) | 2,000 | 4,000 | 12,220 | 34,127 | 16,000 | 23,000 | NA |
| Indicator 4: Value of higher value products shipped from Mindanao | 4.00 | 3.10 | 2.80 | 2.90 | 3.00 | 4.00 | NA |
| Indicator 5: Mindanao's share of the national government's infrastructure development budget | 23.60 | 23.80 | 23.75 | 26.70 | 30.0 | 25.0 | NA |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | Number of farm/fishing families | Quarterly and Semestral Reports from Contractor (GEM); Mindanao State University Survey | NA |
| Indicator 2: | IR | US$ million | Project monitoring forms and reports for Contractor (GEM) | NA |
| Indicator 3: | IR | Number of microenterprises and small producers receiving financial services from formal institutions (depositors and borrowers) | Microenterprise Access to Banking Services in Mindanao (MABS-M) monitoring reports accomplished by pariticipating rural banks | NA |
| Indicator 4: | IR | US$ billion | National Statistics Office (NSO) | Total value of higher value products (i.e. all manufactured goods, all processed agricultural goods, and all agricultural products except corn, rice, and coconut) |
| Indicator 5: | IR | Percent share of national infrastructure budget | Project reports from the Growth with Equity in Mindanao (GEM) Program contractor and from the GOP Mindanao Economic Development Council (MEDCO) | NA |

**FY 2002 Performance Table**

**Philippines: 492-002**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Private, formal-sector employment by gender: male | 6.5 | -0.1 | 3.7 | -1.4 | 5.0 | 5.0 | 5.0 |
| Indicator 2: Domestic tax effort | 13.1 | 12.8 | 11.6 | 10.7 | 13.5 | 14.0 | 14.0 |
| Indicator 3: Gross capital formation | 26.3 | 22.2 | 21.1 | 20.4 | 28.0 | 30.0 | 30.0 |
| Indicator 4: Private, formal-sector employment by gender: female | 7.1 | 0 | 7.4 | -0.8 | 5.0 | 5.0 | 5.0 |
| Indicator 5: Level of trade protection | 22.3 | 19.0 | 16.8 | 14.8 | 15.0 | 14.0 | 13.0 |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | Growth in number of employees (%): male | Integrated Survey of Households of the National Statistics Office; Department of Labor and Employment | Annual percentage growth in private, formal employment. Each year's employment level is the average of the four calendar quarters of that year. Private, formal-sector employees correspond to the category of wage and salary workers in private households and establishments, excluding family-operated activities. "Establishments" employ about 90% of this total. |
| Indicator 2: | IR | Ratio of domestic tax revenues to gross domestic product (%) | Department of Finance; National Income Accounts from National Statistics Coordination Board | Domestic tax revenues as a percent of GDP. Domestic tax revenues is equal to total tax revenues less import duties, import taxes and export taxes. Gross domestic product (GDP) is the market value of the final goods and services produced by factors of production located in the domestic economy. |
| Indicator 3: | IR | Ratio of gross domestic capital formation to gross domestic product (%) | National Income Accounts from National Statistics Coordination Board | GDCF is investment in new capital stock consisting of gross additions to fixed assets and changes in stocks. Fixed capital formation consists of construction, durable equipment, and breeding stock and orchard development by enterprises, households, private non-profit institutions, and general government. Changes in stocks refer to the value of physical changes in raw materials, work in progress and finished goods held by enterprises and in government stockpiles. GDP is the market value of the final goods and services produced by factors of production located in the domestic economy. |
| Indicator 4: | IR | Growth in number of employees (%): female | Integrated Survey of Households of the National Statistics Office; Department of Labor and Employment | Annual percentage growth in private, formal employment. Each year's employment level is the average of the four calendar quarters of that year. Private, formal-sector employees correspond to the category of wage and salary workers in private households and establishments, excluding family-operated activities. "Establishments" employ about 90% of this total. |
| Indicator 5: | IR | Effective protection rate (EPR) | Philippine Tariff Commission or USAID-commissioned study | EPR is the increment in value-added made possible by the tariff structure as a proportion of free trade value-added (percent). It is a measure of the distortion in investment and production incentives caused by trade policies. |

**FY 2002 Performance Table**

**Philippines: 492-003**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Percent of children by 12 months of age who have been fully immunized. | 89.8 | 65.3 | 64.5 | 65.2 | 67 | 69 | 71 |
| Indicator 2: Percent of births in high-risk groups | 56.2 | 57.0 | 55.7 | 39.8 | 55 | 54 | 53 |
| Indicator 3: Percent of surviving children under 36 months of age who are protected at birth. | 52.2 | 38 | 33.2 | 34 | 33 | 36 | 38 |
| Indicator 4: Contraceptive prevalence rate (modern methods) | 30.9 | 28.2 | 32.4 | 32 | 30 | 32 | 34 |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | Percent | National Demographic and Health Survey; MCH Rider Survey to the Labor Force Survey | Percent of infants, 12-23 months of age, who have been fully immunized by 12 months of age. "Fully immunized" means three injections for polio and DPT and one injection for both measles and BCG. This is a national rate. |
| Indicator 2: | IR | Percent | National Demographic and Health Survey (DHS); FP "Rider" to the Labor Force Survey | Percent of births to women who are any of the following: 35 years or over, under age 18, who had a child in last two years, or who have had more than three children. This is a national rate. |
| Indicator 3: | IR | Percent | National Demographic and Health Survey; MCH "Rider" Survey to the Labor Force Survey | The Department of Health definition for protected at birth are children whose mothers received at least 2 tetanus toxoid injections during pregnancy. This is a national estimate. |
| Indicator 4: | IR | Percent | National Demographic and Health Survey (DHS); FP "Rider" to the Labor Force Survey | Proportion of married women of reproductive age (age 15-49) using a modern method of contraception (i.e., pills, IUD, injection, diaphragm/foam/jelly/cream, condom, female and male sterilization, mucus/billing/ovulation, temperature, LAM). This is a national rate. |

**FY 2002 Performance Table**

**Philippines: 492-004**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Percentage change of coral cover inside marine sanctuaries | NA | -1 | 40 | 6 | 10 | 12 | 15 |
| Indicator 2: Percentage change of coral cover adjacent to marine sanctuaries | NA | -10 | -7 | 3 | 2 | 4 | 6 |
| Indicator 3: Kilometers of shoreline where improved management of coastal resources is being implemented | 0 | 170 | 741 | 1,410 | 1,200 | 2,100 | 3,000 |
| Indicator 4: Percentage change of fish abundance adjacent to marine sanctuaries | NA | 0 | 70 | 345 | 5 | 10 | 15 |
| Indicator 5: Risk to environment and human health | NA | 0 | 0 | 20 | 30 | 20 | NA |
| Indicator 6: Percentage change of fish abundance inside marine sanctuaries | NA | 0 | 255 | 410 | 20 | 30 | 40 |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | Average percent change compared to baseline | Biophysical survey data, contractor's activity report from University of the Philippines Marine Science Institute; TetraTech (contractor) | Coral cover inside marine sanctuaries: Percent living coral cover inside and adjacent to six marine sanctuaries, using standard transect methods. |
| Indicator 2: | IR | Average percent change compared to baseline | Biophysical survey data, contractor's activity report from University of the Philippines Marine Science Institute; TetraTech (contractor) | Coral cover adjacent to marine sanctuaries: Percent living coral cover inside and adjacent to six marine sanctuaries, using standard transect methods. |
| Indicator 3: | IR | Kilometers of shoreline in core areas and expansion area | Local government unit records, contractor's activity report, independent surveys from local government units; TetraTech (contractor); USAID staff | Kilometers of shorelines from municipalities are counted when the following criteria in local implementation are reached: 1) Annual LG budget allocated for CRM; 2) Resources management organizations are formed and active; 3) Best CRM practices are being implemented; Data is collected annually. |
| Indicator 4: | IR | Average percent change compared to baseline | Biophysical survey data, contractor's activity report from University of the Philippines Marine Science Institute; TetraTech (contractor) | Fish abundance adjacent to marine sanctuaries: Average percent change (in comparison to base years) in fish abundance inside and adjacent to six marine sanctuaries, using standard survey methods |
| Indicator 5: | IR | Percent reduction of pollutants within exposure pathways | Contractor's report, DENR field office report from Chemonics (contractor) and USAID | Pollutants: harmful industrial chemicals, wastes, effluents and emissions such as heavy metals (lead, chrome, arsenic, mercury, silver, cadmium, others); organic pollutants such Persistent Organic Pollutants (POPs) and others; waste pesticides, herbicides and insecticides; inorganic chemicals such as cyanide and hydrogen sulfide; hazardous wastes regulated under RA 6969. Environmental Risk: Probability that an environmental condition caused by human activity will result in harm to the environment or human health. Exposure Pathways: Media pathways such as air, water, and food, which transport pollutants in the natural human environment |
| Indicator 6: | IR | Average percent change compared to | Biophysical survey data, contractor's | Fish abundance inside marine sanctuaries: Average percent change |

| | | | | |
|---|---|---|---|---|
| | | baseline | activity report from University of the Philippines Marine Science Institute; TetraTech (contractor) | (in comparison to base years) in fish abundance inside and adjacent to six marine sanctuaries, using standard survey methods |

**FY 2002 Performance Table**

**Philippines: 492-005**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Fossil fuel-based energy saved or avoided through clean fuels, cleaner fuel technologies, and increased efficiency in energy generation, transmission and distribution. | NA | 3,300 | 309,142 | 310,257 | 486,000 | 627,000 | 6,000,000 |
| Indicator 2: Fossil fuel-based energy saved through increased end use efficiency | NA | 412 | 2,963 | 8,022 | 7,413 | 11,963 | 16,813 |
| Indicator 3: Policy advances that contribute to the adoption of legislative or administrative actions which increase efficiency and/or cleaner production in the Philippine energy sector | NA | 35 | 70 | 74 | 93 | 99 | 100 |
| Indicator 4: Tools for improved energy sector development and mgmt, provided with assistance from USAID capacity/capability building, implemented or used by Philippine government agencies or electric utilities. | NA | 146 | 412 | 635 | 370 | 400 | 440 |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | Megawatt-hour (MW-h) of energy saved or generation avoided -- cumulative measure | Contractors, independent verification from Contractors and partners -- Hagler Bailly, NREL, PEI, RMI, USDOE | This indicator only measures results achieved with support from USAID, and will be collected annually. |
| Indicator 2: | IR | Megawatt-hour (MW-h) of energy saved -- cumulative measure | Contractors (RMI, Hagler Baily, IIEC); independent verification | This indicator only measures results achieved with support from USAID, and will be collected annually |
| Indicator 3: | IR | Weighted index score of all policy goals (from 0 to 100%). Cumulative measure. | Mission, GOP, and contractors (Hagler Bailly, RMI, NREL, USDOE) estimates of progress based on criteria set | This indicator only measures results achieved with support from USAID and will be collected annually. |
| Indicator 4: | IR | One point for each tool used by each unit (plant, utility, government agency, etc) for each year tool is used -- annual measure | Mission, GOP, and contractors/cooperators (see list below); independent verification | This indicator only measures results achieved with support from USAID and will be collected annually. |

**FY 2002 Performance Table**

**Philippines: 492-006**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Net amount of self-generated revenues collected by target LGs | 817 | 974 | 1,150 | 1,319 | 1200 | NA | NA |
| Indicator 2: The coalition identifies and works with interested parties that share and are willing to support the coalition's agenda: level 3. | 3 | 5 | 11 | 13 | NA | NA | NA |
| Indicator 3: NGOs representatives actively participating in local special bodies | 693 | 1,021 | 1,153 | 1,468 | 1,500 | NA | NA |
| Indicator 4: Major issues addressed by the coalitions documented in narratives | NA | see narrative | see narrative | see narrative | NA | NA | NA |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | Pesos (million) | LGs Budget Operations Statement from local Government Units (LGs) | NA |
| Indicator 2: | IR | Number of coalitions at level 3. Levels of sophistication vis-a-vis selected indicators. The levels are based on the occurrence or completion of activities, tasks, events, etc. agreed to between the Mission and the coalitions as critical to achievement of IR2 objectives. Levels of sophistication of the coalitions are described as follows: Level 1 - The coalition can link with like-minded NGOs and POs, other stakeholders (academe, media, business sector, etc.), and international organizations; Level 2 - The coalition can identify common positions with other parties; Level 3 - The coalition can undertake joint activities/programs with identified partners and stakeholders. | Grantee progress reports, contractor monitoring reports, field visits | Coalitions at level 3 are: ACDI/VOCA, ACILS/DAW, ACILS/ISP, CARE, GRF, MIPI, PBSP/IP, PSBI, SPEED, TSPI, WVRD |
| Indicator 3: | IR | Number of NGOs accredited by LGs | Surveys in target LGs by ARD (contractor) | NA |
| Indicator 4: | IR | Issues addresed | Progress reports and field visits from grantees, contractors, and USAID staff | Selected narratives depicting the coalition's successes will be submitted on an annual basis. These narratives should capture the various stages of policy development through a participatory and consultative system |

**FY 2002 Performance Table**

**Philippines: 492-007**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Percent of RFCSWs reporting condom use during last sex with non-regular (commercial) partner | 74 | 71 | 83 | 69 | 80 | 82 | 84 |
| Indicator 2: Number of HSS sites with HIV seroprevalence rates among RFCSWs < 3% | 8 | 8 | 8 | 8 | 8 | NA | NA |
| Indicator 3: Cure rate for new TB smear-positive cases in project sites | NA | NA | TBD | NA | NA | NA | 85 |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | Percent | HIV Sentinel Serologic Surveillance and Behavioral Sentinel Surveillance (BSS) technical reports | RFCSW = registered female commercial sex workers working in establishments, who exchange sex for money, and have health cards/permits. Data reported is aggregate for eight sentinel sites. BSS sites include the cities of Pasig, Quezon, Cebu, Davao, Angeles, Iloilo, Gen. Santos and Zamboanga. Non-regular partner is a person who has been a sex partner for less than 6 months. |
| Indicator 2: | IR | No. of HIV sentinel surveillance sites | HIV Sentinel Serologic Surveillance technical reports | RFCSW = registered female commercial sex workers working in establishments, who exchange sex for money, and have health cards/permits. HSS sites include the cities of Pasig, Quezon, Cebu, Davao, Angeles, Iloilo, Gen. Santos and Zamboanga. |
| Indicator 3: | IR | Percent | Service data provided by local health centers | TB= Tuberculosis. TB smear-positive cases are from LGU project sites (cities of Baguio, Calbayog and Cotabato; provinces of Samar, Ifugao and Sultan Kudarat). Cure rate = % of TB-smear positive cases who receive appropriate chemotherapy and are cured. This is a national rate. |

**FY 2002 Performance Table**

**Philippines: 492-008**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Percent of total disadvantaged on which coalition has impact | 7 | 16 | 18 | 47 | NA | NA | NA |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | Percent (%) of Amerasians and caregivers who are employed/self-employed | Grantee reports, USAID staff | Indicator measures the percentage of Amerasians or caregivers who have obtained full time employment from the activity's job referral system ot benefited from loans for income-generating projects. |

**FY 2002 Performance Table**

**Philippines: 492-009**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Number of communities with members trained in community project management techniques | NA | NA | NA | NA | NA | 50 | 100 |
| Indicator 2: Additional number of microenterprises in Mindanao, including in Muslim areas, availing of microfinance services | NA | NA | NA | NA | NA | 10,000 | 20,000 |
| Indicator 3: Additional number of former combatants becoming successful farmers and/or fishermen | NA | NA | NA | NA | NA | 0 | 2,000 |
| Indicator 4: Reduction from 2000 level in number of reported incidents of armed conflict in Mindanao | NA | NA | NA | NA | NA | 0 | 20 |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | Number | Contractor Monitoring Reports | NA |
| Indicator 2: | IR | Number | Contractor Monitoring Reports | NA |
| Indicator 3: | IR | Number | Contractor Monitoring Reports | NA |
| Indicator 4: | IR | Per Cent | Contractor Monitoring Reports | NA |

**FY 2002 Performance Table**

**Philippines: 492-010**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: 240 kms. of coastline brought under improved management | NA | NA | NA | NA | NA | NA | 50 |
| Indicator 2: Tons of $CO_2$ emissions reduced per year from the power and transport sectors through the adoption of cleaner technologies | NA | NA | NA | NA | NA | NA | TBD |
| Indicator 3: 300,000 hectares of forest cover maintained with 75% of this placed under community-based forest management | NA | NA | NA | NA | NA | NA | 25,000 |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | NA | NA | NA |
| Indicator 2: | IR | NA | NA | NA |
| Indicator 3: | IR | NA | NA | NA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Philippines** | | | |
| **Title and Number: Accelerate the Economic Transformation of Mindanao, 492-001** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 26,749 DA | 12,077 DA | 14,672 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| | 75,817 MAI | 75,000 MAI | 817 MAI |
| | 0 DCA | 0 DCA | 0 DCA |
| Fiscal Year 2000 | 3,500 DA | 10,908 DA | |
| | 0 CSD | 0 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| | 0 MAI | 67 MAI | |
| | 0 DCA | 0 DCA | |
| Through September 30, 2000 | 30,249 DA | 22,985 DA | 7,264 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| | 75,817 MAI | 75,067 MAI | 750 MAI |
| | 0 DCA | 0 DCA | 0 DCA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | 0 MAI | | |
| | 0 DCA | | |
| Planned Fiscal Year 2001 NOA | 200 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | 0 MAI | | |
| | 0 DCA | | |
| Total Planned Fiscal Year 2001 | 200 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | 0 MAI | | |
| | 0 DCA | | |
| | | **Future Obligations** | **Est. Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 30,449 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| | 0 MAI | 0 MAI | 75,817 MAI |
| | 0 DCA | 0 DCA | 0 DCA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Philippines** | | | |
| **Title and Number: Investment Climate Less Constrained by Corruption and Poor Governance, 492-002** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 11,996 DA | 4,430 DA | 7,566 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| | 60,244 MAI | 51,292 MAI | 8,952 MAI |
| | 1,001 DCA | 0 DCA | 1,001 DCA |
| Fiscal Year 2000 | 200 DA | 610 DA | |
| | 0 CSD | 0 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| | 0 MAI | 8,952 MAI | |
| | 0 DCA | 0 DCA | |
| Through September 30, 2000 | 12,196 DA | 5,040 DA | 7,156 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| | 60,244 MAI | 60,244 MAI | 0 MAI |
| | 1,001 DCA | 0 DCA | 1,001 DCA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | 0 MAI | | |
| | 0 DCA | | |
| Planned Fiscal Year 2001 NOA | 6,405 DA | | |
| | 0 CSD | | |
| | 3,986 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | 0 MAI | | |
| | 0 DCA | | |
| Total Planned Fiscal Year 2001 | 6,405 DA | | |
| | 0 CSD | | |
| | 3,986 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | 0 MAI | | |
| | 0 DCA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 5,892 DA | 8,000 DA | 32,493 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 8,000 ESF | 5,000 ESF | 16,986 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| | 0 MAI | 0 MAI | 60,244 MAI |
| | 0 DCA | 0 DCA | 1,001 DCA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Philippines** | | | |
| **Title and Number: Reduced Fertility Rate and Improved Maternal and Child Health, 492-003** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 121,034 DA | 89,074 DA | 31,960 DA |
| | 4,782 CSD | 4,782 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| | 1,800 MAI | 0 MAI | 1,800 MAI |
| | 0 DCA | 0 DCA | 0 DCA |
| Fiscal Year 2000 | 14,329 DA | 21,385 DA | |
| | 4,272 CSD | 0 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| | 0 MAI | 71 MAI | |
| | 0 DCA | 0 DCA | |
| Through September 30, 2000 | 135,363 DA | 110,459 DA | 24,904 DA |
| | 9,054 CSD | 4,782 CSD | 4,272 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| | 1,800 MAI | 71 MAI | 1,729 MAI |
| | 0 DCA | 0 DCA | 0 DCA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | 0 MAI | | |
| | 0 DCA | | |
| Planned Fiscal Year 2001 NOA | 17,865 DA | | |
| | 4,500 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | 0 MAI | | |
| | 0 DCA | | |
| Total Planned Fiscal Year 2001 | 17,865 DA | | |
| | 4,500 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | 0 MAI | | |
| | 0 DCA | | |
| | | **Future Obligations** | **EstimatedTotal Cost** |
| Proposed Fiscal Year 2002 NOA | 15,000 DA | 37,660 DA | 205,888 DA |
| | 9,800 CSD | 4,632 CSD | 27,986 CSD |
| | 2,000 ESF | 0 ESF | 2,000 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | DFA | 0 DFA |
| | 0 MAI | MAI | 1,800 MAI |
| | 0 DCA | 0 DCA | 0 DCA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Philippines** | | | |
| **Title and Number: Environmental Management Improved, 492-004** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 10,858 DA | 2,385 DA | 8,023 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| | 116,995 MAI | 108,979 MAI | 8,016 MAI |
| | 0 DCA | 0 DCA | 0 DCA |
| Fiscal Year 2000 | 0 DA | 1,207 DA | |
| | 0 CSD | 0 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| | 0 MAI | 8,016 MAI | |
| | 0 DCA | 0 DCA | |
| Through September 30, 2000 | 10,858 DA | 3,592 DA | 7,266 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| | 116,995 MAI | 116,995 MAI | 0 MAI |
| | 0 DCA | 0 DCA | 0 DCA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | 0 MAI | | |
| | 0 DCA | | |
| Planned Fiscal Year 2001 NOA | 4,364 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | 0 MAI | | |
| | 0 DCA | | |
| Total Planned Fiscal Year 2001 | 4,364 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | 0 MAI | | |
| | 0 DCA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 3,367 DA | 15,000 DA | 33,589 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| | 0 MAI | 0 MAI | 116,995 MAI |
| | 0 DCA | 0 DCA | 0 DCA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Philippines** | | | |
| **Title and Number: Reduced Emissions of Greenhouse Gases, 492-005** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 17,711 DA | 12,726 DA | 4,985 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| | 762 MAI | 734 MAI | 28 MAI |
| | 0 DCA | 0 DCA | 0 DCA |
| Fiscal Year 2000 | 5,000 DA | 4,797 DA | |
| | 0 CSD | 0 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| | 0 MAI | 28 MAI | |
| | 0 DCA | 0 DCA | |
| Through September 30, 2000 | 22,711 DA | 17,523 DA | 5,188 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| | 762 MAI | 762 MAI | 0 MAI |
| | 0 DCA | 0 DCA | 0 DCA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | 0 MAI | | |
| | 0 DCA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | 0 MAI | | |
| | 0 DCA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | 0 MAI | | |
| | 0 DCA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 22,711 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| | 0 MAI | 0 MAI | 762 MAI |
| | 0 DCA | 0 DCA | 0 DCA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Philippines** | | | |
| **Title and Number: Broadened Participation in Formulation and Implementation of Public Policies, 492-006** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 47,217 DA | 39,292 DA | 7,925 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 492 ESF | 492 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| | 1,850 MAI | 0 MAI | 1,850 MAI |
| | 0 DCA | 0 DCA | 0 DCA |
| Fiscal Year 2000 | 800 DA | 2,632 DA | |
| | 0 CSD | 0 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| | 0 MAI | 146 MAI | |
| | 0 DCA | 0 DCA | |
| Through September 30, 2000 | 48,017 DA | 41,924 DA | 6,093 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 492 ESF | 492 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| | 1,850 MAI | 146 MAI | 1,704 MAI |
| | 0 DCA | 0 DCA | 0 DCA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | 0 MAI | | |
| | 0 DCA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | 0 MAI | | |
| | 0 DCA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | 0 MAI | | |
| | 0 DCA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 48,017 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 492 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| | 0 MAI | 0 MAI | 1,850 MAI |
| | 0 DCA | 0 DCA | 0 DCA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: USAID/Philippines** | | | |
| **Title and Number: Threat of HIV/AIDS and Other Selected Infectious Diseases Reduced, 492-007** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 11,100 DA | 10,249 DA | 851 DA |
| | 8,700 CSD | 3,202 CSD | 5,498 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| | 0 MAI | 0 MAI | 0 MAI |
| | 0 DCA | 0 DCA | 0 DCA |
| Fiscal Year 2000 | 0 DA | 851 DA | |
| | 3,500 CSD | 1,854 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| | 0 MAI | 0 MAI | |
| | 0 DCA | 0 DCA | |
| Through September 30, 2000 | 11,100 DA | 11,100 DA | 0 DA |
| | 12,200 CSD | 5,056 CSD | 7,144 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| | 0 MAI | 0 MAI | 0 MAI |
| | 0 DCA | 0 DCA | 0 DCA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | 0 MAI | | |
| | 0 DCA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 4,950 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | 0 MAI | | |
| | 0 DCA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 4,950 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | 0 MAI | | |
| | 0 DCA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 11,100 DA |
| | 0 CSD | 0 CSD | 17,150 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| | 0 MAI | 0 MAI | 0 MAI |
| | 0 DCA | 0 DCA | 0 DCA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Philippines** | | | |
| **Title and Number: Assistance to Amerasians, 492-008** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 649 DA | 403 DA | 246 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| | 0 MAI | 0 MAI | 0 MAI |
| | 0 DCA | 0 DCA | 0 DCA |
| Fiscal Year 2000 | 0 DA | 136 DA | |
| | 0 CSD | 0 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| | 0 MAI | 28 MAI | |
| | 0 DCA | 0 DCA | |
| Through September 30, 2000 | 649 DA | 539 DA | 110 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| | 0 MAI | 0 MAI | 0 MAI |
| | 0 DCA | 0 DCA | 0 DCA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | 0 MAI | | |
| | 0 DCA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | 0 MAI | | |
| | 0 DCA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | 0 MAI | | |
| | 0 DCA | | |
| | | **Future Obligations** | **Esiimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 649 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| | 0 MAI | 0 MAI | 0 MAI |
| | 0 DCA | 0 DCA | 0 DCA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Philippines** | | | |
| **Title and Number: Prospects for Peace in Mindanao Strengthened, 492-010** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| | 0 MAI | 0 MAI | 0 MAI |
| | 0 DCA | 0 DCA | 0 DCA |
| Fiscal Year 2000 | 0 DA | 0 DA | |
| | 0 CSD | 0 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| | 0 MAI | 0 MAI | |
| | 0 DCA | 0 DCA | |
| Through September 30, 2000 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| | 0 MAI | 0 MAI | 0 MAI |
| | 0 DCA | 0 DCA | 0 DCA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | 0 MAI | | |
| | 0 DCA | | |
| Planned Fiscal Year 2001 NOA | 1,800 DA | | |
| | 0 CSD | | |
| | 4,983 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | 0 MAI | | |
| | 0 DCA | | |
| Total Planned Fiscal Year 2001 | 1,800 DA | | |
| | 0 CSD | | |
| | 4,983 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | 0 MAI | | |
| | 0 DCA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 3,000 DA | 0 DA | 4,800 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 5,000 ESF | 0 ESF | 9,983 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| | 0 MAI | 0 MAI | 0 MAI |
| | 0 DCA | 0 DCA | 0 DCA |

| | U.S. Financing (In thousands of dollars) | | |
|---|---|---|---|
| **Program: Philippines** | | | |
| **Summary** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 247,314 DA | 170,636 DA | 76,678 DA |
| | 13,482 CSD | 7,984 CSD | CSD |
| | 492 ESF | 492 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| | 257,468 MAI | 236,005 MAI | 21,463 MAI |
| | 1,001 DCA | 0 DCA | 1,001 DCA |
| Fiscal Year 2000 | 23,829 DA | 42,526 DA | |
| 0 | 7,772 CSD | 1,854 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| | 0 MAI | 17,308 MAI | |
| | 0 DCA | 0 DCA | |
| Through September 30, 2000 | 271,143 DA | 213,162 DA | 57,981 DA |
| | 21,254 CSD | 9,838 CSD | 11,416 CSD |
| | 492 ESF | 492 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| | 257,468 MAI | 253,285 MAI | 4,183 MAI |
| | 1,001 DCA | 0 DCA | 1,001 DCA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | 0 MAI | | |
| | 0 DCA | | |
| Planned Fiscal Year 2001 NOA | 30,634 DA | | |
| | 9,450 CSD | | |
| | 8,969 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | 0 MAI | | |
| | 0 DCA | | |
| Total Planned Fiscal Year 2001 | 30,634 DA | | |
| | 9,450 CSD | | |
| | 8,969 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | 0 MAI | | |
| | 0 DCA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 27,259 DA | 60,660 DA | 389,696 DA |
| | 9,800 CSD | 4,632 CSD | 45,136 CSD |
| | 15,000 ESF | 5,000 ESF | 29,461 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| | 0 MAI | 0 MAI | 257,468 MAI |
| | 0 DCA | 0 DCA | 1,001 DCA |

**PHILIPPINES**
**FY 2002 STRATEGIC OBJECTIVE SUMMARY**
**(in thousands of dollars)**

| SO number | SO Title<br>Fund Account | FY 1999 | FY 2000 | FY 2001 | FY 2002 |
|---|---|---|---|---|---|
| 492-001 | Accelerate the Economic Transformation of Mindanao | | | | |
| | - DA | 2,250 | 2,500 | 200 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 0 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 492-002 | Investment Climate Less Constrained by Corruption and Poor Governance | | | | |
| | - DA | 0 | 200 | 6,405 | 5,892 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 3,986 | 8,000 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 492-003 | Reduced Fertility Rate and Improved Maternal and Child Health | | | | |
| | - DA | 18,500 | 14,000 | 17,865 | 15,000 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 3,700 | 4,500 | 9,800 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 2,000 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| | - MAI | 1,800 | 0 | 0 | 0 |
| 492-004 | Environmental Management Improved | | | | |
| | - DA | 0 | 0 | 4,364 | 3,367 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 0 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 492-005 | Reduced Emissions of Greenhouse Gases | | | | |
| | - DA | 0 | 5,000 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 0 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |

**PHILIPPINES**
**FY 2002 STRATEGIC OBJECTIVE SUMMARY**
**(in thousands of dollars)**

| SO number | SO Title<br>Fund Account | FY 1999 | FY 2000 | FY 2001 | FY 2002 |
|---|---|---|---|---|---|
| 492-006 | Broadened Participation in Formulation and Implementation of Public Policies | | | | |
| | - DA | 2,000 | 800 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 0 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 492-007 | Threat of HIV/AIDS and Other Selected Infectious Diseases Reduced | | | | |
| | - DA | 0 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 4,400 | 3,500 | 4,950 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 0 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| | - MAI | 1,850 | 0 | 0 | 0 |
| 492-008 | Assistance to Amerasians | | | | |
| | - DA | 0 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 0 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 492-010 | Prospects for Peace in Mindanao Strengthened | | | | |
| | - DA | 0 | 0 | 1,800 | 3,000 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 4,983 | 5,000 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| SO | Totals | | | | |
| | - DA | 22,750 | 22,500 | 30,634 | 27,259 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 4,400 | 7,200 | 9,450 | 9,800 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 8,969 | 15,000 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| | - MAI | 3,650 | 0 | 0 | 0 |

**VIETNAM**

| Program Summary (In Thousands of Dollars) | | | | |
|---|---|---|---|---|
| **Category** | **FY 1999 Actual** | **FY 2000 Actual** | **FY 2001 Estimated** | **FY 2002 Request** |
| Development Assistance | 1,500 | 1,250 | 1,500 | 4,600 |
| Development Fund for Africa | 0 | 0 | 0 | 0 |
| Child Survival & Disease Fund | 1,500 | 1,500 | 2,494 | 1,500 |
| Freedom Support Act Funds | 0 | 0 | 0 | 0 |
| SEED Act Funds | 0 | 0 | 0 | 0 |
| Economic Support Funds | 0 | 0 | 0 | 0 |
| P.L. 480 Title II | 0 | 0 | 0 | 0 |
| P.L 480 Title III | 0 | 0 | 0 | 0 |
| **Total Program Funds** | **3,000** | **2,750** | **3,994** | **6,100** |

# VIETNAM

## Introduction.

With 78 million people, Vietnam is the second most populous country in Southeast Asia, and the 14th most populous in the world. Its people are young, well-educated, and hard working. The Vietnamese focus on achieving economic modernization and prosperity in line with its neighbors fits overall U.S. strategic goals to promote economic prosperity through the development of markets and opportunities for U.S. businesses. Vietnam shows the potential of becoming a significant trading partner and an emerging market for U.S. products and services.

The United States also shares Vietnam's humanitarian concerns for disadvantaged groups such as those at high risk of contracting HIV/AIDS, the disabled, displaced children, and those susceptible to annual floods.

USAID's objectives of enhancing the environment for trade and investment and improving access to services for selected vulnerable groups are consistent with Mission Performance Plan goals in open markets, economic development, humanitarian assistance, and health.

## Development Challenge.

Vietnam made steady progress in the 1990s to reduce poverty, but still faces many challenges. From 1993-1998, Vietnam decreased the proportion of the population below the poverty line from 58% to 37%. However, close to 80% of the population is rural, where the poverty level reaches 45%. Per capita income remains very low, at approximately $370. The United Nations Development Program estimates that the infant mortality rate is 42 per thousand live births, and that 40% of the children under five are malnourished. Vulnerable groups are hit particularly hard: minorities in remote areas; victims of seasonal flooding; victims of injuries from the war or the mines that were left behind; orphans and displaced children; and people at high risk of contacting HIV/AIDS.

In the wake of the 1997 Asian financial crisis, Vietnam slowed the pace of economic reform, which discouraged the foreign investment activity that had pushed Gross Domestic Product (GDP) growth above eight percent between 1990 and 1997. Economic growth fell below five percent in 1999; however, the economy rebounded in 2000, with growth approaching seven percent, led by rising exports and assistance flows.

The economy’s structural deficiencies still impede Vietnam’s ability to compete effectively in the global economy. Within the past nine months, Vietnam has made significant commitments to the United States and to the International Monetary Fund (IMF) and World Bank to address its structural problems. The July 2000 signing of the U.S.-Vietnam Bilateral Trade Agreement (BTA) reflects the ongoing reconciliation between the two countries and provides a roadmap for Vietnam’s integration into the global economy. The BTA commits Vietnam to broad economic reform, including new market access for agricultural and industrial goods; increased intellectual property rights protections; transparency of laws, rules, and regulations; and safeguards for foreign investment. Commitments that Vietnam is making under the BTA will pave the way for negotiations with other major trading partners. Vietnam’s implementation of the BTA will help it prepare for accession to the World Trade Organization (WTO).

In May 2001, the IMF and World Bank are expected to approve major loans to support Vietnam’s aggressive poverty reduction efforts. Under the program, Vietnam will broaden trade and investment reforms made under the Association of Southeast Asian Nations Free Trade Area and the BTA; bring its financial system into conformity with international standards; and rationalize state-owned enterprises. Inefficient state banks and state-owned enterprises have been a major impediment to economic growth.

Vietnam’s private sector has the potential to become a vibrant competitor in global markets—this is clear from the high education levels and entrepreneurship of Vietnam’s youthful society. The World Bank calculates that Vietnam could earn another $1.5 billion per year from exports alone after the BTA enters

into force. To realize the potential development of its private sector and compete effectively in global markets, the Government of Vietnam must build an open and fair regulatory and legal framework. Good governance, openness, and transparency are preconditions for lasting economic growth.

Implementing reforms and unleashing the potential of the private sector is important for the youth of Vietnam, who constitute 60% of the population. About 1.2 million young people are entering the job market each year, with expectations of gainful employment and productive lives. State-owned companies cannot meet the demand for jobs, and the forces of global market integration make it difficult for state-owned enterprises to compete in the global economy.

USAID can play a significant role in helping Vietnam modernize. It can help Vietnam develop as a member of the world economy and open and liberalize its markets by learning and adopting principles of democracy. USAID also can provide health and humanitarian support that improves the quality of life for the poor and disadvantaged.

**Other Donors.**

The World Bank and the Asian Development Bank are active in modernizing the banking system and encouraging reform of state-owned enterprises. Other major bilateral donors assisting Vietnam include Japan, Australia, Denmark, Germany, Sweden, France, Belgium, the Netherlands, Switzerland, and the United Kingdom.

**FY 2002 Program.**

Activities in Vietnam will continue to focus on trade and investment and supporting vulnerable groups. USAID's objective in trade and investment is to help open Vietnam's markets and promote broad-based growth in Vietnam's developing and transitional economy. Through the U.S.-Vietnam Trade Council, USAID has helped the Government of Vietnam better understand and prepare for the reforms required under the BTA. Future assistance will help Vietnam fulfill requirements for the BTA as well as for eventual WTO accession. Through funding to Boise State University, USAID also helps the University's partnership with Hanoi's National Economic University to strengthen its business school. The program trains Vietnam's future economic leaders and helps the National Economic University offer high quality business education, training, and research on a sustainable basis.

USAID works to increase the physical, social and economic opportunities for vulnerable groups such as the disabled or orphaned children; to prevent or minimize the human costs of natural disasters; and to improve the health status of Vietnam's citizens. Through the Leahy War Victims Fund, USAID supports several activities that provide prosthetics, promote rehabilitation, and improve accessibility for the disabled. Assistance now is targeted at providing much-needed orthotics. Through the Displaced Children and Orphans Fund, USAID supports the increased social and educational mainstreaming of displaced or disabled children through training, community mobilization, vocational rehabilitation, and advocacy.

Through the Asia and Near East regional HIV/AIDS program, USAID helps Vietnam control the spread of HIV/AIDS by improving surveillance capacity, policy-based interventions, and prevention programs. Other non-bilateral initiatives in Vietnam include marine conservation initiatives for Con Dao National Park; strengthening biodiversity conservation in mainland southeast Asia; the Bureau for Humanitarian Response's activity demonstrating U.S. educational and medical technologies and practices; creating an enhanced environment for trade and investment; the Global Bureau's activities applying Internet technology in water resource management and developing a resource cities partnership program; and efforts to promote a clean environmental revolution in Asia through the United States-Asia Environmental Partnership.

Vietnam's annual floods cause both human and economic destruction. In addition to emergency relief assistance for flood victims through USAID's Office of Foreign Disaster Assistance, USAID is helping Vietnam minimize the impact of future disasters by establishing early warning systems to improve flood

warning capacity in central Vietnam, including weather forecasting, natural disaster zoning maps, and TV/radio disaster warning systems. USAID anticipates establishing a similar system for coastal regions.

## ACTIVITY DATA SHEET

**PROGRAM:** Vietnam
**TITLE AND NUMBER:** Enhanced Environment for Trade and Investment, 440-006
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $4,982,000 DA ($1,500,000 NOA and $3,482,000 FY 2000 carryover)
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $4,600,000 DA
**INITIAL OBLIGATION:** FY 1997 **ESTIMATED COMPLETION DATE:** FY 2005

**Summary:** To achieve sustainable growth domestically and compete internationally, Vietnam needs to move from a controlled, centrally-planned economy to one that permits freer and broader participation of the private sector. This process will require Vietnam to develop and implement a wide range of reforms that will permit greater participation in the world economy. This objective will enable USAID to respond as opportunities arise with the Government of Vietnam in the area of trade reform. This includes tariff and customs reforms, removal of non-tariff barriers, investment licensing and registration, intellectual property rights, market access, procurement reform, removal of anti-competitive policies, and improved accountability and transparency. The program specifically supports the implementation of the U.S.-Vietnam Bilateral Trade Agreement (BTA).

**Key Results:** With USAID-funded technical assistance, Vietnam developed a draft companies law designed to level the playing field for the private sector. This was incorporated into a broader enterprises law passed by the National Assembly in 1999. USAID-supported assistance to the Ministry of Trade contributed to acceleration of negotiations for the U.S.-Vietnam BTA, signed in July 2000.

**Performance and Prospects:** The trade and investment objective has two components: (a) trade and investment implementation support; and (b) university strengthening activities. In FY 2001, USAID plans to obligate approximately $3.48 million for trade and investment-related activities and $1.5 million for university strengthening.

The BTA is the most comprehensive bilateral trade agreement ever negotiated. It involves trade in goods and services as well as investment and intellectual property rights. Further, it requires Vietnam to undertake a broad range of reforms that, when implemented, will fundamentally change how Vietnam conducts business. These reforms include: substantial reductions in tariffs; transparency in government procurement; uniform implementation of standards, taxes, and dispute resolution; removal of quotas; market access rights; elimination of trade-related investment restrictions; and acceptance of World Trade Organization (WTO) rules on customs valuation, intellectual property rights, and trade in services.

USAID's trade policy activity under this objective provides technical assistance designed to give Vietnam a better understanding of the role that international standards and the rule of law play in underpinning a successful free market economy. The program familiarizes key Vietnamese officials with the policies, concepts, regulations, and benefits associated with commercial legal reform, particularly as they relate to trade in goods and services, investment, and intellectual property rights. The program helps Vietnamese government leaders understand the principles and commitments of international trade regimes and how existing laws and practices relate, and provides technical and substantive assistance in developing new laws and regulations that are compatible with international trade and investment norms and facilitate economic development.

USAID has provided technical assistance and training for various ministries and government offices responsible for Vietnam's economic integration. With ongoing support and participation from the private sector, the program provides comparative information on other U.S. trade and investment treaty partners and WTO members, particularly other transitional economies; facilitates strong awareness of detailed requirements for Vietnam's bilateral trade agreement with the United States and WTO accession; and identifies and builds capacity for legal reforms to ensure an effective transition for Vietnam's goals of international integration and a more market-based economy with effective regulation.

Presently, USAID is helping to identify and draft laws required to smoothly implement the agreement. USAID will continue to help Vietnam understand, develop, and implement the reforms required under the bilateral trade agreement, and will assist Vietnam in meeting the numerous requirements for eventual WTO membership.

USAID also supports efforts to strengthen higher education systems in Vietnam. For example, Boise State University has established a partnership with Hanoi's National Economic University to strengthen the latter's business school. The program trains Vietnam's future economic leaders and helps the National Economic University to offer high quality business education, training, and research on a sustainable basis. The University of Vermont is strengthening physician training in three Vietnamese hospitals.

**Possible Adjustments to Plans:** None.

**Other Donor Programs:** The World Bank policy agenda for economic growth focuses on: 1) creating a sound banking system; 2) reforming the state enterprise system; and 3) opening up international trade. The World Bank and the Asian Development Bank are active in modernizing the banking system and encouraging state enterprise reform. USAID's support for the BTA and related reforms complement these efforts by opening up international trade.

**Principal Contractors, Grantees, or Agencies:** The U.S.-Vietnam Trade Council; Boise State University; and the University of Vermont.

**Selected Performance Measures:**

| | **Baseline (1997)** | **Actual (1998)** | **Actual (1999)** | **Actual (2000)** | **Target (2001)** |
|---|---|---|---|---|---|
| Companies Law enacted | No | Yes | Yes | Yes | Yes |
| Trade agreement issues resolved | 0 | 5 | 20 | 15 | -- |
| Agreement-in-principle for the U.S.-Vietnam BTA | No | No | Yes | Yes | Yes |
| U.S.-Vietnam BTA signed | No | No | No | Yes | Yes |
| Trade and investment procedures approved | 0 | 0 | 0 | 8 | 10 |

Note: These indicators track with the process of completing and implementing the U.S.-Vietnam BTA by reaching agreement in principle, resolving remaining issues surrounding the Agreement, formal signing of the Agreement itself, and developing and obtaining approval of trade and investment procedures.

**ACTIVITY DATA SHEET**

**PROGRAM:** Vietnam
**TITLE AND NUMBER:** Improved Access to Services for Selected Vulnerable Groups, 440-007
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $2,494,000 CSD
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $1,500,000 CSD
**INITIAL OBLIGATION:** FY 1991 **ESTIMATED COMPLETION DATE:** FY 2002

**Summary:** While accelerating economic liberalization and growth are key to Vietnam's future, it is important not to leave the disadvantaged behind. Under this objective, USAID helps improve opportunities for selected vulnerable groups to lead more productive lives. These groups include victims of the annual floods; victims of injuries from the war or the remaining landmines; orphans and displaced children; and people at high risk of contracting HIV/AIDS.

Under this objective, USAID utilizes resources from the Leahy War Victims Fund (LWVF), the Displaced Children and Orphans Fund (DCOF), the Asia and Near East regional HIV/AIDS program, and USAID's Office of Foreign Disaster Assistance (OFDA). This objective is consistent with Mission Performance Plan goals to prevent or minimize the human costs of conflict and natural disasters in the region, and to enhance the health status of the Vietnamese people through programmatic and policy support.

**Key Results:** The barrier-free access initiative of the LWVF resulted in a Government of Vietnam mandate to alter ongoing construction of the new Hanoi international airport to incorporate barrier-free design standards. DCOF funding helped spur the recent policy shift from institutional to community-based care for disabled children. The regional HIV/AIDS program supported the initiation of a condom social marketing program. In response to annual floods, OFDA provided assistance to construct 1,400 flood-resistant homes.

U.S. private and voluntary organizations help improve opportunities to war victims and children at risk through several USAID grants funded by the LWVF and DCOF. With LWVF funds, numerous U.S. design experts traveled to Vietnam to assess and advise how to incorporate barrier-free physical access for persons with disabilities into traditional Vietnamese construction techniques. LWVF also were used to upgrade the Bach Mai Hospital in Hanoi to address the increasingly large gap in orthotic services, especially for children. This facility, located at Hanoi's leading teaching hospital, will provide direct services to thousands of children annually and will house a mobile orthotic unit capable of taking services directly to beneficiaries. In addition, LWVF funds were used to introduce a newly-designed prosthetic foot that is stronger and more durable than those currently used in Vietnam. This is significant because the foot piece currently is the weakest component in the limb system, lasting only 6-12 months, as opposed to a mean wear of three years for other components. LWVF-funded assistance will continue to strengthen local capabilities to provide services to the disabled including improved policies and local prosthetic production capabilities.

**Performance and Prospects:** In FY 2001, USAID plans to obligate $2.494 million in CSD (DCOF funds). Vietnam's DCOF-funded activities emphasize supporting children with disabilities. Over 295 children with hearing impairments have been identified through basic screening techniques, and over 250 teachers and government staff have been trained in how to mainstream these children into regular classrooms. Two key training manuals have been translated into Vietnamese and accepted by the Vietnamese government. The manuals are being used as core materials for courses in community-based rehabilitation. Two additional programs are underway: training trainers of elementary school teachers in inclusive education; and training non-formal education teachers in vocational rehabilitation for adolescents with disabilities. Future assistance will continue to emphasize mainstreaming of children with disabilities, leading to more productive lives.

USAID's regional HIV/AIDS program works closely with Vietnam's National AIDS Bureau to improve its capacity to implement AIDS prevention activities. The activity consists of ongoing support for condom social marketing. At the national level and in four provinces, the activity supports communication for

behavior change, sexually-transmitted disease case management, policy-based interventions, and peer education among high-risk groups, especially commercial sex workers and injecting drug users. These activities are notified under the ANE Bureau's Regional HIV/AIDS and Infectious Diseases component of the "Stabilize Population Growth and Protect Human Health" objective (498-022).

As part of an accident prevention and treatment program, USAID will fund technical assistance to upgrade basic emergency medical service capabilities in one or more major urban areas; prepare a national safety plan; develop safety awareness materials and public service announcements; and support a national safety conference.

To mitigate the impacts of future floods, OFDA has supported the National Oceanic and Atmospheric Administration/National Weather Service's development of a proposal and implementation plan for a flood forecasting and early warning system for the Red River, and technical assistance by the U. S. Army Corps of Engineers in specialized construction techniques for flood control and mitigation. The U.S. Army Corps of Engineers visited sites in north, central, and south Vietnam, and is preparing a report with recommendations for improved river and sea dike management and construction. In FY 2001, OFDA will work through the United Nations Development Program and a multilateral disaster mitigation group to help develop flood-warning systems along Vietnam's coast and in three central river basins.

**Possible Adjustments to Plans:** None.

**Other Donor Programs:** USAID is the lead donor in providing assistance to the disabled. The World Bank and the Asian Development Bank are the principal donors in the health sector, providing over $15 million for primary health care and nutrition, immunizations, family planning, and reproductive health care. The United Nations is a principal donor for humanitarian and food relief. Many bilateral donors are active in health and humanitarian assistance, particularly Japan, Australia, Germany, Netherlands, and Sweden.

**Principal Contractors, Grantees, or Agencies:** Vietnam Assistance to the Handicapped; Vietnam Veterans of America Foundation; Health Volunteers Overseas; World Vision Relief and Development; Catholic Relief Services; Pearl S. Buck International; Family Health International; International Federation of the Red Cross; National Oceanic and Atmospheric Administration/National Weather Service; the U.S. Army Corps of Engineers; United Nations Development Program; and the Population Council.

**Selected Performance Measures:**

| | Baseline (1991) | Actual (1998) | Actual (1999) | Actual (2000) | Target (2001) |
|---|---|---|---|---|---|
| Orthopedic devices fitted/delivered | 0 | 50,000 | 55,000 | 60,000 | 65,000 |
| Children provided with critically needed services or protection | 0 | 9,000 | 10,000 | 11,000 | 12,000 |
| National Public Safety Plan developed | No | No | No | No | Yes |

## VIETNAM
### FY 2002 STRATEGIC OBJECTIVE SUMMARY
**(in thousands of dollars)**

| SO number | SO Title<br>Fund Account | FY 1999 | FY 2000 | FY 2001 | FY 2002 |
|---|---|---|---|---|---|
| 440-006 | Enhanced Environment for Trade and Investment | | | | |
| | - DA | 1,500 | 1,250 | 1,500 | 4,600 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 0 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 440-007 | Improved Access to Services for Selected Vulnerable Groups | | | | |
| | - DA | 0 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 1,500 | 1,500 | 2,494 | 1,500 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 0 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| | SO Totals | | | | |
| | - DA | 1,500 | 1,250 | 1,500 | 4,600 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 1,500 | 1,500 | 2,494 | 1,500 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 0 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Vietnam** | | | |
| **Title and Number: Enhanced Environment for Trade and Investment, 440-006** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 500 DA | 500 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 1,239 ESF | 318 ESF | 921 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 335 DA | 217 DA | |
| | 0 CSD | 0 CSD | |
| | 0 ESF | 921 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 835 DA | 717 DA | 118 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 1,239 ESF | 1,239 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 3,482 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 1,500 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 4,982 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 4,600 DA | 0 DA | 10,417 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 1,239 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Vietnam** | | | |
| **Title and Number: Improved Access to Services for Selected Vulnerable Groups, 440-007** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 18,674 DA | 17,104 DA | 1,570 DA |
| | 3,406 CSD | 1,669 CSD | 1,737 CSD |
| | 1,184 ESF | 1,184 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 1,570 DA | |
| | 425 CSD | 1,737 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 18,674 DA | 18,674 DA | 0 DA |
| | 3,831 CSD | 3,406 CSD | 425 CSD |
| | 1,184 ESF | 1,184 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 1,278 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 2,494 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 3,772 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 18,674 DA |
| | 1,500 CSD | 0 CSD | 9,103 CSD |
| | 0 ESF | 0 ESF | 1,184 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Vietnam summary** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through Sept | 19,174 DA | 17,604 DA | 1,570 DA |
| | 3,406 CSD | 1,669 CSD | 1,737 CSD |
| | 2,423 ESF | 1,502 ESF | 921 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2( | 335 DA | 1,787 DA | |
| | 425 CSD | 1,737 CSD | |
| | 0 ESF | 921 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through Sept | 19,509 DA | 19,391 DA | 118 DA |
| | 3,831 CSD | 3,406 CSD | 425 CSD |
| | 2,423 ESF | 2,423 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Un | 3,482 DA | | |
| | 1,278 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fisca | 1,500 DA | | |
| | 2,494 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned | 4,982 DA | | |
| | 3,772 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | 0 | **Future Obligations** | **Est. Total Cost** |
| **Proposed Fis** | 4,600 DA | 0 DA | 29,091 DA |
| | 1,500 CSD | 0 CSD | 9,103 CSD |
| | 0 ESF | 0 ESF | 2,423 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

**BANGLADESH**

| Program Summary (In Thousands of Dollars) | | | | |
|---|---|---|---|---|
| **Category** | **FY 1999 Actual** | **FY 2000 Actual** | **FY 2001 Estimated** | **FY 2002 Request** |
| Development Assistance | 31,650 | 31,063 | 42,300 | 38,300 |
| Development Fund for Africa | 0 | 0 | 0 | 0 |
| Child Survival & Disease Fund | 14,600 | 14,836 | 15,500 | 14,500 |
| Freedom Support Act Funds | 0 | 0 | 0 | 0 |
| SEED Act Funds | 0 | 0 | 0 | 0 |
| Economic Support Funds | 0 | 0 | 0 | 3,000 |
| P.L. 480 Title II | 46,356 | 23,525 | 43,654 | 46,125 |
| P.L 480 Title III | 0 | 0 | 0 | 0 |
| **Total Program Funds** | **92,606** | **69,424** | **101,454** | **101,925** |

**Mission Director, Gordon H. West**

# BANGLADESH

## Introduction.

Bangladesh is one of the poorest, most densely populated and disaster-prone countries on earth. Yet the country enjoys natural advantages for agriculture due to its delta location, and attracts industries such as garment assembly, which draw upon the country's large labor force. Bangladesh is also blessed with a substantial natural gas reserve. Bangladesh is an important country for U.S. assistance, not only because of its size, prospects and need, but also because of its potential as a leader of the moderate Islamic world, and as a positive force for regional peace, stability and growth in South Asia.

U.S. foreign policy objectives in Bangladesh encourage stable democratic governance, respect for human rights, and market-oriented economic growth. USAID's program supports these foreign policy objectives and also serves U.S. global interests in stabilizing world population, eliminating hunger and food insecurity, protecting human health, promoting environmentally responsible growth and providing humanitarian assistance in times of disaster.

## Development Challenge.

USAID has been a major donor in Bangladesh since 1971, and has contributed to the country's outstanding progress in the population, health, and agriculture sectors, as well as in rural electrification, food security and disaster relief and planning. For example, contraceptive prevalence rose from 8% in 1974 to 54% in 2000, and the total fertility rate has dropped from over 6.3 births per woman to 3.3. Child mortality has decreased from 52.4 per 1000 in 1989 to 29.7 per 1000 in 1999. The proportion of Bangladesh's population with incomes below the poverty line has declined by about 28% since 1983. Through better planning and adoption of early warning systems, the number of deaths from major disasters has been dramatically reduced.

Despite such accomplishments, Bangladesh continues to face enormous challenges in assuring that food, energy, shelter, and other essential goods and services are available to a population that is expected to surpass 200 million by the year 2026. Approximately 40% of the Bangladeshi population remains in poverty, with over half of all children affected by some form of malnutrition.

Economic growth in Bangladesh rebounded to approximately 5.5% in real terms in 2000 following a downturn due to massive floods in 1998. Even with sustained strong economic growth, the country still faces a lengthy effort to lift a significant portion of its population out of poverty. Continued donor support is vital to sustain its safety net and many of its current social sector programs. Even the recent gains in economic growth and employment are vulnerable due to serious policy, infrastructure, and institutional constraints. Efforts to reduce state control of key industries, improve infrastructure, liberalize trade policy and strengthen the financial system would enhance Bangladesh's prospects for accelerated growth. Although the country returned to democracy in 1991, Parliament is barely working and there is no dialogue between the major political parties. The political situation will be increasingly fragile during 2001 due to the upcoming parliamentary elections. The challenge for the new leadership will be to raise the quality of governance, address corruption, and strengthen rule of law, in particular as relates to the legal rights of citizens, particularly women and the poor.

## Other Donors.

In 1999, the donor community provided new funding of about $1.9 billion for development activities in Bangladesh, of which the United States contributed just over 4%. Approximately 75% of all donor assistance contributed to priorities in the areas of roads and transport, energy, agriculture and rural development, health and family welfare, water resources, education and religious activities. Most major donors provide funding to Bangladesh. The five largest donors are the World Bank, the Asian Development Bank (ADB), Japan, the European Union, and USAID.

## FY 2002 Program.

USAID's strategic plan for Bangladesh covers the period FY 2000 through FY 2005. There are six strategic objectives, whose prospects for the budget request year are presented below. (One is closing.)

USAID will maintain its leadership role in family planning and health/child survival activities aimed at meeting the objective of "Fertility Reduced and Family Health Improved" (388-001). USAID will continue to emphasize polio eradication, as well as HIV/AIDS prevention for high-risk groups to contain its still limited incidence in Bangladesh. The Government of Bangladesh (GOB) provides most of the funding for the national family planning and health program, with an annual budget of approximately $400 million. The GOB supports the delivery of family planning and health services through its rural and urban infrastructure of facilities and personnel.

USAID support will continue for economic growth activities. The newly-created objective "Growth of Agribusiness and Small Business" (388-005) will help to improve the enabling environment for agribusiness, aquaculture, small and medium enterprises, and micro-finance; and assist individual entrepreneurs and businesses to improve their products, services, and market access. Activities under "Improve Management of Open Water and Tropical Forest Resources" (388-06) to preserve open water and tropical forest resources will upgrade floodplain and forest management practices at the community level. To achieve its objective of "Improved Performance of the Energy Sector" (388-007), USAID will continue its long-standing support for Bangladesh's rural power program while implementing new activities to foster deregulation of the power sector and development of the nascent natural gas sector. The USAID regional program South Asia Regional Initiative/Energy plays a complementary role for regional cooperation, training, and policy in the energy sector.

The P.L. 480 regular Title II program assists Bangladesh's poorest families. Households in disaster-prone areas will also continue to benefit under the new objective, "Improved Food Security for the Most Vulnerable Groups" (388-008). Activities under the objective ensure food availability through the government's safety net and promote policy changes to minimize the public sector's role in grain import. The imported food commodities support a Food for Education program to encourage families to keep primary school-age children in school. Proceeds from the sale of food finance the Cooperative for Assistance and Relief Everywhere (CARE) and World Vision programs to upgrade community infrastructure and enhance disaster preparedness. During major natural disasters, humanitarian assistance is a major component of USAID assistance to Bangladesh, through the P.L. 480 Emergency Title II program and USAID's Office of Foreign Disaster Assistance (OFDA). In the fall of 2000, the U.S. Embassy declared a disaster when localized severe flooding displaced households and disrupted agriculture and transport in southwest Bangladesh. USAID provided $1 million of relief commodities and $625,000 of food through the P.L. 480 program to assist 100,000 flood-affected families.

USAID's earlier democracy/governance (DG) objective, and its successor, "Strengthened Institutions of Democracy" (388-009), seek to strengthen civil society, local government, parliament, and human rights. A recent DG initiative will continue in FY 2002 to support Transparency International-Bangladesh's efforts to raise awareness of corruption issues in the public and private sectors. In this election year, USAID activities to help enhance the responsiveness of Parliament will include pre-election surveys, technical assessments, planning and procedures for domestic monitoring, and arrangements for international election observers. In 2001, USAID will initiate new activities to promote civil society advocacy of human rights and to support development of a national constituency for local government. Bilateral activities in the democracy and governance area are complemented by the USAID regional South Asia Regional Initiative/Equity and the Department of State's South Asia Democracy program.

In addition to these bilateral and regional activities, USAID's Global Bureau has an activity to increase the use by women and men of voluntary practices that contribute to reduced fertility; and the Bureau for Humanitarian Response has an activity that demonstrates U.S. educational and medical technologies and practices.

**ACTIVITY DATA SHEET**

**PROGRAM:** Bangladesh
**TITLE AND NUMBER:** Fertility Reduced and Family Health Improved, 388-001
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $26,000,000 DA; $14,000,000 CSD
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $23,000,000 DA; $14,000,000 CSD; $1,000,000 ESF
**INITIAL OBLIGATION:** FY 1997 **ESTIMATED COMPLETION DATE: FY** 2006

**Summary:** Bangladesh's population continues to grow, and poverty and illness deny many families the opportunity for long, healthy, productive lives. Continued emphasis on family planning is required to reach replacement fertility, and basic health services must be improved. Activities under this Strategic Objective are intended to lower fertility and reduce infant, child and maternal mortality. Major planned results include a reduction in fertility from about 3.4 live births per woman in 1993/1994 to 2.9 by 2004 and a decline in infant mortality from 87 per 1,000 live births in 1993/1994 to 55 by 2004. Bangladesh has achieved impressive reductions in fertility and in infant and child mortality over the past thirty years.

USAID supports service delivery by 46 local non-governmental organizations (NGOs) that provide integrated maternal and child health services, including family planning, to a population of approximately 22 million. National level assistance that benefits all Bangladeshis is provided for social marketing; improved distribution of family planning and health commodities; immunization, including polio eradication; disease surveillance; and mass-media health-communications programs. In addition, HIV-prevention activities are targeted at high-risk groups. The Child Survival and Diseases (CSD) fund account supports portions of service delivery; technical assistance for immunization, nutrition surveillance and other child-health activity; social marketing; and operations-research programs. Population and AIDS funds support the balance of activities.

**Key Results:** The principal result to be achieved under this strategic objective is the increased use of high-impact health services. This requires increasing the availability of integrated health and family-planning services through a system that has traditionally emphasized vertical service provision through separate health and family-planning infrastructure and staff; improving service quality; and changing attitudes and behaviors with respect to service utilization among potential clients. It also requires the active involvement of the private sector, including NGOs and commercial product-distribution networks, to substantially complement and extend the reach of government health services.

**Performance and Prospects:** Performance over the past year, the third full year of the program, exceeded expectations. The program expanded access to high impact services, including immunization; treatment of diarrheal diseases, lower-respiratory infections and sexually transmitted diseases; family planning; vitamin A; and antenatal care. This has been done primarily through the following: (1) 322 community clinics and more than 150,000 associated clinic satellite sessions, all managed by NGOs; (2) technical assistance to government health sector; and (3) support for the Social Marketing Company (SMC).

Clinic usage increased by 65% in FY 2000 for a total of more than 14.1 million contacts. Total couple years of contraceptive protection grew to 3.12 million, up 32% from FY 1999. Distribution of oral contraceptives, injectables and condoms increased by 53%, 77% and 50%, respectively. The treatment of childhood diarrhea and acute respiratory infection and measles vaccination increased by 124%, 213%, and 70%, respectively. Antenatal and postnatal care increased by 84% and 90%, respectively, while tetanus immunizations for mothers grew by nearly 89%. Additional polio-surveillance facilitators helped document an acute flaccid paralysis rate of 1.6, up from 0.81 in FY 1999, and indicating an increasingly effective surveillance system. USAID also supported the National Immunization Day campaign, which achieved a full polio protection coverage rate of 89.5%, up from 76% last year.

A new communication and marketing strategy was developed and recently implemented. It will further increase clinic utilization and encourage behaviors such as exclusive breast feeding and vitamin-A consumption. An urban safe-motherhood pilot program was initiated. Operations research is being substantially revised to produce more program-relevant and cost-effective research. USAID and the

United Nations Children's Fund (UNICEF) continued collaboration to reduce maternal mortality, and a survey to document the national maternal mortality rate and its causes was launched. Quality assurance data analysis demonstrated that 71% of NGO clinics were in compliance with an index of quality indicators this year, up from 25% in 1998-1999. SMC initiated the marketing of injectable contraceptives and over-the-counter sales of oral contraceptives. SMC sales of injectables increased by 274% and orals by 40%. Sales of both condoms and ORS rose by 5%.

USAID revamped its HIV/AIDS strategy to concentrate on high-risk groups. USAID-funded group meetings, peer counseling, condom sales, and treatment for sexually transmitted diseases increased dramatically. An HIV/AIDS advisor is now in place, USAID has constituted a donors group to enhance collaboration. USAID is assisting in the unification of the health ministry's separate health and family-planning logistics systems. Procurement issues have been reviewed, with attention focused on preparing policymakers and officials to more effectively procure contraceptive and health commodities using World Bank funds and guidelines.

In FY 2001, USAID will provide $23 million in DA funding for family planning activities, of which $10 million will be provided for purchasing contraceptive commodities for the social marketing program; $9 million for direct provision of family planning services; $2 million for information, education and communication activities; and $2 million for logistics support systems and management capacity building. An additional $3 million in DA will fund program monitoring and policy analysis. USAID will provide $14 million in CSD funding, of which $11 million will finance child survival activities, and $3 million will be used for HIV/AIDS prevention.

In FY 2001, clinical services and NGO institutional capacity will be strengthened. However, USAID is reaching the fiscal limits of network expansion, so future efforts will concentrate on improving service quality and coverage at current sites. A policy initiative with the Government of Bangladesh (GOB) will encourage the increased provision of health services by NGOs, and an effort will be made to promote these NGOs as models for expanding the private provision of basic services with government and other-donor financing. Technical assistance to revitalize Bangladesh's surgical contraception program will be funded in FY 2001. Quality assurance data will be used to improve training and supervision. USAID will continue to assist the GOB to improve its procurement practices, especially for contraceptives and will continue GOB assistance in logistics and training. A focused evaluation of key activities will be conducted in FY 2001.

**Possible Adjustments to Plans:** None.

**Other Donor Programs:** The World Bank and four bilateral donors directly fund the GOB's Health and Population Sector Program and represent the largest source of donor funds for the sector. USAID, United Nations Children's Fund, United Nations Population Fund, World Health Organization, Germany, and the United Kingdom also provide support. Under the U.S.-Japan Common Agenda, Japan supports immunization and reproductive health activities, including vaccines and limited clinic construction. USAID is the second largest donor in the sector and is an active member of the Bangladesh Health Donors Consortium.

**Principal Contractors, Grantees, or Agencies:** USAID implements activities through U.S. and local private firms, universities, and NGOs. They include: Pathfinder International for rural service delivery; John Snow, Inc., urban service delivery and logistics; Social Marketing Council, social marketing; the International Centre for Diarrheal Disease Research, Bangladesh, operations research; EngenderHealth, quality improvement and surgical contraception; Management Sciences for Health, technical support to immunization and other child-health activities, including polio; the University of North Carolina, healthworker training; the Bangladesh Centre for Communications Programs, communication activities; Family Health International, technical assistance in HIV/AIDS; and Helen Keller International, nutrition surveillance.

## ACTIVITY DATA SHEET

**PROGRAM:** Bangladesh
**TITLE AND NUMBER:** Improved Representation of Interests of Women and the Rural Poor, 388-003
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** None.
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** None.
**INITIAL OBLIGATION:** FY 1996 **ESTIMATED COMPLETION DATE:** FY 2001

**Summary:** Although activities were phasing down during 2000, the Democracy Partnership (DP) achieved impressive results, including dramatic increases in adoption of "best practices" by local government councils. The Democracy Partnership was the first donor-funded democracy program in Bangladesh involving numerous non-governmental organizations (NGOs) in democracy issues such as elections, improved local elected bodies, and alternative dispute resolution. Additional USAID efforts to coalesce civil society around important democracy issues paid benefits in the areas of antitrafficking of women and children, child labor, anticorruption, parliamentary committees, and assistance to garment workers' unions.

Through this program, numerous NGOs were introduced to democracy issues. These NGOs now consider democracy promotion to be an integral part of their core development activities. Simultaneously, the program has inspired several democracy coalitions/networks and has advanced techniques used locally in several areas of governance and human rights.

**Key Results:** Three areas where key results were measured are highlighted below.

Local Elected Bodies: In program areas, local government councils have increasingly adopted important practices that make them more democratic and effective as compared with the other local government councils. Improvements in performance of assisted union councils led to a substantial increase in public confidence in elected bodies in those local governments and in local governments with advocacy programs, when compared with the control sample.

Customer Confidence in Local Justice Processes: The Democracy Partnership programs focuses on enhancing the mediation capacity of local government councils, improving existing local mediation bodies by sensitizing them to gender issues, increasing the involvement of women as mediators, and organizing NGO-sponsored mediation bodies in areas where they are inoperative. In areas with alternative dispute resolution programs, confidence in local justice processes was 58.9% in 1999 and 64.1% in 2000 compared to a baseline control sample in 1998 of 45%.

Percent of marriages registered: This variable is meant to serve as a higher order measure of women's protection under the law. Eighty-eight percent of all marriages surveyed in the legal awareness program area were registered in 1999, versus the control sample of 59%.

**Performance and Prospects:** No funds will be provided for this objective in FY 2001 and FY 2002, as it is being phased out.

Activities under this objective have focused on the local government councils and their constituents. Partnership activities have improved the general skills and knowledge base of council members, increased transparency, accountability, and interaction with constituents; supported NGO efforts to increase the number of women and rural poor members elected to councils; and promoted a range of "best practices." Constituent activities focus on local groups/associations of women and the rural poor, both helping to deepen their understanding of resources, policies, and programs that affect them, and developing their ability to advocate for their own interests to local government and hold elected and administrative officials accountable. Selected indicators of performance for this intermediate result are described below.

The usage rates of 14 best practices were recorded in 72 local governments where the local elected body program was still active at the end of 2000. The percentage of local government councils using five or more best practices rose to 96% in 2000, up from 70% in 1999 and 34% in 1998. The average number of best practices increased to 9.88 in 2000, up from 8.57 in 1999 and 2.98 in 1998.

USAID has promoted and tracked activities undertaken by local groups or associations with NGO support. These initiatives bring community members together to identify local priorities. Some collective actions are implemented at the community level, while others require collective advocacy to improve delivery of specific government services and resources. Collective actions are important because they involve the entire community in setting a common local agenda and working together to achieve results. Although the number of unions with local advocacy programs decreased, the total number of collective initiatives increased from 992 in 1999 to 1,112 initiatives in 2000. Collective actions included household level services, rural infrastructure works, social services, and leases of government property.

Access to justice has improved. DP-supported NGOs focus on improving local justice processes that most affect women and the poor in rural communities. Such processes include traditional mediation bodies, mediation by local government councils, and mediation by NGOs themselves. DP supported NGOs have worked with mediators to improve their knowledge of the law, sensitize them to gender issues, increase the number of women mediators and organize new NGO mediation boards in villages where traditional mediation bodies are inoperative. They also addressed the knowledge of women's legal and family rights that are often violated in practice. The target number of 10,000 clients served in dispute resolution cases was exceeded although the number declined from 12,502 to 10,332 due to lower funding levels and contraction of the NGO programs. (Mediation conducted by local government councils was not monitored.) The percentage of customers who are aware of their legal rights has increased substantially to 51.7% from 37.1% in 1999 in the areas where the DP program was active.

The American Center for International Labor Solidarity continued to support the development of the Bangladesh Independent Garment Workers Union Federation (BIGUF). Activities included 69 training programs for union executive committee members, factory level, local union officers, and activists and 112 meetings for new recruits and prospective members involving over 700 factories. In addition, the federation's legal services program counseled 2,016 workers. BIGUF made significant steps towards sustainability, taking full responsibility for administration, record keeping, and collection of monthly contributions from its members.

**Possible Adjustments to Plans:** All NGO activities under the Democracy Partnership with The Asia Foundation will end in early 2001. During the closeout period the focus will be on documenting and analyzing lessons learned. In some cases, the results will be incorporated into USAID's new democracy objective. Several other activities outside the Democracy Partnership will be transferred to the new objective.

**Other Donor Programs:** Other donors that address democracy, governance, and human rights include Canada, Denmark, Norway, Sweden, Switzerland, the United Kingdom, European Union (EU), the United Nations Development Program (UNDP), United Nations Children's Fund, International Labor Organization, Asian Development Bank, and the World Bank.

Coordination with these donors occurs through a broad donor consultative group on governance and smaller donor groups addressing specific topics, such as anticorruption, antitrafficking, and elections. The EU is funding a program through The Asia Foundation that emphasizes legal awareness and alternative dispute resolution. UNDP projects in the areas of local government training, elections, and parliamentary development complement USAID's civil society program by working more directly with the central government.

**Principal Contractors, Grantees, or Agencies:** Over the life of the Democracy Partnership program, The Asia Foundation, the primary implementing agency, has partnered with 29 grantees that in turn have worked with an additional 76 NGOs for a total of 105 NGOs that have been involved in carrying out activities under this initiative. Projects have been implemented in roughly 1,200 of the country's 4,500

unions. At the close of the project, 20 primary NGO implementers will have partnered with 78 sub-grantees for a total of 98 NGOs working at the sub-district level in 700 local governments covering all six divisions of the country. Other parties include: Transparency International Bangladesh (anticorruption); American Center for International Labor Solidarity (garment workers); Red Barnet and the Bangladesh National Women's Lawyers Association (antitrafficking); Khan Foundation (local government training); CARE (local governance); and National Democratic Institute (political parties in parliament and elections).

**ACTIVITY DATA SHEET**

**PROGRAM:** Bangladesh
**TITLE AND NUMBER:** Growth of Agribusiness and Small Business, 388-005
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $ 5,700,000 DA
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $ 5,600,000 DA
**INITIAL OBLIGATION:** FY 1996 **ESTIMATED COMPLETION DATE:** FY 2006

**Summary:** The transformation of agriculture from monocrop (rice), subsistence farms to diversified, market-oriented agribusinesses and the overall expansion of small business are critical for creating job opportunities and eliminating poverty in Bangladesh. This objective directly addresses this needed transformation.

Three intermediate results support this objective: 1) more market-oriented policies, laws, and regulations; 2) stronger business support institutions; and 3) improved performance of selected enterprises in targeted sectors. USAID provides information, know-how, and loan guaranties to private enterprises and private financial institutions in order to expand both agribusiness and small business and supports policy change in favor of a more open, market-driven economy. This objective utilizes agriculture, economic growth, and microenterprise funding from the DA account.

USAID technical assistance to policy makers, private enterprises and private financial institutions will help transform agriculture from rice and subsistence farms to diversified, market-oriented businesses. Agriculture still employs over 60% of the labor force, but it constitutes less than 25% of the gross domestic product. The expansion of agribusiness, with its market-driven, private-sector approach is key to raising productivity and incomes on the farm as well as creating off-farm opportunities in input supply and processing. Small businesses, other than agribusiness, are also critical for creating job opportunities for displaced farm workers as well as new entrants to the labor market.

**Key Results:** All three indicators under this objective—sales, exports and jobs—exhibited positive growth, although slightly lower than expected due to the gap between the first and second phases of the agribusiness program. The 6% currency devaluation took place too late in the year to have any impact on FY 2000 results but should have a positive impact on exports in FY 2001. It should also be noted that over 33% of the estimated growth in jobs, i.e., new jobs, benefited females. In addition, a significant portion of the increase in incomes generated under USAID-funded programs accrued to female workers.

**Performance and Prospects:** As a follow-up to past success in removing interest rate ceilings on bank lending to small- and medium-size enterprises, in FY 2001 USAID initiated a collaborative effort with other donors to reform existing laws related to secured financing. Such reforms will lead to an increased flow of capital to small businesses by reducing the risk of lending to borrowers. Prospects for passage of a new secured finance law are good in light of the work that has been completed thus far, including the completion of work on draft legislation. In FY 2000, work also began in e-commerce, i.e., the use of Internet technologies for the marketing, payment, and distribution of goods and services, which is becoming increasingly vital in 21st century commerce. This new initiative stems in part from the announcement (during the Prime Minister's visit to the United States. in September 2000) of Bangladesh as an "Internet for Economic Development" partner. Efforts continue in FY 2001 to push the needed policy and regulatory reform to open up the sector, but prospects for further emphasis beyond the current fiscal year will depend on progress achieved in this area.

In the area of business support institutions, USAID is focusing on three key sets of institutions: banks, trade associations, and agricultural research institutes. During FY 2000, USAID successfully negotiated two new loan portfolio guaranty programs in support of small business—including agribusiness—with local private banks. Prospects in this area are excellent; not only have the two participating banks started to develop new business using the guaranties, but they are also actively collaborating with other USAID-funded programs in the search for new private sector clients. In FY 2001, a third bank will be included, and lending under the program will be expanded.

Under the agribusiness program, a new body of agribusiness trade associations has been formed to pursue a better policy and institutional environment for agribusiness. Prospects for further strengthening of such trade groups are good in light of the innovative approaches outlined for the new agribusiness activity, which was launched in FY 2001. With further funding in FY 2002, the Agri-based Industries and Technology Development Program will realize further development of agribusiness trade and professional groups. Finally, using food aid-generated local currency, USAID is supporting potentially far-reaching reforms of the Wheat and Horticulture Research Centers over the period 2001-2003. These recently initiated reform activities will give operational autonomy to the former and will strengthen their linkages to the private sector.

During FY 2000, USAID continued to provide information and technical expertise to individual entrepreneurs to help lower the risks and costs of expansion. Approximately 240,000 enterprises, including small farms, fish ponds, nurseries, and home gardens, benefited from such programs. Of these, some 196,000 were owned and/or operated by women. Other activities included the sponsorship of participants in at least seven international trade fairs, which resulted in export orders of approximately $1 million. Several of the successful exporters subcontracted with local micro-enterprise suppliers to fulfill their orders, resulting in the creation of several thousand new jobs. The agribusiness activity worked with almost 28,000 market leaders in horticulture, seed, shrimp, and poultry to introduce new technologies or products, such as fresh water shrimp (which in addition to being in high commercial demand, is also more environment-friendly than brackish water production) and higher yielding, true potato seed. Under the low cost pond aquaculture program, data show that the actual yield per pond was almost double what had been projected, leading to greatly increased interest in the program on the part of Bangladeshi farmers and pond owners. During FY 2000 the village and household vegetable gardening activity worked with 90,000 households and led directly to the creation of about 2,000 new village nurseries, resulting in several million dollars' worth of new vegetable production. Prospects for continued success in expanding jobs and incomes by directly improving the performance of key enterprises are excellent given the mix of new and well-established ongoing activities, and the enthusiasm of Bangladeshi entrepreneurs to expand and diversify their products and markets.

In FY 2001, $5.7 million in DA funding will be used for this objective. Of this amount, $4.2 million will fund rural enterprise development and $1.5 million will go for small and medium business development.

**Possible Adjustments to Plans**: The run-up and immediate aftermath of the next parliamentary elections, which will take place during the current fiscal year, may have an appreciable impact on planned programs due to possible pre-election violence, general strikes, or temporary government paralysis. However, it may be possible to subsequently move ahead with some significant new reform measures. USAID will proceed with the design of a new program related to small business development that will succeed the Job Opportunity and Business Support activity and will begin in FY 2002.

**Other Donor Programs:** USAID actively coordinates its programs with other donors through subcommittees of the Local Consultative Group. In agriculture, the World Bank chaired the donor coordination group through FY 2000. Principal donors in this sector include the Asian Development Bank (ADB), Denmark, the Food and Agriculture Organization; the International Fund for Agricultural Development, the Netherlands, Germany, the United Kingdom, and the World Bank.

USAID chairs the donor coordination group which deals with issues related to small enterprise development. Active donors include Denmark, International Finance Corporation, the South Asian Program for Enterprise Development, Germany, and Switzerland.

**Principal Contractors, Grantees, or Agencies:** Louis Berger Group, Inc., for agribusiness promotion; University of Maryland Center for Institutional Reform and the Informal Sector, for enterprise promotion and policy reform; International Center for Living Aquatic Resources Management, for low-cost pond aquaculture; and Helen Keller International for home gardening and nutrition.

**ACTIVITY DATA SHEET**

**PROGRAM:** Bangladesh
**TITLE AND NUMBER:** Improved Management of Open Water and Tropical Forest Resources, 388-006
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $1,900,000 DA
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $2,000,000 DA; $500,000 ESF
**INITIAL OBLIGATION:** FY 1996 **ESTIMATED COMPLETION DATE:** FY 2006

**Summary:** A lack of general environmental awareness, degradation of productive ecosystems as a result of poor resource management, along with the needs of an expanding population have placed severe stress on the natural resources of Bangladesh. In a country where fish represent 50% of all animal protein consumed, the main source of those fish, the freshwater capture fishery, is believed to have declined by 40% or more in the past two decades. Reports indicate half of all forested land has been cleared in the past 30 years. The loss of these resources is adversely affecting the nutrition of all Bangladeshis and the income and employment of 13 million or more rural poor.

The purpose of this objective is to demonstrate to the Government of Bangladesh (GOB) and communities an adaptive model for improved, participatory management of aquatic and tropical forest resources. This approach will involve all resource users and will promote interventions that help nature do its job in providing diversity and sustainable yield. Activities have been established in four areas: (1) improved floodplain resource management practices; (2) increased public awareness regarding environmental issues and approaches; (3) greater opportunity for supplemental income for those depending on open water and forest resources; and (4) improved conservation and management of tropical forest resources.

While the objective has been approved, an overall, integrated strategic framework has not yet been developed, and only one activity, "Management of Aquatic Ecosystems through Community Husbandry (MACH)" is currently being implemented. MACH is a pilot program meant to develop and demonstrate a model for improved management of open water resources to communities and government. It commenced field activities in March 1999. For FY 2000, all nine of its physical targets were met or exceeded. Fish sanctuaries were created that improved fish supply throughout the year for roughly 2,000 poor people. Income-generating activities in animal husbandry and home gardening were also promoted.

**Key Results:** Significant results in FY 2000 include the establishment of local government and resource management committees (RMCs) for key resources at three sites, collective identification of needed physical interventions, and the completion of the baseline survey. One hundred and five community credit groups were formed by the end of FY 2000 for the purpose of generating supplemental income. The extremely high level of community interest is reflected in the figures for participation in awareness-raising meetings.

During FY 2000 the U.S. Government and GOB negotiated and signed agreements involving debt exchange for tropical forest conservation under the Tropical Forest Conservation Act (TFCA), and work began to develop a tropical forest conservation component under this SO.

**Performance and Prospects:** In FY 2000, the performance of the MACH activity continued to look very encouraging. Local government representatives continued to support program activities and participate actively in the planning and ownership. Thirteen RMCs were formed, and ten others are in the final stage of formation. Over 20 local level management groups should be formed and operating by the end of FY 2001.

Watershed restoration activities on four streams in one of three project sites have begun and will continue through the life of the project. A management plan for the entire watershed will be completed in FY 2001. In addition to 20 new fish sanctuaries, physical interventions planned for 2001 include wetland

sanctuaries; roadside, wetland and riparian afforestation, and re-excavation of selected canals and other floodplain areas.

Public awareness and interest continues to be very high. Since inception, the project has conducted over 123 awareness-raising meetings and rallies, attended by more than 6,100 concerned community members. MACH continues to conduct user group planning and awareness sessions for government personnel, elected local government officials, wetland owners and leaseholders, and farmers. Community members working with project field staff have identified basic environmental problems and possible solutions at all sites. The groups have already imposed a reduction of the juvenile fish catch and closed fishing seasons.

Recognizing that the reduction of fishing pressure is a critical part of sustainable management of the resource, MACH has included supplemental income-generating activities for those directly dependent on wetland products. In FY 2000, this involved the formation of 65 new community credit groups, bringing the total of such groups since activity inception to 105, and 2,019 members. A total of 338 individuals are receiving credit through these groups. Income for group members should be increased by 50% through these activities. Additionally, in cooperation with other USAID activities, demonstrations were initiated involving nearly 700 poor people in wheat farming, commercial and homestead vegetable growing, the use of granular fertilizer, cage culture, and hybrid rice growing.

Near the end of FY 2000, MACH increased its activity sites from two to three and is working to generate baseline information on biological, sociological, and environmental parameters at the new site. In 2001, MACH is concentrating on important floodplain management activities such as participatory community resource planning, sanctuary development tied to physical interventions, watershed and riverbanks restoration and protection, and policy guideline development. Arrangements are being made to utilize food-aid generated local currency to undertake an enhanced program of physical works in the form of fish sanctuaries and watershed conservation measures.

In terms of forestry, the signing of the Debt Exchange and the Tropical Forest Conservation Agreements set the stage for developing the tropical forest component of this objective. Short-term technical assistance was subsequently deployed to recommend legal, institutional, fiscal, and administrative options for implementing the agreements. A long-term, expatriate advisor has been engaged to help promote integration of the open water and forestry components of the objective.

**Possible Adjustments to Plans:** USAID plans to negotiate and sign a strategic objective agreement with the GOB for this objective in FY 2001. For this purpose, a strategy paper is being developed and the strategic framework revised. This process will result in the integration of the tropical forestry component of the activity and will spell out objectives, implementation modalities and linkages. This will undoubtedly necessitate some change in the indicators and future reporting under this activity.

**Other Donor Programs:** MACH and its partner organizations are founding members and active participants in the National Wetlands Network, which also includes GOB representatives, NGOs, and other wetlands related projects. This network meets regularly, and has proved a useful forum for sharing problems and solutions and undertaking integrated policy initiatives.

The World Bank and GOB have signed an $88 million agreement to support fish production, conservation and improved management on a countrywide basis. United Kingdom, Ford Foundation, United Nations Development Program, International Food and Agricultural Development and other donors have also been providing support for various aspects of improved open water fisheries. Canada is supporting a water management project that is utilizing many of the MACH approaches to community resource management. There are a number of complementarities between these activities and USAID-supported activities in the fisheries and watershed areas.

In forestry, the Asian Development Bank (ADB) has recently signed a biodiversity project. Additionally, the World Bank-supported Forest Resources Master Plan and the ADB-supported Forestry Sector Project

both support tropical forestry conservation efforts in the country. USAID will maintain close coordination with the donor community in designing the tropical forest component of the activity.

**Principal Contractors, Grantees, or Agencies:** Winrock International, local non-governmental organizations and the Bangladesh Tropical Forest Conservation Foundation.

**ACTIVITY DATA SHEET**

**PROGRAM:** Bangladesh
**TITLE AND NUMBER:** Improved Performance of the Energy Sector, 388-007
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $2,500, 000 DA
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $1,500,000 DA; $1,500,000 ESF
**INITIAL OBLIGATION:** FY 1996 **ESTIMATED COMPLETION DATE:** FY 2006

**Summary:** While the Bangladesh Government continues to pursue a number of significant reforms in the energy sector, encompassing both power and gas, implementation has been slower than hoped. The goals, however, of open market policies and increased private sector investment remain unchanged. Within this context, the focus for USAID program activities continues to be the efficient use of energy and a decrease in system loss, both of which can be achieved by enhancing institutional capacity and encouraging policies that promote competition and the use of natural gas. Attention is also being given to encouraging cooperation and eventual trade in clean energy between Bangladesh and other south Asian nations.

This objective aims to improve the performance and efficiency of the energy sector, thus enabling and promoting overall economic development. An important aspect of this work is the development and usage of a clean energy source (natural gas), thereby reducing overall greenhouse gas (GHG) emissions. USAID is working to increase the usage of clean fuel in commercial energy mix to meet overall energy supply need; increase per capita consumption of clean energy; and increase the number of rural population with access to electricity.

**Key Results:** The “unbundling” of the power sector is continuing; the FY 2000 target for transmission line transfer to the Power Grid Company of Bangladesh (PGCB) has been met. Similarly, the target for total rural electric connections, which is vital to economic growth in these areas, was slightly surpassed. Three 10 MW plants were constructed and will be commissioned and operating during FY 2001. This is significant in that it is strictly a commercial venture, with USAID playing a facilitating role only, and is indicative of Bangladesh's increasing openess to private investment in the power sector.

Bangladesh has been slow in reaching consensus on how its natural gas resources can best be used to benefit the country. These delays have discouraged further new investment in the natural gas and power sectors. To provide an objective analysis of the natural gas resources base, USAID promoted and funded a substantial joint Petrobangla/U.S. Geological Survey (USGS) study to assess Bangladesh’s natural gas potential and funded or supported a variety of other seminars/ workshops focusing on the experience of other countries in developing and maximizing the use of their natural gas resources. USAID also financed a study analyzing the financial and technical feasibly of natural gas-generated power export to India and provided technical advice regarding proposed natural gas reform legislation through a Participating Agency Service Agreement (PASA) with the U.S. Department of Energy (DOE).

**Performance and Prospects:** In FY 2000, work continued in the rural power sector, which USAID has supported since 1977, and effectively began in the gas sector with the negotiation of a strategic objective agreement and the initiation of a range of studies and training activities in the power and gas sectors.

Also, activities continued to strengthen the capacity of the Rural Electrification Board (REB) and the rural power cooperatives to provide more reliable energy and better services to their rural customers through improved systems management and operation. USAID’s efforts in building capacity to provide rural power through greater connections and increased power generation will stimulate economic activity in the rural areas.

With the discovery of significant gas fields, Bangladesh has the opportunity to use this resource to strengthen and expand its energy sector and to spur economic growth and development. Bangladesh currently produces about 270 billion cubic feet (BCF) of natural gas per year. A recently completed assessment study carried out jointly by USGS and Petrobangla estimates a mean of 32 trillion cubic feet

(TCF) of undiscovered, technically recoverable gas resources. This study provides Bangladesh with further assurance that it can significantly expand gas-sector development and seriously consider gas export to spur economic growth and development. In FY 2001 USAID will begin implementing multi-year technical assistance and training programs for GOB natural gas and electric power entities. This policy-oriented assistance will improve GOB capacity to undertake and implement sound energy sector policy reform, including restructuring, unbundling and regulatory reform.

In 2001, activities will continue in educating the public and the media about energy issues and development implications. Key activities will include establishing a transparent energy information system; support for studies regarding the country's energy resources; economic analysis of the potential downstream use of energy resources; and seminars and workshops to disseminate the results of these studies to the GOB, press, labor force, and the private sector. USAID also plans to negotiate a new funding arrangement with the U.S. Department of Energy (DOE) to provide technical assistance from a variety of specialized USG agencies.

**Possible Adjustments to Plans:** While the pace of power-sector reform has picked up in the past year, it is unlikely that significant new energy reform will take place in either the power or natural gas sectors until after national elections, which will take place during 2001. It is likely that any new government, early in its term of office, will move ahead in energy sector reform and liberalization, including passage of the Power Sector and Natural Gas Reform Acts. These acts will permit establishment of an independent regulatory authority for the power and gas sector, and should provide investors and the various stakeholders with additional confidence in the GOB's willingness to reform. However, should significant reform efforts remain stalled, adjustments to this activity will be necessary.

**Other Donor Programs:** For years, multilateral donor agencies and many bilateral donors have funded various energy sector infrastructure projects. However, such capital funding has been shrinking in recent years. Like the U.S. Government, other donors are now focusing more on the capacity building and reform process, with increasing emphasis on the efficient and pragmatic use of the natural and human resources for sustainable economic growth. Donors' efforts are coordinated through periodic meetings of energy-sector donors and GOB officials. The Asian Development Bank (ADB) normally organizes and chairs these meetings.

Presently, the World Bank and the GOB are negotiating a loan of $100 million for rural electrification. ADB recently approved a loan of $300 million to upgrade distribution and transmission of power in Dhaka, conditioned on certain reform measures, and has several smaller assistance projects underway. Fourteen donors are currently funding electrical hardware supplies and other commodities for rural power infrastructure development. These donor activities complement USAID's program to improve the institutional capacity and enabling environment for energy sector reform and, hence, improve the performance of the energy sector.

**Principal Contractors, Grantees, or Agencies:** The National Rural Electric Cooperatives Association is implementing the Rural Power for Poverty Program. Through a USAID-financed Participating Agency Services Agreement with U.S. Department of Energy, a number of U.S. agencies are providing technical assistance and training to GOB entities.

**ACTIVITY DATA SHEET**

**PROGRAM:** Bangladesh
**TITLE AND NUMBER:** Improved Food Security for Vulnerable Groups, 388-008
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $3,200,000 DA
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $3,200,000 DA
**INITIAL OBLIGATION:** FY 2000 **ESTIMATED COMPLETION DATE:** FY 2006

**Summary:** Food insecurity remains an ever-present problem for nearly half the 130 million Bangladeshi people living below the poverty line. Over 30 million, with a daily diet of less than 1800 calories, are extremely poor, malnourished, and vulnerable. Although foodgrains are becoming more available at the national level, acute household and individual level food insecurity still exists and is reflected in the country's appalling malnutrition incidence. The purpose of this objective is to implement activities directly focusing on improving food security of the most vulnerable groups (with increased focus on women's interests), helping them to graduate to a more decent level of living. There are three major program areas: food security policy, environmentally sound infrastructure, and disaster management, with the added element of food aid as both a financial and commodity resource. Collectively, these components make up a complete approach to the food security problems confronting Bangladesh.

This objective is funded primarily by proceeds from P.L. 480 Title II resources. The Government of Bangladesh (GOB) pays the equivalent value of the donated wheat into local currency accounts managed by Title II development partners. The donated grain goes into the "Food for Education" program, covering 2.3 million primary school students. USAID partners (CARE and World Vision) then use the local currency, supplemented by dollar grants, to implement community infrastructure improvements, such as farm-to-market roads, water supply and sanitation, school construction, and urban slum rehabilitation. A food management and research support activity complements the Title II program, assisting the Ministry of Food (MOF) to identify and implement more appropriate policies for managing food stocks and food safety net programs, ensuring food reaches the extreme poor. It also supports food security in the form of production diversification (especially wheat and maize production) and better natural resources management, and addresses food security policy issues and concerns across the other relevant GOB Ministries, including Agriculture and Health.

USAID's disaster management activities strengthen disaster preparedness and response/mitigation mechanisms at the community level, undertake flood-proofing activities (raising individual homesteads, building multi-purpose community flood shelters, provision of water and sanitation facilities), and, through USAID's Office of Foreign Disaster Assistance (OFDA), support flood forecasting and urban disaster mitigation efforts.

**Key Results:** Improved public food management, including privatization of food-grain trade, is a main focus of the current food management activity. A milestone was achieved in FY 2000, when private sector commercial food-grain imports (i.e., exclusive of food aid) accounted for 100% of the total. Thus, private food-grain imports have substituted for GOB commercial food imports at no cost to the government and without affecting the interests of food producers and consumers.

Late in FY 2000, the USAID's disaster preparedness and management programs demonstrated their effectiveness in the timely response to the severe flooding in southwest Bangladesh. Although this area had not been specifically targeted by USAID disaster management efforts, the increased local NGO response capacity (developed over the years with USAID assistance), combined with support from USAID's OFDA, allowed CARE and World Vision to make rapid assessments of the situation and channel relief assistance worth about $1.2 million, including safe drinking water and dry food rations, to over 100,000 families in the affected area.

**Performance and Prospects:** As a result of the USAID-funded International Food Policy Research Institute's continuous policy research and advisory services, the GOB has reoriented its large public food distribution system (PFDS) away from competition with the private sector and more towards managing the

PFDS as a food safety-net program for the poor. In distributing the public food to the targeted programs (e.g., Food for Education and Food for Work), the GOB has maintained the planned level envisaged for FY 2000 (85% of PFDS food). The privatization of food imports in past years has assisted the GOB to tackle adverse food situations of different sources; e.g., during FY 1999 (pre-and post-flood of 1998), the private sector brought in sufficient rice on a timely basis to maintain price stability. Government imports of this magnitude, roughly $185 million equivalent, were simply not feasible. It is expected that the share of private sector imports will again be 100% in FY 2001.

While national-level food-grain availability problems are lessening, continued work on food security policy across GOB line ministries (Food, Agriculture, and Health) remains critical in light of the continued widespread malnutrition, and on-going susceptibility of large numbers of the population to natural disasters. The new Food Security Policy Activity will begin in FY 2001. It will build on current programs of USAID, other donors, and GOB. The activity will help guide future food security policy program direction, and assist the GOB to identify and implement more appropriate access to food and nutrition-focused policies and programs.

Sustainable community infrastructure implemented by CARE and World Vision will continue as a major thrust of USAID's program. In FY 2000, CARE constructed 225 kilometers of farm-to-market low-cost hardtop surface roads. The road improvement work created 726,356 person-days of seasonal employment of which 15% were women. Over 260,000 trees were planted alongside the roads, helping to save the road slope from erosion, and providing income opportunities for local government and the destitute women caretakers. Over 11,600 person-months of employment have been created for the women caretakers. Also in FY 2000, CARE's "Urban Slum Improvement" component was initiated. Work included site selection, signing of memoranda of understanding with municipalities, development of agreements with local NGO partners, and initiation of action research.

Humanitarian support and disaster preparedness will remain important components of this objective. CARE and its local NGO partners' disaster preparedness efforts now cover the vulnerable population in 190 high disaster prone localities. Thus, over 18 million people will have access to emergency relief supplies within 72 hours of a disaster. This has substantially reduced their need for distress selling and for borrowing money for their physical survival. As a result of CARE's Flood Proofing program, there has been less damage to housing, a lower incidence of diarrhea, and increased access to potable water during floods in the target areas. Of the 45,530 direct and indirect beneficiaries of the flood proofing activities, nearly half are women.

In FY 2001, USAID intends to obligate $3.2 million in DA resources and $39,845,760 from the sale of P.L. 480 Title II commodities. Of this, $1,675,000 in DA and $1,500,000 in P.L. 480 Title II will fund food security and disaster preparedness, and $525,000 in DA and $38,345,000 in P.L. 480 Title II will fund rural infrastructure improvements.

USAID will continue its humanitarian assistance leadership role, with a focus on enhanced community-based disaster management, in collaboration with CARE and World Vision. The new Comprehensive Food Security Policy activity with IFPRI and the International Maize and Wheat Research Center (CIMMYT), combined with the on-going Title II program, will ensure that USAID retains a leadership role in the battle against poverty and food insecurity.

**Possible Adjustments to Plans:** None.

**Other Donor Programs:** The World Food Program (WFP), Canada, and the European Union (EU) support food policy work and the construction or rehabilitation of rural roads. The United Nations Development Program (UNDP), the United Nations Children's Fund (UNICEF), and the United Kingdom all contribute to disaster preparedness/response activities. USAID is an active participant in the Food Security and Nutrition Local Consultative Group. Continued excellent donor relations have led to joint programs: wheat flour fortification and school feeding with WFP, rural infrastructure maintenance with Canada, and coordinated food security efforts with the EU under the "Trans-Atlantic Agenda."

**Principal Contractors, Grantees, or Agencies:** USAID implements activities in partnership with CARE, World Vision, the International Food Policy Research Institute, and the International Maize and Wheat Research Center. These institutions, in turn, work with local NGOs and other local institutions through sub-grants.

**ACTIVITY DATA SHEET**

**PROGRAM:** Bangladesh
**TITLE AND NUMBER:** Strengthened Institutions of Democracy, 388-009
**STATUS:** New
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $3,000,000 DA; $1,500,000 CSD
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $ 3,000,000 DA; $500,000 CSD
**INITIAL OBLIGATION:** FY 2001 **ESTIMATED COMPLETION DATE:** FY 2006

**Summary:** Democratic institutions in Bangladesh do exist: parliament, a free and vigorous print media, the judiciary, political parties, competitive elections, and free speech. However, Bangladesh's formal democratic structures have very little transparency or accountability and are not open to public input. National politics is mostly about competition for power and resources among elites. Only rarely is the focus on national development issues affecting the citizens. Therefore, this objective is designed with a strong civil society orientation emphasizing the creation of effective advocacy and constituency input into national policy. It is sharply focused on three key, important institutions: local government, parliament, and human rights. This objective builds on the experience gathered and lessons learned from an earlier objective.

**Key Results:** This activity will stimulate the demand for strong and democratic local government, which will help lay the foundations for the longer-term goal of decentralization of resources and authority to local elected bodies. The program will engage civil society and political and bureaucratic champions in advocacy and consensus-building in activities aimed at legal, policy, and institutional reforms. Simultaneously, field-level activities will demonstrate improved governance in selected union councils.

There is very little interface between public interest groups and the parliament, so the responsiveness of parliament focuses on increasing interaction through parliamentary committees, workshops, informal meetings, training, and the media. The emphasis is balanced between the supply side (parliamentary committees and party members) and the demand side (public knowledge of parliament, public capacity for policy advocacy in parliament, and improved media reporting). These activities will be orchestrated to increase parliament's responsiveness to citizen input.

Civil society advocacy of human rights takes a dual approach, by developing leadership and advocacy skills broadly within human rights organizations and by supporting comprehensive programs to address specific human rights problems. Knowledge, skills, contacts, and leadership capacity of local and national leaders in the human rights movement will be enhanced. Simultaneously, civil society coalitions and human rights organizations will be supported to carry out programs on priority issues—especially those most seriously affecting women and children. Improved leadership and improved policy reform advocacy should move Bangladesh closer to the goal of protecting vulnerable groups, particularly women and children, from basic human rights violations.

**Performance and Prospects:** In FY 2001, USAID plans to obligate $3,000,000 in DA funding and $1,500,000 in CSD. Of the DA funding, $1.8 million will fund a local government policy program and $800,000 will fund human rights activities. The $1.5 million in CSD will fund primary education.

Under this objective, efforts aimed at increasing the responsiveness of the local elected bodies and government institutions were confined to fewer than 300 out of a total of 4,500 unions. Under this new objective, the prime contract for national constituency building has been fully scoped and will soon be completed. The scope includes activities to stimulate public policy debate on local government, feed the national debate with more grounded information on practical issues, and expose policy makers and potential supporters to stronger forms of local government found in other countries of the region. Simultaneously, a more focused experimentation with best practices at Union Councils is being planned using both DA and local currency resources.

With the certainty of national parliamentary elections by October 2001, preparations have been intense including pre-election surveys, technical assessments, planning and procedures for domestic monitoring, and arrangements for international election observers. Other core activities are also in full swing. The long-term activities for increasing interaction between parliament and the public started up in September 2000 and already numerous small-scale meetings and workshops have taken place. One emerging focus is on the parliamentary committees for education, environment, health, and employment and encouraging public input and policy dialogue process. Anticorruption activities already completed include fact-finding studies on three watchdog agencies, the creation of two of six planned committees of concerned citizens, and initial activities of an advice and information center including a news scan database. Media coverage of parliament will be included in a new contract.

The antitrafficking in women and children program has developed a comprehensive strategy and is playing an active role in donor and NGO coordination using several funding sources. The prime contract for advocacy of human rights is now fully scoped and will soon be competed. Initially, this contract will focus on two areas with some of the worst human rights violations: violence against women and children and child labor. If sufficient funds are available, additional priority human rights topics such as torture in police custody and workers' rights may be added. The first step for each focus topic will be a situation analysis, followed by a mini-strategy, and then implementation through subcontractors and grantees. The program for Bangladesh's 1.5 million garment workers is doing well and will continue under objective 388-009. An experimental basic education policy activity focused on "Equity in the Classroom" will also be initiated in FY 2001.

**Possible Adjustments to Plans:** This objective is in its early start-up phase and is designed to make flexible use of multiple sources of funding including ESF and local currency. It includes some activities that will continue only if such funds are available. Donor coordination is an active component of this objective. USAID will seek opportunities to encourage other donors to increase their contributions to strengthening of institutions of democracy.

**Other Donor Programs:** To date the greatest strength of USAID's democracy programs in Bangladesh has been in the grass-roots development of local democratic institutions and processes. In the new program, this strength will be expanded to build a broad civil society constituency to support policies leading to stronger institutions of democracy.

Other donors that address democracy, governance, and human rights include Canada, Denmark, Norway, Sweden, Switzerland, the United Kingdom, the European Union (EU), the United Nations Development Program (UNDP), United Nations Children's Fund, the International Labor Organization, the Asian Development Bank, and the World Bank.

Coordination with these donors occurs both through a broad donor consultative group on governance and smaller donor groups addressing specific topics, such as anticorruption, antitrafficking, and elections. The EU is funding a program through The Asia Foundation that emphasizes legal awareness and alternative dispute resolution. The UNDP projects in the areas of local government training, elections, and parliamentary development complement USAID's civil society program by working more directly with the central government.

**Principal Contractors, Grantees, or Agencies:** In the area of local government, Cooperative Assistance and Relief Everywhere (CARE) will soon manage an activity to support union councils through local NGOs. The National Democratic Institute provides assistance for public-parliament interaction and elections. The Asia Foundation assists in the area of domestic election monitoring. Other key agents that support this objective are Transparency International Bangladesh (for anticorruption) and International Foundation for Election Systems (for a public opinion survey). USAID and the World Bank jointly fund a World Bank Corruption Survey. In the area of human rights, the American Center for International Labor Solidarity assists garment workers, the Red Barnet, and the local Bangladesh National Women's Lawyers Association supports activities to counter antitrafficking of women and children.

**Selected Performance Measures**: One of the first activities under this new objective will be to develop indicators, benchmarks, and targets for the program. This objective will serve as an umbrella for three distinct programming areas (local government, parliament, and human rights). This will address preference for the management flexibility of a single objective and the dependence on separate unpredictable funding sources. There are strong conceptual linkages among each of the intermediate results and the objective. Since the objective does not lend itself to easy measurement and monitoring at the strategic objective level, performance will be monitored and measured at the intermediate result level.

**FY 2002 Performance Table**

**Bangladesh: 388-001**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Total fertility rate (TFR) | 3.3 | NA | NA | 3.3 | 3.1 | NA | NA |
| Indicator 2: Sales of ORS Packets by the SMC As noted in last year's R4 this indicator will not be reported on in the R4 2003. | 53 | 62 | 70.3 | NA | NA | 80 | 84 |
| Indicator 3: Sales of Oral Contraceptives (OCs) by the Social Marketing Company (SMC As noted in last year's R4 this indicator will not be reported on in the R4 2003. | 8.0 | 12.1 | 15.8 | NA | NA | 21 | 23 |
| Indicator 4: Acute Flaccid Paralysis (AFP) Surveillance As noted in last year's R4 this indicator will not be reported on in the R4 2003. | 0.10 | 0.30 | 0.81 | NA | NA | 1.0 | 1.0 |
| Indicator 5: Infant mortality rate | 82 | NA | NA | 66 | 78 | NA | NA |
| Indicator 6: Child mortality rate | 37 | NA | NA | 30 | 34 | NA | NA |
| Indicator 7: National Immunization Day (NID) coverage | 90 | 81 | 76 | 89.5 | 90 | 94 | 96 |
| Indicator 8: Percent of operating costs funded by NGOs As noted in last year's R4 this indicator will not be reported on in the R4 2003. | 6 | 7 | 10 | NA | NA | NA | NA |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | Average number of children that would be born alive to a woman during her lifetime, assuming present age-specific fertility rates | Bangladesh Demographic and Health Survey (BDHS) 1999-2000 | Rates refer to the three-year period preceding the survey. |
| Indicator 2: | IR | Millions of packets sold | Millions of packets sold | Millions of packets sold |
| Indicator 3: | IR | Millions of cycles sold | SMC reports | Number of cycles of OCs sold by the SMC |
| Indicator 4: | IR | Rate of non-polio AFP cases per 100,000 children under 15 years of age. | GOB/WHO surveillance reports | This measures the effectiveness of polio surveillance, which, in turn, monitors progress toward polio eradication. A country is considered polio-free when the non-polio AFP rate is maintained at 1 for three years. This rate is calculated by dividing by 100,000 the number of AFP cases detected among children under 15. If the quotient is 1 and if none of the AFP cases is confirmed as polio by WHO-certified laboratories, the surveillance system is considered effective and the population in question is considered polio free. |
| Indicator 5: | IR | Number of deaths to infants under age 12 months per 1,000 live births | Bangladesh Demographic and Health Survey (BDHS) 1999-2000 | Infant mortality rate is a widely accepted indicator of infant health. The baseline of 82 was established in 1997. The target for 2004 of 55 was revised from 72, given recent achievement in reducing infant mortality. |
| Indicator 6: | IR | Number of deaths of children 1-4 years of age per 1,000 children aged a year | Bangladesh Demographic and Health Survey (BDHS) 1999-2000 | Child mortality rate is a widely accepted indicator of child health. The baseline of 50 was established in 1997. The 2004 target of 28 was |

| | | | | |
|---|---|---|---|---|
| | | | | revised from 32, based on recent achievements in reducing child mortality. |
| Indicator 7: | IR | Percentage of children receiving 2 doses of oral polio vaccine per campaign round | National Immunization Day Survey | Mass vaccination of children during NIDs is the principal means of eradicating polio. |
| Indicator 8: | IR | Percent of the total (aggregate) operating costs of USAID-supported NGOs covered by program generated revenues | CA reports | The numerator is the total of all NGOs' cost recovery fees collected, plus the value of the community contributions to the clinic (such as rent or land value) based on a standard calculation. The denominator is the total value of the USAID NGO grant funds, excluding the one-time costs of capital equipment. This indicator will be dropped and be replaced by National Immunization Day Coverage. |

**FY 2002 Performance Table**

**Bangladesh: 388-003**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Customer confidence in local elected bodies - unions with LEB program | NA | 57.1 | 57.8 | 51.4 | NA | NA | NA |
| Indicator 2: Customer confidence in local elected bodies - unions with advocacy program | NA | 42.9 | 42.5 | 46.3 | NA | NA | NA |
| Indicator 3: Percent of dispute resolutions involving women that resulted in decisions satisfactory to women | NA | 65 | 60 | 61 | NA | NA | NA |
| Indicator 4: Percent of local elected bodies using "Best Practices" | NA | 34 | 70 | 96 | NA | NA | NA |
| Indicator 5: Number of clients served in dispute resolution cases | 3,010 | 9,747 | 12502 | 10332 | 10,000 | NA | NA |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | % of respondents who responded "excellent" or "good" to the question: Do you consider last year's performance of your union council as excellent, good, moderately good, or not at all good? Unions with LEB program | A national 3-stage probability sample contracted by TAF with a private marketing research firm. Program sample was drawn to represent unions where DP supports LEB and local advocacy programming; national control sample drawn from unions not covered by DP grantees. | % of respondents expressing confidence in local elected bodies. Compares a randomly selected sample from randomly selected unions with LEB programs to unions with advocacy programs and to respondents from a control group from randomly selected unions with no DP NGO programs from any IR. |
| Indicator 2: | IR | % of respondents who responded "excellent" or "good" to the question: Do you consider last year's performance of your union council as excellent, good, moderately good, or not at all good? Unions with advocacy program | A national 3-stage probability sample contracted by TAF with a private marketing research firm. Program sample was drawn to represent unions where DP supports LEB and local advocacy programming; national control sample drawn from unions not covered by DP grantees. | % of respondents expressing confidence in local elected bodies. Compares a randomly selected sample from randomly selected unions with LEB programs to unions with advocacy programs and to respondents from a control group from randomly selected unions with no DP NGO programs from any IR. |
| Indicator 3: | IR | Percent of Resolved Disputes | A simple random sample of all the cases involving women that were resolved in 1999. A total sample of 1,215 female clients was generated from a data base of 5,016 clients provided by the NGOs. This represented 25% of all cases. Random sample drawn by computer from a complete listing of disputes mediated by NGOs with ADR grants. Each person sampled was located by NGO fieldworkers to answer closed and open-ended questions on a format provided by TAF and developed in consultation with NGOs. | Percentage of women whose disputes had been resolved and who reported that the decision was "satisfactory" on a three point scale, where satisfactory was the highest score and unacceptable the lowest. |
| Indicator 4: | IR | Percent of union councils (base of 84 in | Compiled by TAF from data reported | Percent of union councils which use at least five of twelve "best |

| | | | | |
|---|---|---|---|---|
| | | 1998 and 116 in 1999) which DP NGOs grantees directly assist. | systematically on each union council by five subgrantee NGOs with LEB development programs. | practices" promoted by NGO LEB programs. NGO were trained on the definitions before data collection began. |
| Indicator 5: | IR | Individuals, usually women | Data summarized in each of 319 unions from individual client records by local staff of the six NGOs receiving ADR grants. Summarized by NGO on format provided by TAF, after receiving specialized training on the results monitoring system and on use of the questionnaire by monitoring consultant. | Number of persons whose cases were mediated through shalishes of NGO organized and trained mediation committees. (Output level). This data is for CY 1999. |

**FY 2002 Performance Table**

**Bangladesh: 388-005**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Growth in number of jobs in assisted enterprises - male | NA | NA | 20,691 | 21900 | 22,000 | 23,000 | 26,000 |
| Indicator 2: Growth in number of jobs in assisted enterprises - total | NA | NA | 30,353 | 29232 | 32,000 | 34,000 | 37000 |
| Indicator 3: Growth in number of jobs in assisted enterprises - female | NA | NA | 9,312 | 7332 | 10,000 | 11,000 | 11,000 |
| Indicator 4: Growth in exports of assisted enterprises | NA | NA | 39 | 35 | 42 | 45 | 48 |
| Indicator 5: Growth in sales of assisted enterprises | NA | NA | 78 | 72 | 86 | 91 | 96 |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | Number | Contractors and recipients | The measurement of new jobs is a difficult undertaking, especially in a developing country, where many persons have multiple occupations and work on a part-time or seasonal basis. Nevertheless, the concept of new jobs as a measure of growth is easily understood and widely used, and data on jobs are more readily available than data on wages. |
| Indicator 2: | IR | Number | Contractors and recipients | The measurement of new jobs is a difficult undertaking, especially in a developing country, where many persons have multiple occupations and work on a part-time or seasonal basis. Nevertheless, the concept of new jobs as a measure of growth is easily understood and widely used, and data on jobs are more readily available than data on wages. |
| Indicator 3: | IR | Number | Contractors and recipients | The measurement of new jobs is a difficult undertaking, especially in a developing country, where many persons have multiple occupations and work on a part-time or seasonal basis. Nevertheless, the concept of new jobs as a measure of growth is easily understood and widely used, and data on jobs are more readily available than data on wages. |
| Indicator 4: | IR | Millions of US$ | Contractors and recipients | Growth in exports is a subset of the first SO 5 indicator, Growth in sales. It is a good indicator of the extent to which assisted enterprises (i.e. enterprises receiving direct USAID-funded assistance) are successful in penetrating what should be more dynamic, i.e. higher growth, markets. |
| Indicator 5: | IR | Millions of US$ | Contractors and recipients | Growth in sales is a simple and readily available indicator of business growth, and is also a good proxy for measuring income growth. Sales growth is equal to the increase in all types of income (or value added) generated by assisted enterprises, including wages, rents, interest income, and profits, plus the increase in purchased material inputs required to generate that additional income. When such material inputs are purchased locally, the indicator also measures the |

| | | | | |
|---|---|---|---|---|
| | | | | increases in income in supplier companies, which are indirectly benefited by USAID assistance. Of course, to the extent that material inputs are not purchased locally, growth in sales overestimates the total increase in incomes generated directly and indirectly by by USAID assistance. |

**FY 2002 Performance Table**

**Bangladesh: 388-006**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Community awareness of the need for renewable resource management | NA | NA | 4900 | 1800 | 900 | 1800 | 3000 |
| Indicator 2: Community groups involved in alternative income generating activities | NA | NA | 44 | 105 | 100 | 100 | 100 |
| Indicator 3: Management groups established | NA | NA | 1 | 13 | 13 | 20 | 30 |
| Indicator 4: Improved floodplain resource management established | NA | NA | 1 | 16 | 20 | 30 | 40 |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | Number of participants in meetings | Contractors and recipients reports | Awareness among the community and other stakeholder groups regarding the complexity of the floodplain ecosystem is insufficient. Therefore, participation of people in the awareness raising meetings is important. This indicator will track the number of participants from all the stakeholder groups in raising meetings, seminars and workshops emphasizing awareness-building activities at the local and national levels to stimulate policy reform, advocacy towards community based management of floodplain resourecs. |
| Indicator 2: | IR | Number of groups | Grantee and recipients reports | With the growth in population and fishing pressure on floodplain resources grows increasingly more intense. Without the provision of an supplemental alternative income generating activity within the floodplain, it will be difficult to sustain regulated fishing and to reduce the intense pressure on floodplain resources. This indicator quantifies the number of groups that are offering alternate income generating activities to their members. Examples of floodplain relevant income generating activities are: duckery, sustainable harvest of wetland reeds, cultivation of fish in underutilized waterbodies and rice fields, and cage and pen culture. |
| Indicator 3: | IR | Number of management groups | Grantee and Recipients Reports | Community resource management is based on the formation of representative community mangment committees. The key to the success of this program is the formation of active wetland resource mangment committees. The groups will be made up of representatives from all resource users and will include fishers and women. This indicator will quantify the numbers of management groups formed who will be instrumental in (1) maintenance and recovery of the floodplain fisheries, (2) ensuring equitable access of rural people to the natural resources, (3) co-management of the floodplain resources by communities and local governments, and (d) increasing awareness of the potential of natural floodplain processes to secure food and income. |
| Indicator 4: | IR | Number of sanctuaries established | Contractor and Recipients Reports | Establishment of sanctuaries for conservation of fish and other aquatic habitat is critical for the success of this pilot program. |

| | | | | |
|---|---|---|---|---|
| | | | | Community management groups will be responsible for the management of the sanctuaries. It is planned to establish sanctuaries from FY2000. This indicator will quantify the numbers of sanctuaries established. |

**FY 2002 Performance Table**

**Bangladesh: 388-007**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Power Sector Reform Act finalized and submitted to the Cabinet | NA | NA | 0 | Plan was drafted | 1 | 1 Submitted | NA |
| Indicator 2: Policy-makers and professionals better informed of energy sector reform | NA | NA | 2,570 | NA | 7,570 | 12,570 | NA |
| Indicator 3: Small power generation program exists and functioning | NA | NA | 0 | 0 | 30 | 50 | 70 |
| Indicator 4: Total number of rural electric connections | NA | NA | 2.51 | 2.905 | 2.9 | 3.3 | 3.75 |
| Indicator 5: Progress in unbundling of transmission | NA | NA | 45 | 61.5 | 61.5 | 450 | 600 |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | Number of acts finalized | Mission, Ministry of Energy and Mineral Resources (MEMR) | "The indicator, Power Sector Reform Act Finalized and Submitted to the Cabinet, is an IR level indicator. The same IR (IR 7.2) - Improved enabling environment, has five more indicators: Indicator 7.2.1 - Natural Gas Act Finalized and Submitted to the Cabinet, Indicator 7.2.3 - Implementing Regulations Ready for Approval, Indicator 7.2.4 - Improved Contract Implementation and Management, Indicator 7.2.5 - Policy-makers and Professionals Better Informed of Energy Sector Reform, and Indicator 7.2.6 - Development of Guidelines for Open Market Policies. We are reporting on two indicators (Indicators 7.2.2 and 7.2.5) this year and plan to report on other indicators, as appropriate, beginning with the FY 2004 R4. We are using a two-way measure for the reported indicator. At this point, however, we are reporting only one measure. Reports on the other measure will be provided in the FY 2004 R4s. Numbers are cumulative. Enactment and implementation of the power sector reform act is the key to reforming the current government-owned, vertically integrated and highly inefficient and unresponsive power sector. " |
| Indicator 2: | IR | Number of persons trained | Mission, Ministry of Energy and Mineral Resources (MEMR), G/ENV, Contractors | Note that this indicator is not being reported on the FY 2003 R4; instead the number of electrical connections will be used. This indicator was used in past R4s.<br>The indicator, Indicator 7.2.5 - Policy-makers and Professionals Better Informed of Energy Sector Reform, is an IR level indicator. The same IR (IR 7.2) - Improved enabling environment, has five more indicators: Indicator 7.2.1 - Natural Gas Act Finalized and Submitted to the Cabinet, Indicator 7.2.2 - Power Sector Reform Act Finalized and Submitted to the Cabinet, Indicator 7.2.3 - Implementing Regulations Ready for Approval, Indicator 7.2.4 - Improved Contract Implementation and Management, and Indicator 7.2.6 - Development of Guidelines for Open Market Policies. We are reporting on two indicators (Indicators 7.2.2 and 7.2.5) this year and plan to report on other indicators, as appropriate, beginning with the FY 2004 R4. Numbers are cumulative. |

| | | | | |
|---|---|---|---|---|
| Indicator 3: | IR | The installed generation capacity from small power plants in rural areas measured in megawatts. | Mission, Rural Electrification Board (REB), National Rural Electrification Cooperative Association (NRECA) | "The indicator is another measure of institutional capacity building of the power sector in so far as the capacity to augment rural power generation is concerned. Current emphasis under RPPR, in view of problems in electric supply from the national grid, is on rural power generation. This will supplement PDB supply, ease acute power shortages and help overcome problems arising out of frequent power outages in the rural areas.<br><br>The 30 MW indicated in the table will be generated from gas-fired units located at three different places, each with a generating capacity of 10 MW. It is to be noted that 80 MW generated from a privately owned company in Mymensingh is not included, as this is not an exclusively REB initiative. However, USAID has actively supported private participation in the power sector and can claim partial credit for this undertaking.<br>Note that the R4 2002 used "" Number of Plants"" in operation as the indicator. Since each plant has the capacity of 10 MW, this year's indicator targets are expressed in megawatts, which will better express the amount of clean energy produced.<br><br>Numbers are cumulative." |
| Indicator 4: | IR | The number of electrical connections made to rural consumers in millions | Rural Electirfication Board and the contractor records (NRECA) | The indicator is another measure of institutional capacity building of the power sector in so far as the augmentation of rural power coverage is concerned. Note that this indicator was not used in the R4 2002, but was used in prior years' R4. This indicator is a more appropriate measure for this IR. IT includes irrigation and consumer electrical connections. |
| Indicator 5: | IR | Kilometers of 230 kilovolt electric transmission line. | Mission, Power Grid Company of Bangladesh (PGCB), Ministry of Energy and Mineral Resources (MEMR) | This indicator measures the extent to which electric transmission lines currently held by the integrated public utility have been transferred to a separate transmission company. The extent to which this occurs is a progress measure for the "unbundling" process. This indicator will be tracked until all public transmission lines have been transferred. The same IR (IR 7.1) - Increased Institutional Capacity to Make Decisions in Clean Energy Development has two more indicators: Indicator 7.1.2 - Reduced Systems Loss in Distribution of Electricity and Indicator 7.1.3 - Small Power Generation Program Exists and Functioning. We are reporting on two indicators (Indicators 7.1.1 and 7.1.3) this year and plan to report on the third indicator (Indicator 7.1.2) beginning with the FY 2004 R4. We are using a three-way measure for the reported indicator. At this point, however, we are reporting only one measure. Reports on the other measures will be provided in the FY 2004 R4s. Numbers are cumulative. |

**FY 2002 Performance Table**

**Bangladesh: 388-008**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Percent of people in target areas with access to emergency relief supplies | 58 | 58 | 71 | 75 | 77 | 84 | 93 |
| Indicator 2: Kilometers of farm to market roads upgraded for year round traffic (Paved) | NA | NA | NA | 350 | 225 | 700 | 1000 |
| Indicator 3: Percent of foodgrains imported by private sector | 68 | 64 | 82 | 100 | 100 | 100 | 100 |
| Indicator 4: Percent Public Food Distribution System (PFDS) food going to targeted programs | 81 | 76 | 88 | 85 | 85 | 85 | 85 |
| Indicator 5: Kilometers of environmentally sound roads rehabilitated (cumulative) | 7,763 | 9,828 | 13,375 | NA | NA | NA | NA |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | Percentage | Integrated Food Security Program (IFSP) monitoring system records, CARE's Annual Results Report. | Availability of, and access to the most basic life sustaining requirements becomes critical during times of crisis. USAID's program will judge its success by the capacity of GOB, donor, and NGOs to provide relief supplies such as ORS, water purification tablets, dry food, and survival kits (soap, utensils, rope, jerry cans, candles, matches, etc.) to targeted areas in an efficient and timely manner. The indicator is a measure of the anticipated capacity to respond as indicated by improved disaster management. |
| Indicator 2: | IR | Kilometers of paved roads | IFSP project monitoring system records and CARE's Annual Results Report. | Rehabilitated farm-to market roads provide access to markets and national road networks. Environmentally sound road improvement for year round traffic means roads with culverts, bridges facilitating free flow of water for fish movement and early recession of flood-water, and hardtop surfacing using low-cost technology. Road rehabilitation increases passenger and freight traffic, decreases transportation cost and increases the use of key agricultural inputs. It also facilitates movement of relief supplies during disasters. |
| Indicator 3: | IR | Percentage | GOB, World Food Program (WFP) Monthly Reports, IFPRI/FMRSP Quarterly Reports. | This indicator measures percentage share of imports by private sector in total commercial foodgrain imports. Increasing the private sector's share of foodgrain imports is an indication of an appropriate and efficient market orientation of food policy. |
| Indicator 4: | IR | Percentage | GOB, World Food Program (WFP) Monthly Reports, IFPRI/FMRSP Quarterly Reports | The percentage of PFDS foodgrain distributed through programs targeted to the poor is an indicator of cost-effectiveness and efficiency of the PFDS. Targeted distribution shows both GOB's and USAID's commitments to enhancing the food security and nutritional status of poor consumers lacking purchasing power (inability to access food), a key element for reducing the poverty level. |
| Indicator 5: | IR | Kilometers of road | IFFD project monitoring system records and CARE's Annual Results Report. | Rehabilitated class 1 rural roads (farm to market) provide access to markets and national road networks. Environmentally sound roads |

| | | | | |
|---|---|---|---|---|
| | | | | represent roads with culverts, bridges facilitating free flow of water for fish movement and early recession of flood water. Road rehabilitation increases passenger and freight traffic, decreases transportation cost and increases the use of key agricultural inputs. It also facilitates movement of relief and provides shelter during disasters. This indicator is no longer used for the new activity. See the indicator listed below regarding farm to market roads. |

**FY 2002 Performance Table**

**Bangladesh: 388-009**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: New PMP not yet approved | NA | NA | NA | NA | NA | NA | NA |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | NA | NA | NA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Bangladesh** | | | |
| **Title and Number: Fertility Reduced and Family Health Improved, 388-001** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 75,669 DA | 42,954 DA | 32,715 DA |
| | 40,423 CSD | 20,530 CSD | 19,893 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 18,975 DA | 24,942 DA | |
| | 15,300 CSD | 12,866 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 94,644 DA | 67,896 DA | 26,748 DA |
| | 55,723 CSD | 33,396 CSD | 22,327 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 26,000 DA | | |
| | 14,000 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 26,000 DA | | |
| | 14,000 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 23,000 DA | 15,047 DA | 158,691 DA |
| | 14,000 CSD | 12,586 CSD | 96,309 CSD |
| | 1,000 ESF | 0 ESF | 1,000 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Bangladesh** | | | |
| **Title and Number: Improved Representation of Interests of Women and the Rural Poor, 388-003** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 11,249 DA | 8,948 DA | 2,301 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 648 ESF | 139 ESF | 509 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 1,224 DA | 2,147 DA | |
| | 0 CSD | 0 CSD | |
| | 0 ESF | 311 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 12,473 DA | 11,095 DA | 1,378 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 648 ESF | 450 ESF | 198 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 12,473 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 648 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Bangladesh** | | | |
| **Title and Number: Growth of Agribusiness and Small Business, 388-005** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 * | 4,558 DA | 0 DA | 4,558 DA |
| | 1,000 CSD | 0 CSD | 1,000 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 6,801 DA | 4,050 DA | |
| | 0 CSD | 739 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 11,359 DA | 4,050 DA | 7,309 DA |
| | 1,000 CSD | 739 CSD | 261 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 5,700 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 5,700 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Est. Total Cost** |
| Proposed Fiscal Year 2002 NOA | 5,600 DA | 22,029 DA | 44,688 DA |
| | 0 CSD | 0 CSD | 1,000 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

*9/30/99 unliquidated obligation comes from continuing activities folded under this new SO from a completed SO 388-002 and should not be treated as part of this SO's est. total cost.

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Bangladesh** | | | |
| **Title and Number: Improved Management of Open Water and Tropical Forest Resources, 388-006** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 * | 1,000 DA | 0 DA | 1,000 DA |
| | 2,066 CSD | 0 CSD | 2,066 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 421 DA | |
| | 0 CSD | 329 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 1,000 DA | 421 DA | 579 DA |
| | 2,066 CSD | 329 CSD | 1,737 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 1,900 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 1,900 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 2,000 DA | 10,400 DA | 15,300 DA |
| | 0 CSD | 0 CSD | 2,066 CSD |
| | 500 ESF | 0 ESF | 500 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

*9/30/99 unliquidated obligation comes from continuing activities folded under this new SO from a completed SO 388-002 and should not be treated as part of this SO's est. total cost.

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Bangladesh** | | | |
| **Title and Number: Improved Performance of the Energy Sector, 388-007** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 * | 6,757 DA | 0 DA | 6,757 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 3,000 DA | 2,440 DA | |
| | 0 CSD | 0 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 9,757 DA | 2,440 DA | 7,317 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 2,500 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 2,500 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 1,500 DA | 23,000 DA | 36,757 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 1,500 ESF | 0 ESF | 1,500 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

*9/30/99 unliquidated obligation comes from continuing activities folded under this new SO from a completed SO 388-002 and should not be treated as part of this SO's est. total cost.

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Bangladesh** | | | |
| **Title and Number: Improved Food Security for Vulnerable Gorups, 388-008** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 * | 4,680 DA | 0 DA | 4,680 DA |
| | 100 CSD | 0 CSD | 100 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 1,300 DA | 2,555 DA | |
| | 0 CSD | 100 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 5,980 DA | 2,555 DA | 3,425 DA |
| | 100 CSD | 100 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 3,200 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 3,200 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 3,200 DA | 6,900 DA | 19,280 DA |
| | 0 CSD | 0 CSD | 100 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

*9/30/99 unliquidated obligation comes from continuing activities folded under this new SO from a completed SO 388-002 and should not be treated as part of this SO's est. total cost.

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Bangladesh** | | | |
| **Title and Number: Strengthened Institutions of Democracy, 388-009** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 389 DA | 111 DA | |
| | 0 CSD | 0 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 389 DA | 111 DA | 278 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 1,698 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 3,000 DA | | |
| | 1,500 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 4,698 DA | | |
| | 1,500 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 3,000 DA | 8,713 DA | 16,800 DA |
| | 500 CSD | 1,000 CSD | 3,000 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

*9/30/99 unliquidated obligation comes from continuing activities folded under this new SO from a completed SO 388-002 and should not be treated as part of this SO's est. total cost.

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Bangladesh** | | | |
| **Summary** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 103,913 DA | 51,902 DA | 52,011 DA |
| | 43,589 CSD | 20,530 CSD | 23,059 CSD |
| | 648 ESF | 139 ESF | 509 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 31,689 DA | 36,666 DA | |
| | 15,300 CSD | 14,034 CSD | |
| | 0 ESF | 311 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 135,602 DA | 88,568 DA | 47,034 DA |
| | 58,889 CSD | 34,564 CSD | 24,325 CSD |
| | 648 ESF | 450 ESF | 198 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 1,698 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 42,300 DA | | |
| | 15,500 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 43,998 DA | | |
| | 15,500 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Est. Total Cost** |
| Proposed Fiscal Year 2002 NOA | 38,300 DA | 86,089 DA | 303,989 DA |
| | 14,500 CSD | 13,586 CSD | 102,475 CSD |
| | 3,000 ESF | 0 ESF | 3,648 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

**BANGLADESH**

| | | 30-Sep-99 Obligations | 30-Sep-99 Expenditures | 30-Sep-99 Pipeline |
|---|---|---|---|---|
| **388-002** | | | | |
| | DA | | | |
| | FY 2001 CBJ | 45,354 | 28,340 | 17,014 |
| | FY 2002 CBJ | - | - | - |
| | difference | (45,354) | (28,340) | (17,014) |
| | csd | | | |
| | FY 2001 CBJ | 4,475 | 1,309 | 3,166 |
| | FY 2002 CBJ | - | - | - |
| | difference | (4,475) | (1,309) | (3,166) |
| **388-005** | | | | |
| | DA | | | |
| | FY 2001 CBJ | 0 | 0 | - |
| | FY 2002 CBJ | 4558 | 0 | 4,558 |
| | difference | 4,558 | - | 4,558 |
| | CSD | | | |
| | FY 2001 CBJ | 0 | 0 | - |
| | FY 2002 CBJ | 1000 | 0 | 1,000 |
| | difference | 1,000 | - | 1,000 |
| | ESF | | | |
| | FY 2001 CBJ | 0 | 0 | - |
| | FY 2002 CBJ | 0 | 0 | - |
| | difference | - | - | - |
| **388-008** | | | | |
| | DA | | | |
| | FY 2001 CBJ | 0 | 0 | - |
| | FY 2002 CBJ | 4680 | 0 | 4,680 |
| | difference | 4,680 | - | 4,680 |
| | CSD | | | |
| | FY 2001 CBJ | 0 | | - |
| | FY 2002 CBJ | 100 | 0 | 100 |
| | difference | 100 | - | 100 |
| | ESF | | | |

| | | | | |
|---|---|---|---|---|
| FY 2001 CBJ | 0 | 0 | - | |
| FY 2002 CBJ | 0 | 0 | - | |
| difference | - | - | - | |
| | | | | |
| differences DA | (36,116) | (28,340) | (7,776) | in 006 007 |
| differences CSI | (3,375) | (1,309) | (2,066) | in 006 007 |

**BANGLADESH**
**FY 2002 STRATEGIC OBJECTIVE SUMMARY**
**(in thousands of dollars)**

| SO number | SO Title<br>Fund Account | FY 1999 | FY 2000 | FY 2001 | FY 2002 |
|---|---|---|---|---|---|
| 388-001 | Fertility Reduced and Family Health Improved | | | | |
| | - DA | 23,250 | 18,975 | 26,000 | 23,000 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 13,600 | 14,836 | 14,000 | 14,000 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 1,000 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 388-002 | Food Security for the Poor Improved | | | | |
| | - DA | 6,300 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 1,000 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 0 |
| | - P.L. 480/II | 46,356 | 0 | 0 | 0 |
| 388-003 | Improved Representation of Interests of Women and the Rural Poor | | | | |
| | - DA | 2,100 | 920 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 0 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 388-005 | Growth of Agribusiness and Small Business | | | | |
| | - DA | 0 | 6,585 | 5,700 | 5,600 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 0 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 388-006 | Improved Management of Open Water and Tropical Forest Resources | | | | |
| | - DA | 0 | 0 | 1,900 | 2,000 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 500 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |

**BANGLADESH**
**FY 2002 STRATEGIC OBJECTIVE SUMMARY**
**(in thousands of dollars)**

| SO number | SO Title<br>Fund Account | FY 1999 | FY 2000 | FY 2001 | FY 2002 |
|---|---|---|---|---|---|
| 388-007 | Improved Performance of the Energy Sector | | | | |
| | - DA | 0 | 2,196 | 2,500 | 1,500 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 1,500 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 388-008 | Improved Food Security for Vulnerable Gorups | | | | |
| | - DA | 0 | 1,300 | 3,200 | 3,200 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 0 |
| | - P.L. 480/II | 0 | 17,316 | 39,845 | 40,410 |
| 388-009 | Strengthened Institutions of Democracy | | | | |
| | - DA | 0 | 1,087 | 3,000 | 3,000 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 1,500 | 500 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 0 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| SO | Totals | | | | |
| | - DA | 31,650 | 31,063 | 42,300 | 38,300 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 14,600 | 14,836 | 15,500 | 14,500 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 3,000 |
| | - P.L. 480/II | 46,356 | 17,316 | 39,845 | 40,410 |

**INDIA**

| Program Summary (In Thousands of Dollars) | | | | |
|---|---|---|---|---|
| **Category** | **FY 1999 Actual** | **FY 2000 Actual** | **FY 2001 Estimated** | **FY 2002 Request** |
| Development Assistance | 27,750 | 28,700 | 29,950 | 32,710 |
| Development Fund for Africa | 0 | 0 | 0 | 0 |
| Child Survival & Disease Fund | 17,250 | 22,750 | 23,600 | 25,840 |
| Freedom Support Act Funds | 0 | 0 | 0 | 0 |
| SEED Act Funds | 0 | 0 | 0 | 0 |
| Economic Support Funds | 0 | 0 | 4,983 | 7,000 |
| P.L. 480 Title II | 125,815 | 116,782 | 64,460 | 80,020 |
| P.L 480 Title III | 0 | 0 | 0 | 0 |
| **Total Program Funds** | **170,815** | **168,232** | **122,993** | **145,570** |

**Mission Director, Walter North**

# INDIA

## Introduction.

One sixth of the world's people live in India and one third of the world's poor. USAID's program in India supports U.S. national interests and contributes significantly to Indian development. Although constrained since 1998 by the imposition of sanctions imposed under the "Glenn Amendment", the program addresses four key U.S. national interests: (1) economic prosperity achieved through opening markets; (2) global issues of population growth, infectious diseases, and climate change; (3) development and democracy concerns of alleviating poverty, reducing malnutrition, and improving the status of women; and (4) humanitarian response by saving lives and reducing suffering associated with disasters.

In 2001, USAID addressed the suffering and dislocation caused by a major earthquake which rocked the state of Gujarat on January 26. In the first weeks after the quake, the United States Government marshalled $12.8 million in emergency assistance. USAID has reprogrammed another $10 million in previously budgeted funds for the Gujarat reconstruction effort. USAID is working with the Government of India (GOI) and nongovernmental organizations (NGOs) to strengthen their ability to anticipate and respond to future disasters.

Prospects for India's future are bright but approximately 360 million still live in absolute poverty. Many challenges need to be addressed to reduce the pervasive poverty. India is surpassed only by China in population. The high rate of population growth, particularly in urban areas, hits hardest at the poor. Despite gains in food production, nearly half of India's children are malnourished. Although the percentage of HIV infections per capita is small, India is second only to South Africa in the number of HIV infections. India contributes to the world's caseload of other infectious diseases, such as tuberculosis and polio. Further, it is the sixth-largest and second-fastest growing producer of greenhouse gases. Large central and local-state government fiscal deficits, reflected in deteriorating infrastructure, threaten the sustainability of impressive gains in poverty reduction over the past several decades.

USAID's non-humanitarian assistance programs were interrupted in May 1998 by the imposition of sanctions on U.S. assistance. In March 2000, a presidential waiver was issued that allowed USAID to resume financial sector reform activities.

Other USAID, centrally funded programs in India complement the bilateral population stabilization, child survival, HIV/AIDS and micro-enterprise activities. The American Schools and Hospital Abroad program helps strengthen Indian hospitals that demonstrate American ideas and practices.

## Development Challenge.

India's ability to achieve sustainable growth and reduce poverty depends greatly on its ability to stabilize population growth. The Indian population has already reached one billion; it will surpass China's population by 2040. Since a lack of access to quality reproductive health services hinders population stabilization, the USAID program focuses on improving the quality and access to reproductive health services in India's most populous state, Uttar Pradesh (170 million people).

India has 25% of the world's child deaths; one of every 11 children dies before reaching the age of five. USAID integrates Public Law (P.L.) 480 Title II food aid with basic health services to mothers and children. USAID is working with CARE and Catholic Relief Services (CRS) to provide supplementary food and deliver health services daily to 7.5 million of India's poorest people. The overall impact of this unique approach for child survival has been to: (a) increase the percentage of children under two years receiving supplemental food; (b) improve access to immunization in program areas; and (c) increase access to iron-folate supplements by pregnant women. The food assistance network helps USAID respond rapidly to natural disasters. USAID's NGO partners—CARE and CRS—rapidly mobilized $820,000 in emergency food resources for the Gujarat earthquake victims.

The growing demand for power, fueled largely by high-ash coal, has made India a major and increasingly significant global polluter with substantial health consequences. Working through the India bilateral program and the South Asia Regional Initiative for Energy (SARI/Energy), USAID has provided technical assistance to the Indian power sector to adopt energy-efficient power generation and distribution technology that produces less pollution and cleaner air. A USAID-funded pilot activity has helped the National Thermal Power Corporation, which generates over 25% of India's thermal power, to cut carbon dioxide emissions by nearly one million tons annually, with a potential to mitigate another two million tons per annum.

USAID assistance to India's cities (among the most polluted in the world) has helped to reduce the debilitating impacts of pollution and lack of municipal services on the health of the urban poor. USAID has introduced new approaches to urban environmental planning and urban water supply and sanitation systems.

Though prevalence is less than one percent nationwide, more than 3.5 million Indians are infected with HIV. USAID prevention and awareness activities focus on the states with the largest number of HIV positive cases, Tamil Nadu and Maharashtra. Other USAID activities encompass tuberculosis treatment, anti-microbial resistance, eradication of polio and other vaccine preventable diseases, and improved surveillance of infectious diseases.

Female literacy is approximately 39.4% as opposed to 66.7% for males; girls' enrollment in school lags behind boys'. Census data show a sex ratio of only 926 females for every 1,000 males. Approximately 100 million children are "out of school." Over 44 million of these are employed in hazardous and non-hazardous industries. USAID programs have promoted girls' primary education, the participation of women in decision-making, and getting out-of-school children into school through community mobilization.

During FY 2001, USAID will review the entire program and prepare a new country strategy for FY 2003.

**Other Donors.**

The United States is the third-largest bilateral donor to India, after Japan and the United Kingdom. Seven multilateral and 13 bilateral donors also provide assistance. USAID collaborates closely with other donors on reproductive health, HIV/AIDS and other infectious diseases, population, air pollution control, urban environmental infrastructure, and women's empowerment.

**FY 2002 Program.**

USAID/India requests $32,710,000 of DA, $25,840,000 of CSD, $7,000,000 of ESF, and $80,020,000 of P.L.480 Title II for the FY 2002 program of assistance to India. These resources will address the key areas of stabilizing population growth, cutting pollution in power generation and cities, reducing the transmission of HIV/AIDS and other infectious diseases, empowering women, accelerating economic growth and meeting the food needs of India's poorest populations.

In addition to the bilateral program, USAID's Bureau for Humanitarian Response has six activities in India that demonstrate educational and medical technologies and practices; the Global Bureau's Democracy and Governance Center has an activity to train trade unions and employers about sexual harassment and HIV/AIDS prevention in the workplace and works to eliminate child labor; the Global Bureau's Population Office has an activity to reduce fertility through voluntary practices; and the United States-Asia Environmental Partnership promotes a clean environmental revolution.

**ACTIVITY DATA SHEET**

**PROGRAM:** India
**TITLE AND NUMBER:** Reduced Fertility and Improved Reproductive Health in North India, 386-002
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $17,000,000 DA
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $13,500,000 DA; $2,000,000 CSD
**INITIAL OBLIGATION:** FY 1995 **ESTIMATED COMPLETION DATE:** FY 2004

**Summary:** This objective responds to the global issue of stabilizing population growth under USAID's Strategic Plan. India adds more than 17 million people a year - one fifth of global population growth. The purpose of this objective is to reduce the current high level of fertility and improve women's reproductive health in North India. The direct beneficiaries are approximately 30 million women of childbearing age (15-49) in Uttar Pradesh (UP). Couples of reproductive age throughout India will benefit from the broader commercial availability of family planning and other reproductive health products. The secondary beneficiaries are children under age five, in particular, female children whose survival will be enhanced.

Of the objective's two principal components, the major intervention is the Innovations in Family Planning Services (IFPS) activity implemented in UP. Under IFPS, program interventions will focus on 29 selected districts of UP (initially 28 districts; one more was recently added). Statewide efforts include contraceptive social marketing, logistics and information, and education and communication activities. Each intervention is tested on a small scale in select areas/districts. If sound potential is demonstrated, it is scaled up in a phased manner in additional districts. Hence, reproductive health camps and service site improvement cover all 29 districts, but the more complex district planning efforts are currently operational in 10 districts. An innovative feature of the IFPS activity is that it is programmatically driven by a performance-based disbursement system; funds are only disbursed to the Government of India (GOI) against achievement of specific benchmarks.

**Key Results**: This objective is expected to significantly contribute to reducing fertility and improving reproductive and child health in north India. The intermediate results are: (1) increased use of reproductive health services; (2) increased quality of family planning services; and (3) increased use of family planning services.

Recent population-based surveys indicate that the total fertility rate in UP has declined by over half a child in five years, from 5.2 in 1993 to 4.6 in 1998. The use of modern contraceptive methods increased from 20.9% to 25.8% in the past five years, which is an over all increase of 23% in the 28 districts of UP. A substantial portion of this increase can be attributed to an increase in the use of spacing methods, which increased by 39% in the past five years. Also, the percentage of pregnant women receiving two doses of tetanus toxoid during their last pregnancy in 28 districts of UP increased from 43% in 1993 to 62.8% in 2000. In 2000, the percentage of deliveries attended by trained providers increased by 20%. Finally, over the last year 7,400 providers have been trained to deliver quality reproductive health services.

**Performance and Prospects:** This objective has two principal components: IFPS and the Program for Advancement of Commercial Technology/Child and Reproductive Health (PACT/CRH) activity.

*A FY 2001 obligation of $12,760,000 million in DA funds* is planned for the U.S. cooperating agencies that provide technical assistance for the IFPS activity. Of the 28 IFPS districts, more intensive efforts were conducted in 15 districts. In these priority districts, the results were very encouraging. For example, the use of modern methods of family planning in the 15 priority districts was 28.3% compared to 21.7% in the 13 other IFPS districts (as noted above, the aggregated 28 IFPS district mean = 25.8%). The proportion of deliveries assisted by trained providers and the proportion of pregnant women receiving at least two doses of tetanus toxoid in the 15 priority districts was higher than in the 13 other IFPS districts (41.1% vs. 28.5% and 64% vs. 61% respectively). (Respective means for all 28 IFPS districts are 36.6% and 62.8%). However, the proportion of pregnant women receiving adequate amounts of Iron Folic Acid (IFA) in the 15 priority districts was not significantly different than that of the 13 other IFPS districts (28.7% vs. 28.4% respectively). The IFA coverage was poor both in priority and other IFPS districts mainly because of logistical reasons, namely the irregular supply of IFA tablets in the public sector. USAID is currently

working with the World Bank, GOI, and the Government of UP to develop a comprehensive health and family welfare logistics management system for the state of UP in order to address planning deficiencies and ensure adequate stocks of key maternal/child health commodities.

USAID continues to play a major role in introducing new service approaches and technologies to improve the quality of reproductive health and family planning services, including increased access and demand. USAID helped the government of UP to develop a comprehensive UP population policy that focuses on voluntarism and informed choice and steers away from provider or acceptor incentives and disincentives. USAID played a major role in district planning, statewide support for reproductive health, an increased acceptance of oral contraceptives in North India, and the promotion of social marketing.

*The PACT/CRH activity is slated to receive a FY 2001 obligation of $4,240,000 in DA funds* to stimulate private sector participation and commercial partnerships for the development, promotion, and availability of reproductive health and child survival technologies. In order to improve the access to quality reproductive health services, an integrated public/private sector-programming approach—District Action Plan (DAP)—was initially tried in six districts. After documenting its success, it was extended to four new districts in 2000. All 10 DAP districts are now providing integrated care for mothers, children, and fathers. It is envisaged that in the coming year DAP activities will be expanded to eleven more districts and will serve as a model for the entire state. A Population Week was organized to provide an impetus to the implementation of the UP population policy; state and district level activities were organized, including door-to-door campaigns to promote benefits of delayed marriage and planned families. The four-state, generic campaign "Goli Ke Hamjoli" (GKH) promoted acceptance and use of oral contraceptives in urban areas of North India. The sale of pills in the GKH areas increased by over 20% from 7.7 million cycles in 1998 to 9.3 million cycles in 2000. In UP, a statewide contraceptive social marketing project has been initiated for the promotion and distribution of condoms and oral contraceptives in rural areas. In the past year, the sale of condoms in rural UP increased by nearly 20 percent from 52 million condoms in 1999 to 62 million condoms in 2000, while the pill sales registered a 13% increase in sales from 2.96 million cycles in 1999 to 3.35 million cycles in 2000. In addition, a study to assess the demand for injectible contraceptives has been launched in UP. All these activities will broaden access to temporary contraceptive methods, allowing couples more choice in planning their family. However, much remains to be done to reduce fertility and increase the use of modern contraceptives.

**Possible Adjustments to Plans:** USAID is reviewing the activity in FY 2001 and will prepare a new strategy in FY 2002.

**Other Donor Programs:** Apart from USAID, the World Bank is the only other donor that is working in the area of reproductive health in UP. The IFPS Project focuses on 29 priority districts while the Bank-supported Reproductive Child Health (RCH) program focuses on other districts. Both USAID and the World Bank are engaged in providing support for contraceptive logistics statewide. USAID is supporting the training and improvement in the logistics management and information system and the Bank is supporting infrastructure.

**Principal Contractors, Grantees, or Agencies:** The major grantees are the State Innovations in Family Planning Services Agency and ICICI Limited. Technical cooperating agencies include: AVSC International, Cooperative for Assistance and Relief Everywhere, Center for Development and Population Activities, Johns Hopkins University, University of North Carolina, The Futures Group International, ORC-MACRO, Program for Appropriate Technologies in Health, Population Reference Bureau, Population Council, John Snow, Inc., Community Systems Foundation, and U.S. Bureau of Census.

**ACTIVITY DATA SHEET**

**PROGRAM:** India
**TITLE AND NUMBER:** Improved Child Survival and Nutrition in Selected Areas of India, 386-003
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $337,000 DA; $4,300,000 CSD; $64,460,000 P.L. 480 Title II
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $337,000 DA; $4,300,000 CSD; $80,020,000 P.L. 480 Title II
**INITIAL OBLIGATION:** FY 1995 **ESTIMATED COMPLETION DATE:** FY 2006

**Summary:** This objective responds to the U.S. national interest of poverty reduction and improving health under USAID's Strategic Plan. India ranks 58th on the Human Poverty Index. Over one-third of India's one billion people lacks adequate food. One of every 11 children in India dies before the age of five. More than half of India's young children (73 million) are underweight (more than two and a half times the number of malnourished children in Africa) and chronic maternal malnutrition is high. Poor access to health care, high illiteracy rates and poor nutrition and health practices contribute to the high mortality and malnutrition. Poor women and children, particularly in remote rural and tribal areas, have the greatest mortality risks. The purpose of this objective is to reduce the high levels of child mortality and malnutrition. The major activity that contributes to this objective is the P.L.480 Title II program under which food aid is integrated with Government of India (GOI) and non-governmental resources to improve key child survival interventions such as immunization, breast feeding, and timely complementary feeding. The Title II program is being implemented by two major NGOs—CARE and Catholic Relief Services (CRS)—and reaches 7.5 million poor women and children (at the greatest risk to mortality, morbidity, and malnutrition) in remote rural and tribal villages. CARE's Integrated Nutrition and Health Program (INHP), which works within GOI's Integrated Child Development Services (ICDS), and CRS' Safe Motherhood and Child Surival (SMCS) program, which is implemented through social service societies, directly contribute to the results under this objective. CRS supports some agriculture and basic education activities and programs managed by Mother Teresa's and the Dalai Lama's organizations.

The Program for Advancement of Commercial Technology/Child and Reproductive Health (PACT/CRH), complements the Title II program. It provides support at the national level for child survival technologies aimed at increasing commercial marketing and distribution of quality child survival products and services, such as oral rehydration salts and vaccines.

**Key Results:** Among the multiple factors influencing child survival and nutrition, three key results were identified by USAID as critical to achieve this objective: (1) increased use of key child survival interventions; (2) improved maternal and child nutrition; and (3) improved targeting of at-risk populations.

**Performance and Prospects:** This objective has two components: the P.L. 480 Title II program and maternal and child survival interventions.

*The FY 2001 funding level for the P.L. 480 Title II program is $64,460,000.* This activity reached 98% of the planned target population with 193,553 metric tons (MT) of Title II commodities supplied in 102,355 villages across the nation. Progress in integrating nutrition and health continues. Strategies were refined during FY 2000 per the recommendations of a mid-term review (FY 1999). Under CARE's INHP, a unified capacity building strategy was implemented (rather than the previous four models of varying intensity and interventions). This unified strategy, with three priority interventions (targeted supplemental feeding of pregnant/nursing mothers and children under two; childhood and maternal immunizations; and antenatal care) is expected to improve impact and better diffuse best practices. Initially there could be some result dilution due to the rapid expansion of the strategy. A new management information system that integrates commodity and health information systems has been developed, tested, and implemented program wide. Given the size and scale of INHP, progress in both these areas is commendable.

Several INFP innovations were successfully tested. Replication of these models is expected to enhance health and survival of children and women. In Bihar, CARE facilitated the development and

implementation of a low-cost group health insurance scheme for about 1,100 tribal families. By paying as little as $1.50 per year, a family of five can access curative and preventive health care, including antenatal care and maternal care from identified health facilities. In the states of Andhra Pradesh, Madhya Pradesh, and Bihar, CARE has developed program models where women's groups supply locally processed food for ICDS supplementary feeding. These models promote community ownership, improved livelihood, and food security, while demonstrating possible mechanisms for cost-sharing between the government and communities. Creative pilot activities to fill some of the gaps in government service provision include "Health Information Booths" in MP and an "Adolescent Health Brigade" in Rajasthan. Women's groups and trained adolescent girls act as change agents and actively disseminate information on maternal and child health.

CARE and CRS continue to expand and strengthen partnerships with government, NGOs, and community-based organizations to improve implementation, networking, and sustainability. CARE's financial partnerships with NGOs have increased from 54 in FY 1999 to 84 in FY 2000. Strategic alliances with United Nations Children's Fund (UNICEF), the National Institute of Nutrition, and the National Institute of Public Cooperation and Child Development (ICDS training and research institution) facilitate information sharing. CRS works with 60 counterparts (48 of these work in the health sector) and 3,500 operating partners (619 of these work in the health sector).

*FY 2001 obligations of $337,000 in DA and $4,300,000 in CSD* are planned to enhance the quality, coverage and number of maternal and child survival interventions such as immunization and antenatal care. USAID has initiated discussions with the government of UP and UNICEF on a vitamin A initiative to improve coverage of vitamin A supplementation in UP. The USAID-World Bank Deworming and Enhanced Vitamin A trial (DEVTA), which covers one million children in UP, will be completed in 2003. DEVTA will validate the impact of concurrent vitamin A supplementation and deworming on mortality and growth of children. Through PACT/CRH, ICICI Limited, a leading Indian bank, supported the promotion campaign to position oral-rehydration solution (ORS) as the scientific, doctor-recommended, first-line product for all cases of childhood diarrhea. To increase access, three Indian commercial firms are engaged in making the World Health Organization-composition ORS widely available in retail outlets in select states. To complement this effort, the Indian Academy of Pediatrics is encouraging doctors (via seminars) to actively endorse and recommend this product.

In FY 2000, USAID responded rapidly to the Orissa cyclones in October 1999, drought in Rajasthan and Gujarat, and floods in several states. The Ambassador donated a total of $100,000 to the Prime Minister's National Relief Fund, USAID approved distribution of Title II commodities valued at over $8 million. Approximately $5 million in grants was given to private voluntary agencies to provide relief and for activities to enhance disaster preparedness of communities. Relief supplies valued at $381,340 were donated to the Indian Red Cross Society. In the wake of the recent severe earthquake in Gujarat that killed over 20,000 people, affected at least 22 million people, and rendered at least 665,000 people homeless, Title II commodities valued at $820,000 were provided for the earthquake victims.

The $337,000 in DA funding will be used to fund a preliminary analysis of food security in India. The analysis will inform USAID about food security-related issues such as collaborative research on new agricultural technologies, hybrids and genetically modified foods, and the transfer of research to commercial uses, as well as look at USAID's comparative advantage in working with food security issues and the feasibility of USAID interventions in this area.

**Possible Adjustments to Plans:** During FY 2001, USAID will review this activity and prepare a new strategy in FY 2002.

**Other Donor Programs:** Other donors working in the nutrition and health sector include UNICEF, the World Bank, Sweden, and the World Food Program. The GOI funds all ICDS services, program personnel, and infrastructure for the CARE program, as well as in-country transportation and storage costs for all P.L.480 Title II commodities.

**Principal Contractors, Grantees, or Agencies:** USAID implements the P.L.480 Title II India program through two U.S. NGOs, namely CARE and CRS. The PACT/CRH is implemented through ICICI Limited, with U.S. technical assistance from Program for Appropriate Technology in Health (PATH), NICHD and ICMR.

**ACTIVITY DATA SHEET**

**PROGRAM:** India
**TITLE AND NUMBER:** Increased Environmental Protection in Energy, Industry, and Cities, 386-004
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $8,500,000 DA (including $8,000,000 in FY 2000 carryover and $500,000 NOA)
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $10,000,000 DA; $3,000,000 ESF
**INITIAL OBLIGATION:** FY 1995 **ESTIMATED COMPLETION DATE:** FY 2007

**Summary:** This objective responds to the global issue of environmental protection under USAID's Strategic Plan. The growing demand for power, fueled largely by high-ash coal, makes India a major and increasingly significant global polluter. India is the second-fastest growing producer of greenhouse gases (GHG) in the world. Working through the India bilateral program and the SARI/Energy initiative, this objective addresses regulatory issues, designs technology solutions and engineers market responses aimed at: (a) fostering energy efficiency to mitigate global and local impacts of energy use, and (b) improving environmental conditions in urban areas. Subsequent to the reciprocal visits of the President of the United States and the Indian Prime Minister in 2000, activities have intensified in: (1) commercial development of clean energy technologies; (2) provision of advanced power sector training and, (3) analysis of the relationship between power distribution and water management. With the promise of private sector participation in the power sector unfulfilled and a possible decline in investor interest, power distribution sector reforms are critical to restoring sound financial performance of the power sector. The ultimate beneficiaries are private and public power distribution and generation utilities; industrial and commercial end-users; local governments, municipalities, and low income urban consumers of drinking water and sanitation services; and rural consumers of electricity and ground water.

The rapid growth in India's urban population has put tremendous strain on urban environmental infrastructure, including water supply, sanitation, and sewerage systems. Close to 40% of the urban population lives in slums and squatter settlements with poor or no access to these basic services, causing severe health problems to the most vulnerable group of the population. This objective provides commercially viable water and sanitation services for the urban poor.

**Key Results:** Achievement of the following three key results by 2002 will indicate the success of this objective: (1) increased avoidance of carbon dioxide emissions; (2) increased number of firms that meet international environmental quality standards in selected industrial sectors, and (3) increased number of local governments/authorities with urban environmental management tools available to them.

**Performance and Prospects:** These activities and funding levels are illustrative and subject to change. In FY 2001, USAID will continue to fund three on-going bilateral activities: (1) the Greenhouse Gas Pollution Prevention Project (GEP), which aims to increase efficiency in electricity generation and promote non-conventional energy sources ($3,800,000 in DA); (2) Energy Conservation and Commercialization (ECO), which promotes widespread commercialization of energy efficient technologies and services ($2,500,000 in DA); and (3) Financial Institutions Reform and Expansion (FIRE), which works with local and state governments to develop, package, and implement urban environmental infrastructure projects that improve access to basic services by the poorest and the most vulnerable populations ($1,495,000 in DA). In addition, FY 2001 DA funding of $700,000 is planned to access technical assistance for renewable energy activities and crosscutting energy-water themes.

USAID's energy portfolio is designed to reduce GHG emissions by increasing both supply- and demand-side energy efficiency and overall power sector efficiency through improved regulatory institutions. In the energy sector, 3.4 million tons of carbon dioxide have been avoided as of March 2000 through increased thermal power station conversion efficiencies, improved coal preparation, renewable power generation and end-use efficiency, including demand side management (DSM). Subsequent to the March 2000 Joint Statement on Cooperation in Energy and Environment, two Protocols of Intent (POI) on Clean Energy and Global Climate Change were signed by USAID, U.S. Department of Energy, and the Government of

India (GOI) during the U.S. visit of the Indian Prime Minister. The first POI lays the framework for bringing state-of-art coal conversion technology to India through a joint Indo-US feasibility study for an Integrated Coal Gasification Combined Cycle power plant. The second POI targets power sector training for India's electricity sector. On the supply side, two regional Clean Energy centers, patterned after the successful USAID-supported Center for Power Efficiency and Environmental Protection have been replicated in Uttar Pradesh (UP) and Bihar. On the demand side, USAID is providing parallel co-financing for DSM and energy efficiency activities to leverage the $180 million World Bank-assisted Rajasthan State Power Sector Project reforms. USAID is helping the Jaipur Distribution Company establish a DSM cell, develop model contracts among end-users and Energy Service Companies, develop consumer awareness and information programs, and design regulatory and incentive mechanisms. USAID has constituted a Global Climate Change Research Forum aimed at partnering Indian and U.S. scientists and researchers. USAID has helped to establish a central and six state electricity regulatory commissions with an accelerated focus on strengthening commissions at the center and in UP and Andhra Pradesh. As of FY 2000, more than 1,000 power sector personnel had been trained. USAID provided a $3.5 million credit guarantee at a cost of only $202,000 to finance a 12.5 megawatt, biomass-based fuel (mustard husk briquettes) private sector power project. This successful guarantee will leverage $7 million in private sector borrowings and mitigate GHG emissions in the energy sector.

USAID assistance has strengthened incentives for the following: adoption of energy efficient technologies; certified environment management systems; and the enhancement of capacity of Indian industry to incorporate such technologies and practices into their operations. Energy intensive sectors with high GHG emitting potential such as textiles, paper, automobiles and steel were targeted for assistance in the first project phase. As of December 2000, 17 firms have received ISO 14001 certification, and three are on track for certification by March 2001. These certified organizations, based on continual cycle of planning, implementing, reviewing and improving the actions are meeting their environmental obligations.

In the urban sector, with USAID's technical assistance, the City of Kohlapur has awarded a Build-Operate-Transfer contract for the city's solid waste management to M/s Zoom Developers and Larsen Engineering (U.S.), which demonstrates private sector participation in city infrastructure service delivery. Two more cities in Maharashtra have completed their Environmental Status Reports which enable them to identify their environmental management needs, prepare investment plans to meet them, and then report back to the city legislative council about actions taken. Under the Sustainable Cities Initiative, USAID is supporting the municipalities of Pune and Indore to institutionalize energy savings in their water supply and sewerage disposal systems.

**Possible Adjustments to Plans:** During FY 2001, USAID will review this activity and prepare a new strategy in FY 2002.

**Other Donor Programs:** In addition to the GOI, USAID works closely with the World Bank, the United Kingdom, and the Asian Development Bank on power sector reform and restructuring and urban environmental infrastructure development.

**Principal Contractors, Grantees, or Agencies:** 1) GEP: National Energy Technology Laboratory, U.S. DOE; Louis Berger International; Industrial Development Bank of India Ltd.; ICICI Ltd.; and National Thermal Power Corporation. 2) Trade in Environmental Services and Technologies: ICICI Limited; TetraTech International; Confederation of Indian Industry; Federation of Indian Chambers of Commerce and Industry; and Society of Indian Automobiles Manufacturers. 3) Energy Management, Consultation and Training: Power Finance Corporation; Industrial Development Bank of India; Institute of International Education; and United States Energy Association. 4) ECO: Nexant; PA Consulting Group; ICICI Limited; and Ministry of Power. 5) FIRE: The Communities Group Inc. and National Institute of Urban Affairs.

**ACTIVITY DATA SHEET**

**PROGRAM:** India
**TITLE AND NUMBER:** Reduced Transmission and Mitigated Impact of Infectious Diseases, Especially STD/HIV/AIDS, in India, 386-007
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $16,600,000 CSD
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $18,100,000 CSD
**INITIAL OBLIGATION:** FY 1995 **ESTIMATED COMPLETION DATE:** FY 2006

**Summary:** This objective responds to the global issue of improving health under USAID's Strategic Plan. More than 3.5 million Indians are infected with HIV. Although HIV prevalence is less than one percent nationwide, India is second only to South Africa in terms of numbers infected. Over 420,000 Indians die annually from tuberculosis; nearly two million new cases are reported annually. India is one of the world's last reservoirs of polio.

USAID began to tackle this issue in 1992 by developing the AIDS Prevention and Control (APAC) activity in the Indian state of Tamil Nadu, one of India's three recognized HIV epicenters. The ten-year APAC activity targeted transmission in high-risk groups by: 1) using proven strategies for behavior change; 2) increasing access to, and utilization of, high quality condoms; and 3) expanding access to, and utilization of, quality treatment for sexually transmitted diseases (STDs). In FY 1999, USAID expanded its program to include the state of Maharashtra, where antenatal HIV prevalence approaches 2%. USAID's seven year, $41.5 million AVERT activity will fund comprehensive prevention and care programs throughout the state of Maharashtra, particularly in Mumbai, Pune, Thane and Sangli, where a large number of HIV infections have been reported. The activity will strengthen the capacity of the state government and NGOs to respond to the epidemic. It will particularly address issues affecting women and children. USAID funds six programs for children affected by AIDS.

Other USAID activities will encompass tuberculosis (TB) treatment, anti-microbial resistance, eradication of polio and other vaccine preventable diseases, and improved surveillance of infectious diseases. In 1999, USAID supported the development of a model Directly Observed Therapy Short Course (DOTS) treatment center in Tamil Nadu in collaboration with WHO and under the supervision of the Tuberculosis Research Center. The program will institutionalize DOTS in pilot areas and eventually throughout the state. Medical officers from Tamil Nadu and other states are being trained, bacterial isolates are being tested for resistance, and implementation lessons on therapy, compliance, and patient follow-up are being learned. The lessons learned will improve the efficiency of DOTS therapy in Tamil Nadu and throughout the rest of India. PACT/CRH will continue to strengthen the private sector to improve access to and use of quality health products and services.

**Key Results:** This objective expects to reduce transmission of HIV/AIDS and related infectious diseases in India, especially Tamil Nadu, by: (1) increasing the number of individuals belonging to specified high-risk groups who report increased condom use in most recent sexual encounters with a non-regular partner; (2) increasing the number of individuals with STD seeking care from qualified medical practitioners in Tamil Nadu; and (3) increasing the number of APAC grants for AIDS prevention in Tamil Nadu.

**Performance and Prospects:** The FY 2001 planned CSD obligations of $18,600,000 include: $9,000,000 for HIV/AIDS control and prevention activities; $1,000,000 to help children affected by HIV/AIDS; $4,100,000 for the polio eradication program; and $4,500,000 for tuberculosis treatment and surveillance.

The results indicators have shown significant achievements in promoting behavior change and reduced transmission of HIV/AIDS in Tamil Nadu. Performance on all indicators for reducing transmission of HIV/AIDS and related infectious diseases has exceeded targets. APAC activities continue to demonstrate high levels of condom use among prostitutes and their clients. Prostitutes' condom use increased by 3.1% from 1999 to 2000 (88.1% to 91.2%); 70.1% of truckers report condom use during their last non-regular sexual encounter, up from 66.9% in FY 1999. Condom use among sexually

transmitted infection patients fluctuates around 15%-16%. More work is required to increase use for this risk group.

The startup of AVERT activity has been slower than desired. A Governing Board has been formed and recruitment for key staff is underway. A Project Management Unit (PMU) is in position to be registered. Once it is established (April-May 2001), specific proposals/plans will be in place to expedite activities that will reach the anticipated beneficiaries of the project. USAID is working with the National AIDS Control Organization (NACO) and the Maharashtra state government to accelerate NGO and state activities and workplans for the next 18 months. Unfortunately, it is unlikely there will be on the ground activities until 2002. USAID is funding six different NGO activities, which support street children affected by AIDS. The number of such grants will be expanded in FY 2001. As part of the Prime Minister's Business Coalition Initiative, USAID is partnering with several industrial houses to address AIDS in the workplace. USAID is one of the lead donors in the area of HIV/AIDS, particularly for targeted interventions. It is a member of the donor coordination committee set up by the government.

Polio eradication is progressing in India, but eliminating the virus from urban slums and hard-to-reach populations will be an arduous and expensive task. Polio cases have declined from 1,126 in 1999 to 263 in 2000, with the bulk of cases in Uttar Pradesh and Bihar. It is estimated that 98.5% of Indian children under-five years were immunized in 2000. Through a grant, USAID initiated support for an intensified effort in urban slums. Maximizing the impact of NGOs in polio eradication is a recognized priority.

USAID will continue to work with the World Health Organization (WHO) to institutionalize DOTS therapy for TB control and with PACT-CRH to enhance the application of safe and affordable new technologies. Data from the DOTS project indicate that 70% of cases are detected in the project area and, of those cases, 75% are treated successfully, a doubling of treatment success over the last 18 months. Over 100,000 people have been tested for TB as part of a systematic community survey in Tamil Nadu. With USAID and World Bank support, more than 50% of Tamil Nadu has been covered by DOTS, although the effectiveness of coverage needs to be improved. A TB resistance survey has been completed. Data indicates about 2% of TB patients present some form of resistance. The multidrug-resistance tuberculosis survey will continue. More than 1,400 health providers have completed in depth training at the Tuberculosis Research Center during the life span of the project.

USAID is exploring options to expand HIV/AIDS activities to Pondicherry and Goa (two states that border the current HIV/AIDS programs in Tamil Nadu and Maharashtra), and, as appropriate, to use program resources to fight urban infectious diseases.

**Possible Adjustments to Plans:** During FY 2001, USAID will review this activity and prepare a new strategy in FY 2002.

**Other Donor Programs:** The World Bank is the major donor to the national level AIDS control program. UNAIDS as well as other UN agencies work at the national level. The United Kingdom has initiated an HIV intervention with truck drivers to promote behavior modification and STD treatment, and to promote behavior change programs in the states of Andhra Pradesh, West Bengal, Kerala, Gujarat, and Orissa. Other donors who have or will initiate state-specific HIV prevention programs are Australia (Manipur, Meghalaya, Mizoram and Delhi), and Canada (Rajasthan and Karnataka). All donor programs are carefully coordinated under the leadership of the National Agency for AIDS Control (NACO).

**Principal Contractors, Grantees, or Agencies:** 1) Polio: WHO, United Nations Children's Fund (UNICEF), Rotary International, Center for Disease Control (CDC); 2) Tuberculosis: WHO and CDC; 3) Surveillance: WHO and CDC; 4) HIV/AIDS and other infectious diseases: International Clinical Epidemiology Network, NACO, Voluntary Health Services, Family Health International, PATH and ICICI Limited.

**ACTIVITY DATA SHEET**

**PROGRAM:** India
**TITLE AND NUMBER:** Expanded Advocacy and Service Delivery Networks for Women and Girls, 386-009
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $158,000 DA; $700,000 CSD
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $1,068,000 DA; $1,440,000 CSD;$1,500,000 ESF
**INITIAL OBLIGATION:** FY 1996 **ESTIMATED COMPLETION DATE:** FY 2005

**Summary:** This objective responds to the U.S. national interests of strengthening democracy and fostering respect for human rights under USAID's Strategic Plan. Gender equality is now universally accepted as being a prerequisite for sustainable human development. Although progress in women's development has been made in India, women continue to lag behind men. The adverse sex ratio, poor educational and nutritional status, inequality in wages and the prevalence of violence against women, including coerced trafficking, point out the glaring inequalities in social, political, and economic decision-making by women in India. According to the UNDP Human Development Report (1999), literacy rates for females were 39.4% as opposed to 66.7% for males. Perhaps most telling is the figure for "missing women" as reflected in excess female mortality and the declining gender ratio. According to the 1996 Sample Registration System Projection of the Government of India (GOI), there were only 926 females for every 1,000 males. Children, too, are subject to abuse and exploitation. Estimates vary, but there are probably 100 million children who are "out of school," with over 44 million of these children employed in hazardous and non-hazardous industries. The majority of these are employed in agriculture and many are victims of an entrenched system of bonded labor. Finally, trafficking of women and children is a major social concern.

This objective promotes the role and participation of women in decision-making by expanding advocacy and service delivery networks for women and children. Also, it promotes girls' primary education in UP; expands research on, and informed advocacy against, violence against women (VAW) by Indian organizations; and aims at urging the return of out-of-school children through community mobilization.

**Key Results:** This objective has two recorded results: (1) increased number of local institutions collecting data or assisting in informed advocacy on violence against women; and (2) increased enrollment and retention of girls in primary schools in one district in Uttar Pradesh (UP).

The violence against women activity is funded with DA, whereas the girls' education and elimination of child labor through education activities are funded with CSD.

**Performance and Prospects:** This objective has two principal components: (1) prevention or mitigation of violence against women; and (2) girls' education and elimination of child labor through education. The activities discussed below are illustrative.

*USAID plans a FY 2001 obligation of $158,000 in DA funds* for the violence against women (VAW) component. USAID's VAW activity fills a critical information gap by establishing a national database on patterns and trends of domestic violence that can be an advocacy tool for effective judicial and medical responses to VAW. During FY 2000, ten new institutions were added to the number of organizations engaged in collecting data on violence against women. The VAW activity in FY 2000 brought to closure the first set of research studies on "Patterns, Trends, and Effective Responses to Domestic Violence" and initiated a new set of activities designed to extend the impact of the first phase. Dissemination conferences were held in Bangalore and Lucknow. They received wide publicity and newspaper coverage. The National Advisory Council members extensively utilized the findings of the studies in their own work. A fact sheet, developed by International Center for Research on Women (ICRW) using the research data, was used to lobby the press to advocate for new legislation on domestic violence. Parliament is scheduled to soon table the bill.

*FY funding of $700,000 CSD* is planned for activities in girls' education and prevention of child labor through education. In September 1999, with USAID support, the Academy for Educational Development (AED) assumed the mandate of strengthening the organizational capacity of state education institutions to improve girls' education, such as the District Institutes of Education and Training (DIETs) in Uttar Pradesh (UP). In FY 2000, AED successfully launched a girls' education coordination center—Bringing Education through Innovation (BETI). The launch of the BETI generated a great deal of media interest and resulted in 33 articles in the Indian press putting the issue of girls' education at center stage. In line with its advocacy role, the AED/BETI Foundation worked closely with the media (radio, television and print), provided them data on the status of education in UP, brought out bulletins, organized press conferences, solicited support from business leaders for girls' education. AED initiated relationships with both local and international NGOs working on education and women's issues in UP. A particularly close working partnership was formed with Catholic Relief Services (CRS) to work with a vast network of private education providers. Notably, links were established with the State Office of UP Education for All which is responsible for the implementation of the World Bank-assisted District Primary Education Project.

USAID is supporting the Center for Rural Education and Development Action (CREDA) activities on child labor elimination. In the last year, CREDA completed a baseline survey in 100 villages, and conducted rallies and meetings with panchayat members, including role play/street plays, as part of their social mobilization and environment building efforts to stop child labor in the carpet industry in UP. Child labor vigilance committees were formed to persuade parents to withdraw children from work. Twenty-five community schools have been set up through contributions from the community and 1,250 children, including adolescent girls have been enrolled. Twenty-five volunteer teachers have been identified, recruited, and trained on the content and methodology for interacting with the enrolled children.

In FY 2000, USAID provided assistance to UNDP and CRS for child labor elimination. This program expanded NGOs' efforts to remove children from the work place, put them back into school, and reintegrated them into their communities. The UNDP activity will enable 3,700 out-of-school children in Calcutta city, 6,500 tribal, migrant children working in brick kilns in Thane district, Maharashtra, and 750 child laborers in Hyderabad, Andhra Pradesh, to join regular schools and receive quality education. Through its partners, CRS will reach out to 52,000 out-of-school/working children in Ranga Reddy district, Andhra Pradesh, 3,320 working children in Kanpur city and rural UP, and 930 out-of-school children of prostitutes in Ajmer district, Rajasthan.

In FY 2001, USAID plans to initiate new activities in the area of microfinance for poor women. The plan is to work with federations of poor women's self-help groups to strengthen their capacity in accessing and managing loans; link them with commercial banking systems; and help make these federations financially viable.

**Possible Adjustments to Plans:** During FY 2001, USAID will review this activity and prepare a new strategy in FY 2002.

**Other Donor Programs:** The primary education sector in India is dominated by the World Bank, British Department for International Development, European Commission, and United Nations agencies through their support to the GOI's District Primary Education Program to improve coverage and quality of primary education in several Indian states. On child labor, but for the National Child Labor Project of the GOI and the Department of Labor-funded International Labor Organization-International Program, there are only small NGO and donor initiatives.

**Principal Contractors, Grantees, or Agencies:** 1) Girls' Education: AED; 2) Violence Against Women: ICRW; 3) Child Labor Elimination: UNDP and CRS.

**ACTIVITY DATA SHEET**

**PROGRAM:** India
**TITLE AND NUMBER:** Increased Capacity of Financial Markets and Government to Transparently and Efficiently Mobilize Resources,* 386-011
**STATUS**: Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $3,955,000 DA; $4,983,000 ESF
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $7,805,000 DA; $2,500,000 ESF
**INITIAL OBLIGATION:** FY 2000 **ESTIMATED COMPLETION DATE:** FY 2006

**Summary:** This objective responds to the U.S. national interest of economic prosperity, including broad-based growth under USAID's Strategic Plan. The purpose of this objective is to improve the capacity of financial markets (both formal and informal) and government to conduct financial intermediation to accelerate economic growth. More efficient, transparent, broad and deep markets will mobilize more resources, stimulate more investment and raise growth rates. This key developmental goal will be achieved by: (a) improving the institutional capacity of the securities market, insurance and pension funds regulators; (b) assisting in the adaptation and assimilation of sound institutional practices in regulatory oversight, self-regulation, disclosures and risk management; and (c) assisting in broadening and deepening India's financial services, including the securities and contractual savings (insurance and pension) markets, through institutional innovation in microfinance. The objective will build on USAID's past successes in financial markets development and will initiate activities in other key areas. The ultimate customers will be financial markets regulators; domestic and foreign investors; industrial, commercial, and agricultural end-users; old-age pensioners; and millions of poor who currently do not participate in the mainstream financial markets.

India is a large, $400 billion economy. However, with 35% of its one billion people living below the poverty line, it has a larger poor population than Africa and Latin America combined. In 1997, per capita Gross National Product (GNP) was $390, placing India in the bottom quartile of a ranking of 157 countries. Absolute poverty remains large because the post-independence Indian economy has substantially under-performed relative to its potential. Accelerated growth is essential for significant reduction of poverty in India. The drop in the percentage of people living below the poverty line from about 55% to 35% since 1973-74 is mostly attributable to economic growth (World Bank Report, 1997). There is a widespread consensus that India can achieve a trend rate of growth of at least seven percent, provided it launches a second generation of economic reforms. A two percentage point increase in annual economic growth from the current 5 or 6 percent to 7 to 8 percent, sustained over the next fifteen to twenty years, would make a significant contribution to poverty reduction in India.

Financial markets reform is key to India's economic development and poverty reduction. Only a transparent and efficient financial market can mobilize the level of resources required for the development in basic infrastructure, such as power, transportation, water, and communication. While significant progress has been made since 1994 in creating the foundation for market stability and integrity, much more remains to be done. In areas such as regulatory oversight, development of long-term debt, disclosures, and investor protection, the Indian markets remain below international standards. Further, India's insurance market, recently opened to domestic and international competition, is underdeveloped by international standards.

**Key Results:** Before Glenn Amendment sanctions were imposed, the Financial Institutions Reform and Expansion Regulatory (FIRE-R) program had made significant progress in improving the transparency and efficiency of India's securities markets. The program used technical assistance and training to achieve the following results: (a) reduced the systemic risk in trading, clearing, and settlement by supporting the establishment of India's first electronic securities depository and clearing corporation; (b) created awareness of best practices in regulatory oversight and market operation among the regulators, institutional market participants, and policy makers; and (c) developed a legal, regulatory, and institutional

*Formerly titled "Increased Capacity to Efficiently Mobilize Resources for Development."

framework for the introduction of futures and options trading. The securities market-related technical assistance (TA) and training under this objective would build on these successes.

**Performance and Prospects:** USAID plans FY 2001 obligations of $2,100,000 in DA funding and $4,983,000 in ESF funding for the Financial Institutions Reform and Expansion (FIRE-R) program. Subsequent to the presidential waiver of Glenn Amendment sanctions in March 2000 for FIRE-R, USAID completed the design of a securities market activity, in consultation with host-country counterparts. Initially, securities market-related activities will help build the institutional capacity of the Securities Exchange Board of India (SEBI) to develop: (a) institutional best practices in inspection, surveillance, investigation, enforcement, and self-regulation; (c) institutional infrastructure for timely and accurate disclosure of market information; (d) regulatory oversight for Internet and Alternative Trading Systems; and (e) a risk management system for futures and options markets. Under the FIRE-R program, the design is underway on a four-year activity with the newly established Insurance Regulatory and Development Authority (IRDA) to foster an efficient, transparent, and financially sound insurance market. Design work on the private-sector pension funds activity will commence after the Government of India (GOI) selects a regulator for this sector.

*A new microfinance activity is slated to receive FY 2001 DA funding of $1,300,000.* The design of this activity, aimed at deepening access to financial services (savings, credit and insurance) by the poor, will begin following consent of the GOI.

If sanctions on USAID's non-humanitarian economic growth portfolio are waived, *FY 2001 DA funding of $555,000* will be used for fiscal reform activities in two states to help open up the Indian economy and enhance U.S. trade and investment. Activities would help improve tax collection methods, upgrade management information systems, improve debt management and budgeting, and develop in-house analytical capability on fiscal policy. USAID would support state-level fiscal and infrastructure reforms to attract private investment into the infrastructure sector.

**Possible Adjustments to Plans:** During FY 2001, USAID will review its program and prepare its new strategy in FY 2002.

**Other Donor Programs:** The Asian Development Bank is currently working on a study of issues related to the growth of the secondary debt market. The World Bank is working on a small grant to prepare a report on the issues related to equity market integrity. The United Kingdom has a microcredit program aimed at providing credit to the poor. Switzerland, Germany, and Australia and the International Food and Agricultural Development organization fund microfinance programs. The World Bank and the Asian Development Bank have state-level program adjustment and sector loans aimed at fiscal policy reform and infrastructure development.

**Principal Contractors, Grantees, or Agencies:** U.S. Securities Exchange Commission (SEC), Securities and Exchange Board of India, and IRDA. Other contractors will be selected through full and open competition.

**Selected Performance Measures:** Indicators for this activity are under development. Indicators and baseline data to capture the results of the securities market-related activities will be developed in consultation with the U.S. Securities Exchange Commission, which will implement selected technical assistance and training activities.

**ACTIVITY DATA SHEET**

**PROGRAM:** India
**TITLE AND NUMBER:** Recovery, Reconstruction, and Rehabilitation Needs Met for Targeted Vulnerable Groups, 386-012
**STATUS:** New
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $8,000,000 DA; $2,000,000 CSD
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** None
**INITIAL OBLIGATION:** FY 2001 **ESTIMATED COMPLETION DATE:** FY 2003

**Summary:** This new objective will provide humanitarian assistance to victims of disaster and crisis under USAID's Strategic Plan and respond to the U.S. national interest of saving lives, reducing suffering associated with disaster, and re-establishing conditions necessary for political and economic development. The purpose of this objective is to help the poor in communities affected by disasters to rebuild their communities and re-establish their livelihoods, and support Indian efforts to enhance disaster management capacity.

India is highly prone to natural disasters. Recent disasters have included the earthquake and drought in Gujarat and the super cyclone in Orissa. Both the Indian Government and affected communities have mounted outstanding responses to these crises. But, the scope of this and other recent disasters is beginning to outstrip the resources and capacity available in the country. Given the recurring and increasingly devastating disaster impacts India has confronted, USAID will provide leadership in strengthening India's capacity to ensure better protection of lives and property and enhanced relief operations.

The January 26, 2001 earthquake in the State of Gujarat in western India, which measured between 7.7 and 8.1 on the Richter scale, has killed over 20,000 people; injured 160,000; left at least 665,000 homeless; affected at least 22 million people; and flattened approximately half of the buildings in 450 villages throughout the state. Infrastructure throughout the region is severely damaged. A World Bank-led assessment estimates the cost of reconstruction from the earthquake between $2.1 and $2.3 billion. While the immediate relief needs have been largely met, the longer-term recovery effort is just beginning.

**Key Results:** This new objective is expected to significantly contribute to: (a) restored capacity of communities affected by disasters to recover and start the process of rebuilding; (b) improved capacity of governments and NGOs to carry out accurate and consistent post-disaster damage and needs assessments; (c) enhanced capacity of national and state governments and NGOs to respond and manage disaster events; and (d) improved U.S. government use of disaster relief and other resources to link relief to rehabilitation and development.

**Performance and Prospects:** FY 2001 funding of $8,000,000 in DA and $2,000,000 in CSD will be provided to help the Gujarat earthquake victims resume as much of their normal lives as quickly as possible and bring Gujarat back to life. Specific activities and funding sources will be determined based upon the proposals received for quick impact community-based activities.

USAID is focusing its reconstruction assistance on those areas where there is a unique capability to have an impact. These activities complement interventions by Indians and other donors. USAID has a comparative advantage in disaster planning and mitigation, shelter provision utilizing the private sector, and small and micro-enterprise support. USAID's assistance will leverage and mobilize, not substitute for public and private Indian resources, and build on existing Indian capabilities. USAID will support selected U.S. private voluntary organizations (PVOs) and international organizations (IOs) that can implement quick impact community-based activities. These will include repairing and rebuilding basic community infrastructure and services (i.e., schools, health clinics, roads, and water distribution systems); removing rubble and debris; providing basic equipment and access to microfinance to reestablish micro- and small-enterprises; and providing temporary employment programs to help disaster victims cope financially and psychologically.

USAID's existing activities and its network of partners from current programs in Gujarat and elsewhere, including financial institutions that directly support the housing sector, will enhance the success of this objective. USAID programs with the Ahmedebad Municipal Corporation, Self-Employed Woman's Association and SAATH (an Indian NGO) have already benefited thousands of Gujarati families and may act as a platform for reconstruction. Also, USAID's credit authorities will also leverage significant private funding for reconstruction. Depending on the activity, one USAID dollar can leverage between ten and fifteen private sector dollars. Many partner NGOs, both international and indigenous, that have been actively involved in the emergency phase in Gujarat will also support reconstruction.

The initial focus of this objective will be on recovery and reconstruction after the Gujarat earthquake. However, this objective may be used as a means for addressing future relief and reconstruction needs for other disasters in India. For example, in the Gujarat quake relief phase, USAID heavily relied on its Title II partners, CARE and Catholic Relief Services, as well as other U.S. PVOs and IOs, to provide life-saving assistance to survivors. These NGOs may potentially join with USAID and Department of Defense in exploring ways to improve the mix, quantities, and/or locations of emergency supplies to better meet India's future disaster needs. Also, the objective may include technical support to the Indian and state governments to define and launch a relevant, more responsive disaster management plan

**Possible Adjustments to Plans:** During FY 2001, USAID will review this activity and prepare a new strategy in FY 2002.

**Other Donor Programs:** The World Bank and Asian Development Bank are expected to contribute upwards of $1.5 billion towards the cost of Gujarat reconstruction. The Indian Government will be making significant contributions for reconstruction, ranging from immediate cash assistance to the State Government from the National Calamity Contingency Fund to supporting tax free bonds for reconstruction to a special 2 percent surtax.

**Principal Contractors, Grantees, or Agencies:** Principal contractors, grantees, or agencies will be identified when the implementation of the program commences.

**Selected Performance Measures:** This is a new objective; performance measures have not yet been developed.

**FY 2002 Performance Table**

**India: 386-002**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Percntage of pregnant women receiving two doses of Tetanus Toxoid (TT) during their last pregnancy in 28 PERFORM districts of UP | NA | 40.5 | 59 | 62.8 | 46 | 66 | 70 |
| Indicator 2: Contraceptive Prevalence Rate for the 28 PERFORM districts of UP | NA | 24.5 | 24.9 | NA | 27 | 29 | 31 |
| Indicator 3: Percentage of deliveries attended by a trained provider, in 28 PERFORM districts of UP | NA | 33 | 29.9 | 36.3 | 35 | 36 | 37 |
| Indicator 4: Number of IFPS-trained public sector providers performing to standards as defined by standardized clinical protocols in the 28 PERFORM districts of UP | 69 | 409* | 2346* | 4348 | 3933 | 4343 | NA |
| Indicator 5: Total Fertility Rate | NA | 4.6 | NA | NA | NA | NA | 4.2 |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | Annual percentage in 28 PERFORM districts of UP | a.1993 baseline was obtained from the UP NFHS Survey b. Annual population based survey in January of each year | Percentage of women who gave birth during last year for which the mother received two doses of Tetanus Toxoid (TT) in 28 PERFORM districts of UP. |
| Indicator 2: | IR | Percentage for the 28 PERFORM districts of UP | a. 1995 baseline was obtained from the PERFORM survey b.Annual population based survey fielded in January each year | Currently married women aged 15-49 using modern contraceptive methods (i.e. condoms, pills, IUDs, sterilization) in 28 districts of UP as of January 2000. |
| Indicator 3: | IR | Annual percentage in 28 PERFORM districts of UP | a.1993 baseline was obtained from the UP NFHS Survey b. Annual population based survey in January of each year | Percentage of deliveries attended by trained providers (public and private physicians, nurses - midwives and traditional birth attendants), in 28 PERFORM districts of UP. |
| Indicator 4: | IR | Annual cumulative numbers in 28 PERFORM districts of UP | Reports from Cooperating Agencies. Regular follow up on training, complemented by a special provider survey that will validate a random sampling of those considered as "performing to standard". | Number of providers trained in providing sterilization and those trained in providing IUD services, performing to standards as per standardized clinical protocols. * The figures have been revised since the reported data had erroneously captured providers from outside the 28 PERFORM districts. |
| Indicator 5: | IR | Rate of the state of UP | The source of the data has been changed from the National Family Health Survey to the Government of India's Sample Registration System due to problems of underesstimation of fertility in large-scale population surveys. Accordingly the data and the reporting periods have been adjusted. | Number of children a woman would bear during her reproductive years if she were to experience the current fertility schedule. |

**FY 2002 Performance Table**

**India: 386-003**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Number of counterpart personnel and community members given training in nutrition and health topics | NA | NA | NA | 22546 | NA | 87980 | NA |
| Indicator 2: Percentage of children under two (6-23 months old) in program catchment area, enrolled for Take Home Ration (THR) | NA | NA | NA | 43 | NA | 60 | NA |
| Indicator 3: Percentage of children under two (6-23 months old) in program catchment areas, enrolled in the supplemental food program. | NA | NA | 42 | NA | NA | 50 | NA |
| Indicator 4: Average number of Anganwadi Centers conducting at least one monthly Nutrition and Health Day with Take Home Ration and immunization/ante-natal check up | NA | NA | NA | 19298 | NA | 32787 | NA |
| Indicator 5: Percentage of pregnant women, in program catchment area, delivered in the past year, who received 90-100 iron-folic acid tablets. | NA | NA | 27 | NA | NA | 35 | NA |
| Indicator 6: Percentage of children, 12-23 months old, in program catchment area, fully immunized by age one. | NA | NA | 32 | NA | NA | 34 | NA |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | Number of counterpart personnel and community members | CARE's Management Information System (MIS) | Number of counterpart personnel and community members trained in nutition and health topics |
| Indicator 2: | IR | Percentage of children 6-23 months old | CARE's Management Information System (MIS) | Percentage of children under two years (children 6-23 months old) in program catchment area, enrolled for Take Home Ration |
| Indicator 3: | IR | Percentage of children under two (6-23 months old) | CARE's Results Reports (results from baseline, midterm and final evaluation surveys) | Percentage of children under two years (children 6-23 months old) in CARE High Impact and Capacity Building program areas, enrolled in the supplemental food program. |
| Indicator 4: | IR | Number of Anganwadi Centers | CARE's Management Information System (MIS) | Average number of Anganwadi Centers, in program catchment area, conducting at least one monthly Nutrition and Health Day with Take Home Ration and immunization/ante-natal check up. |
| Indicator 5: | IR | Percentage of pregnant women | Care's Results Reports (results from baseline, midterm and final evaluation surveys) | Percentage of pregnant women in CARE High Impact and Capacity Building program areas who received 90-100 IFA tablets. |
| Indicator 6: | IR | Percentage of children, 12-23 months old. | CARE's Results Reports (results from baseline, midterm and final evaluation surveys) | Percentage of children 12-23 months old in CARE High Impact and Capacity Building program areas who are fully immunized by age one, per GOI's National Immunization Schedule. |

**FY 2002 Performance Table**

**India: 386-004**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Increased number of firms that meet international environmental quality standards in selected industrial sectors. | NA | NA | 7 | 17* | 15 | 20 | 25 |
| Indicator 2: Local government/authorities with urban environmental management tools available to them. | 4 | 7 | 9 | 11 | 10 | 12 | 14 |
| Indicator 3: Carbon dioxide equivalents of greenhouse gas (GHG) emissions avoided | 0.02 | 1.09 | 2.16 | 3.24 | 3.24 | 4.19 | 5.28 |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | Number of firms (cumulative) | Reports of Industry Associations, Bureau of Indian Standards (BIS), Quality Council of India (QCI) | International environmental quality standard is defined as ISO 14001 certification. Number of firms which, with assistance from the Clean Technology Initiative (CTI), obtained ISO 14001 certification in the following sectors: textiles, pulp & paper, pharmaceutical, automobiles, thermal power, steel and cement. * Reporting period for this data is as of December 2000 |
| Indicator 2: | IR | Number of local governments/authorities which have one or more of the urban environmental management tools (cumulative) | Surveys, annual evaluation, sector assessment by municipalities, project working reports, study reports, HUDCO, IFLS, NIUA, NGOs & USAID | 1) Urban environmental management tools are: Environmental status reports/maps/workbooks, comparative environmental risk assessments, environmental management action plans, city corporate plans, and city infrastructure priorities studies; 2) "Authorities" include state and city level water supply and sewerage boards; 3) These urban environmental management tools have been developed with active collaboration of the concerned local government/authorities. |
| Indicator 3: | IR | In Million Tons (cumulative) | Center for Monitoring Indian Economy (CMIE) report, Project Reports, NTPC reports. | Emissions of carbon dioxide equivalents avoided are calculated by converting MW hour of coal-fired energy saved or avoided through SO4 activities (such as biomass cogeneration, enhanced energy efficiencies - in both supply side and demand side activities - and clean coal technologies). Data includes information on projects which receive USAID support directly. |

**FY 2002 Performance Table**

**India: 386-007**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Percentage of individuals belonging to specified high-risk groups who report condom use in most recent sexual encounters with a non-regular partner. | 47 | 53 | 57 | 59 | 57 | 62 | 65 |
| Indicator 2: Percentage of population with symptomatic Sexually Transmitted Diseases (STD) seeking care from qualified medical practitioners in Tamil Nadu. | 67 | 77 | 71 | 65 | 72 | 75 | 77 |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | Percentage | Behavioral Sentinel Surveillance (BSS) Study | Figures are simple arithmetic averages for commercial sex workers, STD clinic attenders, truck drivers and helpers. Groups such as male and female factory workers, and male and female students are not included since BSS data indicates they are not "high risk groups". |
| Indicator 2: | IR | Percentage | Behavioral Sentinel Surveillance (BSS) Study | Figures are simple arithmetic averages for male factory workers, truck drivers and helpers (Male students not included in 1998, 1999 BSS). Qualified medical practitioners are allopathic (western medicine) doctors. |

**FY 2002 Performance Table**

**India: 386-009**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Number of local institutions collecting data or assisting in informed advocacy on violence against women | 4 | 20 | 32 | 42 | 39 | NA | NA |
| Indicator 2: Number of organizations in UP undertaking new girls' education enhancing efforts asisted by BETI | NA | NA | NA | 5 | NA | 20 | NA |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | Number of institutions (cumulative) | ICRW project records, progress reports, ICRW | NA |
| Indicator 2: | IR | Number of organizations (cumulative) | Partner progress reports/results report | NA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: India** | | | |
| **Title and Number: Reduced Fertility and Improved Reproductive Health in North India, 386-002** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 170,956 DA | 122,100 DA | 48,856 DA |
| | 5,693 CSD | 396 CSD | 5,297 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 14,500 DA | 21,986 DA | |
| | 3,500 CSD | 1,429 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 185,456 DA | 144,086 DA | 41,370 DA |
| | 9,193 CSD | 1,825 CSD | 7,368 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 17,000 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 17,000 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 13,500 DA | 106,694 DA | 322,650 DA |
| | 2,000 CSD | 6,707 CSD | 17,900 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: India** | | | |
| **Title and Number: Improved Child Survival and Nutrition in Selected Areas of India, 386-003** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 2,650 DA | 852 DA | 1,798 DA |
| | 3,925 CSD | 0 CSD | 3,925 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 300 DA | |
| | 3,000 CSD | 2,225 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 2,650 DA | 1,152 DA | 1,498 DA |
| | 6,925 CSD | 2,225 CSD | 4,700 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 337 DA | | |
| | 4,300 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 337 DA | | |
| | 4,300 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 337 DA | 0 DA | 3,324 DA |
| | 4,300 CSD | 7,275 CSD | 22,800 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: India** | | | |
| **Title and Number: Increased Environmental Protection in Energy, Industry, and Cities, 386-004** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 80,490 DA | 52,575 DA | 27,915 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 11,800 DA | 10,905 DA | |
| | 0 CSD | 0 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 92,290 DA | 63,480 DA | 28,810 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 8,000 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 500 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 8,500 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 10,000 DA | 36,215 DA | 147,005 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 3,000 ESF | 22,000 ESF | 25,000 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: India**<br>**Title and Number: Reduced Transmission and Mitigated Impact of Infectious Diseases, Especially STD/HIV/AIDS, in India, 386-007** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 5,920 DA | 5,259 DA | 661 DA |
| | 33,569 CSD | 13,737 CSD | 19,832 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 661 DA | |
| | 15,000 CSD | 12,421 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 5,920 DA | 5,920 DA | 0 DA |
| | 48,569 CSD | 26,158 CSD | 22,411 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 16,600 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 16,600 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 5,920 DA |
| | 18,100 CSD | 48,280 CSD | 131,549 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: India** | | | |
| **Title and Number: Expanded Advocacy and Service Delivery Networks for Women and Girls, 386-009** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 3,497 DA | 3,497 DA | 0 DA |
| | 400 CSD | 400 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 0 DA | |
| | 0 CSD | 0 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 3,497 DA | 3,497 DA | 0 DA |
| | 400 CSD | 400 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 1,800 DA | | |
| | 1,250 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 158 DA | | |
| | 700 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 1,958 DA | | |
| | 1,950 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 1,068 DA | 1,237 DA | 7,760 DA |
| | 1,440 CSD | 5,050 CSD | 8,840 CSD |
| | 1,500 ESF | 8,500 ESF | 10,000 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: India**<br>**Title and Number: Capacity of Financial Markets and Government to Transparently and Efficiently Mobilize Resources, 386-011** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 3,500 DA | 0 DA | |
| | 0 CSD | 0 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 3,500 DA | 0 DA | 3,500 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 3,955 DA | | |
| | 0 CSD | | |
| | 4,983 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 3,955 DA | | |
| | 0 CSD | | |
| | 4,983 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 7,805 DA | 29,740 DA | 45,000 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 2,500 ESF | 7,517 ESF | 15,000 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: India** | | | |
| **Title and Number: Recovery, Reconstruction, and Rehabilitation Needs Met for Targeted Vulnerable Groups, 386-012** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 0 DA | |
| | 0 CSD | 0 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 8,000 DA | | |
| | 2,000 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 8,000 DA | | |
| | 2,000 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 8,000 DA |
| | 0 CSD | 0 CSD | 2,000 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: India** | | | |
| **Summary** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 263,513 DA | 184,283 DA | 79,230 DA |
| | 43,587 CSD | 14,533 CSD | 29,054 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 29,800 DA | 33,852 DA | |
| | 21,500 CSD | 16,075 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 293,313 DA | 218,135 DA | 75,178 DA |
| | 65,087 CSD | 30,608 CSD | 34,479 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 9,800 DA | | |
| | 1,250 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 29,950 DA | | |
| | 23,600 CSD | | |
| | 4,983 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 39,750 DA | | |
| | 24,850 CSD | | |
| | 4,983 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 32,710 DA | 173,886 DA | 539,659 DA |
| | 25,840 CSD | 67,312 CSD | 183,089 CSD |
| | 7,000 ESF | 38,017 ESF | 50,000 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

# INDIA
## FY 2002 STRATEGIC OBJECTIVE SUMMARY
**(in thousands of dollars)**

| SO number | SO Title<br>Fund Account | FY 1999 | FY 2000 | FY 2001 | FY 2002 |
|---|---|---|---|---|---|
| 386-002 | Reduced Fertility and Improved Reproductive Health in North India | | | | |
| | - DA | 19,000 | 14,500 | 17,000 | 13,500 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 1,500 | 3,500 | 0 | 2,000 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 0 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 386-003 | Improved Child Survival and Nutrition in Selected Areas of India | | | | |
| | - DA | 0 | 0 | 337 | 337 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 1,500 | 3,000 | 4,300 | 4,300 |
| | - FSA | 5 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 0 |
| | - P.L. 480/II | 125,815 | 116,781 | 64,460 | 80,020 |
| 386-004 | Increased Environmental Protection in Energy, Industry, and Cities | | | | |
| | - DA | 6,500 | 8,900 | 500 | 10,000 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 3,000 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 386-007 | Reduced Transmission and Mitigated Impact of Infectious Diseases, especially STD/HIV/AIDS, in India | | | | |
| | - DA | 0 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 14,250 | 15,000 | 16,600 | 18,100 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 0 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 386-009 | Expanded Advocacy and Service Delivery Networks for Women and Girls | | | | |
| | - DA | 2,250 | 1,800 | 158 | 1,068 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 1,250 | 700 | 1,440 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 1,500 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 386-011 | Increased Capacity of Financial Markets and Government to Transparently and Efficiently Mobilize Resources | | | | |
| | - DA | 0 | 3,500 | 3,955 | 7,805 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 4,983 | 2,500 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |

## INDIA
## FY 2002 STRATEGIC OBJECTIVE SUMMARY
**(in thousands of dollars)**

| SO number | SO Title<br>Fund Account | FY 1999 | FY 2000 | FY 2001 | FY 2002 |
|---|---|---|---|---|---|
| 386-012 | Recovery, Reconstruction, and Rehabilitation Needs Met for Targeted Vulnerable Groups | | | | |
| | - DA | 0 | 0 | 8,000 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 2,000 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 0 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| | SO Totals | | | | |
| | - DA | 27,750 | 28,700 | 29,950 | 32,710 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 17,250 | 22,750 | 23,600 | 25,840 |
| | - FSA | 5 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 4,983 | 7,000 |
| | - P.L. 480/II | 125,815 | 116,781 | 64,460 | 80,020 |

**NEPAL**

| Program Summary (In Thousands of Dollars) | | | | |
|---|---|---|---|---|
| **Category** | **FY 1999 Actual** | **FY 2000 Actual** | **FY 2001 Estimated** | **FY 2002 Request** |
| Development Assistance | 10,624 | 9,900 | 11,300 | 10,300 |
| Development Fund for Africa | 0 | 0 | 0 | 0 |
| Child Survival & Disease Fund | 6,410 | 7,000 | 9,250 | 9,750 |
| Freedom Support Act Funds | 0 | 0 | 0 | 0 |
| SEED Act Funds | 0 | 0 | 0 | 0 |
| Economic Support Funds | 0 | 0 | 0 | 3,000 |
| P.L. 480 Title II | 0 | 0 | 0 | 0 |
| P.L 480 Title III | 0 | 0 | 0 | 0 |
| **Total Program Funds** | **17,034** | **16,900** | **20,550** | **23,050** |

**Mission Director, Joanne T. Hale**

# NEPAL

## Introduction.

In 1951, The Kingdom of Nepal opened its doors for the first time to the outside world after centuries of isolation. It was a country without roads or infrastructure, and lacking the most rudimentary systems such as education and health. During the past 50 years, Nepal has taken giant strides to join the modern world. The country built roads and schools, eradicated endemic malaria, and introduced basic health services. In 1990, Nepal took perhaps its single most important step—establishing a democracy by creating a multiparty, constitutional monarchy. From the beginning, USAID has been a development partner. Critical USAID contributions to Nepal's development in the last 50 years include building basic infrastructure, enhancing rural development, improving health and family planning, and meeting a host of other national needs. The current USAID program promotes the U.S. national interests of democracy and human rights and the global issues of health, population, and environment. Strengthening democracy in Nepal is the most important goal of the Mission Performance Plan (MPP), and is central to USAID's activities. The USAID program also is linked to several other MPP goals—economic development, open markets, environment, health, population, and regional stability.

## Development Challenge.

Nepal's progress over the last half century has been dramatic. Roads, schools, electricity, a university system, and modern governmental functions are now firmly established. However, Nepal's needs are vast—over half of its population still lives on less than a dollar a day, and many of its other social indicators are still the lowest in South Asia. Population growth, enormously rugged terrain, geographical location, and a fragile, fledgling democracy have held in check many of Nepal's attempts to become a modern nation. These factors frame Nepal's development challenge. USAID's program has evolved to meet this challenge, focusing on addressing the most salient issues: a weak, decade-old democracy; rapid population growth; the lack of primary health care for women and children; the low status of women; increased energy demand; increased environmental pressure; and the lack of economic opportunities for the poor.

Women and children under the age of five die at alarming rates in Nepal. USAID's targeted health programs provide critical interventions for over 3.5 million such children. Vitamin A distribution throughout the country reaches 80% of children between the ages of six months and five years, thereby helping to avert over 30,000 deaths annually. This intervention, along with a program focusing on pneumonia diagnosis and treatment, is helping Nepal to reduce its under-five mortality from 118 deaths/1,000 in 1996 to a projected 85/1,000 by 2002. Nepal's AIDS epidemic is concentrated among high-risk groups. Drawing from its worldwide leadership in the field, USAID is working with the Government of Nepal to increase awareness and promote safe practices.

To counter population growth, USAID is focusing on expansion of quality family planning services. These efforts are contributing to a steady decline in Nepal's total fertility rate, with current trends showing a decrease of 0.43 children per woman every five years. However, despite the fact that nearly 36% of couples in Nepal now use contraceptive measures (compared with 24% in 1991), there remains a huge unmet demand for contraception.

Nepal has vast, virtually untapped hydropower potential. Its rugged topography and climate create a network of fast-flowing rivers. Tapping this tremendous energy potential through hydropower development is the key to Nepal's long-term sustainable development. USAID's hydropower program, while modest in terms of funding, focuses on stimulating private sector hydropower investment for both domestic use and export. This important partnership is the main economic growth component of USAID's strategy in Nepal. Developing Nepal's vast water resources for hydropower offers enormous potential for stimulating national development, including the creation of a substantial source of foreign exchange. Clean energy production can replace other polluting energy supplies in Nepal and the region, particularly in India. USAID assistance in the sector is already improving transparency and predictability. One measure is the increase in firm financial commitments to hydropower projects from $303 million in 1999 to

$319 million in 2000. Similarly, 29 survey licenses were issued last year for hydropower projects, a number far exceeding expectations.

Nepal's bold transition to democracy, barely a decade old, is threatened by ineffective governance, corruption, and growing discontent resulting from citizens' rising expectations. Most recently, Nepal launched a decentralization program designed to push decisions and resources closer to actual users. For this laudable effort to be truly effective, a corresponding demand for good governance must be created at both national and local levels. Strengthening nongovernmental stakeholders provides institutional checks and balances and broader oversight over government activities. This means assuring that civil society groups can effectively demand essential services and monitor government performance. The creation of a strong civil society is critical for ensuring transparency, accountability, predictability, and participation—all major factors for ensuring more equitable economic and social development.

USAID's approach to good governance emphasizes increasing the capacity of citizen and private sector organizations to effectively plan and advocate. Although programs in women's empowerment and agriculture and forestry are ending, USAID will continue to use the comparative advantage gained from its successful programs and partnerships. By accessing this important network, USAID will continue strengthening the voices of rural resource users through their national associations and federations. Better governance of the natural resource sector not only contributes to economic growth and a stronger rural democracy, it also conserves the nation's unique and extensive biodiversity and ensures that the revenues generated by hydropower development are invested wisely for broad-based development.

USAID will continue to address the issue of trafficking of women and children (from Nepal to India and other countries) through community education programs and activities to intercept and protect trafficked victims in border areas. These activities will support USAID's South Asia Regional Initiative (SARI)/Equity program and will complement the efforts of other donors.

The continuing Maoist antigovernment insurgency in rural areas of Nepal has not hindered progress toward achieving USAID's program objectives. However, USAID is carefully monitoring the conflict to assure that programs continue to meet their objectives and to be positioned for a rapid response should conditions change.

**Other Donors.**

Donor assistance in Nepal amounts to approximately $550 million annually. The United States ranked sixth in bilateral assistance in 2000, and continues to play a lead role in policy discussions in forestry, health, women's issues, agriculture, and hydropower. Other major donors are the World Bank, the Asian Development Bank, Japan, Germany, the United Kingdom, the United Nations Development Program, Norway, Denmark, and Canada. Infrastructure development—particularly transport, communications, and energy—continues to receive the largest share of donor resources. Trends in donor assistance also emphasize agriculture, health, social services, and natural resources. Recently, donor issues have included decentralization and good governance. USAID coordinates closely with other donors through sectoral working groups and other fora.

**FY 2002 Program.**

In FY 2002, USAID will focus on Nepal's needs in health and family planning, hydropower development, and strengthening democratic processes to ensure the wise use and equitable distribution of wealth in the future.

In the health sector, the FY 2002 program will focus on technical assistance, commodities, training, and limited budgetary support. This will support nationwide vitamin A distribution for children; contraceptive purchasing and distribution; the training and deployment of community health workers; the control of infectious diseases, including such vector-borne diseases as malaria; public awareness campaigns aimed at HIV/AIDS prevention; training of rural women; and the development of birth preparedness packages to combat maternal deaths.

In the hydropower sector, USAID will fund technical assistance and training to strengthen the Department of Electricity Development's institutional capacity to promote private sector development of hydropower. In addition, technical assistance will be provided to improve local capability to conduct and assess environmental and social impacts of proposed hydropower projects and increase public participation in these processes.

In the democracy and governance sector, the FY 2002 program will include technical assistance and training to strengthen targeted natural resource user groups, advocate for women's rights, strengthen selected institutions, and assist in preventing the trafficking in girls.

In addition to the bilateral program, the Global Bureau has a women's education policy research activity that works to mobilize broad-based, informed constituencies to improve girls' education.

## ACTIVITY DATA SHEET

**PROGRAM:** Nepal
**TITLE AND NUMBER:** Increased Sustainable Production and Sales of Forest and High-Value Agricultural Products, 367-001
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** None.
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** None.
**INITIAL OBLIGATION:** FY 1992 **ESTIMATED COMPLETION DATE:** FY 2002

**Summary:** Over 80% of Nepal's 23 million people depend on agriculture, agribusiness, and/or forestry for their livelihood. Pervasive poverty and rapid population growth in the rural areas are forcing farmers to use ever more marginal lands, leading to deforestation and soil erosion. Accelerating agricultural growth consequently has been a key component of USAID's strategy for alleviating poverty and facilitating economic development in Nepal. The purpose of this objective is to increase the sustainable production and sales of forest and high-value agricultural products. This will be accomplished by expanding market participation by farmers, traders, and entrepreneurs, and by promoting sustainable management of the productive resource base.

This objective is closely tied to U.S. Government interests in promoting broad-based economic growth through increasing opportunities for disadvantaged groups such as farmers and women. The objective also promotes a sustained global environment through programs to reduce forest degradation and to promote biodiversity conservation. The establishment and strengthening of popularly elected, community-based forest and irrigation water groups also contributes significantly to building democracy while improving local resource management.

Approximately 1.2 million rural poor directly benefit from this program. People throughout Nepal will benefit from the introduction of improved crop varieties, increased trade, additional off-farm employment opportunities, and increased access to high-quality/lower-cost agricultural products. Women beneficiaries make up over 46% of the participants in the high-value agriculture program and 80% of the participants in the community forestry program.

**Key Results:** Two primary results will indicate that this objective has been achieved: a) annual sales of forest and high-value agricultural commodities in targeted areas should increase from $3.2 million in 1993 to $37 million by 2002; and b) community forest and irrigation-user groups with fully developed management plans will increase from 586 (1995) to 2,700 (2002). Other results that indicate progress toward the objective include a) land turned over to forest-user groups will increase from 37,754 hectares (1994) to 150,000 hectares (2002); b) the number of buffer zone conservation committees sharing in national park revenues will increase from 0 (1997) to 50 (2002); and c) the annual production of forest/pasture biomass will increase from 174,000 cubic meters (1994) to 3,300,000 cubic meters (2002). Good progress is being made on these targets throughout the program.

**Performance and Prospects:** The production of high-value forest and agricultural commodities correlates strongly with increased family income and with shifts from subsistence to market-oriented production systems. The transfer of land and resources to private forestry and irrigation-user groups demonstrates the Government of Nepal's (GON) acceptance of the need for productive resource management by the private sector. It also increases the confidence of rural citizens in their own ability to manage resources; directly builds grass roots democracy; and demonstrates that democratic government can effectively and tangibly address the needs of its poorest citizens. Recent performance of USAID-sponsored activities has been very good, with all related indicators exceeding targets. Prospects are favorable for even greater contributions to an increased standard of living in rural areas, provided funding levels are maintained.

USAID assistance has helped to create market linkages for new technologies that improve production and has identified markets for forest and high-value agricultural products in Nepal and the South Asia region. At the national level, USAID is continuing to support development and adoption of export-oriented trade

policies and implementation of natural resource legislation that expands community and private management of forest and water resources.

USAID works primarily with and through non-governmental organizations (NGOs), private firms, and GON counterparts on these activities. Community groups are given training and technical assistance, which increases their capacity to help themselves. Increased incomes from community-managed forests and irrigation schemes, as well as high-value crop production and marketing systems, are now being used to build roads, potable water systems, and schools, and to undertake other types of self-help development activities. Knowledge of improved technologies is increasing production and the competitiveness of Nepalese farm and forest enterprises in both local and export markets. Under a new development strategy, USAID will move to more cost-effective mechanisms, including greater use of local and international NGOs.

**Possible Adjustments to Plans:** As part of a USAID country strategy review, all activities have been scrutinized for development impact, and adjustments have been made to budgets and work plans. In particular, decisions have been made to discontinue support to livestock production, increase efforts to create sustainable marketing links between producers' groups and buyers at wholesale market centers, and to better target specific problems in the marketing chain through policy work. Under the new 2001-2005 strategy, this objective focuses on addressing second-generation issues with community forest-user and irrigation-management groups established under earlier programs. This includes better management of the forest and water resources under community control and ensuring equitable participation in decision-making and benefit distribution. These interventions will increase the chances that past investments will be sustained by Nepali beneficiaries. In addition, USAID is considering redirecting its high-value commodity program to focus on strengthening federations of producers and buyers' groups to further market development.

**Other Donor Programs:** USAID participates actively in donor thematic groups on forestry and agriculture/rural development. Community forestry programs, which are now spread across the country, are closely coordinated with the United Kingdom (U.K.), Australia, Switzerland, and Denmark. USAID's high-growth agriculture model is being replicated by the U.K. in eastern Nepal, by Germany and Switzerland in central Nepal, and by Denmark in western Nepal. USAID works in partnership with the Asian Development Bank to strengthen the GON's capacity to transfer the operation and maintenance of government irrigation systems to private water-user groups.

**Principal Contractors, Grantees, or Agencies:** Current partners include the Nepali Ministries of Agriculture and Forests and Soil Conservation; Winrock International Institute for Agricultural Development; Chemonics International; World Wildlife Fund; CARE; Canadian Center for International Studies and Cooperation; and the U.S. Department of the Interior.

**Selected Performance Measures:**

| | Baseline | Actual (1998) | Actual (1999) | Actual (2000) | Target (2001) | Target (2002) |
|---|---|---|---|---|---|---|
| Annual Sales of High-Value Agricultural, Livestock and Forest Commodities in Target Areas (U.S. $ millions) | 3.2 (1993) | 25.1 | 30.0 | 36.4 | 35.0 | 37.0 |
| Farm and Forest Households Producing High-Value Products in Target Areas (Thousands of Farm and Forest Households) | 23 (1993) | 160 | 247 | 266 | 280 | 300 |
| Annual Production of Forest/Pasture Biomass (Thousand of Cubic Meters) | 174 (1994) | 1,400 | 2,448 | 2,785 | 3,000 | 3,300 |
| Community Forest and Irrigation User Groups Formed with Management Plans in Target Areas (Groups) | 586 (1995) | 1,500 | 1,691 | 2,183 | 2,100 | 2,700 |

## ACTIVITY DATA SHEET

**PROGRAM:** Nepal
**TITLE AND NUMBER:** Reduced Fertility and Protected Health of Nepalese Families, 367-002
**STATUS:** Continuing
**PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE:** $6,500,000 DA, $9,250,000 CSD
**PLANNED FY 2002 OBLIGATION AND FUNDING SOURCE:** $6,500,000 DA, $9,750,000 CSD
**INITIAL OBLIGATION:** FY 1996 **ESTIMATED COMPLETION DATE:** FY 2005

**Summary:** USAID's health program in Nepal supports U.S. national interests to stabilize world population growth, protect human health, and reduce the spread of infectious diseases. Its major purpose is to reduce fertility and improve maternal and child health, directly supporting the Mission Performance Plan's health and population goals. Although current program objectives are being met, the needs in Nepal are vast. The maternal mortality rate is among the highest in the world, at 1,500 deaths per 100,000 live births. Population growth is 2.4%, and one out of every 10 children die before reaching the age of five. USAID meets its program objectives by expanding the use of quality voluntary family planning (FP) services (with DA population funds); improving selected maternal and child health services (with CSD funds); increasing HIV/sexually transmitted infection (STI) prevention and control practices among high-risk groups (with CSD HIV/AIDS funds); and strengthening institutional capacity and control of selected infectious diseases with a focus on vector-borne diseases and antimicrobial resistance (with CSD Infectious Disease funds). The beneficiaries of the FP/reproductive health program include 11 million men and women of reproductive age and 3.5 million children.

**Key Results:** Two key results will indicate that this objective is being achieved. The total fertility rate will continue to drop from the 4.6 baseline (1996 Demographic Health Survey) to 4.0 children per women by 2002. The current estimate is 4.2. Under-five mortality rate will decline by an additional 35% from 118 (1996 Demographic Health Survey) to 85 per 1,000 live births by 2002. Data for several indicators reflect continuing progress in improving couple years of protection; increasing the number of children receiving Vitamin A capsules; improving the treatment of pneumonia symptoms in children; and increasing condom use in high risk groups to prevent the spread of HIV/AIDS.

**Performance and Prospects:** The program supports both national and district level activities. Nationally, USAID supports five Government of Nepal (GON) programs—Family Planning, Vitamin A, Community-Based Integrated Child Health, Safe Motherhood, and the Female Community Health Volunteer Program (a network of 46,000 volunteers who provide information and services to control diarrheal diseases, pneumonia, Vitamin A deficiency, and promote family planning and safe birthing practices). Within 33 districts, USAID supports activities to strengthen district-wide family planning services and to promote integrated health and family planning services at the community level, including HIV prevention among high-risk groups. The 2001 Nepal Demographic and Health Survey will be completed in September. Significant reductions in fertility and child mortality since 1996 are expected as a result of USAID's efforts in the health sector.

USAID is the lead donor for both public and private sector family planning services in Nepal. Activities aim to improve and expand pre- and in-service training, promote behavior change, and ensure contraceptive supply. In addition, USAID supports the Quality of Care Management Center, the premier quality assurance program for family planning and maternal health services. In FY 2000, USAID trained 1,351 health workers in competency-based family planning service delivery and counseling, of which 326 were in pre-service nursing education programs. The curricula included basic infection prevention practices, service delivery protocols for each family planning method, and informed choice counseling.

The USAID-supported distance education radio program, "Service Brings Reward," provided updated information to field-based health workers on family planning methods and informed choice. In FY 2000, more than 800 health workers regularly listened to the radio program. The community-focused radio drama series, "Cut Your Coat According to Your Cloth," encourages smaller, healthier families. In FY 2000, survey results showed that 80% of men and 50% of women in monitored districts regularly listened

to the radio drama. In addition, approximately 10,000 women successfully completed health education and adult literacy classes, which aim to better inform consumers of health and family-planning services.

During the last six years, the Logistics Management Information System, integrating both contraceptives and essential commodities, has been an important USAID contribution to Nepal's health sector. During FY 2000, 70% of the nation's 75 district stores kept in stock at least a 3-month supply of contraceptives. As a result of USAID's efforts in the public sector, national contraceptive use increased 11.4% from the previous year. Future program activities in this area will target unmet needs and expand access and use of voluntary long-term methods.

Over the past 15 years, USAID-supported child health activities have contributed to a 50% reduction in under-five mortality. In FY 2000, USAID efforts continued to produce significant results and to exceed targets. The GON National Vitamin A Program provided supplements to 94% of children from ages 6 months to 5 years in 64 of the 75 districts, averting more than 30,000 child deaths annually. The program is expected to achieve full-scale national implementation by October 2001, a first-ever for any developing country. USAID continued to expand the National Community-Based Integrated Child Health Program, which contributes to the reduction of infant and child mortality by preventing deaths from diarrhea and pneumonia. USAID continued to support effective case management of diarrhea in all 75 districts. It also expanded pneumonia case management to 13 districts with an additional 1,675 female community health volunteers trained in FY 2000, bringing the total number trained to over 9,000. Furthermore, 96% of the identified cases were correctly treated. Future program activities include continued expansion of the community-based treatment of childhood illnesses.

In FY 2000, the Maternal and Neonatal Health program began activities with a focus on improving the policy environment and program coordination, and increasing demand and access to quality services. The program established the national safe motherhood sub-committee; completed a strategy to develop and disseminate a safe motherhood newsletter for policymakers and provide a forum for sharing information; developed and implemented a hospital-based district-level training package to deliver obstetric first aid to women in remote communities; initiated the birth preparedness package, which is a unique set of tools to help women, families, and communities prepare for pregnancy, birth, and postpartum; and launched a national safe motherhood information, education, and communication strategy. In FY 2001, these activities will continue with a significant focus on piloting the birth preparedness program.

National HIV prevalence in Nepal remains at 0.2%. However, HIV prevalence among high-risk groups along the southern border with India is currently at 5%, and new data suggest that 50% of intravenous drugs users and 17% of prostitutes in Kathmandu Valley are HIV positive. Recognizing the urgency of the situation, the GON held a national advocacy event in December 2000, attended by the Crown Prince, who publicly expressed his support for HIV/AIDS prevention. In FY 2000, HIV and sexually transmitted disease prevention efforts for high-risk groups achieved significant results. Eighty-six percent of the prostitutes and 74.2% of their clients used condoms during their last sexual intercourse, up from 67% and 73%, respectively, in FY 1999. More importantly, prostitutes and their clients are consistently using condoms 51% and 46.3% of the time, up from 41% and 40%, respectively, in FY 1999. An open Indian border, continued trafficking of women and children for the sex industry, seasonal male migration for work, increasing prostitution, and intravenous drug use in Kathmandu Valley require an immediate expansion and a more aggressive prevention program. In response, USAID is expanding the current program to the far western districts of Nepal, where there is significant migratory activity. USAID is a lead partner in a multi-donor HIV prevention effort in Kathmandu Valley that focuses on both prostitutes and intravenous drug users.

Infectious disease activities focus on vector-borne diseases and anti-microbial resistance (AMR) with an overall objective to strengthen Nepal’s Vector-Borne Disease Research and Training Center as a national and regional institution for vector-borne disease surveillance, reporting, response, and control. In FY 2000, baseline surveys of the leading vector-borne diseases were completed, and prevention and control programs were designed, with implementation to begin in FY 2001. The laboratory surveillance system to

identify AMR was established along with a national advisory committee to lead development of national policies and practices.

**Possible Adjustments to Plans:** The Nepal country strategy for FY 2001-2005 has been approved and the above mentioned program adjustments have been incorporated into the health sector component of the new strategy. In FY 2001, USAID will replace the child health indicator (Vitamin A coverage) with a new indicator to report results of the infectious disease activities. Finally, under the new strategy, USAID will restructure the current program to make it more cost effective.

**Other Donor Programs:** The United Nations Population Fund, Germany, the United Kingdom, UNICEF, and the Gates Foundation are partners in reproductive health. The German Development Bank is co-funding social marketing activities through Catholic Relief Services. UNAIDS, the United Kingdom, and Australia are partners in the HIV/AIDS prevention activities. The World Health Organization (WHO) is partnering with USAID in the infectious disease activities. UNICEF, WHO, and Australia actively support national child health and nutrition programs.

**Principal Contractors, Grantees, or Agencies:** John Snow Inc; Save the Children/U.S.; The Asia Foundation; CARE; Plan International; The Adventist Development and Relief Agency; Family Health International; the Centers for Disease Control and Prevention; Environmental Health Project (Camp Dresser & McKee International and the Institute for Science and Technology, Inc.); Commercial Market Strategies Project (Deloitte Touche Tohmatsu); International Center for Diarrheal Disease Research, Bangladesh; Management Sciences for Health/Rational Pharmaceutical Management Plus Project, United States Pharmacopeial Convention; Center for Development and Population Activities; and Johns Hopkins University.

## ACTIVITY DATA SHEET

**PROGRAM:** Nepal
**TITLE AND NUMBER:** Increased Women's Empowerment, 367-003
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** None.
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** None.
**INITIAL OBLIGATION:** FY 1995 **ESTIMATED COMPLETION DATE:** FY 2001

**Summary:** This SO is enabling women to improve their own well-being and that of their families and communities by offering them an integrated package of literacy, income generating opportunities, and legal rights and advocacy training. The direct beneficiaries are the 130,000 women in 21 districts who are participants in the program. These women will become literate, learn about their legal rights and how to advocate for change, and use newly learned economic skills to increase their household incomes by creating small businesses. The indirect beneficiaries are nearly one-half million family and community members whose well-being will be improved as a result of empowering these women.

In 1995, when USAID began work on this objective, almost 80% of Nepali women could neither read nor write (1991 Nepal Census). Women work on average three hours longer per day than men, but only 48% of rural women, compared to 70% of rural men, were reported as economically active. While the Nepal Constitution contains guarantees for women, women remain largely unaware of their human or legal rights and participate little in the democratic process. USAID's women's empowerment program provides a road map out of poverty for rural Nepali women, their families and communities.

Empowering women intrinsically ties this objective to promoting the U.S. Government interest in developing democracy. The involvement of women in political life promotes democracy and good governance. Women's increased awareness of their rights as human beings will help to reduce problems of trafficking of women and girls, as well as eliminate impediments to economic growth such as unchecked population increases. Women's increased involvement in economic life supports broad-based economic growth for the country as a whole with long-term economic impact.

**Key results:** The program is providing: 1) more than 120,000 women with literacy skills; 2) more than 108,000 women with legal rights awareness and advocacy skills; 3) more than 101,000 women with access to savings and credit services; and 4) 81,000 women with the business skills to increase their contributions to household income.

**Performance and Prospects:** Performance over the past two years has been extraordinary. Though the program targeted 100,000 women to receive all three interventions, grassroots enthusiasm for the program shot the number of participating women above 130,000, and the number of local implementing partners has grown to 245. Since field implementation began in December 1998, externally collected data has demonstrated that the program has had a measurable impact on all three targeted dimensions of empowerment. Women participants talk more with their husbands about key household decisions, and have more confidence in taking decisions themselves; invest more income in savings and productive endeavors, in order to generate income for future well-being; and undertake more collective actions in their immediate villages and are beginning to interact in the broader community. An external assessment concluded that the integrated women's empowerment package is having early impact on the behavioral change in families and communities. This attests to the potential of this powerful set of interventions, with great promise for individual, community, and national development. The Government of Nepal has recognized the relevance and success of USAID's women's empowerment program and is working to establish their own program based on this model.

One hundred thirty thousand women have completed empowerment literacy training, the first step of the program. Eighty thousand women are now in post-literacy legal rights training, which provides the women with an understanding of their basic human rights and the skills to advocate for social change. This component of the program includes a unit on trafficking of women and children. By raising community

awareness of this issue, the women's empowerment program is contributing to USAID's bilateral efforts against trafficking and the regional anti-trafficking program.

Fifty thousand women are learning the rules and practices associated with establishing group savings and loan programs, on the way to becoming strong village banks and cooperatives**.** Village banks (and registered cooperatives) are informal community based savings and credit organizations managed by the women themselves. The banks are supervised by nongovernmental organizations (NGOs) that also function as go-betweens to link them to larger sources of credit.

Two organizations, Save the Children and the Canadian Center for International Studies and Cooperation (CECI), implemented supportive economic opportunity activities. These activities increased the outreach and sustainability of NGO Grameen banks in Nepal, federated small savings and credit groups of women into sustainable cooperatives, and supported profitable microenterprises. At the national level, a center for microfinance has been established with USAID funding to promote best-practice microfinance through training, research and seminars, donor coordination, and policy reform on financial intermediation.

**Possible Adjustments to Plans:** Given the strong initial impact of this program, USAID will ensure that the current activities are completed as planned by September 2001, with some final expenditures expected in 2002. A completed program will provide a replicable model for future programs and a tested basis for synergies between USAID objectives.

**Other Donor Programs:** USAID coordinates the donor group on gender issues. Participating members of this group include the United Nations Development Program, United Nations Children's Fund, World Health Organization, the World Bank, the Asian Development Bank, the United Kingdom, Denmark, Germany, Canada, and Finland.

**Principal Contractors, Grantees, or Agencies:** Current grantees are PACT, the Asia Foundation, Save the Children, and CECI.

| **Selected Performance Measures:** | **Baseline** | **Actual (1998)** | **Actual (1999)** | **Actual (2000)** | **Target (2001)** |
|---|---|---|---|---|---|
| Women who are literate at a basic level (cumulative, in SO3- sponsored program) | 0 (1994) | 456,000 | 560,000 | 578,852 | n/a |
| Women who become active members of savings and credit groups (cumulative) | 11,037 (1996) | 88,000 | 126,000 | 145,678 | 158,500 |
| Women saving and credit group members who begin or expand a microenterprise (cumulative) | 5,600 (1998) | 13,000 | 56,000 | 82,021 | 81,000 |
| Women who know their basic legal rights (cumulative) | 300 (1994) | 86,000 | 94,200 | 166,214 | 194,000 |

## ACTIVITY DATA SHEET

**PROGRAM:** Nepal
**TITLE AND NUMBER:** Increased Private Sector Participation and Investment in Environmentally and Socially Sound Hydropower, 367-004
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE: $**185,000 DA
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** None.
**INITIAL OBLIGATION:** FY 1998 **ESTIMATED COMPLETION DATE:** FY 2001

**Summary:** Nepal's tremendous hydropower potential, believed to be over 80,000 megawatts (MW), provides the most promising economic growth opportunity for the country, and is a source of clean energy for the region. This program is designed to help the Government of Nepal (GON) improve the policies and procedures for hydropower investment and to strengthen the capacity of Nepal's lead institution for promoting private investment in hydropower—the Department of Electricity Development. Besides encouraging investments, the program will strengthen local capabilities to ensure that investments are environmentally and socially sound. Program results to date are laying the foundation for continued improvements in the policy and regulatory framework for private development of Nepal's hydropower potential.

This objective supports the U. S. Government's goals of reduced global warming and a sustainable world environment. Hydropower development provides a clean, renewable, and environmentally friendly source of power to an energy-hungry region, while promoting U.S. business. At the same time, hydropower development will reduce Nepal's dependence on foreign donors, improve the quality of life in Nepal, and strengthen regional cooperation.

Only 15% of Nepal's 23 million people have access to electricity. Currently Nepal is barely able to meet even its modest peak electricity demand of 351 MW. The Nepal Electricity Authority has projected that the demand for electricity will grow by more than 8% per year and that peak demand will double by 2006. India, a good potential market for Nepal's excess hydropower, is experiencing critical energy shortages and is dependent upon environmentally unsound means of generating power.

**Key Results:** Two key results will indicate that this objective has been achieved: 1) the number of private sector companies particularly in hydropower development will increase from two (1997) to five (2001); and 2) local capabilities will be strengthened so that private financial commitments for environmentally and socially sound hydropower investment increase from $238 million (1997) to $475 million (2001).

**Performance and Prospects:** To help Nepal tap its tremendous potential for private sector investment in hydropower development, USAID provides training and technical assistance to the GON's Department of Electricity Development to do the following: 1) develop supportive policies and procedures for hydropower investment; 2) improve the "one window" facility for investment; 3) monitor investor compliance with social and environmental mitigation requirements; 4) increase use of competitive contracting procedures; and 5) improve Nepal's capacity to negotiate and sign equitable power purchase agreements and power supply contracts with international and local private power-developers.

For several years, USAID has been playing a critical role in helping Nepal develop an investment environment which has been able to attract several hundred million dollars of private and other donor investments in hydropower development. In the single largest U.S. investment in Nepal, Panda Energy International, Inc. of Texas and Harza Engineering of Chicago invested $98 million in the Bhote Koshi Project. Recognizing that continued assistance was needed in this sector to build on prior U.S. Government investments, USAID and the GON began this three-year $5 million hydropower special objective in December 1997.

To bolster environmental and social soundness of hydropower investments, USAID is strengthening local capability to conduct social and environmental impact assessments. The number of public hearings for hydropower projects conducted with local stakeholders and NGOs increased from four to nine during the

same period, reflecting more rigorous environmental and social impact assessments being conducted with USAID assistance.

The program encourages more public hearings in the investment process, thereby improving transparency and assuring that needs of local residents are heard and addressed. Implementation progress continues despite minor setbacks from the frequent changes in government and delays in approval of the World Bank's new Power Development Fund (PDF). The program achieved several important milestones during the last 24 months, including commitments by three more independent power producers for projects valued at $65 million, bringing the total private investment to over $303 million to date.

USAID also supports a U.S. Energy Association (USEA) partnership program through which USEA will help U.S. utility companies develop long-term cooperative relationships with the Nepal Electricity Authority, and in the future with Nepal's first private utility company. This partnership will promote the transfer of the U.S. energy industry's best technologies to the Nepali utilities as well as provide long-term business opportunities to U.S. companies.

**Possible Adjustments to Plans:** This objective is being replaced by a new objective (367-006) as part of USAID's strategy for FYs 2001-2005. This objective addresses the long-term energy needs of Nepal, and complements the South Asia Regional Initiative on Energy (SARI/Energy), which was launched in FY 2000. A critical assumption of SARI/Energy is the continuation of the bilateral energy programs that will address the issues of energy sector reforms, institutional strengthening, and regulatory frameworks. Regional cooperation and trade in clean energy offer great potential for advancing sustainable economic development in South Asia and significant investment opportunities for domestic and U.S. private companies. SARI/Energy also addresses the issue of global warming through clean energy exports from Nepal to the polluting regions of South Asia.

**Other Donor Programs:** USAID has participated substantively in discussions with the World Bank and the GON regarding the PDF, which is expected to be in place sometime in 2001. USAID consultants will assist the GON in completing the implementation guidelines for the PDF, the model request for qualifications and other PDF design documents. The PDF and the USAID program will be mutually supportive in the development of hydropower in Nepal. The PDF will provide $175 million in funds—$100 million to leverage private investments at an expected ratio of 3:1, and $75 million to improve Nepal's power transmission and distribution system. The Asian Development Bank has proposed to complement this effort by funding transmission, distribution, and rural electrification schemes. Norway, the United Nations Development Program, and Germany have addressed off-grid electrification by implementing microhydro projects.

**Principal Contractors, Grantees, or Agencies:** the Ministry of Water Resources (Department of Electricity Development); International Resources Group, Ltd.; and the United States Energy Association (USEA).

**ACTIVITY DATA SHEET**

**PROGRAM:** Nepal
**TITLE AND NUMBER:** Increased Private Sector Participation in Environmentally and Socially Sustainable Hydropower Development, 367-006
**STATUS:** New
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $2,315,000 DA
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $1,500,000 DA; $1,000,000 ESF
**INITIAL OBLIGATION:** FY 2001 **ESTIMATED COMPLETION DATE:** FY 2005

**Summary:** Of Nepal's estimated total hydropower generation potential of 80,000 MW, it is currently technically and economically feasible to develop approximately 45,000 MW. Sound development of Nepal's hydropower potential will meet increasing domestic demand for electricity in the home and for use in agriculture, industry, health, and education. It will also potentially produce clean energy to meet a huge unmet demand for power in neighboring countries. Foreign and domestic private investment in hydropower development will provide greater domestic returns on investment than are currently provided by most other sources, both in terms of capital development and foreign exchange earnings.

This objective will support Nepal's efforts to improve the overall policy, legal, and regulatory platform for private sector investment in hydropower projects oriented for either domestic or export markets. The program will also promote greater government and private domestic capacity to assess environmental and social impacts of proposed hydropower projects and greater levels of public participation in these processes.

These measures support the U.S. Government's goals of reduced global warming and a sustainable world environment. Hydropower development provides a clean, renewable, and environmentally friendly source of power to an energy-hungry region while promoting U.S. business. At the same time, hydropower development will reduce Nepal's dependence on foreign donors, improve the quality of life in Nepal, and strengthen regional cooperation.

**Key Results:** Anticipated results include improved enabling environment for equitable and sustainable hydropower development, strengthened environmental and social assessment procedures, and broadened stakeholder participation.

**Performance and Prospects:** Since 1992, USAID has played a critical role in improving the enabling environment for private investment in the energy sector. Building on early efforts to strengthen the government's capacity to develop its hydropower resources, USAID launched a three-year, $5 million objective in mid-1998 to encourage private sector participation and investment in environmentally and socially sound hydropower development. As a result of these efforts, USAID has helped stimulate over $300 million in private sector investments in hydropower projects.

Incorporating lessons learned from the original objective, e.g., promoting greater transparency, predictability, accountability, and participation in Nepal's energy sector, this objective will support greater foreign and domestic private investment in hydropower development. The program will complement the South Asia Regional Initiative on Energy (SARI/E) to encourage cooperation and eventual trade in clean energy between South Asia countries. Through this objective, USAID will stimulate and leverage both multilateral and bilateral donor efforts to increase capacity in the hydropower sector, and support regional, national, and local initiatives for sustainable development of clean energy.

**Possible Adjustments to Plans:** None.

**0ther Donor Programs:** USAID has participated substantively in discussions with the World Bank and the Government of Nepal (GON) regarding the Power Development Fund (PDF). USAID will continue to assist the GON in completing the implementation guidelines for the PDF, which along with USAID's objective, will mutually support the development of hydropower in Nepal. The PDF will provide an estimated $175 million in funds—$100 million to leverage private investments at an expected ratio of 3:1, and $75 million to

improve Nepal's power transmission and distribution system. The Asian Development Bank has proposed to complement this effort by funding transmission, distribution, and rural electrification schemes. Norway, the United Nations Development Program, Denmark, and Germany are addressing off-grid electrification by implementing microhydro projects. USAID is coordinating with these donors to maximize the impact of its limited funding.

**Principal Contractors, Grantees, or Agencies:** A principal contractor will be selected when funding for the program is available. Other expected partners are the Ministry of Water Resources (Department of Electricity Development), and the United States Energy Association.

**Selected Performance Measures:** Under development as part of USAID's design of this strategic objective.

**ACTIVITY DATA SHEET**

**PROGRAM:** Nepal
**TITLE AND NUMBER**: Strengthened Governance of Natural Resources and Selected Institutions, 367-007
**STATUS:** New
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $2,300,000 DA
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $2,300,000 DA; $2,000,000 ESF
**INITIAL OBLIGATION:** FY 2001 **ESTIMATED COMPLETION DATE:** FY 2005

**Summary:** Nepal suffers from a crisis of governance that threatens the gains made since the establishment of democracy in 1990. In this context, governance refers to the manner in which power is exercised in the management of a country's economic, environmental, and social resources for development. The four pillars of good governance—transparency, accountability, predictability, and participation—are either weak or nonexistent in Nepal. Citizens are increasingly disillusioned with democracy due to rampant corruption, poor use of public resources, and economic stagnation. A Maoist insurgency that aims to overthrow the current system of government is spreading, particularly in the rural areas. Although Nepal has the basic institutions of a modern democracy in place, it remains a semifeudal society with more than 80 percent of the population residing in rural areas. It derives its income from agriculture and the natural resource base. Nearly half of Nepal's citizens live in poverty, and poverty is worse in rural and remote areas of this mountainous state.

USAID will address these problems by strengthening governance, particularly in the management of the country's natural resources of forests and water, water that is used for irrigation and hydropower development. The development premise is that democracy can be strengthened in Nepal by institutionalizing the principles of good governance at the local level, and that management of the productive resources on which people depend for their livelihoods is the issue of most immediate self-interest to rural people.

USAID will strengthen rural community-based organizations that can control the management of natural resources so that they can exercise their democratic rights, act collectively to ensure the wise use of resources and benefits, and hold local government accountable. This approach builds on USAID's previous work with local forest and water-users' groups and women's microfinance institutions, which have resulted both in improved conservation of natural resources and increased household incomes in rural areas. USAID will support federations, associations, and selected government bodies that possess the potential to funnel citizens' demands upward into the national policy debate and to demand government accountability. In addition, USAID will work with government and nongovernment partners to address several national issues threatening Nepal's democracy, including corruption and the trafficking of women and children. Particular attention will be paid to increasing women's participation and leadership, since women in Nepal suffer disproportionately from poverty, illiteracy, and inequality. These factors are important contributors to the problem of trafficking of women. USAID's proposed interventions will help to prevent trafficking by increasing awareness and providing training to increase women's status.

Activities to strengthen governance of natural resources will include technical and organizational capacity-building for community-based natural resource management groups, as well as advocacy training. Activities to strengthen governance of other key institutions that are engaged in anticorruption and antitrafficking work will include training, provision of technical expertise, and limited commodity support. This program will utilize funds earmarked for biodiversity in its work with community-based forest management groups.

**Key Results:** Anticipated results include the following: 1) increased management capacities of natural-resource users' groups; 2) increased advocacy capacity of selected civil society groups at community and national level; 3) increased women's participation; and 4) improved performance of selected government institutions.

**Performance and Prospects:** USAID has worked extensively with natural resource users groups and women's groups in Nepal under previous programs, and will use these groups as an entry point for improving governance at the local level. In its natural resources program, USAID has advocated the need to ensure adequate benefits to local communities from the development and conservation of water and forest resources, and the prevention of trafficking. This experience provides a solid foundation on which to build the proposed new programs.

**Possible Adjustments to Plans:** None.

**Other Donor Programs:** The Asian Development Bank, the United Kingdom, and Denmark are working at the central level to address issues of governance, such as civil service reform and improved financial management. Other donors are supporting Nepal's decentralization efforts by strengthening local government entities, particularly the United Nations Development Program and the Asian Development Bank. Many donors are working to establish and strengthen local users groups for forestry (Switzerland, the United Kingdom, Australia, and Denmark) or irrigation management (Canada and the World Bank), but few are building the capacity of such groups to advocate with government entities. USAID is actively involved in donor coordination groups for democracy and governance, forestry and environment, and chairs the donor group on gender. These fora will be the principal means to ensure complementary efforts with other donors.

**Principal Contractors, Grantees, or Agencies:** Principal grantees are U.S. and local nongovernmental organizations using grants or cooperative agreements. Other expected partners are the Ministry of Forests and Soil Conservation, the Ministry of Water Resources, and the Ministry of Women, Children and Social Welfare.

**Selected Performance Measures:** Under development.

**FY 2002 Performance Table**

**Nepal: 367-002**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Condom use by persons with high-risk behaviors in target areas: clients, last use | 41 | 58 | 70 | 74 | 55 | 65 | 75 |
| Indicator 2: Children receiving vitamin A supplementation on a regular basis | 92 (32 districts) | 92 (42 districts) | 94 (59 districts) | 94 (64 districts) | 80 (62 districts) | 80 (72 districts) | 80 (75 districts) |
| Indicator 3: Annual couple-years of protection (CYP) for MOH and USAID-supported programs: All MOH-supported services | 946,833 | 1,028,877 | 1,066,441 | 1188000 | 1,176,000 | 1,234,800 | 1,296,540 |
| Indicator 4: Condom use by persons with high-risk behaviors in target areas: clients, consistent use | 31 | 30 | 40 | 46 | 40 | 50 | 50 |
| Indicator 5: Condom use by persons with high-risk behaviors in target areas: CSWs, last use. | 61 | 62 | 67 | 86 | 60 | 65 | 70 |
| Indicator 6: Condom use by persons with high-risk behaviors in target areas: CSWs, consistent use | 27 | 33 | 41 | 51 | 35 | 50 | 50 |
| Indicator 7: Children with pneumonia symptoms given appropriate treatment in intervention districts | 78 (4 districts) | 87 (6 districts) | 94 (11 districts) | 88 (13 districts) | 60 (10 districts) | 60 (12 districts) | 60 (14 districts) |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | Percentage of clients. | AIDSCAP I & II periodic surveys. | Percentage of CSWs and clients in target area reporting condom use consistently and during last intercourse of risk. |
| Indicator 2: | IR | Percentage of children | Minisurveys conducted by the Nepali Technical Assistance Group (NTAG) in collaboration with the MOH. | Percentage of children in target areas aged 6-60 months who have received a vitamin A capsule on the preceding semi-annual national capsule distribution day. |
| Indicator 3: | IR | Couple-years of protection | MOH's logistics management information system; and NGO and private sector progress reports. | Number used to estimate protection provided by family planning services during a one-year period, based upon volume of all contraceptives sold or distributed to clients during that period and disaggregated by type of service that USAID/Nepal supports: All MOH-supported services |
| Indicator 4: | IR | Percentage of clients. | AIDSCAP I & II periodic surveys. | Percentage of CSWs and clients in target area reporting condom use consistently and during last intercourse of risk. |
| Indicator 5: | IR | Percentage of commercial sex workers (CSWs). | AIDSCAP I & II periodic surveys. | Percentage of CSWs and clients in target area reporting condom use consistently and during last intercourse of risk. |
| Indicator 6: | IR | Percentage of commercial sex workers (CSWs). | AIDSCAP I & II periodic surveys. | Percentage of CSWs and clients in target area reporting condom use consistently and during last intercourse of risk. |
| Indicator 7: | IR | Percentage of children | John Snow, Inc. reports. | Percentage of children 0-60 months old with pneumonia symptoms referred or treated appropriately by a community health worker in intervention districts. |

**FY 2002 Performance Table**

**Nepal: 367-004**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Private sector projects progressing towards hydropower investments: feasibility study completed | 2 | 3 | 7 | 8 | 4 | 5 | NA |
| Indicator 2: Private financial commitments for hydropower project development | 238 | 278 | 303 | 319 | 400 | 475 | NA |
| Indicator 3: Private sector projects progressing towards hydropower investments: financial closure | 2 | 2 | 3 | 6 | 4 | 5 | NA |
| Indicator 4: Public hearings for hydropower projects conducted with local stakeholders and NGOs | 4 | 5 | 9 | 11 | 9 | 11 | NA |
| Indicator 5: Private sector projects progressing towards hydropower investments: survey licencse issued | 2 | 5 | 17 | 46 | 5 | 6 | NA |
| Indicator 6: Environmental/Social Impact Assessments for hydropower proposals | 2 | 3 | 3 | 6 | 5 | 6 | NA |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | Cumulative total number of projects which have passed important stages towards completion of a private hydropower project: feasibility study completed | Electricity Development Department (EDD) | feasibility study completed |
| Indicator 2: | IR | Millions of U.S. Dollars | Electricity Development Department (EDD) | Cumulative total of U.S. dollars (millions) in financial commitments by private financing institutions for development of hydropower projects. |
| Indicator 3: | IR | Cumulative total number of projects which have passed important stages towards completion of a private hydropower project: financial closure | Electricity Development Department (EDD) | financial closure |
| Indicator 4: | IR | Number of Hearings | Electricity Development Department (EDD) | Cumulative number of public hearings held by private sector hydropower companies. |
| Indicator 5: | IR | Cumulative total number of projects which have passed important stages towards completion of a private hydropower project: survey licencse issued | Electricity Development Department (EDD) | survey license issued |
| Indicator 6: | IR | Number of Environmental/Social Impact Assessments | Electricity Development Department (EDD) | Cumulative number of Environmental/Social Impact Assessments approved by Ministry of Water Resources in accordance with GON regulations. |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Nepal** | | | |
| **Title and Number: Increased Sustainable Production and Sales of Forest and High-Value Agricultural Products, 367-001** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 35,291 DA | 25,170 DA | 10,121 DA |
| | 400 CSD | 46 CSD | 354 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 0 DA | |
| | 0 CSD | 0 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 35,291 DA | 25,170 DA | 10,121 DA |
| | 400 CSD | 46 CSD | 354 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 35,291 DA |
| | 0 CSD | 0 CSD | 400 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Nepal** | | | |
| **Title/Number: Reduced Fertility and Protected Health of Nepalese Families, 367-002** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 40,452 DA | 28,290 DA | 12,162 DA |
| | 23,789 CSD | 16,949 CSD | 6,840 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 6,872 DA | 7,400 DA | |
| | 7,000 CSD | 6,436 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 47,324 DA | 35,690 DA | 11,634 DA |
| | 30,789 CSD | 23,385 CSD | 7,404 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 6,500 DA | | |
| | 9,250 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 6,500 DA | | |
| | 9,250 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 6,500 DA | 34,324 DA | 94,648 DA |
| | 9,750 CSD | 12,289 CSD | 62,078 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Nepal** | | | |
| **Title/Number: Increased Women's Empowerment, 367-003** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 8,999 DA | 6,364 DA | 2,635 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 1,967 DA | 0 DA | |
| | 0 CSD | 0 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 10,966 DA | 6,364 DA | 4,602 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 10,966 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Nepal** | | | |
| **Title/Number: Increased Private Sector Participation and Investment in Environmentally & Socially Sound Hydropower, 367-004** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 2,100 DA | 779 DA | 1,321 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 1,115 DA | 1,079 DA | |
| | 0 CSD | 0 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 3,215 DA | 1,858 DA | 1,357 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 185 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 185 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 3,400 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Nepal** | | | |
| **Title/Number: Increased Private Sector Participation in Environmentally and Socially Sustainable Hydropower Development, 367-006** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 0 DA | |
| | 0 CSD | 0 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 2,315 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 2,315 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | Future Obligations | Estimated Total Cost |
| Proposed Fiscal Year 2002 NOA | 1,500 DA | 5,000 DA | 8,815 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 1,000 ESF | 0 ESF | 1,000 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Nepal** | | | |
| **Title/Number: Strengthened Governance of Natural Resouces and Selected Institutions, 367-007** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 0 DA | |
| | 0 CSD | 0 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 2,300 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 2,300 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 2,300 DA | 4,400 DA | 9,000 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 2,000 ESF | 200 ESF | 2,200 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Nepal summary** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through Sept | 51,551 DA | 35,433 DA | 16,118 DA |
| | 23,789 CSD | 16,949 CSD | 6,840 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 20 | 9,954 DA | 8,479 DA | |
| 0 | 7,000 CSD | 6,436 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through Sept | 61,505 DA | 43,912 DA | 17,593 DA |
| | 30,789 CSD | 23,385 CSD | 7,404 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Un | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fisca | 11,300 DA | | |
| | 9,250 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| **Total Planne** | 11,300 **DA** | | |
| | 9,250 **CSD** | | |
| | 0 **ESF** | | |
| | 0 **SEED** | | |
| | 0 **FSA** | | |
| | 0 **DFA** | | |
| | 0 | **Future Obligations** | **Est. Total Cost** |
| **Proposed Fis** | 10,300 **DA** | 43,724 DA | **126,829** DA |
| | 9,750 **CSD** | 12,289 CSD | **62,078** CSD |
| | 3,000 **ESF** | 200 ESF | **3,200** ESF |
| | 0 **SEED** | 0 SEED | **0** SEED |
| | 0 **FSA** | 0 FSA | **0** FSA |
| | 0 **DFA** | 0 DFA | **0** DFA |

**NEPAL**
**FY 2002 STRATEGIC OBJECTIVE SUMMARY**
**(in thousands of dollars)**

| SO Number | SO Title<br>Fund Account | FY 1999 | FY 2000 | FY 2001 | FY 2002 |
|---|---|---|---|---|---|
| 367-001 | Increased Sustainable Production and Sales of Forest and High-Value Agricultural Products | | | | |
| | - DA | 1,000 | 300 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 0 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 367-002 | Reduced Fertility and Protected Health of Nepalese Families | | | | |
| | - DA | 7,749 | 6,500 | 6,500 | 6,500 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 6,410 | 7,000 | 9,250 | 9,750 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 0 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 367-003 | Increased Women's Empowerment | | | | |
| | - DA | 675 | 1,900 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 0 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 367-004 | Increased Private Sector Participation and Investment in Environmentally and Socially Sound Hydropower | | | | |
| | - DA | 1,200 | 1,200 | 185 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 0 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 376-006 | Increased Private Sector Participation in Environmentally and Socially Sustainable Hydropower Development | | | | |
| | - DA | 0 | 0 | 2,315 | 1,500 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 1,000 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 367-007 | Strengthened Governance of Natural Resources and Selected Institutions | | | | |
| | - DA | 0 | 0 | 2,300 | 2,300 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 2,000 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| SO Totals | | | | | |
| | - DA | 10,624 | 9,900 | 11,300 | 10,300 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 6,410 | 7,000 | 9,250 | 9,750 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 3,000 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |

**PAKISTAN**

| Program Summary (In Thousands of Dollars) | | | | |
|---|---|---|---|---|
| **Category** | **FY 1999 Actual** | **FY 2000 Actual** | **FY 2001 Estimated** | **FY 2002 Request** |
| Development Assistance | 100 | 0 | 0 | 0 |
| Development Fund for Africa | 0 | 0 | 0 | 0 |
| Child Survival & Disease Fund | 800 | 0 | 0 | 0 |
| Freedom Support Act Funds | 0 | 0 | 0 | 0 |
| SEED Act Funds | 0 | 0 | 0 | 0 |
| Economic Support Funds | 250 | 0 | 0 | 7,000 |
| P.L. 480 Title II | 4,532 | 537 | 1,855 | 0 |
| P.L 480 Title III | 0 | 0 | 0 | 0 |
| **Total Program Funds** | **5,682** | **537** | **1,855** | **7,000** |

# PAKISTAN

## Introduction.

Pakistan is both a participant and a neighbor in one of the most politically sensitive and economically underdeveloped regions of the world. It is home to approximately 150 million people residing in an area about twice the size of California. Although it has potential, Pakistan's economy remains stagnant~~impoverished~~. Only a recent Paris Club rescheduling of Pakistan's national debt has maintained national budgetary solvency. Pakistan's challenges at home, in the region, and in the world have been compounded by its testing of nuclear devices in May 1998 and a military coup in October 1999.

In recent~~For the past few~~ years, the U.S. Government~~.~~ has sought a broader agenda with South Asia, primarily to enhance stability in this volatile region. Counter-terrorism, counter-narcotics, non-proliferation of weapons of mass destruction, economic reform, and improvement of human rights (especially those~~rights~~ of women and girls) are central themes in the U.S. Government~~.~~ agenda. U.S. foreign policy objectives in Pakistan encompass these themes, encourage responsible resumption of political and economic dialogue between Pakistan and India, and hold the military's new "National Reconstruction Bureau" to its commitment of returning the country to civilian democratic rule within a scheduled timeframe. Importantly, Pakistan is key to the resolution of U.S. Government~~.~~ issues with Afghanistan and the Taliban.

USAID does not have a presence in Pakistan, but makes ~~available~~ modest assistance available under U.S. legal provisions that allow assistance to, and through, non-governmental organizations (NGOs) for humanitarian purposes. USAID's Pakistan NGO Initiative ~~(PNI)~~ was launched in September 1994 and is scheduled to end in 2002. This initiative ~~PNI~~has implemented activities related to economic development, women's and children's health, child labor, and microenterprise development.

In FY 2001, USAID received specific legislative authority to work directly with the Government of Pakistan in education. This authority was in response to the grave state of the public education system and the belief that a poorly educated populace impedes economic development and more readily supports extremist actions. In addition, the Administration supports assistance to underpin the country's return to a democratically elected government by late 2002.

In response to the legislative authority, USAID is developing a planning framework that will focus on democracy and education development activities. The framework seeks to support Pakistan's evolution into a democratic society whose citizens fully participate in its economic and social development. Achieving this long-term goal will be supported by programs that help the Pakistan government become more responsive to citizen needs and strengthen and make more accessible education opportunities to boys and girls in Pakistan.

## Development Challenge.

Pakistan is ~~a nation~~ in a deep civil and economic crisis. During the past decade, the standard of living has deteriorated, poverty has increased, public institutions have decayed causing~~resulting in~~ inadequate provision of essential services of any quality, and political and legal institutions lack the public's trust due to corruption and cycles of political crisis. Reversing this trend and returning~~getting~~ Pakistan~~back on~~ to the path toward democratic and economic reform are in the U.S. Government's interest.

Since independence, Pakistan has shifted among various forms of parliamentary, military, and presidential governments in pursuit of political stability. The Pakistani people have often looked to the military to serve as the government of last resort~~,~~ during times of political crisis.~~, to serve as the government of last resort~~ This has resulted in alternating cycles of military and civilian rule, a type of praetorian civil-military relationship that has perpetuated the military's involvement in political process and arrested the development of a sustainable democracy. Consequently,~~As a result,~~ the country has experienced considerable difficulty developing stable, cohesive political and civil society organizations.

Civil society in Pakistan is generally weak, and has only recently begun to address macropolitical issues. Nonetheless, there are ~~there~~some potentially promising results that are beginning to emerge from the efforts of coalitions and networks of NGOs and community-based organizations (CBOs) to educate citizens about the meanings of democracy, representation, and the role of ~~the~~ voters. This effort is being conducted within the context of the local government (union council) elections that will conclude in August 2001. The networks of NGOs and CBOs have focused on strengthening the content, rather than the form, of the democratic process, and now provide a potential opportunity for the U.S. Government to promote sustainable democracy leading up ~~in the run-up~~ to the anticipated return to civilian rule.

The World Bank considers Pakistan a low-income country, due to its per capita gross domestic product (GDP) of about $470. Life expectancy is about 62 years. The population, currently about 150 million, is growing at about 2.4%, very close to the GDP growth rate. Relatively few government resources have been devoted to socioeconomic development. Inadequate provision of social services and high population growth ~~have~~ contribute~~d~~ to persistent poverty and unequal income distribution.

The education sector, in particular, is in a critical state of disarray. The sector's systemic failure stems from issues of both access and quality. While substantial investments have been made in building schools, access is not uniform and the overall quality of education remains very poor. Teachers are poorly qualified, often~~frequently~~ hired through political patronage, and receive little in-service training. Indicators for literacy, enrollment, and retention demonstrate the dire need for systemic reform. Nationwide, literacy rates for males and females are approximately 59% ~~percent~~ and 35%, ~~percent~~ respectively. The average number of years of schooling for a male is 1.9 years, while that of females is only 0.7 years. Thirty seven percent of boys and 55% ~~percent~~ of girls never even enter school and, of those who do, 50% ~~percent~~ drop out within the first five~~5~~ years. Only 29% ~~percent~~ of children make it to the secondary school level.

**Other Donors.**

The democracy and governance activity—which will operate independently of the Government of Pakistan (GOP)—and the basic education activity are being coordinated with other major donors such as the Asian Development Bank, the World Bank, the United Nations Children's Fund, Canada, and the European Union. All donor programs focus on Pakistan's priority needs as defined in its World Bank-supported national Social Action Plan, which encourages NGO and private sector participation in the delivery of social services.

**FY 2002 Program.**

USAID plans to provide assistance to Pakistan in two program areas.

Democracy and Governance. This program will strengthen civil society and promote more competitive, accountable political parties. Assistance will be provided to foster the emergence of new leadership within issue-based civil society organizations, including political parties. Program goals include the creation of new fora to promote discussion and reach consensus on priority development issues, and improved research and analytical capacity on the state of political change in Pakistan. The program will be implemented under legislative authority contained in Section 133 of the Foreign Assistance Act of 1961 (P.L. 87-195), which authorizes the President to "establish programs that combat corruption, improve transparency and accountability, and promote other forms of good governance." Assistance under this authorization may be made available "notwithstanding any other provision of law that restricts assistance to foreign countries," except that such assistance may not be provided directly to the GOP.

Basic Education. This program supports the GOP's Education Sector Reform Strategy (2000-2003). USAID will promote improvements in the quality of public education at the early primary level, focusing on clusters of public schools in targeted areas in the Sindh and Baluchistan provinces. The program also will fund operational research to support a policy dialog with GOP provincial and federal education officials to promote the spread of successful educational practices throughout the public school system. The program will be implemented under legislative authority contained in Sec. 597 of the Foreign Operations

Appropriations Act, 2001 (P.L. 106-429), which provides that “funds appropriated by this Act to carry out the provisions of chapter 1 of part I and chapter 4 of part II of the Foreign Assistance Act of 1961 may be made available for assistance for basic education programs for Pakistan, notwithstanding any provision of law that restricts assistance to foreign countries.”

In addition to the above activities, the Global Bureau implements two polio eradication activities in Pakistan, and the Bureau for Humanitarian Response has an activity to demonstrate educational and medical technologies and practices.

**ACTIVITY DATA SHEET**

**PROGRAM:** Pakistan
**TITLE AND NUMBER:** Pakistan NGO Initiative, 391-001
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $0*
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $0
**INITIAL OBLIGATION:** FY 1995 **ESTIMATED COMPLETION DATE:** FY 2002

**Summary:** The Pakistan NGO Initiative (PNI) delivers improved social services to the poor, especially to women and girls. USAID provides this assistance under the authority of P.L. 106-429, Sec. 541(a), the worldwide notwithstanding authority for the provision of humanitarian assistance through nongovernmental organizations (NGOs). PNI works with, and through, NGOs on: 1) basic education and community-based learning; 2) literacy and skills development; 3) reproductive health (including family planning), maternal and child health care; 4) income generation activities; 5) local NGO and community-based organization (CBO) capacity building; and 6) policy advocacy at the national, provincial, and local levels.

The beneficiaries of USAID assistance are the rural and urban poor, especially women and girls, primarily in two of Pakistan's four provinces: Sindh Province in the south, and the Northwest Frontier Province in the north. Approximately 80 local NGOs and their target populations are benefiting directly from PNI funding and technical assistance. All community members benefit indirectly from activities that create and strengthen community-based development organizations and their links to local, provincial, and national government.

**Key Results:** To date, the PNI program has produced results in targeted geographical areas including: 1) increased percentage of girls attending and completing primary school in the rural areas; 2) greater influence of women in household decision making; 3) increased access by couples to three or more modern methods of contraception; 4) increased number of women earning higher incomes; and 5) increased number of NGOs and CBOs formally engaged in networking for social services delivery and policy change.

**Performance and Prospects:** USAID and the PNI partners—The Asia Foundation (TAF) and the Aga Khan Foundation (AKF)—independently evaluated PNI activities in 1997. TAF recently completed another evaluation of its program activities; AKF plans a similar evaluation later this fiscal year. USAID also plans to conduct its own assessment of the program later this fiscal year. Based on earlier evaluations and quarterly progress reports, PNI is strengthening civil society while improving the ability of NGOs to deliver services more effectively through CBOs. PNI has enabled NGOs and CBOs to work through "webs" or "clusters" to maximize impact. Women's empowerment has been a central theme. As a result, more women are becoming active participants in household decision-making as they become more literate, healthy, aware of their rights, and as they contribute to household income. Overall, the PNI program has proven an effective framework for providing humanitarian assistance to targeted groups.

TAF estimates that more than 1,000 teachers and 9,000 students have benefited directly from its programs. With their local partners, they have developed a reproductive health counseling methodology with accompanying educational cards and cassette tapes. In FY 1999, TAF began formation of both provincial and national health networks to promote and support use of the counseling methodology and materials. In FY 1999, AKF's Urban Health Program worked with provincial and national Polio Week activities, setting up immunization sub-centers, supplying vaccines, and maintaining records. Under TAF's new micro-finance program, some 2,000 women have received small loans from a network of 14 local NGOs and CBOs.

**Possible Adjustments to Plans**: USAID and the Department of State are exploring possible interventions to strengthen democratic processes and civil society participation; promote improvements in education administration; enhance the capabilities of teachers and improve the teaching-learning

---

* In FY 2001, $2,200,000 ESF will be allocated from the Improve South Asia Regional Stability activity (498-037) to fund the Pakistan NGO Initiative.

process; and promote innovative local initiatives through public private partnerships. The proposed activities are described in separate Activity Data Sheets:

| | |
|---|---|
| Pakistan Basic Education Program | 391-XXX |
| Pakistan Democracy and Governance Program | 391-YYY |

**Other Donor Programs:** PNI operates independently of the Government of Pakistan, and is being coordinated with other major donors such as the Asian Development Bank, the World Bank, the United Nations Children's Fund, Canada, and the European Union. All donor programs focus on Pakistan's priority needs as defined in its World Bank-supported national Social Action Plan, which encourages NGO and private sector participation in the delivery of social services. PNI complements other donor and national priorities.

**Principal Contractors, Grantees, or Agencies:** The Asia Foundation, the Aga Khan Foundation U.S.A., and local NGOs and CBOs in Pakistan are the principal partners under the PNI program.

**Selected Performance Measures:** Performance measures for each NGO grant focus on basic education and community-based learning; literacy and skills development; reproductive health, maternal and child healthcare; income generation activities; local NGO capacity building; and policy advocacy.

## ACTIVITY DATA SHEET

**PROGRAM:** Pakistan
**TITLE AND NUMBER:** Pakistan Basic Education Program, 391-XXX
**STATUS:** New
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $0*
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $5,000,000 ESF
**INITIAL OBLIGATION:** FY 2001 **ESTIMATED COMPLETION DATE:** FY 2003

**Summary:** P.L. 106-429, Sec. 597, the Brownback amendment to the Foreign Operations Appropriations Act of 2001, authorized assistance for basic education programs for Pakistan, notwithstanding any provision of law that restricts assistance to foreign countries.

The basic education program is being developed to support the Government of Pakistan's (GOP) efforts to improve the ability of public schools to attract and provide quality education to boys and girls. In December 2000, the GOP launched an ambitious Education Sector Reform Strategy that seeks to promote quality education for all. Its key elements include reforming educational planning and resource use, reducing the education gender gap, education for all, improving teacher accountability and training, and curriculum reform. As part of its "education for all" strategy, the GOP has proposed a special initiative in early primary education.

The Pakistan Basic Education Program will provide assistance to the GOP to test and implement innovative early primary education methods in clusters of public schools in targeted areas. The program will identify and address early primary education issues with the GOP aimed at: 1) strengthening education administration; 2) enhancing the capabilities of teachers and improving the teaching-learning process; and 3) promoting community involvement and innovative local initiatives through public private partnerships.

**Key Results:** Expected results have not yet been developed.

**Performance and Prospects:** The program is under development.

**Possible Adjustments to Plans**: None.

**Other Donor Programs:** The basic education program is being coordinated with other major donor education programs in Pakistan, such as the World Bank, the Asian Development Bank, the European Union, Norway, Canada, the Netherlands, Germany, the United Kingdom, and the United Nations Children's Fund.

**Principal Contractors, Grantees, or Agencies:** To be determined.

**Selected Performance Measures:** To be developed under the new planning framework.

---

* In FY 2001, $2,500,000 ESF will be allocated from the Improve South Asia Regional Stability activity (498-037) to fund the Pakistan Basic Education Program.

**ACTIVITY DATA SHEET**

**PROGRAM:** Pakistan
**TITLE AND NUMBER:** Pakistan Democracy and Governance, 391-YYY
**STATUS:** New
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $0*
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $2,000,000 ESF
**INITIAL OBLIGATION:** FY 2001 **ESTIMATED COMPLETION DATE:** FY 2003

**Summary:** At the Pakistan Development Forum in March 2001, the U.S. Government and other donors urged the Government of Pakistan to adhere to its October 2002 deadline for returning democracy to Pakistan. However, the return to democratic rule will be short-lived if opportunities are not seized now to support the strengthening of basic institutions of democracy, including civil society organization, the media, and political parties.

USAID proposes a democracy program that will work with civil society organizations and political parties and will focus on activities that will result in a government that is more responsive to citizen needs. Activities will foster the emergence of new leadership within issue-based civil society organizations and political parties; foster the creation of new fora in which civil society, political leaders and local civil administration authorities can discuss and reach consensus on priority development issues; and improve the capacity to carry out research and analyses designed to inform decision makers, lawmakers, and civil society leaders on the state of political change in Pakistan. USAID intends to provide this assistance under the authority of Section 133 of the Foreign Assistance Act of 1961 (P.L. 87-195), which authorizes the President to "establish programs that combat corruption, improve transparency and accountability, and promote other forms of good governance….notwithstanding any other provision of law that restricts assistance to foreign countries." The program will not provide assistance directly to the Government of Pakistan.

Civil society: USAID proposes to improve and to sharpen the analysis by civil society organizations of the political economy of Pakistan, and to use that sharpened analysis to promote a dialog on political issues among primary civil society actors, including NGOs, civic organizations, think tanks, polling companies, universities, and the press.

Political parties: If the present de-legitimatization of Pakistan's political institutions continues unabated, there could be little left to salvage once the civil society program begins to produce results. The present schedule calls for completion of local body elections by August 2001. However, provincial and national elections contested by the main political parties will not be completed until October 2002. At that point, provincial and national governments—widely expected to be dominated by the old political parties—will exist above party-less local bodies. USAID plans to identify mid-level party "officials" who oppose the prevailing organization, direction, and policies of their respective parties. Assuming that such potential reformers exist, USAID will provide assistance aimed at re-shaping the parties to make them, and the governments they form, more accountable, working directly with them on party organization, message development, and constituency building. Assistance would be available to all parties and to all members of parties, but the program would encourage particularly those who want to reform.

**Key Results:** Expected results have not yet been developed.

**Performance and Prospects:** The program is under development.

**Possible Adjustments to Plans**: None.

---

* In FY 2001, $1,000,000 in FY 2000 ESF carryover and $1,000,000 in FY 2001 ESF will be allocated from the Improve South Asia Regional Stability activity (498-037) to fund the Pakistan Democracy and Governance Program.

**Other Donor Programs:** The program will be coordinated with other major donors, such as the Asian Development Bank, the World Bank, the United Nations Development Program, Canada, and the European Union.

**Principal Contractors, Grantees, or Agencies:** To be determined.

**Selected Performance Measures:** To be developed under the new planning framework.

## PAKISTAN
### FY 2002 STRATEGIC OBJECTIVE SUMMARY
**(in thousands of dollars)**

| SO number | SO Title<br>Fund Account | FY 1999 | FY 2000 | FY 2001 | FY 2002 |
|---|---|---|---|---|---|
| 391-001 | Pakistan NGO Initiative | | | | |
| | - DA | 100 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 800 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 250 | 0 | 0 | 0 |
| | - P.L. 480/II | 4,532 | 537 | 1,855 | 0 |
| 391-XXX | Pakistan Basic Education Program | | | | |
| | - DA | 0 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 5,000 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 391-YYY | Pakistan Democracy and Governance | | | | |
| | - DA | 0 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 2,000 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| | SO Totals | | | | |
| | - DA | 100 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 800 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 250 | 0 | 0 | 7,000 |
| | - P.L. 480/II | 4,532 | 537 | 1,855 | 0 |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Pakistan** | | | |
| **Title and Number: Pakistan NGO Initiative, 391-001** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 100 DA | 15 DA | 85 DA |
| | 550 CSD | 83 CSD | 467 CSD |
| | 3,645 ESF | 1,800 ESF | 1,845 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 0 DA | |
| | 0 CSD | 0 CSD | |
| | 0 ESF | 1,200 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 100 DA | 15 DA | 85 DA |
| | 550 CSD | 83 CSD | 467 CSD |
| | 3,645 ESF | 3,000 ESF | 645 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 100 DA |
| | 0 CSD | 0 CSD | 550 CSD |
| | 0 ESF | 0 ESF | 3,645 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Pakistan** | | | |
| **Title and Number: Pakistan Basic Education Program, 391-XXX** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 0 DA | |
| | 0 CSD | 0 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 5,000 ESF | 0 ESF | 5,000 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Pakistan** | | | |
| **Title and Number: Pakistan Democracy and Governance, 391-YYY** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 0 DA | |
| | 0 CSD | 0 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 2,000 ESF | 0 ESF | 2,000 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

**Pakistan Obligation History** **(in thousands of dollars)**

| | | FY 1998 | FY 1999 | FY 2000 | FY 2001 | FY 2002 |
|---|---|---|---|---|---|---|
| 391-001 | Pakistan NGO Initiative | | | | | |
| | - DA | | 100 | 0 | 0 | 0 |
| | - CSD | | 800 | 0 | 0 | 0 |
| | - ESF | 3000 | 250 | 0 | 0 | 0 |
| | - P.L. 480/II | 6473 | 4532 | 0 | 0 | 0 |
| 391-XXX | Pakistan Basic Education Program | | | | | |
| | - DA | | 0 | 0 | 0 | 0 |
| | - CSD | | 0 | 0 | 0 | 0 |
| | - ESF | | 0 | 0 | 0 | 5000 |
| | - P.L. 480/II | | 0 | 0 | 0 | 0 |
| 391-YYY | Pakistan Democracy and Governance Program | | | | | |
| | - DA | | 0 | 0 | 0 | 0 |
| | - CSD | | 0 | 0 | 0 | 0 |
| | - ESF | | 0 | | 0 | 2000 |
| | - P.L. 480/II | | 0 | 0 | 0 | 0 |
| SO Totals | | | | | | |
| | - DA | 0 | 100 | 0 | 0 | 0 |
| | - CSD | 0 | 800 | 0 | 0 | 0 |
| | - ESF | 3000 | 250 | 0 | 0 | 7000 |
| | - P.L. 480/II | 6473 | 4532 | 0 | 0 | 0 |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Pakistan** | | | |
| **Summary** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 100 DA | 15 DA | 85 DA |
| | 550 CSD | 83 CSD | 467 CSD |
| | 3,645 ESF | 1,800 ESF | 1,845 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 0 DA | |
| | 0 CSD | 0 CSD | |
| | 0 ESF | 1,200 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 100 DA | 15 DA | 85 DA |
| | 550 CSD | 83 CSD | 467 CSD |
| | 3,645 ESF | 3,000 ESF | 645 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | 0 | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 100 DA |
| | 0 CSD | 0 CSD | 550 CSD |
| | 7,000 ESF | 0 ESF | 10,645 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

**SRI LANKA**

| Program Summary (In Thousands of Dollars) | | | | |
|---|---|---|---|---|
| **Category** | **FY 1999 Actual** | **FY 2000 Actual** | **FY 2001 Estimated** | **FY 2002 Request** |
| Development Assistance | 3,590 | 3,650 | 3,000 | 3,000 |
| Development Fund for Africa | 0 | 0 | 0 | 0 |
| Child Survival & Disease Fund | 300 | 700 | 300 | 300 |
| Freedom Support Act Funds | 0 | 0 | 0 | 0 |
| SEED Act Funds | 0 | 0 | 0 | 0 |
| Economic Support Funds | 0 | 0 | 0 | 3,000 |
| P.L. 480 Title II | 1,720 | 0 | 0 | 0 |
| P.L 480 Title III | 0 | 0 | 0 | 0 |
| **Total Program Funds** | **5,610** | **4,350** | **3,300** | **6,300** |

**Mission Director, Vicki Moore**

# SRI LANKA

## Introduction.

The United States is helping Sri Lanka move through an important political and economic transition committed to equality, the rule of law, human rights, and broad-based economic growth. The more than fifty-year-old democracy is being tested and torn by ethnic conflict. The costs of the 17-year conflict are staggering in economic and human terms, and include a significant increase in military spending. Despite these drawbacks, Sri Lanka's gross domestic product grew by approximately 6% in 2000. The country's struggle for peace provides a unique opportunity for advancing U.S. national interests in democratic values and economic opportunities.

USAID program assistance to Sri Lanka helps strengthen democracy and human rights, provide humanitarian assistance, and foster greater Sri Lankan competitiveness in global markets. These programs are reflected in the Mission Performance Plan, which emphasizes democracy, human rights, humanitarian assistance, and economic development.

## Development Challenge.

In 2000, the conflict in the northern and eastern provinces of Sri Lanka continued to place heavy demands on the country's resources. The Government of Sri Lanka (GSL) continued its strategy of intensive military confrontation, and now devotes approximately 30% of its annual budget to fund the war. At the request of the GSL, Norway agreed to act as facilitator and arrange for peace talks with the Liberation Tigers of Tamil Eelam. It is hoped that these talks will eventually lead to a peace agreement.

The Displaced Children and Orphans Fund supports USAID's humanitarian assistance program. Through this program, USAID assists non-governmental organizations (NGOs) in providing opportunities for children affected by the conflict to participate in and contribute to their communities. These NGO programs help to build bridges between children of different ethnic groups. Funds are also used to support an NGO that provides technical training programs to vulnerable youth and juvenile sex workers to help them seek alternative employment and socially acceptable income generating opportunities. In addition, support from the Leahy War Victims Fund is provided to the only NGO in Sri Lanka that serves the needs of civilian amputees on a large scale.

Sri Lankan peacemaking and human rights issues are high on the U.S. agenda. USAID supports civil society groups that identify and report human rights abuses and assist victims. Election-related violence during the presidential and parliamentary elections last fiscal year resulted in increased human rights violations. USAID has been actively engaged in providing training for local human rights monitoring groups to make them more effective. The issue of women's rights is integrated into USAID's activities, and women have been well served through legal awareness and rights programs. USAID is also working with women in the agriculture and industrial sectors by strengthening women's wings of trade unions and establishing a trade union women's forum. USAID-funded programs on sexual harassment have motivated trade unions and NGOs to develop in-house policies on sexual harassment, while other programs have focused on improved health and safety conditions for female workers.

Sri Lanka has made progress in macro-economic reforms and some financial and structural reforms that stimulate productive investment. The high level of unemployment among Sri Lanka's educated youth continues, threatening political stability in the country. Increased employment among this group requires accelerated growth of value-added industries, allowing Sri Lanka to shift away from its dependence on low-cost advantages such as export of basic commodities and cheap labor.

USAID's economic growth program is aimed at increasing Sri Lanka's competitiveness in global markets. Through strategic partnerships with industry, associations, and the GSL, USAID is assisting key Sri Lankan industries to develop and implement strategies to re-position themselves and achieve greater competitiveness. USAID will measure progress by the number of industry clusters that develop and implement business strategies including innovation and investments in technology. Beneficiaries include

targeted industry clusters and support industries, which are characterized by the vertical and horizontal linkages between firms, suppliers, service providers, and specialized institutions, and by men and women in the labor force. USAID may establish an endowment for an NGO to promote competitiveness and support public-private dialogue after this program phases out in September 2002.

USAID also provides assistance to Sri Lanka through regional programs. The Regional Urban Environmental Development Program provides loan guaranties to poor families to invest in household infrastructure such as water distribution, sanitation, and waste management. In addition, the Regional Urban Disaster Mitigation Program provides technical assistance and training for local counterparts to better prepare themselves and disaster-prone communities in the event of an urban natural disaster. The United States-Asia Environmental Partnership program links Sri Lankan businesses with U.S. firms that provide clean, cost-effective technologies, developing and implementing programs that transfer U.S. technology and experience to Sri Lanka. The South Asia Regional Initiative creates a regional network that leads to increased cross-border cooperation. The energy component of this initiative will provide training opportunities and introduce new technologies to provide clean, reliable, and cost-effective energy. It also will lay the groundwork for future international trade in clean energy. The equity component will implement activities to improve the status of women and children in the region.

**Other Donors.**

In 2000, the U.S. was the sixth largest donor to Sri Lanka. The leading donors were the Asian Development Bank (ADB), the World Bank, the United Nations Development Program (UNDP), Japan, Germany, and China. Japan, the ADB and the World Bank are the largest donors. In the economic growth area, Norway and Germany work with the private sector, while Japan, the ADB and the World Bank work with the GSL. The United Kingdom, Norway, European Union, World Bank, UNDP, Germany, and Australia support democracy and human rights programs such as conflict prevention, good governance, training for journalists, judicial and legal reforms, human rights, and decentralization/devolution. In the past, many donors have funded local and foreign election observers and monitors. The GSL allows NGOs to work in the war-affected areas of the north and east. USAID activities complement efforts of the United Nations Children's Fund, the World Health Organization, the United Nations High Commission on Refugees, as well as international voluntary organizations, which are providing health care, rations and shelter to the displaced population.

**FY 2002 Program.**

USAID's democracy programs will continue to support efforts of the GSL and the NGO community to improve the protection of human rights and the ability of the judiciary to resolve complaints efficiently and effectively. USAID will extend humanitarian assistance through NGOs to reach children and families most affected by the conflict and related violence in Sri Lanka to help them return to a normal life. USAID's economic growth program will continue to provide technical assistance to industry clusters to improve their competitiveness, and USAID will continue dialogue with the government on competitiveness issues facing Sri Lanka.

## ACTIVITY DATA SHEET

**PROGRAM:** Sri Lanka
**TITLE AND NUMBER:** Improved Framework for Trade and Investment, 383-001
**STATUS:** Ending
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** None.
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** None.
**INITIAL OBLIGATION:** FY 1998 **ESTIMATED COMPLETION DATE:** FY 2001

**Summary:** This strategic objective will be completed in FY 2001; most of the related activities were completed by September 2000. This objective was USAID's main contributor to the Agency objective of expanded and strengthened private markets and to the Mission Performance Plan goal of broad-based economic growth. The purpose of the objective is to contribute to improvement of financial market and trade/investment systems, policies, and practices necessary to attract the levels of investment required for sustained growth and competitiveness. The activities focus on strengthening financial market practices and liberalizing related policies; and liberalizing trade and investment policies. Targeted beneficiaries include the private sector, including associations and firms; financial market institutions; and the Government of Sri Lanka (GSL). Under this objective, USAID accomplished its objectives and met performance targets through the achievement of numerous significant policy and regulatory reforms and best practices related to financial market and trade/investment systems, contributing to an improved framework for trade and investment.

**Key Results:** Over the life of this objective, numerous significant policy and regulatory reforms and best practices were achieved related to financial market and trade/investment systems policies. These included: introduction of debt instruments; establishment of a system for regulating listed corporate bonds; establishment of secondary trading in government securities; development of a code of conduct for primary dealers; removal of a stamp tax on mortgage-backed securities; pension funds allowed to invest in the share market; equal taxation treatment for bonds and shares listed on the Colombo Stock Exchange; a settlement guarantee fund established; international property rights law drafted and a related law course established; establishment of Association of International Standards to introduce ISO 9000; ISO 14000 introduced; establishment of National Agribusiness Council to pursue on-going agriculture policy reform; establishment of Institute of Directors for good corporate governance; integration of the Junior Achievement program into the National Education reform program; enactment of the Seed Act; duty on seeds, spores, and planting materials abolished; abolishment of import license for maize and import of certain corn seed liberalized; duty on all purebred breeding animals abolished; duty on irrigation and high tech agriculture equipment waived; duty on agriculture netting waived; duty waived on materials used for packaging milk and juices; duty on canning and food processing machinery reduced or abolished; and importation of bumblebees for pollination allowed.

**Performance and Prospects:** Performance under this objective since its commencement and during FY 2000 was on target, as nine policies were to be adopted and practices implemented by the end of FY 2000. As indicated above, over 20 significant policy and regulatory reforms and best practices were achieved by the end of FY 2000 related to financial market and trade/investment systems policies. In addition to the aforementioned policy and regulatory reforms and best practices, the following five activities were implemented during FY 2000, further augmenting an improved framework for trade and investment:

Strengthening Financial Market Practices—Financial market reform activities focused on further development of the debt market. Main actors in areas such as corporate debt markets and secondary trading in government securities were trained. Significant resources were contributed to train key Customs, Inland Revenue and Ministry of Finance staff on tax policy analysis. This resulted in taking initial steps to simplify tax reporting and increase compliance through more efficient auditing and issue of default notices.

Agro-Industry Policy Reforms—Prior to FY 2000, USAID-funded technical assistance supported 18 agribusiness associations with a total membership of 2,800. In FY 2000, these associations continued to identify constraints to agribusiness-related trade and investment and to advocate for additional reforms. The National Agribusiness Council was founded in FY 2000 with USAID support. Its membership is composed of the 18 agribusiness associations supported under this objective, and it represents approximately 75% of the agribusiness sector. The council's mandate is to continue to improve the enabling environment for a viable and profitable agribusiness sector in Sri Lanka. During FY 2000, an agro-industry strategy and policy action plan also were drafted. The policy action plan was a joint effort between the private sector and the government upon which future policy dialogue and policy and regulatory reforms may be based.

Intellectual Property Rights (IPR)—Under this objective, USAID assisted the GSL to draft a proposal for protecting IPR. When passed, Sri Lanka will be one of the few developing countries to meet the World Trade Organization obligations on IPR. Considerable time was spent developing awareness of the importance of intellectual property legislation and facilitating consensus among the relevant players. In FY 2000, the bill was translated into the Sinhala and Tamil languages. The government delayed introducing the revised IPR law to Parliament due to elections, but it is anticipated that the bill will be passed in 2001. Concurrent with efforts to amend the IPR law, USAID, through Georgetown University, developed a diploma program on intellectual property law that will develop legal professional expertise on the subject.

Junior Achievement Program—USAID, working with the Federation of Chambers of Commerce and Industries of Sri Lanka, was instrumental in initiating Junior Achievement in Sri Lanka in 1998, during which time 1,700 students in eleven schools participated. This program has rapidly expanded, and participation reached 5,000 students in 40 schools during FY 2000. The private sector now covers the majority of the costs of the program, far exceeding the original expectations of sustainability. This program is a model of a private-public partnership helping to produce a job-oriented workforce. The Sri Lankan Junior Achievement program, called the "Young Entrepreneur Sri Lanka Program," has been identified as a key component of the Ministry of Education's education reform program. The Ministry has requested Junior Achievement to introduce this program in the 139 priority schools selected for the pilot education reform effort.

Corporate Governance—In FY 2000, with USAID assistance, the Ceylon Chamber of Commerce formed an Institute of Directors to help Sri Lankan business leaders to strengthen corporate governance capacity and ensure their companies behave as good corporate citizens. To support this, the Institute revised the code of best practices and has prepared a directors manual.

**Possible Adjustments to Plans:** In 1998, USAID began providing technical assistance related to the development of a new competitiveness initiative, leading to the establishment of a new strategic objective, "Increased Sri Lankan Competitiveness in the Global Marketplace" (383-004). While this new strategic objective commenced in August 2000, activities for improving competitiveness undertaken in FY 2000 and 2001 are being funded under the "Improved Framework for Trade and Investment" objective, although reporting is under the competitiveness objective.

**Other Donor Programs:** Programs of the World Bank and Asian Development Bank emphasize continued progress on macro-economic reform and improvement in infrastructure. Bilateral donors providing support for private enterprise development, competitiveness, and agribusiness development include Germany, Norway, and Japan. The International Labor Organization assists on management/labor issues.

**Principal Contractors, Grantees, or Agencies:** International Executive Service Corps; Oregon State University/Development Alternatives Inc.; International Science and Technology Institute; and Nathan Associates/MSI, Inc. with J.E. Austin Associates.

## ACTIVITY DATA SHEET

**PROGRAM:** Sri Lanka
**TITLE AND NUMBER:** Enhanced Economic and Social Opportunities for Disadvantaged Groups, 383-003
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $300,000 CSD
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $300,000 CSD
**INITIAL OBLIGATION:** FY 1998 **ESTIMATED COMPLETION DATE:** FY 2003

**Summary:** The 17-year ethnic conflict in the north and east has disabled thousands of people and displaced a large population, including children. Another serious threat to the well being of children, particularly boys, on the western and southwestern coasts of Sri Lanka is their sexual exploitation and abuse. The purpose of this objective is to assist these disadvantaged groups to recover from adverse circumstances and provide an opportunity for returning to a normal life. Beneficiaries include displaced children and families, orphans, youth exploited by the sex trade, and amputees. USAID will use the Leahy War Victims Fund to provide prosthetics to the amputees and the Displaced Children and Orphans Fund (DCOF) to assist children affected by the conflict or subject to abuse. This objective contributes directly to the Agency objective and the Mission Performance Plan goal of humanitarian assistance.

**Key Results:** In FY 2000, the DCOF supported local non-governmental organizations (NGOs) that provided opportunities for children affected by the conflict and at risk to participate in organized educational and play activities. Peace camps set up by these NGOs enabled children from different ethnic groups to play, learn, and work together. This assisted in building better relations between the communities within the conflict areas. Reproductive and health programs and training of volunteer mental health workers commenced during the year. Trained "befrienders" assisted NGOs in identifying children needing more attention. Nutrition programs carried out by these NGOs covered areas controlled by the Liberation Tigers of Tamil Eelam, where there is serious malnutrition and anemia. These NGOs will continue their programs in FY 2001. In addition, these NGOs will carry out a detailed analysis of the positive psychosocial effects on the children assisted by these programs. Skills training programs were provided to vulnerable youth and children abused by sex tourists to help them seek alternative employment and socially acceptable income-generating opportunities. In addition, the Leahy War Victims Fund supports the only NGO in Sri Lanka that serves the needs of amputees on a large scale. In FY 2000, the program provided 1,637 artificial limbs to 1,613 amputees (against a target of 1,500 amputees).

**Performance and Prospects:** The Government of Sri Lanka (GSL) has requested a USAID-funded NGO to assist them in providing skills training to former child soldiers. In 2002, USAID will provide assistance through an international NGO to work with local NGOs and community based organizations in the north, eastern and central provinces to broaden the impact of the humanitarian assistance program.

It is important to note that prosthetic devices were provided to all patients who requested a limb. The NGO providing these prosthetic devices operates through four branches. The International Committee of the Red Cross (ICRC) has introduced its own prosthetics technology to the branch of this NGO situated in the conflict zone. It is anticipated that during FY2001, USAID will assist the NGO to adopt the ICRC prosthetics technology throughout Sri Lanka.

**Possible Adjustments to Plans:** None.

**Other Donor Programs:** The GSL allows NGOs to work in the north and east. USAID activities complement efforts of the United Nations Children's Fund, the World Health Organization, the United Nations High Commission on Refugees, and international voluntary organizations, which are providing health care, nutrition, and shelter to the displaced. The United Nations Office for Project Services is involved in removing landmines and pressure mines in the war-torn areas.

**Principal Contractors, Grantees, or Agencies:** Terre Des Hommes; The Salesian Brothers; The Friends in Need Society; and Sarvodaya.

## ACTIVITY DATA SHEET

**PROGRAM:** Sri Lanka
**TITLE AND NUMBER:** Increased Sri Lankan Competitiveness in the Global Marketplace, 383-004
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $3,000,000 DA
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $3,000,000 DA; $3,000,000 ESF
**INITIAL OBLIGATION:** FY 2000 **ESTIMATED COMPLETION DATE:** FY 2002

**Summary:** The high level of unemployment among Sri Lanka's educated youth threatens political stability. Increased employment among this group requires accelerated growth of value-added industries, allowing Sri Lanka to shift away from its dependence on low-cost advantages such as the exportation of basic commodities and cheap labor. The purpose of this objective is to increase Sri Lanka's competitiveness in global markets. USAID will measure progress by the number of industry clusters that develop and implement business strategies including innovation and investments in technology. Beneficiaries include targeted industry clusters and support industries, which are characterized by the vertical and horizontal linkages between firms, suppliers, service providers, and specialized institutions, and by men and woman in the labor force. This goal contributes directly to USAID's objective of expanded and strengthened private markets and to the Mission Performance Plan's goal of open markets.

**Key Results:** By the end of FY 2000, USAID had helped form six clusters (in tea, tourism, eco-tourism, rubber, jewelry, and information and communication technologies), with cluster coordinators hired by private sector stakeholders. Benchmarking on global best practices in the cluster areas was partially completed, and work on cluster strategies had commenced. USAID helped carry out a trial survey for the World Economic Forum's Global Competitiveness Report to rank Sri Lanka in a global competitiveness index. This exercise will help policy makers to prioritize and plan necessary changes in the economy. The analysis is expected to generate interest and dialogue between public and private sectors on competitiveness. USAID established a Competitiveness Unit in June 2000 to act as a nexus between the private sector strategy and government policy. The unit operates as an incubator to facilitate the analysis and development of cluster strategy and the policy environment.

**Performance and Prospects:** In FY 2001, USAID will spend $3 million to provide technical assistance to expand cluster work outside the metropolitan areas of Colombo. Sri Lanka will be ranked in the 2001 World Economic Forum competitiveness report. USAID will facilitate a conference to review the report and its findings and to discuss implementation of effective policy and regulatory frameworks for competitiveness. The ability to develop and implement good strategy is key in re-positioning Sri Lankan industry to achieve its goal of increased competitiveness. Short-term technical assistance will help the clusters to complete and market their strategies to investors. The greatest challenge in FY 2002 will be to oversee the development of action plans and ensure their implementation and use as a tool to obtain investments. USAID may also establish an endowment for a non-governmental organization to promote competitiveness and support public-private dialogue when this program phases out in September 2002.

**Possible Adjustments to Plans:** The recently approved strategy reduced the implementation period of this objective from FY 2005 to FY 2002. This, together with the country's weakened financial position, will affect the potential results and expected impact. A mid-term evaluation scheduled for FY 2001 will assess progress to date and suggest a programmatic approach and related results for the revised timeframe.

**Other Donor Programs:** The World Bank and Asian Development Bank focus on activities that contribute to the environment for private sector competitiveness, such as improvement of the Colombo port, private power generation, rural electrification, and loan guarantee programs for small and medium enterprises. Japan's private sector program in Sri Lanka uses a government-led, rather than private sector-led, approach to improving competitiveness, but works primarily in sectors not covered by USAID's program.

**Principal Contractors, Grantees, or Agencies:** Nathan Associates/MSI, Inc. joint venture with J.E. Austin Associates.

| **Selected Performance Measures:** | **Baseline (1999)** | **Target (2001)** | **Target (2002)** |
|---|---|---|---|
| Number of competitiveness clusters established with coordinators hired | 0 | 12 | 12 |
| Number of industry clusters that have completed benchmarking of their industry | 0 | 10 | 10 |
| Number of clusters that have developed business strategies | 0 | 8 | 8 |
| Number of clusters with increased investments | 0 | 3 | 3 |
| Percentage increase in value-added exports of targeted clusters relative to the industry sector as a whole | 0 | 2% | 2% |

**FY 2002 Performance Table**

**Sri Lanka: 383-001**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Nine policies adopted or practices implemented by September 1999 | 0 | 2 | 8 | NA | 3 | NA | NA |
| Indicator 2: Three financial markets policies or improved practices in progress per year | 0 | 5 | 1 | NA | 3 | NA | NA |
| Indicator 3: Three trade and investment policies or improved practices in progress per year | 0 | 7 | 7 | NA | 3 | NA | NA |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | Number of policies and practices in the adoption/implementation stage | Contractors' progress reports | Adoption stage - All interested stakeholders are identified at this stage. Information is shared and a decision is reached concerning the advisability of entering into dialogue and consensus-building to encourage the adoption of the proposed reform. |
| Indicator 2: | IR | Number of policies or practices in evaluation/analysis or dialogue stage | ISTI progress reports | Evaluation/analysis stage - All interested stakeholders are identified at this stage. Information is shared and a decision is reached concerning the advisability of entering into dialogue and consensus-building to encourage the adoption of the proposed reform. Dialogue stage - Stakeholders and policy makers enter into dialogue. Consensus about the problem and the proposed reform measure(s) is the goal. Results of the evaluation and analysis are used to gain such consensus. |
| Indicator 3: | IR | Number of policies or practices in evaluation/analysis or dialogue stage | IESC and OSU/DAI progress reports | Evaluation/analysis stage - All interested stakeholders are identified at this stage. Information is shared and a decision is reached concerning the advisability of entering into dialogue and consensus-building to encourage the adoption of the proposed reform. Dialogue stage - Stakeholders and policy makers enter into dialogue. Consensus about the problem and the proposed reform measure(s) is the goal. Results of the evaluation and analysis are used to gain such consensus. |

**FY 2002 Performance Table**

**Sri Lanka: 383-002**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Legal aid cases represented | 8,828 | 9,369 | 22,848 | NA | 15,000 | NA | NA |
| Indicator 2: Violations reported to authorities | 1,320 | 3,615 | 4,656 | NA | 3,500 | NA | NA |
| Indicator 3: Cases referred to Mediation Boards | 110,000 | 105,988 | 106,660 | NA | 150,000 | NA | NA |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | Number of cases | TAF progress reports and Ministry of Justice records | Citizens who do not have the ability to access effective mechanisms to protect and enforce rights are provided legal assistance. This includes legal advice provided by phone, hotline, clinic visits as well as cases filed in the courts. |
| Indicator 2: | IR | Number of violations | Human Rights Commission | Human rights violations by police and armed forces and other authorities. |
| Indicator 3: | IR | Number of cases | Mediation Board progress reports | These are the disputes referred to Mediation Boards by the police or the lower courts. |

**FY 2002 Performance Table**

**Sri Lanka: 383-003**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Cumulative increase in number of children and youth participating in community based and facilitated psychological and social activities | 9,768 | 13,477 | 14,859 | NA | 14,777 | NA | NA |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | Number of children (cumulative) | Progress reports from grantees | This indicator denotes the number of children participating in community based psychosocial activities. |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Sri Lanka** | | | |
| **Title and Number: Improved Framework for Trade and Investment, 383-001** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 18,279 DA | 11,584 DA | 6,695 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 500 DA | 0 DA | |
| | 0 CSD | 0 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 18,779 DA | 11,584 DA | 7,195 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 18,779 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Sri Lanka** | | | |
| **Title and Number: Enhanced Economic and Social Opportunities for Disadvantaged Groups, 383-003** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 300 DA | 0 DA | 300 DA |
| | 300 CSD | 0 CSD | 300 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 700 DA | 0 DA | |
| | 700 CSD | 0 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 1,000 DA | 0 DA | 1,000 DA |
| | 1,000 CSD | 0 CSD | 1,000 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 300 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 300 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 400 DA | 1,400 DA |
| | 300 CSD | 200 CSD | 1,800 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Sri Lanka** | | | |
| **Title and Number: Increased Sri Lankan Competitiveness in the Global Marketplace, 383-004** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 2,050 DA | 0 DA | |
| | 0 CSD | 0 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 2,050 DA | 0 DA | 2,050 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 3,000 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 3,000 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 3,000 DA | 0 DA | 8,050 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 3,000 ESF | 0 ESF | 3,000 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Sri Lanka** | | | |
| **Summary** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 300 DA | 0 DA | 300 DA |
| | 300 CSD | 0 CSD | 300 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 3,250 DA | 0 DA | |
| | 700 CSD | 0 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 3,050 DA | 0 DA | 3,050 DA |
| | 1,000 CSD | 0 CSD | 1,000 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 3,000 DA | | |
| | 300 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 3,000 DA | | |
| | 300 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 3,000 DA | 400 DA | 9,450 DA |
| | 300 CSD | 200 CSD | 1,800 CSD |
| | 3,000 ESF | 0 ESF | 3,000 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

## SRI LANKA
### FY 2002 STRATEGIC OBJECTIVE SUMMARY
**(in thousands of dollars)**

| SO number | SO Title<br>Fund Account | FY 1999 | FY 2000 | FY 2001 | FY 2002 |
|---|---|---|---|---|---|
| 383-001 | Improved Framework for Trade and Investment | | | | |
| | - DA | 3,290 | 500 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 0 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 383-003 | Enhanced Economic and Social Opportunities for Disadvantaged Groups | | | | |
| | - DA | 300 | 700 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 300 | 700 | 300 | 300 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 0 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 383-004 | Increased Sri Lankan Competitiveness in the Global Marketplace | | | | |
| | - DA | 0 | 2,450 | 3,000 | 3,000 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 3,000 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| | SO Totals | | | | |
| | - DA | 3,590 | 3,650 | 3,000 | 3,000 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 300 | 700 | 300 | 300 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 3,000 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |

**EGYPT**

| Program Summary (In Thousands of Dollars) | | | | |
|---|---|---|---|---|
| **Category** | **FY 1999 Actual** | **FY 2000 Actual** | **FY 2001 Estimated** | **FY 2002 Request** |
| Development Assistance | 0 | 0 | 0 | 0 |
| Development Fund for Africa | 0 | 0 | 0 | 0 |
| Child Survival & Disease Fund | 0 | 0 | 0 | 0 |
| Freedom Support Act Funds | 0 | 0 | 0 | 0 |
| SEED Act Funds | 0 | 0 | 0 | 0 |
| Economic Support Funds | 775,000 | 727,267 | 692,603 | 655,000 |
| P.L. 480 Title II | 457 | 714 | 60 | 0 |
| P.L 480 Title III | 0 | 0 | 0 | 0 |
| **Total Program Funds** | **775,457** | **727,981** | **692,663** | **655,000** |

**Mission Director, Bill Pearson**

# EGYPT

## Introduction.

Egypt is a vital partner in advancing U.S. foreign policy goals in the region. In order to increase the prosperity and quality of life of its people, Egypt must become a fully integrated and competitive participant in the global economy. Only in this way can it generate a sufficient number of new jobs to employ its growing labor force and achieve measurable and sustained development success.

The Mission Performance Plan stresses economic growth as essential to strengthen Egypt as a stable and prosperous U.S. ally. The goal of USAID's strategy is a globally competitive economy benefiting Egyptians equitably. One part of the strategy, to create private sector jobs, comprises three objectives: (1) bolster the trade and investment environment; (2) develop competitiveness skills; and (3) increase access to sustainable utility services. The second part of the strategy—to enhance the human and natural resource base—has four objectives: (1) improve basic education to meet market demand; (2) upgrade natural resource management; (3) provide health services; and (4) strengthen governance and participation. During the past year, USAID has succeeded in assisting Egypt to address key challenges and meet important targets in all seven of these areas.

## Development Challenge.

Egypt has made significant economic progress since 1991 by implementing a major reform program that strengthened macroeconomic discipline, privatized many state-owned enterprises, and supported a creditable rate of real economic growth. It now ranks among the emerging economies with a per capita gross domestic product of $1,500. Nonetheless, formidable challenges remain. For example, there have been persistent liquidity problems, both international and domestic, in the past 18 months. Intermittent foreign exchange shortages and delays in government payments have squeezed the private sector that increasingly has become the major engine of economic growth. These circumstances add to the uncertainties faced by private business. The public enterprise sector remains sizable as the pace of privatization has slowed, and economic growth is not yet creating enough new jobs each year to employ the rising number of labor force entrants.

The Government of Egypt (GOE) is aware that its reform program requires continued attention, and USAID is working with them to address actions needed to advance the reform process. Several major steps need to be taken before the program's goals can be achieved. Investment from both domestic and international sources must be increased if Egypt is to generate higher and sustainable growth rates and more jobs. This will require improving the legal infrastructure, easing the heavy burden of tariffs and other barriers to trade, rationalizing and stabilizing the foreign exchange regime, removing constraints in the labor and capital markets, and restructuring the tax system while increasing its transparency. There are recent signs of increased political will by the GOE to make difficult economic policy decisions. For example, the free trade agreement with the European Union has finally been signed, despite opposition of local interests fearing increased competition; budget reporting has become notably more transparent; and the long-standing fixed pound-dollar exchange rate has been adjusted, effectively devaluing the pound by about 13 percent.

Not only are there more young Egyptians entering the labor force than there are newly created jobs, but many of these entrants also are deficient in the skills most needed by an economy aspiring to global competitiveness. Obvious skill deficits exist in such relatively sophisticated areas as management and information technology (IT), but even more fundamental are the shortcomings at the level of basic education. The favorable effects of past family planning efforts are clearly discernible, but balancing the future demand and supply of new labor force entrants requires intensifying these efforts. Further improvements in health for all Egyptians will not only bolster living standards, but will also support advances in labor productivity.

As USAID phases out of its activities in infrastructure, millions of Egyptians now enjoy greatly expanded access to utility services, and the vital foundation has been laid for increasing private sector investment. Further gains in both economic growth and quality of life will require meeting the considerable challenges

to improving the management of the natural resource base, especially with regard to water, energy, air quality, and the physical and ecological attractions underlying further growth in tourism. Transparent and accountable governance, founded on widespread citizen participation and the ability of institutions to respond, is essential for encouraging private sector job creation and a sustainable resource base.

**Other Donors.**

Egypt remains a major recipient of bilateral and multilateral aid. At least 38 donors have been active in the country, and the United States is the largest single donor with the widest-ranging program. Other major donors include Canada, Japan, the European Union (along with several of its individual members), the World Bank, the United Nations Development Program, and the Arab and Kuwait Development Funds.

**FY 2002 Program.**

USAID requests $655 million in Economic Support Funds for the following Agency priorities: $515.8 million for economic growth and agriculture; $34 million for human capacity development ($19 million for competitive skills development and $15 million for basic education); $43.7 million for population and health; $47.8 million for environment; and $13.7 million for democracy.

In economic growth and agriculture, the second phase of USAID's cash transfer program will encourage the adoption of further economic reforms. Additionally, specific activities in the sector will assist small and micro-enterprises, support capital markets development and privatization efforts, and provide technical assistance for customs reform. The Commodity Import Program, which benefits private sector investment, will continue. With regard to the environment, USAID will support the mitigation of urban and industrial pollution, advances in energy efficiency, and improvements in resource management for the Red Sea coast and Nile Valley waters, as well as provide the technical assistance needed by the GOE to formulate, implement, and monitor environmental policies and regulatory mechanisms.

In human capacity development, USAID will help alleviate skills shortage problems by providing training in management and market-relevant IT skills and by improving links between training providers and employers of the skilled labor force. In the broader field of education, USAID will expand its program to further the access of girls to schools. Renewed signs of broader national reform and innovations in Alexandria, Egypt may allow additional efforts in this sector.

In health and population, USAID will continue its programs advancing maternal and child health, family planning, surveillance of infectious diseases, and professional development in the area of workforce health. USAID intends to continue a range of activities designed to encourage further reforms, such as sustainable financing and increased participation by private sector service providers. In the democracy area, programs for improving governance in new communities and the administration of justice will be extended to additional areas. The nongovernmental organization (NGO) service center will continue to help civil society organizations become full partners in the process of national development.

In addition to USAID's bilateral programs, the Bureau for Humanitarian Response has an activity through the American University in Cairo to demonstrate U.S. educational and medical technologies and practices.

**ACTIVITY DATA SHEET**

**PROGRAM:** Egypt
**TITLE AND NUMBER:** Environment for Trade and Investment Strengthened, 263-016
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $494,928,000 ESF ($94,928,000 Program Activity; $200,000,000 Cash Transfer; $200,000,000 Commodity Import Program)
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $515,830,000 ESF
**INITIAL OBLIGATION:** FY 1996 **ESTIMATED COMPLETION DATE:** FY 2009

**Summary:** Egypt has made tremendous progress over the past ten years. Nonetheless, challenges remain to Egypt's full participation in the global economy. This objective will focus on improving the environment for trade and investment, which is key to creating private sector jobs and accelerating economic growth while spreading the benefits of growth equitably. Direct beneficiaries will consist of private sector firms (including micro-enterprises), private sector workers, and the families of the workers. Special efforts will be made to provide employment and income opportunities to the country's poorest—the four million small farmers, landless laborers and women—who produce and process horticultural and agricultural commodities, and the three million non-agricultural micro-entrepreneurs.

This objective includes funds previously obligated under "Accelerated Private Sector-Led, Export-Oriented Economic Growth" (263-001), which have been merged into this activity, and is implemented using three mechanisms: basic project assistance, cash transfer (CT), and non-project assistance in the form of the Commodity Import Program (CIP).

**Key Results:** During FY 2000, the first year of the new strategy, real gross domestic product, the broadest measure of Egypt's progress, increased by 6.5%, according to official Government of Egypt (GOE) figures. The private sector contribution to GDP is now at 73% for the 1999-2000 period, up from 63.3% in 1995-1996. Achievements in these areas contributed to the recorded increase in private sector activity. USAID supported reforms that strengthened the private sector and facilitated privatization. In addition, technical support to the private sector is helping increase exports and promote economic growth. The challenge for the future is to maintain and build upon these results.

In order to achieve expected results under this objective, USAID will focus on improving the policy framework for trade and investment, increasing the competitiveness of the Egyptian private sector, and enhancing opportunities for business growth. USAID will continue to support the development of a strong capital market and measures to significantly reduce the number of state-owned enterprises. Accelerated privatization, together with policy reforms supported by USAID, are expected to contribute to an increase in real output per worker.

**Performance and Prospects:** Illustrative program activities (non-CIP and non-CT) for FY 2001 and FY 2002 are as follows.

The prospects for continued progress under this objective are good, with the GOE increasing its commitment to liberalizing the economy. The current GOE economic team seems even more committed to economic reform than its predecessors, which may result in dramatic improvements in Egypt's policy regime. However, a slowdown in the economy and Egypt's liquidity and foreign exchange problems may have a negative impact on overall program performance.

Major reforms achieved in FY 2000 include the following: a) the transfer of water management to user groups; b) increased private sector involvement in research, horticultural extension services, transport of horticultural exports, and the provision of pest management services; and c) the collection and publication of farm-level agricultural data disaggregated by gender. In FY 2001 and FY 2002, policy reforms will be directed at the following: a) promoting competitiveness and generating employment opportunities within the agricultural sector; b) transferring water management functions to the district level; c) promoting the growth of fish exports; d) promoting the use of the internet for the marketing of Egyptian cotton lint and

yarn; and e) improving the labeling of food products. USAID will continue to support policy reform to increase agricultural productivity and income through FY 2002.

In FY 2001 and FY 2002 ($19.5 million and $15.521 million, respectively), technical assistance will be provided to increase exports in targeted high-potential sectors such as fresh produce, processed foods, livestock, furniture, textiles, leather, and software. USAID activities will support the adoption of better technology for production, the development of better market information, and the strengthening of Egyptian firms' capacity to export goods, particularly high-value horticultural commodities. High-potential export sectors have grown rapidly and have provided a significant share of total growth in national exports this past year. For example, in FY 2000, exports of grapes, strawberries, and green beans increased by 54%, 40%, and 70%, respectively. Egyptian agriculture associations have established new export facilities and facilitated the adoption of improved seeds, information technology (IT), and quality assurance techniques. Export growth is benefiting an increasingly diverse range of geographic areas within Egypt as a result of USAID's policy reform efforts.

Although no funding is planned for FY 2001 and FY 2002 for the Capital Markets Development component, USAID will continue to further strengthen Egypt's capital market. USAID has helped improve capital market efficiency and transparency by providing assistance to implement a series of reform measures, including an executive decree that authorizes bond dealers, and a settlement guarantee fund to protect the financial integrity of the capital market system. The focus now will include meeting the requirement for new financial instruments such as securitized mortgages as well as strengthening partner institutions to issue, trade, and regulate these new instruments. USAID will continue to strengthen the legal and regulatory environment to accommodate new instruments and to ensure efficient, fair, and transparent trading in both debt and equity markets. Other related activities will include the expansion of automated systems, particularly for the regulatory agencies, and a broader public relations campaign to enhance awareness of the equities market.

In FY 2001 and FY 2002 ($10 million and $20 million, respectively), USAID will continue to support small- and micro-enterprise (SME) development in Egypt as an important, reliable source of creating new jobs. During calendar year 2000, USAID-supported SMEs (consisting of non-governmental organizations (NGOs), a private bank, and a credit guarantee company) disbursed 113,000 loans valued at $168 million to more than 40,000 borrowers. This generated an estimated 30,000 new job opportunities. More than 90% of these borrowers had no prior access to credit from formal financial institutions.

In FY 2001 and FY 2002 ($14.828 million and $8 million, respectively), USAID will continue to support the development of IT in Egypt. If the private sector is to compete effectively in both domestic and international markets, Egypt needs to modernize its approach to IT. USAID activities will focus on facilitating the necessary changes in the legal and regulatory frameworks, in human capacity development, and in technology transfer.

In FY 2001 ($7 million), USAID, through technical assistance and training, will assist the GOE to continue to privatize Law 203 state-owned enterprises and joint venture firms through sale to employees, public offerings, and anchor investors. Though the pace of privatization recently has slowed due to economic, political, and social factors, USAID expects that the GOE will privatize 80 more state-owned enterprises over the next three years.

In FY 2001 and FY 2002 ($33.6 million and $15 million, respectively), USAID will provide technical assistance to support USAID's annual $200 million cash transfer program that addresses trade reform, intellectual property rights, tax policy and tax administrative reform, and other macroeconomic policy issues.

In FY 2001 and FY 2002 ($1 million per year), USAID will continue to fund the U.S.-Egypt Science and Technology Agreement, which seeks to promote cooperative scientific research with private sector applications in priority areas of research agreed upon by both countries. The current priority areas are biotechnology, standards and metrology, environmental technologies, manufacturing technologies, and information technology.

In FY 2001 and FY 2002 ($5 million and $2 million, respectively), USAID will consolidate existing monitoring and evaluation contracts that support external evaluations and performance monitoring at the objective and intermediate results levels. This new activity will support the synthesis of monitoring activities, the development of special studies on performance issues, and dialogue among partners on how to improve strategic objective performance.

In FY 2001 and FY 2002 ($4 million and $6.8 million, respectively), USAID will implement training activities that strengthen Egypt's capacity to further develop increased trade, investment, and economic growth.

In FY 2002 ($10 million), USAID will design a new activity to provide technical assistance to support the reform of the Egyptian customs system. USAID will focus on reforming the economic, legal, regulatory, and policy framework to increase the efficiency of the customs system, enhance Egypt's ability and incentives to meet World Trade Organization (WTO) compliance measures, and improve the tariff structure.

In FY 2002 ($15 million), USAID is planning to design a financial sector reform program. The activity will focus on policy and regulatory reform and capacity building in the banking, insurance, and non-banking financial institutions.

In FY 2002 ($12.5 million), USAID is planning to design a competitive environment for trade and investment activity that will focus on competition regulation, rule of law, commercial law development, fiscal policy, and monetary policy regulation.

In FY 2002 ($10 million), USAID will consolidate promotion activities in a new design that aims at accelerating export growth, facilitating U.S. technology imports, and broadening productivity growth to benefit a much larger number of Egyptian agricultural and non-agricultural producers. Key approaches will rely on increased commercial availability of business services, implementation of standards and quality assurance, improved information utilization, and support for legacy institutions, such as associations, that can engage the government to improve the regulatory environment.

**Cash Transfer:** USAID will continue to support GOE policy reform through the cash transfer at a level of $200 million each year for FY 2001 and FY 2002. The cash transfer program builds upon reforms achieved through the Development Support Program initiated in 1999. The reform measures will address privatization of public enterprises, power and telecommunication facilities, public banks, and insurance companies; passage of a new labor law; trade policy; restructuring of tariff rates and fees on imports; strengthening of patent and trademark regulations; implementation of trade-related regulations and support of Egypt's compliance with WTO obligations; financial-sector stability; fiscal policy; and strengthening of competitiveness.

**Commodity Import Program:** During FY 2000, USAID's private sector CIP financed 661 commercial transactions totaling $221 million. In FY 2001 and FY 2002, USAID plans to continue the CIP at $200 million per year, with no substantive program changes. The CIP is designed to encourage private sector investment in Egypt by providing U.S. dollars to Egyptian private sector firms to finance the importation of U.S. manufactured commodities. Through CIP purchases of U.S. equipment, the program contributes to increased trade and investment, more jobs, and greater productivity for Egyptian private sector firms.

**Possible Adjustments to Plans:** None.

**Other Donor Programs:** Other major donors involved in economic growth in Egypt include the European Union (EU), the World Bank, and the United Nations. USAID coordinates its policy reform efforts with the International Monetary Fund (present in Egypt in an advisory capacity) and other donors. With the GOE, the EU has set up the Public Enterprise Reform and Privatization Program, a five-year program budgeted at $38.2 million, which complements USAID privatization activities. The World Bank's current portfolio consists of 19 projects with loans of over $1.2 billion. Of these, eight are in agriculture ($534 million,

much of which is irrigation); seven are in the social sectors ($415 million); and four are in infrastructure and the environment ($251 million). Other donors—including Japan, Canada, and Germany—are working in agriculture, textiles, exports and trade, small and micro-enterprise lending, education, and health. In total, Egypt receives between $2 and $3 billion in foreign grants and loans each year.

**Principal Contractors, Grantees, or Agencies:** Nathan Associates; Chemonics International; Barents; the International Executive Service Corps; Carana; PricewaterhouseCoopers; the National Cooperative Business Association; Agricultural Cooperative Development International; Environmental Quality International; RONCO; and the Universities of Florida and California at Davis.

**ACTIVITY DATA SHEET**

**PROGRAM:** Egypt
**TITLE AND NUMBER:** Skills for Competitiveness Developed, 263-017
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $15,000,000 ESF
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $19,013,000 ESF
**INITIAL OBLIGATION:** FY 1996 **ESTIMATED COMPLETION DATE:** FY 2009

**Summary:** One of the most critical constraints to the competitiveness of Egyptian companies is the lack of an appropriately skilled workforce. Egyptian managers and workers do not have the skills required for modern competitiveness, and new entrants do not enter into the workforce with adequate critical thinking and practical skills. One cause of this problem is the inability of the educational system (at basic, secondary, vocational, and university levels) to provide workforce entrants with appropriate training. Long-term solutions require fundamental reforms to upgrade the quality of instruction, teacher skills and curricula. However, such reforms will take time to put in place and more time to produce results. In 1999, the Government of Egypt (GOE) specifically cited human capacity development as one of Egypt's most pressing needs, and requested U.S. assistance in this area. Through activities under this objective, USAID seeks to assist Egypt in alleviating the skills gap in the short term through workforce training interventions.

Skill development activities focus on three areas: management training; market-relevant information technology (IT) skills; and communication between training providers and the business community. In addition, USAID supports grants provided to university researchers who link with U.S. universities in the study of various Egyptian development problems.

This objective includes funds previously obligated under "Increased Use of Egyptian Universities In Quality Demand-Driven Applied Research" (263-009), which have been merged into this activity.

**Key Results:** Initial activities to improve the quality of the Egyptian workforce focus on managerial and information technology skills. Because this program began only in September 2000, results to date have to do with activity implementation and outputs. Currently, 1,062 Egyptians are undergoing one to three months of training in software applications certified by leading IT companies. Thirty-three high-level managers from the private sector and the GOE completed short-term advanced executive training provided by a leading U.S. business school. Twenty-three candidates for Masters degrees in business administration are enrolled in programs in the United States. Five global economy seminars on efficient management, globalization, change management, marketing, customer service, and global finance—reaching more than 2,100 Egyptian businessmen and women—have been conducted. To measure the longer-term impact of these programs, the participants will be tracked to determine whether their training resulted in a change in their employment status from unemployed to employed. For those already employed, this tracking will verify if newly acquired skills are being utilized and if the employees have acquired new responsibilities. This tracking will begin within a year after the students have completed their training. USAID also is continuing its collaboration with business associations in key industrial clusters to improve training and with the Egyptian private sector to investigate the viability of, and possibly plan for, the establishment of an international quality business school in Egypt.

The university linkages program, through which the research grants are administered, has resulted in the strengthening of ties between U.S. and Egyptian universities and between individual researchers. It also has resulted in significant economic benefits from the implementation of findings and recommendations produced by grant-funded research.

**Performance and Prospects:** The FY 2001 and FY 2002 activities are illustrative.

In FY 2001 and FY 2002 ($7.9 million and $7.5 million, respectively), USAID will support management training activities that develop a cadre of private sector executives and managers with the knowledge, skills, and commitment to use competitive management practices. Examples of activities in this area

include: Senior Executive Program training by the Harvard Business School in Egypt and the United States; seminars to increase the awareness among Egyptian businesses of globally competitive practices; local management and executive workshops for Egyptian managers; internship opportunities in the United States and Egypt for mid-level Egyptian managers; scholarships for Masters of Business Administration and Masters of Business in Information Technology degree training for Egyptians; and training in basic business skill acquisition—equipping university graduates with essential computer, English language, and management skills.

In FY 2001 and FY 2002 ($5.9 million and $10 million, respectively), USAID will implement activities supporting the provision of market-responsive IT skills. USAID will support the establishment of an Egyptian technology university, provide industry standard-certified IT training, and support an Egyptian initiative that will introduce personal computers and IT in non-governmental schools for use in grades K-12 and for use in school-based adult learning centers.

In FY 2001 and FY 2002 ($1.2 million and $1.5 million, respectively), USAID activities to improve Egyptian training capacity and relevance will focus on strengthening both Egyptian private sector management and providers; encouraging the private sector to budget for training as an investment and not an expense; and ensuring that institutions provide training based on demand and relevance to the growth areas. This will foster productive attitudinal changes, more effective dialogue among private sector firms, and trainers who better meet the demands of a globally competitive economy.

USAID works closely with key Egyptian private sector leaders, nongovernmental organizations, and other institutions that have demonstrated an interest in improving the quality of Egypt's workforce and a commitment to using private sector resources to effect change. Activities are designed to respond to private sector interests and market demand. USAID seeks to leverage Egyptian private sector co-financing whenever possible.

**Possible Adjustments to Plans:** None.

**Other Donor Programs:** The European Union, Germany, Canada, and the World Bank.

**Principal Contractors, Grantees, or Agencies:** Start-up activities that contributed to the design of this objective have been implemented by PricewaterhouseCoopers and PalTech. Important local partners are the Future Generation Foundation and the Tourism Chambers Federation.

**ACTIVITY DATA SHEET**

**PROGRAM:** Egypt
**TITLE AND NUMBER:** Access to Sustainable Utility Service in Selected Areas Increased, 263-018
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $53,803,000 ESF
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** None.
**INITIAL OBLIGATION:** FY 1996 **ESTIMATED COMPLETION DATE:** FY 2004

**Summary:** Egyptian citizens need reliable power, telecommunications (telecom), water, and wastewater services to improve their living conditions. These utility services are needed as well for increased trade and investment. To support Egypt's growing economy, utilities need to operate efficiently and recover costs. To secure needed financing, whether through private investment or revenue generation by the utilities themselves, an appropriate legal and regulatory framework is needed that provides competitive pricing of services, customer protection in situations of monopoly supply, and stability and transparency to attract private investment.

This objective includes funds previously obligated under "Accelerated Private Sector-Led, Export-Oriented Economic Growth" (263-001) and "Increased Access to Sustainable Water and Wastewater Services" (263-006).

In 2002, USAID will conclude the $700 million telecommunications program and the $1.8 billion electric power program. USAID will intensify its $2.5 billion water and wastewater program planned for closeout in 2005. Among the legacies of USAID's infrastructure program in Egypt is expanded coverage of basic services and support for institutional and regulatory measures needed to improve performance of utilities and increase access to sustainable financing.

Under USAID's 25-year urban infrastructure program, power sector programs have developed 2,500 megawatts of electricity and rehabilitated an additional 2,500 megawatts, representing over 35% of Egypt's generating capacity. Water and wastewater programs have reached 20 million people, and telecommunications programs have financed expansion and improvements in the quality of services reaching several million customers. At the conclusion of its infrastructure program, USAID will phase out direct financing of infrastructure construction, and will increase emphasis on supporting legal and regulatory reform in the infrastructure sector in order to create an enabling environment for private sector participation that improves services for customers.

**Key Results:** Expanded and better managed telecommunication, power, water, and wastewater services will improve Egypt's capacity to integrate into the global economy and protect the health of its citizens. Achieving the aims of the infrastructure program requires successfully improving service delivery, addressing the need for utility providers to operate as businesses, and promoting a legal and regulatory framework conducive to increased investments.

USAID programs have been effective in promoting reform in the power sector. The National Electric Power Company has been restructured into a holding company to facilitate divestiture of generation and distribution units. Tariffs have been raised, and an electricity regulatory agency was established by Presidential Decree in August 2000. Private sector participation has been encouraged through several "build-own-operate-transfer" contracts. The restructuring of the electric power sector is now led by the Government of Egypt (GOE) with USAID in a supporting role. USAID institutional assistance to the Egyptian Electricity Holding Company and the distribution companies focused on introducing business-oriented management and financial accounting practices. USAID's construction program in the power sector has shifted emphasis from building new plants to improving the efficiency of existing plants and building control centers that manage the national and regional electric power grids. Control centers are being completed to improve system efficiency in Cairo and Alexandria. The National Energy Control Center upgrade has been completed. Control systems are being upgraded at four power plants. Completion of the Alexandria Regional Control Center in FY 2000 has provided better electricity service

for approximately one million residents. The Cairo Regional Control Center will be nearly complete by the end of FY 2001, which will improve the supply of electric power to approximately one million residents.

In the telecommunications sector, USAID technical assistance, now completed, helped to establish the Telecommunications Regulatory Agency and introduce enterprise-based management practices at Telecom Egypt. A master plan was completed in August 2000 that provides guidance to Telecom Egypt on increasing capacity and providing new services. This USAID capital assistance program has focused on the introduction of new efficient technology. Much of the digital switch exchanges and the associated outside plant were USAID-financed. Recently, Telecom Egypt requested USAID assistance to develop specifications for more sophisticated procurements to be self-financed by the organization. By the end of 2001, installation of digital switching technology will expand telephone services to an additional 1.5 million people.

During FY 1999, USAID technical assistance coupled with extensive policy dialogue directly supported the GOE's preparation of a comprehensive package of enabling legislation for reform of the water and wastewater sector. The legislation, consisting of a Presidential Decree that authorizes the creation of a regulatory agency and a law that repeals limitations on private investment, was approved by the cabinet in May 2000. This legislation is now under review by the State Council and the Ministry of Justice, and should be promulgated in 2001. Meanwhile, as a result of comprehensive ongoing USAID-financed institutional support, nine targeted utilities will continue to make consistent gains in operating efficiency and recovery of operation and maintenance costs through improved metering and billing systems, stricter fiscal controls, and improved accounting procedures. In FY 2000, construction was completed on schedule for the $380 million Canal Cities Project, and construction commenced in Alexandria with the award of a $92 million Alexandria design/build construction contract. Also in FY 2000, construction began on a wastewater treatment plant in Nuweiba, and major work progressed in Mansoura and Aswan. Construction on Luxor wastewater facilities is scheduled to begin this fiscal year. In addition, over half a million residents of Mansoura will receive new or upgraded water service by the end of FY 2001. Improvements in water and wastewater services in the other areas will commence during 2002-2004.

**Performance and Prospects:** The FY 2001 activities are illustrative.

The prospects for continued progress under this objective are good due to the GOE's increasing commitment to improving the efficiency, reliability, and access to utility services, as well as introducing private sector participation in the financing and management of these services. Although power and telecom activities are fully funded, USAID assistance will continue to focus on critical infrastructure needed to support increased private investment in the power and telecom sectors. Assistance is being provided to help the power regulatory board initiate its basic oversight functions. USAID is assisting Telecom Egypt to become a quality provider of customer-driven services and to position itself for additional privatization in the medium term.

USAID will help its partners establish the conditions for mobilizing private sector financing of infrastructure, while enhancing utility management and customer service and protecting USAID's capital investments to date. This is a logical graduation strategy for a program that has matured to the point where public entities are ready to change their roles from service deliverers to facilitators and regulators.

In FY 2001 ($53.8 million), USAID is pursuing a two-pronged approach in water and wastewater services. First, funding is being provided to expand and establish new water and wastewater treatment plants and related collection and distribution systems in the Fayoum, Beni Suef, and Minia governorates, with a combined population of 7.75 million. Funding also will enhance the capacity of water treatment and distribution systems in Alexandria, with a population of 3.5 million. Second, support is being provided to create an independent regulatory agency, enhance the GOE's capacity to manage private sector investment transactions, and institute measures to enable and encourage local utilities to operate along business lines. Institutional development efforts will continue to support greater cost recovery and operating efficiency, complementing capital assistance investments to enhance the delivery of services to customers.

Program Management and Support: USAID will obligate $3 million in anticipated recoveries of prior year funds in FY 2001.

**Possible Adjustments to Plans:** None.

**Other Donor Programs:** USAID is the largest donor in the water and wastewater sector in Egypt. Other donors include the European Union (EU), the United Kingdom, and Italy, all working in Cairo; Denmark, working in Aswan and Qena Governorates; and the Netherlands, working in Fayoum. In the power and telecommunications sectors, USAID's focus on policy and regulatory reforms to promote private sector participation also is supported by the EU and the World Bank.

**Principal Contractors, Grantees, or Agencies:** USAID works closely with the Ministry of Housing, Public Utilities and New Communities, Ministry of Communications and Information Technology, Ministry of Electricity and Energy, and a number of local utilities to implement the program. A large number of U.S. firms are under contract to implement the programs, including ABB SUSA; Morrison Knudsen; Morganti, Black & Veatch International; Camp Dresser & McKee; CH2M Hill; Harza Engineering; Metcalf & Eddy; PADCO; Hagler Bailly; Chemonics International; Advanced Engineering Associates; Deloitte Touche Tohmatsu; Duke Engineering Services; Pennsylvania Power and Light; Gilbert Commonwealth International; General Dynamics; Nortel Networks; Raytheon; Macro Corporation; Kuljian; and K&M Engineering.

**ACTIVITY DATA SHEET**

**PROGRAM:** Egypt
**TITLE AND NUMBER:** Management of the Environment and Natural Resources in Targeted Sectors Improved, 263-019
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $35,780,000 ESF
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $47,780,000 ESF
**INITIAL OBLIGATION:** FY 1996 **ESTIMATED COMPLETION DATE:** FY 2009

**Summary:** This objective seeks to improve management of Egypt's environment and natural resource base in four targeted areas: 1) urban/industrial pollution; 2) Red Sea natural resources; 3) energy efficiency; and 4) Nile water resources.

The challenges facing Egypt's natural resource base are considerable. In opinion surveys, the Egyptian public rates solid waste as the top urban environmental issue. In addition, air pollution levels in Cairo are among the highest in the world, contributing to respiratory ailments and lost worker productivity. Sustaining the natural resource base is important to supporting the booming tourism sector—the second largest source of national income in Egypt. Environmentally sound development along the Red Sea coast requires proactive intervention. Economic growth and sustainable development require energy, energy efficiency, and the use of cleaner fuels. The quality and efficiency in the use of Nile water must be improved in order to accommodate the increasing and competing demands of municipalities, industry, and farmers on this resource.

This objective includes funds previously obligated under "Reduced Generation of Air Pollution" (263-007) and "Natural Resources Managed for Environmental Sustainability" (263-008).

USAID works with governmental and private sector representatives to facilitate development policies and an enabling framework for improved environmental management. These efforts contribute to increased private sector investments in modern technologies and privatization of environmental services in targeted sectors. Such policy and institutional reform is a necessary prerequisite for improved environmental conditions and sustainable economic development.

**Key Results:** Two results are key to achieving this objective: 1) fostering public-private partnerships; and 2) increasing investment in best practices and technology. To reach these results, activities will strengthen the role of the private sector as well as promote opportunities for public-private partnerships.

In FY 2000, with regard to urban air pollution, solid waste services were privatized in the city of Alexandria, improving the lives of three million residents. Furthermore, USAID assistance leveraged 42 million Egyptian pounds (approximately $11 million) of Government of Egypt (GOE) investment in public buses and related facilities operating on cleaner-burning compressed natural gas (CNG). With USAID support, the GOE established an air quality forecasting system in FY 2000. The largest lead smelter in Egypt curtailed production in FY 2000, partly as a result of USAID-supported air monitoring. The average concentration of lead in the air in the area where the smelter is located fell by 50% in FY 2000, compared with FY 1999 levels. Also, the smelter owner purchased land in a new industrial zone outside of Cairo, where it will be re-established in FY 2002 using modern, less polluting technology. Rehabilitation and relocation will considerably reduce airborne lead concentration in the area.

USAID's support of the Tourism Development Authority (TDA) improved the enforcement of environmental impact assessment regulations for facilities located on TDA-owned lands along the Red Sea coast. The Authority also promoted the adoption of environmental best practices by the hotel industry that have meaningful impact on energy, solid waste, and wastewater management, which are among the most pressing environmental issues in the Red Sea area. The percentage of hotels on TDA lands investing in environmental best practices rose from 38% to 43% in 2000 and is expected to reach 53% by the end of 2002. Finally, the number of Red Sea park rangers increased in number from six to 24 over the past 18 months.

In the energy sector, USAID provided assistance to the Energy Efficiency Council, which is preparing a National Energy Efficiency Strategy framework for Egypt that will be finalized in FY 2001. Competition in the energy efficiency sector is increasing. The number of companies in this sector grew from 9 to 13 firms last year, and is expected to reach 18 in 2002. Many of the new entrants are larger firms that are considered market makers in Egypt, which should lead to new investment and energy savings opportunities.

USAID supported the efforts of the Ministry of Water Resources and Irrigation to improve Nile water management. As a result of USAID assistance, institutionalization of stakeholder participation in Nile irrigation water management is progressing with the development of new water users associations. The GOE approved a plan for adopting the irrigation management transfer concept in Egypt, promoting water users' participation in the management of irrigation and drainage systems. This is a departure from past policies, in which water had been tightly controlled by the government.

**Performance and Prospects:** The FY 2001 and FY 2002 activities are illustrative.

Building on results attained in FY 2000, USAID plans to continue the financing of training, technical assistance and policy reform.

In FY 2001 and FY 2002 ($35 million and $30 million, respectively), USAID will provide cash transfer assistance to support policy and institutional reforms in targeted regions. Technical assistance in FY 2002 ($15 million) will also be provided to further support the work in this area. The GOE's commitment to the adoption of new environmental policies is strong, as indicated by its proactive role in the identification of policy reform measures and by its performance in the implementation of these measures.

In FY 2001 and FY 2002 ($780,000 and $2.78 million, respectively), USAID will implement development training activities that strengthen Egypt's capacity to manage its natural resource base and the environment in a sustainable manner.

Through 2002, USAID will extend assistance to the Governorates of Cairo (Southern Zone) and the nearby Governorate of Qaluybia to help privatize solid waste services for eight million people—approximately 40 percent of the population of Greater Cairo—and adopt policies that promote appropriate practices in this field. Furthermore, through FY 2002, USAID will continue to work with governmental organizations to improve air quality in Greater Cairo. USAID will assist the Ministry of Environment to publicize daily ambient air quality data. In addition, a pilot CNG bus fleet and a diesel engine tune-up program will be operational, resulting in reduced particulate matter emissions from Greater Cairo's 4,500 municipal buses.

For improved Red Sea ecosystems management, USAID will continue to work with the TDA to establish a zoning policy. The focus will be to promote environmentally sensitive development along the Red Sea, as well as to strengthen the administration of the environmental impact assessment process and promote environmental best practices among tourism facilities (e.g., use of fixed mooring buoys by tourism boats to reduce coral destruction). The percentage of tourism facilities receiving approval through the environmental impact assessment process before initiating construction will reach 50% in 2002, compared with 25% in 2000. USAID will continue to support protection of Red Sea biodiversity by providing technical assistance, training, and equipment to the Red Sea park rangers.

Through FY 2002, progress will continue in the decentralization of environmental management by strengthening the regional branch offices of the Egyptian Environmental Affairs Agency, and local environmental management units in different governorates. Revenue enhancement mechanisms necessary for financial sustainability of key environmental sub-sectors will be identified and adopted. Public awareness activities will continue and more environmental information will be disseminated.

**Possible Adjustments to Plans:** None.

**Other Donor Programs:** USAID is the largest donor focusing on management of the environment and natural resources in Egypt. Other donors that complement USAID's activities include: the European Union, Finland, Switzerland, Japan, The United Kingdom, Canada, the Netherlands, the United Nations Development Program, and the World Bank.

**Principal Contractors, Grantees, or Agencies:** USAID implements environment and natural resource activities through contracts with the International Resources Group; PA Consulting; Nexant; the Academy for Educational Development; Abt Associates; Chemonics International; and through grants to the Food and Agriculture Organization and the U.S. Environmental Protection Agency.

**ACTIVITY DATA SHEET**

**PROGRAM:** Egypt
**TITLE AND NUMBER:** Healthier, Planned Families, 263-020
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $58,100,000 ESF ($48,100,000 Program Activity; $10,000,000 Cash Transfer)
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $44,650,000 ESF
**INITIAL OBLIGATION:** FY 1996 **ESTIMATED COMPLETION DATE:** FY 2009

**Summary:** This objective reflects a major redirection of the health and population program. It shifts the priority to capacity strengthening and sustainability and addresses the needs of families rather than exclusively women of reproductive age and their children. This is an integrated approach that is consistent with the Government of Egypt's (GOE) desired orientation and priorities. The earlier separate population (263-004) and health (263-005) programs have been merged under this unified objective to maximize efficiencies and impact. With USAID assistance, Egypt has achieved substantial reductions in infant and child mortality; has succeeded in making family planning and reproductive health more widely available and accepted; and has embarked upon comprehensive long-term health reforms. Remaining challenges in the health and population sector include: stark differences in the health status between rural Upper Egypt and the rest of the country; population growth that will add nearly two million people annually to Egypt's population; low knowledge of health risks; limited practice of preventive and health-maintaining behaviors; and structural deficiencies in the health sector that decrease efficiency and impact.

**Key Results:** This objective will achieve the following results: a) increased use of basic services by the poor and vulnerable; b) adoption of healthy behaviors; and c) basic services sustained when USAID assistance is phased out.

Access to vital health services and information increased in 29 districts (of 74) in Upper Egypt through investments that upgraded health worker skills, intensified health outreach, and improved information systems. Over 50 small nongovernmental organization (NGO) grants have been awarded. The returns on USAID assistance to develop informative and appealing mass media messages promoting safe birthing practices and family planning were multiplied when the GOE significantly increased the television airtime devoted to these public health messages. The GOE "Gold Star" quality assurance system was revamped with USAID technical assistance in FYs 2000-2001 in order to provide health managers with more powerful tools for ensuring patient choice and provider adherence to quality standards. Infant mortality rates declined more quickly than anticipated, due in part to higher coverage rates for the immunization of young children and antenatal care of pregnant women. Egypt has achieved one of the highest rates of childhood immunization in the world. Similarly, the acceptance of modern contraceptive methods increased ahead of planned levels, contributing to lower total fertility rates. Continued reductions in infant mortality and fertility are expected to result from maintaining high rates of immunization and through the increased use of maternal/child health services and family planning.

**Performance and Prospects:** The FY 2001 and FY 2002 activities are illustrative.

Building upon prior success, the prospects are excellent for reaching significant results in FY 2001 and 2002. USAID will continue to support a full range of activities that promote policy change to further encourage health reform and private sector participation. These activities include training health workers, providing technical and management assistance, research, equipment and supply acquisition, and health facility renovations. In FY 2000, USAID assistance helped the Ministry of Health and Population (MOHP) establish the human and financial systems required to provide basic health care to the under-served in Alexandria under the "Family Doctor" model—an integrated and more efficient way of organizing and paying for services. Using technical assistance, USAID—in close collaboration with the World Health Organization (WHO), United Nations Children's Fund (UNICEF), United Nations Fund for Population Activities (UNFPA), and the MOHP—worked successfully with medical schools to update the curriculum in conformance with international standards and improve provider skills and performance. In FY 2000, advocacy work with the GOE resulted in national legislation making seat belts a requirement for front-seat

passengers in all vehicles, a requirement the GOE is now vigorously enforcing. Prospects are good for developing new programs that increase surveillance response capacity against infectious diseases, educate women and their spouses on the disadvantages of female genital cutting, and enhance sustainability of basic health programs supported by USAID and other donors.

In FY 2001 and FY 2002 ($9.5 million and $10 million, respectively), the highly successful Healthy Mother and Healthy Child activity will be extended. This activity supports child and maternal health interventions nationwide (e.g., vaccinations, antenatal care visits, and safe birthing practices) and district-level activities in 29 districts of Upper Egypt, including a program of small NGO grants.

In FY 2001 and FY 2002 ($21 million and $16.6 million, respectively), population and family planning activities will continue to expand couples' access to reliable information and services related to reproductive health. Women of reproductive age are the primary beneficiaries of this activity, though service providers are including an increasing number of men and other family members in their consultations. Abortion remains illegal in Egypt, and the GOE is fully committed to voluntary and safe family planning, making it an excellent partner for USAID with a notable record of accomplishment.

In FY 2001 and FY 2002 ($2.8 million and $4 million, respectively), infectious disease surveillance response will be improved through: (1) strengthening the national infectious disease surveillance and control program to more effectively prevent and respond to infectious disease threats; (2) assessing the GOE tuberculosis program and developing a plan for USAID assistance that will help reduce the spread of virulent, resistant strains; (3) completing the first phase testing of a potential vaccine against schistosomiasis; and (4) programs to reduce risk through universal infection control and HIV/AIDS education.

In FY 2001 and 2002 ($5.5 million and $4.75 million, respectively), USAID technical assistance and training will support replication of the "Family Doctor" model, a policy dialogue to enhance sustainability, and other health reforms. Family and reproductive health services and policies will be enhanced through support based on the achievement of benchmarks under USAID's health policy reform program (see below).

In FY 2001 and FY 2002 ($2.4 million and $3 million, respectively), workforce health will be improved by local training and by sending 18 Egyptians to the United States to pursue public health training at the masters' degree level.

In FY 2001 and FY 2002 ($5.1 million and $4.5 million, respectively), a new program will be developed to integrate information, education, communication, and behavior change activities across the health and population portfolio. Appealing and informative health/population messages will be prepared for dissemination through various media. The new approach will promote family planning, safe pregnancy and birth, and healthy practices (e.g., voluntary blood donations and not smoking).

In FY 2001 and FY 2002 ($1.8 million per year), USAID will implement training programs that increase Egypt's capacity to provide the broad array of services that result in healthier and better planned families.

The high level of GOE commitment to population and maternal and child health strongly suggests that further progress is feasible over the next eight years. The MOHP has a clear mandate to provide public health services to the poor and vulnerable, an impressive record of expanding services, and the infrastructure for widespread impact (over 4,500 service sites). Stabilizing Egypt's population growth, reducing geographic and urban/rural disparities, and improving maternal and child health are GOE priorities for which there is long-standing and strong political commitment. In public appearances and official documents, top government officials repeatedly draw attention to the negative implications of population growth for Egypt's socioeconomic development and the need for social programs that ensure health care coverage for the poor.

**Cash Transfer:** In FY 2001, USAID plans to obligate up to $10 million for the fourth and final year of the existing Health Policy Support Program. By the end of this program, major innovations in service delivery

and health insurance will have been accomplished through the achievement of benchmarks under the GOE's national health reform program. These benchmarks include: (1) an increase in MOPH expenditures on primary and preventive health care by 10% annually; (2) improvements in the personnel and management practices of MOHP facilities; (3) development of a "Family Health" service model and a fund to pay providers for services based on quality and efficiency; (4) the establishment of mechanisms for the public sector to accredit and contract private and NGO providers; and (5) expansion of the provider network serving the poor and under-served eligible for financing under public health insurance. GOE commitment to fundamental reform in the health sector has been demonstrated by its commitment of funds to the "Family Doctor" model, close cooperation with donors on a pilot activity in Alexandria, and the launch of reforms in two more governorates.

**Possible Adjustments to Plans:** USAID plans to phase out bilateral assistance to the population and health program by the end of FY 2009, in accordance with the new USAID strategy. By the end of FY 2002, USAID will develop a plan for an orderly phase out of assistance in health and population.

**Other Donor Programs:** Close collaboration with the following donors complements USAID's activities in this sector: WHO, UNICEF, UNFPA, the European Union, and the World Bank.

**Principal Contractors, Grantees, or Agencies:** U.S. implementing organizations include Abt Associates; John Snow International, Inc.; Maximus; Pathfinder; Program for Appropriate Technology in Health (PATH); Save the Children Federation; the University of Maryland; the Naval Medical Research Unit (NAMRU-3); and the U.S. Centers for Disease Control and Prevention. UNICEF also is an implementing agency. The MOHP will continue to be a principal partner. USAID will also work in close cooperation with other government ministries, notably the Ministry of Communication and Information (on health education and promotion) and the Ministry of Higher Education (on medical and nursing education). The participation of the NGO community and private health partners will increase significantly through the life of this objective.

## ACTIVITY DATA SHEET

**PROGRAM:** Egypt
**TITLE AND NUMBER:** Egyptian Initiatives in Governance and Participation Strengthened, 263-021
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $11,092,000 ESF
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $13,727,000 ESF
**INITIAL OBLIGATION:** FY 1996 **ESTIMATED COMPLETION DATE:** FY 2009

**Summary:** An environment that encourages private sector job creation and a more sustainable resource base depends upon transparent and accountable governance that, in turn, is founded on widespread citizen participation and the ability of institutions to respond. In Egypt today, there are two main forces pressing for reform: private sector actors empowered by economic reforms, who are most interested in improved governance of the economy, and nongovernmental organizations (NGOs) and other elements of civil society, who are calling for improved and more responsive services. During the 1990s, the Government of Egypt (GOE) became increasingly responsive to the private sector, resulting in numerous improvements to economic governance. The GOE has begun to raise the profile of social development, with an emphasis on increased private participation and public-private partnerships to improve services and reduce poverty.

This objective includes funds previously obligated under "Increased Citizen Participation in Public Decision Making" (263-003), "Increased Use of Information Services by the Legislature in Decision Making" (263-010), and "Improved Civil Legal System" (263-011). Activities under this objective will support changes in governance and participation—changes for which there is significant government and nongovernment support and that have the potential to expand into broader reforms. In this regard, USAID will continue to support a stronger role for civil society, as well as improvements in the administration of justice designed to assist the GOE in strengthening democratic initiatives that contribute to lawful governance. It also will begin the application of innovative models for the management of essential community services, such as electricity and sanitation, in targeted communities.

Activities are explicitly formulated to respond to Egyptian initiatives and, therefore, their contribution to governance and participation depends on the quantity and quality of those initiatives. They can continue at their current pace or, if there are significant positive developments, USAID can expand activities to strengthen more diverse elements of civil society, to further extend and institutionalize participation in public decision making, and to improve the administration of justice.

**Key Results:** Key results include: (1) improved capacity of civil society organizations (CSOs) to participate in development; (2) increased stakeholder collaboration for community-level services; and (3) improvements in selected areas of administration of justice.

Participation in the development process by CSOs and community-level stakeholders will be improved by strengthening the relevant capacities of CSOs to serve their constituencies and by facilitating more stakeholder collaboration in making and implementing policies for community-level services. Governance will be enhanced by improvements in the administration of justice and by increased interaction between governmental and non-governmental stakeholders in the provision of services. With activities in support of CSOs and stakeholder collaboration for community-level services just beginning, the most significant results achieved thus far concern the administration of justice. To date, results achieved include a 41% reduction in case processing time in two pilot commercial courts; a 17% increase in business lawyer's confidence in pilot court efficiency; and a 24% increase in judges' knowledge of Egyptian civil law. As a result, commercial law cases are being resolved more expeditiously, which in turn is enabling the court system to become more responsive to private sector needs, including the creation of an environment more conducive to foreign and local investment. Most importantly, the Ministry of Justice (MOJ) remains committed to nationwide replication of the pilot court model.

**Performance and Prospects:** The FY 2001 and FY 2002 activities are illustrative.

In FY 2001 and FY 2002 ($11.1 million and $13.7 million, respectively), three sets of activities are being implemented: the NGO Service Center, governance in new communities, and the administration of justice support activity.

The NGO Service Center activity focuses on helping CSOs become full partners in the development process. Training, technical assistance and grants are provided to individual NGOs to help strengthen their technical and institutional capacities. Operational support and opportunities for networking and information exchange among NGOs, the private sector, and government also is being provided. Full-fledged implementation began in April 2000, and outreach has been carried out nationwide. Nine technical workshops have been conducted with 259 NGOs from 23 governorates. Grants have been made to support the increased civic action role of NGOs in the areas of environment and women's civil participation. Fifty-seven NGO representatives attended in-country and out-of-country conferences and training activities in the areas of advocacy, networking, social development, and management. Planned activities during FY 2001 and FY 2002 will focus on strengthening the capacities of individual NGOs in community relations and in their ability to manage development activities. Assistance will also focus on working with intermediary level NGOs in order to improve their ability to provide support to hundreds of smaller associations, as well as strengthening NGO collaboration with decision-makers. To this end, FY 2002 activities will include: the strengthening of NGO resource centers in Cairo and other regions to make them fully operational; support for increased interaction among NGOs working on gender issues; the delivery of 45 training events in the areas of advocacy, government, and management; and grants to improve services, reaching 1,258 NGO representatives.

In the area of local governance, Egyptian citizens are increasingly demanding improved public services. To meet this demand, resources beyond those of the central government must be mobilized. This has created a receptive climate for new models of local governance emphasizing the link between broader local participation and improved service delivery, and has led to the initiation of an activity intended to improve selected public services through enhanced participation and resource mobilization at the local level. The activity is expected to have a major impact upon citizen-government relations, manifested initially by increased participation in local decision making and by improvements in selected local services in selected communities. In FY 2001 and FY 2002, models of participatory local governance focusing on improved delivery of services will be developed for broader replication with the cooperation of government and non-government stakeholders.

Through administration of justice activities, anticipated results include the development of a GOE-financed extension of project innovations from the initial pilot courts to the national courts system and the completion of training and process re-engineering to ensure greater impact on overall court operations. Furthermore, validation and replication of North Cairo Court management procedures will be applied to the Ismailia Court. The activity will test and validate software and human re-engineering procedures. In addition, technical assistance will continue until project-supported automation solutions are sustainable and suitable for nationwide adoption. Finally, the project will ensure that adequate personnel training and staff development have been completed at the pilot courts.

**Possible Adjustments to Plans:** None.

**Other Donor Programs:** USAID is the lead donor in the area of governance and participation. Multilateral donors working with civil society organizations include the United Nations Children's Fund, the European Union, and the World Bank. Donors working in rural participation activities include the United Nations Development Program, the World Health Organization, the Netherlands, Canada, the United Kingdom, Italy, Denmark, and Switzerland. USAID is the only donor working with the Ministry of Justice in support of its procedural reform program.

**Principal Contractors, Grantees, or Agencies:** USAID implements activities through two U.S. private voluntary organizations and one contractor: Save the Children; America-Mideast Educational and Training Services, Inc.; and Development Alternatives, Inc. Other partners are Associates for Rural Development; Development Associates; and the Department of State's Public Affairs Bureau.

## ACTIVITY DATA SHEET

**PROGRAM:** Egypt
**TITLE AND NUMBER:** Basic Education Improved to Meet Market Demands, 263-022
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $23,900,000 ESF
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $14,000,000 ESF
**INITIAL OBLIGATION:** FY 1996 **ESTIMATED COMPLETION DATE:** FY 2003

**Summary:** An educated, skilled workforce is necessary if Egypt is to successfully compete in the global economy. While the enrollment of girls in primary and secondary schools continues to increase each year, access to education remains an acute problem, particularly in the rural areas of Upper Egypt where USAID is targeting its resources. Gender inequity and limited basic education are impediments to longer-term social and economic growth. In 2000, the national literacy rate was 41.8% for women, compared with 65.5% for men. The national increase in female adult literacy rate over recent years has been marginal at only 1% per year. Egypt's literacy rate lags behind that of its regional competitors. In 2000, 74% of girls in rural Upper Egypt attended school, a 19.5% increase over the past five years.

USAID's former activities funded under "Increased Participation of Girls in Quality Basic Education" (263-002) were fully merged into this objective, which focuses on improving basic education to meet market demands. The current objective aims to provide students, from preschool through secondary education levels, with the basic skills and problem-solving abilities to meet the changing demands of the 21st century. Support is provided for the following: (1) demonstrating models of improved basic education, with a target emphasis on girls and young women; (2) strengthening English language skills; (3) improving teacher training; and (4) increasing the capacity of secondary education to meet market demand.

**Key Results:** From FY 1997 to FY 1999, USAID provided support to nongovernmental organizations (NGOs) to develop pilots of quality basic education programs and to expand education access for girls and young women. More than 40,000 beneficiaries received scholarships, training in literacy, life skills, and health, as well as quality primary education through multi-grade and community-based schools. From this emerged community pilot schools that demonstrated quality improvements under local school management. A Ministerial decree permitted replication of similar schools. Leadership was mobilized at the national, governorate and community levels to support girls' education, and thousands of scholarships were awarded for girls who would not otherwise have been enrolled. In addition, an Egyptian "Sesame Street" series was produced to build literacy and numerical skills, promote girls' education, and encourage sound health and environmental practices among millions of Egyptian children and families.

Thousands of teachers and supervisors improved their English language proficiency and teaching skills through support provided by USAID programs. The programs also strengthened in-service and pre-service teacher education and built local capacity to implement innovative models within local institutions. Notable improvements have accrued in student pass and achievement rates, retention rates, community involvement and the sustained use of new teaching methodologies.

**Performance and Prospects:** The FY 2001 and FY 2002 activities are illustrative.

With strong partner relations at the national, governorate and local levels firmly established, the prospects for achieving longer-term results are excellent. Overall prospects for FY 2001 also are excellent, and no significant delays are expected that would prohibit this objective from achieving its performance goals. Yet, minor delays could be encountered in the development of secondary education programs and in education reform pilots. This is because the design of these activities will employ the important process of coordination, collaboration, and consensus building among multiple partners in the public and private sectors. Nonetheless, by most indications, ongoing and planned performance programs are on track to achieve planned results and in some cases to surpass targets.

One of the USAID-sponsored programs that produced major achievements was the New School Program (NSP). The NSP rapidly mobilized significant community participation toward improving education in the Minya Governorate during NSP's first year of implementation. Twenty-one initial sites for new schools have been identified and 15 have been approved for construction. Nine community education teams have been trained and mobilized. Twenty-five multi-grade schools have been established, with 70 facilitators trained in school management. Thirty-five temporary classrooms have been established, and 54 teachers have been trained to manage these schools. Nearly 1,700 girls are enrolled in NSP temporary and multi-grade schools. The combined community and Government of Egypt (GOE) contributions to the NSP reached $666,000. An additional 1,330 teachers received intensive methodology training through the Master Teacher Exchange Program (MTEP) and LearnLink programs.

During FY 2001 and FY 2002, school construction, teacher training and community mobilization will expand under the NSP to new communities in the Beni Suef and Fayoum Governorates. This will result in the training of an additional 2,053 teachers for the NSP and a total of 31,991 beneficiaries participating in formal and non-formal girls' education programs. The Integrated English Language Program will directly train more than 7,000 teachers, supervisors, and Faculty of Education staff over the next two years to increase the number of qualified English language teachers working in education and in the export-oriented sector in Egypt.

In FY 2001 and 2002 ($13 million and $8 million, respectively), USAID will provide support to expand girls' education to two additional governorates under the NSP. This activity has had a successful first year with rapid start-up and accelerated implementation. The NSP serves as the cornerstone of the USAID girls' education program. A total of 80 new schools and dozens of multi-grade and temporary schools will be built over the next three years to meet the needs of communities with a high number of unenrolled girls. Technical assistance will be provided to train parents and community leaders to effectively participate in and manage the local schools. Programs will be conducted to train teachers in new "learner-nucleus" teaching methodologies. Schools will be equipped with modern and innovative materials. More than 13,400 students will to be enrolled in these new schools during FY 2001 and FY 2002. More than 3,100 adolescent girls will also receive "second chance" basic literacy training through the NSP over the next two years.

In FY 2002 ($2.5 million), USAID will design and initiate a new program to expand the community-based NSP model in the Alexandria Governorate. The program will include school construction, teacher training, parent, and community development, and will introduce innovative materials in needy areas. This activity will be integrated into the emerging education reform process in the Alexandria Governorate. Alexandria will serve as the pilot area for a larger sub-regional or national reform effort, given the presence of strong political and private sector commitments to educational reform in this governorate.

In FY 2002 ($1.5 million), USAID will design and initiate an activity that links public-sector secondary education to private sector job requirements. The purpose is to improve the capacity of secondary education to meet market demand for workforce knowledge and skills. Linkages between employers, job seekers, and students will be established, and the private sector will be encouraged to provide input into the development of the technical curriculum for secondary education. These activities support the partnering of private sector firms with local schools and parent committees. Workforce development services that promote accurate labor market information will be supported. The educational system will be able to use this information to design market responsive programs and curricula. Three job referral centers will be supported to help direct potential employees toward jobs in the tourism industry, given this industry's high demand for employees.

In FY 2001 and FY 2002 ($10.9 million and $2 million, respectively), the Integrated English Language Training-II program will continue to train teachers, supervisors and Ministry of Education officials, and will eventually serve 26,000 current teachers and 31,000 future teachers. This program improves English language training in the public and private sectors to help Egyptians compete in the global economy. The program also builds on existing systems within the GOE to improve pre-service and in-service teacher training and is being integrated into the Ministry of Education for longer-term sustainability. It also supports training specifically directed at improving language and job skills needed in the private sector.

USAID will continue to support programs that upgrade the skills of Faculty of Education staff and that increase the number of master teachers. Under MTEP, a total of 80 master teachers will be provided six weeks of U.S. and Egypt-based training over a two-year period. They will in turn train thousands of future teachers in new teaching and learning methodologies and will build capacity within Faculties of Education. Thousands of future teachers will benefit as the master teachers and their trainees introduce new methodologies into the Faculties of Education and schools at large.

**Possible Adjustments to Plans:** In July-August 2000, a meeting of the U.S.-Egypt Partnership on Education and Human Resource Development resulted in an agreement for possible expanded U.S. assistance for Egypt to undertake a substantial education reform agenda to be guided and led by an Advisory Board. The Ministry of Education has indicated that Egypt's First Lady has agreed to chair the board. Strong, high-level inter-ministerial support and public support would further strengthen the reform process. During FY 2001 and FY 2002, USAID will undertake an analysis of its current education program; review needs and opportunities concerning education in collaboration with the public sector, the private sector and non-governmental organizations; and design responsive follow-on education programs. Some of the key areas likely to be addressed in the new programming include: teacher development; mid-to-lower level management training; early childhood development; decentralization; and pilot support for reform in up to two focus governorates (including Alexandria). Over the next year, new activities will be further defined and implemented as funds are made available.

**Other Donor Programs:** Donor coordination in education is strong, with donors convening regular meetings to review and coordinate programs and priorities. USAID is the largest bilateral donor in basic education. The World Bank and the European Union have initiated a complementary $200 million basic education program. USAID employs public-private partnerships to support a secondary education program focused on school-to-career training. The World Bank, Germany, and the multi-donor supported Social Development Fund finance school construction and collaborate with USAID. Canada and the United Nations Children's Fund also collaborate on a community school program that complements USAID's programs. The GOE is contributing approximately $16 million over six years to complement USAID activities.

**Principal Contractors, Grantees, or Agencies:** CARE International; Save the Children; Centre for Development and Population Activities; Plan International; Academy for Educational Development; and Sesame Workshop.

**FY 2002 Performance Table**

**Egypt: 263-001**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: | 5 | 5 | 6 | NA | NA | NA | NA |
| Indicator 2: Small Enterprise Business (SEB) credit extended: millions of Egyptian pounds (LE) | 68 | 75 | 87 | NA | NA | NA | NA |
| Indicator 3: Small Enterprise Business (SEB) credit extended: $US | 66.4 | 70 | 74 | NA | NA | NA | NA |
| Indicator 4: Telephone lines installed for business sector | 230 | 255 | 295 | NA | NA | NA | NA |
| Indicator 5: Value of agricultural production per thousand cubic meters of water: $US | 715 | 807 | 864 | NA | NA | NA | NA |
| Indicator 6: Value of agricultural production per thousand cubic meters of water: LE | 160 | 158 | 160 | NA | NA | NA | NA |
| Indicator 7: Value of private non-petroleum exports | 541 | 534 | 542 | NA | NA | NA | NA |
| Indicator 8: GDP Growth | 1.16 | 1.69 | 2.8 | NA | NA | NA | NA |
| Indicator 9: Increased value of private sector exports in targeted sectors: $US | 3.55 | 3.35 | 3.4 | NA | NA | NA | NA |
| Indicator 10: Private sector share of GDP | 223 | 361 | 477 | NA | NA | NA | NA |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | % growth of total output of goods and services in the domestic economy | CAPMAS, IMF, World Bank, Ministry of Planning | NA |
| Indicator 2: | IR | Total volume of credit provided by non-governmental organizations (NGOs) participating in USAID activities: $US | NGO progress reports | NA |
| Indicator 3: | IR | % share of total output of goods and services in the domestic economy | CAPMAS, IMF, World Bank, MOP, CBE | NA |
| Indicator 4: | IR | Total volume of credit provided by non-governmental organizations (NGOs) participating in USAID activities: millions of Egyptian pounds (LE) | NGO progress reports | NA |
| Indicator 5: | IR | Number, cumulative in thousands of lines | Telecom Egypt | NA |
| Indicator 6: | IR | In Egyptian pounds (LE): Index of physical production from 23 major crops per thousand cubic meters of water. Exchange rate $1 = LE 3.39. Fixed crop prices from the 1994-1996 period are used for all years: $US | Ministry of Agriculture and Land Reclamation, Ministry of Public Works and Water Resources, USAID | NA |
| Indicator 7: | IR | In Egyptian pounds (LE): Index of physical production from 23 major crops per thousand cubic meters of water. Exchange rate $1 = LE 3.39. Fixed crop prices from the 1994-1996 period are used for all years: LE | Ministry of Agriculture and Land Reclamation, Ministry of Public Works and Water Resources, USAID | NA |
| Indicator 8: | IR | US $ billions | CAPMAS, Central Bank of Egypt | NA |

| | | | | |
|---|---|---|---|---|
| Indicator 9: | IR | Measurement of the investment climate in Egypt using the Index of Economic Freedom | Heritage Foundation/Egypt in the 2000 Report Index | NA |
| Indicator 10: | IR | Value: $US | CAPMAS, USAID study on IT industry | NA |

**FY 2002 Performance Table**

**Egypt: 263-002**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Improved girls' pass rate on third year exam | NA | 100 | 98 | NA | NA | NA | NA |
| Indicator 2: Girls receiving quality basic education through USAID interventions | NA | 11,128 | 34,282 | 41,489 | 40,000 | NA | NA |
| Indicator 3: Schools exercising policy reforms and demonstrating decentralized decision-making | 5 | 5 | 5 | NA | NA | NA | NA |
| Indicator 4: Increased school enrollment of girls in rural Upper Egypt | NA | 62.5 | 68.7 | 69.8 | 67 | NA | NA |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | Pass rates of girls in USAID supported schools | MOE, USAID | NA |
| Indicator 2: | IR | Cumulative number of girls benefiting from USAID support | Ministry of Education (MOE), USAID, and U.S. PVO Grantee | NA |
| Indicator 3: | IR | Cumulative number of schools in which Committees or School Boards make building, budget, school maintenance or similar decisions | NA | Policy reform is difficult to attribute to USAID/Cairo or any single donor's action. However, USAID/Cairo funded schools can ensure that liberalizing policy decisions are known and exercised in New Schools as Community Education Teams (comparable to School Boards) will drive the development, design and operation of the New Schools. The actual for 1999/00 reflects on-going management of small schools. NSP launches in March 2000. |
| Indicator 4: | IR | Percentage of girls (ages 6-10) in rural Upper Egypt currently enrolled in basic education | Egypt Demographic and Health Survey | NA |

**FY 2002 Performance Table**

**Egypt: 263-003**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Actions to influence public policy, practice or attitudes | NA | 14 | 36 | NA | NA | NA | NA |
| Indicator 2: CSO and donor agreement on common agenda for reform of Law 32 | NA | 8-10 | NA | NA | NA | NA | NA |
| Indicator 3: Public decision maker acknowledgements of positions held by CSOs | NA | 117 | 319 | NA | NA | NA | NA |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | Number of documented case studies: CSO actions designed to increase public participation - participatory needs assessments, participatory project design processes, public information campaigns, etc. | CSOs and CDAs, collected by NCNW and PIE | NA |
| Indicator 2: | IR | Number of NGO presentations to Law 32 Committee resulting in "language" incorporated in final document. | USAID Records | NA |
| Indicator 3: | IR | Number of acknowledgements based on: inclusion of CSOs in public fora on issues; media inclusion of CSO positions; documented discussions or negotiation meetings between CSOs and decision makers; and official confirmation of CSO rights to raise issues in public fora (e.g., granted permission to hold public meetings or events, official participation in CSO-sponsored meetings or events focused on issues, etc.) | Primary Implementing Entity (PIE) and NCNW | NA |

**FY 2002 Performance Table**

**Egypt: 263-004**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Total Fertility Rate (TFR) - DHS | 3.3 | 3.4 | 3.1 | NA | NA | NA | NA |
| Indicator 2: Contraceptive Prevalence Rate (CPR) (National) | 54.5 | 52.0 | 54.8 | NA | NA | NA | NA |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | The average number of children a woman would have at the end of her childbearing years if she were to bear children during those years at the currently observed rates | 1999 Pilot test of 2000 Egypt Demographic & Health Survey | NA |
| Indicator 2: | IR | Percentage of married women of childbearing age (15-49) currently using contraceptives | 1999 Pilot test of Egypt 2000 Demographic & Health Survey | NA |

**FY 2002 Performance Table**

**Egypt: 263-005**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Infant Mortality Rate | 52.7 | 45.5 | 39.5 | NA | NA | NA | NA |
| Indicator 2: Adoption of policy reform measures | NA | 8 | 25 | NA | NA | NA | NA |
| Indicator 3: Neonatal Mortality/National and Upper Egypt Rates: Upper Egypt | 40 | 25 | NA | NA | NA | NA | NA |
| Indicator 4: Neonatal Mortality/National and Upper Egypt Rates: Nation | 32 | 23 | NA | NA | NA | NA | NA |
| Indicator 5: Under Five Mortality Rate | 66.2 | 58 | 53 | NA | NA | NA | NA |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | Annual number of deaths of infants under one year of age per 1,000 live births (average for five year periods) | Egypt Demographic and Health Surveys (EDHS) | NA |
| Indicator 2: | IR | Percentage of policy reform achieved as represented by the percentage disbursement of authorized cash transfer funding | USAID records | NA |
| Indicator 3: | IR | Annual number of deaths of infants within the first month of life per 1,000 live births for nation/Upper Egypt (average for ten year periods): Upper Egypt | EDHS and MOHP statistics | NA |
| Indicator 4: | IR | Annual number of deaths of infants within the first month of life per 1,000 live births for nation/Upper Egypt (average for ten year periods): Nation | EDHS and MOHP statistics | NA |
| Indicator 5: | IR | Annual number of deaths of children under five years of age per 1,000 live births (average for five-year periods) | Egypt Demographic and Health Surveys (EDHS) | NA |

**FY 2002 Performance Table**

**Egypt: 263-006**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Utility organizations within minor urban centers delegated appropriate authorities | 23 | 23 | 41 | NA | NA | NA | NA |
| Indicator 2: Minor urban centers utility costs covered by generated revenues | 48 | 68 | 72 | NA | NA | NA | NA |
| Indicator 3: Alexandria wastewater conveyance and primary treatment facilities | 2.6 | 2.7 | 2.7 | NA | NA | NA | NA |
| Indicator 4: Alexandria wastewater O&M cost covered by generated revenues | 73 | 56 | 60 | NA | NA | NA | NA |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | Cumulative percent progress towards each of the following delegated authorities: internal management of personnel policies, use of performance-based budget, and retention of revenues. | NOPWASD, Local Administrations, Contractors | NA |
| Indicator 2: | IR | Percent | NOPWASD, Local Administrations, Contractors | NA |
| Indicator 3: | IR | In millions: Population served by USAID-funded infrastructure | AGOSD | NA |
| Indicator 4: | IR | Percent | AGOSD, TA Contractor | NA |

**FY 2002 Performance Table**

**Egypt: 263-007**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Lead | 519 | 649 | 805 | NA | NA | NA | NA |
| Indicator 2: Cleaner and more efficient energy use | 0 | 12 | 20 | NA | NA | NA | NA |
| Indicator 3: Industries with Law 4 compliance action plans submitted to EEAA | 1 | 21 | 21 | NA | NA | NA | NA |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | Annual metric tons of emissions averted | Cairo Air Improvement Program (CAIP): Environmental Information and Management Program of the Egyptian Environmental Affairs Agency (EEAA) | NA |
| Indicator 2: | IR | Cumulative number of public municipal buses operating CNG | CAIP: Cairo Transport Authority, Greater Cairo Bus Company | NA |
| Indicator 3: | IR | Percent based on 2,200 largest industrial plants | MOEA/EEAA | NA |

**FY 2002 Performance Table**

**Egypt: 263-008**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Coral Reef Index (CRI) | NA* | 80 | 85 | NA | 75 | 80 | 90 |
| Indicator 2: O&M costs funded by GOE: Overall marine parks | 5 | 15 | 28 | NA | 50 | 75 | 100 |
| Indicator 3: O&M costs funded by GOE: Red Sea marine park | NA | 30 | 29 | NA | 50 | 75 | 100 |
| Indicator 4: New tourism development sites where environmental safeguards are undertaken to eliminate the practice of coastal alterations that threaten fringing reefs and mangroves | 5 | 55 | 60 | NA | 40 | 60 | 80 |
| Indicator 5: O&M costs funded by GOE: Sinai marine parks | NA | 11 | 28 | NA | 50 | 75 | 100 |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | Percent of sites where Coral Reef Index (ratio of area of hard coral to area of soft coral to area of dead or no coral) does not show degeneration | Egyptian Environmental Affairs Agency (EEAA) Protectorates Department and USAID Technical Assistance Contract | NA |
| Indicator 2: | IR | percent of O&M requirements: Overall marine parks | EEAA Protectorates Department; European Union (EU); USAID Technical Assistance Contract | NA |
| Indicator 3: | IR | percent of O&M requirements: Red Sea marine park | EEAA Protectorates Department; European Union (EU); USAID Technical Assistance Contract | NA |
| Indicator 4: | IR | Percent of new developments that comply with the environmental impact assessment and environmental regulations related to coastline preservation | Tourism Development Authority (TDA) and USAID Technical Assistance Contract | NA |
| Indicator 5: | IR | percent of O&M requirements: Sinai marine parks | EEAA Protectorates Department; European Union (EU); USAID Technical Assistance Contract | NA |

**FY 2002 Performance Table**

**Egypt: 263-009**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Research grants implemented with significant end-user cost sharing | 96 | 100 | 100 | NA | 50 | 50 | NA |
| Indicator 2: Economic benefits accruing to end-users | 0 | 87.5 | 100 | NA | 25 | 25 | NA |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | % of research grants meeting cost sharing requirements | USAID contractor reports | NA |
| Indicator 2: | IR | % of completed grants having an internal rate of return exceeding 30%, based on a sample | USAID (external evaluation) | NA |

**FY 2002 Performance Table**

**Egypt: 263-010**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: PA/SA actions indicate that more information is being used in the decision-making process: Shura Assembly | 2 | 2 | 2.5 | NA | 4 | 4 | NA |
| Indicator 2: PA/SA members' perceptions of improvements in information services: Shura Assembly | NA | 34 | 34 | NA | 35 | 40 | NA |
| Indicator 3: Members are requesting information from PA/SA information services: People's Assembly | NA | 27.5 | 30 | NA | 35 | 30 | NA |
| Indicator 4: Members are requesting information from PA/SA information services: Shura Assembly | NA | NA | 25 | NA | 30 | 30 | NA |
| Indicator 5: PA/SA actions indicate that more information is being used in the decision-making process: People's Assembly | 2 | 2 | 2.5 | NA | 4 | 4 | NA |
| Indicator 6: PA/SA members' perceptions of improvements in information services: People's Assembly | NA | 22.5 | 22.5 | NA | 35 | 40 | NA |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | A 5 point rating scale is used to measure the use of information in legislative process (see below): Shura Assembly | Legislative records, members | The 5-point rating scale is defined as follows: Level 1: Limited access to and impact of information on legislative actions; rhetoric predominates in legislative discourse, passive acceptance of executive initiatives and budget proposal predominates. Level 2: Discourse references reliable facts and figures; reliable facts and figures on government performance (accountability, integrity) and on the budget (expenditure patterns, multi-year projections, audits) are sought referenced, interpreted and debated. Level 3: Extensive public policy analysis and simulation modeling used by Members, particularly key committees; legislative discourse references public policy analysis, and analysis of implementation and evaluation. *Level 4: Public policy analysis and modeling integrated into legislative process via committees and debates. *Level 5: Information and analysis are used in all phases of the legislative process; lagged improvements effects are becoming measurable in the technical and substantive quality of legislative actions, in measurable impact on presentations and actions of the government, on final budget and future budget submissions, enhancement of government respect for the Parliament as a partner, and in external respect for the Parliament within the context of Egyptian expectations and functions.* (*Will be revised as noted in the narrative.) |
| Indicator 2: | IR | Percentage of members who express satisfaction with information services: Shura Assembly | Members | NA |
| Indicator 3: | IR | Percentage of members requesting information: People's Assembly | Records of the library, committees, and Research Unit that track members' information requests | NA |

| | | | | |
|---|---|---|---|---|
| Indicator 4: | IR | Percentage of members requesting information: Shura Assembly | Records of the library, committees, and Research Unit that track members' information requests | NA |
| Indicator 5: | IR | A 5 point rating scale is used to measure the use of information in legislative process (see below): People's Assembly | Legislative records, members | The 5-point rating scale is defined as follows: Level 1: Limited access to and impact of information on legislative actions; rhetoric predominates in legislative discourse, passive acceptance of executive initiatives and budget proposal predominates. Level 2: Discourse references reliable facts and figures; reliable facts and figures on government performance (accountability, integrity) and on the budget (expenditure patterns, multi-year projections, audits) are sought referenced, interpreted and debated. Level 3: Extensive public policy analysis and simulation modeling used by Members, particularly key committees; legislative discourse references public policy analysis, and analysis of implementation and evaluation. *Level 4: Public policy analysis and modeling integrated into legislative process via committees and debates. *Level 5: Information and analysis are used in all phases of the legislative process; lagged improvements effects are becoming measurable in the technical and substantive quality of legislative actions, in measurable impact on presentations and actions of the government, on final budget and future budget submissions, enhancement of government respect for the Parliament as a partner, and in external respect for the Parliament within the context of Egyptian expectations and functions.* (*Will be revised as noted in the narrative.) |
| Indicator 6: | IR | Percentage of members who express satisfaction with information services: People's Assembly | Members | NA |

**FY 2002 Performance Table**

**Egypt: 263-011**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Average percentage increase between pre- and post-course scores | NA | 29.9 | 19 | NA | NA | NA | NA |
| Indicator 2: Reduction in case processing time | 22.4 | 12.8 | 12.9 | NA | NA | NA | NA |
| Indicator 3: MOJ acceptance with minor modifications | 0 | 0 | 0 | NA | NA | NA | NA |
| Indicator 4: Percentage increase in lawyers' Court efficiency | 44 | 52 | 61 | NA | NA | NA | NA |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | Annual average differences in pre-and post-tests | NCJS Records | NA |
| Indicator 2: | IR | Average number of months from case filing to final decision for all cases | Independent verification of pilot court records by AOJS staff | NA |
| Indicator 3: | IR | NA | MOJ record | NA |
| Indicator 4: | IR | Percentage | Annual survey of civil lawyers practicing in pilot Courts | NA |

**FY 2002 Performance Table**

**Egypt: 263-012**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Effective models achieved | 4 | 4 | 5 | NA | 5 | 5 | NA |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | Cumulative number of natural and cultural site development plans implemented | USAID reports | NA |

**FY 2002 Performance Table**

**Egypt: 263-016**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: | NA | NA | NA | NA | NA | NA | NA |
| Indicator 2: Elements of Economic Freedom Index - (a) | NA | NA | 3.7 | NA | 3.66 | 3.63 | 3.57 |
| Indicator 3: Percentage of Private Sector share in GDP | NA | NA | 72 | 73 | 74 | 76 | 77 |
| Indicator 4: Increased exports in selected sectors (Textile & Ready Made Garments, Fresh Horticultural products and Processed foods) Value in million US$ | NA | NA | 79 | 101 | 80 | 90 | 100 |
| Indicator 5: Index of Economic Freedom | 6.5 | NA | NA | NA | 6.6 | 6.7 | 6.8 |
| Indicator 6: Non-petroleum exports and imports of goods as a percent of GDP | NA | NA | 22.1 | 20.8 | 21 | 21.3 | 22 |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | NA | NA | NA |
| Indicator 2: | IR | Index for trade and investment. Ranking is one to five where one is the best. | Heritage Foundation | NA |
| Indicator 3: | IR | Percentage | Ministry of Economy and Foreign Trade Bulletin | GDP contributed by the private sector as a percentage of total GDP by Egyptian fiscal year starting July 1 and ending June 30 |
| Indicator 4: | IR | Value in million US$ | Annual Reports from the Egyptian Exporters Association (EEA) | Cumulative value of increases in private sector exports in the largest sectors where USAID/Cairo is playing a major role in assisting producers/growers and exporters to better compete in the global markets |
| Indicator 5: | IR | Index of Economic Freedom. Index Score on a basis of zero to ten; higher scores indicative of greater economic freedom | Fraser Institute | The Fraser Institute's version of the Index of Economic Freedom is postulated to be a function of 23 economic inputs. These are grouped into seven topic areas: Government Size, Structure of Economy, MonetaryPolicy, Accesss to Alternative Currencies, Legal Structure, Freedom of International Trade, and Capital and Financial Markets. Of the inputs, 17 are quantitative inputs derived from international sources, while the remaining six inputs are non-quatitative in nature and based on clearly explained criteria used by the Fraser Institute to compute their values. |
| Indicator 6: | IR | Percentage calculated as exports and imports of non-petroleum products divided by GDP | Ministry of Economy and Central Bank monthly and quarterly reports for trade data and GDP | This indicator is defined as exports and imports of goods minus crude petroleum and petroleum products. The baseline for 98/99 is an average for the period 96/97 - 98/99 |

**FY 2002 Performance Table**

**Egypt: 263-017**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Percentage of "graduates" of IT training interventions who were unemployed before training, are available for employment and placed in relevant jobs within one year | NA | NA | NA | B% (baseline) | NA | NA | B+5% |
| Indicator 2: Company Operations and Strategy Index | NA | NA | NA | 44 | NA | NA | 41 |
| Indicator 3: Percentage of "employed graduates" of IT training interventions who use skills acquired in training or increase their job responsibilities as a result of the training received within one year of graduating | NA | NA | NA | NA | NA | 0 | 20 |
| Indicator 4: Percentage of "employed graduates" of management training interventions who use skills acquired in training or increase their job responsibilities as a result of the training received within one year of graduating | NA | NA | NA | NA | NA | 0 | 20 |
| Indicator 5: Percentage of "graduates" of management training interventions who were unemployed before training, are available for employment and placed in relevant jobs within one year | NA | NA | NA | B% (baseline) | NA | NA | B+5% |
| Indicator 6: Company IT Use Index | NA | NA | 48 | 61 | NA | NA | 64 |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | Percentage | Initially DT2 contractor and FGF cooperative recipient pre- and post-training information and follow-up data. In later years, surveys to be conducted by the Management and Monitoring Contractor (MMC) | "Graduates" of IT programs refers to all IT training graduates under the SO who were unemployed before the training who were available for employment. Employed in the indicator statement includes local or overseas employment with any local or foreign entity operating in Egypt or abroad, within one year after finishing the program. |
| Indicator 2: | IR | Rank | World Economic Forum. Annual Global Competitiveness Reports | This is a composite index calculated by averaging the responses to 17 of the questions in the Executive Opinion Survey of the annual GCR. The index reflects best management practices in companies operating in a global economy, and includes a range of variables covering the sophistication and maturity of company operations and strategies. |
| Indicator 3: | IR | Percentage | Initially DT2 contractor and FGF cooperative recipient pre- and post-training information and follow-up data. In later years, surveys to be conducted by the Management and Monitoring Contractor (MMC) | "Graduates" of IT training programs refers to all IT training graduates under the SO, who were employed when they started training, and who continue employment with the same or another employer after graduation. Trainees covered under this indicator include participants in SO interventions.Employed in the indicator statement includes local or overseas employment with any local or foreign entity, within one year after finishing the program. |
| Indicator 4: | IR | Percentage | Initially DT2 contractor and FGF cooperative recipient pre- and post- | "Employed graduates" of training programs refers to all managerial training graduates who were employed when they started training and |

| | | | | |
|---|---|---|---|---|
| | | | training information and follow-up data. In later years, surveys to be conducted by the Management and Monitoring Contractor (MMC) | who continue employment with the same or another employer after graduation. Trainees covered under this indicator include participants in SO interventions.Employed in the indicator statement includes local or overseas employment with any local or foreign entity, within one year after finishing the program. |
| Indicator 5: | IR | Percentage | Initially DT2 contractor and FGF cooperative recipient pre- and post-training information and follow-up data. In later years, surveys to be conducted by the Management and Monitoring Contractor (MMC) | "Graduates" of training programs refers to managerial training graduates under the SO who were unemployed when they started the training and who were available for employment. Employed in the statement includes both local and overseas employment within one year of completing the program. |
| Indicator 6: | IR | Percentage | The Executive Opinion Survey of the annual Global Competitiveness Report. World Economic Forum | This is a composite index calculated by averaging the responses to 5 of the questions in the Executive Opinion Survey of the annual GCR. The questions are those constituting a group of variables addressing the extent and type of IT and Internet use in companies. The index reflects company use of IT in E-mail, E-commerce, Customer Service, Supplier Relations, and as an information source. |

**FY 2002 Performance Table**

**Egypt: 263-018**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Percent of operation and maintenance costs covered by collected revenue in the water and wastewater sector | NA | NA | 61 | 72 | 62 | 69 | 79 |
| Indicator 2: Cumulative number of people with new or improved water or wastewater service in selected areas (millions) | NA | NA | 0 | 0 | 0 | 1.57 | 1.87 |
| Indicator 3: Percent of operation and maintenance costs covered by collected revenue in the telecommunications sector | NA | NA | 149 | 138 | 150 | 152 | 153 |
| Indicator 4: Percent of operation and maintenance cost covered by revenue in the power sector | NA | NA | 108 | 107 | 108 | 109 | 110 |
| Indicator 5: Cumulative number of people with new telecommunications service.(millions) | NA | NA | 0 | 0 | 0 | 1.55 | 1.55 |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | Percent of Cost | Institutional Development Contractor reports | Operation and maintenance costs are defined as labor costs (salaries, bonuses, allowances) plus operating costs minus interest and depreciation. Collected revenue includes revenue actually collected from all sources.The value of the indicator is the simple average of cost recovery ratios across the nine water and wastewater utilities. |
| Indicator 2: | IR | Cumulative number of Population served by USAID-supported systems and/or infrastructure | Construction management Contractors for status of project. Population projections obtained from the master plan documents. | The beneficiaries of a water or wastewater project are assumed to be the population of the service area of the utility in which assistance is provided.Benefits accrue to this population only when the entire project is completed (of beneficial use to the utility). Project components include water or wastewater treatment, pumping capacity, and distribution capacity. |
| Indicator 3: | IR | Percent of Cost | Telecom Egypt Annual Reports. | The telecommunications sector uses accrual accounting methods. Costs are thus defined as "Total Operating Costs" and revenues as "Total Operating Revenue" from an accrual perspective. |
| Indicator 4: | IR | Percent of Cost | Egyptian Electricity Holding Company (EEHC), Annual Report | The power sector uses accrual accounting methods. Costs are thus defined as "Total Operating Costs" and revenues as "Total Operating Revenue". The value of the indicator is the simple average over all seven electric companies |
| Indicator 5: | IR | Cumulative number of Population served by USAID-supported systems and/or infrastructure | Telecom Egypt Annual Reports. USAID contractor reports. | The number of people with new telecommunications services is the number of lines added to the system multiplied by the average number of people per household. The cumulative number of people with new telecommunications services is measured from a baseline of zero in 1999. Benefits accrue to this population only when the project is completed (of beneficial use to the utility). Progress on this indicator reflects an increase in the number of people with new or |

| | | | | |
|---|---|---|---|---|
| | | | | improved services. |

**FY 2002 Performance Table**

**Egypt: 263-019**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Real value in Egyptian Pounds of aggregate agricultural production per 1000 cubic meters of Nile water used in agriculture | NA | 527 | NA | 551 | 552 | 562 | 579 |
| Indicator 2: Number of Governorates with at least one new private sector solid waste management (SWM) contractor | NA | NA | 0 | 1 | 1 | 1 | 2 |
| Indicator 3: Percentage of hotel rooms in facilities located on Tourism Development Authority (TDA)-owned lands in the Red Sea region, which instituted best practices | NA | NA | 38.1 | 43 | 42 | 47 | 53 |
| Indicator 4: Total volume (1000 Gasoline gallon equivalent) of CNG sold per year for transportation | NA | NA | 20200 | 28795 | 28300 | 33100 | 35000 |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | Egyptian Pounds (LE) | Ministry of Water Resources & Irrigation and Ministry of Agriculture | Aggregate production in agriculture in a given calendar year is the monetary value of crops produced in that year, in constant Egyptian pounds based on the average prices for the 1994-1996 period. Production is defined as including 23 major crops produced in old lands. |
| Indicator 2: | IR | Number of Governorates | Egyptian Environmental Affairs Agency (EEAA) register fo GOE contracts with SWM companies. | The indicator is the cumulative total number of Governorates with private sector contractors to collect and dispose of non-hazardous solid waste, for which contracts have been signed since the baseline year of 1999 |
| Indicator 3: | IR | Percentage of hotel rooms | Tourism Authority (TDA) Best Practices Monitoring Reports (semiannual) | The indicator is the percentage of hotel rooms in facilities on TDA-owned lands in the Red Sea Region from El Gouna to Ras Banas which have adopted at least one Best Practice in the areas of water conservation, energy efficiency and solid waste management |
| Indicator 4: | IR | Total volume of compressed natural gas (CNG) | Ministry of Petroleum. Organization for Energy Planning. | The indicator is the total annual volume of CNG sold to the Egyptian transportation sector. Volume is measured in 1,000 gallons of gasoline equivalent (GGE). CNG sales in Egypt are typically measured in cubic meters. A cubic meter of CNG is equivalent to 3.7854 GGE in energy content. The Egyptian transportation sector includes public and private buses, cars, and trucks. |

**FY 2002 Performance Table**

**Egypt: 263-020**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: MOHP expenditures for primary/preventive health care per capita | NA | NA | 19.47 | NA | 20.25 | 21.06 | 21.90 |
| Indicator 2: Infant Mortality Rate (IMR) | 52.7 | 45.5 | 45.5 | 43.6 | 44 | 43 | 42 |
| Indicator 3: Percent of births whose mothers received four or more antenatal visits | NA | NA | 28.3 | 36.7 | 37 | 40 | 43 |
| Indicator 4: Total Fertility Rate (TFR) | NA | 3.4 | NA | 3.5 | 3.55 | 3.5 | 3.4 |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | MOHP per capita expenditures for primary/preventive health care: in LE (Egyptian pounds) and inflation adjusted | MOHP for expenditure data. CAPMAS for population estimates. | This indicator measures inflation-adjusted MOHP expenditures for primary/preventive health care per capita. The numerator is the amount of MOHP expenditures for primary/preventive health per GOE fiscal year, and the denominator is the estimated national population of Egypt at the beginning of the same year. |
| Indicator 2: | IR | Average number of deaths of infants under one year of age per 1,000 live births | * EDHS 2000 | Infant mortality rate measures the number of deaths under one year of age per 1000 live births. Data are reported by national estimates and disaggregated by Upper Egypt and Lower Egypt |
| Indicator 3: | IR | Percent of births | * EDHS 2000 | This indicator tracks the recommended minimum number of visits for proper antenatal coverage, as recommended by WHO. The numerator is the number of live births during the past five years whose mothers received four or more antenatal care visits, and the denominator is the total live births during the same period |
| Indicator 4: | IR | The average number of children a woman would have at the end of her childbearing years if she were to bear children during those years at the currently observed rates | * EDHS 2000 | Total fertility rate (TFR) measures the average number of live births a woman would have if she experienced a given set of age-specific birth rates throughout her reproductive life. Data are reported by national estimates and disaggregated by Upper Egypt and Lower Egypt |

**FY 2002 Performance Table**

**Egypt: 263-021**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Milestones and percentage of achievement in the establishment and implementation of mechanisms for stakeholders collaboration to improve public services at the community level | NA | NA | NA | tbd | tbd | tbd | tbd |
| Indicator 2: Milestones (1-9) in the establishment and functioning of the NGO Service Center | NA | NA | 0 | 1 | 1 | 2,3 | 4,5,6 |
| Indicator 3: Selected court systems tested and accepted for replication by the Ministry of Justice | NA | NA | 0 | 1 | 1 | 2 | 3 |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | Milestones and percentage of achievement | Findings of the field assessments of each community conducted by the contractor-records of stakeholder meetings-observation | Indicator measures the mechanisms that lead to the collaboration between community stakeholders, over a 3-year period, that allow for improved delivery of public services in selected communities. Qualitative performance measures will be used to assess the presence and nature of each milestone achieved. |
| Indicator 2: | IR | Milestones | Semi annual Results Reports submitted by NGO Service Center | Milestones:1) Draft NGOSC sustainability plan presented to Advisory Committee; 2) Draft of NGOSC internal governance structure presented to Advisory Committee; 3) Draft mission statement and services profile for future NGOSC; 4) Founding Board of Directors is proposed by the Advisory Committee; 5) 3-year plan for NGO SC's organizational development and financing drafted; 6) Staffing plan and job description for senior management staff drafted; 7) NGOSC legally registered as an Egyptian institution; 8) Proposal presented to USAID for endowment fund for NGOSC; 9) Proposals submitted to non-USAID donors, foundations, and private sector to support Center activities and achieve financial sustainability |
| Indicator 3: | IR | MOJ acceptance of systems with minor modifications | MOJ official court records and project related activities. Contractor's quarterly and annual progress reports | Two courts located in two different cities (Ismailia and North-Cairo) have been selected to constitute the Model Pilot Court system. The Model Court will be efficient and capable of delivering judicial services on a timely basis. Once successfully completed, this model will be accepted by the MOJ to be replicated in all the civil commercial courts nationwide |

**FY 2002 Performance Table**

**Egypt: 263-022**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Annual number of teachers and teacher trainers directly trained to use modern communicative and learner-centered teaching methods | NA | NA | 1216 | 4922 | 4474 | 4560 | 4293 |
| Indicator 2: Number of business and industries developing linkages and providing input to the secondary education electives curriculum | NA | NA | 3 | 8 | 8 | 15 | 20 |
| Indicator 3: Annual number of girls and young women receiving basic education through USAID-funded programs | NA | NA | 7207 | 20535 | 17195 | 17801 | 14190 |
| Indicator 4: Percentage of girls, ages 6-10, enrolled in primary school in Rural Upper Egypt | 62.5 | 68.7 | 69.8 | 74 | 71 | 75 | 76 |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | Annual number of teachers, supervisors facilitators and Faculty of Education staff participating in English language training for primary education. | Semi-annual reports received from grantees and contractors | Annual number of teachers directly trained to use modern and learner-centered teaching methods. This include those reached through IELP-II, LearnLink, CARE and MTEP. (Extensive cascade training also occurs, thus extending the reach to many thousands more.) |
| Indicator 2: | IR | Annual number of business and industries developing linkages and providing input to the secondary education electives curriculum | MOE, USAID, Private Sector Businesses, AED secretariat to the partnership | This indicator tracks the annual number of business and industries that partner with local schools to develop linkages, that provide input to the secondary education electives curriculum, or otherwise support school-to-work programs so that graduates from these institutions possess the required skills to work within local business and industry. |
| Indicator 3: | IR | Annual number | Grantees and contractors semiannual reports | Annual number of girls and young women (ages 6-25) who directly participate in and benefit from USAID-funded programs during the fiscal year from October-September. The majority of beneficiaries are in the 6-14 age range, however the CEDPA program targets beneficiaries that may be as old as 25 with the majority of CEDPA beneficiaries 13-20 years of age. |
| Indicator 4: | IR | Percentage of girls | Egypt Demographic and Health Survey data (1997-2000) | The enrollment ratio is a percentage of those girls, ages 6-10 in the rural area of Upper Egypt, who are enrolled in primary school. Data within Upper Egypt are disaggregated by Rural and Urban and by Male and Female for comparison and tracking rather than reporting purposes. Only girls in Rural, Upper Egypt, where there are the greatest gender imbalances, will be reported |

# EGYPT
## FY 2002 STRATEGIC OBJECTIVE SUMMARY
**(in thousands of dollars)**

| SO number | SO Title<br>Fund Account | FY 1999 | FY 2000 | FY 2001 | FY 2002 |
|---|---|---|---|---|---|
| 263-016 | Environment for Trade and Investment Strengthened | | | | |
| | - DA | 0 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 566,288 | 495,743 | 494,928 | 515,830 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 263-017 | Skills for Competitiveness Developed | | | | |
| | - DA | 0 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 10,000 | 15,000 | 19,013 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 263-018 | Access to Sustainable Utility Service in Selected Areas Increased | | | | |
| | - DA | 0 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 110,501 | 109,846 | 53,803 | 0 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 263-019 | Management of the Env. and Natural Resources in Targeted Sectors Impr. | | | | |
| | - DA | 0 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 13,480 | 36,481 | 35,780 | 47,780 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 263-020 | Healthier, Planned Families | | | | |
| | - DA | 0 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 50,542 | 52,422 | 58,100 | 44,650 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |

# EGYPT
## FY 2002 STRATEGIC OBJECTIVE SUMMARY
**(in thousands of dollars)**

| SO number | SO Title<br>Fund Account | FY 1999 | FY 2000 | FY 2001 | FY 2002 |
|---|---|---|---|---|---|
| 263-021 | Egyptian Initiatives in Governance and Participation Strengthened | | | | |
| | - DA | 0 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 13,800 | 8,775 | 11,092 | 13,727 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 263-022 | Basic Education Improved to Meet Market Demands | | | | |
| | - DA | 0 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 20,389 | 14,000 | 23,900 | 14,000 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| | SO Totals | | | | |
| | - DA | 0 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 775,000 | 727,267 | 692,603 | 655,000 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |

| | U.S. Financing (In thousands of dollars) | | |
|---|---|---|---|
| **Program: Egypt**<br>**Summary of Egypt Financing Pages** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999* | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 2,184,357 ESF | 0 ESF | 2,184,357 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 0 DA | |
| | 0 CSD | 0 CSD | |
| 0 | 740,723 ESF | 810,198 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 2,925,080 ESF | 810,198 ESF | 2,114,882 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 692,603 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 692,603 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 655,000 ESF | 3,579,209 ESF | 7,851,892 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

* These funds were previously under the former strategic plan, whose activities have been merged into the new plan.

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Egypt** | | | |
| **Title and Number: Environment for Trade and Investment Strengthened, 263-016** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999* | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 957,464 ESF | 0 ESF | 957,464 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 0 DA | |
| | 0 CSD | 0 CSD | |
| | 501,034 ESF | 458,082 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 1,458,498 ESF | 458,082 ESF | 1,000,416 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 494,928 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 494,928 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 515,830 ESF | 3,080,316 ESF | 5,549,572 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

* These funds were previously obligated under former objective 263-001, whose activities have been merged into this SO.

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Egypt** | | | |
| **Title and Number: Skills for Competitiveness Developed, 263-017** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999* | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 9,260 ESF | 0 ESF | 9,260 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 0 DA | |
| | 0 CSD | 0 CSD | |
| | 10,000 ESF | 4,657 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 19,260 ESF | 4,657 ESF | 14,603 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 15,000 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 15,000 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 19,013 ESF | 125,887 ESF | 179,160 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

* These funds were previously obligated under former objective 263-009, whose activities have been merged into this SO.

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Egypt** | | | |
| **Title and Number: Access to Sustainable Utility Services in Selected Areas Increased, 263-018** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999* | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 929,769 ESF | 0 ESF | 929,769 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 0 DA | |
| | 0 CSD | 0 CSD | |
| | 119,826 ESF | 220,641 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 1,049,595 ESF | 220,641 ESF | 828,954 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 53,803 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 53,803 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 1,103,398 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

* These funds were previously obligated under former objectives 263-001 and 263-006, whose activities have been merged into this SO.

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Egypt** | | | |
| **Title & Number: Mangement of the Environment and Natural Resources in Targeted Sectors Improved, 263-019** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999* | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 95,120 ESF | 0 ESF | 95,120 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 0 DA | |
| | 0 CSD | 0 CSD | |
| | 36,414 ESF | 47,278 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 131,534 ESF | 47,278 ESF | 84,256 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 35,780 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 35,780 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 47,780 ESF | 60,000 ESF | 275,094 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

* These funds were previously obligated under former objectives 263-007 and 263-008, whose activities have been merged into this SO.

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Egypt** | | | |
| **Title and Number: Healthier, Planned Families, 263-020** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999* | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 119,169 ESF | 0 ESF | 119,169 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 0 DA | |
| | 0 CSD | 0 CSD | |
| | 50,765 ESF | 58,093 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 169,934 ESF | 58,093 ESF | 111,841 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 58,100 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 58,100 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 44,650 ESF | 144,850 ESF | 417,534 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

* These funds were previously obligated under former objectives 263-004 and 263-005, whose activities have been merged into this SO.

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Egypt** | | | |
| **Title and Number: Egyptian Initiatives in Governance and Participation Strengthened, 263-021** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999* | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 29,333 ESF | 0 ESF | 29,333 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 0 DA | |
| | 0 CSD | 0 CSD | |
| | 8,684 ESF | 9,965 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 38,017 ESF | 9,965 ESF | 28,052 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 11,092 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 11,092 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 13,727 ESF | 109,156 ESF | 171,992 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

* These funds were previously obligated under former objectives 263-003, 263-010 and 263-011, whose activities have been merged into this SO.

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Egypt** | | | |
| **Title and Number: Basic Education Improved to Meet Market Demand, 263-022** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999* | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 44,242 ESF | 0 ESF | 44,242 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 0 DA | |
| | 0 CSD | 0 CSD | |
| | 14,000 ESF | 11,482 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 58,242 ESF | 11,482 ESF | 46,760 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 23,900 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 23,900 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 14,000 ESF | 59,000 ESF | 155,142 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

* These funds were previously obligated under former objective 263-002, whose activities have been merged into this SO.

**ISRAEL**

| Program Summary (In Thousands of Dollars) | | | | |
|---|---|---|---|---|
| **Category** | **FY 1999 Actual** | **FY 2000 Actual** | **FY 2001 Estimated** | **FY 2002 Request** |
| Development Assistance | 0 | 0 | 0 | 0 |
| Development Fund for Africa | 0 | 0 | 0 | 0 |
| Child Survival & Disease Fund | 0 | 0 | 0 | 0 |
| Freedom Support Act Funds | 0 | 0 | 0 | 0 |
| SEED Act Funds | 0 | 0 | 0 | 0 |
| Economic Support Funds | 1,080,000 | 949,056 | 840,000 | 720,000 |
| P.L. 480 Title II | 0 | 0 | 0 | 0 |
| P.L 480 Title III | 0 | 0 | 0 | 0 |
| **Total Program Funds** | **1,080,000** | **949,056** | **840,000** | **720,000** |

# ISRAEL

## Introduction.

USAID assistance to the Government of Israel (GOI) supports the U.S. objective of achieving peace in the Middle East. Toward that end, the U.S. helped broker the Camp David Accords signed by Israel and Egypt in 1978. In addition, Israel signed the Declaration of Principles with the Palestinian Authority on September 13, 1993 and the Interim Agreement on September 28, 1995. Israel signed the Peace Treaty with Jordan on October 17, 1994, and the Wye River Memorandum took effect on October 23, 1998.

Israel's economy continues to become increasingly sophisticated and technologically advanced, yet the political instability and ongoing conflict hinders the extent of possible economic and technological progress. The economy has responded favorably in recent years to the restructuring imposed after the crises and hyper-inflation of the mid-1980s. The real gross domestic product (GDP) growth rate was 6.0% in 2000, up from 2.3% in 1999. As a result, the budget deficit in 2000 was only 0.6% of GDP. After two years of decline, the GDP per capita increased by 3.4%. GDP per capital surpassed $17,500 by the end of 2000, close to the level of many developed countries. The literacy rate is 95%, and life expectancy is 78 years. The infant mortality rate is eight per 1,000 births. The economy boomed in the first three quarters of 2000, but contracted in the last quarter, primarily due to the security situation. Small high-tech start-ups drove growth, despite the relatively small size of this sector. Unemployment has stayed high at 8.8%—only marginally lower than the 1999 rate of 8.9%—due to the rapid rise in the labor force population, which has outpaced the increase in job creation. Real wages rose sharply in the high-tech sector, however, with the supply of skilled workers unable to keep up with demand. Israel registered zero inflation by the end of 2000. The trade deficit declined by 11.5% in 2000, thanks largely to a 58% rise in high-tech export sales. Imports grew by 15% as energy costs increased. The current account deficit for the first nine months showed an improvement. Foreign direct investment surged, but capital outflows also rose.

## Development Challenge.

Political instability and uncertainty define much of Israel's development challenge at this time, and will impact the nature and pace of economic reform in Israel. This is particularly true in light of the upsurge in Israeli-Palestinian violence since September 2000. The new Israeli leadership is clarifying its economic policy framework. While overall growth was strong in 2000 and particularly during the first three-quarters of the year, the ongoing violence led to an economic downturn toward the end of the year. The fiscal deficit rose during the last two months of the year due to a surge in military expenditures and falling tax revenues. The GDP growth rate slowed during the last quarter. The main branches of the economy hurt by the geopolitical developments in the last quarter were tourism, construction and agriculture. In addition, there was a sharp decline in exports to the West Bank and Gaza.

For 2001, a further downturn in the economy is expected, and the GDP growth rate will likely slow. The expansion of fiscal spending, coupled with weaker revenue, will lead to a rise in the fiscal deficit. The Bank of Israel has warned of developments that could destabilize the economy, such as further deterioration of the political situation, or a substantial rise in volatility on world financial markets.

Global growth peaked in mid-2000. With the downturn in the U.S. and the European Union economies, Israeli export growth could slow. In addition, new leadership is at the helm in both the U.S. and Israel. Relations with more moderate Arab governments, built up slowly since the Oslo process began in 1993, have deteriorated as a result of recent events. It will take some time, using unambiguous demonstrations of goodwill and progress toward peace, to recover ground.

To strengthen the economy, more work is needed to liberalize and restructure the large public sector. The Government of Israel needs to reduce its spending, improve the tax and public wage structures, increase the pace of privatization, reform the labor markets, facilitate private-sector development and investment, expand governmental infrastructure investment, reduce the balance of payments and sustain export growth. But political and governance obstacles remain. As economic progress and peace serve one another, explicit progress on achieving peace will be needed as well to allow Israel to reach its full economic and

development potential.

**Other Donors.**

The United States remains the largest bilateral donor.

**FY 2002 Program.**

In FY 2002, the cash transfer funding level is expected to be $720 million. The Cash Transfer Program supports policy reform for structural adjustments in Israel that can lead to economic and political stability, domestically and the larger Middle East region. It is aimed at strengthening Israel's domestic economy to enable the Government of Israel (GOI) to more easily balance requirements to pay foreign debts while financing other annual government expenditures, therefore easing the economic pressure on the Government of Israel. The U.S. Government's economic and other programs in Israel are aimed at enhancing the Government of Israel's ability to take the steps necessary to reach agreements with its neighbors on a host of peace related issues.

In addition to the bilateral program, a USAID Bureau for Humanitarian Response program demonstrates U.S. educational and medical technologies and practices through three different activities in Israel.

**ACTIVITY DATA SHEET**

**PROGRAM:** Israel
**TITLE AND NUMBER:** Support Policy Reform for Financial Stability and Structural Adjustments Needed for Rapid Sustainable Growth, 271-001 (271-K640)
**STATUS:** New
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $840,000,000
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $720,000,000
**INITIAL OBLIGATION:** FY 2002 **ESTIMATED COMPLETION DATE**: FY 2002

**Summary**: The purpose of the Israel Cash Transfer is to support policy reform for structural adjustments in Israel to achieve economic and political stability in Israel and the Middle East region.
The FY 2001 Cash Transfer Program is aimed at strengthening Israel's civilian economy to enable the Government of Israel (GOI) to more easily balance requirements to pay foreign debts while financing other annual government expenditures. Through this process, the economic pressures on the GOI will be eased. Economic and political stability in Israel is essential to the achievement of U.S. foreign policy goals in the region. The U.S. Government's (USG) economic and other programs in Israel are aimed at enhancing the GOI's ability to take the steps necessary to reach agreements with its neighbors on a host of peace related issues.

**Key Results:** The U.S. does not condition the cash transfer to Israel on economic policy reform. However, the U.S. does seek certain results. The Joint Economic Development Group, chaired by the U.S. Department of State, encourages Israeli efforts to: 1) reduce government spending and deficits; 2) reduce the balance of payments deficit; 3) improve tax and public wage structures; 4) increase privatization; 5) reform labor markets; 6) continue liberalization of the trade regime; 7) expand business investment and governmental infrastructure investment; and 8) sustain export growth. Since 1993, export competitiveness has improved, and inflation has been reduced.

**Performance and Prospects:** FY 2002 funds will be provided as a cash transfer and will be used by Israel primarily for repayment of debt to the United States, including foreign military sales debt, and purchases of goods and services from the United States. The U.S. Department of State will continue to encourage Israeli reforms to reduce government spending and deficits, to improve tax and public wage structures, to increase privatization, to reform labor markets and to continue to liberalize its trade regime.

**Possible Adjustments to Plans:** None.

**Other Donor Programs:** The United States is the largest bilateral donor to Israel.

**Principal Contractors, Grantees, or Agencies:** The transfer is accomplished by a direct grant to the Government of Israel.

**Selected Performance Measures:** The program encourages more investment and economic activity, thereby resulting in increased foreign exchange earnings. Increased domestic and regional stability is anticipated through improved economic performance in Israel.

## ISRAEL
### FY 2002 STRATEGIC OBJECTIVE SUMMARY
**(in thousands of dollars)**

| SO Number | Fund Account | FY 1999 | FY 2000 | FY 2001 | FY 2002 |
|---|---|---|---|---|---|
| 271-001 | Support Policy Reform for Financial Stability and Structural Adjustments | | | | |
| | - DA | 0 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 1,080,000 | 949,056 | 840,000 | 720,000 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| | Totals | | | | |
| | - DA | 0 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 1,080,000 | 949,056 | 840,000 | 720,000 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Israel** | | | |
| **Title and Number: Support Policy Reform for Financial Stability and Structural Adjustments, 271-001** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 2,280,000 ESF | 2,280,000 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 0 DA | |
| | 0 CSD | 0 CSD | |
| | 949,056 ESF | 949,056 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 3,229,056 ESF | 3,229,056 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 840,000 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 840,000 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Esimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 720,000 ESF | 0 ESF | 4,789,056 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

**JORDAN**

| Program Summary (In Thousands of Dollars) | | | | |
|---|---|---|---|---|
| **Category** | **FY 1999 Actual** | **FY 2000 Actual** | **FY 2001 Estimated** | **FY 2002 Request** |
| Development Assistance | 0 | 0 | 0 | 0 |
| Development Fund for Africa | 0 | 0 | 0 | 0 |
| Child Survival & Disease Fund | 0 | 0 | 0 | 0 |
| Freedom Support Act Funds | 0 | 0 | 0 | 0 |
| SEED Act Funds | 0 | 0 | 0 | 0 |
| Economic Support Funds | 200,000 | 199,500 | 149,483 | 150,000 |
| P.L. 480 Title II | 0 | 0 | 0 | 0 |
| P.L 480 Title III | 0 | 0 | 0 | 0 |
| **Total Program Funds** | **200,000** | **199,500** | **149,483** | **150,000** |

**Mission Director, Toni Christiansen-Wagner**

# JORDAN

## Introduction.

USAID economic assistance to Jordan is an important element of the U.S. effort to promote peace and stability in the Middle East. Jordan's desire for peaceful solutions to the region's complex problems continues despite the various political and economic obstacles encountered along the way. Two years after the death of King Hussein, Jordan continues to play an important moderating role in the region. However, the experience of several consecutive years of slow economic growth and declining per capita income is causing increasing concern. Public frustration continues to increase because expectations of prosperity stemming from Jordan's 1994 peace treaty with Israel remain unfulfilled. Stalled Middle East peace discussions have dampened Jordan's investment climate. Developments during the first three-quarters of 2000 were very promising—annual rates of economic growth were on track to exceed four percent for the first time in four years. The last quarter of the calendar year, however, was marked by high levels of violence in the West Bank and Gaza that cast a dark shadow over Jordan's immediate future.

USAID-funded initiatives in Jordan make an integral and visible contribution to U.S. foreign and economic policy objectives. USAID's program directly supports U.S. national security interests (regional peace, support for allies), economic prosperity goals (broad-based economic growth, implementation of economic reforms, expanded trade and market development) and global concerns (stabilized population, quality maternal healthcare, environmental concerns). During USAID's May 2000 program review, the 1997-2001 strategy was extended through 2004. The shape and magnitude of future USAID programming will depend on a variety of political and economic factors, including developments within Jordan and the course of peace discussions between Israel and the Palestinians.

## Development Challenge.

USAID's eight-year Jordan strategy addresses three inter-related development constraints that are central to Jordan's prospects for lasting economic and social improvement: too little water; too rapid population growth; and too few jobs. This formulation highlights the systemic nature of Jordan's primary development impediments. It also underscores the necessity to address each of these factors concurrently. Jordan's high population growth rate places enormous pressure on the Kingdom's scarce natural resources, especially water. So, too, rapid population growth makes it increasingly difficult to generate productive employment for the increasing number of Jordanians entering the workforce each year. Failure to address these three challenges will jeopardize development prospects and gains made to date.

## Other Donors.

According to official Jordanian sources, the country received approximately $375 million in donor grant aid and $295 million in loan assistance during 2000. The United States was the largest grant donor, providing approximately $223 million. Other major grant donors included the European Union ($114 million), Germany ($16 million), Japan ($12 million) and the World Bank and other donors ($10 million). The Arab Fund for Economic and Social Development was Jordan's largest creditor, providing $114 million during 2000, followed by the Islamic Development Bank ($72 million). The Ministry of Finance was the largest recipient of these loan funds, using the assistance in part for balance of payments support.

## FY 2002 Program.

One of USAID's main objectives is to improve Jordan's water resource management. Annual water demand is expected to increase to 1.2 billion cubic meters by 2001, far above the 750 million cubic meters now available on a sustainable basis. On a per capita basis, freshwater availability in Jordan is among the lowest in the world. In response, USAID is supporting the Government of Jordan's 14-year, $5 billion priority water investment plan. Its chief objective is to optimize use, allocation, and management of this crucial resource. USAID also is one of the lead donors in improving wastewater management and

reuse, which will help abate serious environmental degradation while augmenting water availability from a source that would otherwise be wasted. During 2000, USAID funded a water policy implementation program focused on reducing groundwater depletion and encouraging the reuse of treated wastewater.

USAID also is implementing an activity that encourages private-sector participation and another that is strengthening the government's capability to develop, contract, and manage major water infrastructure projects. With USAID assistance, the Ministry of Water and Irrigation will make a contract award for a major build-operate-transfer wastewater project in the summer of 2001. In the second half of 2001, USAID will make an award for a private sector management contract for the Wadi Mousa water and wastewater facility that was completed in late 2000. The rehabilitation of four springs and wells was completed in FY 2000, providing an additional 7.5 million cubic meters of potable water to approximately 120,000 Jordanians.

In addressing Jordan's high population growth rate, USAID will continue to focus on improving access to, and the quality of, reproductive and primary healthcare. Encouraging progress has been made as evidenced by the signs of a demographic transition now underway. These indications include increased contraceptive use, accompanied by decreasing fertility rates and family size. The modern contraceptive prevalence rate increased from 27% in 1990 to 39% in 2000. Similarly, fertility rates have declined from an estimated 5.6 children per woman in 1990 to 3.6 children per woman in 2000. With USAID's assistance, the Ministry of Health is adopting new approaches in delivering comprehensive maternal and child healthcare services. USAID-supported Comprehensive Postpartum Centers (CPPs) increased from 12 in 1997 to 21 in 2000, and will help reach outlying population centers. The proportion of women delivering in hospitals with CPP centers who returned for postpartum/family planning services increased from 6%in 1990 to 65% in 2000.

Major achievements were made in several key areas of economic reform during 2000. USAID's economic opportunities program was well positioned to take advantage of King Abdullah's energetic leadership in building a world-class economic and business environment, and in promoting private-sector trade and investment. USAID's economic growth strategy continues to increase economic opportunities for Jordanian citizens, thus ensuring broader participation in future economic expansion. To create economic opportunities at the lower end of the income scale, USAID expanded a major microfinance initiative that makes financial services available to economically disadvantaged Jordanians. Jordan joined the World Trade Organization in April 2000, following months of intensive USAID-funded technical support that brought about far-reaching changes in the country's trade and investment regime. Jordan and the U.S. Government initialed a Free Trade Agreement (FTA) in October 2000. When ratified, the FTA will make Jordan only the fourth country (after Canada, Mexico, and Israel) to enjoy such a relationship with the United States. USAID played an important part in helping Jordan address FTA-related environmental issues. An annual $50 million policy reform-based cash transfer initiative provides assistance to advance Jordan's market-based economic reform program. These interventions already have increased economic opportunities. For example, the number of microcredit borrowers has increased approximately 300% over the past three years; partial privatization of state-owned enterprises generated more than $682 million in 2000; and the Jordan Investment Board facilitated foreign investments totaling $1.2 billion in 2000.

USAID programming will continue to pursue USAID Agency-level goals within the framework of the Department of State Mission Performance Plan (MPP). The water resources objective directly addresses global environmental issues as well as economic growth constraints. Water, wastewater projects and policy reform activities will be funded in FY 2002. Similarly, the reproductive and primary health initiative is aligned directly with the Agency goal of promoting sustainable population growth rates. FY 2002 activities will include primary healthcare and sustainability activities with the Jordanian Association for Family Planning and other local partners. USAID's economic opportunity objective strengthens market forces, expands access to financial services for the poor and works to achieve broad-based economic growth. FY 2002 funding will include a cash transfer, support to the Aqaba Special Economic Zone, and microfinance activities.

Other USAID programs in Jordan include the Middle East Regional Cooperation Program (MERC) and

Global Bureau field support activities. Under MERC, Jordan participates in regional scientific research projects with Israel and Arab neighbors.

## ACTIVITY DATA SHEET

**PROGRAM:** Jordan
**TITLE AND NUMBER:** Improved Water Resources Management, 278-002
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $43,845,000 ESF
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $58,000,000 ESF
**INITIAL OBLIGATION:** FY 1995 **ESTIMATED COMPLETION DATE:** FY 2004

**Summary:** USAID's Improved Water Resources Management objective supports U.S. foreign policy objectives related to reducing global environmental degradation and promoting economic prosperity. Because water scarcity has been a key issue in the Middle East peace process, improving Jordan's ability to manage its limited water resources helps support regional stability. USAID's water programs are focused on strengthening key public sector water institutions, increasing water use efficiency, and improving the quality of treated wastewater for use in agriculture and industry.

All Jordanians benefit from improvements in the water sector. The rehabilitation of the water network in Amman will benefit an estimated 870,000 residents. An estimated 40,000 residents as well as the tourist sector will directly benefit from the new wastewater treatment facilities constructed at Wadi Mousa near Petra. This also will help protect Jordan's premier tourist attraction. Proposed new and expanded wastewater treatment facilities at Mafraq, As-Samra and Aqaba will benefit about 60,000; 1,900,000; and 120,000 residents, respectively.

**Key Results:** Construction was completed on three important infrastructure projects during 2000: the Wadi Mousa wastewater treatment plant serving an estimated 40,000 residents in the area and approximately half a million visitors to Petra each year; water treatment plants for four contaminated springs and wells, serving 120,000 people; and the rehabilitation of the Ministry of Health's Environmental Health Lab, which tests water and wastewater from across the country. In addition, the designs for the North Shouneh wastewater treatment plant and the Greater Amman water system rehabilitation project were completed. The design plans for the expansion of the Aqaba wastewater treatment plant are now being finalized.

The North Shouneh construction will not proceed because of cost considerations. But the other two designs (Greater Amman and Aqaba) have set the stage for new infrastructure projects that are expected to commence. Other international donors have not identified funding for the North Shouneh activity. Policy related fieldwork and analysis are underway on groundwater and wastewater reuse issues. A new water education program was launched during 2000, resulting in a broad range of training activities. Donor coordination helped shape a common policy agenda, including an increase in the wastewater tariff for Amman and submission of a new irrigation tariff plan to the Jordanian Cabinet.

**Performance and Prospects:** Significant fieldwork and analysis on options to reduce groundwater over-pumping and optimize wastewater reuse have been completed under the policy implementation project that was launched in 1999. The Private Sector Participation program trained 74 people; model tender documents for build-operate-transfer or build-operate-own infrastructure projects were developed for the Ministry of Water & Irrigation (MWI). Tender documents for a private management contract for the Wadi Mousa project were prepared. Also, the Jordanian government approved and publicly announced a 12% wastewater tariff increase required for the new As-Samra wastewater plant.

During 2000, USAID launched its new water education program. A range of activities is now underway to encourage greater conservation through the use of water saving devices, preventive home maintenance, and water use behavior change. These programs actively involve young people, religious leaders, and women. In addition, about 300 procurement staff from the MWI, Water Authority of Jordan (WAJ) and Jordan Valley Authority (JVA) were trained in host country contracting, project management, and value engineering. A policies and procedures manual for the procurement process was developed. USAID also is supporting a strategic planning process in the JVA that complements a new World Bank project to modernize the JVA and support selected development activities in the Jordan Valley.

Improving the use of existing water supplies will help further stretch scarce water resources. This includes reducing losses due to physical leaks, contamination, and poor irrigation practices. During FY 2000, design of the USAID portion of the multi-donor program to rehabilitate the entire water network of Amman was completed. Four rehabilitated springs and wells were opened in July. The rehabilitation of the Ministry of Health's Environmental Health Laboratory also was completed. Construction was started on plants to treat contaminated water at three springs in the city of Salt and three wells at Kafrein.

Preliminary technical and financial feasibility work has begun on a major new water supply project that will draw on several surface water sources near the Dead Sea, channel the water to a desalination plant, and then pipe the water to Amman for municipal use. Most importantly, this project will provide the urban area of Amman with a second source of potable water. Results of the Irrigation Advisory Service in the Jordan Valley from the first full cropping season show significant reductions in water use with no reduction in yield and, in some cases, increases in yields. In the summer of 2000, the JVA approved and submitted to the Cabinet a recommendation for irrigation water tariff restructuring based on analytical work supported by USAID. In coordination with other donors, USAID also is engaged in policy dialogue with the Government of Jordan on the need for significant structural reforms in the irrigated agricultural sector.

Improving the quality of treated wastewater to allow its reuse in agriculture and industry is another USAID priority. Construction of the new wastewater treatment plant and conveyance system in Wadi Mousa was completed and the project was turned over to the WAJ until a private management contract can be awarded. The pre-qualification of bidders and issuance of a request for proposals on a major new As-Samra wastewater project also was completed, with a view toward attracting significant private-sector involvement and investment. Finally, a feasibility study was begun on a proposed new wastewater treatment plant in Mafraq. The aim of this project is to seek maximum effluent reuse and introduce more cost-efficient wastewater technology to Jordan.

*The information provided below is illustrative.*

In FY 2001, USAID expects to—

- *Obligate $14.845 million* for the expansion of the Aqaba wastewater treatment plant, an important infrastructure activity that will serve the growth needs of the Aqaba Special Economic Zone focused around Jordan's only port city;
- *Provide $13 million* for the Mafraq wastewater treatment plant, subject to the findings of the feasibility study now underway;
- *Obligate $11 million* for the Ma'an treatment plant and pipeline project providing an important new source of potable water to Amman;
- *Provide $3 million* for technical assistance and training aimed at promoting policy reform and expanding private sector participation in Jordan's water sector; and
- *Obligate $2 million* for other water activities, including potential increases in construction costs and as a contingency to help cover any unexpected, emergency requirements in the water sector.

Life-of-objective funding for this objective will increase by $126,000,000, bringing the new funding total to $526,000,000.

**Possible Adjustments to Plans:** When the evaluation of the policy implementation project is completed, USAID will determine whether to continue with the current project or develop a follow-on activity. Also, based on the results of the feasibility study for the Mafraq wastewater treatment plant, USAID will determine whether to proceed with the project. The decision on whether or not to proceed with other potential construction projects is contingent upon the results of similar feasibility and design studies. Given the importance of water to Jordan and the ever-present threat of drought, there also is the possibility of having to respond to crises or concerns that may unexpectedly arise in the water sector, as was the case in the Zai water treatment plant two years ago. Flexibility has been built into the objective to

ensure that it is possible to respond to such events. A small environmental activity in collaboration with the U.S. Environmental Protection Agency could be funded to support the Free Trade Agreement between the United States and Jordan.

**Other Donor Programs:** Extensive efforts have been made to ensure effective coordination in the water sector at both the policy and activity levels. Investments were shaped by a $5 billion, fourteen-year plan covering all major water and wastewater infrastructure development. USAID was the largest donor of grant funds in FY 2000. Other major donors include the World Bank, Sweden, Germany, Italy, and France. USAID is an active participant in regular water sector donor coordination meetings. Additionally, there are numerous projects that involve multi-donor funding, such as the rehabilitation of the Amman water network, the Wadi Mousa project, the As-Samra wastewater project, and the JVA strategic planning effort.

**Principal Contractors, Grantees, or Agencies:** Major U.S. contractors for engineering and construction work include: Camp, Dresser & McKee, Inc.; Morganti Group; Hazen & Sawyer; Metcalf & Eddy; Montgomery Watson; Harza; and CH2Mhill. Abt & Associates; Associates in Rural Development; Development Alternatives Incorporated; Chemonics; and the Academy for Educational Development provide technical assistance on privatization, policy implementation, cost recovery and strategic planning, host country contracting, and water education. Washington State University, in consortium with Purdue University, the University of South Carolina and several Jordanian universities, is conducting a training and research program. Major Jordanian counterparts include the MWI, WAJ, JVA, and local NGOs and universities.

## ACTIVITY DATA SHEET

**PROGRAM:** Jordan
**TITLE and NUMBER:** Improved Access to and Quality of Reproductive and Primary Health Care, 278-003
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCES:** $17,938,000 ESF
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCES:** $17,000,000 ESF
**INITIAL OBLIGATION:** FY 1995 **ESTIMATED COMPLETION DATE:** FY 2004

**Summary:** USAID's Improved Access to and Quality of Reproductive and Primary Healthcare objective supports U.S. foreign policy concerns affecting global issues such as world population growth and maternal and child health. Jordan's 2.4% annual rate of natural population increase is among the highest in the world. Given the pressures that rapid population growth places on a resource-scarce country, USAID's health sector strategy also supports U.S. economic and environmental foreign policy objectives. The strategy is designed to improve maternal, and child health by ensuring availability of quality reproductive, maternal and primary healthcare services and promoting effective healthcare financing. Jordanian women between the ages of 15 and 49 will benefit from USAID's initiatives. Moreover, children also will benefit from the substantial maternal health improvements that birth spacing and an improved primary healthcare system will provide.

**Key Results:** Under the Comprehensive Postpartum (CPP) activity, 21 CPP centers were completed in FY 2000. The annual percentage of women delivering in hospitals with CPP centers who return for postpartum/family planning services has increased to 65%, up from 6% before the activity was started. Lessons learned from this activity are being shared with USAID's Egypt and West Bank/Gaza programs. In addition, the CPP experience is helping shape implementation of the Primary Healthcare Initiatives (PHCI) activity. PHCI activities during 2000 included extensive training programs and the selection of 40 primary health centers to serve as models for high-quality reproductive health services. Support also continued for major Jordanian institutions involved in family planning, including the Jordanian Association for Family Planning and Protection (JAFPP) and the National Population Council (NPC). The NPC, which focuses on policy, was instrumental in gaining government approval for a revised national population strategy. JAFPP, which concentrates on service delivery, embarked on an institutional plan aimed at achieving sustainability.

**Performance and Prospects:** Performance exceeded USAID targets for improved quality and increased availability of reproductive health services. While the FY 2000 survey measure of 39.2% for the modern Contraceptive Prevalence Rate (CPR) appears to represent a decline from the 1999 CPR rate, this difference is not statistically significant.

USAID continues to be the major donor of family planning services, supplies, information, and training for physicians, nurses, midwives, and pharmacists. USAID-funded programs have contributed to a continuing decline in the total fertility rate from 5.6 children in 1990 to 3.6 in 2000, resulting in a decrease of two births per woman over the last 10 years. Seventy percent of the decline in fertility resulted from changes in marital fertility, while 30% resulted from a delayed age of marriage.

The modern CPR seems to be leveling off at around 39% over the last three years after the sharp increase from 27% to 38.7% between 1990 and 1998. However, the continuing decline in fertility rates from 3.8 in 1999 to 3.6 in 2000 and the decline in the rate of natural population increase from 2.5 in 1999 to 2.4 in 2000 is encouraging. The seeming contradiction between the apparent leveling off of CPR and the continuing decline in the total fertility rate could be the result of further counseling and expanded availability, resulting in more effective use of contraceptives on the part of those who are using them.

One encouraging event at the population policy level is the support of King Abdullah, as indicated by his attendance at the NPC's launch of the updated national population strategy in September 2000. The Prime Minister, more than 10 Ministers, and many parliamentarians and representatives from nongovernmental organizations (NGOs) and other civil society organizations also attended. The launch

emphasized the pressures that rapid population growth places on economic development, including the water and health sectors. It also made the case for a drop in the total fertility rate from 3.6 in 2000 to 2.4 by 2015, a measure that will substantially reduce those pressures.

During FY 2000, USAID supported a national contest that addressed misconceptions about modern family planning methods and gender equity in order to promote greater effectiveness in the use of contraceptives. The contest had a positive impact, with more than 89% of all respondents correctly answering the questions. In addition, a survey of young people's lifestyles, including reproductive health (RH) knowledge and practices, was conducted. The findings will be used to improve young people's knowledge of RH through training and mass media communication campaigns.

The Comprehensive Postpartum activity achieved the goal of having 21 CPP centers functioning in hospitals with the highest numbers of deliveries. Because of the high quality of services offered at the CPP centers, 65% of women who delivered in those hospitals returned to visit the CPP center for family planning and other postpartum services. This is a 10-fold increase from the 6% postpartum visits in 1995 and is 5% more than the target for CPP center visits. Health experts from elsewhere in the region also visited various CPP centers in an effort to incorporate "lessons learned" with their own health and family planning programs.

USAID successfully launched the Primary Healthcare Initiatives (PHCI) activity, aimed at improved quality, management and efficiency of reproductive and PHC services at all 380 Ministry of Health PHC centers. This new initiative is partly based on lessons learned under the CPP project. Training of a first group of trainers was completed, a quality improvement system was initiated and tested, and 40 centers from all over Jordan were selected for upgrading. USAID will fund these centers so they can serve as models for high quality RH/PHC services.

Assisting Jordan in developing an effective healthcare financing system is an important area of USAID involvement. Rapid population growth places enormous pressure on the healthcare system, especially in the area of reproductive and primary healthcare. With USAID assistance, the Ministry of Health completed a national health expenditures and facility utilization survey and provided support for strengthening the epidemiological surveillance system. The findings from these surveys will be used to design a new USAID-funded health policy reform activity in FY 2001, which will address such issues as cost recovery, health insurance schemes, financing options, improved private-public sector participation, and decentralization.

USAID is designing a new cost recovery and sustainability activity to JAFPP, a successful NGO that provides 25% of FP services in Jordan. JAFPP is still reliant on donor assistance. The goal of this five-year activity is to assist JAFPP to increase its recovery of overall costs from the current 44% to 75%, while maintaining its 25% share of family planning services in a highly competitive market. Also, a small new HIV/AIDS program has been launched, aimed at high-risk groups as a means of addressing a problem that so far has had only a modest impact in Jordan.

*The information provided below is illustrative.*

In FY 2001, USAID plans to—

- *Provide $3 million* to the Primary Healthcare Initiative, aimed at improving services throughout Jordan's network of primary healthcare centers. Approximately 40 health centers will also be upgraded and improved, in part through the provision of new equipment;
- *Provide $2.6 million* to help launch a new JAFPP initiative designed to improve service quality delivery and strengthen prospects for sustainability. The organization is the leading non-governmental provider of family planning services and plays an important role in meeting the demand for family-planning services;
- *Provide $3.5 million* to support the U.S. Centers for Disease Control in its ongoing cooperative initiative with Jordanian health authorities. Among other things, the activity supports Jordan's efforts to better understand, monitor, and control the spread of infectious diseases in the country; and

- *Obligate $8.9 million* through various contract buy-ins with funds obligated and managed by USAID's Global Bureau. Specific activities envisaged under Global buy-ins include a program on HIV/AIDS management and impact; a health policy reform program; support for demographic and population surveys; contraceptive procurements; and support for NPC on communication strategies, policy development, and other issues.

The life-of-objective funding level for this objective will increase by $17,000,000, bringing the new funding total to $132,718,000.

**Possible Adjustments to Plans:** None.

**Other Donor Programs:** USAID and the World Bank are the largest donors in the population and family planning sector. USAID programs are closely coordinated with those of other donors working in the population field including Japan and the United Nations Fund for Population Activities. The Ministry of Health provides necessary personnel and facilities for all program activities. Jordan Television has provided significant support for communications programs, including free primetime advertising for USAID-funded family planning "infomercials" and youth TV programs.

**Principal Contractors, Grantees, or Agencies:** Current contractors and grantees include Johns Hopkins University; U.S. Bureau of Census; Abt Associates; Harvard University; Pathfinder; Futures Group; Deloitte Touche Tohmatsu; John Snow; the Academy for Educational Development; the Centers for Disease Control; Access for Voluntary Surgical Contraception; and Family Health International. Major host country partners include the Ministry of Health; Jordan University Hospital; Royal Medical Services; Department of Statistics; and Jordanian non-governmental organizations.

**ACTIVITY DATA SHEET**

**PROGRAM:** Jordan
**TITLE and NUMBER:** Increased Economic Opportunities for Jordanians, 278-005
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $87,700,000 ESF ($37,700,000 program activities and $50,000,000 cash transfer)
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $75,000,000 ESF
**INITIAL OBLIGATION:** FY 1997 **ESTIMATED COMPLETION DATE:** FY 2004

**Summary:** USAID's Increased Economic Opportunities strategic objective directly supports U.S. foreign policy interests by promoting open markets and broad-based economic growth. It also indirectly promotes regional stability and economically strengthens a key U.S. ally whose economy has been adversely affected by regional events and the closure of traditional markets. The USAID economic opportunities strategy is designed to promote trade and investment, support the small and micro-enterprise sector, and advance Jordan's market-based economic restructuring program.

**Key Results:** Jordan acceded to the World Trade Organization (WTO) in April 2000. USAID's technical assistance played a key role in making this possible. Similarly, USAID's technical assistance was important in addressing environmental concerns related to the U.S.-Jordan Free Trade Agreement. The agreement, initialed in Washington D.C. in October 2000, put Jordan in the position of becoming the fourth country (after Canada, Mexico, and Israel) to enjoy such a relationship with the United States. USAID's assistance was vital in bringing about the establishment of the Aqaba Special Economic Zone in early 2001. During 2000, over 17,000 clients participated in several USAID-funded micro-finance programs. USAID also continued to play an important role to shape the policy environment for information technology development in Jordan.

**Performance and Prospects:** In FY 2001, USAID plans to provide $37.7 million in program funds to increase access to business services and support more effective identification and implementation of policy reforms. USAID also plans to provide a $50 million cash transfer to improve the environment for sustained economic policy reform.

With respect to economic policy reform and implementation, a number of important milestones are anticipated in 2001, including the enactment of WTO-related laws, further progress in capital market development, expanded opportunities for the information technology sector, and a continuation of Jordan's impressive record in privatizing government-owned companies.

During the last year, Jordan effected a series of wide-ranging measures designed to open markets, overcome structural economic obstacles, and integrate the country into the wider global economy. USAID's economic opportunities program was especially well positioned to take advantage of King Abdullah's energetic leadership in building a world-class economic and business environment and promoting private sector trade and investment.

Jordan completed all preparations in advance of the official opening of the Aqaba Special Economic Zone (ASEZ) in early 2001, setting the stage for its emergence as a model for streamlined investment procedures. Once again, USAID played a critical role in providing the extensive technical assistance to design laws and regulations required for this initiative. This assistance is scheduled to continue as the ASEZ is established and efforts are made to expand trade and attract new investment.

The microfinance industry in Jordan is reaching a new level of maturity. From a base of only a few hundred active clients three years ago, USAID-supported sustainable microfinance programs reported more than 17,000 active clients during FY 2000, most of whom were women. Repayment rates approached 99%.

To further support the growth of Jordan's microfinance industry, USAID assisted in the development of a microfinance training and professional certification program at the Jordan Institute of Banking Studies. In

addition, USAID initiated development of a private sector information bureau aimed at facilitating more efficient lending practices by financial institutions.

A school-based youth business skill initiative (INJAZ – "achievement" in Arabic), modeled after the U.S. Junior Achievement Program, continued its success in FY 2000. INJAZ is a timely initiative aimed at enhancing youth skills in a private-sector economy.

Under the policy implementation component, USAID provided extensive technical assistance and training in support of the Government of Jordan's (GOJ's) economic reform program. The intent is to increase private-sector growth, expand trade and investment, and assist in the transition to a global economy. New WTO-consistent copyright, trademark, and patent laws were enacted. Under USAID's capital market activity, automation of securities clearing and settlement was initiated, as well as the certification and training of brokers. A government debt securities market initiative continued at the Ministry of Finance, with technical assistance provided by the U.S. Department of Treasury. Support for the first private sector-driven, national economic strategy initiative, "Jordan Vision 2020," was provided through the Access to Micro-Finance and Implementation of Policy Reform (AMIR) Program's business associations activity. In turn, this became the catalyst for an innovative public-private sector partnership focused on key reforms that need to be undertaken to ensure Jordan's competitiveness in the global economy.

*The information provided below is illustrative.*

In FY 2001, USAID will—

- *Provide $50 million* to continue and expand the policy-based balance of payments program. As in previous years, disbursement will be conditioned on economic reforms related to trade and investment, financial and legal reforms, and privatization. Cash transfer-associated local currency is used to help support mutually programmed development priorities related to USAID's three strategic objectives;
- *Contribute $2 million* to the World Bank technical assistance trust fund so that it can continue to provide high quality advisory services in support of several major privatization transactions in the power and mining sectors;
- *Provide $15 million* to the successful AMIR program, USAID's "flagship" economic growth activity in Jordan. Many USAID initiatives related to trade, investment, customs, financial markets, and micro finance are funded under this activity;
- *Provide $14.7 million* to support activities associated with the newly declared Aqaba Special Economic Zone (ASEZ). Part of the funding will go to technical assistance, training, commodities, and other activities associated with this important, high priority initiative to expand Jordan's export capacity. Other funding will be allocated to support construction of a modern light industrial estate within ASEZ, which already has been designated as a qualified industrial zone;
- *Provide $2 million* to the Jordan-U.S. Business Partnership (JUSBP) for improved marketing, quality standards, and management of small- and medium-sized companies in Jordan. JUSBP also works with the AMIR program to help develop Jordan's software and information technology services industry;
- *Provide $1 million* to the Jordan Youth Initiative (INJAZ), a program based on Junior Achievement that introduces and strengthens entrepreneurial skills among Jordan's youth;
- *Consider adding $2 million* to the existing endowment for the American Center for Oriental Research (ACOR). Given the importance of the tourism sector to Jordan's economy and the useful role ACOR plays in developing and promoting Jordan's tourist sites, the intent is to utilize funding under this activity for this purpose; and
- *Support other activities that may receive a total of $1 million* including: microfinance programs; the ongoing Royal Society for Conservation of Nature ecotourism initiative; and a program that allows American business school students to work directly with Jordanian institutions in an effort to improve their management and efficiency.

The life-of-objective funding level for this objective will increase by $150,000,000, bringing the new

funding total to $658,742,000.

**Possible Adjustments to Plans:** Prospects are reasonably good for significant USAID economic opportunity program-related results during 2001. However, continued unrest and violence in the Middle East could negatively affect Jordan's economic growth prospects, especially in the important tourism sector. Within the planning parameters established under this objective, funding could be used to help respond to unexpected economic concerns or opportunities that might arise as a result of these developments.

**Other Donor Programs:** USAID was by far the largest grant donor in the economic growth area in 2000. The World Bank also provided soft loans to support the GOJ's economic reform program. Germany provided support for the National Information System project. Japan, the European Union, United Nations, European Investment Bank, and Canada all provided grants to support various economic development activities. USAID has excellent donor coordination with all bilateral and multilateral donors in Jordan. USAID works closely with the World Bank in economic policy reform implementation, the United Nations Development Program (UNDP) in the microfinance sector, and the Foreign Investment Advisory Service in promoting foreign direct investment.

**Principal Contractors, Grantees, or Agencies:** Primary contractors and grantees include Chemonics; Save the Children; Cooperative Housing Foundation; International Executive Service Corps; UNDP; Wilbur Smith Associates; PricewaterhouseCoopers; The Services Group; KPMG; and the World Bank. USAID's primary GOJ counterpart is the Ministry of Planning. USAID also works closely with the Ministries of Industry and Trade and Finance; the Central Bank; the Customs Department; the Executive Privatization Unit; the Jordan Securities Commission; the Aqaba Special Economic Zone Authority; and the Jordan Investment Board. In addition, local business associations and private sector firms benefit from USAID assistance in the economic opportunity area.

**FY 2002 Performance Table**

**Jordan: 278-002**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Volume of fresh water made available | 41.1 | 45 | 45 | 7.5 | 14 MCM (7.5 MCM carried over + Salt 6.5 MCM) | 8.7 MCM(6.5 MCM carried over from 2000 target plus Kefrein 2.2 MCM) | N/A |
| Indicator 2: Index of water policy implementation | water policy framework (1)detailed plans for 2 key policies (2) changes in key policies (3) | water policy framework (3) detailed plans for 2 key policies (4) changes in key policies (4) | NA | NA | a, e, f (3) | b, c, d, g, h, i, j (7) | NA |
| Indicator 3: Total wastewater treatment capacity available | 0 | 0 | 0 | 1.2 | 1.2 Wadi Mousa | 1.2 Wadi Mousa | 1.2 Wadi Mousa |
| Indicator 4: Volume of fresh water made available | 41.1 | 45 | 45 | 7.5 | 14 MCM (7.5 MCM carried over + Salt 6.5 MCM) | 8.7 MCM(6.5 MCM carried over from 2000 target plus Kefrein 2.2 MCM) | N/A |
| Indicator 5: Index of stronger water sector institutions | NA | NA | NA | a (1) | a (1) | b, c, d, e, f, j, k (7) | g, h (2) |
| Indicator 6: Total wastewater treatment capacity available | 0 | 0 | 0 | 1.2 | 1.2 Wadi Mousa | 1.2 Wadi Mousa | 1.2 Wadi Mousa |
| Indicator 7: Index of stronger water sector institutions | NA | NA | NA | a (1) | a (1) | b, c, d, e, f, j, k (7) | g, h (2) |
| Indicator 8: Index of water policy implementation | water policy framework (1)detailed plans for 2 key policies (2) changes in key policies (3) | water policy framework (3) detailed plans for 2 key policies (4) changes in key policies (4) | NA | NA | a, e, f (3) | b, c, d, g, h, i, j (7) | NA |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | Million Cubic Meters (not cumulative) | Water Authority - plant operational records | Million cubic meters of water made available on annual basis as result of USAID activities. Activities include increased technical efficiency in irrigation (1997 only), improvement to the Zai water treatment plant, rehabilitation of contaminated springs & wells, restructuring, rehabilitation of Amman water network to decrease leakage, & other activities that might be initiated in future. |
| Indicator 2: | IR | Index points (1 point for each element) | Ministry of Water and Irrigation records | This indicator was modified in 1999. Description from 1996-1998: Ministry of Water and Irrigation is better able to formulate and effect water policy that will allow for sustainable water supplies in the future. |

| | | | | |
|---|---|---|---|---|
| | | | | The index included a) adoption of water policy frameworks covering critical issues, b) development of detailed plans for at least 2 key policies, and c) accomplishment of change in at least one key policy. In 1999 the emphasis of water sector policy support activities shifted from policy development and planning to policy implementation. A revised index of water policy implementation was established, focusing on 1) sustainable groundwater withdrawal policies, and 2) optimized use of treated wastewater for irrigated agriculture, both in the Amman-Zarqa Basin. The components of the new index are: a) Water resources data for sustainable groundwater withdrawal policies are available in a form useful for management decisions. b) Water resources data to support policies for optimal use of treated wastewater are complete in a form useful for management decisions. c) Groundwater reduction incentives are developed and tested. d) A monitoring program is developed for each policy implementation option related to groundwater. e) Wastewater reuse options investigated (technical, economic, user and public acceptance examined) f) Wastewater storage, conveyance and blending options investigated. g) Draft groundwater implementation plan is completed. h) Wastewater reuse masterplan is completed. i) Wastewater reuse standards and processes improved. j. Wastewater reuse monitoring programs developed. |
| Indicator 3: | IR | Million Cubic Meters (cumulative) | WAJ and contract or records | Total new capacity available to treat wastewater to national standards for irrigation (cubic meters). |
| Indicator 4: | IR | Million Cubic Meters (not cumulative) | Water Authority - plant operational records | Million cubic meters of water made available on annual basis as result of USAID activities. Activities include increased technical efficiency in irrigation (1997 only), improvement to the Zai water treatment plant, rehabilitation of contaminated springs & wells, restructuring, rehabilitation of Amman water network to decrease leakage, & other activities that might be initiated in future. |
| Indicator 5: | IR | Index points (1 point for each element) | USAID activity managers and contractor's progress reports | This indicator measures those elements of progress towards achieving stronger water sector institutions that are within USAID's manageable interest. Between 1993-98 under the Water Quality Improvement Project, USAID supported a variety of technical assistance activities aimed at strengthening the MWI, JVA and WAJ. Activities included developing a MIS and water resources database, preparing a national water strategy and sub-sectoral policies and establishing water quality monitoring capability. This indicator builds upon a substantial amount of work previously supported by USAID. The index is comprised of the following elements: a. An increase in the Amman wastewater tariff of up to 12% is announced.; b. JVA implements a financial accounting system consistent with accepted water utility practices; c. One new management contract for water or wastewater system in place; d. One water or wastewater project is contracted on a BOT basis; e. Tariffs for irrigation water in the Jordan Valley are restructured to reflect differences in quality; f. A 50% reduction in time for the host country contracting process from prequalification to construction contract award; g. The MWI implements measures to reduce groundwater depletion in the Amman-Zarqa Basin; h. A Wastewater reuse masterplan for the Amman-Zarqa basin is adopted by the MWI; i. At least one local NGO |

| | | | | |
|---|---|---|---|---|
| | | | | has the capacity to conduct water conservation programs on a sustainable basis; j. JVA develop and adopts a strategic plan appropriate to the needs of the coming years, k. Wastewater fee collected |
| Indicator 6: | IR | Million Cubic Meters (cumulative) | WAJ and contract or records | Total new capacity available to treat wastewater to national standards for irrigation (cubic meters). |
| Indicator 7: | IR | Index points (1 point for each element) | USAID activity managers and contractor's progress reports | This indicator measures those elements of progress towards achieving stronger water sector institutions that are within USAID's manageable interest. Between 1993-98 under the Water Quality Improvement Project, USAID supported a variety of technical assistance activities aimed at strengthening the MWI, JVA and WAJ. Activities included developing a MIS and water resources database, preparing a national water strategy and sub-sectoral policies and establishing water quality monitoring capability. This indicator builds upon a substantial amount of work previously supported by USAID. The index is comprised of the following elements: a. An increase in the Amman wastewater tariff of up to 12% is announced.; b. JVA implements a financial accounting system consistent with accepted water utility practices; c. One new management contract for water or wastewater system in place; d. One water or wastewater project is contracted on a BOT basis; e. Tariffs for irrigation water in the Jordan Valley are restructured to reflect differences in quality; f. A 50% reduction in time for the host country contracting process from prequalification to construction contract award; g. The MWI implements measures to reduce groundwater depletion in the Amman-Zarqa Basin; h. A Wastewater reuse masterplan for the Amman-Zarqa basin is adopted by the MWI; i. At least one local NGO has the capacity to conduct water conservation programs on a sustainable basis; j. JVA develop and adopts a strategic plan appropriate to the needs of the coming years, k. Wastewater fee collected |
| Indicator 8: | IR | Index points (1 point for each element) | Ministry of Water and Irrigation records | This indicator was modified in 1999. Description from 1996-1998: Ministry of Water and Irrigation is better able to formulate and effect water policy that will allow for sustainable water supplies in the future. The index included a) adoption of water policy frameworks covering critical issues, b) development of detailed plans for at least 2 key policies, and c) accomplishment of change in at least one key policy. In 1999 the emphasis of water sector policy support activities shifted from policy development and planning to policy implementation. A revised index of water policy implementation was established, focusing on 1) sustainable groundwater withdrawal policies, and 2) optimized use of treated wastewater for irrigated agriculture, both in the Amman-Zarqa Basin. The components of the new index are: a) Water resources data for sustainable groundwater withdrawal policies are available in a form useful for management decisions. b) Water resources data to support policies for optimal use of treated wastewater are complete in a form useful for management decisions. c) Groundwater reduction incentives are developed and tested. d) A monitoring program is developed for each policy implementation option related to groundwater. e) Wastewater reuse options investigated (technical, economic, user and public acceptance |

| | | | | |
|---|---|---|---|---|
| | | | | examined) f) Wastewater storage, conveyance and blending options investigated. g) Draft groundwater implementation plan is completed. h) Wastewater reuse masterplan is completed. i) Wastewater reuse standards and processes improved. j. Wastewater reuse monitoring programs developed. |

**FY 2002 Performance Table**

**Jordan: 278-003**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Increased revenue generation in JAFPP clinics | 50 | 62 | 89.7 | NA | 80 | NA | NA |
| Indicator 2: Primary Health Centers achieving a minimum quality standards. | N/A | N/A | N/A | N/A | N/A | 17 centers | 34 centers |
| Indicator 3: 60% of MCRA correctly comprehend a given message | 84, 75 | 96, 100 | 80 (1) 87 (2) 89 (3) | 89 | 60 | 60 | 60 |
| Indicator 4: Modern Method Contraceptive Prevalence Rate | 37.8 (2) | 38.7 (3) | 39.8 (4) | 39.2 | 40.8 | 39.7 | 40.2 |
| Indicator 5: Percentage of women who deliver in hospitals with CPP centers and return for postpartum care, the proportion hopefully increasing from 6% in 1990 to 60% in 1999 | 35 | 46 | 65 | 65 | 60 | NA | NA |
| Indicator 6: Percentage of women who deliver in hospitals with CPP centers and return for postpartum care, the proportion hopefully increasing from 6% in 1990 to 60% in 1999 | 35 | 46 | 65 | 65 | 60 | NA | NA |
| Indicator 7: Modern Method Contraceptive Prevalence Rate | 37.8 (2) | 38.7 (3) | 39.8 (4) | 39.2 | 40.8 | 39.7 | 40.2 |
| Indicator 8: Increased revenue generation in JAFPP clinics | 50 | 62 | 89.7 | NA | 80 | NA | NA |
| Indicator 9: Primary Health Centers achieving a minimum quality standards. | N/A | N/A | N/A | N/A | N/A | 17 centers | 34 centers |
| Indicator 10: 60% of MCRA correctly comprehend a given message | 84, 75 | 96, 100 | 80 (1) 87 (2) 89 (3) | 89 | 60 | 60 | 60 |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | % of operational costs recovered | JSI/R&TI reports. JAFPP clinic records | Percentage of operational costs recovered annually. |
| Indicator 2: | IR | Number of Primary Health Care Centers achieving a minimum quality standards | Annual Quality Surveys | This is a new indicator. The number of primary health care centers achieving a minimum quality standards. The standards is defined to inculde:1. Infection prevention system components in place and utilized; 2. Appropriate referral practices followed; 3. protocols snd standards available and being followed;4. health information and counseling provided at the time of the visit to PHC centers and 5. follow up care provided. |
| Indicator 3: | IR | % of married couples who, having heard a method - specific message, are able to paraphrase the main idea. | Results of focus group discussions on 24 women of reproductive age (1). Results of focus group discussions on 65 married individuals (2). Results of 4 pretests on 99 married individuals (3). | 2 radio spots on exclusive breastfeeding and lactational ammenorrhea criteria (1). 4 method specific brochures on vasectomy, tubal ligation, LAM, spermicides (2). A contest run in local newspapers, on modern FP methods and gender equity (3). |
| Indicator 4: | IR | Women 15-45: percent | 1997 Demographic Health Survey. 1998 Jordan's Annual Fertility Survey. | Modern methods are: oral contraceptives, IUD, DMPA, Foam, Condom, Norplant and Tubal Ligation. |

| | | | | |
|---|---|---|---|---|
| | | | 1999 Jordan's Annual Fertility Survey.<br>2000 Jordan's Annual Fertility Survey | |
| Indicator 5: | IR | % of women who return for postpartum care at CPP centers | CPP centers records | Women who deliver in a hospital with a CPP center who return to receive post partum care in the USAID funded CPP center. |
| Indicator 6: | IR | % of women who return for postpartum care at CPP centers | CPP centers records | Women who deliver in a hospital with a CPP center who return to receive post partum care in the USAID funded CPP center. |
| Indicator 7: | IR | Women 15-45: percent | 1997 Demographic Health Survey.<br>1998 Jordan's Annual Fertility Survey.<br>1999 Jordan's Annual Fertility Survey.<br>2000 Jordan's Annual Fertility Survey | Modern methods are: oral contraceptives, IUD, DMPA, Foam, Condom, Norplant and Tubal Ligation. |
| Indicator 8: | IR | % of operational costs recovered | JSI/R&TI reports. JAFPP clinic records | Percentage of operational costs recovered annually. |
| Indicator 9: | IR | Number of Primary Health Care Centers achieving a minimum quality standards | Annual Quality Surveys | This is a new indicator. The number of primary health care centers achieving a minimum quality standards. The standards is defined to inculde:1. Infection prevention system components in place and utilized; 2. Appropriate referral practices followed; 3. protocols snd standards available and being followed;4. health information and counseling provided at the time of the visit to PHC centers and 5. follow up care provided. |
| Indicator 10: | IR | % of married couples who, having heard a method - specific message, are able to paraphrase the main idea. | Results of focus group discussions on 24 women of reproductive age (1). Results of focus group discussions on 65 married individuals (2). Results of 4 pretests on 99 married individuals (3). | 2 radio spots on exclusive breastfeeding and lactational ammenorrhea criteria (1). 4 method specific brochures on vasectomy, tubal ligation, LAM, spermicides (2). A contest run in local newspapers, on modern FP methods and gender equity (3). |

**FY 2002 Performance Table**

**Jordan: 278-005**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Progress toward privatization of state-owned enterprises (SOE's) | NA | EPC fully staffed. JTC privatization initiated. EPC targets established | Cumulative $107 million assets privatized. | Cumulative US $789 million assets privatized. | Cumulative US$ 100 million assets privatized | At least 3 major privatization transactions completed. Cumulative US$ 900 million assets privatized | At least US.$1 Billion cumulative assets privatized. |
| Indicator 2: Annual level of foreign direct and domestic investments facilitated by Jordan Investment Board (JIB) formerly known as the Investment Promotion Corporation incentives | N/A | 675 | 608 | 1127 | 1200 | 1540 | 1600 |
| Indicator 3: Percentage increase in number of companies registered | 1.8 | - 4.8 | -8.1 | 15.8 | 2.5 | 3.0 | 2 |
| Indicator 4: Number of borrowers obtaining micro- and small-enterprise credit | 8,486 (T) | 6,311 (T) 1* | 13,258 (T) 1* | 17,510 (T) | 12,400 | 15,000 | 18000 |
| Indicator 5: Progress toward privatization of state-owned enterprises (SOE's) | NA | EPC fully staffed. JTC privatization initiated. EPC targets established | Cumulative $107 million assets privatized. | Cumulative US $789 million assets privatized. | Cumulative US$ 100 million assets privatized | At least 3 major privatization transactions completed. Cumulative US$ 900 million assets privatized | At least US.$1 Billion cumulative assets privatized. |
| Indicator 6: Percentage increase in number of companies registered | 1.8 | - 4.8 | -8.1 | 15.8 | 2.5 | 3.0 | 2 |
| Indicator 7: Annual level of foreign direct and domestic investments facilitated by Jordan Investment Board (JIB) formerly known as the Investment Promotion Corporation incentives | N/A | 675 | 608 | 1127 | 1200 | 1540 | 1600 |
| Indicator 8: Number of borrowers obtaining micro- and small-enterprise credit | 8,486 (T) | 6,311 (T) 1* | 13,258 (T) 1* | 17,510 (T) | 12,400 | 15,000 | 18000 |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | NA | Prime Ministry's Executive Privatization Commission (EPC) | Cumulative number of major SOE privatization transactions and cumulative value of SOE assets transferred to private ownership or management control. |
| Indicator 2: | IR | Million of US Dollars | Jordan Investment Board (JIB) | Sum of the values of foreign direct and domestic investments through companies benefiting from JIB incentives. |
| Indicator 3: | IR | Percent increase (year-to-year) | Central Bank of Jordan Statistical Bulletin | Number of newly registered companies, expressed as a percentage of all registered companies. |
| Indicator 4: | IR | (Men/Women/Total) | Save the Children (SAVE), Jordan | Number of micro- and small-enterprise active credit clients of USAID- |

| | | | | |
|---|---|---|---|---|
| | | | Loan Guarantee Corporation (JLGC), Cooperative Housing Foundation (CHF) , the Jordan Micro Credit Company (JMCC) and Ahli Microfinancing Company (AMC) | supported institutions. |
| Indicator 5: | IR | NA | Prime Ministry's Executive Privatization Commission (EPC) | Cumulative number of major SOE privatization transactions and cumulative value of SOE assets transferred to private ownership or management control. |
| Indicator 6: | IR | Percent increase (year-to-year) | Central Bank of Jordan Statistical Bulletin | Number of newly registered companies, expressed as a percentage of all registered companies. |
| Indicator 7: | IR | Million of US Dollars | Jordan Investment Board (JIB) | Sum of the values of foreign direct and domestic investments through companies benefiting from JIB incentives. |
| Indicator 8: | IR | (Men/Women/Total) | Save the Children (SAVE), Jordan Loan Guarantee Corporation (JLGC), Cooperative Housing Foundation (CHF) , the Jordan Micro Credit Company (JMCC) and Ahli Microfinancing Company (AMC) | Number of micro- and small-enterprise active credit clients of USAID-supported institutions. |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Jordan** | | | |
| **Title and Number: Improved Water Resources Management, 278-002** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 224,498 ESF | 50,928 ESF | 173,570 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 0 DA | |
| | 0 CSD | 0 CSD | |
| | 83,000 ESF | 23,247 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 307,498 ESF | 74,175 ESF | 233,323 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 43,845 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 43,845 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 58,000 ESF | 116,654 ESF | 525,997 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Jordan** | | | |
| **Title and Number: Improved Access to and Quality of Reproductive and Primary Health Care, 278-003** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 10,718 DA | 8,699 DA | 2,019 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 30,882 ESF | 14,152 ESF | 16,730 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 455 DA | |
| | 0 CSD | 0 CSD | |
| | 20,000 ESF | 17,074 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 10,718 DA | 9,154 DA | 1,564 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 50,882 ESF | 31,226 ESF | 19,656 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 17,938 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 17,938 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 10,718 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 17,000 ESF | 36,180 ESF | 122,000 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Jordan** | | | |
| **Title and Number: Increased Economic Opportunites for Jordanians, 278-005** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 249,552 ESF | 217,914 ESF | 31,638 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 0 DA | |
| | 0 CSD | 0 CSD | |
| | 96,500 ESF | 75,613 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 346,052 ESF | 293,527 ESF | 52,525 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 87,700 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 87,700 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 75,000 ESF | 150,000 ESF | 658,752 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| | U.S. Financing (In thousands of dollars) | | |
|---|---|---|---|
| **Program: Jordan**<br>**Summary** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 10,718 DA | 8,699 DA | 2,019 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 504,932 ESF | 282,994 ESF | 221,938 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 455 DA | |
| | 0 CSD | 0 CSD | |
| | 199,500 ESF | 115,934 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 10,718 DA | 9,154 DA | 1,564 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 704,432 ESF | 398,928 ESF | 305,504 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 149,483 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 149,483 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 10,718 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 150,000 ESF | 302,834 ESF | 1,306,749 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

**JORDAN**
**FY 2002 STRATEGIC OBJECTIVE SUMMARY**
**(in thousands of dollars)**

| SO number | SO Title<br>Fund Account | FY 1999 | FY 2000 | FY 2001 | FY 2002 |
|---|---|---|---|---|---|
| 278-002 | Improved Water Resources Management | | | | |
| | - DA | 0 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 60,000 | 83,000 | 43,845 | 58,000 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 278-003 | Improved Access to and Quality of Reproductive and Primary Health Care | | | | |
| | - DA | 0 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 15,000 | 20,000 | 17,938 | 17,000 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 278-005 | Increased Economic Opportunities for Jordanians | | | | |
| | - DA | 0 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 125,000 | 96,500 | 87,700 | 75,000 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| SO Totals | | | | | |
| | - DA | 0 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 200,000 | 199,500 | 149,483 | 150,000 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |

**LEBANON**

| Program Summary (In Thousands of Dollars) | | | | |
|---|---|---|---|---|
| **Category** | **FY 1999 Actual** | **FY 2000 Actual** | **FY 2001 Estimated** | **FY 2002 Request** |
| Development Assistance | 500 | 0 | 0 | 0 |
| Development Fund for Africa | 0 | 0 | 0 | 0 |
| Child Survival & Disease Fund | 0 | 0 | 0 | 0 |
| Freedom Support Act Funds | 0 | 0 | 0 | 0 |
| SEED Act Funds | 0 | 0 | 0 | 0 |
| Economic Support Funds | 12,050 | 15,000 | 34,879 | 32,000 |
| P.L. 480 Title II | 0 | 0 | 0 | 0 |
| P.L 480 Title III | 0 | 0 | 0 | 0 |
| **Total Program Funds** | **12,550** | **15,000** | **34,879** | **32,000** |

**Mission Director, Jon Breslar**

# LEBANON

## Introduction.

In 2000, the withdrawal of Israeli forces from South Lebanon and the election of a reform-minded government gave Lebanon the opportunity to rebuild and redefine itself—as a country, a nation, and a partner in regional peace and global prosperity. It is important to the United States that Lebanon progress as a stable, secure, responsible, and prosperous partner—one that supports a market-driven economy, a democratic society, and a sustainable environment. It is also vital that Lebanon play an active role in achieving a comprehensive peace in the Middle East. USAID assistance is well positioned to contribute to these goals. While the current strategy is valid through 2002, new developments warrant a review and possible revision by the end of 2001.

## Development Challenge.

Lebanon is in a precarious but exciting position—courting opportunities that could fuse the country into a regional economic hub, but carrying constraints that could hold it back and provoke economic, if not political, crisis. The upside reflects a country that has regained its borders and elected a national government that, for the first time, has started to enact bold, rational structural measures designed to encourage growth and investment, streamline a bloated bureaucracy, and eliminate public waste. The international donor community supports these changes and is poised to assist further reform and reconstruction efforts. Municipal elections, held in 1998 for the first time in 35 years, have already produced some dynamic local governments that are becoming elements of positive change. On the environmental front, while water and air pollution are major problems, and water management a significant challenge, environmental protection and reforestation are gaining ground. This situation is bolstered by Lebanon's educated and talented workforce—the strongest in the region, as witnessed by the demand for and presence of Lebanese professionals throughout the region and beyond.

The downside reflects a complex web of historic and economic factors that have prevented many of Lebanon's 3.5 million people from rebuilding their lives. While the devastating 15-year civil war ended in 1991, the scars of religious, regional, feudal, political, and cultural differences remain imbedded in everyday life—dampening nation-building and collective action for the common good. Syria's continued presence, marked by some 35,000 troops, affects all major governmental decisions, as well as Lebanon's sovereignty. One consequence is that the Lebanese-Israeli border remains contested and at times unstable, slowing critical demining and resettlement efforts and mandating the continued presence of some 5,000 United Nations forces. There are also about 200,000 Palestinian refugees living in UN-administered camps. Economically, Lebanon is saddled with a soaring public debt, now at $24 billion or 140% of Gross Domestic Product. Sovereign credit ratings are down; debt-servicing and other expenditures have curtailed substantial public investment. Most private investors are in a wait-and-see mode. The middle class continues to shrink; per capita income has fallen below $5,000 and is increasingly skewed by disparities in income distribution. For many Lebanese, remittances and emigration are the lifelines or safety nets of what many see as a no-growth economy with limited opportunities.

USAID's strategy is to capitalize on the country's opportunities and chip away at the constraints wherever possible. For the past four years, USAID's primary focus has been revitalizing and expanding economic opportunities in Lebanon's most deprived and devastated rural areas through a private voluntary organization-led, community-based Rural Community Development Cluster (RCDC) program. By year's end, USAID will have helped some 430 villages and 850,000 people nationwide—about a fifth of Lebanon—to improve their lives through small-scale infrastructure, income generation, and environmental activities. This program is the largest and most active of any donor activity in South Lebanon; it is also the model for two $60 million World Bank and European Union projects due to come on-line this year. USAID is also supporting Lebanon's accession to the World Trade Organization (WTO) and developing strategies for the agro-industry, tourism, and service sectors. Lebanon's WTO foreign trade regime, to be negotiated this fall, will be the catalyst for several economic policy, legal, and regulatory reforms.

USAID is also promoting democratic governance in Lebanon through support to local municipalities, Parliament and regulatory boards. Eighty-two municipalities now have modern management information systems that track fiscal and budgetary matters, resulting in the collection of several million dollars of delinquent taxes. The ministries overseeing this program, Interior/Municipalities and Administrative Development, are looking to USAID for technical leadership to expand these systems nationwide. Support from USAID's Office of Transition Initiatives has been instrumental in helping stem corruption in larger urban municipalities while creating broad-based awareness of abuse and fraud through effective media campaigns and investigative journalism training.

USAID's environmental activities, many of which are linked to rural clusters, have pioneered low-cost, appropriate, innovative solutions to solid waste disposal and wastewater treatment that are now being disseminated in remote areas. Assistance from the Leahy War Victims Fund has enabled USAID to be the lead donor in humanitarian demining efforts, particularly in mine awareness and landmine victims' assistance. The focus is on Jezzine, the first area of Israeli/Southern Lebanese Army troop withdrawal. Also, given the domestic and regional (Lebanon-Jordan-Israel) sensitivities associated with water, ANE's regional Fostering Resolution of Water Resource Disputes activity is playing an increasingly important role in developing approaches for integrated water management.

**Other Donors.**

While U.S. assistance is only 7% of donor disbursements, commitments at the 1996 Friends of Lebanon Conference have enabled USAID to assume an active role in donor coordination. USAID's focus on rural community development—until recently not covered by other donors—has given USAID access to key decision-makers and a role in filling gaps in the overall donor effort. The largest amounts of assistance come from multilateral sources for reconstruction of urban infrastructure, with the World Bank and European Union each accounting for approximately 18% of donor resources. Bilateral assistance accounts for 55% of aid flows; it is more varied, but also tilts toward urban infrastructure, trade financing, and education. In 1999, Kuwait was the largest bilateral donor, followed by Saudi Arabia and France. The latest report of the United Nations Development Program shows cumulative available financing at $4.1 billion. This was expected to increase to $5 billion in 2000, largely based on commitments for infrastructure and demining in Southern Lebanon.

**FY 2002 Program.**

While this year's strategy review may yield some program adjustments for the next few years, USAID activities in FY 2002 will continue to support agency goals of promoting economic growth, building democracy, protecting the environment, and building human capacity. Steady funding levels will enable USAID to continue broadening and deepening coverage in these priority areas. Southern Lebanon will be a primary focus, recognizing that the nationwide expansion of cluster, municipal, and environmental activities must be balanced and targeted toward the most critically affected areas. Greater attention will be given to value-added activities in the agro-industrial sector, anti-corruption efforts among advocacy groups, water management and riparian issues in the south, strategic partnerships with other donors, and the institutionalization of management systems and processes among USAID's key partners. USAID will also maximize "internet for development" activities across the portfolio, looking to the private sector and American educational institutions for leadership. Assuming that WTO accession will be on track for early 2003, USAID will begin focusing on the enabling legislation and mechanisms needed to implement new policies and regulations in both productive and service sectors.

In addition to the bilateral program, a USAID Bureau for Humanitarian Response program demonstrates U.S. educational and medical technologies and practices through six different activities in Lebanon.

**ACTIVITY DATA SHEET**

**PROGRAM:** Lebanon
**TITLE:** Reconstruction and Expanded Economic Opportunity, 268-001
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $22,920,000 ESF
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $20,000,000 ESF
**INITIAL OBLIGATION:** FY 1997 **ESTIMATED COMPLETION DATE:** FY 2004

**Summary:** This strategic objective focuses on revitalizing Lebanon's economy and community life following two decades of civil war and occupation. These years were marked by physical devastation, social disruption, and economic stagnation, and reflected a complex, dynamic, but often divisive web of political, religious, cultural, and regional interests. Israel withdrew from South Lebanon in May 2000. The new Lebanese government, formed in November 2000, intends to rebuild the economy, providing USAID with an excellent opportunity to expand its successful community development activities nationwide. At the same time, USAID can broaden its assistance for shaping programs, policies, and laws that target key growth sectors, trade and investment, and globalization. This strategic objective enables USAID to have extensive involvement with Lebanese policy makers, business leaders and NGOs; substantial influence with other donors; and significant program impact.

The Rural Community Development Cluster activity is the flagship of the program, designed to aid in the process of reconstruction by returning rural communities to economic and social viability. Local citizens, acting through committees, select and implement projects, contributing at least 25% of the cost. Five U.S. non-governmental organizations (NGOs) share implementation responsibilities with local committees that are organized into village clusters, running over 600 basic infrastructure, income-producing, civic participation, and environmental activities in 250 communities. The dairy development program, implemented through the American University of Beirut's (AUB) extension service, is also an integral part of the cluster program.

The microfinance portfolio consists of three active credit programs implemented by three different U.S. and local NGOs. Activities initially concentrated on village banking targeted exclusively at women. While such lending continues to expand, two newer programs focus on slightly larger loans to individual borrowers—one of which is paired with a commercial bank that has increased its capital participation and risk sharing from 25% to 50%.

The World Trade Organization (WTO) accession program, begun in May 2000, will help revitalize economic activity in Lebanon through increased trade and investment. A team from PricewaterhouseCoopers (PwC) has worked with the Lebanese government and the private sector to promote understanding of and support for WTO accession and determine the various laws, policies and regulations needed for WTO membership. The foreign trade regime memorandum is nearly completed; accession is targeted for late 2002.

The Economic Policy Reform activity currently targets the structural reform of three fundamental economic sectors: agro-industry, financial and regional services, and tourism. Implemented by the Stanford Research Institute, this activity has developed three national sector strategies and identified 27 reform initiatives (15 completed and 12 in process). Adding two new sectors—information technology and media—will address all of Lebanon's current major growth areas.

Finally, the small grants program strengthens selected, well-screened NGOs by providing assistance for discrete, short-term social and economic activities. Since 1997, 23 grants have benefited more than 10,000 beneficiaries.

**Key Results:** This objective is making a major contribution to reconstruction and economic recovery of Lebanon in areas where USAID has sufficient resources and comparative advantage over the government or other donors. Few donors were actively engaged in rural development when USAID began this program. Today, given USAID's demonstrated success and impact, along with ever-

increasing demands and opportunities in rural areas, other donors and the government are beginning to replicate USAID activities. The European Union (EU), World Bank, and United Nations Development Program (UNDP), for example, are prepared to invest $60 million in community-based programs modeled on USAID's village cluster approach. This principle of replication applies to all activities, including economic policy and structural reform, though the most significant impact is expected in resources going to rural community and municipality support.

**Performance and Prospects:**

*The information provided below is illustrative.*

Rural Development Clusters: *The expected FY 2001 obligation is $13.32 million ESF*. USAID funding will help restore normal life to rural areas. Local communities have been actively involved in planning and implementing activities that support economic revitalization. The program has earned a reputation for being able to react quickly, as in the case of the de-occupation of the "Jezzine Pocket." Within two weeks of the Israeli withdrawal, USAID had formed committees and initiated 15 activities; 58 are now completed. No other donors working in rural Lebanon can match this level of coverage, responsiveness, and impact. USAID funds also will be used to expand the program from 31 clusters comprising 251 rural communities and 600,000 beneficiaries to 42 clusters encompassing approximately 430 communities and 850,000 beneficiaries. The program will continue focusing on small-scale infrastructure and income generation activities.

Dairy Improvement: *The FY 2001 obligation of $500,000* will allow USAID to partner with the American University of Beirut's (AUB) Agricultural Extension Service to support a USDA GSM-103 program that to date has imported over 4,000 cows to upgrade the quality and productivity of Lebanon's milk supply. FY 2001 funds will be used for technical assistance in the areas of animal health, production, and marketing that will increase incomes of some 1,200 farmers and continue developing and expanding 58 new private sector dairy production facilities.

WTO Accession: *The proposed FY 2001 obligation is $2.2 million ESF.* The impending submission of the foreign trade regime memorandum has generated significant momentum for WTO accession in both the public and private sectors. USAID plans to assist the Government of Lebanon (GOL) with the revamping of laws, policies, regulation, and procedures necessary for a 2002 accession.

Microfinance: The microfinance program has provided nearly 22,000 loans since 1997, targeting primarily women in single-income families. *In FY 2001 USAID will obligate $2.5 million ESF,* doubling current coverage and enabling a significant start-up in new rural clusters. The program will also continue diversifying its products and services to meet ever-changing market demands.

Economic Policy Reform: *The proposed FY 2001 obligation is $800,000 ESF.* These activities have helped focus and invigorate the private sector, particularly in the tourism, services, and agribusiness sectors. USAID's proposed FY 2001 funding will broaden the impact of these current strategies and initiate two others, information technology and media, that have high market demand and growth potential.

Support to American Educational Institutions: *The proposed FY 2001 obligation is $3.1 million ESF.* These funds will help provide scholarships and other core and program support to AUB, the Lebanese American University (LAU), the American Community School, and the International College. Of this total, *USAID plans to obligate $500,000* to LAU's Center for Scientific Research and Development.

Small Grants Program: *USAID proposes to provide local NGOs with $500,000 from FY 2001 appropriated funds* for a variety of small-scale social and economic activities that complement rural cluster activities.

**Possible Adjustments to Plans:** Three factors could significantly influence these plans. One is the government's commitment to real and immediate structural reform in ways that decrease public debt, increase government efficiency, stimulate growth, and send positive signals to the investment community.

A second is the region's commitment to peace, stability, and security, especially in South Lebanon and the West Bekaa. The fact that Lebanon has not yet secured or fully calmed its borders is already dampening the impact that USAID's Rural Community Development Cluster program could have in the south, particularly in the former security zone. The third is the degree to which the World Bank, the UNDP, and the EU succeed in negotiating assistance frameworks with the GOL that would channel approximately $60 million of grant and loan resources to NGOs for rural community development activities, modeled on USAID's successful village cluster program. Putting these frameworks in place would broaden collaboration, program impact, and public-private partnerships.

**Other Donor Programs:** Virtually all of the major donors are involved in reconstruction and economic recovery, with the World Bank, the EU, and the Islamic Development Bank having the largest multilateral programs. Italy, Saudi Arabia, and France lead bilateral programs in resources, though most support is in trade finance in the form of loans. Loans generally were used for large reconstruction projects in roads, telecommunications, power, and other utilities. Since USAID began its program in rural community development, there has been a marked increase in funding to rural areas by the EU, World Bank, Italy, and the UNDP, mainly through government agencies. USAID is engaged in formal and informal cooperation with these donors and international NGOs, and is jointly funding activities where feasible. A donor coordination committee and several subcommittees meet regularly. There are new working groups addressing rural and municipal development, demining, and the effects of the Israeli withdrawal from South Lebanon. Donor funding levels for FY 2001 are for the most part still under discussion.

**Principal Contractors, Grantees, or Agencies:** USAID implements activities through U.S. and local organizations. The Rural Community Development Clusters activity is implemented by five U.S. NGOs: Mercy Corps International; Young Men's Christian Association; Catholic Near East Welfare Agency; Cooperative Housing Foundation (CHF); and Creative Associates International, Inc. The microfinance program is implemented by Save The Children/Majmoua, CHF, and the Makhzoumi Foundation. The economic policy reform activity is implemented by PwC, Stanford Research Institute, and Lebanese American University (LAU); the MidClear activity by PwC, Metametrics, and Baton Rouge International; the WTO activity by PwC and The Services Group; and the dairy and scientific research activities by AUB and LAU, respectively.

## ACTIVITY DATA SHEET

**PROGRAM:** Lebanon
**TITLE and NUMBER:** Increased Effectiveness of Selected Institutions That Support Democracy,[*] 268-002
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $5,481,000 ESF
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $7,000,000 ESF
**INITIAL OBLIGATION:** FY 1994 **ESTIMATED COMPLETION DATE:** FY 2004

**Summary:** This special objective contributes to the rehabilitation and reform of local government, the Parliament, and selected regulatory agencies so they can better interact with the central government and carry out Lebanon's development objectives. As part of this assistance, USAID is introducing and reinforcing concepts of transparency, accountability, and effectiveness of government. The beneficiaries are the selected municipalities, the Parliament, and the regulators, as well as a broad range of public servants and the citizens they serve or represent. This assistance is particularly important for municipal governments that, in 1998, were elected in the first local elections since 1963, and lacked the physical means and training to fully exercise their responsibilities. This successful model is also being expanded to municipalities in South Lebanon, some of which are still being formed and are trying to define and carry out their responsibilities after lying dormant during two decades of occupation.

In addition to these activities, USAID began a new series of activities in 1999 aimed at reducing corruption. This program encompasses a four-component initiative to empower key Lebanese stakeholders—local government, media, and civil society—in their anti-corruption efforts. The four components include an anti-corruption media campaign; investigative journalism training; municipal government assistance; and a small grants mechanism.

**Key Results:** Major results thus far are in the local government component, where 82 Lebanese municipalities now have modern information systems; elected council members are more aware of their powers and responsibilities toward their communities; and these members have the skills and information resources to carry them out. Local demand for this assistance is high and currently exceeds levels previewed in USAID's initial planning. The European Union (EU) and United Nations Development Program (UNDP) are proposing to partner with USAID on municipal activities—the former on providing computers and some software, and the latter on training employees. The new Parliament is giving priority to being more responsive to its constituents and a more effective partner in governing the country. One of its main goals is to pass better laws, pass them faster, and conduct responsible oversight of government budgets and operations. For municipalities and the Parliament to run efficiently, the three key regulatory boards need to modernize and simplify work procedures, define and publicize all rules for executing transactions, and ensure complete transparency. While they have made a good start at this transformation, it is not yet completed. Finally, a major anti-corruption campaign, followed by the creation of a local nongovernmental organization (NGO) with ties to Transparency International, has started to give the public a better understanding of the nature and costs of corruption. Selected journalists are now training to investigate corrupt practices and report on them objectively and accurately. Plans are also underway for local NGOs and private partners to build the kind of constructive interaction that will increase transparency and accountability between the government and its citizens.

**Performance and Prospects**: The new Lebanese government, which took office in November 2000, has targeted the development of Lebanon's estimated 775 municipalities and the devolution of central authority as key priorities, with legislation now under discussion. Parliamentary leaders appear intent on making legislative procedures open and transparent, and themselves accountable to constituents. There is also increasing awareness and momentum within government and the private sector that corruption must be eliminated. USAID's democracy and governance activities are well positioned to capitalize on these opportunities.

---

[*] Formerly titled Increased Effectiveness of Democratic Institutions.

*The information provided below is illustrative.*

Support to Local Government: *The proposed FY 2001 obligation is $4,481,000 ESF.* The State University of New York (SUNY) is currently providing 82 municipalities with the training and computer and systems hardware and software necessary to build and restructure the management, human resources, and budgeting capability of local government. While other donors have supported restoration of Lebanon's devastated postwar government, many in the government of Lebanon consider that the USAID-supported activity has set a standard for quick response, sensible problem-solving, educational value for key decision-makers, and systems that can be put to work in key government functions. Proposed funding will initiate a nationwide expansion of this activity, starting with 250 additional municipalities. While emphasis will be on rural clusters, USAID will also extend its urban program from three to twenty municipalities. Activities will also link all municipalities with the central government through governors and district managers.

Support to Parliament: *The proposed FY 2001 obligation is $700,000 ESF.* SUNY assistance to the Lebanese Parliament will focus on enhancing its legislative oversight capabilities and promoting more open and transparent communication between parliamentarians, their constituencies, and the media. USAID is also exploring possibilities of increasing the legislature's capacity to conduct independent policy and legal analysis, particularly in areas that are highly politicized and of high priority, e.g., privatization and administrative reform.

Support to Regulatory Boards: *The proposed FY 2001 obligation is $300,000 ESF.* While early USAID support to Lebanon's Government Accounting Office, the Central Inspection Board, and the Civil Service Boards gave them increased legitimacy and autonomy, they still have a key, but as yet unrealized, role in streamlining municipal budgetary and administrative transactions and working with Parliament to target key areas for legal and administrative reform. USAID funding will help to continue building this capacity within those three agencies.

USAID will also implement the final year of the successful Office of Transition Initiatives anti-corruption program, with support to additional municipalities, a greater focus on the municipality of Beirut, and awareness campaigns that stimulate advocacy and debate across a range of NGO, university, private and public entities.

**Possible Adjustments to Plans**: The rate at and areas in which USAID will be able to expand the local government program depend not just on funding, but on the political will of the government and Parliament to make it happen. In the past, the former Ministry of Municipalities and Rural Affairs did not fully engage in or support the local government program. While this had no adverse impact either on USAID support to roughly 10% of Lebanon's municipalities or the results they achieved, expanding the program nationwide will require Lebanese government approval and involvement. Given the success of this program, the increasing demand generated at the municipal level, and current Lebanese government priorities, USAID is confident that expansion will happen in 2001. USAID also expects the EU and UNDP to engage further in both municipal and parliamentary support, which would enhance coordination and accelerate nationwide expansion. Finally, while USAID has already started activities in several municipalities in South Lebanon, pending elections in the remaining municipalities will play a role in determining when, where, and how the assistance program expands in the South.

**Other Donor Programs:** Democracy building in Lebanon is a field that has now attracted many donors. The World Bank and UNDP have been supporting administrative reform, but their managers and technicians often turn to the USAID program for technical advice in areas such as civil service performance evaluation, standardization of the government-wide budgeting system, and models of quick problem-solving. Part of the World Bank's $20 million loan for administrative reform will fund a study to improve the current municipal financial system. The NGO Forum (an informal association of local NGOs), jointly funded by the EU and Canada, was established in 1999. USAID assisted the NGO Forum to establish the "Forum for Parliamentary Dialogue," a center with the objective of enhancing local NGO participation in the legislative decision process. The UNDP recently signed a memorandum of understanding with the Lebanese Parliament to deal with legal issues and to provide it with technical assistance, at an estimated cost of

$300,000. The EU has expressed their intention to grant the new Ministry of Administrative Development $40 million; their activities will be announced sometime in 2001.

**Principal Contractors, Grantees, or Agencies:** Most work to date has been performed under a cooperative agreement with the Center for Legislative Development at the State University of New York/Albany (CLD/SUNY). CLD/SUNY will continue to play a key role in this next phase, building on the excellent track record and relationships they have established, though other organizations may be involved in technical aspects of local government. There is also close coordination with the NGOs involved in the rural community development clusters under objective 268-001. Counterparts in this program are the Minister of State for Administrative Development, the Ministry of Finance, the Speaker's Office in the Parliament, and the Ministry of Interior and Municipal Affairs. The anti-corruption effort is working with Information International; Saatchi and Saatchi; the International Center for Journalists; the Lebanese American University; the Lebanese University; and several local NGOs.

**ACTIVITY DATA SHEET**

**PROGRAM:** Lebanon
**TITLE and NUMBER**: Improved Environmental Practices, 268-005
**STATUS**: Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $6,478,000 ESF
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $5,000,000 ESF
**INITIAL OBLIGATION:** FY 1995 **ESTIMATED COMPLETION DATE:** FY 2004

**Summary:** Lebanon's civil war took its toll on the environment, with virtually unrestricted exploitation of fragile forest resources. Post-war construction booms increased the pressure on land and water resources in many areas of the country. Pollution of water resources is a major problem, as is urban pollution, mostly from unleaded gas and low-quality diesel. Nevertheless, with the exception of areas subject to urban sprawl, much of the environmental damage is reparable if measures to mitigate it are taken now. This special objective proposes to do that by helping the Lebanese better understand their environmental problems, point the way to policy reforms, and illustrate selected environmental solutions through demonstration activities at national and local levels. Thousands of families in rural as well as urban areas will benefit from more sustainable land use, clean water and reduced pollution as they develop their ability to manage environmental resources.

Since 1995, USAID has provided funding to the American University of Beirut (AUB) to equip and organize its Core Environmental Laboratory and to establish an inter-disciplinary research, teaching, and outreach program comprised of public health, engineering, and agricultural professionals. The laboratory gives AUB the capacity to test water, soil and hazardous substances; monitor air pollution; and provide policy and technical leadership on some of Lebanon's most pressing environmental problems. The program also established a Water Resources Center to study the country's surface and subsurface water resources, which will provide needed data and analysis to decision-makers. Under its economic agricultural sustainability pilot activity, AUB is analyzing farming systems in the Yammouneh region to determine an optimum cropping pattern for new crops that are economically feasible, marketable, and environmentally sound. If successful, this could be replicated in other areas.

Beginning in 1997, USAID included environmental activities under the rural community development program, focusing on integrated water resource management activities (mainly solid/liquid waste disposal and treatment pilot projects). These have benefits at both the national and community levels by demonstrating low-cost methodologies for waste disposal and treatment, as well as productive agriculture that is environmentally sustainable. Sustained community action and dissemination of the results and methods are showing that local solutions can be replicated on a national scale.

In 1998, USAID integrated a new humanitarian demining initiative within this objective. The activity builds on Department of Defense physical demining support provided to the Lebanese Armed Forces (LAF) by focusing on awareness and prevention of landmine injuries, as well as landmine victims' assistance, through a consortium of nongovernmental organizations (NGOs) and community-based organizations.

**Key Results:** Limited resources have prevented this objective from reaching its full potential; there was no FY 2000 obligation for this program. Despite this, USAID, through its private voluntary organization partners, has begun educating communities about environmental problems and improving their capabilities to manage environmental conditions in a more efficient way. USAID partners have also pioneered some innovative solutions that can be replicated by the Lebanese government and other donors. For example, since 1998, USAID has completed five waste management projects in rural clusters, one of which is considered by experts as truly innovative and efficient; it is drawing attention from numerous other communities.

Through its landmines accident prevention program, USAID has pioneered techniques for increasing awareness of landmines and treating landmine victims. USAID also financed a comprehensive nationwide survey of landmine victims and locations that now serves as the basis for national demining operations. The survey also indirectly supports military efforts to remove landmines through cooperation, advice and

exchange of data and information. The ultimate goal is the clearing of minefields and the reopening of currently unusable land for development and agricultural production.

**Performance and Prospects:**

*The information provided below is illustrative.*

AUB Environmental Activities: *The proposed FY 2001 obligation is $500,000 ESF.* Implementation of AUB activities is being delayed in order to refocus the program away from academia and toward research results that can influence private and public decision-making for the country at large. The program also needs to improve its analytic substance and community outreach. To do this, USAID funds will be used to link the university more closely to community development needs in areas of environmental management, water resources, and agriculture. It is important that AUB use the full potential of the Core Environmental Laboratory and Water Resources Center to establish linkages with other USAID activities that require expert technical advice and community outreach.

Environmental Activities in Rural Clusters: *The proposed FY 2001 obligation is $5.5 million ESF.* Environmental activities at the community level include building or restoring retaining walls, reforestation, upgrading potable and irrigation water systems, improving road drainage, tackling community waste disposal problems with low-cost technologies, and introducing new crops that serve both income and environmental objectives. The program has begun demonstrating a number of low-cost solutions to both solid and liquid waste problems, and is enlisting other donors in the effort. These technologies are becoming a popular alternative to the government's large, expensive, and mostly unfunded plans. For these reasons, USAID will invest the proposed funds to expand these activities, enlisting donors and other partners in an effort to reach those rural areas where the need for water and wastewater management projects is critical.

Humanitarian Demining: *The proposed FY 2001 obligation is $500,000 ESF.* The humanitarian demining program is unique in having successfully set the basis for cooperation over landmine issues between Lebanese Armed Forces special units and the Humanitarian Demining Office representing local NGOs and community-based organizations. The information system on landmine victims and locations now covers the entire country, including areas in South Lebanon and West Bekaa that were under occupation. This database is the sole, comprehensive source of information on landmine issues in Lebanon. USAID's broad experience in helping landmine victims and their families, coupled with the Israeli withdrawal from the South, has created an urgent need for further assistance. A pilot victims assistance center in Jezzine, home to Lebanon's largest number of landmine deaths and injuries, will help victims in treatment, rehabilitation, and economic reintegration. These resources will expand awareness, institutional strengthening and networking activities in other mine-affected areas of Lebanon.

**Possible Adjustments to Plans:** USAID is considering investing up to $1 million in water conflict resolution and pollution abatement activities in FY 2001, depending on developments in South Lebanon and the Lebanese government's plans for promulgating national industrial and air pollution standards. On water issues, the South has abundant water resources but a lack of water management schemes, due to more than 20 years of occupation and neglect. Resettlement and economic revitalization depend largely on the peaceful exploitation and management of water resources—at the village, cluster, and possibly transboundary levels. On pollution activities, industries will likely need help in complying with standards and meeting the upcoming challenges of globalization. Similarly, Lebanon's three new air quality laboratories could benefit from assistance that links scientific data with public policy.

**Other Donor Programs:** The World Bank and other donors have assessed environmental problems and proposed programs for coastal resources management, solid waste management, wastewater treatment, and national reserves. The Bank has provided $55 million for a solid waste management project to construct landfills in seven different locations. However, this project was put on hold in 1998. The Italian government has some small to medium wastewater management projects; the United Nations Development Program provides modest support to local organizations to deal with solid waste problems. United Nations agencies are increasingly involved in humanitarian demining. USAID is encouraging them to use the mine

awareness and survey experience afforded by local NGOs and universities. The U.S. Department of Defense supports physical removal of mines with training and equipment for the LAF engineering regiment.

**Principal Contractors, Grantees, or Agencies:** USAID supports AUB's Environmental Lab and Water Resources Center; and Mercy Corps International, Catholic Near East Welfare Association, the Young Men's Christian Association, the Cooperative Housing Foundation, and Creative Associates International, Inc. for rural cluster environmental activities. All of these activities are carried out in close coordination with the Ministries of Environment, Water and Energy, Agriculture and Interior, as well as with local municipalities. The World Rehabilitation Fund is carrying out education, organization, information, and victims assistance work on demining with the LAF, the Ministry of Health, Balamand University, and a consortium of local NGOs and community based organizations. Water conflict management activities would likely engage a contractor through the Asia and Near East Bureau's regional water resource disputes activity. Partners have not yet been identified for the air and industrial pollution activities.

**FY 2002 Performance Table**

**Lebanon: 268-001**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Number of informal sector loans delivered - total transactions | NA | 9,871 | 13,154 | 22101 | 17,300 | 33798 | 45162 |
| Indicator 2: Families accessing new and/or improved social infrastructure | NA | 27,866 | 28387 | 44391 | 25365 | 24470 | 16078 |
| Indicator 3: Incremental number of hectares irrigated; cultivated; improved; or accessed | NA | 7838 | 6625 | 4533 | 5735 | 5520 | 4537 |
| Indicator 4: Number of informal sector loans delivered - loans out | NA | 3,963 | 2,709 | 5880 | 7800 | 11850 | 16692 |
| Indicator 5: Number of informal sector loans delivered - loans out | NA | 3,963 | 2,709 | 5880 | 7800 | 11850 | 16692 |
| Indicator 6: Milk produced from USDA cows | NA | 8,190,000 | 17,173,520 | 19940900 | 21,621,000 | 28167000 | 33657000 |
| Indicator 7: Incremental number of hectares irrigated; cultivated; improved; or accessed | NA | 7838 | 6625 | 4533 | 5735 | 5520 | 4537 |
| Indicator 8: Families accessing new and/or improved social infrastructure | NA | 27,866 | 28387 | 44391 | 25365 | 24470 | 16078 |
| Indicator 9: Number of informal sector loans delivered - total transactions | NA | 9,871 | 13,154 | 22811 | 17,300 | 33798 | 45162 |
| Indicator 10: Milk produced from USDA cows | NA | 8,190,000 | 17,173,520 | 19940900 | 21,621,000 | 28167000 | 33657000 |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | Number of loans provided to low income entrepreneurs. | NGOs and banks | Indicator measures the total number of loans issued (total transactions). |
| Indicator 2: | IR | Number of beneficiary families who are using new schools and health centers or consuming piped clean water to their houses. | NGO's shared reporting system | Indicator reflects the results of activities affecting the social environment in rural villages: construction or rehabilitation of health/community centers, potable water systems & sewage networks, protected and cleaner roads ... For the purpose of giving a fair picture of the progress of work and performance, the number of beneficiary families has been inflated. In some cases, it does exceed the number of inhabitants in the village. Benefits may accrue on the same family more than once. Thus, families benefiting twice or more from different activities, are counted twice or more. Data is based on the cumulative number of families affected by the diverse activities under social infrastructure. However, when mission reports on the number of families revitalized, under indicator 1.1, the result will reflect the number of families which is equal to the number of inhabitants. |
| Indicator 3: | IR | Hectares | NGO's shared reporting system | Indicator reflects the results of a set of activities aimed at improving production in hectares of land under cultivation, or accessing new lands for cultivation through installation or rehabilitation of irrigation networks, opening/improving agricultural roads, and building terraces. |

| | | | | |
|---|---|---|---|---|
| Indicator 4: | IR | Number of loans provided to low income entrepreneurs. | NGOs and banks | Indicator measures the total number of beneficiaries (active clients) at the end of the reporting period (loans outstanding). |
| Indicator 5: | IR | Number of loans provided to low income entrepreneurs. | NGOs and banks | Indicator measures the total number of beneficiaries (active clients) at the end of the reporting period (loans outstanding). |
| Indicator 6: | IR | Total volume of milk per year (liters) | Ministry of agriculture records & reports of project coordinator. | Average production of USDA cows is estimated at 20 liters of milk per day. Calendar year for cows production is estimated at 350 days. Indicator reflects the production of 3269 cows and the incremental production of 5,000 cows over 2000 - 2003. |
| Indicator 7: | IR | Hectares | NGO's shared reporting system | Indicator reflects the results of a set of activities aimed at improving production in hectares of land under cultivation, or accessing new lands for cultivation through installation or rehabilitation of irrigation networks, opening/improving agricultural roads, and building terraces. |
| Indicator 8: | IR | Number of beneficiary families who are using new schools and health centers or consuming piped clean water to their houses. | NGO's shared reporting system | Indicator reflects the results of activities affecting the social environment in rural villages: construction or rehabilitation of health/community centers, potable water systems & sewage networks, protected and cleaner roads ... For the purpose of giving a fair picture of the progress of work and performance, the number of beneficiary families has been inflated. In some cases, it does exceed the number of inhabitants in the village. Benefits may accrue on the same family more than once. Thus, families benefiting twice or more from different activities, are counted twice or more. Data is based on the cumulative number of families affected by the diverse activities under social infrastructure. However, when mission reports on the number of families revitalized, under indicator 1.1, the result will reflect the number of families which is equal to the number of inhabitants. |
| Indicator 9: | IR | Number of loans provided to low income entrepreneurs. | NGOs and banks | Indicator measures the total number of loans issued (total transactions). |
| Indicator 10: | IR | Total volume of milk per year (liters) | Ministry of agriculture records & reports of project coordinator. | Average production of USDA cows is estimated at 20 liters of milk per day. Calendar year for cows production is estimated at 350 days. Indicator reflects the production of 3269 cows and the incremental production of 5,000 cows over 2000 - 2003. |

**FY 2002 Performance Table**

**Lebanon: 268-002**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Information system is operative | NA | 30 | 120 | 120 | 100 | 150 | 300 |
| Indicator 2: Professional staff provide policy analysis for members and committees as needed | NA | 0 | 1 | 2 | 2 | 5 | 5 |
| Indicator 3: Central / intermediate agencies disseminating information related to government | NA | 0 | 1 | 2 | 2 | 4 | 10 |
| Indicator 4: Municipalities have adopted and are using the automated budget system | NA | 0 | 1 | 46 | 50 | 100 | 150 |
| Indicator 5: Central / intermediate agencies disseminating information related to government | NA | 0 | 1 | 2 | 2 | 4 | 10 |
| Indicator 6: Professional staff provide policy analysis for members and committees as needed | NA | 0 | 1 | 2 | 2 | 5 | 5 |
| Indicator 7: Municipalities have adopted and are using the automated budget system | NA | 0 | 1 | 46 | 50 | 100 | 150 |
| Indicator 8: Information system is operative | NA | 30 | 120 | 120 | 100 | 150 | 300 |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | Number of beneficiary municipalities | Procurement record; system records | Indicator reflects the number of municipalities that received technical training and appropriate equipment to enhance their administrative capabilities. |
| Indicator 2: | IR | Number of studies | Parliament journal, Parliament records | Indicator reflects results of studies on budget aimed at improving the decision making process of parliamentary committees. Several recommendations are being prepared to modify laws affecting national and municipal budget. |
| Indicator 3: | IR | Number of agencies | Municipalities/Agencies records; Staff survey, Procurement records; Agencies' annual report. | Indicator depicts results of SUNY/CLD work with the Government Accounting Office and the Civil Service Board to coordinate budgetary improvements and to enhance the methods of administrative actions. |
| Indicator 4: | IR | Number of municipalities | Municipalities' records published in official Gazette; Member survey; Staff survey. | Indicator reflects results of work with 46 municipalities that have started using the Automated Budget System. |
| Indicator 5: | IR | Number of agencies | Municipalities/Agencies records; Staff survey, Procurement records; Agencies' annual report. | Indicator depicts results of SUNY/CLD work with the Government Accounting Office and the Civil Service Board to coordinate budgetary improvements and to enhance the methods of administrative actions. |
| Indicator 6: | IR | Number of studies | Parliament journal, Parliament records | Indicator reflects results of studies on budget aimed at improving the decision making process of parliamentary committees. Several recommendations are being prepared to modify laws affecting national and municipal budget. |

| | | | | |
|---|---|---|---|---|
| Indicator 7: | IR | Number of municipalities | Municipalities' records published in official Gazette; Member survey; Staff survey. | Indicator reflects results of work with 46 municipalities that have started using the Automated Budget System. |
| Indicator 8: | IR | Number of beneficiary municipalities | Procurement record; system records | Indicator reflects the number of municipalities that received technical training and appropriate equipment to enhance their administrative capabilities. |

**FY 2002 Performance Table**

**Lebanon: 268-005**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Number of villages known to change or initiate activities to improve or maintain the condition of water resources. | NA | 42 | 44 | 40 | 42 | 42 | 40 |
| Indicator 2: Number of new clients requesting environmental analyses | NA | 24 | 56 | 66 | 36 | 48 | 60 |
| Indicator 3: % lab capacity used for environmental analyses | NA | 0.05 | 0.3 | 0.56 | 0.5 | 0.65 | 0.75 |
| Indicator 4: Number of individuals accessing landmines related information and awareness activities | NA | 258157 | 859779 | 862669 | 300000 | 350000 | 350000 |
| Indicator 5: Number of individuals accessing landmines related information and awareness activities | NA | 258157 | 859779 | 862669 | 300000 | 350000 | 350000 |
| Indicator 6: Number of new clients requesting environmental analyses | NA | 24 | 80 | 66 | 36 | 48 | 60 |
| Indicator 7: Number of villages known to change or initiate activities to improve or maintain the condition of water resources. | NA | 42 | 44 | 40 | 42 | 42 | 40 |
| Indicator 8: % lab capacity used for environmental analyses | NA | 0.05 | 0.3 | 0.56 | 0.5 | 0.65 | 0.75 |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | Number of villages undertaking one or more environmental activities. Nb. Have changed to reflect annual results instead of cumulative. | NGO's consolidated reporting system | This indicator counts villages that are undertaking integrated activities affecting their environment. They include a combination of interrelated activities: solid/waste water treatment, potable water treament, reforestation, prevention from erosion, environmental/sanitation campaigns ... |
| Indicator 2: | IR | Clients. Numbers have been modified to reflect annual results instead of cucmulative. | American University of Beirut records | American University of Beirut laboratory contribution to improved environmental practices, is not just reflected through the increase in number of analyses per year, that may be conducted for the same clients, but also through the increase in the number of new clients requesting technical assistance. The year 2000 results reflect an increase of 5 -6 clients per month. |
| Indicator 3: | IR | Percentage based on annual increase in lab productivity | Lab schedules and American University of Beirut reports | Indicator depicts lab capacity through quantitative measurement of lab. productivity. |
| Indicator 4: | IR | Individuals targeted in the awareness campaigns and participants from community groups. Nb. Have changed to reflect annual results instead of cumulative. | WRF; CBO's; Landmines Resource Center | Indicator reflects results of activities targeting population groups at risk of landmine injuries as well as the general public. Activities encompass awareness campaigns and professional meetings/seminars in villages; community based advocacy programs involving 40 local CBO's (Community Based Organizations); surveys on landmines related information conducted all over Lebanese territory; and newsletters and newspaper articles. |

| | | | | |
|---|---|---|---|---|
| Indicator 5: | IR | Individuals targeted in the awareness campaigns and participants from community groups. Nb. Have changed to reflect annual results instead of cumulative. | WRF; CBO's; Landmines Resource Center | Indicator reflects results of activities targeting population groups at risk of landmine injuries as well as the general public. Activities encompass awareness campaigns and professional meetings/seminars in villages; community based advocacy programs involving 40 local CBO's (Community Based Organizations); surveys on landmines related information conducted all over Lebanese territory; and newsletters and newspaper articles. |
| Indicator 6: | IR | Clients. | American University of Beirut records | American University of Beirut laboratory contribution to improved environmental practices, is not just reflected through the increase in number of analyses per year, that may be conducted for the same clients, but also through the increase in the number of new clients requesting technical assistance. The year 2000 results reflect an increase of 5 -6 clients per month. |
| Indicator 7: | IR | Number of villages undertaking one or more environmental activities. Nb. Have changed to reflect annual results instead of cumulative. | NGO's consolidated reporting system | This indicator counts villages that are undertaking integrated activities affecting their environment. They include a combination of interrelated activities: solid/waste water treatment, potable water treament, reforestation, prevention from erosion, environmental/sanitation campaigns ... |
| Indicator 8: | IR | Percentage based on annual increase in lab productivity | Lab schedules and American University of Beirut reports | Indicator depicts lab capacity through quantitative measurement of lab. productivity. |

# LEBANON
## FY 2002 STRATEGIC OBJECTIVE SUMMARY
**(in thousands of dollars)**

| SO Number | SO Title<br>Fund Account | FY 1999 | FY 2000 | FY 2001 | FY 2002 |
|---|---|---|---|---|---|
| 268-001 | Reconstruction and Expanded Economic Opportunity | | | | |
| | - DA | 0 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 10,000 | 14,100 | 22,920 | 20,000 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 268-002 | Increased Effectiveness of Selected Institutions That Support Democracy | | | | |
| | - DA | 0 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 1,050 | 900 | 5,481 | 7,000 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 268-005 | Improved Environmental Practices | | | | |
| | - DA | 500 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 1,000 | 0 | 6,478 | 5,000 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| SO Totals | | | | | |
| | - DA | 500 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 12,050 | 15,000 | 34,879 | 32,000 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |

| | U.S. Financing (In thousands of dollars) | | |
|---|---|---|---|
| **Program: Lebanon**<br>**Title and Number: Summary of Lebanon Financing pages** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1998 | 500 DA | 0 DA | 500 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 36,081 ESF | 18,287 ESF | 17,794 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 1999 | 0 DA | 0 DA | |
| | 0 CSD | 0 CSD | |
| | 15,094 ESF | 2,693 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 1999 | 500 DA | 0 DA | 500 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 51,175 ESF | 20,980 ESF | 30,195 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | 0 | |
| | 0 CSD | 0 | |
| | 0 ESF | 0 | |
| | 0 SEED | 0 | |
| | 0 FSA | 0 | |
| | 0 DFA | 0 | |
| Planned Fiscal Year 2000 NOA | 0 DA | 0 | |
| | 0 CSD | 0 | |
| | 34,879 ESF | 0 | |
| | 0 SEED | 0 | |
| | 0 FSA | 0 | |
| | 0 DFA | 0 | |
| Total Received Fiscal Year 2000 | 0 DA | 0 | |
| | 0 CSD | 0 | |
| | 34,879 ESF | 0 | |
| | 0 SEED | 0 | |
| | 0 FSA | 0 | |
| | 0 DFA | 0 | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2001 NOA | 0 DA | 0 DA | 500 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 32,000 ESF | 33,000 ESF | 151,054 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Lebanon** | | | |
| **Title and Number: Reconstruction and Expanded Economic Opportunity, 268-001** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 30,359 ESF | 15,791 ESF | 14,568 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 0 DA | |
| | 0 CSD | 0 CSD | |
| | 14,119 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 44,478 ESF | 15,791 ESF | 28,687 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 22,920 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 22,920 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 20,000 ESF | 20,000 ESF | 107,398 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Lebanon** | | | |
| **Title and Number: Increased Effectiveness of Selected Institutions That Support Democracy, 268-002** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 2,046 ESF | 1,227 ESF | 819 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 0 DA | |
| | 0 CSD | 0 CSD | |
| | 975 ESF | 286 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 3,021 ESF | 1,513 ESF | 1,508 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 5,481 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 5,481 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 7,000 ESF | 7,000 ESF | 22,502 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Lebanon** | | | |
| **Title and Number: Improved Environmental Practices, 268-005** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 500 DA | 0 DA | 500 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 3,676 ESF | 1,269 ESF | 2,407 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | DA | 0 DA | |
| | 0 CSD | 0 CSD | |
| | 0 ESF | 2,407 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 500 DA | 0 DA | 500 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 3,676 ESF | 3,676 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 6,478 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 6,478 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 500 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 5,000 ESF | 6,000 ESF | 21,154 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

**MOROCCO**

| Program Summary (In Thousands of Dollars) | | | | |
|---|---|---|---|---|
| **Category** | **FY 1999 Actual** | **FY 2000 Actual** | **FY 2001 Estimated** | **FY 2002 Request** |
| Development Assistance | 8,008 | 7,250 | 5,685 | 6,185 |
| Development Fund for Africa | 0 | 0 | 0 | 0 |
| Child Survival & Disease Fund | 2,826 | 3,000 | 4,902 | 4,628 |
| Freedom Support Act Funds | 0 | 0 | 0 | 0 |
| SEED Act Funds | 0 | 0 | 0 | 0 |
| Economic Support Funds | 0 | 0 | 0 | 0 |
| P.L. 480 Title II | 0 | 0 | 591 | 0 |
| P.L 480 Title III | 0 | 0 | 0 | 0 |
| **Total Program Funds** | **10,834** | **10,250** | **11,178** | **10,813** |

**Mission Director, James Bednar**

# MOROCCO

## Introduction.

Morocco is a stable U.S. ally in the Middle East. In 1998, King Hassan II appointed an opposition government and embarked on a historic program of decentralization and political and economic reform. In July 1999, King Mohammed VI ascended the throne upon the death of his father. Since assuming his new dual office as monarch and leader of the Islamic faith in Morocco, King Mohammed has sent clear signals of commitment to transparency, democracy, economic and social development, and the rule of law. During the past 18 months, through changes in key ministries and other actions to advocate literacy, basic education, and women's rights, the King continues to challenge the new government to advance policies on human rights, healthcare, education, and social development. As successful as the political and social evolution has been, Morocco's democracy remains fragile. The need for strong and continued U.S. support for Morocco's efforts has never been greater. USAID's resources are targeted at promoting four out of six U.S. national interests listed in the Mission Performance Plan—open markets, broad-based economic growth, population, and democracy—as well as two of USAID's priority areas—broad-based economic growth and global health and family planning.

## Development Challenge.

Morocco is a country of contrasts and dualistic development. Debilitating urban and rural poverty coexist alongside modern urban centers. Morocco's per capita income was estimated at $1,280 in 1998, classifying it as a lower/middle-income country. Yet, Morocco's social statistics are those of a much poorer, less-developed country.

Morocco's urban and rural areas contrast dramatically in access to adequate water, sanitation, housing, education, economic growth opportunities, and social services. Given the fact that nearly half of Morocco's population lives in under-served rural areas, the most immediate development challenge is assuring equitable distribution of economic opportunities, access to basic social services, and participation in the decision-making process in all regions of the country.

In cooperation with its development partners, Morocco has achieved significant progress in opening markets to agricultural exports, facilitating the expansion of small- and medium-size enterprises, and changing its economic and administrative policies to create an environment more conducive to increased private investment. Yet, progress has been slow and insufficient to put the country on the sustainable high-growth path necessary to meet an increased demand for jobs and social services. More importantly, Morocco's economy has yet to alter its dependence on rainfall and agriculture. Rounding out this challenging economic picture is Morocco's large foreign debt. The Government of Morocco (GOM) has negotiated relief and debt swaps with some donor nations. At the same time, the GOM has forgiven the debts of many of its African neighbors.

Water has a primary position in Morocco's short- and long-term development, both in terms of availability and quality. The GOM has embarked on an ambitious program to increase the supply of water by building dams. However, this effort is reaching its limits as increasing population and rising demand from the agricultural and industrial sectors put pressure on available resources. In addition, industrial and urban pollution and rapid rates of soil erosion in certain parts of the country are further diminishing the availability of water resources. The World Bank estimates that, if trends continue, Morocco will become a water deficit country by the year 2020.

To respond to this threat, the GOM has developed a national strategy for environmental protection and sustainable development that emphasizes improved management of water demand and preventing the further degradation of existing water resources. Working in close partnership with the GOM, USAID's program is demonstrating impressive results. For example, the annual water savings in the irrigated perimeter of Tadla, where USAID introduced laser leveling and other water conservation measures, is

about 200 million cubic meters—enough water to supply the annual needs of a city the size of Fez. This success is serving as a model for government and donor replication of USAID-tested technologies in other areas of Morocco.

With USAID's assistance, Morocco has achieved outstanding results in reducing fertility and mortality of children under five, and its system for providing reproductive healthcare now serves as a model for other countries. Nonetheless, issues remain that pose significant challenges for Morocco to attain self-sufficiency in healthcare delivery. While progressively reducing its financial support, USAID is helping the Ministry of Health to develop sustainable solutions to these problems.

USAID has had notable success in basic education, particularly with policy-reform efforts at the national and provincial levels of government. This success has helped USAID's rural model schools—focused on girls' education—to become examples for other donors to emulate. Nonetheless, Morocco's poor statistics in school attendance and retention and extremely high illiteracy rates indicate that the country still is a long way from achieving the minimum levels expected of a low/middle-income country.

**Other Donors.**

Donor assistance to Morocco totals about $1 billion per year, in the form of loans, loan guarantees, and commercial credit that primarily finances infrastructure development. The largest multilateral donor programs in Morocco are those of the World Bank, the European Union, and the African Development Bank. Regarding bilateral donors, U.S. grant assistance ranks fourth, behind Japan, Germany, and France. In spite of this ranking, USAID will continue to play a far more significant role than its program size indicates. For example, USAID is perceived as the leading donor in microenterprise development, family planning, and water resources management.

**FY 2002 Program.**

USAID will continue to support the GOM's efforts to stimulate economic growth by improving the environment for private sector investments. In the important area of water, continuing and new activities will focus on improving water quality for household use, treating and reusing water discharges for agricultural purposes, and creating an intersectoral, public-private sector river basin agency. In the education and health sectors, USAID will continue ongoing activities, focusing on consolidating gains and promoting sustainability. In one geographic region, USAID combines resources from each strategic and special objective to promote cross-sectoral themes of gender and public-private partnerships. The focus of these activities at the regional and subregional levels is building the capabilities of civil society and local government leaders to participate effectively in decision-making for the financing and delivery of social services at all levels.

In addition to the bilateral program, USAID has several other activities in Morocco. The Global Bureau has activities to strengthen the rule of law; advocate for women's rights and legal rights; promote female equity in education; and promote the increased use of voluntary family planning practices to reduce fertility.

Two USAID regional programs—the Regional Middle East Democracy Fund and the North Africa Regional Trade and Investment Initiative—provide resources for a small democracy and governance program, as well as regional economic growth activities. In the democracy program, USAID is providing management and advocacy skills training to Moroccan nongovernmental organizations; court administration training for the Ministry of Justice; ethics training; women's rights and awareness seminars for women's associations; and a pilot decentralization program. Regional economic growth activities focus on building the capacity of Morocco's telecommunications regulatory agency and improving the structural and administrative climate for private investors.

## ACTIVITY DATA SHEET

**PROGRAM:** Morocco
**TITLE AND NUMBER:** Reduced Fertility and Improved Health of Children Under Five and Women of Childbearing Age, 608-001
**STATUS:** Closed
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** None.
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** None.
**INITIAL OBLIGATION:** FY 1993 **ESTIMATED COMPLETION DATE:** September 2000

**Summary:** This strategic objective has exceeded impact targets to date and was the last planned bilateral program in the health and population sector. With USAID assistance, over the past several decades Morocco has achieved outstanding results in reducing fertility and mortality of children under five. Therefore, USAID completed its financial support to the sector while helping the Moroccan Ministry of Health (MOH) consolidate the gains it has achieved and assure sustainability of the program.

**Key Results:** The program was designed to achieve the reduction in fertility and improvement in the health of women and children, and to assure sustainability of the program beyond direct USAID support for service delivery. Overall targets were reductions in the total fertility rate and infant mortality rate, and increases in the contraceptive prevalence rate. Four intermediate results were needed to achieve these objectives: 1) greater access to quality family planning/maternal and child health (FP/MCH) services responsive to client demand; 2) improved policy environment supporting expansion of FP/MCH services; 3) reinforced capacity to manage FP/MCH programs in a decentralized demand-driven mode; and 4) diversification of the resource base financing the delivery of FP/MCH services.

**Performance and Prospects:** FY 2000 was characterized by high-paced implementation as USAID, MOH and their partners worked to consolidate gains and complete activities planned under this final bilateral agreement. The intense level of activity has directly benefited intermediary beneficiaries, especially health care workers, as well as the ultimate customers, women and children.

By the completion of this objective, the MOH had in place most of the necessary elements of a fully functioning national FP/MCH program: 1) a nationwide network of service providers and facilities; 2) an adequate contraceptive logistics system and the ability to project needs and procure commodities; 3) appropriate pre-service and in-service training programs; 4) a strong national information, education and communications program; 5) the basic tools for a modern nationwide data management and health surveillance system; 6) an active private sector with two self-financing socially marketed contraceptives (oral and condoms); 7) successful local models ready for replication in both emergency obstetric care and integrated management of childhood illnesses and 8) a burgeoning non-governmental civic sector including active professional associations for physicians, nurses, and midwives.

USAID assistance in the new special objective (608-007) will focus on priority interventions essential to achieve sustainability of these and other critical activities of the FP/MCH program.

**Possible Adjustments to Plans:** None.

**Other Donor Programs:** USAID works with the Ministry of Health to encourage funding by other donors for key population and health activities. Other donors supporting work in this sector in Morocco include the World Bank, the European Union, the United Nations Fund for Population Activities, the World Health Organization, and the United Nations Children's Fund.

**Principal Contractors, Grantees, or Agencies:** John Snow Incorporated (JSI) is the primary institutional contractor for the bilateral program, with subcontractors University Research Corporation and Johns Hopkins University. In addition, various cooperating agencies provided technical assistance via

field support to Global Bureau programs, including INTRAH; University of North Carolina with Tulane University and JSI; International Science and Technology Institute with Helen Keller International; The Partnership for Child Health; Deloitte Touche and Tomatsu with Population Services International and the Meridian Group; and Johns Hopkins University.

**ACTIVITY DATA SHEET**

**PROGRAM:** Morocco
**TITLE AND NUMBER:** Increased Opportunities for Domestic and Foreign Investment,* 608-005
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $2,685,000 DA
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $2,685,000 DA
**INITIAL OBLIGATION:** FY 1999 **ESTIMATED COMPLETION DATE:** FY 2005

**Summary:** The Government of Morocco (GOM), headed by Prime Minister Youssoufi and King Mohammed VI, has outlined an ambitious program of social and economic reforms to help accelerate and broaden the process of economic development in Morocco. The priorities of the government include administrative reform (with an emphasis on the administration of justice), small and medium enterprise (SME) development, anticorruption, gender equality, and education. The government seeks to establish a policy and regulatory framework that will help to attract private investment and an institutional capacity to support private enterprises.

USAID will support the GOM in its efforts to stimulate broad-based economic growth by implementing activities that will help accelerate the pace of legal and regulatory reforms; remove or reduce constraints to productive investment; strengthen institutions that support private-sector expansion; and enhance opportunities for SME development. Primary beneficiaries are disadvantaged Moroccans and entrepreneurs (particularly small, micro, and female) who will gain business and employment opportunities, low-cost housing, skills training, and access to otherwise unavailable financial resources.

**Key Results:** Key results for FY 2000 included the expansion of microcredit services to the Moroccan people; the adoption of a national charter for SME development; the creation of a small business monitoring unit in the National Statistics Directorate; completion of the Investors Roadmap diagnostic phase; and the instigation of a number of new activities. The latter included capacity-building assistance to industry associations and to the commercial court in Agadir; a new microfinance activity for housing; a one-stop business registration center; and assistance for administrative reform to streamline the process by which public land is allocated for private investment.

**Performance and Prospects:** There are two key components to this activity: Improved Policy, Administrative and Regulatory Framework for the Private Sector; and Strengthened Institutional Capacity to Foster Private Enterprise (including microenterprise financing through specialized microfinance institutions and commercial banks).

*In FY 2001, USAID will obligate $955,000 to the policy administration component.* These funds will be used to support the commercial policy reform program of the Ministry of Justice; to review the framework of laws and regulations governing business transactions and provide alternative models of commercial jurisprudence; and to finance participatory planning and gender activities in a target region in Southern Morocco.

*USAID will obligate $1,730,000 to the improved institutional capacity component*. These funds will be used to continue efforts to strengthen business associations in the southern target region through the provision of training, technical assistance, and information technology; to implement new microfinance (including microfinance for housing) and SME initiatives; to fund a continuing initiative to enhance transparency and efficiency at a pilot commercial court in Agadir; and to finance capacity-building of community-based organizations through ongoing cooperative agreements with the Near East Foundation and Catholic Relief Services.

---

*Previously notified as Increased Opportunities for Domestic and Regional Trade and Investment.

Although most economic growth activities are gender neutral, USAID has integrated gender considerations throughout the economic growth strategy and has designed activities to maximize gender impacts.

**Possible Adjustments to Plans:** Three factors will affect the progress of the plan: 1) the level of funding available in future years; 2) continued progress on administrative reform; and 3) the use of Development Credit Authority as an alternative source of funds. In addition, ongoing donor coordination in the justice sector commercial policy analysis activity may lead to adjustments.

**Other Donor Programs:** Donor activity is significant, supporting structural adjustment, macroeconomic policy reform, infrastructure development, financial sector reform, related institutional policy reform, and assistance to specific sectors such as agriculture, fisheries, and education. The World Bank is the preeminent donor in structural adjustment and financial market development. The European Union, the European Investment Bank, France, Japan, and Germany are other major donors in support of the private sector.

**Principal Contractors, Grantees, or Agencies:** Primary contractors include the U.S. organizations Volunteers in Technical Assistance; The Services Group; PricewaterhouseCoopers; and Chemonics.

| **Selected Performance Measures:** | **Baseline (1998)** | **Actual (1999)** | **Actual (2000)** | **Target (2001)** |
|---|---|---|---|---|
| Investor's Roadmap | | | | |
| - Progress toward admin. reform | 0% | 2.5% | 10% | 20% |
| Microfinance Intermediaries: | | | | |
| - Volume of microcredit loans | 10,300 | 42,000 | 55,000 | 65,000 |
| - Percent of population in the Souss-Massa-Draa region with access to microcredit through formal sources | 0% | 2.5% | 10% | 20% |

**ACTIVITY DATA SHEET**

**PROGRAM:** Morocco
**TITLE AND NUMBER:** Improved Water Resources Management in the Souss-Massa River Basin, 608-006
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $1,500,000 DA ($1,000,000 NOA and $500,000 in FY 2000 carryover funds)
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $1,500,000 DA
**INITIAL OBLIGATION:** FY 1999 **ESTIMATED COMPLETION DATE:** FY 2005

**Summary:** One of the major development challenges facing Morocco is management of its water resources on a sustainable basis. Two-thirds of its agricultural exports are produced by irrigated agriculture, which uses 90% of the nation's captured freshwater resources. Planned expansion of Morocco's network of dams can increase the supply of water by perhaps one-fourth, but projected doubling of the population over the next 30 years will result in massive decreases in per capita availability unless fresh water is managed more effectively. Underlying these economic considerations for improving water resources management are issues of health and social welfare. Inadequate supply of potable water and sanitation is a major household burden and cause of disease that limits productivity, economic efficiency, and educational opportunities. To prevent a water-induced crisis in Morocco, fundamental changes in water availability and use, based on equitable and transparent decisions involving the participation of community groups, the private sector, and water users associations, are essential.

USAID has worked to improve water resources management in the agricultural, urban, and industrial sectors since 1992. These activities included work in the areas of improved irrigation efficiency, watershed management, water quality control, municipal water and sanitation services, and training for municipal officials in financial management and environmental planning.

Starting in 1999, USAID entered a new phase of water resources management under the Improved Water Resources Management in the Souss-Massa River basin objective. The keystone of this objective is the 1995 law decentralizing financial and planning authority for water resources to river basin agencies (RBAs). With FY 2001 funding, USAID will take advantage of this law to accelerate activity implementation by strengthening a partnership for water management among public and private groups in the Souss-Massa River basin.

USAID selected the Souss-Massa River basin as the most promising site to establish model institutions because it brings together the pressing elements of scarcity, pollution, and competing demands. Abundant freshwater is crucial not only to hotels, golf courses, and urban development, but also to fishing and other industries that support the local economy. Large amounts of water representing 90 percent of the total demand sustain irrigated citrus and vegetable crops grown for local and export markets. With FY 2001 funding, this activity will help partners in the region to form technical groups to introduce improved policies and technologies, and consequently to help all water partners to initiate the transition to decentralized and integrated water management practices.

**Key Results:** The program will improve institutional capacity for integrated water resources management; decentralize decision-making on water availability and use; improve integration and collaboration among the various agencies and regional/local governments on water management issues; increase use of sustainable practices and water-saving technologies; and establish a participatory culture for water management involving nongovernmental organizations (NGOs), and public-private partnerships.

**Performance and Prospects:** In FY 2001, USAID plans to obligate $1.5 million ($1 million New Obligation Authority and $500,000 in FY 2000 carryover) to help the residents of the Souss-Massa region continue creating a participatory culture involving all stakeholders. The objective has three main

components. First, seven pilot projects will be launched (approximately $900,000). Many of these pilot projects will disseminate management and technical practices from previous water projects, including appropriate irrigation technologies, water conservation measures, soil erosion control, municipal water and sewerage provision, and participatory approaches to design, implementation, and management. The pilot project will standardize the collection of data on water quantity and quality and create a shared data inventory.

Second, with the official decree for the creation of the Souss-Massa RBA in November 2000, the activity will assist the new RBA to become operational, autonomous, and sustainable. This will involve training of RBA staff and setting financial, administrative, and operational procedures in place. In 2001, representatives of the key agencies making up the RBA will participate in a study tour to the U.S. to observe how the state of California manages its water resources and resolves conflicts between users and managers. Approximately $50,000 will be devoted to this activity, mainly for short-term technical assistance.

Third, in FY2001 USAID will obligate $550,000 to fund a dissemination and replication of best practices program to reduce water pollution from industrial and municipal liquid waste and to control soil erosion. These funds will be combined with approximately $2 million in Section 416(b) local currency generations to expand proven soil erosion control practices to the entire river basin of the Nakhla watershed, and to introduce similar methods to the Souss-Massa river basin.

**Possible Adjustments to Plans:** None.

**Other Donor Programs:** Local governments and NGO partners participate financially and support complementary interventions. The World Bank is supporting the creation of an RBA in another major watershed in Morocco (Oum Errabia/Tadla). Others nations, especially France, Italy, Japan and Germany, continue to fund community-based water use and management activities.

**Principal Contractors, Grantees, or Agencies:** The U.S. firm Development Alternatives, Inc. is the principal implementer. Other U.S. and Moroccan companies, universities, and NGOs will be identified to provide short-term assistance or to work as subcontractors.

**Selected Performance Measures:** These measures have been revised to better measure improved management of water resources, as opposed to biophysical conditions such as the increased volume of water treated.

| | **Baseline (2000)** | **Planned (2000)** | **Actual (2000)** | **Target (2001)** |
|---|---|---|---|---|
| Progress toward adoption of key policy reforms (percent completed) | 0% (1999) | 5% | 12% | 26% |
| Number of critical enabling conditions achieved to improve water resources management in the Souss-Massa River Basin (e.g., water resource databases and information are shared; the RBA adopts policies and prepared implementation plans to address at least two critical water issues) | 0 | 0 | 1 | 1 |
| Number of best technical, institutional, and community participation practices (e.g., irrigation techniques) disseminated to stakeholders in target areas. | 0 | 0 | 0 | 2 |

**ACTIVITY DATA SHEET**

**PROGRAM:** Morocco
**TITLE AND NUMBER:** Key Interventions Promote Sustainability of Population, Health and Nutrition Programs, 608-007
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $2,000,000 DA; $3,414,000 CSD
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $2,000,000 DA; $3,100,000 CSD
**INITIAL OBLIGATION:** FY 1999 **ESTIMATED COMPLETION DATE:** FY 2004

**Summary:** The goal of this objective is to help the Government of Morocco (GOM) maintain the current high levels of family planning, immunizations, and other priority public health services once USAID support to the sector ends in 2004. To accomplish this, USAID will help the GOM increase the effectiveness of the public health system and facilitate a shift to private sector providers by clients who are able to pay for these services. Until this year, USAID was the major donor for the Ministry of Health's (MOH) efforts to improve child health, expand family planning services, and assist in other aspects of reproductive health. With this assistance, Morocco achieved outstanding results in reducing fertility and the mortality of children under five, results that now serve as a model for other countries. Nonetheless, there remain significant challenges to sustainability. Rural Morocco is at least 10 years behind the rest of the country in health status indicators, and healthcare financing continues to be an issue.

Under this objective, USAID is helping the MOH consolidate the gains it has achieved and develop innovative solutions to unresolved problems, while progressively reducing USAID financial support. This program encourages greater involvement of partners at the local level and in the private sector to diversify the resource base and move problem solving from the central level toward the local level. The fact that the funding levels of this objective are 70% lower than in previous agreements highlights USAID's commitment to sustainability and phase-out.

**Key Results:** The program promotes sustainability with results in two main areas. The first expected result is a model of decentralized management of primary healthcare services in the regions of Souss-Massa-Draa and Tangier-Tetouan. The approach involves local women in collaboration with the MOH, local elected officials, NGOs and other community associations, and the private sector in the planning and delivery of quality reproductive and child health services. For this regional model, USAID will use DA funds to address relevant policy issues and reinforce the quality, management, and delivery of reproductive health service. Child survival funds will be used to strengthen primary healthcare services and systems and to address specific issues in child morbidity and mortality, including deficiencies in Vitamin A and other micronutrients.

The second key result is increased access to reproductive and child health services in the private sector. DA funds will be used to support relevant policy reform, social marketing of contraceptive products, and activities to improve the capacity of general practice physicians to provide quality reproductive health services at a reasonable price. Child survival funds will be used to support social marketing of oral rehydration salts and promote consumption of micronutrient-enriched food products.

**Performance and Prospects:** In FY 2001, $2,700,000 in CSD funds will be used to strengthen primary healthcare services and to address child mortality. Maternal and newborn care, including emergency obstetric care, will be a special focus of this activity. An additional $300,000 in FY 2001 CSD funds will be used to fight micronutrient deficiencies through promotion of Vitamin A and iron consumption, fortification of key foods, and community-level behavior change initiatives. Under this component, $1,400,000 in FY 2001 DA funding will be used to improve reproductive healthcare in the two regions, with improved counseling for family planning, outreach to remote areas, and management of reproductive health services.

The second main activity will be to promote the increased use of the private sector for reproductive and child health services. USAID will use $494,000 in CSD funds (including FY 2000 carryover funds) to support social marketing of oral rehydration salts, promote consumption of micronutrient-enriched food products, and increase the quality and availability of private medical services and products for child healthcare. A total of $600,000 in DA funds will be used in FY 2001 to increase the quality and availability of private medical services and products for reproductive healthcare. This will include working with private physicians to orient their services more toward preventive family practice rather than strictly curative care.

**Possible Adjustments to Plans:** No changes are anticipated in FY 2001. Based on performance results after two years, there may be some changes in indicators or activities proposed in FY 2002.

**Other Donor Programs:** Morocco is still donor dependent, with over 40% of the reproductive health program estimated to be donor funded. Beginning in FY 2000, The European Union overtook USAID as the largest donor in the sector. The World Bank plays a very significant role as a lender. The United Nations Children's Fund and United Nations Population Fund also play important roles. USAID is working with the MOH to facilitate expansion of successful models by these donors as well as to establish links with private U.S. foundations, including the Bill and Melinda Gates Foundation, which has begun funding several health activities in Morocco.

**Principal Contractors, Grantees, or Agencies:** USAID's principal counterpart is the MOH. Other partners in Morocco include local and international private voluntary organizations, NGOs, and professional associations. U.S. partners include John Snow Inc.; the Commercial Markets Strategy Project; Micronutrient Operational Strategies and Technologies; The Centre for Development and Population Activities; Catholic Relief Services; and the Near East Foundation. USAID also is working with Helen Keller International to implement community-level interventions to address micronutrient deficiencies and trachoma eradication.

**Selected Performance Measures:**

| | **Baseline (1997)** | **Actual (1998)** | **Actual (1999)** | **Actual (2000)** | **Target (2001)** |
|---|---|---|---|---|---|
| Contraceptive use, modern methods[1] | 49% | 49% | 49% | 49% | 49% |
| Percent of couple years of protection (CYPs) from private sector[2] | 32% | 32% | 33% | 6% | 41% |
| Improved policy environment (completion of five reforms)[3] | N/A | N/A | 0% | 13% | 36% |

[1] Baseline from 1997 PAPCHILD national survey; next survey planned 2002. Goal is maintenance of existing levels despite a reduction of over 70% in USAID support to the sector.
[2] Based on annual data from USAID's social marketing program and NGOs, validated by independent market survey.
[3] This indicator was revised in 1999 to reflect new targets when the performance-monitoring plan was finalized and approved. The five policy reforms concern host government financing of contraceptives and vaccines, co-financing of health activities in the two pilot regions, reducing barriers to private sector service delivery, and instituting quality standards for private sector care.

**ACTIVITY DATA SHEET**

**PROGRAM:** Morocco
**TITLE AND NUMBER:** Increased Attainment of Basic Education Among Girls in Selected Rural Provinces, 608-008
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $1,488,000 CSD
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $1,528,000 CSD
**INITIAL OBLIGATION:** FY 1996 **ESTIMATED COMPLETION DATE:** FY 2004

**Summary:** Developing a country's human resource base is central to achieving economic prosperity and political stability. Education is a crucial part of this equation. Morocco's poor social indicators are the product of large inequalities between urban and rural areas and between different segments of the country's population. Fundamental weaknesses in Morocco's education system hinder its ability to compete in the global market and to attract more foreign investments. Recognizing this weakness, Morocco's late King appointed a commission in 1999 that developed a charter for education and training. The first reform actions have been implemented this school year (2000-2001).

The Ministry of National Education (MNE) views USAID's technical leadership in the sector as critical to providing credibility to its strategy for the improvement of rural primary education. In 1994, the national net enrollment rate for all children in primary school was 62% (52% for girls and 72% for boys). Numbers are severely skewed in favor of urban areas. In terms of access to education, girls in rural areas are the most disadvantaged segment of the population, with only 27% of girls enrolled in school. While the MNE has made progress over the past two years in first grade enrollment overall (84%), the remaining challenge is to address the quality of education for increased retention.

USAID's objective is to increase the attainment of basic education for girls in selected primary schools in rural Morocco. USAID will support integrated activities that address supply and demand, as well as education management issues. This objective aims to (1) introduce behavioral change at the school and community level; and (2) improve the managerial skills of the staff of the provincial delegation of the MNE to enable them to take charge of the province's education problems.

**Key Results:** Over the past year, the girls' enrollment ratio for the 6th grade (in USAID-supported pilot schools) has increased by 4 percent, from 35% to 39%, exceeding the planned 37% target. This increase indicated that the system, particularly in the higher grades of the primary cycle, has become more gender sensitive. This objective has achieved its target for the indicator "Schools with improved facilities" that monitors the participation of the community in addressing school-related problems through the parent-teacher associations (PTAs). The increased participation of the PTAsis reflected in upgrades of school infrastructure and other improvements. USAID is a key partner in developing methodologies for the design of regional and local curricula for the teacher training colleges that are a key element of the MNE's reform agenda. Finally, activities under this objective have been expanded into three new provinces in the Souss-Massa-Draa region—Taroudant, Tiznit, and Zagora—to build synergies with other USAID objectives.

**Performance and Prospects:** By the end of FY 2001—the end of phase one of the Morocco Education for Girls (MEG) activity—activities under this objective will have developed, tested, and assessed interventions in five pilot provinces at the school, community, and provincial levels, which will form the basis for the design of Phase II. Pilot interventions to introduce information technology at teacher training colleges also will have been completed, as well as work in support of creating constituencies for girls' education. Also by the end of 2001, three additional provinces (all in the Souss-Massa-Draa) will have had one year of USAID assistance and collaboration, which will allow for additional testing and demonstration of new methodologies and processes that raise the quality of education.

USAID will use $1.488 million of CSD funds to support: 1) improvement of classroom dynamics through in-service training of teacher trainers, teachers, and administrators in student-centered teaching, multi-grade teaching, equity in the classroom, and lesson adaptation through computer-assisted teacher training; 2) strengthening of MNE capacity at the local, provincial, and national levels to collect and analyze education data, develop action plans, monitor progress, and replicate interventions; and 3) greater involvement of local communities, private sector entities, and nongovernmental organizations in girls' education.

One of the major weaknesses of the basic education system is the inadequacy of training provided at teacher training colleges. The system does not address key areas, such as student-centered learning, multigrade instruction, lesson adaptation, and especially equity in the classroom. Thus, USAID's technical work in basic education aims to create an enabling classroom and learning environment to increase the participation of girls in the education system.

Further, in support of MNE's charter for education and training, USAID activities will support the MNE in mobilizing local communities, local government, and other ministries to support their schools and assume greater responsibility for school-related decisions. These activities will also build broad-based national-level recognition of the importance of educating girls, and assist the MNE in carrying out its first information technology program.

**Possible Adjustments to Plans:** Based on a joint USAID–MNE assessment of Phase I of the MEG activity, modifications will be made to the contract defining mutually established priorities for Phase II. Phase II (October 2001 – September 2003) will concentrate on the institutionalization of successful inputs and replication of effective Phase I products and processes. In line with the MNE's reform priorities, USAID will focus on the decentralization of the education system, the quality of education, and teacher training.

**Other Donor Programs:** A number of donors are assisting the MNE. USAID and United Nations Children's Fund are coordinating support to new MNE methodologies for the design of regional and local curricula, respectively. The World Bank's Social Priorities Program continues to provide infrastructure upgrades and teacher training through training of trainers, using USAID-trained MNE personnel as trainers. France has the largest education program in Morocco, although assistance in support of primary education is a relatively small portion. The United Nations Educational, Social, and Cultural Organization is assisting Morocco with its follow-up to the recommendations of the Education for All Conference (Dakar 2000).

**Principal Contractors, Grantees, or Agencies:** Primary contractors for the activities include: Creative Associates International, Inc., with subcontractors Management Systems International (MSI) and Save the Children; the American Institute for Research, with MSI as its sub-contractor; and the Academy for Educational Development. The principal grantee is the Ministry of National Education.

**Selected Performance Measures:**

| | Baseline | Actual (2000) | Target (2001) | Target (2002) |
|---|---|---|---|---|
| Girls' enrollment ratio – grade 6 | 16% (1995) | 35% | 37% | 38% |
| Girls' enrollment ratio – grade 1 | 40% (1995) | 43% | 44% | 46% |
| Improved school environment | 30% (2000) | N/A | 55% | 60% |
| Families who meet with teachers | 5% (2000) | N/A | 26% | 30% |

**FY 2002 Performance Table**

**Morocco: 608-001**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Evidence of data-driven FP/MCH program action in focus regions/provinces (Agadir and Meknes). | NA | MET | MET | MET | NA | NA | NA |
| Indicator 2: Percent of Couple Years of Protection (CYP) from use of long-term (LT) methods in the public sector | 33 | 36 | 37 | 0.35 | NA | NA | NA |
| Indicator 3: Percent of Couple Years of Protection (CYP) from use of long-term (LT) methods in the public sector | 33 | 36 | 37 | 0.35 | NA | NA | NA |
| Indicator 4: Total Couple Years of Protection (CYPs) delivered by the commercial private sector as a proportion of all CYP delivered by public and private sectors | 33 | 34 | 37 | 0.36 | NA | NA | NA |
| Indicator 5: Policies/regulations supportive of improved FP/MCH services: access, quality and sustainability | 58 (a) | 55 (b) | 76 (b) | 0.92 | NA | NA | NA |
| Indicator 6: Total Couple Years of Protection (CYPs) delivered by the commercial private sector as a proportion of all CYP delivered by public and private sectors | 33 | 34 | 37 | 0.36 | NA | NA | NA |
| Indicator 7: Evidence of data-driven FP/MCH program action in focus regions/provinces (Agadir and Meknes). | NA | MET | MET | MET | NA | NA | NA |
| Indicator 8: Policies/regulations supportive of improved FP/MCH services: access, quality and sustainability | 58 (a) | 55 (b) | 76 (b) | 0.92 | NA | NA | NA |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | Determination as to whether benchmarks signalling the use of peripheral level management information systems (MIS) as a tool in decentralized management have been met or not met. | JSI Project reports from the field. | A qualitative measure of the active use of management information in support of the MOH decentralization process. The SO team determines whether a benchmark has been achieved through review of project reports and validation by field visits. Indicator Data Quality: Moderate 1996 Baseline: All FP/MCH statistics from provinces entered by hand and sent to central level for computer entry and analysis. Program targets for provinces established at central level. 1999 Target/Benchmark: Evidence of regular and accurate FP/MCH data entry and analysis. 1998 program actions reviewed for effectiveness and adjusted accordingly. At least three additional program actions per region taken based on data analysis. |
| Indicator 2: | IR | LT methods include VSC, IUDs, injectables and Norplant - percent | MOH Service Statistics (SNISSTAT) based on facility reports of commodities distributed | Public sector CYP from LT methods is the numerator, overall public sector CYP is the denominator. All years calculated using USAID 1997 conversion factors: IUDs = 3.5 CYPs; 15 cycles pills=1 CYP; 120 condoms = 1CYP; VSC = 8 CYPs; Norplant = 3.5 CYPs; 4 injectables (depo) = 1 CYP. Data is for Fiscal Year. Retroactive cleaning operations completed on 1998 data revealed that total CYP was over-estimated by about 9% (see corrected figures below). Last year's reported proportion of long term methods (36%), however, remains accurate. Indicator Data Quality: Moderate. Mission conducted site visits confirm public sector CYP data quality |

| | | | | |
|---|---|---|---|---|
| | | | | improvement from last year with variances between different levels now decreased to 8% or less. |
| Indicator 3: | IR | LT methods include VSC, IUDs, injectables and Norplant - percent | MOH Service Statistics (SNISSTAT) based on facility reports of commodities distributed | Public sector CYP from LT methods is the numerator, overall public sector CYP is the denominator. All years calculated using USAID 1997 conversion factors: IUDs = 3.5 CYPs; 15 cycles pills=1 CYP; 120 condoms = 1CYP; VSC = 8 CYPs; Norplant = 3.5 CYPs; 4 injectables (depo) = 1 CYP. Data is for Fiscal Year. Retroactive cleaning operations completed on 1998 data revealed that total CYP was over-estimated by about 9% (see corrected figures below). Last year's reported proportion of long term methods (36%), however, remains accurate. Indicator Data Quality: Moderate. Mission conducted site visits confirm public sector CYP data quality improvement from last year with variances between different levels now decreased to 8% or less. |
| Indicator 4: | IR | Percent - The numerator is total commercial sector CYPs (including USAID/CSM CYP's). CMS and commercial sector data do not include CYPs from VSC or condoms. The denominator is CYPs from both the public and commercial private sectors. | CMS project data, data from pharmaceutical industry on private sector sales, Moroccan Family Planning Association, and MOH statistics service | See unit of measure above. Indicator Data Quality: Private Sector data: Good (international standard for determining pharmaceutical sales); Public Sector data: Moderate (see description in Indicator 1) |
| Indicator 5: | IR | Percentage completion of 10 policy/regulatory reforms (see attachment). | PHR, JSI, MOH | Composite index of advancement in policy dialogue and implementation of measures both within the MOH and also in the wider policy arena, improving the provision of FP/MCH services. Indicator Data Quality: Moderate |
| Indicator 6: | IR | Percent - The numerator is total commercial sector CYPs (including USAID/CSM CYP's). CMS and commercial sector data do not include CYPs from VSC or condoms. The denominator is CYPs from both the public and commercial private sectors. | CMS project data, data from pharmaceutical industry on private sector sales, Moroccan Family Planning Association, and MOH statistics service | See unit of measure above. Indicator Data Quality: Private Sector data: Good (international standard for determining pharmaceutical sales); Public Sector data: Moderate (see description in Indicator 1) |
| Indicator 7: | IR | Determination as to whether benchmarks signalling the use of peripheral level management information systems (MIS) as a tool in decentralized management have been met or not met. | JSI Project reports from the field. | A qualitative measure of the active use of management information in support of the MOH decentralization process. The SO team determines whether a benchmark has been achieved through review of project reports and validation by field visits. Indicator Data Quality: Moderate 1996 Baseline: All FP/MCH statistics from provinces entered by hand and sent to central level for computer entry and analysis. Program targets for provinces established at central level. 1999 Target/Benchmark: Evidence of regular and accurate FP/MCH data entry and analysis. 1998 program actions reviewed for effectiveness and adjusted accordingly. At least three additional program actions per region taken based on data analysis. |
| Indicator 8: | IR | Percentage completion of 10 policy/regulatory reforms (see attachment). | PHR, JSI, MOH | Composite index of advancement in policy dialogue and implementation of measures both within the MOH and also in the wider policy arena, improving the provision of FP/MCH services. Indicator Data Quality: Moderate |

**FY 2002 Performance Table**

**Morocco: 608-002**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Number of municipalities with improved wastewater treatment, garbage collection, landfill management, greenspaces and recycling services | 14* | 24 | 33 | 38 | 35 | NA | NA |
| Indicator 2: Amount of water pollution in target areas | 10.4 | 35.7 | 54.5 | NA | NA | NA | NA |
| Indicator 3: Number of environment activities implemented with non-governmental partners | 14 | 30 | 42 | 69 | 25 | NA | NA |
| Indicator 4: Number of municipalities with improved wastewater treatment, garbage collection, landfill management, greenspaces and recycling services | 14* | 24 | 33 | 38 | 35 | NA | NA |
| Indicator 5: Number of municipalities with improved wastewater treatment, garbage collection, landfill management, greenspaces and recycling services: population | 1,950,000* | 2,718,000 | 3,010,100 | 3679000 | 3,006,500 | NA | NA |
| Indicator 6: Number of municipalities with improved wastewater treatment, garbage collection, landfill management, greenspaces and recycling services: population | 1,950,000* | 2,718,000 | 3,010,100 | 3679000 | 3,006,500 | NA | NA |
| Indicator 7: Amount of water pollution in target areas | 10.4 | 35.7 | 54.5 | NA | NA | NA | NA |
| Indicator 8: Progress towards adoption of 11 key reforms | 37 | 54 | 65 | 76 | 75 | NA | NA |
| Indicator 9: Number of environment activities implemented with non-governmental partners | 14 | 30 | 42 | 69 | 25 | NA | NA |
| Indicator 10: Progress towards adoption of 11 key reforms | 37 | 54 | 65 | 76 | 75 | NA | NA |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | Number (cumulative) | Urban Environmental Services (UES), Urban Environmental Credit (HG 004) and Contractor (TSS) reports. Also evaluation and monitoring site visits | We are focusing on municipalities with improved environmental services that benefit directly from the UES Activity and the Urban Environmental Credit Program (UECP) (formerly Housing Guaranty). Examples of how environmental services contribute to improved water resources management include: greenspaces located in natural drainage channels will decrease flooding risk and enhance rainfall infiltration; landfills will be controlled and pollution of groundwater by liquid contaminant leachates prevented. Indicator Data Quality: Very high |
| Indicator 2: | IR | Kg of excess nitrogen/ha - percent | TRM Contractor Reports | See comments. Indicator Data Quality: Good |
| Indicator 3: | IR | Number of Activities | TRM, WRS, and UES project reports and site visits | See comments Indicator Data Quality: Good |
| Indicator 4: | IR | Number (cumulative) | Urban Environmental Services (UES), Urban Environmental Credit (HG 004) and Contractor (TSS) reports. Also evaluation and monitoring site visits | We are focusing on municipalities with improved environmental services that benefit directly from the UES Activity and the Urban Environmental Credit Program (UECP) (formerly Housing Guaranty). Examples of how environmental services contribute to improved water |

| | | | | |
|---|---|---|---|---|
| | | | | resources management include: greenspaces located in natural drainage channels will decrease flooding risk and enhance rainfall infiltration; landfills will be controlled and pollution of groundwater by liquid contaminant leachates prevented. Indicator Data Quality: Very high |
| Indicator 5: | IR | Population (cumulative) | Urban Environmental Services (UES), Urban Environmental Credit (HG 004) and Contractor (TSS) reports. Also evaluation and monitoring site visits | We are focusing on municipalities with improved environmental services that benefit directly from the UES Activity and the Urban Environmental Credit Program (UECP) (formerly Housing Guaranty). Examples of how environmental services contribute to improved water resources management include: greenspaces located in natural drainage channels will decrease flooding risk and enhance rainfall infiltration; landfills will be controlled and pollution of groundwater by liquid contaminant leachates prevented. Indicator Data Quality: Very high |
| Indicator 6: | IR | Population (cumulative) | Urban Environmental Services (UES), Urban Environmental Credit (HG 004) and Contractor (TSS) reports. Also evaluation and monitoring site visits | We are focusing on municipalities with improved environmental services that benefit directly from the UES Activity and the Urban Environmental Credit Program (UECP) (formerly Housing Guaranty). Examples of how environmental services contribute to improved water resources management include: greenspaces located in natural drainage channels will decrease flooding risk and enhance rainfall infiltration; landfills will be controlled and pollution of groundwater by liquid contaminant leachates prevented. Indicator Data Quality: Very high |
| Indicator 7: | IR | Kg of excess nitrogen/ha - percent | TRM Contractor Reports | See comments. Indicator Data Quality: Good |
| Indicator 8: | IR | Percentage completion of 11 policy reforms | USAID project reports (WRS, TRM, UES) | Progress toward implementation of reforms is measured by percentage achievement of five phases (identification and analysis - 10%; development - 10%; validation, promotion, and training - 20%; adoption - 20%; implementation and enforcement - 40%. Indicator data quality: good. |
| Indicator 9: | IR | Number of Activities | TRM, WRS, and UES project reports and site visits | See comments Indicator Data Quality: Good |
| Indicator 10: | IR | Percentage completion of 11 policy reforms | USAID project reports (WRS, TRM, UES) | Progress toward implementation of reforms is measured by percentage achievement of five phases (identification and analysis - 10%; development - 10%; validation, promotion, and training - 20%; adoption - 20%; implementation and enforcement - 40%. Indicator data quality: good. |

**FY 2002 Performance Table**

**Morocco: 608-003**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Number of business licenses issued to SMEs - cumulative | 107,219 | 134,981 | 167,408 | NA | NA | NA | NA |
| Indicator 2: Number of microenterprises receiving loans through the formal credit system | 1,880 | 11,032 | 44,820 | NA | 55,000 | NA | NA |
| Indicator 3: Progress towards adoption of 15 key reforms | 69 | 86 | 94 | NA | 96 | NA | NA |
| Indicator 4: Number of business licenses issued to SMEs - cumulative | 107,219 | 134,981 | 167,408 | NA | NA | NA | NA |
| Indicator 5: Number of business licenses issued to SMEs - annual | 24,866 | 27,762 | 32,427 | NA | NA | NA | NA |
| Indicator 6: Amount loaned to microenterprises through the formal credit system | 451,200 | 2.75 million | 16.2 million | NA | 21 million | NA | NA |
| Indicator 7: Progress towards adoption of 15 key reforms | 69 | 86 | 94 | NA | 96 | NA | NA |
| Indicator 8: Number of business licenses issued to SMEs - annual | 24,866 | 27,762 | 32,427 | NA | NA | NA | NA |
| Indicator 9: Amount loaned to microenterprises through the formal credit system | 451,200 | 2.75 million | 16.2 million | NA | 21 million | NA | NA |
| Indicator 10: Number of microenterprises receiving loans through the formal credit system | 1,880 | 11,032 | 44,820 | NA | 55,000 | NA | NA |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | Number of SMEs registered by GOM: Cumulative | USAID project reports (NED) | Cumulative figures. Indicator data quality: good. |
| Indicator 2: | IR | Cumulative number of microenterprises | USAID Microenterprise Finance (MFA) special study, VITA contract reports, and AMSED (Moroccan NGO) reports | Cumulative figures of microenterprises served. Indicator Data Quality: Excellent |
| Indicator 3: | IR | % completion of 15 policy reforms | USAID project reports (NED, MAP, MFA, UES) | See background, below. Indicator Data Quality: Moderate |
| Indicator 4: | IR | Number of SMEs registered by GOM: Cumulative | USAID project reports (NED) | Cumulative figures. Indicator data quality: good. |
| Indicator 5: | IR | Number of SMEs registered by GOM: Annual | USAID project reports (NED) | Annual figures. Indicator Data Quality: Good |
| Indicator 6: | IR | Cumulative amount loaned ($) in average loan amount of $240 | USAID Microenterprise Finance (MFA) special study, VITA contract reports, and AMSED (Moroccan NGO) reports | Cumulative figures of microenterprises served.Indicator Data Quality: Excellent |
| Indicator 7: | IR | % completion of 15 policy reforms | USAID project reports (NED, MAP, MFA, UES) | See background, below. Indicator Data Quality: Moderate |
| Indicator 8: | IR | Number of SMEs registered by GOM: Annual | USAID project reports (NED) | Annual figures. Indicator Data Quality: Good |
| Indicator 9: | IR | Cumulative amount loaned ($) in average loan amount of $240 | USAID Microenterprise Finance (MFA) special study, VITA contract reports, and AMSED (Moroccan NGO) reports | Cumulative figures of microenterprises served.Indicator Data Quality: Excellent |
| Indicator 10: | IR | Cumulative number of microenterprises | USAID Microenterprise Finance (MFA) special study, VITA contract reports, | Cumulative figures of microenterprises served. Indicator Data Quality: Excellent |

| | | | | |
|---|---|---|---|---|
| | | | and AMSED (Moroccan NGO) reports | |

**FY 2002 Performance Table**

**Morocco: 608-004**

**Performance Measures:**

| Indicator | FY97 (Actual) | FY98 (Actual) | FY99 (Actual) | FY00 (Actual) | FY00 (Plan) | FY01 (Plan) | FY02 (Plan) |
|---|---|---|---|---|---|---|---|
| Indicator 1: Girls' enrollment ratio - 1st grade | NA | NA | 47 | 43 (for SpO 8) | NA | 44 (for SpO 8) | 46 (for SpO 8) |
| Indicator 2: Policies/measures supportive of improved basic education for girls | 2 | 19.1 | N/A* | NA | NA | NA | NA |
| Indicator 3: Participation intensity level | 1.11/1.03 | 1.44 | 2.39 | NA | NA | NA | NA |
| Indicator 4: Girls' enrollment ratio - 6th grade | NA | NA | 30 | 35 (for SpO 8) | NA | 37 (for SpO 8) | 38 (for SpO 8) |
| Indicator 5: Participation intensity level | 1.11/1.03 | 1.44 | 2.39 | NA | NA | NA | NA |
| Indicator 6: Girls' enrollment ratio - 1st grade | NA | NA | 47 | 43 (for SpO 8) | NA | 44 (for SpO 8) | 46 (for SpO 8) |
| Indicator 7: Policies/measures supportive of improved basic education for girls | 2 | 19.1 | N/A* | NA | NA | NA | NA |
| Indicator 8: Gross Completion Rate - 1st grade | NA | NA | 81 | 73 (for SpO 8) | 80 (for SpO 8) | 80 (for SpO 8) | 80 (for SpO 8) |
| Indicator 9: Gross Completion Rate - 1st grade | NA | NA | 81 | 73 (for SpO 8) | 80 (for SpO 8) | 80 (for SpO 8) | 80 (for SpO 8) |
| Indicator 10: Gross Completion Rate - 6th grade | NA | NA | 92 | 76 (for SpO 8) | 90 (for SpO 8) | 90 (for SpO 8) | 90 (for SpO 8) |
| Indicator 11: Girls' enrollment ratio - 6th grade | NA | NA | 30 | 35 (for SpO 8) | NA | 37 (for SpO 8) | 38 (for SpO 8) |
| Indicator 12: Gross Completion Rate - 6th grade | NA | NA | 92 | 76 (for SpO 8) | 90 (for SpO 8) | 90 (for SpO 8) | 90 (for SpO 8) |

**Indicator Information:**

| Indicator | Level (S) or (IR) | Unit of Measure | Source | Indicator Description |
|---|---|---|---|---|
| Indicator 1: | IR | Percent calculated by dividing the total number of girls in each grade by the combined total number of boys and girls in each grade. - 1st grade. | Pilot school enrollment records | This indicator monitors girls as a percent of all students enrolled in grades 1-6 as of the official annual fall school census. Indicator Data Quality: Good |
| Indicator 2: | IR | Percentage completion of 6 policy objectives explained below | Indicatior Dropped | NA |
| Indicator 3: | IR | Mean number of participatory activities | Indicator Dropped | NA |
| Indicator 4: | IR | Percent calculated by dividing the total number of girls in each grade by the combined total number of boys and girls in each grade. - 6th grade | Pilot school enrollment records | This indicator monitors girls as a percent of all students enrolled in grades 1-6 as of the official annual fall school census. Indicator Data Quality: Good |
| Indicator 5: | IR | Mean number of participatory activities | Indicator Dropped | NA |
| Indicator 6: | IR | Percent calculated by dividing the total number of girls in each grade by the combined total number of boys and girls in each grade. - 1st grade. | Pilot school enrollment records | This indicator monitors girls as a percent of all students enrolled in grades 1-6 as of the official annual fall school census. Indicator Data Quality: Good |
| Indicator 7: | IR | Percentage completion of 6 policy objectives explained below | Indicatior Dropped | NA |
| Indicator 8: | IR | Percent calculated by dividing the number of girls who completed grade 1 successfully by the number of girls who begin grade 1. | Pilot school promotion records | This indicator monitors girls who are promoted from each grade as a percent of girls who are enrolled in each grade. Indicator Data Quality: Good |
| Indicator 9: | IR | Percent calculated by dividing the number of girls who completed grade 1 successfully by the number of girls who begin grade 1. | Pilot school promotion records | This indicator monitors girls who are promoted from each grade as a percent of girls who are enrolled in each grade. Indicator Data Quality: Good |
| Indicator 10: | IR | Percent calculated by dividing the | Pilot school promotion records | This indicator monitors girls who are promoted from each grade as a |

| | | | | |
|---|---|---|---|---|
| | | number of girls who completed grade 6 successfully by the number of girls who begin grade 6. | | percent of girls who are enrolled in each grade. Indicator Data Quality: Good |
| Indicator 11: | IR | Percent calculated by dividing the total number of girls in each grade by the combined total number of boys and girls in each grade. - 6th grade | Pilot school enrollment records | This indicator monitors girls as a percent of all students enrolled in grades 1-6 as of the official annual fall school census. Indicator Data Quality: Good |
| Indicator 12: | IR | Percent calculated by dividing the number of girls who completed grade 6 successfully by the number of girls who begin grade 6. | Pilot school promotion records | This indicator monitors girls who are promoted from each grade as a percent of girls who are enrolled in each grade. Indicator Data Quality: Good |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Morocco** | | | |
| **Title and Number: Reduced Fertility & Improved Health for Children Under Five & Women of Child-Bearing Age, 608-001** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 37,051 DA | 33,862 DA | 3,189 DA |
| | 6,322 CSD | 2,900 CSD | 3,422 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 3,189 DA | |
| | 0 CSD | 2,955 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 37,051 DA | 37,051 DA | 0 DA |
| | 6,322 CSD | 5,855 CSD | 467 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 37,051 DA |
| | 0 CSD | 0 CSD | 6,322 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Morocco** | | | |
| **Title and Number: Increased Opportunities for Domestic and Foreign Investment, 608-005** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 472 DA | 0 DA | 472 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 3,219 DA | 237 DA | |
| | 0 CSD | 0 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 3,691 DA | 237 DA | 3,454 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 350 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 2,685 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 3,035 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 2,685 DA | 5,216 DA | 14,627 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Morocco** | | | |
| **Title and Number: Improved Water Resources Management in the Souss-Massa River Basin, 608-006** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 2,500 DA | 0 DA | 2,500 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 1,931 DA | 543 DA | |
| | 0 CSD | 0 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 4,431 DA | 543 DA | 3,888 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 500 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 1,000 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 1,500 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 1,500 DA | 5,541 DA | 12,972 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Morocco** | | | |
| **Title and Number: Key Interventions Promote Sustainability of Pop, Health and Nutrition Programs, 608-007** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 1,620 DA | 0 DA | 1,620 DA |
| | 380 CSD | 0 CSD | 380 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 2,994 DA | 1,920 DA | |
| | 1,500 CSD | 530 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 4,614 DA | 1,920 DA | 2,694 DA |
| | 1,880 CSD | 530 CSD | 1,350 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 80 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 2,000 DA | | |
| | 3,414 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 2,000 DA | | |
| | 3,494 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 2,000 DA | 850 DA | 9,464 DA |
| | 3,100 CSD | 1,550 CSD | 10,024 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Morocco** | | | |
| **Title and Number: Key Interventions Promote Sustainability of Pop, Health and Nutrition Programs, 608-007** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 1,620 DA | 0 DA | 1,620 DA |
| | 380 CSD | 0 CSD | 380 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 2,994 DA | 1,920 DA | |
| | 1,500 CSD | 530 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 4,614 DA | 1,920 DA | 2,694 DA |
| | 1,880 CSD | 530 CSD | 1,350 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 80 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 2,000 DA | | |
| | 3,414 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 2,000 DA | | |
| | 3,494 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 2,000 DA | 850 DA | 9,464 DA |
| | 3,100 CSD | 1,550 CSD | 10,024 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| | U.S. Financing (In thousands of dollars) | | |
|---|---|---|---|
| **Program: Morocco**<br>**Summary** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 41,643 DA | 33,862 DA | 7,781 DA |
| | 8,228 CSD | 2,900 CSD | 5,328 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 8,144 DA | 5,889 DA | |
| | 3,150 CSD | 5,323 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 49,787 DA | 2,700 DA | 47,087 DA |
| | 11,378 CSD | 2,368 CSD | 9,010 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 850 DA | | |
| | 100 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 5,685 DA | | |
| | 4,902 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 6,535 DA | | |
| | 5,002 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | 0 | **Future Obligations *** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 6,185 DA | 11,607 DA | 0 DA |
| | 4,628 CSD | 3,950 CSD | 24,958 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

**MOROCCO**
**FY 2002 STRATEGIC OBJECTIVE SUMMARY**
**(in thousands of dollars)**

| SO number | SO Title<br>Fund Account | FY 1999 | FY 2000 | FY 2001 | FY 2002 |
|---|---|---|---|---|---|
| 608-001 | Reduce Fertility and Imp Hlth for Children Under Five & Women of Child-bearing age | | | | |
| | - DA | 1,388 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 70 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 0 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 608-002 | Improved Water Resources Management in the Agric, Urban and Industrial Sectors | | | | |
| | - DA | 200 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 850 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 0 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 608-003 | Expand Base of Stakeholders in the Econ, Targeting People of Below-median Income | | | | |
| | - DA | 2,300 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 0 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 608-005 | Increased Opportunities for Domestic and Foreign Investment | | | | |
| | - DA | 0 | 3,250 | 2,685 | 2,685 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 0 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 608-006 | Improved Water Resources Management in the Souss-Massa River Basin | | | | |
| | - DA | 2,500 | 1,000 | 1,000 | 1,500 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 0 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 608-007 | Key Interventions Promote Sustainability of Population, Health and Nutrition Programs | | | | |
| | - DA | 1,620 | 3,000 | 2,000 | 2,000 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 380 | 1,500 | 3,414 | 3,100 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 0 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 608-008 | Increased Attainment of Basic Education Among Girls in Selected Rural Provinces | | | | |
| | - DA | 0 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 1,526 | 1,500 | 1,488 | 1,528 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 0 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| | SO Totals | | | | |
| | - DA | 8,008 | 7,250 | 5,685 | 6,185 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 2,826 | 3,000 | 4,902 | 4,628 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 0 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |

**WEST BANK AND GAZA**

| Program Summary (In Thousands of Dollars) | | | | |
|---|---|---|---|---|
| **Category** | **FY 1999 Actual** | **FY 2000 Actual \1** | **FY 2001 Estimated** | **FY 2002 Request** |
| Development Assistance | 0 | 0 | 0 | 0 |
| Development Fund for Africa | 0 | 0 | 0 | 0 |
| Child Survival & Disease Fund | 0 | 0 | 0 | 0 |
| Freedom Support Act Funds | 0 | 0 | 0 | 0 |
| SEED Act Funds | 0 | 0 | 0 | 0 |
| Economic Support Funds | 74,500 | 485,000 | 84,707 | 75,000 |
| P.L. 480 Title II | 0 | 0 | 0 | 0 |
| P.L 480 Title III | 0 | 0 | 0 | 0 |
| **Total Program Funds** | **74,500** | **485,000** | **84,707** | **75,000** |

\1 Includes $400 million from the Wye Supplemental.

**Mission Director, Larry Garber**

## WEST BANK AND GAZA

### Introduction.

The first nine months of 2000 were characterized by relatively open borders between the Palestinian areas and Israel, a high degree of cooperation between Israelis and Palestinians in the sphere of development, and an increasing level of trade and investment. By September 2000, the Palestinian economy had registered 7% growth for the year and Palestinian unemployment had decreased to approximately 11% (down from a high of 25% in 1996). Moreover, negotiations between Palestinians and Israelis regarding permanent status issues were ongoing and seemingly making progress, even if no agreement had yet been achieved.

On September 29, 2000, the *Al Aqsa Intifada* (uprising) began, resulting in a series of protracted closures by the Government of Israel, which has greatly limited the movement of people and goods between Israel and the West Bank and Gaza, and within the West Bank and Gaza. As a result, between September 2000 and February 2001, unemployment increased to approximately 40%, direct economic losses were estimated at 51% of Gross Domestic Product, and average poverty rates climbed by 50%. The United Nations estimates that by the end of 2001, approximately one out of two Palestinians will be living in poverty if no significant improvements take place in the current situation. Furthermore, the fiscal condition of the Palestinian Authority (PA) has deteriorated significantly as a result of the slowdown in economic activity, the increase in the cost of providing PA-supported services, and the refusal of Israel to transfer tax receipts owed to the PA. The PA has struggled to pay the salaries of civil servants and provide basic health and social services at a time when the PA's budget deficit has increased four-fold since September 2000.

During the next 12-24 month transition period, USAID's program of assistance will promote regional stability by addressing the humanitarian needs of the Palestinians living in the West Bank and Gaza and promoting select economic and democratic institutions.

### Status of Wye Funding.

In FY 2000, USAID provided approximately $45 million in Wye funds to improve community services in rural areas of the West Bank and Gaza; strengthen the rule of law; design border industrial estates; support a master's degree scholarship program; and enhance the health status of mothers and their children. These areas are consistent with the Congressional Notification submitted to Congress on Wye supplemental funding in November 1999. Following the outbreak of violence at the end of FY 2000, USAID suspended other activities previously notified as part of the Wye supplemental funding, including the Gaza seaport, Nablus-Jenin road, procurement of container scanners, a Department of Justice program to train prosecutors and civil police, and construction of border industrial estates. Funds for these projects are being reallocated to other activities.

In addition to ongoing annual assistance, USAID will provide $355 million of Wye funds during FY 2001 and FY 2002 to improve community services in additional villages and municipalities; to enhance the health of Palestinian mothers and their children in rural areas; to develop village water networks; to design and construct two wastewater treatment plants in the West Bank and one desalination plant in Gaza; to provide additional support for a master's degree scholarship program; to strengthen the capacity of the Palestinian Industrial and Free Zones Authority and other authorities responsible for promoting trade, and to design/refurbish local industrial estates; and to train lawyers, judges and prosecutors and improve the quality of Palestinian law schools.

### Development Challenge.

The USAID West Bank and Gaza program is designed to promote stability in the region, to improve the quality of life of Palestinians, and to contribute to long-term, sustainable development. Some of the basic constraints to development that have been exacerbated by the current uprising include nascent institutions of governance; limited modern infrastructure; limited natural resources, especially water;

geographic separation of the West Bank and Gaza; a rapidly expanding population; and a volatile political and security environment. The latter has constrained economic growth, curtailed investment, and increased poverty.

In response to these challenges, between FY 1996 and FY 1999, USAID concentrated resources in three strategic areas: water resources, private sector growth, and democracy/governance. Since FY 1999, USAID has increased support for two additional areas—maternal/child health and village-level community services. With Wye funding, higher education has also been added to the portfolio.

*Objective #1 (294-001): Expanded Economic Opportunities***.** As a result of the current crisis, leading economic indicators markedly declined between September 2000 and May 2001. USAID programs address constraints to private sector growth that are particularly important in this environment, specifically by increasing access to credit for small and microenterprises, expanding the local market share of Palestinian firms, and supporting the development of a comprehensive regulatory framework to promote commercial transparency.

*Objective #2 (294-002): Increased Access to and More Efficient Use of Scarce Water Resources.* A grossly inadequate supply of water for household consumption, agricultural production and industrial development, and an inadequate system for effectively eliminating water sewage, are major obstacles to long-term sustainable development in the West Bank and Gaza. The difficulty of bridging the gap between potential demand and available supply of water for Palestinians in the West Bank and Gaza is further exacerbated by anticipated high rates of population growth. Since 1996, USAID-funded activities have directly supported increasing the level of potable water in the West Bank and eliminating the presence of raw sewage from the streets of Gaza. Activities planned over the next several years under this objective are aimed at developing and implementing a long-term sustainable solution to the acute shortage of water through the construction of water wells and the development of a village water network, and addressing the sewage problem through the construction or expansion of several wastewater treatment plants.

*Objective #3 (294-003): More Responsive and Accountable Governance.* Following the establishment of the PA and the 1996 elections, USAID assisted the Palestinians to focus on further transition toward democratic self-rule through the establishment of a government system based on democratic checks and balances, and the development of accountable and transparent governance. As a result of the current crisis, USAID will focus increased resources on strengthening the management and programs of Palestinian civil society organizations. In addition, a program to strengthen the rule of law by supporting the judiciary and legal profession was initiated in FY 1999 and will be further supported in FY 2001 and FY 2002. Additional resources in FY 2001 and FY 2002 will be invested in improving the still nascent Palestinian institutions (e.g., civil society, Palestinian Council, and local governments).

*Objective #5 (294-005): Selected Development Needs Addressed.* Between 1996 and 2000, USAID responded to important political initiatives through this objective. For example, as a result of the Hebron Protocol in FY 1997, USAID funded the renovation of Shuhada Road, a main Palestinian thoroughfare in Hebron. In FY 2000, assistance was provided to design the Nablus-Jenin road. However, given the current situation, USAID is not planning to provide assistance for the construction of the road. In FY 2000, USAID also began to support higher education opportunities for Palestinians through a U.S.-based scholarship program. In FY 2001 and FY 2002, additional assistance will be provided to initiate a program of U.S.-based short-term training and internships for Palestinians and to establish an endowment mechanism to promote higher education opportunities for Palestinians over an expanded time horizon.

*Objective #7 (294-007): Maternal-Child Health Care Improvements Demonstrated.* The most serious health problems facing mothers and children in the West Bank and Gaza derive from high fertility with short birth intervals, along with weaknesses in clinical and outreach services. In FY 2000, USAID refurbished and equipped 25 rural health clinics under a pilot health project. In FY 2001 and FY 2002, USAID will expand maternal-child health activities to a greater number of rural villages and will also provide emergency assistance (e.g., medical supplies, training and equipment) to Palestinian health providers.

*Objective #8 (294-008): Community Services.* Inadequate access to basic services along with high unemployment and low income levels are factors that have lead to despair and frustration at the community level, and threatens to undermine popular support for peace initiatives. USAID support, through U.S. private voluntary organizations, local nongovernmental organizations, and public international organizations, will revitalize community-level infrastructure, improve basic services, and reach disadvantaged groups, while at the same time provide needed jobs in under-served communities.

**Other Donors.**

The U.S. Government, the European Union (EU), Germany, Japan, Norway, and the World Bank are the lead donors in the West Bank and Gaza. The Arab League has also provided significant assistance to the Palestinians. Notwithstanding the violence and impediments to program implementation resulting from Israeli closure measures imposed on and within the West Bank and Gaza, most donors have maintained their levels of assistance. However, there has been a shift in programming toward ameliorating high unemployment and rising rates of poverty, as well as responding to the emergency health situation. The World Bank, for example, has provided $12 million in immediate assistance to support emergency job creation activities, and the EU, Norway, the Netherlands, and Japan have provided support through the United Nations Relief and Works Agency. In addition, the EU and the Arab donor countries have provided budget assistance to the Palestinian Authority to address the large current budget gap.

**FY 2002 Program.**

The FY 2002 program has the following objectives:

1) Lending for small and microenterprises, support for Palestinian business organizations, development of infrastructure at two local industrial estates, technical assistance to strengthen the Palestinian Industrial and Free Zone Authority and the Palestinian Investment Promotion Agency, and policy initiatives to improve the legal and regulatory framework;

2) Development of new water supplies for household consumption and village water distribution systems, repairing and installing transmission/distribution and waste/storm water systems, and design and construction of two new wastewater treatment plants in the West Bank and one desalination plant in Gaza;

3) Enhancement of Palestinians' capacity to participate in and influence the governing process through support for local civil society organizations, and development of democratic institutions (the legislature, judiciary and local government entities) to better meet their needs in a transparent and efficient manner;

4) Improvements in maternal child health care services provision; and

5) Increased and improved community services responding directly to a range of priority service needs as defined by Palestinian communities; and selected development needs, including improved higher education through a U.S.-based scholarship program.

In addition to bilateral program activities, USAID's Bureau for Humanitarian Response implements a program in the West Bank/Gaza to demonstrate U.S. education and medical technologies and practices.

**ACTIVITY DATA SHEET**

**PROGRAM:** West Bank and Gaza
**TITLE AND NUMBER:** Expanded Economic Opportunities, 294-001
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE**: $ 3,650,000 ESF; $9,055,788 Wye*
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE**: $10,871,567 ESF
**INITIAL OBLIGATION:** FY 1996 **ESTIMATED COMPLETION DATE:** FY 2004

**Summary:** The Palestinian economy is characterized by high and fluctuating levels of unemployment and under-employment; limited access to labor markets in Israel; unreliable passage for manufactured inputs and final products, especially in times of border closures; limited regional trade; low productivity; constraints to credit, particularly for microenterprises; and an undefined legal and regulatory framework that undermines investor confidence.

As a result of stronger economic ties with Israel, improvements in the competitiveness of Palestinian exports, and greater commercial transparency, the Palestinian economy expanded by an impressive 7% in the first nine months of 2000. Increased foreign direct investment, decreased unemployment, and high trade levels were evident throughout that period. However, the recent unrest—resulting in decreased movement of Palestinian goods and labor—has raised unemployment to more than 40%, greatly decreased Palestinian exports, and reminded foreign investors of the volatile nature of this region.

The goal of USAID's program is to increase the availability of capital to Palestinian businesses and increase the efficiency, profitability and transparency of the Palestinian commercial sector. In response to the recent economic deterioration, USAID's economic growth program has increased support for small and microcredit programs and refocused existing activities to mitigate the losses associated with prolonged closure. By addressing these issues, USAID continues to promote the private sector as the key to long-term stability and growth in the West Bank and Gaza.

**Key Results:** USAID's private-sector program aims to achieve the following results: (1) increased small and micro-enterprise access to financial services; (2) increased access to markets by the industrial and service sectors; and (3) effective operation of selected economic regulatory institutions.

**Performance and Prospects:**

Micro-Finance: In FY 2000, USAID awarded a three-year, $5.5 million contract to a U.S. firm to support development of a sustainable micro-finance industry in the West Bank and Gaza. This assistance will train micro-credit workers to broaden the mix and reach of current micro-lending programs; establish a privately owned credit bureau; raise public awareness of micro-credit products; and assist existing/potential practitioners to identify and deliver new financial services to the poor, with an emphasis on women. In FY 2001, USAID will provide $1 million in FY 2000 carryover funds to support this activity. In FY 2002, USAID will provide $2 million in New Obligation Authority (NOA) to support this activity.

Small Grants Micro-Finance: In FY 2001, USAID will award a series of grants to support the work of U.S. and Palestinian non-governmental organizations (NGOs) to increase small business lending. Assistance will increase the availability of working capital loans, promote loans for new businesses, and make available funds to improve housing. In FY 2001, USAID will provide $1.8 million in FY 2000 carryover funds and $3 million in FY 2001 NOA to support this activity. In FY 2002, USAID will provide $2 million to support this activity.

Market Access Program: Since 1994, USAID has helped Palestinian firms by improving marketing practices, management and productivity. In FYs 2000-2002, USAID is implementing a business services strengthening program, increasing Palestinian participation in key trade fairs, developing and achieving

* Of the $17,200,000 FY 2000 ESF Wye Supplemental carryover, $9,055,788 is being notified for this activity. The remaining $8,144,212 was previously notified.

wide-spread approval for a private sector policy agenda, and providing additional support to Paltrade, a Palestinian NGO, to strengthen private-sector advocacy efforts. In FY 2001, USAID will provide $3.5 million in FY 2000 carryover funds and $650,000 in FY 2001 NOA to support these activities. In FY 2002, USAID will provide $4.1 million in NOA to support this activity.

Industrial Zone Development: USAID technical assistance and infrastructure financing made it possible to establish a border industrial estate in Gaza. In FY 2001, USAID will help identify up to five local industrial estates, and support the refurbishment, modernization, or, if necessary, expansion of two or more estates. USAID will also support capacity-building activities for the Palestinian Industrial and Free Zone Authority (the body responsible for promoting, maintaining, and regulating industrial estates) and the Palestinian Investment and Promotion Agency (the organization responsible for increasing foreign direct investment and expanding exports)**.** In FY 2001, USAID will provide $6,402 in FY 2000 carryover funds and $9 million in FY 2001 AND FY 2002 Wye funds to support these activities. No FY 2001 or FY 2002 NOA funds are planned for these activities.

Commercial Transparency/Improved Accounting and Auditing Practices: Beginning in 1996, USAID provided assistance to develop the commercial legal and regulatory framework in the West Bank and Gaza. In FY 2001 and FY 2002, USAID will continue to support the adoption of internationally accepted accounting and auditing standards by assisting in their development, promulgation, and integration into daily business practices through greater emphasis on continuing education and refining the university accounting and auditing curriculum. Assistance in FY 2001 and FY 2002 will strengthen the capacity of private accounting and auditing organizations, help define the requirements for professional licensing, and establish a process for peer review. In FY 2001, USAID will provide $768,000 in FY 2000 carryover funds to support these activities. In FY 2002, USAID will provide $1.32 million to support this activity.

Program Development and Support: In FY 2001, USAID will obligate $870,547 in no-year funds (deobligation/reobligation) and $234,921 in FY 2000 carryover funds to design new activities and support miscellaneous program expenses. In FY 2002, USAID will provide $1.45 million in NOA funds for these activities.

**Possible Adjustments to Plans/Wye Funding:** Because of the breakdown in relations between the Palestinians and Israelis, USAID intends to make several program changes related to Wye supplemental funds. In FY 2001 and FY 2002, up to $9 million in Wye supplemental funds will be used to design local industrial parks in the West Bank and Gaza and to strengthen the institutional capacity of the Palestinian Industrial and Free Zones Authority—the body responsible for managing, promoting, and regulating industrial zones.

The construction of the Jenin-Nablus Road will not take place in FY 2001. Furthermore, USAID will not support border industrial estates as notified in USAID's FY 2001 Budget Justification. As a result, $10 million will be reallocated from this sector to the health sector, and $1 million will be reallocated to expand the water resource program.

**Other Donor Programs:** Between 1994 and 2000, USAID provided a total of approximately $1 million to promote increased economic growth in the West Bank and Gaza. The European Union (EU) and the United Kingdom have funded programs providing loans to small businesses, excluding microenterprises. The World Bank has continued to support improvements in the Palestinian private-sector legal framework. Nonetheless, as a result of the economic deterioration stemming from the border closure, most new donor programs–including activities supported by the EU, Japan, and Arab states—focus on employment generation, support for those living under the poverty line, and economic revitalization. USAID continues to be a key donor in this sector.

**Principal Contractors, Grantees, or Agencies:** USAID is implementing these activities through U.S. firms (Development Alternatives, Inc.; The Services Group; The Barents Group; Deloitte Touche Tomatsu; Financial Markets International; and Chemonics), U.S. NGOs (Save the Children Federation), a Palestinian NGO (Paltrade), and the Palestinian private sector (local banks).

**ACTIVITY DATA SHEET**

**PROGRAM:** West Bank and Gaza
**TITLE AND NUMBER:** Greater Access to and More Effective Use of Scarce Water Resources, 294-002
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:**$60,380,000 ESF; $194,833,982 Wye*
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:**$47,250,000 ESF
**INITIAL OBLIGATION:** FY 1996 **ESTIMATED COMPLETION DATE:** FY 2005

**Summary:** The goal of USAID's water sector strategic objective is to increase the quantity and improve the quality of water available to Palestinians in the West Bank and Gaza. Availability of water for household consumption, agricultural production, and industrial development in the West Bank and Gaza is the lowest in the region and constitutes a major obstacle to sustainable economic growth and development for Palestinian populations.

In many parts of the West Bank and Gaza, the existing water supply system can only provide for average daily consumption of less than 50 liters per capita. By comparison, the World Health Organization has established a minimum per capita standard of 100 liters per day for small rural households. Effective long-term resolution of the water shortage problem in the West Bank and Gaza will require a combination of rapid development of new water sources and implementation of more effective and efficient water distribution and management systems. Achieving even the minimum per capita standard for Palestinian populations in the West Bank and Gaza is a daunting development challenge with significant implications for prospects of long-term economic growth and stability in the region.

The U.S. Geological Survey is implementing a multi-year activity to strengthen the Palestinian Water Authority's ability to collect and analyze water-related data.

**Key Results:** Activities funded under this objective contribute to three intermediate results: (1) increased water supply from conventional sources; (2) integrated management of water resources; and (3) implementation of market-oriented allocation mechanisms.

**Performance and Prospects:**

Phase I Water Resources Programming: Implementation of this objective is planned in three overlapping phases over a period of 10 years. The first phase began in FY 1996 after the signing of the Oslo agreement and was largely completed in FY 2000. No additional funds are required for this activity.

Phase II Water Resources Programming: A second generation of USAID funded activities to increase water supplies from conventional sources began in FY 1999. In FYs 2001–2002, USAID will support a "fast track" set of four new production wells in the West Bank, estimated to increase the combined annual level of available potable water by 9 million cubic meters, as well as a series of design and technical assistance activities aimed at improving the water management capacity of the Palestinian Water Authority. In FY 2001, USAID will provide $12 million in FY 2000 carryover funds and $28.3 million in FY 2001 New Obligation Authority (NOA) to support these activities. In FY 2002, USAID will provide $4 million in NOA to support this activity.

Coastal Aquifer Management Program: To promote integrated water management practices, USAID began implementing a Coastal Aquifer Management Program in Gaza in FY 1998 to reestablish the aquifer as a sustainable source of safe drinking water. In FY 2001 and FY 2002, the program will support development of innovative systems related to well system management, aquifer protection, non-conventional water supply (e.g., desalination), recharge of aquifers, and reuse of treated wastewater. In

* Of the $219,480,000 FY 2000 ESF Wye Supplemental carryover, $194,833,982 is being notified for this activity. The remaining $24,646,018 was previously notified.

FY 2001, USAID will provide $4.6 million in FY 2000 carryover funds and $7.73 million in FY 2001 NOA to support these activities. In FY 2002, USAID will provide $5 million in NOA to support this activity.

Phase III Water Resources Programming: In FY 2001 and FY 2002, USAID will continue to implement a similar integrated aquifer protection program for the West Bank that began in FY 2000. This plan includes interventions related to industrial waste management and wastewater treatment facilities in Hebron, and rural integrated waste (solid and water) management systems. In FY 2001 and FY 2002, USAID will continue to help municipalities strengthen their institutional capacity and improve services and maintenance in water related areas. In addition, in FY 2001 and FY 2002, USAID will initiate specific activities to improve the operations and maintenance capacity as well as administrative and planning systems of municipalities and utilities throughout the West Bank and Gaza. In FY 2001, USAID will provide $8 million in FY 2000 carryover funds and $24.35 million in FY 2001 NOA to support these activities. In FY 2002, USAID will provide $17.5 million in NOA to support these activities.

Village Water Program: USAID will develop a series of village water distribution networks to take advantage of USAID-funded wells and increased potable water supplies. USAID will repair existing water distribution systems or install new networks in order to increase the number of rural homes that have running water. In FY 2001, USAID will provide $30 million in Wye funds to support these activities. No FY 2001 NOA funds will be used to support this activity. In FY 2002, USAID will provide $5.6 million in NOA to support this activity.

West Bank Wastewater Treatment Plants: USAID will develop two wastewater treatment plants in the West Bank in order to address the problem of untreated waste. Currently, most of the waste in the West Bank is discharged into *wadis* (dry riverbeds) causing significant environmental damage. In FY 2001, USAID will provide $50 million in Wye funds to undertake these activities. No FY 2001 or FY 2002 NOA funds are required for this activity.

Gaza Desalination Plant: USAID will develop a water desalination plant in Gaza to address the severe shortage of potable water in Gaza and mitigate the affects of over-pumping of the main aquifer which currently supplies Gaza with the bulk of its water. In FY 2001, USAID will provide $59.8 million in Wye funds for this activity. No FY 2001 or FY 2002 NOA funds are required for this activity.

Gaza North-South Water Carrier: USAID will develop a main water carrier in Gaza to transport water throughout the Gaza Strip more efficiently. In FY 2001, USAID will provide $55 million in Wye funds to undertake this activity. No FY 2001 NOA funds are required for this activity. In FY 2002, USAID will provide $15.15 million in NOA to support this activity.

**Possible Adjustments to Plans/Wye Funding:** Because of the breakdown in relations between the Palestinians and Israelis, USAID intends to make several program changes related to Wye supplemental funds. USAID will use the Wye funding supplemental to support the North-South Water Carrier in Gaza, two wastewater treatment plants in the West Bank, a desalination plant in Gaza, and village water distribution activities.

**Other Donor Programs:** USAID is the lead donor in this sector. Since 1994, the water sector has been the largest recipient of international donor funding for the West Bank and Gaza. To date, water resources programming has totaled $430 million from all donors, of which USAID has provided $230 million. In FY 2001 and beyond, the USG will continue to play an essential leadership role. Other major donors in the sector include Germany, Norway, France, the United Kingdom, Japan, Italy, and the World Bank.

**Principal Contractors, Grantees, or Agencies:** Camp, Dresser & McKee; Metcalf & Eddy; Equipment Sales and Service Company; and CH2M Hill are the principal U.S. contractors. U.S. private voluntary organizations include Save the Children Federation and American Near East Refugee Aid.

**ACTIVITY DATA SHEET**

**PROGRAM:** West Bank and Gaza
**TITLE AND NUMBER:** More Responsive and Accountable Governance, 294-003
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE**: $10,579,507 ESF; $5,093,684 Wye*
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE**: $12,288,433 ESF
**INITIAL OBLIGATION:** FY 1996 **ESTIMATED COMPLETION DATE:** FY 2003

**Summary:** The exercise of basic freedoms such as free speech, venues for citizen input into the decision-making process, and transparent democratic decision-making continue to be key issues in the West Bank and Gaza. USAID is responding to critical governance needs and supporting Palestinian efforts to establish a democratic society. USAID supports nascent government structures, especially those related to constituent representation, rule of law and local government. Support is also provided to civil society organizations that represent citizen interests in public decision-making.

The democracy and governance portfolio includes activities that focus on the efficient and effective functioning of Palestinian Authority (PA) bodies and institutions as well as the strengthening of representative civil society organizations to constructively interact with these institutions. Additional support to strengthen the judiciary and legal profession will enhance the capacity of the judicial sector to safeguard the rights of Palestinians through due process mechanisms. A second phase local government program will help promote an enabling environment for decentralization.

**Key Results:** Four intermediate results contribute to this objective: (1) increased participation of civil society organizations in public decision-making and government accountability; (2) enhanced legislative capacity; (3) improved foundation for decentralized local government; and (4) enhanced judiciary system in place.

**Performance and Prospects:**

Strengthened Civil Society: In FY 2001 and FY 2002, USAID will broaden its support for civil society organizations that positively impact public decision-making by carrying out activities that strengthen the democratic process while providing needed services at the grassroots level. Assistance will promote increased civic and political participation of marginalized groups (e.g., women). In addition, USAID will give greater attention to capacity building among civil society organizations. Assistance will also be provided to U.S. and local nongovernmental organizations (NGOs) to improve the professionalism of local journalists, encourage the adoption of a suitable legal and regulatory framework for the media, and promote greater citizen participation through accurate reporting and news coverage. In FY 2001, USAID will provide $2.3 million in FY 2000 carryover funds and $9.4 million in FY 2001 New Obligation Authority (NOA) funds to support these activities. In FY 2002, USAID will provide $6.9 million in NOA funds to support these activities.

A More Responsive Palestinian Council: In FY 2001 and FY 2002, USAID will enhance the capability of the Palestinian Council (PC) to perform the functions of a legislative body. USAID will support the development of key administrative systems, increasing the PC's ability to draft and review legislation and enhancing its ability to review and monitor the Executive's budget and overall performance. USAID will also provide assistance to improve PC responsiveness to its constituents. In FY 2001, USAID will provide $1.3 million in FY 2000 carryover funds and $600,000 in FY 2001 NOA to support these activities. In FY 2002, USAID will provide $3.1 million in NOA to support this activity.

Decentralized Local Government: In FY 2000, USAID completed the first phase of planned activities in support of decentralized, democratic local governance. In FY 2001 and FY 2002, USAID plans to initiate a limited second phase, multi-year program to strengthen local governments. This program will be

* Of the $9,189,000 FY 2000 ESF Wye Supplemental carryover, $5,093,684 is being notified for this activity. The remaining $4,095,316 was previously notified.

undertaken in partnership with the Mission's community services and village water and sanitation programs, and will focus on helping selected communities implement improved systems for municipal management. No funding is required in FY 2001. In FY 2002, USAID will provide $1 million in NOA to support this activity.

Improved Rule of Law: In October 1999, USAID awarded a contract and grant to strengthen the rule of law. In FY 2001, training will be provided to judges, prosecutors, and staff, and new procedures will be developed and tested. In FY 2001 and FY 2002, USAID assistance will support the strengthening of the legal profession by improving the capacity of the Palestinian Bar Association and promoting greater adoption of Alternative Dispute Resolution methods. In FY 2001, USAID will provide $5.1 million in Wye funds to support these activities. No FY 2001 or FY 2002 NOA will be used for this activity.

Program Management Costs: USAID will require the assistance of program-funded staff in order to manage the activities contained in this strategic objective. In addition, USAID will design new activities directly supported by funds under this objective. USAID will provide $488,938 in FY 2000 carryover funds and $600,000 in FY 2001 NOA to support these activities. In FY 2002, USAID will provide $1.3 million in NOA to support this objective.

**Possible Adjustments to Plans/Wye Funding:** Because of the breakdown in relations between the Palestinians and Israelis, USAID intends to make several program changes related to Wye supplemental funds. USAID will not fund the Department of Justice activities to strengthen the judiciary or support the construction of court houses as notified in USAID's FY 2001 Budget Justification. This has resulted in a $25 million decrease in Wye funds to this sector. These funds will be reallocated to support increased programming in the water resources sector (under objective 294-002).

**Other Donor Programs:** While several donors support programs in the democracy and governance area, USAID has been a leader in the design and provision of assistance, especially in the area of civil society. The World Bank, United Kingdom (U.K.), Denmark, European Union (EU), and Australia are supporting initiatives related to legal reform and the justice sector that complement the areas in which USAID works. The U.K. provides limited assistance to the Palestinian Council. The World Bank, United Nations Development Program, EU and other donors support the development of local government entities.

**Principal Contractors, Grantees, or Agencies:** USAID is implementing this activity through U.S. contractors (Associates in Rural Development; World Learning; Chemonics International; and DPK), U.S. NGOs (Meridian International Center; AMIDEAST; Americas Development Foundation; International Republican Institute), and grants to local NGOs.

**ACTIVITY DATA SHEET**

**PROGRAM:** West Bank and Gaza
**TITLE AND NUMBER:** Selected Development Needs Addressed, 294-005
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE**: $5,007,493 ESF; $51,055,229 Wye
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE**: None.
**INITIAL OBLIGATION:** FY 1996 **ESTIMATED COMPLETION DATE:** FY 2002

**Summary:** Since 1996, this objective has comprised a series of short-term activities, primarily related to housing, local institution strengthening and emergency employment generation, that were initiated prior to the establishment of the USAID West Bank and Gaza strategy. These activities were completed by FY 1998. In late FY 1999, USAID funded two development interventions under this objective: community services delivery and maternal-child health. In FY 2000, strategic objectives were established to accommodate expanded levels of programming in each of these areas. Descriptions of the community service and health activities are provided in separate activity data sheets. Assistance to the Arab American University in Jenin was initiated in FY 2000.

**Key Results:** Results of people-to-people activities will be reported by the Department of State's Public Diplomacy Bureau. Results for the preliminary design of the Nablus-Jenin road will include a completed costing and design of an above-the-ground road infrastructure construction program.

**Performance and Prospects:**

Phase I Scholarship Program: In FY 2000, USAID moved its multi-sector higher education and training program from the economic growth objective (294-001) to "Selected Development Needs Addressed" (294-005). This program will provide masters level business education to qualified Palestinians to address the low number of skilled managers in key business sectors. In FY 2001, USAID will provide $1.75 million in Wye funds to support these activities. No FY 2001 or FY 2002 New Obligation Authority (NOA) funds will be required for this activity.

Phase II Scholarship Program: A Phase II scholarship program will be awarded in FY 2001 with Wye funds and implemented through FY 2004. This program will provide scholarships for up to 120 masters students in business**,** public administration**,** and other related fields and build on the successes of the Phase I program. Additional support in the field of higher education will also be provided in FY 2001. In FY 2001, USAID will provide $12.8 million in Wye funds to support these activities. No FY 2001 or FY 2002 NOA funds will be required for this activity.

Endowment for Improved Higher Education: In FY 2001 and FY 2002, USAID will develop an endowment mechanism that will provide multi-year funding to an ongoing U.S.-based scholarship program for Palestinians. In FY 2001, USAID will provide $25 million in Wye funds to support this activity. No FY 2001 or FY 2002 NOA funds will be required.

University Linkages Program: In FY 2000, USAID provided $1 million to a U.S. PVO, the Association Liaison Office for University Cooperation in Development, to strengthen university linkages between Palestinian and American universities. No FY 2001 or FY 2002 NOA funds will be required for this activity.

Short-Term Training and Internships Program: In FY 2001, USAID plans to initiate a five-year, $5 million short-term training and internship program. This activity will provide short-term technical training and business internships to a variety of qualified Palestinian managers. USAID will also provide funding to the Department of State to undertake a series of training programs for Palestinians. USAID will provide $4 million in FY 2001 NOA funds to support these activities. No FY 2002 NOA funds will be required for this activity.

Nablus-Jenin Road: In FY 2000, USAID provided about $1.7 million to undertake the 30% design of the Nablus-Jenin road. This road would connect two important commercial centers in the West Bank. In FY

2001, USAID will provide $1.5 million in Wye funds to complete the design work. There are no plans at this time to construct the road. No FY 2001 or FY 2002 NOA funds will be required for this activity.

Gaza Seaport: USAID provided $35,500 in FY 2000 to help create a plan for developing the Gaza seaport. No additional assistance will be provided in FY 2001 or FY 2002.

People-to-People: In FY 2001, USAID will transfer $10 million in Wye funds to the Department of State to support a series of people-to-people activities that will facilitate a greater understanding between Israelis and Palestinians. No FY 2001 or FY 2002 NOA funds will be required for this activity.

Program Management and Support: Approximately $1 million in FY 2001 NOA will be used to design new activities and support miscellaneous program expenses. No FY 2002 NOA funding is planned.

**Possible Adjustments to Plans/Wye Funding:** Because of the breakdown in relations between the Palestinians and Israelis, USAID intends to make several program changes related to Wye supplemental funds. Construction of the Nablus-Jenin road, notified at $100 million in USAID's FY 2001 Budget Justification, will not be funded. Approximately $3.7 million will be obligated by USAID, as noted above, to design this road for future funding consideration by the donor community. In addition, USAID will increase the level of Wye funds to support higher education from $30 million to $40 million. Overall, USAID is planning support for a two-phase scholarship program ($15 million) and an endowment mechanism ($25 million), as discussed above. Funds originally planned for support of security and economic infrastructure will be reallocated to support this increase.

**Other Donor Programs:** The European Union and the World Bank have provided assistance in the area of primary education. However, to date, no major donor has assisted the higher education sector.

**Principal Contractors, Grantees, or Agencies:** The Department of State's Public Diplomacy Bureau will implement people-to-people activities. The U.S. contractor Wilbur Smith is completing the preliminary design of the Nablus-Jenin road. The U.S. contractor Academy for Educational Development is implementing the Phase I scholarship program. A U.S. contractor will be selected to implement the Phase II scholarship program and short-term training activities.

**Selected Performance Measures:** The Department of State's Public Diplomacy Bureau will develop indicators for, and report on, people-to-people activities.

**ACTIVITY DATA SHEET**

**PROGRAM:** West Bank and Gaza
**TITLE AND NUMBER:** Healthier Palestinian Families, 294-007
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE**: $5,090,000 ESF; $30,000,000 Wye*
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE**: $4,590,000 ESF
**INITIAL OBLIGATION:** FY 1999 **ESTIMATED COMPLETION DATE:** FY 2004

**Summary:** The most serious health problems facing mothers and children in the West Bank and Gaza derive from high fertility with short birth intervals, along with weaknesses in clinical and outreach services. Rates of premature births and low birth weight babies are high. Nutritional problems among mothers and children are common, and contribute to health problems; more than 40% of women of childbearing age have some degree of anemia. Less than 50% of pregnant mothers receive adequate antenatal care and only 18% of mothers receive postpartum care. At the same time, some of the highest population growth rates in the world—4.1% for Gaza and 3.6% for the West Bank—pose major impediments to economic development and social stability, and mitigate the achievement of donor and Palestinian development goals. Studies suggest a strong unmet demand for modern family planning methods.

Under USAID's "Selected Development Needs Met" (294-005), USAID initiated its pilot health activity by funding two U.S. private voluntary organizations (PVOs) in FY 1999 to upgrade clinical and outreach services in order to improve maternal/child health and increase the use of modern contraceptive methods. In FY 2000, USAID provided additional support to U.S.-based implementing partners to expand assistance, primarily in studies on the health status of Palestinians. In FY 2000, USAID developed a full-scale, multi-year program to strengthen ongoing health activities and expand assistance into areas that will improve the health of mothers and children.

**Key Results:** Three results are necessary for the success of this objective: (1) improved timing of births; (2) improved reproductive health; and (3) improved infant/child health and nutrition.

**Performance and Prospects:**

Pilot Health Program: In FY 1999, USAID initiated a pilot health activity and awarded grants with a total estimated value of $3.4 million to two U.S. private voluntary organizations to implement programs in the northern and southern West Bank and in Gaza. In FY 2001, USAID will fund a series of studies to determine the health habits of Palestinians and also provide support to a Palestinian Ministry in Global Information System mapping. This pilot program will end in FY 2001. In FY 2001, USAID will provide $1.3 million in FY 2000 carryover funds to support these activities. No FY 2001 or FY 2002 New Obligation Authority (NOA) funds will be used for this activity.

Improved Village and Community Health Services Program: In FY 2001-02, USAID will expand the number of additional clinic sites it will refurbish through the new Improved Village and Community Health Services program. Activities will also improve hospital maternity services, provide management training for clinic staff, develop a management information system to assist in family planning, undertake nutrition interventions, and introduce media activities to spread information about ways to promote good health. In FY 2001, USAID will provide $2.15 million in FY 2001 NOA funds and $30 million in Wye funds to support these activities. In FY 2002, USAID will provide $4.6 million in NOA funds to support this activity.

Emergency Health Activities: In FY 2001, USAID will fund a series of emergency health activities through a U.S. PVO umbrella grant. These activities may include the provision of medical supplies, training to emergency medical staff, and equipment to upgrade clinics. In FY 2001, USAID will provide $2.94 million in NOA funds to support these activities. No FY 2002 NOA funds will be used for this activity.

---

* Of the $31,287,000 FY 2000 ESF Wye Supplemental carryover, $30,000,000 is being notified for this activity. The remaining $1,287,000 was previously notified.

**Possible Adjustments to Plans/Wye Funding:** Because of the breakdown in relations between the Palestinians and Israelis, USAID intends to make several program changes related to Wye supplemental funds. Due to an increase in the emergency medical needs of Palestinians, USAID may provide up to $5 million in emergency assistance in FY 2001 NOA to support the work of U.S. and Palestinian health-related nongovernmental organizations (NGOs) working in the West Bank and Gaza. Wye funding for health sector activities has increased by $10 million over USAID's FY 2001 Budget Justification. This increase was provided from funds originally intended to support border industrial estates.

**Other Donor Programs:** Other donor governments and institutions are involved in the health sector, but their efforts tend to be directed at national health policy issues and broad-scale strengthening of the Palestinian Authority's Ministry of Health. Japan and the European Union (EU), the two largest donors in this area, primarily fund equipment and construction of health care facilities. No donors are working on a concerted, integrated basis on primary health care problems. Additional assistance in the health sector has been provided, on an emergency basis by the EU, Canada, and Arab countries to address the acute shortage of supplies, equipment, and training resulting from the uprising.

**Principal Contractors, Grantees, or Agencies:** U.S. PVOs (The Population Council and CARE) and Palestinian NGOs have formed a partnership to implement the pilot health program. Other U.S.-based implementing partners include Johns Hopkins University and MACRO International. The expanded village program will be implemented by a U.S. contractor, which will work with a range of U.S. and local groups.

**ACTIVITY DATA SHEET**

**PROGRAM:** West Bank and Gaza
**TITLE AND NUMBER:** Improved Community Services, 294-008
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND SOURCE**: $63,996,926 Wye
**PROPOSED FY 2002 OBLIGATION AND SOURCE**: None.
**INITIAL OBLIGATION:** FY 1999 **ESTIMATED COMPLETION DATE:** FY 2003

**Summary:** This objective will contribute to tangible and meaningful improvements in the quality of life of Palestinian populations throughout the West Bank and Gaza. USAID and other analyses indicate that the gap between the supply and demand for basic community services and infrastructure has been growing for several years and constitutes a source of increasing disaffection and frustration among Palestinians. Major new investments are needed to upgrade and maintain basic water, health, social, and municipal services in numerous villages and small- to medium-sized municipalities. Further, given the current severe economic difficulties and resulting rampant unemployment, USAID will focus on employment generation and job creation at the community and municipal levels. USAID resources under this objective will be used to respond to the immediate and short-term needs to increase employment as well as expand access to, and improve the quality of, basic community infrastructure and services. Priority is given to meeting needs in under-served and disadvantaged rural and urban communities, including refugee camps. All activities funded under this objective emphasize the importance of broad community involvement in the process of identifying, developing and implementing specific projects for funding.

**Key Results:** Programs funded under this objective contribute to achievement of two results: (1) improved quality of basic community services (e.g., youth counseling, support for the handicapped, public health, water, sanitation, recreation, and youth development); and (2) upgraded community infrastructure (e.g., schools, clinics, day care centers, rural roads, and markets). In addition, an intermediate-term result will be increased employment in villages and communities for those most affected by the current situation.

**Performance and Prospects:**

Phase I Community Services Program: In FY 1999, USAID awarded first phase grants totaling $20 million to five U.S. private voluntary organizations (PVOs) competitively selected to implement projects in communities throughout the West Bank and Gaza. No FY 2001 or FY 2002 New Obligation Authority (NOA) funds will be used for this activity.

Phase II Community Services Program: A Phase II Village Services Program was initiated as a follow-on to the initial Community and Rural Services Program. Five grants totaling $25 million were awarded to U.S. PVOs at the end of FY 2000. This program will be expanded in FY 2001 and FY 2002 to assist a greater number of communities, including a greater number of refugee camps and areas that have the highest incidence of poverty. In FY 2001 and FY 2002, funds will be used to perform the following: renovate and upgrade public school facilities; provide information technology training to Palestinian youth; expand and equip community health clinics; repair and improve market access roads; upgrade and increase access to electrical grids and water networks; improve community sanitation facilities and services; increase access to social services such as preschools and community centers; provide educational, recreational and economic opportunities for some 64,000 disadvantaged Palestinian youth (including over 5,000 disabled youth); renovate market places; develop and expand community centers and public libraries; improve road signage; upgrade existing wells; improve maintenance of public areas; improve solid waste collection and management; and develop more efficient water management practices. In FY 2001, USAID will provide $60.2 million in Wye funds to support these activities. No FY 2001 or FY 2002 NOA funds will be used for this activity.

Community Mental Health Program: USAID will provide assistance to increase the awareness of mental health issues in the West Bank and Gaza and assist in delivering appropriate care. Health practitioners and educators have noted a significant increase in mental illness as a result of the ongoing conflict. In FY

2001, USAID will provide $1.8 million in Wye funds to support this activity. No FY 2001 or FY 2002 NOA funds will be used for this activity.

Emergency Assistance: USAID will provide assistance to a U.S. PVO to support the emergency medical needs of Palestinians. This assistance will include the provision of funds for emergency generators, emergency medical supplies, and other support for clinics and hospitals. In FY 2001, USAID will provide $2 million in Wye funds to support these activities. No FY 2001 or FY 2002 NOA funds will be used for this activity.

**Possible Adjustments to Plans/Wye Funding:** Because of the breakdown in relations between the Palestinians and Israelis, USAID intends to make several program changes related to Wye supplemental funds. In FY 2001 and FY 2002 the scope and benefits of activities under this objective will be expanded using Wye supplemental funds. During implementation, the community services (294-008), village water (294-002), and maternal and child health (294-007) programs will coordinate their planning and operations to target the same towns and villages, whenever appropriate. USAID will also provide assistance to selected municipalities in order to repair small- and medium-scale infrastructure to improve services to the under-served. Emergency job creation activities may also be supported through U.S. PVOs and public international organizations. USAID may also support the United Nations Refugee Works Agency (UNRWA), in response to a request for support by that organization for job creation and community services assistance. USAID notified Congress of its intention to use $70 million in Wye funds to improve community services in the West Bank and Gaza. USAID will increase its support to this sector by $20 million for a new total of $90 million. Funds will be reallocated from the “Wye 100” security and economic infrastructure program.

**Other Donor Programs:** The World Bank (with two projects totaling $51 million and $15 million) and the United Nations Development Program (UNDP) (with one project totaling $24 million) are the other principal donors providing direct assistance for village and municipal services and infrastructure development in the West Bank and Gaza. Many donors have selectively supported smaller public sector and nongovernmental organization (NGO) community development projects. The World Bank, UNRWA and other donors have provided a significant level of assistance to mitigate the economic losses resulting from closures. Most programming has focused on providing emergency employment generation activities for Palestinians who have lost their jobs as a result of closure or the deterioration in the economic situation.

**Principal Contractors, Grantees, or Agencies:** Eight U.S. PVOs and one public international organization are direct grantees: CARE; International Youth Foundation; Catholic Relief Services; the YMCA; Cooperative Housing Foundation; Save the Children; America Near East Refugee Aid; World Vision; and UNDP. Each of these grantees is working in partnership with one or more Palestinian NGOs. Palestinian NGO partners include the Palestinian Agricultural Relief Committees; the Palestinian Hydrology Group; the Patients’ Friends Society; the Union of Palestinian Medical Relief Committees; the General Union of Disabled Palestinians; and the Welfare Association.

**USAID/WEST BANK AND GAZA**
**FY 2002 STRATEGIC OBJECTIVE SUMMARY**
**(in thousands of dollars)**

| SO number | SO Title | FY 1999 | FY 2000 | FY 2001 | FY 2002 |
|---|---|---|---|---|---|
| 294-001 | Expanded Economic Opportunities | | | | |
| | - DA | 0 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 8,500 | 34,348 | 3,650 | 10,872 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 294-002 | Greater Access to and More Effective Use of Scarce Water Resources | | | | |
| | - DA | 0 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 31,300 | 265,552 | 60,380 | 47,250 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 294-003 | More Responsive and Accountable Governance | | | | |
| | - DA | 0 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 10,400 | 25,100 | 10,580 | 12,288 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 294-005 | Selected Development Needs Addressed | | | | |
| | - DA | 0 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 5,500 | 58,713 | 5,007 | 0 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 294-007 | Healthier Palestian Families | | | | |
| | - DA | 0 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 3,800 | 31,287 | 5,090 | 4,590 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 294-008 | Improved Community Services | | | | |
| | - DA | 0 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 15,000 | 70,000 | 0 | 0 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| SO Total | | | | | |
| | - DA | 0 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 74,500 | 485,000 | 84,707 | 75,000 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |

| SO | fy 2000 OBED | CARRYOVER | | NOA | | | | |
|---|---|---|---|---|---|---|---|---|
| 1 | 17148 | 17200 | 34348 | 159025 | -124677 | -124677 | | 9056 |
| 2 | 45738 | 219480 | 265218 | 90875 | 174343 | 173251 | 1092 | 194834 |
| 3 | 15585 | 9189 | 24774 | 43100 | -18326 | -18326 | | 5094 |
| 5 | 9410 | 51055 | 60465 | 100000 | -39535 | -39535 | | 51055 |
| 7 | 0 | 31287 | 31287 | 22000 | 9287 | 9287 | | 30000 |
| 8 | 33506 | 63996 | 97502 | 70000 | 27502 | | | 63996 |
| | | 392207 | 513594 | 485000 | 28594 | 0 | | 354035 |
| | | | | | | | | 392,242 |
| | | | | | | | | 38,207 |

| | U.S. Financing (In thousands of dollars) | | |
|---|---|---|---|
| **Program: West Bank/Gaza** | | | |
| **Title and Number: Summary of all financing pages** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 359,403 ESF | 263,654 ESF | 95,749 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 0 DA | |
| | 0 CSD | 0 CSD | |
| 0 | 121,387 ESF | 60,113 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 481,192 ESF | 323,767 ESF | 157,425 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds* | 0 DA | | |
| | 0 CSD | | |
| | 392,242 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 84,707 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 476,949 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 75,000 ESF | 150,000 ESF | 1,183,141 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: West Bank/Gaza** | | | |
| **Title and Number: Expanded Economic Opportunities, 294-001** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 36,721 ESF | 25,205 ESF | 11,516 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 0 DA | |
| | 0 CSD | 0 CSD | |
| | 17,148 ESF | 6,915 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 53,869 ESF | 32,120 ESF | 21,749 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | * 17,200 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 3,650 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 20,850 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 10,872 ESF | 40,000 ESF | 125,591 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

* Of the $17.2 million FY 2000 ESF Wye Supplemental carryover, $9,055,788 is being notified for this activity.
The remaining $8,144,212 was previously notified.

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: West Bank/Gaza** | | | |
| **Title and Number: Greater Access to and More Effective Use of Scarce Water Resources, 294-002** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 172,412 ESF | 126,232 ESF | 46,180 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 0 DA | |
| | 0 CSD | 0 CSD | |
| | 45,738 ESF | 39,739 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 218,150 ESF | 165,971 ESF | 52,179 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | * 219,480 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 60,380 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 279,860 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 47,250 ESF | 100,000 ESF | 645,260 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

* Of the $219.48 million FY 2000 ESF Wye Supplemental carryover, $194,833,982 is being notified for this activity.
The remaining $24,646,018 was previously notified.

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: West Bank/Gaza** | | | |
| **Title and Number: More Responsive and Accountable Governance, 294-003** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 41,752 ESF | 24,930 ESF | 16,822 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 0 DA | |
| | 0 CSD | 0 CSD | |
| | 15,585 ESF | 9,669 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 57,337 ESF | 34,599 ESF | 22,738 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | * 9,189 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 10,580 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 19,769 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 12,288 ESF | 40,000 ESF | 129,394 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

* Of the $9.189 million FY 2000 ESF Wye Supplemental carryover, $5,093,684 is being notified for this activity.
The remaining $4,095,316 was previously notified.

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: West Bank/Gaza** | | | |
| **Title and Number: Selected Development Needs Addressed, 294-005** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 93,518 ESF | 87,287 ESF | 6,231 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 0 DA | |
| | 0 CSD | 0 CSD | |
| | 9,410 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 102,928 ESF | 87,287 ESF | 15,641 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 51,090 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 5,007 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 56,097 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 159,025 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: West Bank/Gaza** | | | |
| **Title and Number: Healthier Palestinian Families, 294-007** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 0 DA | |
| | 0 CSD | 0 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 402 ESF | 0 ESF | 402 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | * 31,287 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 5,090 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 36,377 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 4,590 ESF | 10,000 ESF | 51,369 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

* Of the $31.287 million FY 2000 ESF Wye Supplemental carryover, $30.0 million is being notified for this activity.
The remaining $1.287 million was previously notified.

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: West Bank/Gaza** | | | |
| **Title and Number: Improved Community Services, 294-008** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 15,000 ESF | 0 ESF | 15,000 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 0 DA | |
| | 0 CSD | 0 CSD | |
| | 33,506 ESF | 3,790 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 48,506 ESF | 3,790 ESF | 44,716 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 63,996 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 63,996 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 10,000 ESF | 122,502 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

**YEMEN**

| Program Summary (In Thousands of Dollars) | | | | |
|---|---|---|---|---|
| **Category** | **FY 1999 Actual** | **FY 2000 Actual** | **FY 2001 Estimated** | **FY 2002 Request** |
| Development Assistance | 0 | 0 | 0 | 0 |
| Development Fund for Africa | 0 | 0 | 0 | 0 |
| Child Survival & Disease Fund | 0 | 0 | 0 | 0 |
| Freedom Support Act Funds | 0 | 0 | 0 | 0 |
| SEED Act Funds | 0 | 0 | 0 | 0 |
| Economic Support Funds | 0 | 0 | 3,986 | 5,000 |
| P.L. 480 Title II | 1,558 | 1,711 | 0 | 0 |
| P.L 480 Title III | 0 | 0 | 0 | 0 |
| **Total Program Funds** | **1,558** | **1,711** | **3,986** | **5,000** |

# YEMEN

## Introduction.

In May 1990, the Republic of Yemen was formed through the unification of the former Yemen Arab Republic in the north and the People's Democratic Republic in the south. Yemeni leaders then declared a democratic society with a multiparty political system, free press, and a broadening of individual freedoms. Shortly thereafter, the Gulf crisis erupted, resulting in the severing of Saudi and Kuwaiti aid and severe reductions in aid from western donors, including the United States. Also, 700,000 Yemenis who had been working in the Gulf were repatriated to Yemen. Despite these developments, Yemen proceeded with its democratization process and conducted a free, fair, and representative election in April 1993. However, the economic effects caused by the Gulf crisis, combined with government mismanagement, sharply heightened Yemen's economic plight and decreased its capacity to provide services to its citizens. Internal dissatisfaction resulted in political infighting and a two-month civil war in mid-1994. At the war's end, Yemen was once again united as a democratic nation, but its economy was shattered. However, Yemen continued its process of democratization. Improving Yemen's economic and political development will ultimately will have a positive influence in this important region of the world, and will serve the U.S. strategic interest of maintaining stability while supporting indigenous democratic efforts.

In 1995, the Government of Yemen (GOY) began to implement ambitious macroeconomic stabilization and structural adjustment programs with primary support and guidance provided by the World Bank and International Monetary Fund, assisted by a broad range of international donors. The objectives of these programs were to reduce fiscal imbalances and the resulting inflation while promoting a basis for economic growth. In 1997, the GOY began to implement medium-term economic reform programs. The objectives of these programs were to establish a permanent basis for accelerated and sustainable non-oil sector growth, reduce unemployment, improve the country's social indicators, strengthen the social safety net, maintain financial stability, and achieve external stability. The reform measures helped improve economic performance. The annual real Gross Domestic Product (GDP) growth rate averaged 4.4% from 1995 to 1999 and rose to 6.5% in 2000. (The real non-oil GDP growth rate for 2000 was 3.8% and the real oil GDP growth rate was 16.9%.) The fiscal deficit declined to an average of 3.3% of GDP for 1995-1999 despite the wide-ranging fluctuations in world oil prices, and in 2000 Yemen posted a substantial budget surplus of 9.4% of GDP. This large surplus resulted from a surge in revenue stemming from a 60% rise in world oil prices. Inflation (consumer price index) declined to single digit levels at 6% by 1997 and 8% in 1999—but reached 10.9% in 2000. Considerable improvements have been seen in the current account. The exchange rate stabilized after October 1995 in the range of Yemen Rials (YR) 124-128 to the dollar, but increased to YR 162 in 2000.

## Development Challenge.

Despite the success that the GOY is achieving in its stabilization program, major economic and development challenges remain. The Republic of Yemen is among the 25 poorest and least developed countries in the world. Poverty in Yemen doubled between 1992 and 1998, with the number of households below the "food poverty line" rising from 9% to 17%. By including a broader range of minimum human requirements in the poverty line measure, the percentage of households living in poverty rose from 19% to 33% over the same period. Poverty is becoming more widespread among Yemen's 18.3 million people. Yemen's real GDP per capita is around US$300. Yemen's illiteracy and infant mortality rates are among the highest in the world. Illiteracy is particularly high among women and girls—with 72% of females and 44% of males illiterate—although Yemeni women benefit from universal suffrage. Average life expectancy is 53 years. Persistent poverty in Yemen has contributed to its fertility rate of 6.4 children per mother, one of the highest in the world, and a resulting population growth rate of 3% per year. Extremely weak social and economic services and institutions have left Yemen's population underserved in these areas.

Water scarcity poses a severe challenge to the economic growth and development of Yemen, which has fewer water resources than any other country in the region. The water crisis is characterized by a

depletion of groundwater, so that economic activity may become unsustainable in some areas. The country's most dependable source of fresh water is its net precipitation. Per capita water supply is about 2% of the world average and 85% below the amount needed for domestic use. Although agriculture depends mostly on rainfall, ground water has reached a state of over-exploitation. Competition exists between users of water resources. Some cities are unable to negotiate the transfer of water from rural areas. In addition to low access to safe water, Yemenis have limited access to sanitation. Just under half of the rural population have access to safe water while only 19% of the rural population have access to adequate sanitation.

While Yemen's stature as a young democracy grows and some of its macroeconomic indicators improve, the economy remains weak. While the GDP growth rate exceeded 6% in 2000, forecasts for the short term suggest that growth will slow in 2001, due to the slowdown in the U.S. economy and the general slowing of the world economy that is likely to impact oil demand and reduce crude oil prices.

Significant economic and sectoral reforms are needed to transform the Yemeni economy. The weakness of the business environment and the quality of assets diminish the interest of potential investors. The government's reluctance to implement reforms—in particular, privatization and civil service reform—stems largely from concerns over job losses, particularly with unemployment recorded at over 20% in 1999. Despite these problems, it is expected that the reform program to which Yemen, the IMF and the World Bank agreed in 1995 will continue to form the central framework of Yemen's economic policy. It is also expected that the GOY will implement selected reform elements in the short term, such as tax and customs reform. Future international assistance could be compromised, however, if the IMF interrupts cooperation with Yemen. International support is essential to fund a host of development projects vital to longer-term economic growth and development.

**Other Donors.**

The United States is not one of Yemen's principal donors. The World Bank is the largest donor, followed by the Netherlands, Japan, and Germany. The Bank's focal areas are: 1) public sector management, including civil service reform, budget reform and privatization; 2) attracting diversified private investment; 3) water management; and 4) poverty-oriented social sector improvements, particularly basic education for girls. The latter two foci receive the overwhelming majority of donor support. All major donors recognize and reflect in their programs the importance of water management, health, and education (particularly girls' education). The World Bank is almost alone in helping improve Yemen's public sector management.

**FY 2002 Program.**

USAID has completed the preliminary design of its new Yemen program, to be initially funded using FY 2001 money, with implementation carrying over to FY 2002. USAID will program $2 million of the total $4 million available (FY 2001 funds) for health and education activities, in support of integrated community development at the district level. The remaining $2 million will fund a scholarship program administered by the U.S. Department of State's Bureau for Educational and Cultural Affairs. USAID will work with the Department of State to program the $5 million planned for FY 2002. It is expected that some of the FY 2002 funds will be programmed to strengthen and extend the health and education activities designed and initiated during FY 2001.

Given the small size of the proposed U.S. Government program, USAID will seek to enhance the impact of its proposed interventions through effective coordination with other donors.

In addition to the Asia and Near East Bureau's program, USAID's Global Bureau implements a number of activities, including: elections assistance, strengthening the rule of law, advocacy for women's rights; and promoting the voluntary use of contraception.

## ACTIVITY DATA SHEET

**PROGRAM:** Yemen
**TITLE:** Broad-Based Economic Growth, 279-XXX
**STATUS:** New
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $3,986,000 ESF
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $5,000,000 ESF
**INITIAL OBLIGATION:** FY 2001 **ESTIMATED COMPLETION DATE:** FY 2003

**Summary:** USAID recently completed the preliminary design of a new Yemen program that will be initially financed using nearly $4 million in FY 2001 funds, with implementation carrying over to FY 2002. USAID will program $2 million of the $4 million for health and education activities to support integrated community development at the district level. The remaining $2 million will fund a scholarship program administered by the U.S. Department of State's Bureau for Educational and Cultural Affairs. USAID will work with the Department of State to program the $5 million ESF planned for FY 2002. It is expected that some of the FY 2002 funds will be programmed to strengthen and extend the health and education activities designed and initiated during FY 2001.

Given the small size of the proposed U.S. Government program, USAID will seek to enhance the impact of its proposed interventions through effective coordination with other donors.

**Key Results:** To be determined.

**Performance and Prospects:** To be determined.

**Possible Adjustments to Plans:** To be determined.

**Other Donor Programs:** The World Bank is the largest donor, followed by the Netherlands, Japan, and Germany. The World Bank's focal areas are: 1) public sector management, including civil service reform, budget reform, and privatization; 2) diversified private investment attraction; 3) water management; and 4) poverty-oriented social sector improvements, particularly emphasizing basic education for girls. The latter two foci receive the overwhelming majority of donor support. All major donors recognize and reflect in their aid programs the importance of water management, health, and education (again, particularly girls' education). The World Bank is almost alone in helping improve Yemen's public sector management.

**Principal Contractors, Grantees, or Agencies:** To be determined.

**Selected Performance Measures:** To be determined.

## YEMEN
### FY 2002 STRATEGIC OBJECTIVE SUMMARY
**(in thousands of dollars)**

| SO Number | Fund Account | FY 1999 | FY 2000 | FY 2001 | FY 2002 |
|---|---|---|---|---|---|
| 271-XXX | Broad-Based Economic Growth | | | | |
| | - DA | 0 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 3,986 | 5,000 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| Total | | | | | |
| | - DA | 0 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 3,986 | 5,000 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Yemen** | | | |
| **Title and Number: Broad-Based Economic Growth, 279-XXX** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 0 DA | |
| | 0 CSD | 0 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 3,986 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 3,986 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Estimated Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 5,000 ESF | 0 ESF | 8,986 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

**ANE REGIONAL**

| Program Summary (In Thousands of Dollars) | | | | |
|---|---|---|---|---|
| **Category** | **FY 1999 Actual** | **FY 2000 Actual** | **FY 2001 Estimated** | **FY 2002 Request** |
| Development Assistance | 36,659 | 46,798 | 43,245 | 33,344 |
| Development Fund for Africa | 0 | 0 | 0 | 0 |
| Child Survival & Disease Fund | 16,690 | 7,494 | 13,044 | 12,487 |
| Freedom Support Act Funds | 0 | 0 | 0 | 0 |
| SEED Act Funds | 0 | 0 | 0 | 0 |
| Economic Support Funds | 31,257 | 73,250 | 114,596 | 86,250 |
| P.L. 480 Title II | 0 | 0 | 0 | 0 |
| P.L 480 Title III | 0 | 0 | 0 | 0 |
| **Total Program Funds** | **84,606** | **127,542** | **170,885** | **132,081** |

## ASIA AND THE NEAR EAST REGIONAL ACTIVITIES

**Introduction.**

ANE regional programs respond to crucial elements of U.S. foreign policy and international affairs goals, including fostering a comprehensive peace in the Middle East; ameliorating the Asian financial crisis; promoting democracy, human rights, and the rule of law; and addressing poverty, regional instability, and climate change in South Asia. Regional program resources engage a broad range of partners in implementation, including private voluntary and local nongovernmental organizations (PVOs and NGOs), international organizations, other U.S. Government agencies, regional institutions, and other donors.

**Development Challenge.**

ANE subregions face greater challenges and opportunities today than at any time in the past 20 years, including—

- Encouraging and maintaining peace and security, particularly in the Middle East, but increasingly in East and South Asia;
- Fostering and restoring economic growth through free trade and investment;
- Promoting democracy, human rights, and rule of law; and
- Combating problems that affect global security, stability, and economic development, i.e., environmental degradation, growing water scarcity, greenhouse gas emissions, HIV/AIDS and infectious diseases, population growth, and food insecurity.

**Other Donors.**

Many multilateral and bilateral donors provide development assistance to the Asia and Near East region; principal donors include the World Bank, the Asian Development Bank, the European Union, and Japan. USAID coordinates donor development efforts at the bilateral and regional levels as well as through USAID/Washington.

The World Bank assists Indonesia, the Philippines, and Thailand to recover from the Asian financial crisis and helps improve conditions for trade in the Maghreb countries of Algeria, Tunisia, and Morocco. It also assists national and regional water sector development in the Middle East; helps mitigate groundwater contamination in South Asia; and works on energy development in South Asia. Other World Bank-funded programs include HIV/AIDS prevention and mitigation, democracy and government issues, and child labor and anti-trafficking programs.

The Asian Development Bank also assists East Asian countries with recovery from the financial crisis. It works in environmental management in Asia; in the energy sector in South Asia; and on child labor and anti-trafficking issues. The European Union works to improve trade conditions in the Maghreb, and on HIV/AIDS and democracy and governance issues. Japan's development programs include national and regional water sector development in the Middle East; East Asian environmental problems, HIV/AIDS; and anti-trafficking and women's empowerment programs.

A number of United Nations agencies are active in the region, including the United Nations Development Program; the U.N. Joint Program on HIV/AIDS; the United Nations Children's Fund; and the United Nations Development Fund for Women. Other multilateral organizations working in Asia and the Middle East include the International Monetary Fund; the World Health Organization; and the International Labor Office. In addition to Japan, bilateral donors include Australia, Canada, France, Germany, New Zealand, and the United Kingdom. Private sector partners include the Ford, MacArthur, and Packard foundations.

**FY 2002 Program.**

USAID's ANE regional programs will support programmatic needs across the three subregions. The programs will help build capacity and commitment among Asian and Middle Eastern partners in the

public and private sectors to address critical development issues cooperatively. The FY 2002 program will place increased emphasis on encouraging institutions like the Asia-Pacific Economic Cooperation Organization, the South Asian Association for Regional Cooperation, the Association of Southeast Asian Nations, and other regional networks to establish programs that broaden civil society participation, define and promote activities financed by USAID, and embrace and support the USAID development agenda.

HIV/AIDS priorities are to limit the spread of the HIV epidemic among high-risk groups, especially in mobile populations, and to minimize HIV rates in the general population. Infectious disease priorities are to expand subregional coordination of surveillance, monitor drug resistance, and prevent and treat tuberculosis and malaria. USAID will expand ongoing regional efforts to prevent infectious diseases in Asia through the HIV/AIDS and Infectious Diseases regional program, which will foster partnerships with other donors, private sector organizations and foundations. The HIV/AIDS and Infectious Diseases program will complement USAID's bilateral HIV and infectious disease activities by strengthening linkages among existing country-level programs, expanding local expertise through capacity building, and developing new cross-border approaches.

USAID's Accelerating Economic Recovery in Asia (AERA) initiative will work to improve and strengthen financial market governance and transparency, particularly in Thailand and Vietnam—although the economic crisis in Asia has stimulated countries in other subregions to undertake difficult economic reforms. The AERA initiative works with many partner organizations to strengthen the financial health, transparency, and governance of the public and private sectors. In the Middle East and North Africa, ANE regional resources will support the North Africa Regional Trade and Investment Initiative to address the legal, policy, and regulatory constraints to increased trade and investment among Morocco, Tunisia, and Algeria.

The South Asia Regional Initiative (SARI) Energy program will encourage cross-border investments in energy infrastructure promoting cleaner energy use and greater communication, transparency, and confidence-building between the region's governments and businesses. The SARI/Equity program will support efforts to implement laws, measures, and practices aimed at reducing human rights violations against vulnerable groups (specifically women and children), and will promote measures that provide greater opportunities for the participation of women and children in social, political, educational, and economic life.

The U.S.-Asia Environmental Partnership (USAEP) will continue to engage the strength of the U.S. Government and U.S. academic, business, and professional communities to address the environmental challenges of rapid industrial and urban growth in Asia. USAEP has demonstrated to U.S. and Asian partners that resource efficiency and environmental rigor are compatible with long-term economic growth and advanced prosperity. In addition to continuing the introduction of U.S.-developed technologies to Asian public and private entities, USAEP will emphasize support for Asian countries' efforts to reduce air pollution and invest in cleaner fuels and technologies. Continued economic reforms and political stability in Asia will provide valuable opportunities to expand U.S. trade and investment that is environmentally and economically sustainable. Through USAEP, Asian decision-makers will become more receptive to the idea that enhancing competitiveness and access to global markets requires improved environmental performance. This receptivity will bring increasing investment in cleaner production, embracing policy and regulatory reforms, and increasing benefits to U.S. business.

In the water sector, USAID plans to build upon the best practices of its highly effective water conflict resolution activity (Fostering Resolution of Water Resources Disputes) to address the growing number of transnational water issues across Asia and the Middle East. Finally, the East Asia and Pacific Environmental Initiative will continue to help East Asian governments focus on key regional environmental problems while promoting regional solutions and cooperation.

In addition to the preceding regional programs, USAID and the Department of State will coordinate closely in programming and managing regional democracy programs that promote the rule of law, and the adherence to democratic practices and respect for human rights. Regional democracy funds will support democratic processes, more open political systems, and representative and accountable government.

**ACTIVITY DATA SHEET**

**PROGRAM:** Asia and the Near East Regional
**TITLE AND NUMBER:** Accelerating Economic Recovery in Asia, 498-001
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** None.
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** None.
**INITIAL OBLIGATION:** FY 1999 **ESTIMATED COMPLETION DATE:** FY 2001

**Summary:** Much work remains to be done to help countries most affected by the Asian Financial crisis that have yet to resolve the deeply rooted systemic problems that paralyzed their economies in 1997 and 1998. In the 1990's Southeast Asian economies grew 7% to 8% a year on average. Projected gross domestic product (GDP) growth in 2001 for Southeast Asia is 4.2%. Gains in regional equity prices and currency values posted in 1999 were largely wiped out in 2000 due to the downturn of the American economy, and the rapid fall-off in the growth of electronics demand, which account for as much as 37% of regional GDP. Not only have currency inflows to Southeast Asia shrunk from $13 billion in 1999 to $9 billion in 2000, but there was a net outflow of $22.5 billion in 2000, most of it in debt repayment. Slow progress in corporate restructuring will continue to be a drag on economies in the medium term. Although progress was made to restructure corporate sector banking in 2000, much remains to be done. For example, many non-performing loans were removed from banks' books only to be transferred to publicly owned asset-management companies where they are still sitting. Moreover, politics in Southeast Asia in the last year have grown more volatile in the Philippines, Indonesia and Thailand, which raises the risk premium on investments.

USAID's Accelerating Economic Recovery in Asia (AERA) initiative has focused its five-year "relief-recovery-reform" approach initially on Indonesia, Thailand, and the Philippines. This past year, efforts were extended to Vietnam. AERA has three key objectives: (1) creating and saving jobs; (2) improving the targeting and coverage of safety nets; and (3) improving economic governance.

**Key Results:** The AERA program initiated activities in Indonesia and the Philippines in July 1999, and in Thailand in October 1999. AERA-funded activities provided technical assistance to the governments of Indonesia and the Philippines in drafting and enacting legislation that support reform packages negotiated with international financial institutions. In Indonesia, resistance to deeper reform has impeded significant progress on bank and enterprise restructuring. Nonetheless, USAID technical assistance to the Jakarta Initiative Task Force facilitated the execution of debt restructuring deals for about 18 companies valued at $625 million. USAID activities also contributed to the objectives of improved corporate and public governance. In the Philippines, AERA activities supporting the strengthening of the Securities and Exchange Commission resulted in the adoption of procedures for securities investigation, as well as new rules for adjudication of corporate recovery. In Indonesia, USAID-funded activities contributed to the adoption of four key laws, decrees and regulations in 1999. These measures include: the critical competition law that defines rules for competitive behavior by firms; anti-corruption law; arbitration law; and secured transactions law. This last law provides a previously lacking legal basis for registering secured interests in assets used as collateral.

**Performance and Prospects:** AERA activities are closely linked and coordinated with World Bank and Asian Development Bank crisis response efforts. The AERA program focuses on the technical assistance and training that complement ongoing structural adjustment loans funded by the International Monetary Fund or multilateral development banks. This close coordination will enable the program to have a significant impact, particularly in the areas of competitiveness, economic governance, financial and corporate debt restructuring. The program is working in a number of key areas in Indonesia, the Philippines, and Thailand. For example:

1) The program established a center in Bangkok in December 1999 that advises small and medium sized enterprises (SME) on debt restructuring and restarting their operations. This organization has assisted more than 200 Thai businesses to diagnose and resolve their business problems.
2) AERA funded commercial bank training for approximately 3,000 executives and staff from 12 Thai-owned

banks has taken place. This training will help them reform and strengthen its bank supervision and on-site examination policies and procedures.

3) With AERA assistance, Indonesia and the Philippines have undertaken legislative reforms in areas such as competition law, government procurement, consumer protection, arbitration and secured transactions.
4) An AERA-funded grant to the U.S. Chamber of Commerce developed a U.S.-Thai SME matching facility that has generated over 3,600 matches, and over $50 million in negotiated business.

**Possible Adjustments to Plans:** Starting in FY 2001, funds will be obligated and activities will be reported under the new regional strategic objective "Encourage Economic Growth" (498-023).

**Other Donor Programs:** The World Bank, Asian Development Bank, International Monetary Fund and other bilateral development agencies have pledged more than $58 billion to help Indonesia, Thailand and the Philippines recover from the crisis. Most of these resources have taken the form of cash transfers to help the countries meet foreign exchange obligations. Although these resources have provided critical assistance and have supported essential policy and legal reforms, they have not delivered the necessary technical assistance and training to help the countries implement the policy changes. Thus, the AERA initiative complements other donor assistance by providing the technical expertise and training that will be essential to fully implement the reforms needed for economic recovery.

**Principal Contractors, Grantees, or Agencies:** AERA activities are being implemented through procurement instruments with; the Kenan Institute Asia, U.S. Department of Treasury, U.S. Chamber of Commerce, U.S. National Committee for Pacific Economic Cooperation, Deloitte Touche Tomatsu, Development Alternatives International, Robert Nathan Associates, KPMG Peat Marwick, American Center for International Labor Solidarity, U.S. Department of Commerce and The Asia Foundation.

**Selected Performance Measures:**

| | **Baseline (2000)** | **Target (2001)** | **Target (2002)** |
|---|---|---|---|
| Cumulative value of debt workouts completed by the Jakarta Initiative Task Force (percentage increase in real terms) | 3 billion | 6 billion | TBD |
| Reduction in bank non-performing loans in the Philippines (as % of total loan portfolio) | 12.48% | TBD | TBD |
| Number of key legislative and/or administrative reform measures in corporate and financial governance enacted or amended | | | |
| -- Indonesia | 4 | 7 | |
| -- Philippines | 7 | 7 | |

**ACTIVITY DATA SHEET**

**PROGRAM:** Asia and the Near East Regional
**TITLE AND NUMBER:** Fostering Resolution of Water Resources Disputes, 498-002
**STATUS:** Continuing.
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** None.
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** None.
**INITIAL OBLIGATION:** FY 1995 **ESTIMATED COMPLETION DATE:** FY 2002

**Summary:** In the Middle East—the driest region in the world—water demand is growing fast due to population growth, agricultural use, and increasing urbanization and industrialization. This is reducing water availability to crisis levels. Increasing scarcity may intensify water conflicts among competing uses and among countries, leading to instability and conflict and posing serious and direct threats to U.S. national interests in the region.

The ANE Bureau's Fostering Resolution of Water Resources Disputes (FORWARD) activity helps governments and key stakeholders in the Middle East to reach agreement on equitable and sustainable strategies, policies, and plans for managing scarce water resources. The absence of effective mechanisms to resolve water disputes collaboratively is a key reason for many environmental, economic, social and political problems in the Middle East. FORWARD departs from traditional quality- or quantity-oriented water resource projects by providing a mechanism for resolving water disputes between parties with divergent or competing interests, addressing long-standing national and local domestic water issues.

**Key Results:** In the Middle East, FORWARD has enabled USAID field missions to engage the highest levels of host country governments directly on the most critical water policy and technical issues that they face. Notable achievements include costing water and wastewater services for tariff restructuring in Egypt, increased privatization and decentralization in the water sector in Jordan, improved aquifer management in Gaza, and support for reconstruction in Lebanon.

**Performance and Prospects:** FORWARD is entering a period of transformation. As it begins its final year of operation, FORWARD has active programs in Egypt, Jordan, West Bank/Gaza, Lebanon, and Morocco. They cover most of the major policy and technical issues facing the water sector in the Middle East, including water pricing and tariff restructuring, watershed management, private sector participation, decentralization, stakeholder participation, aquifer management, and water quality degradation.

In Jordan, FORWARD completed the first phase of a strategic planning program for the Jordan Valley Authority (JVA). JVA officials worked closely across divisions with each other for the first time, and with FORWARD through technical working groups that conducted water resources, management, and stakeholder assessments and developed a final volume on strategic issues facing the agency. This report forms the basis for the second phase of the program, the development of the strategy. More importantly, it reflects a broad-based participation from JVA staff, which is unique in JVA's history. The World Bank has accepted the effort as the basis for its own much larger program to develop action plans and projects for the valley.

FORWARD continues to implement the Financial Accounting Systems Program in JVA, which is shifting the authority from a cash-based to an accrual-based accounting system. This shift will dramatically affect how JVA conducts it daily basis and is a critical, first step in reaching commercialization targets. During the period, FORWARD worked with JVA in mapping its business and computer processes. These assessments were used to prepare a redesign of JVA systems. Through leadership and change management training for senior JVA officials and intensive accounting and computer training for hundreds of JVA staff, the authority is well placed for change. FORWARD is now installing Oracle Financials, the software package that will support the transition.
FORWARD has worked closely with senior management of JVA and the Ministry of Water and irrigation to develop options for irrigation water tariff increases then assist the ministry in choosing which scenario to present. The Cabinet approved the proposal, which is now in Parliament for final approval. This intervention grew directly out of FORWARD's development of a cost-tariff model for irrigation water.

In Egypt, FORWARD is conducting detailed financial analysis of six water authorities as part of its debt restructuring to address the crippling financial burden placed on water authorities when they receive loans for infrastructure development from the Ministry of Finance. FORWARD works with an oversight committee whose members represent every major stakeholder in the water sector. The final legal document, to be developed in the coming months, will require government and presidential approval.

In Morocco, FORWARD conducted a feasibility study on water resources data harmonization in the Souss-Massa Basin, the site of the mission's major new integrated river basin management program. This study examined the existing water resources databases of the major different regional entities and assessed the prospects for data sharing. The work was very well received by the government and mission and was the basis for a major new program on data harmonization. The new program has begun and already provides concrete evidence of interagency collaboration and sets the stage for the full mission program on river basin management.

FORWARD developed a framework for a water conflict prevention program for South Lebanon, in the formerly occupied security zone along the Israeli border. The proposed program's several components include an assessment of transboundary issues, water resources data and private sector participation initiatives, and collaborative planning and conflict prevention initiatives in villages and village clusters.

In 2000, FORWARD became involved in transboundary water issues. It held a well-received workshop for USAID staff from Asia and Near East missions on building public-private partnerships in the water sector, and is reviewing private sector development infrastructure funds, and their appropriateness for USAID investment in the follow-on activity.

More recently, FORWARD is working with the World Bank's Nile Basin Initiative, bringing together the ten riparian states to jointly plan projects along the run of the river. FORWARD will conduct a negotiations skills training program for riparians, and will carry out a major modeling effort on Lake Victoria to serve as the basis for renegotiating a treaty between Uganda and Egypt governing releases from Owen Falls Dam. Through these and other activities, FORWARD provides the only mediation and collaborative planning expertise to the initiative.

**Possible Adjustments to Plans:** The FORWARD contract was extended one year at no cost to permit the orderly conclusion of ongoing activities; it is now scheduled to terminate on March 31, 2002. Starting in FY 2002, funds for regional water resource management activities will be obligated and activities will be reported under the new regional strategic objective "Environment Managed for Prosperity and Sustainability" (498-024).

**Other Donor Programs:** Given the urgency of addressing the Middle East's water needs, other donors such as the World Bank, European Investment Bank, Japan, France, and Germany furnish significant levels of assistance to improve national and regional water sector development, planning and management. This support will help improve and upgrade irrigation networks, rehabilitate and expand water distribution networks, and improve and expand collection, treatment, and disposal of wastewater.

FORWARD takes a different approach by recognizing that water problems often involve legitimate disputes between parties with divergent or competing interests, and helping them to reach agreement on important water issues through a mixture of mediation and technical support to stakeholders, and strengthens institutional capacity for collaborative problem-solving and consensus building. These efforts complement the work of other donors.

**Principal Contractors, Grantees, or Agencies:** The principal contractor is Development Alternatives, Inc.

Selected Performance Measures:

| | **Baseline (2000)** | **Target (FY 2001)** | **Target (FY 2002)** |
|---|---|---|---|

| | | | |
|---|---|---|---|
| Number of agreements on track for implementation | 7 | 7 | 8 |
| Number of agreements reached | 8 | 8 | 9 |
| Number of host country institutions employing collaborative problem solving in their operations | 3 | 4 | 5 |
| Number of host country nationals serving as co-mediators | 12 | 15 | 18 |

**ACTIVITY DATA SHEET**

**PROGRAM:** Asia and the Near East Regional
**TITLE AND NUMBER:** North Africa Regional Trade and Investment Initiative, 498-003*
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** None.
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** None.
**INITIAL OBLIGATION:** FY 2000 **ESTIMATED COMPLETION DATE:** FY 2001

**Summary:** The United States has a strong strategic interest in the stability and prosperity of North Africa. Instability there could threaten many key allies and disrupt the flow of vital natural resources to the U.S. The goal of the North Africa Trade and Investment Initiative is to increase sustainable economic growth in the region and expand United States trade and investment in North Africa. The Initiative is a multi-agency effort to address the legal, policy and regulatory constraints to increasing trade and investment in North Africa. Assistance will include short-term expert consulting and workshops for public and private sector entities in North Africa—primarily Morocco, Tunisia, and Algeria (the Maghreb region). The beneficiaries will be local industries and industry associations, foreign investors, and host country government institutions.

**Key Results:** The expected results are reforms in regulations, procedures and policies that improve the trade and investment climate in North Africa, and the establishment of an Internet-based network to match business opportunities in North Africa with businesses in the U.S. These results should lead by the end of the activity to increased trade among the three Maghreb countries and with the United States. Work is underway in Morocco, Tunisia, and Algeria to strengthen commercial law, promote U.S.-Maghreb university partnerships, provide business training, develop debt markets, and promote the development of internet and communications technologies. Internet connections between Chambers of Commerce in the Maghreb and U.S. businesses have been established through USAID's Global Technology Network.

**Performance and Prospects:** Activities undertaken in FY 2001 will include efforts to improve the investment climate in Morocco via continued work to rationalize access to land and restructure the tourism sector. In Algeria, efforts will focus on helping to prepare the country for accession to the World Trade Organization. In Tunisia, funding will support training and university linkages, and continued operation of the Global Technology Network. Support for development of Internet and communications technologies will continue in all three countries.

**Possible Adjustments to Plans:** Starting in FY 2001, funds will be obligated and activities will be reported under the new regional objective "Encourage Economic Growth" (498-023).

**Other Donor Programs:** The World Bank and European Union have large programs dedicated in part to improving conditions for trade and investment in the three Maghreb countries. The largest World Bank program will be in Morocco, where a $500 million multi-sector Policy Reform Adjustment Program and a sector-specific adjustment program are planned for joint World Bank and African Development Bank financing. This program will begin with a $200 million telecommunications reform package. World Bank assistance in Tunisia includes funding for foreign investment promotion, service sector liberalization, and export development. In Algeria, the World Bank is preparing studies to promote privatization. The European Union has an extensive program to improve ties with the Maghreb, through agreements that may lead to a Euro-Mediterranean Free Trade Area by the year 2010. USAID will coordinate activities with other development partners to promote favorable conditions for private sector investors and to assure that U.S. businesses are not disadvantaged.

**Principal Contractors, Grantees, or Agencies:** In addition to a large number of existing USAID Global Bureau pre-qualified contractors, consultants from U.S. agencies such as Customs, Commerce, and Treasury will be utilized to provide short-term technical assistance.

---

*According to the FY 2001 Department of State Congressional Presentation, this activity is budgeted under "U.S.-North Africa Partnership."

**Selected Performance Measures:**

| | Actual (2000) | Target (2001) | Target (2002) |
|---|---|---|---|
| Maghreb-US private sector business linkages developed through the Global Technology Network | 1 | 5 | 8 |
| Increase in volume of trade between U.S. and the Maghreb | 1% | 2% | 2% |

**ACTIVITY DATA SHEET**

**PROGRAM:** Asia and the Near East Regional
**TITLE AND NUMBER**: Program Development and Learning, 498-007*
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $10,565,000 DA (including $1,321,000 in FY 2000 carryover); $1,535,000 CSD
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $5,494,000 DA; $1,815,000 CSD
**INITIAL OBLIGATION:** FY 1995 **ESTIMATED COMPLETION DATE:** Continuing

**Summary:** In FY 2001, Program Development and Learning (PD&L) activities will support the Agency's goal areas of economic growth; population, health and nutrition; environment and energy; democracy and governance; and human capacity development. PD&L supports Asia and Near East (ANE) programs, in presence and non-presence countries to develop and refine strategies; advise on sectoral issues; support bilateral and regional programs; analyze and identify problems and new opportunities for development assistance; and facilitate compliance with Agency and U.S. Government reporting requirements. Child Survival and Disease (CSD) funds will be used for technical analyses, data collection and dissemination to guide and refine future population, health and nutrition programming in the ANE region. PD&L activities undertaken by missions with their funds will be notified under separate Congressional Notifications. PD&L resources are critical to developing and pilot testing new avenues of support that emphasize key ANE regional and sub-regional issues. Often, full-fledged programs have evolved. For example, since 1999 PD&L activities have supported the development of major program initiatives including the North Africa Regional Trade and Investment Initiative, South Asia anti-trafficking activities, South Asia Regional Initiative in energy, and a regional infectious disease strategy. PD&L funding also enables the U.S. to provide strategic leadership and state-of-the-art expertise to meet a growing number of ANE non-presence country needs and to respond to regional and cross-border issues.

**Key Results:** PD&L funds have enabled ANE to:

- Review the principal environmental and natural resources conditions and trends in South Asia and assess the prospects for more sustainable development in the region through appropriate donor-funded policy and institutional reform;
- Initiate Internet for Economic Development activities in countries in Asia and Near East. The activities focused on policy assistance in the field of e-commerce, regulatory assistance, design and implementation of hi-tech parks and information kiosks, e-commerce workshops, capacity development for information and communication technology professionals, and connecting USAID non-governmental organization partners via the Internet;
- Identify projects and programs appropriate for U.S.-Japan cooperation such as work with The Nature Conservancy to support environmental programs in the Philippines and Indonesia. The Philippines environmental program has been held up as a model of U.S.-Japan cooperation;
- Address strategic and priority issues in population, health and nutrition sectors. Activities in FY 2000 included: a) developing and maintaining a regional and sub-regional health and demographic information database to track common trends across countries; b) helping Cambodian public health decision-makers study Thailand's integration of health workers into successful HIV/AIDS programs, thereby fostering improved communication between decision makers of the two countries to better address the growing HIV/AIDS health issue in the region; and c) ANE completing a major study of population momentum and aging in seven Asian countries to help countries of the region plan for the broad economic impacts that are expected as a result of this demographic trend;
- Improve the quality of USAID country strategic plans and increase the integration of USAID activities into the broader scope of U.S. Government assistance in the region;
- Respond to opportunities and unforeseen needs where political issues or limited technical capacity constrain bilateral missions; and

* Formerly titled "Regional Development and Support."

- Respond rapidly to non-presence country demands, e.g., designing new programs in Pakistan and Yemen.

**Performance and Prospects:** The proposed FY 2001 obligation is $10.565 million in DA (including $1.321 million in FY 2000 carryover) and $1.535 million in CSD. In addition to providing ongoing support for field mission and non-presence activities in Asia and the Near East, FY 2001 PD&L funds will:

- Improve the capacity to design microfinance programs throughout Asia and the Near East;
- Develop new conflict prevention activities in South Asian countries to include broadcast media, internet access and the role of individuals and institutions as peace-building tools;
- Analyze and recommend areas to address the major environmental and natural resource problems threatening sustainable economic development such as deforestation, national and transnational water management;
- Provide analysis and advice to countries of the region on health financing strategies and health policy dialogue;
- Analyze the trends toward urbanization and their concomitant social and economic implications;
- Provide expertise in democracy and governance to bilateral programs and State Department units in order to maximize the effectiveness of available democracy/governance funding; and
- Improve investigative journalism and media management skills in Cambodia and Indonesia.

**Possible Adjustments to Plans:** PD&L activities are short-term, determined annually, and adjusted based upon current priorities and demands.

**Other Donor Programs:** PD&L-funded activities and expertise are used to improve USAID bilateral programs and activities, and foster linkages with other donor efforts. These efforts ensure good coordination with the World Bank, The Asian Development Bank, European Union, and Japan.

**Principal Contractors, Grantees, or Agencies:** The U.S. Department of Agriculture; Management Systems International; PricewaterhouseCoopers; DevTech; Academy for Educational Development; Johns Hopkins University; the University of Michigan; the Jorge Scientific Corporation; Abt Associates, Inc.; John Snow, Inc.; and Western Kentucky University/InterNews.

| **Selected Performance Indicators:** | **Baseline** (1999) | **Actual** (2000) | **Target** (2001) | **Target** (2002) |
|---|---|---|---|---|
| Cum. number of regional trade and investment, energy, microfinance, capacity building activities designed | 1 | 2 | 4 | 4 |
| Cum. number of formative research studies completed on on the impact of urbanization, migration and aging on Asian health and social services | 0 | 0 | 2 | 2 |
| Number of annual innovative approaches and best management practices developed and disseminated to address critical environmental problems* | 1 | 3 | 4 | 3 |
| Cum. number of Department of State/USAID ANE democracy and governance strategies developed | 0 | 2 | 4 | 6 |

* Target estimates include: 1) management assessment of ANE urban programs; 2) environmental conditions and trends analysis for Cambodia; 3) a Middle East conference on energy cooperation; and 4) developing an integrated environmental strategy.

**ACTIVITY DATA SHEET**

**PROGRAM:** Asia and the Near East Regional
**TITLE AND NUMBER:** Asia and the Near East Regional HIV/AIDS, 498-008
**STATUS:** Ended
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** None.
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** None.
**INITIAL OBLIGATION:** FY 1997 **ESTIMATED COMPLETION DATE:** FY 2000

**Summary:** The Asia and Near East Regional HIV/AIDS program piloted and promoted best practices in preventing HIV transmission and providing care to AIDS victims and their families. The program supported bilateral programs, as well as efforts to tackle the growing dimensions of the disease that are transboundary in nature.

**Key Results:** **T**his activity was completed in FY 2000 and was replaced by the new, expanded objective ANE Regional HIV/AIDS and Infectious Disease Program (498-029). The final year of obligation was FY 1999; those FY 1999 funds were reported as expended in FY 2000. This activity is included in the FY 2002 Congressional Budget Justification to provide the final U.S. Financing Table showing no unliquidated obligations.

**Performance and Prospects:** The program has financed activities at major border crossing points in USAID bilateral and non-presence countries. Specific areas of investment include: information, communication and education to promote behavioral change; social marketing and condom promotion; training in diagnosis and appropriate management of sexually transmitted infections (STIs) for pharmacists and doctors; and the production of simple, culturally appropriate multiple language pamphlets, booklets and other educational material for distribution at cross-border sites and for use by NGOs providing services to migrant populations. Program funds also were used for epidemic trend monitoring through STI and behavioral surveillance data collection in Nepal, Cambodia, Laos, and Vietnam. These data were used by USAID field missions, other donors and local governments to develop programs and policies to more directly and effectively respond to the epidemic.

In addition, regional funds were used to finance research on the following: interventions in Nepal to prevent the trafficking of women and girls and the care and support of returning trafficked persons, ways to improve the hospital environment of HIV positive persons in India, and ways of building community identity among debt-bonded prostitutes in Cambodia. Regional funds were provided to a number of cooperating agencies to carry out HIV/AIDS program activities throughout the Asia and Near East region. Funds provided through the International HIV/AIDS Alliance supported the development and sustainability of local nongovernmental organizations (NGOs) responding to the HIV/AIDS epidemic, either by providing specific HIV/AIDS related services or by incorporating HIV/AIDS prevention or services into their overall mandate.

In addition regional funds were used for technical assistance on STI treatment protocols; epidemiological data collection, analysis and dissemination; formative research assessing the efficacy of prepackaged STI treatment; pilot tuberculosis/HIV projects on the extent of injecting drug use in India, Nepal and Vietnam; and an assessment of capacity-building and training needs throughout the region on topics such as HIV/AIDS, voluntary testing and counseling, and condom promotion. Program funds also funded activities related to the trafficking of women and girls in the South Asia region.

**Possible Adjustments to Plans:** This activity has been completed. Regional HIV/AIDS activities now are reported under the objective "Stabilize Population Growth and Protect Human Health" (498-022).

**Other Donor Programs:** USAID is one of the leading donors in the area of HIV/AIDS in the ANE region. Other key donors include: the United Nations Joint Program on HIV/AIDS (UNAIDS); the United Kingdom; the European Union; the United Nations Development Program; Japan; Australia; the Ford Foundation; Germany; the World Health Organization; and the World Bank.

**Principal Contractors, Grantees, or Agencies:** Family Health International; The Population Council; the International HIV/AIDS Alliance; Denk Kestet Tena; Population Services International; Programs for Appropriate Technology (PATH); and CARE International.

**Selected Performance Indicators:**

| | **Baseline (1998)** | **Target (2001)** | **Target (2004)** |
|---|---|---|---|
| Number of cross-border interventions Implemented | 5 | 10 | N/A |
| Increased number of socially marketed Condoms sold in non-presence Countries (millions) | 40 | 60 | N/A |
| Innovative models developed and disseminated for: prevention, treatment, care, and support of persons living with AIDS | 0 | 7 | N/A |

**ACTIVITY DATA SHEET**

**PROGRAM:** Asia and the Near East Regional
**TITLE AND NUMBER:** United States-Asia Environmental Partnership,* 498-009
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $16,100,000 DA
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $18,100,000 DA
**INITIAL OBLIGATION:** FY 1992 **ESTIMATED COMPLETION DATE:** Continuing

**Summary:** The rapid growth of developing Asia has produced alarming environmental consequences. Yet concerns for the environment must take into account aspirations for prosperity, just as aspirations for prosperity must take into account the environment. The United States-Asia Environmental Partnership (USAEP) recognizes this fundamental principle and integrates environmental and economic growth perspectives into its approach to Asia's environmental degradation. Its purpose is to promote and reinforce the introduction of a sustainable, clean growth regime in Asia by influencing the decision-makers involved in Asia's industrialization and urbanization. A significant spurt of growth in Asian industrial and urban infrastructure is imminent, offering a once-in-a-lifetime opportunity to get ahead of the investment curve before large quantities of inefficient, polluting technologies and infrastructure are installed. USAEP focuses on four activity areas: public policy and environmental regulation; urban environmental management; industrial governance performance; and the transfer of U.S. environmental technology, expertise and practices. As the primary engine of economic growth, the private sector is actively engaged, in Asia and the U.S. The program represents an important economic opportunity for the United States since it promotes the export of environmentally sound U.S. technologies, practices and services to Asian clients. Beneficiaries of the program are the citizens of participating countries, the local and global environment, and U.S. business and labor.

**Key Results:** A fundamental approach of USAEP is to work with partners who will multiply the work of USAEP many times over. One result is that 15 large U.S. and Asian companies have adopted programs to "green their supply chain," requiring certain standards of environmental management of their extensive network of suppliers, numbering in the thousands. USAEP has also been instrumental in institutionalizing the International Standards Organization (ISO) 14000 series of environmental standards in Asia. All ten USAEP target countries now have a national ISO 14000 accrediting agency and at least one national certifying agency (not counting Vietnam, where a USAEP presence was just established in 1999). USAEP is now working on the next step: to obtain international reciprocity for these new accreditation and certification agencies. Since international requirements for reciprocity have not been defined yet, USAEP is on the forefront participating in their development. As a testimony to the mutual benefit generated by USAEP for Asia and the U.S., USAEP-assisted sales of U.S. goods and services was over $152 million in FY 2000.

**Performance and Prospects:** USAEP mobilizes U.S. Government agencies to partner with U.S. and Asian stakeholders to demonstrate that resource efficiency and environmental rigor are compatible with economic growth, and advance prosperity over the long term. For example, a partnership between USAEP and the Council of State Governments matches the regulatory and environmental experience of U.S. states with Asian needs for environmental and energy efficient technologies and services. Through this partnership, USAEP has invested about $5.0 million in 36 projects involving 23 states and 11 Asian economies. Partners have matched these grants with more than $7.7 million, resulting in $5.5 million in confirmed sales and a dozen Memoranda of Understanding. Eighty-five U.S. companies, 110 state agencies, 35 academic institutions, and several dozen NGOs are participating in this effort. In the Philippines, USAEP helped five multinational companies (including Ford Motor Co., Shell, and Nestle) and one Philippines industry federation to adopt "greening the supply chain" programs. Greening the supply chain is a process in which large buyers of equipment, supplies and parts require their suppliers to adhere to certain environmental standards. As a result of this USAEP intervention, over 3,000 first-tier suppliers to these buyers have modified their environmental behavior. The suppliers are required to implement and maintain an environmental management system that meets the buyer's corporate standards, and they must obtain formal certification of their system.

---

* Formerly titled "Promote an Asian Clean Environmental Revolution."

In promoting technology transfer, USAEP matches Asian buyers with U.S. sellers using its Environmental Technology Network for Asia, a computer database of 4,800 U.S. firms that has provided over 5,500 trade leads. One measure of the impact of these leads is that USAEP has contributed to the confirmed export sales of $1.26 billion worth of U.S. environmental goods and services, plus numerous consulting and licensing agreements and joint ventures. Another USAEP program to promote the transfer of U.S. environmental technologies is the Environmental Technology Fund, a partnership with the National Association of State Development Agencies. Since its inception in 1992, the Fund has made grants to companies in 46 states totaling about $6.5 million, generating more than $350 million in export revenues and creating more than 850 new U.S. jobs. The Fund provides matching grants of up to $20,000 to U.S. firms to market their environmental goods and services in Asia, usually via technology demonstrations, training, and technical assistance. The visits of American firms to Asia are often coordinated by the USAEP field representatives, who link them with Asian decision-makers and private sector firms. Independent research found that the grant funds, together with field representative assistance, were the reason that 90% of Fund recipients were able to make their first trip to Asia, making a significant impact on introducing U.S. environmental technologies to Asia.

In India's megacities, USAEP is establishing viable inspections and maintenance and promoting an acceptance within the culture of complying with them. The project began as a public-private partnership in Delhi targeting two-wheel motor vehicles. Partners include the Society of Indian Automotive Manufacturers (SIAM), Indian manufacturers of two-wheel motor vehicles, and Delhi and Central government agencies. SIAM and partners conducted the largest-ever series of inspections and maintenance camps in Delhi, drawing over 65,000 drivers. In the process, an extensive set of data was collected and analyzed on emissions, fuel efficiency, vehicles and drivers, and used to design regulations and voluntary programs. With training based on the Delhi experience, USAEP, SIAM and other partners are expanding to India's other megacities and to three- and four-wheeled vehicles. To help ensure that the practice catches on, the program includes two outreach tactics. One is a school campaign, designed in partnership with the Indian environmental NGO Conserve, which is getting students to encourage their parents to get a "Pollution Under Control" inspections and maintenance sticker for their vehicle. The other is to create an Indian affiliate of a U.S. NGO, the Earth Communications Office (ECO). ECO India, which is in the process of being launched, will promote PUC compliance through TV, radio, and movie theatre advertising. It will be based in Mumbai in order to link to the Indian film industry and major corporations.

The FY 2002 USAEP programmatic strategy is to increase the engagement of our partners in fostering a clean growth regime in Asia, while continuing the core functions of applying U.S. technology and expertise to the many daunting environmental problems faced by countries in Asia. In the policy arena, USAEP will place a greater emphasis in FY 2002 on integrating economic, trade, and environmental policies. With respect to governance, USAEP is entering into two new partnerships to focus increasingly on corporate and public sector governance: the National Environmental Policy Institute and the State Legislative Leaders Foundation. USAEP also plans to place more emphasis on improving the capacity of non-governmental entities to become influential forces in Asia's sustainable development. As parts of Asia undergo a brisk recovery from the Asia financial crisis, USAEP-assisted sales of U.S. technology and services have increased significantly. In general, USAEP is finding Asian decision-makers more receptive to the fact that enhancing competitiveness and access to global markets requires improved environmental performance. With this receptiveness comes increased investment in cleaner production, an embrace of policy and regulatory reforms, and increased benefit to U.S. business.

**Possible Adjustments to Plans:** None.

**Other Donor Programs:** USAEP offers an innovative model for development promotion. Rather than donor-client relationships, USAEP fosters partnerships that will carry on beyond the reach and longevity of development agencies. Working with federal and state agencies, the private sector, professional associations, NGOs, and universities, USAEP has forged a set of partnerships mobilizing private initiative and resources. Other donors have sought USAEP advice on adopting the USAEP model. USAEP-like organizations are being adopted by other

Bureaus within USAID. USAEP is a leader in setting the economic/environmental agenda for other donors in the region by working through the U.S. Executive Director's Office at the multilateral development banks and international political fora such as the Asia Pacific Economic Cooperation and the Association of South East Asian Nations. Another fundamental USAEP approach is to leverage public and private sources of funding. USAEP seeks cost sharing or complementary investments from its U.S. and Asian partners and counterparts. Grant programs with states in the U.S. have leveraged from one to three dollars for each USAEP dollar.

**Principal Contractors, Grantees, or Agencies:** USAEP is an interagency partnership of USAID with the Department of Commerce and the Environmental Protection Agency. It is implemented by three major contractors: the Institute for International Education, International Resources Group, and Louis Berger International. USAEP also has cost-share partnership arrangements with the Overseas Private Investment Corporation, National Association of State Development Agencies, Council of State Governments, various Asian and U.S. professional associations, and many NGOs.

**Selected Performance Measures:**

| | **Baseline (1993)** | **Actual (1999)** | **Actual (2000)** | **Target (2001)** | **Target (2002)** |
|---|---|---|---|---|---|
| Cumulative number of large companies with suppliers in Asia who adopt programs to "green their supply chain" (promote environmental mgmt among their suppliers) | 0 | 14 | 15 | 17 | 19 |
| Cum. number of countries that have obtained int'l reciprocity for local ISO 14000 accreditation and certification | 0 | 3 | 4 | 5 | 6 |
| Confirmed, USAEP-assisted sales of U.S. environmental goods and services to Asia ($ million, cumulative) | 0 | 1,107 | 1,259 | 1,329 | 1,399 |

**ACTIVITY DATA SHEET**

**PROGRAM:** Asia and Near East Regional
**TITLE AND NUMBER:** Middle East Regional Democracy Fund, 498-012
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $3,986,000 ESF
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $7,000,000 ESF
**INITIAL OBLIGTATION:** FY 1998 **ESTIMATED COMPLETION DATE:** Continuing

**Summary:** The development of a democratic culture in the Near East, based on representative government, strong civil society institutions, and respect for individual human rights, directly supports the U.S. goal of fostering democracy worldwide and enhances U.S. interests in peace and stability in the region. More democratic countries in the region that respect the rule of law and embrace civil society are likely to transfer power peacefully, resist the spread of extremism, promote investment by increasing confidence in the business sectors, and enhance the stability of the Near East region as a whole.

The countries of the Middle East often are characterized by autocratic rule, the absence of political and civil rights, cumbersome bureaucracies, corruption, and failure to deliver basic services. These factors, combined with fundamentalist Islam, pose serious challenges to the region's democratic development. However, some positive democratic momentum in the Middle East has been generated in recent years. Public participation in political life in many states is increasing through the growth of active non-governmental organizations and the expanded role of elected legislatures/advisory councils. Morocco and Yemen have demonstrated a willingness to implement judicial reforms, as well as provide additional degrees of freedom to civil society organizations. While still nascent, potential openings for civil society, court reform, and legislative strengthening exist in Oman, Tunisia and Algeria.

**Key Results:** An analysis of issues and opportunities to promote democracy and governance in the Middle East indicates the likelihood of achieving positive results in three important areas:

- Commitment to the rule of law, including respect for human rights and particularly women's rights; a strong legal system; and an independent judiciary, as evidenced by improvements in the administration of justice and increased independence of judicial officials making fair decisions;

- A strong and participatory civil sector, including non-governmental organizations and the media;

- Representative and accountable government, as evidenced by free and fair elections, more independent legislatures and improved constituency outreach.

**Performance and Prospects:** This activity has defined a core program that directs resources to Morocco, Yemen, Oman and Algeria in areas that have been identified as most likely to generate results over a short period of time. In FY 2001, the fund ($4,000,000 ESF) will support activities focused on (but not limited to):

- Algeria: parliamentary training; NGO/journalism training; judicial reform
- Morocco: civil society advocacy, human rights monitoring, anticorruption programs, support for decentralization, women's rights advocacy, election support
- Oman: judicial reform, State Council training; women's rights advocacy
- Tunisia: civil society strengthening
- Yemen: political party and parliamentary training, electoral assistance, judicial reform, support for decentralization

The fund also supports a small grants program that will be separately notified by the Department of State.

**Possible Adjustments to Plans:** None.

**Other Donor Programs:** Assistance for democracy programming in the targeted countries has been limited. In Morocco, the European Union provides support to NGOs involved in human rights, women's rights, democracy and advocacy. In Yemen, the United Nations Development Program continues to provide support for elections and parliamentary strengthening.

**Principal Contractors, Grantees, or Agencies**: U.S. partner organizations for democracy and governance activities include the National Democratic Institute, the International Republican Institute, the International Foundation for Election Systems, the American Bar Association, Freedom House and others to be determined.

**Selected Performance Indicators:** Yemeni judicial code of conduct completed; Algerian Parliament acts on proposals to amend the country's family law; Omani government issues royal decrees containing specific legislation on civil rights; Moroccan civil society organizations are able to advocate for greater transparency and accountability in government; greater degrees of judicial freedom to question constitutionality of laws; selected public policies changed consistent with civil society advocacy; targeted NGOs have operational financial and management systems in place.

**ACTIVITY DATA SHEET**

**PROGRAM:** Asia and the Near East Regional
**TITLE AND NUMBER:** South Asia Regional Environment Program, 498-013
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** None.
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** None.
**INITIAL OBLIGATION:** FY 2000 **ESTIMATED COMPLETION DATE:** FY 2002

**Summary:** Demands on energy, natural resources, and environmental systems are intensifying in South Asia due to population growth, urbanization, and industrialization. Recent droughts and floods, and deteriorating water quality, have highlighted the need for improved water resources planning and management in the region. Arsenic contamination of shallow groundwaters of the Bengal Delta in Bangladesh and West Bengal, India, is now recognized as one of the most significant mass poisoning events in the world, affecting perhaps as many as 40-60 million people. Air and water pollution are pressing environmental problems – 13 of the cities with the worst air pollution in the world are in Asia, resulting in at least 1.5 million premature deaths per year. This region is also among the world's most biodiverse, but this diversity is threatened by continuing loss of the region's tropical forests. There is also a need to build confidence among the countries in the region to reduce tensions and promote regional cooperation.

In response, the U.S. proposes to work through a South Asia Regional Program (SARP) to: (1) support targeted confidence building measures between Bangladesh and India; and (2) to help address the region's environmental needs and promote local and regional solutions to environmental problems. In particular, SARP will help build national and regional capacity to: (1) foster better policies and improved environmental planning and management; (2) create and/or strengthen regional forums, networks, and associations for cooperation and advocacy for improved environmental and natural resources management; and (3) strengthen local and regional capacity to design and carry out effective environmental and natural resources management programs.

**Key Results:** The South Asia Regional Program has helped to increase the capacity of South Asian national and regional organizations, both public and private, to develop and sustain more effective programs for addressing key environmental issues.

**Performance and Prospects:** Under SARP, research by the U.S. Geological Survey has led to better understanding of the geochemistry and hydrology of arsenic contamination of groundwater in Bangladesh. SARP also provided technical assistance to support the creation of the Bangladesh Tropical Forest Conservation Trust Fund.

In FY 2001, SARP will: (1) support expansion of Sandia National Laboratory's Cooperative Monitoring Center's regional water monitoring project, involving India, Bangladesh, Nepal, and Sri Lanka, to increase sharing of water quality data on an open website; and (2) continue to support U.S. Geological Survey investigations of the sources of arsenic contamination in the groundwater of the Bengal Delta in Bangladesh and West Bengal, India.

**Possible Adjustments to Plans:** Starting in FY 2001, funds will be obligated and activities will be reported under the regional strategic objective "Environment Managed for Prosperity and Sustainability" (498-013).

**Other Donor Programs:** This program is being managed as a regional activity, with special attention to donor collaboration in its implementation. Both the World Bank and UNICEF have major programs to mitigate the arsenic problem, but they have indicated that they would welcome more careful study of the geologic origin and processes that concentrate arsenic in the aquifer. The World Bank and Asian Development Bank are also involved in tropical forest conservation and management in Bangladesh. Indeed, the Asian Development Bank recently signed an agreement with the Government of Bangladesh for $80 million for the Sunderbans Biodiversity Project, which is mainly concerned with forestry management in these globally significant mangrove forests that serve as home to endangered Bengal tigers. The TFCA Trust Fund will be developed and administered so that it

complements these other donor programs.

**Principal Contractors, Grantees, or Agencies:** Sandia National Laboratory will implement the regional water monitoring activity. The U.S. Geological Survey will carry out the study of the cause of arsenic groundwater contamination. Technical assistance with the establishment of a Board of Directors for the creation of the TFCA secretariat in Bangladesh will be provided through an institutional contractor.

**Selected Performance Measures:**

| | **Baseline (2000)** | **Result (FY 2001)** | **Target (FY 2002)** |
|---|---|---|---|
| Source of arsenic groundwater contamination identified and monitoring systems improved. | U.S. Geological Survey coordinates data gathering and laboratory analyses with other agencies working on the arsenic problem. | USGS initiates long-term study of hydrology and geochemistry of arsenic contamination of groundwater. | USGS begins institution-building activities with various Government of Bangladesh agencies to establish long-term arsenic-monitoring programs. |
| Sandia regional water quality monitoring program fosters regional sharing of water quality information. | Sandia convenes successful workshop to promote water quality data sharing in South Asia. | Water quality data sites are identified in concert with regional partners; number of water quality presently monitored is expanded. | Regional water quality monitoring continues; expanded web page provides link to existing data sources and displays new data gathered by partners on a regular basis. |

**ACTIVITY DATA SHEET**

**PROGRAM:** Asia and the Near East Regional
**TITLE AND NUMBER:** South Asia Democracy, 498-014
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** None.
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** None.
**INITIAL OBLIGATION:** FY 1998 **ESTIMATED COMPLETION DATE:** FY 2001

**Summary:** The South Asia Regional Democracy Fund (RDF) was created in 1998 to further the U.S. national interest of consolidating and strengthening democratic systems, respect for human rights, and the rule of law throughout South Asia. The United States has a vital interest in maintaining stability and strengthening the democratic form of government in a region where nuclear weapons have entered the stage and where political unrest could close the door to Western investment and economic development critical to improving the quality of life in one of the poorest regions of the world. South Asia, home to over one-fifth of the world's population, is becoming increasingly unstable. In addition to the India/Pakistan nuclear dimension, several countries in South Asia face armed resistance in the form of separatist movements. Democratic development is incomplete. Human rights abuses, demonstrated by the low status of women and widespread exploitation of child labor, abound in each country. Accountability is poor and corruption is high, undermining investment potential and public confidence in government institutions.

**Key Results:** This program is designed to work toward the following, key results:

- Elements of democratic systems strengthened: While elections do take place in South Asia, and the basic institutions of democracy do exist--parliaments, judiciaries, and executive agencies--these institutions are often weak and ineffective. RDF programs are oriented to address the substance of needed democratic reforms.
- Growth with equity: The low status of women, the plight of ethnic and religious minorities and the region's impoverished masses all contribute to a dangerous cynicism that threatens regional stability. Reducing the gender gap and equitable treatment of minorities are the minimum standards necessary to ensure that disillusionment does not eclipse economic and political gains.
- Confidence building: There are compelling economic and global issues that are galvanizing certain groups in the region to advocate for the difficult but necessary work of regional cooperation. While the strong emotions generated by the nuclear issue have overshadowed these nascent efforts a regional cooperation, these groups are making inroads on important but less volatile issues such as water sharing, free trade and joint ventures, anti-corruption, and cooperation in the energy sector. Supporting these efforts is an essential step toward building the basic level of confidence among nations of South Asia necessary for tackling the more incendiary issues of nuclear proliferation and ethnic/religious conflict.

**Performance and Prospects:** The RDF supports efforts to strengthen democratic systems throughout the region, complimenting and reinforcing bilateral activities. These efforts focus on but are not limited to:

- Sri Lanka--assist human rights and legal aid organizations in their efforts to protect and represent the victims of violent conflict.
- Bangladesh--work with the Parliament to reduce tension and clarify member of parliament roles and responsibilities.
- Nepal-- strengthen the outreach of political parties and enhance the capacity of legal officials to implement the government's ambitious decentralization agenda.

In addition, the RDF supports efforts to address human rights abuses, particularly trafficking of women and girls and child labor.

**Possible Adjustments to Plans:** In FY 2001, regional democracy activities will fall under strategic objective 498-037, "Improve South Asia Regional Stability through Democracy and Human Rights."

**Other Donor Programs:** A number of bilateral and multi-lateral donors are engaged in human rights and democracy issues in the region. U.S. Government programs are carefully coordinated. Other major donors include: European Union, United Nations Development Program, the World Bank, and Canada.

**Principal Contractors, Grantees, or Agencies:** The Asia Foundation; Aga Khan Foundation; International Foundation for Election Systems; National Democratic Institute; International Republican Institute; and other contractors and grantees to be determined.

**Selected Performance Indicators:** Performance information for this strategic objective will be reported under the new strategic objective, 498-037. Indicators may include: increased number of human rights violations reported to authorities in Sri Lanka; best practices in combating trafficking of women and children identified, disseminated and replicated; increased number of manufacturers participating in child labor-free labeling program.

**ACTIVITY DATA SHEET**

**PROGRAM:** Asia and the Near East Regional
**TITLE AND NUMBER:** East Asia and Pacific Environmental Initiative, 498-015
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** None.
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** None.
**INITIAL OBLIGATION:** FY 1999 **ESTIMATED COMPLETION DATE:** FY 2002

**Summary:** The East Asia and Pacific Environmental Initiative (EAPEI) was established to continue U.S. Government assistance for fire and haze preparedness and prevention and to establish broader long-term efforts focused on other key regional environmental problems in the East Asia and Pacific region. The goal of EAPEI is to promote environmental quality in the East Asia and the Pacific by increasing environmental capacity and knowledge through joint Department of State-USAID and partner efforts.

**Key Results:** EAPEI activities have resulted in improved understanding of the root causes and impacts of fires in Indonesia; improved local, national, and regional fire detection, suppression, and management activities; improved environmental planning and management; and helped combat destructive fishing practices in Southeast Asia.

**Performance and Prospects:** In FY 2000, EAPEI activities focused on 1) improved land use and forest management practices including fire prevention and control; 2) coastal and marine resources management, and; 3) environmental planning and management, principally in Indonesia. The most successful activities had clearly defined objectives and work plans, strong field-based management, and good relationships with in-country partners.

The program has supported improvements in fire management and response in Indonesia. Technical assistance from the U.S. Department of Agriculture Forest Service has raised the technical quality of the work of the ASEAN Haze Coordination and Support Unit and helped to maintain information flows about other donors' fire suppression activities. Other forest policy activities supported under EAPEI, particularly in analyzing the sources and impacts of fires and identification of alternatives to slash-and-burn agriculture, have proven valuable in identifying policy reform opportunities and promoting decentralization, governance, and equity objectives of the new Indonesian government.

EAPEI supported work by the International MarineLife Alliance and the World Resources Institute in Southeast Asia, and the Nature Conservancy in the Pacific, to reform destructive fishing practices such as cyanide and dynamite fishing and overharvesting. Notable progress was made documenting and combating the spread of these practices in the region.

**Possible Adjustments to Plans:** Starting in FY 2002, funds will be obligated and activities will be reported under the regional objective "Environment Managed for Prosperity and Sustainability" (498-024).

**Other Donor Programs:** EAPEI is managed as a regional activity, and collaborates on an implementation level with the Asian Development Bank's work with the ASEAN Regional Fire and Haze Action Plan; major U.S. foundations active in the region such as the MacArthur Foundation and the Packard Foundation; and the bilateral programs of Japan, Germany, New Zealand and Australia.

**Principal Contractors, Grantees, or Agencies:** Implementing partners include: 1) U.S. government agencies, e.g., the Environmental Protection Agency, National Oceanic and Atmospheric Administration, USDA Forest Service, Department of Interior; 2) U.S. non-governmental organizations such as Conservation International, The Nature Conservancy, World Wildlife Fund, and World Resources Institute; 3) international agricultural research centers, e.g., the International Center for Research on Agroforestry and the Center for International Forestry; 4) the University of Rhode Island's Coastal Resources Center; and 5) international organizations such as the South Pacific Regional Environment Program.

**Selected Performance Measures:**

| | Baseline (1999) | Actual (2000) | Target (2001) | Target (2002) |
|---|---|---|---|---|
| Implementation of forest management policies that encourage conservation and more sustainable use of tropical forest resources | Center for Int'l Forestry (CIFOR) initiates as-sessment to objectively analyze causes and impacts of the devastating Indonesia fires. | Approaches to community forestry and reduced impact harvesting developed and disseminated by CIFOR. | CIFOR com-pletes report documenting Indonesia fires, underlying causes, im-pacts. Policy, technical asst. needs are identified. | CIFOR recom-mendations being imple-mented by Government of Indonesia. |
| Increased cooperation in fire prevention and fire fighting | ASEAN coordination and support unit strength-ened to support implementation of the Regional Haze Action Plan. | Indonesia passed legis-lation chang-ing account-ability for firestarts, controlling oil palm planta-tion expansion and delegating regional fire suppression responsibilities. | Fire simulation response exercises and suppression plans build fire-fighting capacity in Indonesia | New activities continue to enhance Indo-nesian and regional capa-city to design, coordinate, implement fire management programs. |
| Enactment and enforcement of policies and regulations that prevent destructive fishing and promote marine conservation and management | Indo-Pacific Destructive Fishing Reform Initiative expanded in Southeast Asia; live reef fish trade monitor-ing stations established in key locations (e.g., Hong Kong). | Live reef fish trade control-led through improved de-tection, pros-ecution of cyanide/blast fishers, train-ing of fisher-men in new methods, and transparency in the Hong Kong transit markets. | Scientific, pol-icy, mgmt advice and asst. developed, dis-seminated to Pacific Island govts and communities to control the expansion of the regional coral trade | Development, growing adher-ence to codes of conduct for responsible fisheries.<br><br>Development and implemen-tation of action plans to com-bat destructive fishing practices. |

**ACTIVITY DATA SHEET**

**PROGRAM:** Asia and the Near East Regional
**TITLE AND NUMBER:** East Asia Regional Democracy Fund, 498-016
**STATUS:** Continuing
**PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE:** None.
**PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE:** None.
**INITIAL OBLIGATION:** FY 1998 **ESTIMATED COMPLETION DATE:** FY 2001

**Summary:** In recent years, the trend in the East Asia and Pacific region has been a transition from autocratic governments toward democracies and democratic institutions. However, the development has been, at best, uneven. The Regional Democracy Fund (RDF) supports the U.S. goal of increasing democracy, rule of law, and adherence to human rights.

**Key Results:** The RDF support projects that promote democratic institution-building in key countries in East Asia and the Pacific where the transition to democracy is in progress. Support is given to projects that:

- Create and enhance or enhance civil societies that can advocate on behalf of human rights, women's rights, workers rights, the rule of law, and freedom of the press and assembly;
- Promote regional dialogue focused on strengthening intra-regional networks of human and worker rights NGOs and on heightening the attention paid to human rights by Asian government

**Performance and Prospects**: In FY 2001, activities may continue to focus on the following:

- reduce governmental restrictions on freedom of association for political parties, journalists, NGOs, and other civil society groups leading toward the establishment of more pluralistic societies;
- increase the participation of international monitors in national elections;
- provide training in rule of law for both civilian and military leaders, encouraging the reduction of military involvement in governance
- support the enactment and enforcement of laws that increase transparency at all levels of government, that protect labor rights workplace health and safety, equality in the workplace, and that encourage free trade unions and improved adherence to International Labor Organization standards.

**Possible Adjustments to Plans:** In FY 2001, regional democracy activities will be notified under the strategic objective 498-036, "Improve East Asia Regional Stability through Democracy and Human Rights."

**Other Donor Programs:** A number of donors are engaged in anti-trafficking and other women's empowerment programs in the region. These include: Australia, Germany, and the EU. U.S. Government programs are carefully coordinated.

**Principal Contractors, Grantees or Agencies:** To be determined.

**Selected Performance Indicators:** Indicators for the program will be reported under strategic objective 498-036. These may include: (a) increased passage and implementation of laws that protect civil liberties and due process; (b) Increased registration of labor federations and unions; (c) increased activism on the part of ASEAN human rights groups for including human rights on ASEAN member agendas.

**ACTIVITY DATA SHEET**

**PROGRAM:** Asia and the Near East Regional
**TITLE AND NUMBER:** Stabilize Population Growth and Protect Human Health, 498-022
**STATUS:** New
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $11,237,000 CSD
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $ 300,000 DA; $10,400,000 CSD
**INITIAL OBLIGATION:** FY 2001 **ESTIMATED COMPLETION DATE:** Continuing

**Summary:** In FY 2001, this activity will replace the regional HIV/AIDS and Infectious Disease program (498-029) in order to provide a more integrated approach to regional health and population issues in the Asia and Near East (ANE) region.

Stabilization of population size and improved health and nutrition are essential to sustainable development. They also are fundamentally interdependent. When people are nourished and free from the ravages of infectious diseases, they can contribute more fully to their own social and economic progress and to that of their nation. Immunizations, health education, investments to correct micronutrient deficiencies, and investments in basic health services will significantly improve the health of people, especially women, children, and vulnerable populations. When couples can determine the size of their families, resources are made available at the household, national, and global levels for enduring improvements in quality of life. Moreover, improved health status of women and girls plays a critical role in child survival, family welfare, economic productivity, and population stabilization.

This activity will support the development of integrated interventions in maternal and child health, reproductive health, the reduced HIV transmission and the mitigation of the impact of the HIV/AIDS pandemic; improved management of other sexually transmitted infections (STIs); and improved capacity to combat, control, and prevent infectious diseases (IDs). Also, this activity will provide the resources to address the growing dimensions of population and health that are transboundary in nature. It will complement population and health programs in USAID presence and non-presence countries, and support the development of innovative models to promote best practices.

**Key Results:** This activity design is not yet finalized, but USAID anticipates that results will be similar to the old objective, "Asia and the Near East Regional HIV/AIDS and Infectious Disease Program" (498-029), i.e., focus on issues related to specific diseases such as HIV/AIDS, tuberculosis (TB), and malaria that are beyond the scope of individual country programs; provide the structure to integrate reproductive health and maternal and child health issues with those of HIV/AIDS and other infectious diseases; increase the number interventions to prevent, treat, or control IDs in mobile populations; expand the number of countries with national ID prevalence and behavioral surveillance systems; and increase the number of implementing partners adopting best practices or new ID services.

**Performance and Prospects:** Major components under this objective include: a) continuing HIV/AIDS activities; b) continuing infectious disease (ID) activities; c) new HIV/AIDS activities; d) new ID activities; and e) cross-cutting activities.

Continuing HIV/AIDS Activities ($3,160,000 CSD-HIV/AIDS): Activities begun in FY 2000 under SO 498-029 and continuing in FY 2001 under SO 498-022 include the following: (1) HIV and STI surveillance in border areas in the Mekong region; (2) a seafarers intervention project targeting ports in Indonesia and Thailand; (3) regional training to expand the capacity of community organizations to provide support for people living with AIDS; (4) cross-border HIV prevention programs in Nepal, India, and Thailand; (5) regional training for HIV program managers; (6) HIV/AIDS prevention activities in four provinces in Vietnam; (7) condom social marketing in Laos; and (8) an assessment of training needs for HIV voluntary counseling and testing programs in Vietnam, India, and Nepal.

Continuing Infectious Disease Activities ($2,102,000 CSD-ID): Activities begun in FY 2000 under SO 498-029 and continuing in FY 2001 under SO 498-022 include the following: (1) training on surveillance of drug-resistant malaria and related drug-use practices and drug quality in South and Southeast Asia; (2) developing and testing interventions, including new treatment regimens, to slow emergence and spread of drug-resistant malaria and improve the use of antimalarial drugs in Southeast Asia; and (3) standardizing surveillance and training methodologies for monitoring vector-borne diseases such as malaria in South Asia.

New HIV/AIDS Activities in FY 2001 ($3,342,000 CSD-HIV/AIDS and $997,000 ESF for East Timor): USAID will provide technical assistance to expand the capacity of public and private institutions throughout the region to become centers of excellence and the primary sources of technical assistance and training in a variety of disciplines (i.e., epidemiology, behavioral science, measurement and evaluation). USAID activities will also support the following: (1) pilot "pre-departure" HIV prevention programs in migrant communities in South and Southeast Asia; (2) support feasibility and planning studies and initiating an intervention to focus on the tens of thousands of workers from throughout Southeast Asia who will travel to/from Sihanoukville to build a seaport; (3) support policy dialogue with the governments, donors, and other partners on issues such as stigma, discrimination, and condom security; (4) undertake formative research studies in one country in South Asia or Southeast Asia on how to delay adolescent boys' sexual activity and positively change their attitudes about premarital sex and condom use; (5) provide a small grant to Morocco for a school-based HIV education program; (6) provide technical assistance to develop new HIV/AIDS prevention programs; (7) strengthen monitoring and evaluation of regional programs, especially those targeting mobile populations; (8) determine the impact of high-risk behaviors on HIV transmission; (9) mitigate stigma and discrimination against people living with HIV/AIDS; and (10) strengthen HIV education and STI treatment in reproductive health centers in Vietnam.

In FY 2001, USAID also will provide $997,000 in ESF funding to a cooperating agency to assist the U.N. agencies working in East Timor to "jump start" their proposed HIV and STI prevention programs.

New ID activities in FY 2001 ($1,829,000 CSD-ID): USAID plans to support the following: (1) develop a model to improve the use of health information for resource allocation; (2) standardize the collection, analysis, and reporting of surveillance and drug resistance information and related training in South and Southeast Asia; (3) improve TB lab training/quality assurance and provide technical assistance to missions and national TB programs; (4) and strengthen TB surveillance and expanding DOTS coverage. USAID will also support efforts to facilitate policy dialogue with international health organizations and industry to ensure that effective diagnostics and drug regimens for malaria are affordable and available to those in need.

New Cross-Cutting Activities ($400,000 CSD-HIV/AIDS; and $400,000 CSD-ID): In response to suggestions from USAID missions in the ANE region, USAID will support several new HIV and ID cross-cutting activities in FY 2001. In order to provide information on the short- and long-term social and economic impact of HIV/AIDS and infectious diseases, this activity will support scientific updates and advocacy workshops to provide data, materials and the skills needed to put HIV and infectious diseases on the development agenda as more than a health issue. USAID will also support limited numbers of technical meetings for USAID health officers, NGOs, selected government counterparts and cooperating agencies to keep them current on HIV/AIDS and ID developments such as changing epidemic trends, scientific breakthroughs and treatment improvements, and new programmatic approaches.

**Possible Adjustments to Plans:** Starting in FY 2001, this regional objective includes funding for and reporting on activities previously notified under the objective "ANE Regional HIV/AIDS and Infectious Diseases" (498-029). Population, reproductive health, maternal health and child survival activities may be expanded during FY 2002, including selected regional program activities that would complement bilateral programs and assist in the achievement of regional program goals.

**Other Donor Programs:** Key donors include the United Nations Joint Program on HIV/AIDS; the United Kingdom; the European Union; the United Nations Development Program; Japan; Australia; the Ford Foundation; Germany; the World Health Organization; and the World Bank.

**Principal Contractors, Grantees, or Agencies:** These activities will be implemented primarily through "buy-ins" to pre-competed USAID Global Bureau cooperative agreements and contracts. Partners in HIV/AIDS activities include: Family Health International/IMPACT, PSI/AIDSMARK, the International HIV/AIDS Alliance, and TVT Associates/SYNERGY. Infectious disease partners include: Abt Associates, Asian Collaborative Training Network for Malaria, Camp Dresser and McKee International, CARE, the Centers for Disease Control and Prevention, the Centre for Development and Population Activities/Technical Advisors in AIDS and Child Survival, the Johns Hopkins Health and Child Survival Fellowship Program, Kenan Institute of Asia, Management Sciences for Health, TB Coalition for Technical Assistance, the U.S. Pharmacopeia Convention, Inc., and the World Health Organization.

| **Selected Performance Indicators:** | **Baseline (2001)** | **Target (2006)** |
|---|---|---|
| Number of interventions targeting mobile populations implemented | 5 | 7 |
| Number of socially marketed condoms sold in non-presence countries (millions) | 55 | 70 |
| Innovative models developed and disseminated for prevention, treatment, care, and support of persons affected by HIV or IDs | 6 | 8 |

**ACTIVITY DATA SHEET**

**PROGRAM:** Asia and the Near East Regional
**TITLE AND NUMBER:** Encourage Economic Growth, 498-023
**STATUS:** New
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $17,735,000 DA (including $2,334,000 in FY 2000 carryover funds); $11,568,000 ESF (including $300,000 in FY 2000 carryover funds)
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $7,700,000 DA; $10,000,000 ESF
**INITIAL OBLIGATION:** FY 2001 **ESTIMATED COMPLETION DATE:** Continuing

**Summary:** Americans and citizens of other countries benefit from USAID's efforts to stimulate sustained economic growth in developing and transition economies by promoting open and fair trade practices. Doing so requires the refocus of development priorities, giving top priority to programs that establish a more direct link between trade promotion and investment, and international development. Creating appropriate legal, regulatory, tax, trade and financial frameworks that open markets and facilitate foreign investment best achieve this result. USAID's newly established Strategic Objective, Encourage Economic Growth, brings the combined resources of three programs to promote its goals: (1) increasing foreign direct investment; (2) improving public and private sector governance; and (3) removing barriers to free trade.

Accelerating Economic Recovery in Asia (AERA), a five-year initiative that builds upon on-going donor and bilateral USAID efforts in Southeast Asia (Indonesia, the Philippines, Thailand, Vietnam, and possibly Cambodia), addresses the weaknesses in these countries' economic and governance systems. AERA has three key objectives: (1) improve public and private sector governance; (2) provide Small and Medium-Sized Enterprises (SME) support; and (3) support reforms that will encourage foreign direct investment.

The U.S. North Africa Trade and Investment Initiative is a multi-agency effort to address the legal, policy, and regulatory constraints to increased trade and investment in North Africa. Assistance includes short-term expert consulting and workshops for public and private sector entities in North Africa—primarily Morocco, Tunisia and Algeria (the Maghreb). The expected results of this activity are to: reform regulations, procedures, and policies to improve the trade and investment climate in North Africa; establish an internet-based network to match business opportunities in North Africa with businesses in the United States; and facilitate internet/e-commerce-related activities in the region. The beneficiaries will be local industries and industry associations, foreign investors, and the host country.

The South Asia Regional Initiative/Energy Program (SARI/Energy) encourages regional cooperation in energy development and the eventual trade in clean energy resources among South Asian countries including Bangladesh, Bhutan, India, Nepal, the Maldives and Sri Lanka. SARI/Energy supports sustained economic growth in the region while minimizing greenhouse gas emissions and harm to human health. SARI/Energy brings together energy sector actors from public and private sectors across the region to discuss and resolve issues that impede trade and investment in energy development. Taken together, these measures will help achieve the dual objectives of promoting sustainable economic development and market-driven energy sectors in South Asia, and a greater opening of markets to U.S. and regional firms. Furthermore, by promoting cooperation that builds on mutual economic interest, the program can help ease political tensions in the region and build trust and confidence among countries.

A new regional Information Technology (IT) program will begin in FY 2002. The program will build on country level assessments and limited interventions supported to date by Program Development and Learning funds (498-007). The program will support ANE development objectives by improving access to and generation of information, and its related applications in areas such as capacity building, poverty alleviation, and human empowerment. The program, working with partners in ANE countries, also will support policy/regulatory reform and private sector development.

**Key Results:** The AERA program initiated activities in Indonesia and the Philippines in July 1999, Thailand in

October, 1999, and in Vietnam in September, 2000. AERA-funded activities provided technical assistance to the governments of Indonesia and the Philippines in drafting and enacting legislation that supports the reform packages negotiated with the international financial institutions. In Indonesia, resistance to deeper reform has impeded significant progress on bank and enterprise restructuring. Nonetheless, USAID technical assistance to the Jakarta Initiative Task Force (JITF) did facilitate the execution of debt restructuring deals for about 18 companies valued at $625 million. USAID activities also contributed to the objectives of improved private and public-sector governance. In the Philippines, AERA activities supported the strengthening of the Securities and Exchange Commission that resulted in the adoption of procedures for securities investigation, as well as new rules for adjudicating corporate recovery. In Indonesia, USAID-funded activities contributed to the adoption of four key laws, decrees and regulations in 1999. These measures include: the critical competition law which defines rules for competitive behavior by firms as well as anti-corruption, arbitration, and secured transactions law. This last law provides a legal basis (previously lacking) for registering secured interests in assets used as collateral. In Thailand, AERA-supported efforts include the following:

1) The program has established a center in Bangkok to advise small and medium sized businesses on debt restructuring and restarting their operations. The center began operations in early December 1999 and has assisted more than 200 Thai businesses to diagnose and resolve their business problems.
2) AERA funded commercial bank training to approximately 3,000 executives and staff from 12 Thai-owned banks to help them reform and strengthen bank supervision and on-site examination policies and procedures.
3) With AERA assistance, Indonesia and the Philippines have undertaken legislative reforms in areas such as competition law, government procurement, consumer protection, arbitration and secured transaction.
4) A USAID grant to the U.S. Chamber of Commerce developed an U.S.-Thai SME matching facility that has generated over 3,600 matches, and over $50 million in negotiated business.

U.S. North Africa Trade and Investment Initiative: The expected results are reforms in regulations, procedures and policies that improve the trade and investment climate in North Africa, and the establishment of an Internet-based network to match business opportunities in North Africa with businesses in the U.S. These results should lead by the end of the activity to increased trade among the three Maghreb countries and with the United States. Work is underway in Morocco, Tunisia, and Algeria to strengthen commercial law, promote U.S.-Maghreb university partnerships, provide business training, develop debt markets, and promote the development of internet and communications technologies. Internet connections between Chambers of Commerce in the Maghreb and U.S. businesses have been established through USAID's Global Technology Network.

SARI/Energy: Baseline sector information has been collected from Bangladesh, Bhutan, India, Nepal, and Sri Lanka during fact-finding visits, and incorporated into integrated contractor and grantee work plans. A SARI-Energy website has been designed and will be on the Internet by May 2001. South Asian officials have traveled to the United States under the transmission and regulatory partnerships sponsored by the United States Energy Association (USEA). A utility partnership has been launched with its first meeting in Mumbai, India. The regulatory partnership's first priority is the drafting of a regional grid code and the sharing of tariff-setting mechanisms for regional energy exchange. Preparations are underway to link 18 Chambers of Commerce in the region with the U.S. Chamber of Commerce. The first training event, a course on marketing energy efficiency, was held in Sri Lanka in February 2001. This activity has supported capacity building in regional infrastructure regulation and finance. The first technical assistance event was held in Nepal in March. This led to the formation of a technical level contact and advocacy group that has identified six key policy and technical issues to focus on in FY 2001. Partnership, training and technical assistance efforts will be linked in ways designed to reinforce the capabilities of key actors and to support policy and regulatory changes required for increased regional energy trade and cooperation. Interest in participation in SARI-E has been strong among public and private sector energy officials, as well as support from U.S. energy firms working in the region.

**Performance and Prospects:** In FY 2001, USAID expects to allocate approximately *$12 million in DA funds* to continue AERA-funded activities; *$5 million in DA funds* to continue the North Africa Regional Trade and Investment Initiative; and *$11.568 million ESF and $735,000 in DA funds* to continue the South Asia Regional Initiative/Energy. Funding of the IT program will be initiated in FY 2002.

AERA is closely linked and coordinated with World Bank and Asian Development Bank crisis response efforts. The AERA program will provide technical assistance and training that complement ongoing structural adjustment loans funded by the International Monetary Fund and multilateral development banks. This close coordination will enable the program to have a significant impact, particularly in the areas of competitiveness, economic governance, and financial and corporate debt restructuring.

In FY 2001 and 2002, USAID will continue to focus on the systemic changes necessary to bring about structural reform and sustained economic growth. USAID bilateral programs in Indonesia and the Philippines will continue activities initiated by AERA. USAID will continue the AERA governance reform activities in Thailand and Vietnam.

U.S. North Africa Trade and Investment Initiative: Activities undertaken in FY 2001 will include efforts to improve the investment climate in Morocco via continued work to rationalize access to land and restructure the tourism sector. In Algeria, efforts will focus on helping to prepare the country for accession to the World Trade Organization. In Tunisia, funding will support training and university linkages, and continued operation of the Global Technology Network. Support for development of Internet and communications technologies will continue in all three countries.

SARI/Energy: Both governments and private sectors in South Asia have responded positively to the SARI/Energy program. Representatives from both the public and private sectors agree that the time is opportune to approach issues of energy development and trade from a regional perspective, in order to benefit from shared information, knowledge and experience. By linking SARI/Energy activities with ongoing USAID bilateral activities, as well as with other donor energy assistance, USAID expects the program to have a significant impact. The initial activities launching regional energy transmission and energy regulatory body partnerships have already created forums where key technical people from the region are learning from each other and other regions of the world in order to construct the unique building blocks for regional energy cooperation and trade in South Asia.

Information Technology: The FY 2002 program will work with NGOs, universities, other donors, foundations, and the private sector to promote IT development and applications. Additional resources will be leveraged from missions and other public and private partners, thereby broadening the pool of resources and expertise than can be mobilized in support of IT development.

**Possible Adjustments to Plans:** Starting in FY 2001, this regional objective includes funding for and reporting on activities previously notified under the objectives "Accelerating Economic Recovery in Asia" (498-001); "North Africa Regional Trade and Investment Initiative" (498-003), and "South Asia Regional Initiative/Energy" (498-031). In FY 2000, USAID took the decision to continue AERA-supported activities in Indonesia and the Philippines under ongoing bilateral programs. FY 2001 AERA funds will be focused on supporting regional activities and ongoing efforts in Thailand and Vietnam. In Vietnam, AERA efforts will be limited to encouraging the government to undertake policies and reforms needed to become better integrated into the world economy.

**Other Donor Programs:** AERA: The World Bank, Asian Development Bank, International Monetary Fund, European Union, and bilateral development agencies have pledged more than $58 billion to help Indonesia, Thailand and the Philippines recover from the financial crisis. Donor assistance has taken the form of cash transfers to help these countries meet foreign exchange obligations. Although these resources have provided critical assistance and have supported essential policy and legal reforms, they have not delivered the necessary technical assistance and training to help the countries implement the required policy changes. Thus, the AERA initiative complements other donor assistance by providing the technical expertise and training that will be essential to fully implement the reforms needed for economic recovery.

U.S. North Africa Trade and Investment Initiative: A $500 million multi-sector Policy Reform Adjustment Program and a sector-specific adjustment program in Morocco—beginning with $200 million for telecommunications reform program—are planned with joint financing from the World Bank and African

Development Bank. World Bank assistance to Tunisia includes funding for foreign investment promotion, service sector liberalization, and export development. In Algeria, the World Bank is preparing studies to promote privatization. The European Union has an extensive program to improve ties with the Maghreb, through agreements that may lead to a Euro-Mediterranean Free Trade Area by the year 2010. USAID will coordinate activities with other development partners to promote favorable conditions for private sector investors.

SARI/Energy: Donor assistance is almost entirely focused at a bilateral level, assisting countries in areas ranging from technical assistance in regulatory and pricing issues to providing loans for upgrading and rehabilitating domestic distribution and transmission systems. Although this bilateral assistance is essential, it does not provide a forum for countries to discuss and resolve cross-border issues necessary to rationalize energy supply and distribution across the region. SARI/Energy is uniquely positioned to fill this gap. The SARI/Energy program will provide fora for energy sector players to discuss policy and systems harmonization issues that need to be resolved, and to promote relationships and networks that foster the trust and confidence needed in the region to support agreements on energy trade. Thus, the program complements other donors' efforts and USAID's own bilateral programs through regional mechanisms, and takes energy development a step further into trade that will have economic growth and reduced greenhouse gas emissions benefits.

IT: ANE has been working closely with Japan and the World Bank to conduct IT assessments and coordinate initial pilot activities. A key strategy of the regional program will be to collaborate with private foundations and NGOs to leverage resources and expertise for the program.

**Principal Contractors, Grantees, or Agencies:** AERA activities are being implemented by the Kenan Institute Asia, the U.S. Chamber of Commerce, the U.S. National Committee for Pacific Economic Cooperation, Deloitte Touche Tomatsu, Development Alternatives, Inc., KPMG Peat Marwick, R. Robert Nathan Associates, the American Center for International Labor Solidarity, and the Asia Foundation.

U.S. North Africa Trade and Investment Initiative: In addition to a large number of existing USAID Global Bureau pre-qualified contractors, consultants from U.S. agencies such as Customs, Commerce, and Treasury will be utilized to provide short-term technical assistance.

SARI/Energy: Principal contractors and cooperators are the U.S. Energy Association, Nexant Consulting (a Bechtel subsidiary), Deloitte Touche Tohmatsu, Academy for Educational Development, Core International, Institute of International Education, and the National Association of State Development Agencies. Other expected partners will include the U.S. Chamber of Commerce and the Energy Information Administration of the U.S. Department of Energy.

IT: The program will be implemented through Global Bureau mechanisms.

**Selected Performance Measures:**

| AERA: | **Baseline (2000)** | **Target (2001)** | **Target (2002)** |
|---|---|---|---|
| Cumulative value of debt workouts completed by the Jakarta Initiative Task Force (percentage increase in real terms) | 3 billion | 6 billion | TBD |
| Reduction in bank non-performing loans in the Philippines (as % of total loan portfolio) | 12.48% | TBD | TBD |
| US-Thai business linkages (millions) | $50 | $75 | $125 |
| Number of key legislative and/or administrative reform measures in corporate and financial governance enacted or amended | | | |
| -- Indonesia | 4 | 7 | TBD |
| -- Philippines | 7 | 7 | TBD |

U.S.-North Africa Trade and Investment Initiative:

| | | | |
|---|---|---|---|
| Maghreb-US private-sector business-linkages developed through the Global Technology Network | 1 | 5 | 8 |
| Increase in volume of trade between U.S. and the Maghreb | 1% | 2% | 2% |

SARI/Energy: The performance measures are still being developed. Preliminary measures include:

- Number of commercial documents drafted and regional gas assessments completed to facilitate infrastructure investment;
- Number of forums held and recommendations made to develop/modify laws, regulations and agreements to facilitate regional energy trade and private sector project development;
- Number of initiatives developed/adopted by regulatory bodies that support regional energy trade and development of projects with private sector participation;
- Number of processes/initiatives identified and addressed to facilitate harmonization of regional energy efficiency standards and practices;
- Number of best practices in rural energy delivery adapted to and implemented in more than one country;
- Cost of poor quality of service to economy and end-use sectors;
- Number of local/regional entities that promote energy sector reform; and
- Number of cases where participants have utilized knowledge or skills gained from training towards advocacy of energy sector reform and adoption of best practices.

**ACTIVITY DATA SHEET**

**PROGRAM:** Asia and the Near East Regional
**TITLE AND NUMBER:** Environment Managed for Prosperity and Sustainability, 498-024
**STATUS:** New
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $500,000 DA; $4,676,000 ESF
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $650,000 DA, $4,000,000 ESF
**INITIAL OBLIGATION:** FY 2001 **ESTIMATED COMPLETION DATE:** Continuing

**Summary:** Demands on water, natural resources, agricultural and environmental systems are intensifying across the Asia and Near East (ANE) region due to population growth, urbanization, industrialization, and agricultural development. Recent droughts, water shortages, and deteriorating water quality have highlighted the need for improved water resources planning and management across the Middle East and Asia. Industrial and air pollution are pressing environmental problems—serious air pollution in Asian cities is estimated to cause at least 1.5 million premature deaths per year. Over one-third of all agricultural land in Asia has been degraded, mainly through erosion, nutrient depletion, waterlogging and salinization. Much of this is due to poor land management and destructive irrigation and fertilization techniques. Asia's rich and diverse natural heritage is threatened by continuing fragmentation, degradation and loss of habitat. Asia has lost more of its original tropical forests that any other region of the world.

Despite the magnitude of these problems, significant opportunities exist. USAID plans to work through the Environment Managed for Prosperity and Sustainability objective to address key environmental issues, prevent conflicts, and promote environmentally sustainable economic development in the ANE region. This objective will: 1) promote innovative public-private partnerships and increase private sector participation in environmentally-sound water, agriculture, and urban development; 2) build national and regional capacity and strengthen the policy and regulatory environment for environmental planning and sustainable natural resources management; and 3) strengthen regional forums, networks, and associations for cooperation and advocacy for environmental protection and improved natural resources management.

The objective will be implemented through three carefully targeted, complementary activities. The East Asia and Pacific Environmental Initiative (EAPEI) component will improve environmental quality in the East Asia and Pacific region by expanding environmental capacity and knowledge through joint efforts of the Department of State and USAID. The South Asia Regional Environment component will help address South Asia's environmental needs and promote local and regional solutions to environmental problems by fostering improved environmental planning and management; strengthening regional forums, networks, and associations for environmental cooperation and advocacy; and strengthening local and regional capacity to design and carry out effective environmental and natural resources management programs. Under the Fostering Resolution of Water Resources Disputes component, USAID will help governments and key stakeholders in the Middle East to prevent conflicts and reach agreement on equitable and sustainable strategies, policies, and plans for managing scarce water resources. The water dispute resolution activity employs an innovative, collaborative problem solving approach for resolving water disputes between parties with divergent or competing interests, therefore addressing long-standing regional, national, and local domestic water issues throughout the Middle East.

**Key Results:** Key results for this new objective have not yet been completely developed, but will build on the results developed for previous regional environmental activities and results. Illustrative results are shown in the Selected Performance Measures section below.

**Performance and Prospects:** In FY 2001, this objective will focus on three activities: 1) the East Asia and Pacific Environmental Initiative (EAPEI); 2) the South Asia Regional Environmental Program (SAREP); and 3) Fostering Resolution of Water Resources Disputes (FORWARD).

In FY 2001, USAID will obligate $3,488,000 ESF for the East Asia and Pacific Environmental Initiative. The EAPEI component will support reform of forest management policies and management systems to enable

communities to play a more formal role in the management of public forest lands. For example, through assistance to the Asia Forest Network and Community Forestry International, EAPEI will facilitate exchange of information on innovative community forestry policies, development strategies and best practices; and link community forestry activities around Southeast Asia. The goal of this activity is to accelerate the development and implementation of national and local policies and operational procedures that enable local communities to engage formally in management of forests under governmental jurisdiction.

In FY 2001, USAID will obligate $1,188,000 ESF for the South Asia Regional Environmental Program. Under SAREP, research by the U.S. Geological Survey is expected to lead to a better understanding of the geochemistry and hydrology of arsenic contamination of groundwater in Bangladesh. SAREP will also provide technical assistance to the new Board of Directors, which will oversee the operation of the Bangladesh Tropical Forest Conservation Fund.

In FY 2001, USAID will obligate $500,000 DA for the FORWARD component. FORWARD will explore new ways of overcoming obstacles to sustainable management of water resources. For example, in Egypt FORWARD will support efforts to remove the crippling debt burden placed on water authorities when they receive loans for infrastructure development from the Ministry of Finance. FORWARD will work with an oversight committee with representatives from every major stakeholder in the water sector. By late 2001, the final product will be developed. It will be a legal document that will require government and presidential approval to help revise the current system in Egypt, therefore helping these utilities to become more autonomous and financially self-supporting.

**Possible Adjustments to Plans:** Starting in FY 2001, this regional objective includes funding for and reporting on activities previously notified under the objectives "Fostering Resolution of Water Resources Disputes" (498-002); "South Asia Regional" (498-013); and "East Asia and Pacific Environmental Initiative" (498-015). New water conflict resolution activities may expand coverage of water issues from the Middle East to include Asia, and may promote more sustainable use of water to support agriculture development. Over the coming decade, water is expected to emerge as South Asia's most vital and contested natural resource.

**Other Donor Programs:** This objective is being managed as a regional activity, with special attention to public-private partnerships and donor collaboration in its implementation. For example, in collaboration with the World Bank, UNICEF, and the Asian Development Bank, the South Asia Regional Environment component will support a comprehensive study of the sources and mechanisms that concentrate arsenic in groundwater in Bangladesh. Through EAPEI, USAID will expand its cooperation with major U.S. foundations active in East Asia and the Pacific, e.g., the MacArthur and Packard foundations, and with the bilateral programs of Japan, Germany, New Zealand, and Australia.

**Principal Contractors, Grantees, or Agencies:** Implementing partners include: 1) U.S. Government agencies, including the Environmental Protection Agency, National Oceanic and Atmospheric Administration, USDA Forest Service, Department of Interior, U.S. Geological Survey, and the Department of Energy; 2) U.S. consulting firms such as Development Alternatives, Inc.; 3) U.S. non-governmental organizations such as Conservation International, The Nature Conservancy, World Wildlife Fund, and World Resources Institute; 4) international agricultural research centers such as the International Center for Research on Agroforestry and the Center for International Forestry Research; 5) the University of Rhode Island's Coastal Resources Center; and 6) international organizations such as the South Pacific Regional Environmental Program.

**Selected Performance Measures:** Performance measures are still being developed for this new activity. Measures likely will be consistent with previous regional environmental activities. Illustrative indicators include:

-- Implementation of forest management policies that encourage conservation and more sustainable use of tropical forest resources
-- Tropical Forest Conservation Act (TFCA) secretariat established and operational
-- Number of mediated water agreements on track for implementation
-- Enactment and enforcement of policies and regulations that prevent destructive fishing and promote marine

conservation and management

**ACTIVITY DATA SHEET**

**PROGRAM:** Asia and the Near East Regional
**TITLE AND NUMBER:** Asia & the Near East Regional HIV/AIDS and Infectious Disease Program, 498-029
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** None.
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** None.
**INITIAL OBLIGATION:** FY 2000 **ESTIMATED COMPLETION DATE:** FY 2002

**Summary:** The Asia and Near East Regional HIV/AIDS and Infectious Disease program (498-029), started in June 2000, incorporated elements of the ANE Regional HIV/AIDS program (498-008) that was notified in the FY 2001 Budget Justification. The new activity was developed to provide a more integrated response to HIV/AIDS and infectious disease (ID) health issues, which often are related. The only obligation under this objective was in FY 2000. Funds under this activity will be expended by FY 2001, and the objective will be terminated. This objective is being replaced by a new integrated strategic objective, "Stabilize Population Growth and Protect Human Health" (498-022).

**Key Results:** The activity increased the number interventions to prevent, treat, or control IDs in mobile populations; expanded the number of countries with national ID prevalence and behavioral surveillance systems; and increased the number of implementing partners adopting best practices or new ID services.

**Performance and Prospects:** HIV/AIDS activities include the following: (1) HIV and STI surveillance in border areas in the Mekong region; (2) a seafarers intervention project targeting ports in Indonesia and Thailand; (3) regional training to expand the capacity of community organizations to provide and support for people living with AIDS; (4) cross-border HIV prevention programs in Nepal, India, and Thailand; (5) regional training for HIV program managers; (6) HIV/AIDS prevention activities in four provinces in Vietnam; (7) condom social marketing in Laos and Vietnam; and (8) an assessment of training needs for HIV voluntary counseling and testing programs in Vietnam, India, and Nepal.

Infectious disease activities include the following: (1) training on surveillance of drug-resistant malaria and related drug-use practices and drug quality in South and Southeast Asia; (2) developing and testing interventions, including new treatment regimens, to slow emergence and spread of drug-resistant malaria and improve the use of antimalarial drugs in Southeast Asia; and (3) standardizing surveillance and training methodologies for monitoring vector-borne diseases such as malaria in South Asia.

**Possible Adjustments to Plans:** Starting in FY 2001, funds will be obligated and activities will be reported under the regional objective "Stabilize Population Growth and Protect Human Health" (498-022)..

**Other Donors:** Key donors include the United Nations Joint Program on HIV/AIDS; the United Kingdom; the European Union; the United Nations Development Program; Japan; Australia; the Ford Foundation; Germany; the World Health Organization; and the World Bank.

**Principal Contractors, Grantees, or Agencies:** Contractors and grantees include Family Health International/IMPACT; PSI/AIDSMARK; the International HIV/AIDS Alliance; the Population Council/HORIZONS; and TVT Associates/SYNERGY. Infectious disease partners include: Abt Associates; Asian Collaborative Training Network for Malaria; Camp Dresser and McKee International; the Centers for Disease Control and Prevention; the Centre for Development and Population Activities; International Union Against TB and Lung Disease; the Johns Hopkins University; Kenan Institute of Asia, Thailand; Management Sciences for Health; TB Coalition for Technical Assistance; the U.S. Pharmacopeia Convention, Inc.; and the World Health Organization.

**Selected Performance Indicators:**

| | Baseline (2000) | Target (2002) |
|---|---|---|
| Number of interventions targeting mobile populations Implemented | 4 | 5 |
| Number of socially marketed condoms sold in non-presence countries (millions) | 50 | 55 |
| Innovative models developed and disseminated for: prevention, treatment, care, and support of persons affected by HIV or ID | 5 | 6 |

**ACTIVITY DATA SHEET**

**PROGRAM:** Asia and the Near East Regional
**TITLE AND NUMBER:** South Asia Regional Initiative/Energy Program (SARI/Energy), 498-031
**STATUS:** Continuing
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** None.
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** None.
**INITIAL OBLIGATION:** FY 2000 **ESTIMATED COMPLETION DATE:** FY 2001

**Summary:** The SARI/Energy program rests on the fundamental energy dynamics in the South Asia region, which provide opportunities to promote cooperation among the region's countries. India, a large and expanding market for energy, relies on poor quality domestic coal for over half of its energy needs, while Sri Lanka needs to import more energy or power. On the supply side, Bangladesh possesses significant natural gas reserves while Nepal and Bhutan have enormous hydropower export capacity. SARI/Energy seeks to—

- Promote sustainable economic growth through greater development, trade and usage of clean energy resources in the region while minimizing greenhouse gas emissions and harm to human health;

- Increase the supply and efficient delivery of clean, reliable, affordable and market-based energy in South Asia in a manner that opens markets to U.S. goods and services, fosters cooperative partnerships within the region and between the U.S. and regional energy firms, and enhances international economic and political security; and

- Foster more open political, legal and institutional structures in South Asia so as to encourage regional and international energy trade and investment.

The South Asia Regional Initiative/Energy Program (SARI/Energy) encourages regional cooperation in energy development and the eventual trade in clean energy resources among the South Asian countries of Bangladesh, Bhutan, India, Nepal, the Maldives and Sri Lanka. Also, it will support sustained economic growth while minimizing greenhouse gas emissions and harm to human health. SARI/Energy will bring together energy sector players from public and private sectors across the region to discuss and resolve issues that impede trade and investment in energy development. For example, the program will support a regional partnership among chambers of commerce in the region to advocate for more open policy, legal, regulatory, trade, tax, financial, and institutional frameworks in South Asia. This will encourage regional and international energy trade and investment, open markets to United States goods and services, and enhance international economic and political security. SARI/Energy will also support partnerships between regulatory agencies, transmission companies, and utilities in the region, exposing them to best practices in the region, the U.S., and internationally. The program will build capacity in target countries to use analytical tools to undertake energy, economic, trade, investment, and environmental analyses necessary for energy policy-making and planning. The program also supports the regional adaptation of best practices and standards that lead to improved energy efficiency and rural energy services.

Taken together, these measures will help achieve the dual objectives of promoting sustainable economic development and market-driven energy sectors in South Asia, and a greater opening of markets to U.S. and regional firms. Furthermore, by promoting cooperation that builds on mutual economic interest, the program can help ease political tensions in the region and build trust and confidence among countries.

**Key Results:** SARI/Energy was approved in January 2000. Baseline sector information has been collected from Bangladesh, Bhutan, India, Nepal, and Sri Lanka during fact-finding visits, and incorporated into contractor and grantee integrated work plans. A SARI/Energy web site has been designed and will be on the Internet by May 2001. South Asian officials have traveled to the United States under the transmission and regulatory partnerships sponsored by the United States Energy Association (USEA), and a utility partnership has been launched with its first meeting in Mumbai, India. The regulatory partnership has prioritized the drafting of a regional grid code and the sharing of tariff-setting mechanisms for regional energy exchange. Preparations are underway to link 18

Chambers of Commerce in the region with the U.S. Chamber of Commerce. The first training event, a course on marketing energy efficiency, was held in Sri Lanka in February. Capacity-building in regional infrastructure regulation and finance has been supported. The first technical assistance event was held in Nepal in March, and led to the formation of a technical level contact and advocacy group that has prioritized six key policy and technical issues to focus on in 2001. Partnership, training and technical assistance efforts will be linked in ways designed to reinforce the capabilities of key actors and to support policy and regulatory changes required for increased regional energy trade and cooperation. Interest in participation in SARI-E among public and private sector energy officials, as well as support from U.S. energy firms working in the region, has been strong. Anticipated results in FY 2001 include:

- Development of private sector plans and investments in infrastructure that facilitate regional energy exchange;
- Establishment or modification of policies, laws and regulations with private sector and civil society concurrence, to facilitate regional energy trade and cooperation;
- Broadened capacity of national regulatory agencies to support energy exchange among countries;
- Regional adaptation of best practices and standards that promote energy efficiency and improved commercial practices;
- Regional adaptation of best practices and standards that lead to improved rural energy services; and
- Increased participation of the private sector and civil society in sustainable regional energy development.

**Performance and Prospects:** South Asian governments and private sectors have responded positively to the SARI/Energy program. Representatives from both the public and private sectors agree that the time is opportune to approach energy development and trade from a regional perspective, in order to benefit from shared information, knowledge and experience. In linking SARI/Energy activities to ongoing USAID bilateral activities, as well as to other donor energy assistance, USAID expects the program to have a significant impact. The initial activities that launched regional energy transmission and energy regulatory body partnerships have already created forums where key technical people are learning from each other and from other regions of the world in order to construct the unique building blocks for regional energy cooperation and trade in South Asia.

**Possible Adjustments to Plans:** Starting in FY 2001, funds will be obligated and activities will be reported under the new regional objective "Encourage Economic Growth" (498-023).

**Other Donor Programs:** The World Bank, Asian Development Bank, and several bilateral donors are active in the energy sector in South Asia. However, their assistance is almost entirely bilateral in nature, assisting countries in areas ranging from technical assistance in regulatory and pricing issues to providing loans for upgrading and rehabilitation of domestic distribution and transmission systems. Although this bilateral assistance is essential to encourage domestic energy sector reform, it does not provide a forum for countries to discuss and resolve cross-border issues necessary to rationalize energy supply and distribution across the region. SARI/Energy is uniquely positioned to fill this gap. The SARI/Energy program will provide forums for energy sector actors to discuss policy and systems harmonization issues that need to be resolved, and to promote relationships and networks that foster the trust and confidence needed in the region to make decisions on energy trade. Thus the program's regional mechanisms complement other donors' efforts and USAID's own bilateral programs. Moreover, SARI/Energy moves energy development further toward trade that will have both economic growth and reduced greenhouse gas emissions benefits.

**Principal Contractors, Grantees, or Agencies:** Principal contractors and cooperators are the U.S. Energy Association (USEA), Nexant Consulting (a Bechtel subsidiary), Deloitte Touche Tohmatsu, Academy for Educational Development, Core International, Institute of International Education, and the National Association of State Development Agencies. Other expected partners will include the U.S. Chamber of Commerce and the Energy Information Administration of the U.S. Department of Energy.

**Selected Performance Measures:** The performance measures are still being developed. Preliminary measures include:

- Number of commercial documents drafted and regional gas assessments completed to facilitate infrastructure investment;
- Number of fora held and recommendations made to develop/modify laws, regulations and agreements to facilitate regional energy trade and private sector project development;
- Number of initiatives developed/adopted by regulatory bodies that support regional energy trade and development of projects with private sector participation;
- Number of processes/initiatives identified and addressed to facilitate harmonization of regional energy efficiency standards and practices;
- Number of best practices in rural energy delivery adapted to and implemented in more than one country;
- Cost of poor quality of service to economy and end-use sectors;
- Number of local/regional entities that promote energy sector reform;
- Number of cases where participants have utilized knowledge or skills gained from training towards advocacy of energy sector reform and adoption of best practices.

**ACTIVITY DATA SHEET**

**PROGRAM:** Asia and the Near East Regional
**TITLE AND NUMBER:** Improved East Asia Regional Stability Through Democracy and Human Rights, 498-036*
**STATUS:** New
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $6,325,000 ESF
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $11,000,000 ESF, $100,000 DA
**INITIAL OBLIGATION:** FY 2001 **ESTIMATED COMPLETION DATE:** Continuing

**Summary:** In recent years, the trend in the East Asia and Pacific region has been a transition from autocratic governments toward democracies and democratic institutions. However, this transition has been, at best, uneven. This activity supports the U.S. goal of increasing democracy, rule of law, and adherence to human rights. Also, it will promote democracy and human rights through the advancement of women throughout the region of East Asia and Pacific. Improvement in the status of women will lead to full enfranchisement of a nation's citizens, higher educational levels, more skilled labor forces, and reduced population growth. All of these goals are in the U.S. national interest.

**Key Results:** The activity will support democracy and governance projects that promote democratic institution-building in key countries in East Asia and the Pacific. It will provide funding to help perform the following:

- Enhance civil societies that can advocate on behalf of human rights, workers rights, the rule of law, and freedom of the press and assembly;
- Build democratic institutions and set standards for good governance and transparency;
- Promote regional dialogue focused on strengthening intra-regional networks of human and worker rights NGOs and on heightening the attention paid to human rights by Asian governments;
- Increase women's participation in the political process;
- Eliminate violence against women in all its forms; and
- Reduce the trafficking of women and children within and from the East Asian and Pacific region.

**Performance and Prospects:**

Regional democracy and governance: In FY 2000, funds were allocated to support Indonesia's transition to a democratic and decentralized government. Activities focused on anti-corruption ($1 million ESF) and conflict resolution in Papua Province ($1 million ESF). The anti-corruption activities include technical assistance to non-governmental organizations advocating for judicial reform and clean government; support for reform-oriented research and legal monitoring by selected law schools; and training for journalists in investigative reporting. In Papua Province, the activities included support for local truth and reconciliation activities; support for conflict monitoring and conflict resolution activities; media training; and technical assistance for political parties and legislative strengthening programs.

In FY 2001 and FY 2002, this activity will shift its focus to regional priorities beyond Indonesia. The FY 2001 programs ($3,400,000 ESF) will be the subject of separate notification(s).

Regional women's issues: In FY 2000, the Department of State co-hosted with the Government of the Philippines a regional meeting of 23 nations and economies to discuss ways to reduce the trafficking of women and children. Concrete follow-on projects include support to NGOs in Cambodia that are working to enhance protection of trafficked persons, especially women and children, and to offer social services that will assist their reintegration into society. In addition, consistent with the focus on Indonesia's transition to democracy, projects were developed

* In FY 2000, FY 2001 and FY 2002, ESF resources for this program have been allocated from "East Asia and the Pacific Regional Democracy" and/or "East Asia and the Pacific Regional Women's Issues" in accordance with the Department of State's Congressional Presentation.

to help build the capacity of Indonesia's new Ministry for Empowerment of Women. This is a novel approach that could serve as a model for other Islamic countries. Support was also provided to women's NGOs that have been successful in advocating for democratic change and are addressing a number of critical issues concerning women, including women's political participation, domestic violence and the trafficking of persons.

In FY 2001 and FY 2002, this activity ($3 million and $5 million ESF, respectively) will broaden its focus to support region-wide programs and projects that empower women to participate fully in democracy-building efforts and in their government at all levels, that combat violence against women and that deter trafficking. The activities will be aimed at the following:

- Increasing women's leadership in decision making bodies, particularly at the local level;
- Strengthening the advocacy capacity of women's organizations to shape policy processes and outcomes;
- Raising societal awareness of, and commitment to, the basic notion of women's rights;
- Improving effective community support and enforcement mechanisms through which women can seek protection and redress;
- Increasing awareness of trafficking to at-risk individuals, advancing protection of trafficking victim's legal rights and access to justice, and promoting coordination and collaboration between NGOs and government agencies within and across borders.

Country programs may include: Indonesia, Cambodia (none of the funds will be made available to the central government), Vietnam, the Philippines, and Thailand.

**Possible Adjustments to Plans:** Starting in FY 2001, this regional objective includes funding for and reporting on activities previously notified under the objectives "East Asia Regional Democracy Fund" (498-016) and "East Asia Regional Women's Issues" (498-035).

**Other Donor Programs:** A number of donors are engaged in anti-trafficking and other women's empowerment programs in the region. USG programs are carefully coordinated. Other major donors include Australia and Japan.

**Principal Contractors, Grantees, or Agencies:** The Asia Foundation, The American Center for International Labor Solidarity, and others to be determined.

**Selected Performance Indicators:** A formal monitoring and evaluation plan has not yet been established. Possible indicators for the program include:

- National Action Plans to combat trafficking of women and children identified and implemented.
- Increased number of women holding official positions.
- Increased passage of laws protecting women's rights.
- Increased passage and implementation of laws that protect civil liberties and due process.
- Increased number of instances of measurable impacts on the formulation of government policies due to activities of grantee NGOs.

**ACTIVITY DATA SHEET**

**PROGRAM:** Asia and the Near East Regional
**TITLE AND NUMBER:** Improved South Asia Regional Stability Through Democracy and Human Rights, 498-037*
**STATUS:** New
**PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE:** $3,800,000 DA (including $1,800,000 in FY 2000 carryover); $272,000 CSD; and $10,464,000 ESF
**PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE:** $1,000,000 DA; $272,000 CSD; and $7,000,000 ESF
**INITIAL OBLIGATION:** FY 2001 **ESTIMATED COMPLETION DATE:** Continuing

**Summary:** The United States has a vital interest in maintaining stability and strengthening the democratic form of government in South Asia because of the threat of nuclear proliferation and potential political unrest that could close the door to Western investment and economic development, which is critical to improving the quality of life in one of the poorest regions of the world. South Asia, home to over one-fifth of the world's population, is becoming increasingly unstable. In addition to the India/Pakistan nuclear threat, several countries in South Asia face armed insurgencies. The development of democratic institutions is incomplete. Government accountability is poor and corruption is high, undermining investment potential and public confidence in government institutions. Human rights abuses abound in each country in the region, demonstrated by the low status of women, the trafficking of women and children, and widespread exploitation of child labor.

**Key Results:**

- Elements of democratic systems strengthened: While elections do take place in South Asia, and the basic institutions of democracy do exist—parliaments, judiciaries, and executive agencies—these institutions are often weak and ineffective. This activity will be oriented to address the substance of needed democratic reforms.

- Promotion of women and children's equity: The low status of women and girls, combined with persistent poverty, contributes to high rates of trafficking in women and children, domestic violence and child labor. This activity will be designed to encourage implementation of laws and practices that reduce human rights violations against women and children and to support greater opportunities for the equitable participation of women and children in social, political, educational, and economic life.

- Confidence building: There are compelling economic and global issues that are galvanizing certain groups in the region to advocate for the difficult but necessary tasks of national reconciliation and regional cooperation. These groups are making inroads on important issues, such as water sharing, free trade and joint ventures, anti-corruption, and cooperation in the energy sector. This activity will support these efforts as an essential step toward building the basic level of confidence within and among countries in the region.

**Performance and Prospects:** The following activities and funding amounts are illustrative.

1) In FY 2001 and FY 2002, this objective will support efforts to strengthen democratic systems throughout the region, complementing and reinforcing bilateral activities. In FY 2001, approximately $2.1 million ESF will be obligated for the following:

---

* In FY 2001, ESF resources for this program, including Pakistan, have been allocated from "South Asia Democracy" and/or "South Asia Women and Children Support Funds" and/or "South Asia Regional Stability" in accordance with the Department of State Congressional Presentation. In FY 2002, ESF resources are budgeted from resources allocated for the "South Asia Regional Fund" in accordance with the Department of State Congressional Presentation.

- Bangladesh – election preparation and monitoring, labor rights promotion
- Nepal – public advocacy training, training for newly elected women leaders
- Sri Lanka – legal aid and human rights assistance, electoral reform

2) In FY 2001 and FY 2002, the objective will support efforts to improve the status of women and address human rights abuses, particularly related to women and children. In FY 2001, approximately $3.8 million DA, $272,000 CSD, and $964,000 ESF will be obligated for the following:

- Bangladesh – anti-violence against women
- Sri Lanka – programs for at-risk youth, including child soldier rehabilitation
- Nepal – literacy training for women
- India – combat abusive child labor practices, women's micro-finance program

3) In FY 2001 and FY 2002, this objective will explore activities to support India-Pakistan reconciliation and other conflict resolution efforts in the region. In FY 2001, approximately $300,000 ESF will be obligated to support community-based organizations in developing inter-ethnic confidence building measures in Sri Lanka.

4) In FY 2001, this objective also will provide approximately $7.1 million ESF for planned programs in Pakistan, including the Pakistan NGO Initiative ($2.2 million); democracy and governance ($2 million); basic education ($2.5 million); India-Pakistan confidence building measures ($300,000); and anti-trafficking ($100,000). Prior to implementing any activities, a national interest determination will be made, and these activities will be the subject of a separate Congressional notification.

Note: This objective also will support a small grants program managed by the Department of State. In FY 2001, $1.4 million is planned (not included in the above funding amounts). The small grants program will be the subject of a separate notification by the Department of State.

**Possible Adjustments to Plans:** Starting in FY 2001, this regional objective includes funding for and reporting on activities previously notified under the objectives "South Asia Regional Democracy Fund" (498-014) and "South Asia Regional Initiative/Women's and Children's Equity (498-030).

**Other Donor Programs:** A number of bilateral and multilateral donors are engaged in human rights and democracy issues in the region. USG programs are well coordinated. Other major donors include: European Union, UNDP, the World Bank, and Canada. Child labor and anti-trafficking programs are designed in coordination with the International Labor Office's International Program on the Elimination of Child Labor, the World Bank, the Asian Development Bank, UNIFEM, and other U.N. entities**.**

**Principal Contractors, Grantees, or Agencies:** Partners for democracy and governance activities include: The Asia Foundation, Aga Khan Foundation, International Foundation for Election Systems, National Democratic Institute, International Republican Institute, and other contractors and grantees to be determined. UNIFEM is implementing a three to five year regional anti-trafficking program, complemented by bilaterally-funded NGO activities. In India, the child labor program includes grant support to UNDP, CARE, and Catholic Relief Services that in turn provide sub-grant assistance to leading local NGOs. The micro-finance activity will be implemented by a local NGO, Friends of Women's World Banking.

**Selected Performance Indicators:**

- Number of laws/conventions/policies developed with input from USG-assisted organizations and coalitions
- Number of targeted beneficiaries supported by model programs for educational and vocational programs focused on women and girls
- Number of women and children's rights advocacy networks strengthened
- Establishment of databases that provide timely information on trafficking and child labor

## ASIA AND NEAR EAST REGIONAL
## FY 2002 STRATEGIC OBJECTIVE SUMMARY
**(in thousands of dollars)**

| SO number | SO Title | FY 1999 | FY 2000 | FY 2001 | FY 2002 |
|---|---|---|---|---|---|
| 498-001 | Accelerating Economic Recovery in Asia | | | | |
| | - DA | 16,000 | 11,750 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 10,000 | 1,000 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 4,357 | 5,000 | 0 | 0 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 498-002 | Fostering Resolution of Water Resources Disputes | | | | |
| | - DA | 878 | 770 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | | 0 | 0 | 0 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 498-003 | North Africa Regional Trade and Investment Initiative | | | | |
| | - DA | 0 | 1,000 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 5,000 | 0 | 0 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 498-007 | Program Development and Learning | | | | |
| | - DA | 4,569 | 9,678 | 9,244 | 5,494 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 2,224 | 1,494 | 1,535 | 1,815 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 175 | 0 | 0 | 0 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 498-008 | Asia and Near East Regional HIV/AIDS | | | | |
| | - DA | 0 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 4,466 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 0 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 498-009 | United States-Asia Environmental Partnership | | | | |
| | - DA | 15,212 | 15,000 | 16,100 | 18,100 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 0 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |

## ASIA AND NEAR EAST REGIONAL
## FY 2002 STRATEGIC OBJECTIVE SUMMARY
**(in thousands of dollars)**

| SO number | SO Title | FY 1999 | FY 2000 | FY 2001 | FY 2002 |
|---|---|---|---|---|---|
| 498-012 | Middle East Regional Democracy Fund | | | | |
| | - DA | 0 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 1,900 | 6,000 | 3,986 | 7,000 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 498-013 | South Asia Regional Environment Program | | | | |
| | - DA | 0 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 500 | 0 | 0 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 498-014 | South Asia Democracy | | | | |
| | - DA | 0 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 2,500 | 8,000 | 0 | 0 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 498-015 | East Asia and Pacific Environmental Initiative | | | | |
| | - DA | 0 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 3,825 | 3,500 | 0 | 0 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 498-016 | East Asia Regional Democracy Fund | | | | |
| | - DA | 0 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 2,250 | 0 | 0 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 498-022 | Stabilize Population Growth and Protect Human Health | | | | |
| | - DA | 0 | 0 | 0 | 300 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 11,237 | 10,400 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 0 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |

## ASIA AND NEAR EAST REGIONAL
## FY 2002 STRATEGIC OBJECTIVE SUMMARY
**(in thousands of dollars)**

| SO number | SO Title | FY 1999 | FY 2000 | FY 2001 | FY 2002 |
|---|---|---|---|---|---|
| 498-023 | Encourage Economic Growth | | | | |
| | - DA | 0 | 0 | 15,401 | 7,700 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 11,268 | 10,000 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 498-024 | Environment Managed for Prosperity and Sustainability | | | | |
| | - DA | 0 | 0 | 500 | 650 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 4,676 | 4,000 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 498-029 | Asia and the Near East Regional HIV/AIDS and Infectious Disease Program | | | | |
| | - DA | 0 | 0 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 5,000 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 0 | 0 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 498-031 | South Asia Regional Initiative - Energy Program | | | | |
| | - DA | 0 | 8,600 | 0 | 0 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 3,000 | 0 | 0 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 498-036 | Improved East Asia Regional Stability through Democracy and Human Rights | | | | |
| | - DA | 0 | 0 | 0 | 100 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 0 | 0 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 2,500 | 6,325 | 11,000 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |
| 498-037 | Improve South Asia Regional Stability through Democracy and Human Rights | | | | |
| | - DA | 0 | 0 | 2,000 | 1,000 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 0 | 0 | 272 | 272 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 0 | 0 | 10,464 | 7,000 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |

**ASIA AND NEAR EAST REGIONAL**
**FY 2002 STRATEGIC OBJECTIVE SUMMARY**
**(in thousands of dollars)**

| SO number | SO Title | FY 1999 | FY 2000 | FY 2001 | FY 2002 |
|---|---|---|---|---|---|
| | **Department of State programs** | | | | |
| Middle East Peace/Multilateral Working Groups | | | | | |
| | - ESF | 3,000 | 4,000 | 2,990 | 3000 |
| Iraq Opposition | | | | | |
| | - ESF | 1,500 | 10,000 | 24,914 | 25,000 |
| East Asia Regional security | | | | | |
| | - ESF | 0 | 0 | 249 | 250 |
| South Pacific Fisheries | | | | | |
| | - ESF | 14,000 | 14,000 | 13,952 | 14,000 |
| Chinese Compensation | | | | | |
| | - ESF | 0 | 0 | 28,000 | 0 |
| Midle East Fact Finding | | | | | |
| | - ESF | 0 | 0 | 2,790 | 0 |
| MERC | | | | | |
| | - ESF | 0 | 10,000 | 4,982 | 5,000 |
| Asia and Near East Regional SOs and State Department Programs Total | | | | | |
| | - DA | 36,659 | 46,798 | 43,245 | 33,344 |
| | - DFA | 0 | 0 | 0 | 0 |
| | - CSD | 16,690 | 7,494 | 13,044 | 12,487 |
| | - FSA | 0 | 0 | 0 | 0 |
| | - SEED | 0 | 0 | 0 | 0 |
| | - ESF | 31,257 | 73,250 | 114,596 | 86,250 |
| | - P.L. 480/II | 0 | 0 | 0 | 0 |

| | U.S. Financing (In thousands of dollars) | | |
|---|---|---|---|
| **Program: Asia and the Near East Regional summary** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 233,031 DA | 197,922 DA | 35,109 DA |
| | 28,970 CSD | 10,577 CSD | 18,393 CSD |
| | 31,085 ESF | 14,348 ESF | 16,737 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 48,139 DA | 31,694 DA | |
| -5,000 | 5,181 CSD | 7,569 CSD | |
| 5,000 | 32,415 ESF | 10,960 ESF | |
| -2,087 | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 281,170 DA | 229,616 DA | 51,554 DA |
| | 34,151 CSD | 18,146 CSD | 16,005 CSD |
| | 63,500 ESF | 25,308 ESF | 38,192 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds* | 10,815 DA | | |
| | 0 CSD | | |
| | 2,400 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 43,245 DA | | |
| | 13,044 CSD | | |
| 36719 | 36,719 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| **Total Planned Fiscal Year 2001** | 54,060 **DA** | | |
| | 13,044 **CSD** | | |
| | 39,119 **ESF** | | |
| | 0 **SEED** | | |
| | 0 **FSA** | | |
| | 0 **DFA** | | |
| | 0 | **Future Obligations** | **Est. Total Cost** |
| **Proposed Fiscal Year 2002 NOA** | 33,344 **DA** | 258,361 DA | **626,935** DA |
| | 12,487 **CSD** | 23,501 CSD | **83,183** CSD |
| **39000** | 39,000 **ESF** | 29,074 ESF | **170,693** ESF |
| | 0 **SEED** | 0 SEED | **0** SEED |
| | 0 **FSA** | 0 FSA | **0** FSA |
| | 0 **DFA** | 0 DFA | **0** DFA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Asia and the Near East Regional** | | | |
| **Title and Number: Accelerating Economic Recovery in Asia (AERA), 498-001** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 14,210 DA | 3,553 DA | 10,657 DA |
| | 9,200 CSD | 2,300 CSD | 6,900 CSD |
| | 3,141 ESF | 785 ESF | 2,356 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 10,965 DA | 11,152 DA | |
| | 3,367 CSD | 2,492 CSD | |
| | 8,465 ESF | 6,230 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 25,175 DA | 14,705 DA | 10,470 DA |
| | 12,567 CSD | 4,792 CSD | 7,775 CSD |
| | 11,606 ESF | 7,015 ESF | 4,591 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 598 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 598 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Est. Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | **0** DA | **25,773** DA |
| | 0 CSD | **0** CSD | **12,567** CSD |
| | 0 ESF | **0** ESF | **11,606** ESF |
| | 0 SEED | **0** SEED | **0** SEED |
| | 0 FSA | **0** FSA | **0** FSA |
| | 0 DFA | **0** DFA | **0** DFA |

The FY 2001 and future activities and funding related to this SO have been moved to SO 498-023.

| U.S. Financing (in thousands of dollars) | | | |
|---|---|---|---|
| **Program: Asia and the Near East Regional** | | | |
| **Title and Number: Fostering Resolution of Water Resources Disputes, 498-002** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 3,866 DA | 1,921 DA | 1,945 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 540 DA | 620 DA | |
| | 0 CSD | 0 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 4,406 DA | 2,541 DA | 1,865 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 300 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 300 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Est. Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 4,706 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

The FY 2001 and future activities and funding related to this SO have been moved to SO 498-024.

| U.S. Financing (in thousands of dollars) | | | |
|---|---|---|---|
| **Program: Asia and the Near East** | | | |
| **Title and Number: North Africa Regional Trade and Investment Initiative, 498-003** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal year 2000 | 1,000 DA | 0 DA | |
| | 0 CSD | 0 CSD | |
| | 5,000 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 1,000 DA | 0 DA | 1,000 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 5,000 ESF | 0 ESF | 5,000 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Est. Total Cost** |
| Proposed Fiscal Year 2002 | 0 DA | 0 DA | 1,000 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 5,000 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | DFA | 0 DFA |

The FY 2001 and future activities and funding related to this SO have been moved to SO 498-023.

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Asia and Near East Regional** | | | |
| **Title and Number: Program Development & Learning, 498-007** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 69,259 DA | 60,585 DA | 8,674 DA |
| | 9,635 CSD | 3,219 CSD | 6,416 CSD |
| | 10,517 ESF | 6,430 ESF | 4,087 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 13,331 DA | 0 DA | |
| | 1,814 CSD | 0 CSD | |
| | 0 ESF | 556 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 82,590 DA | 60,585 DA | 22,005 DA |
| | 11,449 CSD | 3,219 CSD | 8,230 CSD |
| | 10,517 ESF | 6,986 ESF | 3,531 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 1,321 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 9,244 DA | | |
| | 1,535 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 10,565 DA | | |
| | 1,535 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Est. Total Cost** |
| Proposed Fiscal Year 2002 NOA | 5,494 DA | 9,059 DA | 107,708 DA |
| | 1,815 CSD | 2,931 CSD | 17,730 CSD |
| | 0 ESF | 0 ESF | 10,517 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

* Cumulative Obligations and Expenditures include money previously shown in 498-015.

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Asia & Near East Regional** | | | |
| **Title and Number: Asia and Near East Regional HIV/AIDS, 498-008** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 3,285 DA | 1,643 DA | 1,642 DA |
| | 10,135 CSD | 5,058 CSD | 5,077 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 1,642 DA | |
| | 0 CSD | 5,077 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 3,285 DA | 3,285 DA | 0 DA |
| | 10,135 CSD | 10,135 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Est. Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 3.285 DA |
| | 0 CSD | 0 CSD | 10.135 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

The FY 2001 and future activities and funding related to this SO have been moved to SO 498-022.

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Asia and Near East Regional** | | | |
| **Title and Number: U.S.-Asia Environmental Partnership, 498-009** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 142,411 DA | 130,220 DA | 12,191 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 10,538 DA | 18,222 DA | |
| | 0 CSD | 0 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 152,949 DA | 148,442 DA | 4,507 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 4,462 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 16,100 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 20,562 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Est. Total Cost** |
| Proposed Fiscal Year 2002 NOA | 18,100 DA | 73,927 DA | 265,538 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Asia and the Near East Regional** | | | |
| **Title and Number: Middle East Regional Democracy Fund, 498-012** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | DA | 0 DA | 0 DA |
| | CSD | 0 CSD | 0 CSD |
| | 5,580 ESF | 3,597 ESF | 1,983 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | DA | 0 DA | |
| | CSD | 0 CSD | |
| | 5,000 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 10,580 ESF | 3,597 ESF | 6,983 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 1,000 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 3,986 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 4,986 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Est. Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 7,000 ESF | 0 ESF | 30,000 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Asia and the Near East Regional** | | | |
| **Title and Number: South Asia Regional Environment Program, 498-013** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 0 DA | |
| | 0 CSD | 0 CSD | |
| | 150 ESF | 30 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 150 ESF | 30 ESF | 120 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 350 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 350 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Est. Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 500 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Asia and the Near East Regional** | | | |
| **Title and Number: South Asia Democracy, 498-014** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 2,700 ESF | 1,000 ESF | 1,700 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 0 DA | |
| | 0 CSD | 0 CSD | |
| | 8,000 ESF | 1,700 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 10,700 ESF | 2,700 ESF | 8,000 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Est. Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 10,700 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

The FY 2001 and future activities and funding related to this SO have been moved to SO 498-037.

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Asia and the Near East Regional** | | | |
| **Title and Number: East Asia Regional Democracy Fund, 498-016** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 5,172 ESF | 2,536 ESF | 2,636 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 0 DA | |
| | 0 CSD | 0 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 5,172 ESF | 2,536 ESF | 2,636 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Est. Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 5,172 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

The FY 2001 and future activities and funding related to this SO have been moved to SO 498-036.

`

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Asia & Near East Regional** | | | |
| **Title and Number: Stabilize Population Growth & Protect Human Health, 498-022** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 0 DA | |
| | 0 CSD | 0 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 11,237 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 11,237 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Est. Total Cost** |
| Proposed Fiscal Year 2002 NOA | 300 DA | 1,500 DA | 1,800 DA |
| | 10,400 CSD | 20,570 CSD | 42,207 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Asia and the Near East Regional** | | | |
| **Title and Number: Encourage Economic Growth, 498-023** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 0 DA | |
| | 0 CSD | 0 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 2,334 DA | | |
| | 0 CSD | | |
| | 300 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 15,401 DA | | |
| | 0 CSD | | |
| | 11,268 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 17,735 DA | | |
| | 0 CSD | | |
| | 11,568 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Est. Total Cost** |
| Proposed Fiscal Year 2002 NOA | 7,700 DA | 170,665 DA | 196,100 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 10,000 ESF | 10,400 ESF | 31,968 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Asia & Near East Regional** | | | |
| **Title and Number: Asia & Near East Regional HIV/AIDS & Infectious Disease Program, 498-029** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 0 DA | |
| | 5,000 CSD | 0 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 0 DA | 0 DA | 0 DA |
| | 5,000 CSD | 0 CSD | 5,000 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Est. Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 5,000 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

The FY 2001 and future activities and funding related to this SO have been moved to SO 498-022.

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Asia and the Near East Regional** | | | |
| **Title and Number: South Asia Regional Initiative/Energy Program (SARI/Energy), 498-031** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 6,765 DA | 58 DA | |
| | 0 CSD | 0 CSD | |
| | 2,550 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 6,765 DA | 58 DA | 6,707 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 2,550 ESF | 0 ESF | 2,550 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Est. Total Cost** |
| Proposed Fiscal Year 2002 NOA | 0 DA | 0 DA | 6,765 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 2,550 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

The FY 2001 and future activities and funding related to this SO have been moved to SO 498-023.

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Asia and the Near East Regional** | | | |
| **Title and Number: Improved East Asia Regional Stability, 498-036** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 0 DA | |
| | 0 CSD | 0 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 0 DA | | |
| | 0 CSD | | |
| | 0 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 0 DA | | |
| | 0 CSD | | |
| | 6,325 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 0 DA | | |
| | 0 CSD | | |
| | 6,325 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Est. Total Cost** |
| Proposed Fiscal Year 2002 NOA | 100 DA | 0 DA | 100 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 11,000 ESF | 0 ESF | 30,000 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

| U.S. Financing (In thousands of dollars) | | | |
|---|---|---|---|
| **Program: Asia and the Near East Regional** | | | |
| **Title and Number: Improved South Asia Regional Stability Through Democracy and Human Rights, 498-037** | | | |
| | **Obligations** | **Expenditures** | **Unliquidated** |
| Through September 30, 1999 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Fiscal Year 2000 | 0 DA | 0 DA | |
| | 0 CSD | 0 CSD | |
| | 0 ESF | 0 ESF | |
| | 0 SEED | 0 SEED | |
| | 0 FSA | 0 FSA | |
| | 0 DFA | 0 DFA | |
| Through September 30, 2000 | 0 DA | 0 DA | 0 DA |
| | 0 CSD | 0 CSD | 0 CSD |
| | 0 ESF | 0 ESF | 0 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |
| Prior Year Unobligated Funds | 1,800 DA | | |
| | 0 CSD | | |
| | 450 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Planned Fiscal Year 2001 NOA | 2,000 DA | | |
| | 272 CSD | | |
| | 10,464 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| Total Planned Fiscal Year 2001 | 3,800 DA | | |
| | 272 CSD | | |
| | 10,914 ESF | | |
| | 0 SEED | | |
| | 0 FSA | | |
| | 0 DFA | | |
| | | **Future Obligations** | **Est. Total Cost** |
| Proposed Fiscal Year 2002 NOA | 1,000 DA | 0 DA | 4,800 DA |
| | 272 CSD | 0 CSD | 544 CSD |
| | 7,000 ESF | 0 ESF | 17,914 ESF |
| | 0 SEED | 0 SEED | 0 SEED |
| | 0 FSA | 0 FSA | 0 FSA |
| | 0 DFA | 0 DFA | 0 DFA |

ABBREVIATIONS AND ACRONYMS

| | |
|---|---|
| AAFLI | Asian-American Free Labor Institute |
| AAUJ | Arab American University in Jenin |
| ABEL | Advancing Basic Education and Literacy |
| ACDI | Agriculture Cooperation Development International |
| ACILS | American Center for International Labor Solidarity |
| ACLEDA | Association of Cambodian Local Economic Development |
| ADB | Asian Development Bank |
| ADR | Alternative Dispute Resolution |
| ADRA | Adventist Development and Relief Agency |
| AED | Academy for Educational Development |
| AERA | Accelerating Economic Recovery in Asia |
| AGILE | Accelerated Growth, Investment, and Liberalization with Equity |
| ALGAS | Asia Least Cost Greenhouse Gas Abatement Strategy |
| ALO | Association Liaison Office |
| AMC | Ahmedabad Municipal Corporation |
| AMIR | Access to Micro-Finance and Implementation of Policy Reform |
| ANE | Asia and Near East |
| ANERA | American Near East Refugee Aid |
| AOJS | Administration of Justice Support |
| APAC | AIDS Prevention and Control |
| APEC | Asia-Pacific Economic Cooperation |
| APEDA | Agricultural Products Export Development Authority |
| APR | Agricultural Policy Reform |
| AREP | Accelerated Reform for Enterprise Promotion |
| APRP | Agricultural Policy Reform Program |
| ASEAN | Association of Southeast Asian Nations |
| ATFL | American Task Force in Lebanon |
| AUB | American University of Beirut |
| AUSAID | Australia Agency for International Development |
| AVRDC | Asian Vegetable Research & Development Center |
| AVSC | Access for Voluntary Surgical Contraceptive |
| | |
| BAPPENAS | Indonesia National Planning Agency |
| BARC | Bangladesh Agricultural Research Council |
| BBSA | Basic Business Skill Acquisition |
| BHR | Bureau for Humanitarian Relief |
| BIGUF | Bangladesh Independent Garment Workers Union Federation |
| BOD | Biochemical Oxygen Demand |
| BOOT | Build-Own-Operate Transfer |
| BOT | Build-Operate-Transfer |
| BRAC | Bangladesh Rural Advancement Committee |
| | |
| CAC | Community Access Center |
| CAI | Creative Associate Incorporated |
| CAIP | Cairo Air Improvement Project |
| CAMP | Coastal Aquifer Management Program |
| CARE | Cooperative for Assistance & Relief Everywhere |
| CBFRM | Community-based Forest Resource Management |
| CBSL | Central Bank of Sri Lanka |
| CCP | Second Prime Minister Hun Sen |
| CCT | Cooperative Coffee Timor |

| | |
|---|---|
| CDC | Centers for Disease Control and Prevention |
| CDP | Cambodian Defenders Project |
| CECI | Canadian Center for International Studies & Cooperation |
| CEDPA | Center for Development and Population Activities |
| CEP | Community Empowerment Program |
| CEPPS | Consortium for Elections and Political Process |
| CFET | Consolidated Fund for East Timor |
| CG | Consultative Group |
| CIMMY | International Maize & Wheat Improvement Center |
| CITES | Convention of International Trade in Endangered Species |
| CIP | Commodity Import Program |
| CLDP | Commercial Law Development Program |
| CLD/SUNY | Center for Legislative Development at the State University of New York/Albany |
| CMS | Commercial Markets Strategy |
| CNG | Compressed Natural Gas |
| CO2 | Carbon Dioxide |
| CPP | Comprehensive Post Partum Center |
| CPR | Contraceptive Prevalence Rate |
| CRM | Coastal Resources Management |
| CRS | Catholic Relief Services |
| CRSP | Cornell Universities - Collaboration Research Support |
| CSD | Child Survival and Disease |
| CSD | Commission on Sustainable Development |
| CSE | Colombo Stock Exchange |
| CSG | Council of State Governments |
| CSO | Civil Society Organization |
| CSW | Commercial Sex Workers |
| CT | Cash Transfer |
| CWS | Church World Services |
| CY | Calendar Year |
| CYP | Couple-Years' Protection |
| | |
| DA | Development Assistance |
| DAI | Development Alternatives Incorporated |
| DAVIS | Universities of Florida and California |
| DBO | Design-Build-Operate |
| DCA | Development Credit Authority |
| DEVTA | Deworming and Enhanced Vitamin A |
| DFID | British Department for International Development |
| DG | Democracy and Governance |
| DIET | District Institute of Education and Training |
| DOE | Department of Energy |
| DOH | Department of Health |
| DOP | Declaration of Principles on Interim Self-Governing Arrangement |
| DP | Democracy Partnership |
| DPEP | District Primary Education Program |
| DSP | Development Support Program |
| | |
| EAPEI | East Asia and Pacific Environmental Initiative |
| EBRD | European Bank for Regional Development |
| ECEP | Energy Conservation and Environment Project |
| EEAA | Egyptian Environmental Affairs Agency |
| EEHC | Electricity Holding Company |
| EEPP | Egypt Environmental Policy Program |

| | |
|---|---|
| EIA | Environmental Impact Assessment |
| EMPS | Environment Managed for Prosperity and Sustainability |
| ENR | Environment and Natural Resources |
| EPA | Environmental Protection Agency |
| EPSP | Economic Policy Support Project |
| ESEG | Energy Security for Economic Growth |
| ESF | Economic Support Fund |
| ETU | Egyptian Technology University |
| EU | European Union |
| | |
| FIAS | Foreign Investment Advisory Service |
| FICCI | Federation of Indian Chambers of Commerce and Industry |
| FORWARD | Fostering Resolution of Water Resources Disputes |
| FP | Family Planning |
| FP/MCH | Family Planning/Maternal and Child Health |
| FRM | Forest Resources Management |
| FTA | Federal Trade Agreement |
| FTF | Farmer to Farmer |
| FWWB | Friends of Women's World Banking |
| FY | Fiscal Year |
| | |
| GATT | General Agreement on Tariffs and Trade |
| GCC | Global Climate Change |
| GDP | Gross Domestic Product |
| GEF | Global Environment Facility |
| GESAMP | Group of Experts on the Scientific Aspects of Marine Environmental Protection |
| GESI | Global Environmental Sanitation Initiative |
| GHG | Greenhouse Gas |
| GIE | Gaza Industrial Estate |
| GIN | Greening of Industry Network |
| GNP | Gross National Produce |
| GOB | Government of Bangladesh |
| GOE | Government of Egypt |
| GOI | Government of India |
| GOI | Government of Indonesia |
| GOI | Government of Israel |
| GOJ | Government of Jordan |
| GOL | Government of Lebanon |
| GOM | Government of Mongolia |
| GOM | Government of Morocco |
| GON | Government of Nepal |
| GOP | Government of the Philippines |
| GOY | Government of Yemen |
| GPA | Global Programme of Action for the Protection of the Marine Environment from Landing-based Activities |
| GREGI | Gobi Regional Growth Initiative |
| GSL | Government of Sri Lanka |
| GTN | Global Technology Network |
| GTZ | German Technical Aid |
| | |
| HBCUs | Historically Black Colleges and Universities |
| HIV/AIDS | Human Immuno Virus/Acquired Immunodeficiency Syndrome |
| HKI | Helen Keller International |
| HMHC | Health Maintenance and Health Care |

| | |
|---|---|
| HPSP | Health Policy Support Program |
| HRC | Human Rights Commission |
| IACCC | Inter-Agency Climate Change Committee |
| IBRA | Indonesian Bank Restructuring Agency |
| IBRD | International Bank for Reconstruction and Development (World Bank) |
| ICDDR | International Center for Diarrheal Disease Research |
| ICDS | Integrated Child Development Services |
| ICICI | Industrial Credit and Investment Corporation of India |
| ICLARM | International Center for Living Aquatic Resources Mgmt |
| ICRC | International Committee of the Red Cross |
| ICZM | Integrated Coastal Zone Management |
| ID | Infectious Diseases |
| IDE | International Development Enterprises |
| IEC | Information, Education and Communication |
| IESC | International Executive Service Corps |
| IFAD | International Fund for Agricultural Development |
| IFC | International Finance Corp |
| IFDC | International Fertilizer Development Center |
| IFES | International Foundation for Election Systems |
| IFI | International Financial Institution |
| IFPRI | International Food Policy Research Institute |
| IFPS | Innovations in Family Planning Services |
| IHE-Delft | International Institute for Infrastructural, Hydraulic, and Environmental Engineering |
| IHRIG | International Human Rights Law Group |
| ILO | International Labor Organization |
| IMET | International Military Education and Training |
| IMF | International Monetary Fund |
| IMR | Infant Mortality Rate |
| IMT | Irrigation Management Transfer |
| INAS | Morocco's School of Public Health |
| INCLEN | International Clinical Epidemiology Network |
| INDRA | Indonesia Debt Restructuring Agency |
| IOM | International Organization for Migration |
| IPEC | International Program on the Elimination of Child Labor |
| IPR | Intellectual Property Rights |
| IRI | International Republican Institute |
| IRIS | Institutional Reform & The Informal Sector |
| ISBO | Institutional Strengthening for Business Opportunities |
| ISO | International Export Standard |
| IT | Information Technology |
| IUD | Inter-uterine Device |
| IVCHS | Improved Village and Community Health Service Program |
| IVS | International Voluntary Services |
| JAFPP | Jordan Association of Family Planning |
| JICA | Japanese International Cooperation Agency |
| JSI | John Snow Incorporation |
| JUSBP | Jordan U.S. Business Partnership |
| JVA | Jordan Valley Authority |
| JWC | Joint Water Committee |

| | |
|---|---|
| KHANA | Khmer HIV/AIDS Alliance |
| LAF | Lebanese Armed Forces |
| LAU | Lebanese American University |
| LC | Local Currency |
| LE | Egyptian Pound |
| LEB | Locally Elected Body |
| LGU | Local Government Unit |
| LMI | Lower-Middle-Income |
| LTTE | Liberation Tigers of Tamil Elam |
| MAFF | Ministry of Agriculture Forestry and Fisheries |
| MAI | Multilateral Assistance Initiative |
| MAP | Market Access Program |
| MAP | Morocco Agribusiness Promotion |
| MBA | Masters of Business Administration |
| MBIT | Masters of Business in Information Technology |
| MCEI | Municipal Coastal Environmental Initiative |
| MCH/FP | Maternal and child health/family planning |
| MCH | Maternal and Child Health |
| MCM | Million Cubic Meters |
| ME&A | Mendez-England and Associates |
| MEA | Middle East and North Africa |
| MEG | Morocco Education for Girls |
| MERC | Middle East Regional Cooperation |
| MES | Mongolian Energy Sector Project |
| MFA | Microenterprise Finance |
| MFI | Microfinance Institutions |
| MNE | Ministry of National Education |
| MNLF | Moro National Liberation Front |
| MOE | Ministry of Environment |
| MOEYS | Ministry of Education, Youth and Sports |
| MOH | Ministry of Health |
| MOHHC | Ministry of Health and Health Care |
| MOHP | Ministry of Health and Population |
| MOJ | Ministry of Justice |
| MOLG | Ministry of Local Government |
| MOMRA | Municipal and Rural Affairs |
| MOPH | Ministry of Public health |
| MOST | Micronutrient Operational Strategies and Technologies |
| MPF | Multiproject Financing Facility |
| MPP | Mission Performance Plan |
| MP | Members of Parliament |
| MPRP | Mongolian People's Revolutionary Party |
| MSI | Management Education for Girls |
| MT | Metric Tons |
| MVCS | Most Valuable Companies |
| MW | Megawatts |
| MWI | Ministry of Water and Irrigation |
| NA | Not applicable or not available |
| NACP | National AIDS Control Program |
| NAMRU-3 | Naval Medical Research Unit |

| | |
|---|---|
| NASDA | National Association of State Development Agencies |
| NCBA | National Cooperative Business Association |
| NCJS | National Center for Judicial Studies |
| NDI | National Democratic Institute |
| NEAP | National Environmental Action Plan |
| NED | New Enterprise Development |
| NFALP | Non-Formal & Adult Literacy Program |
| NGO | Non-Governmental Organization |
| NORAD | Norwegian Aid |
| NRECA | National Rural Electric Cooperative Administration |
| NRM | Natural Resources Management |
| NWI | Ministry of Water and Irrigation |
| | |
| ODA | Official Development Assistance |
| OE | Operation Expenses |
| OECD | Organization for Economic Cooperation and Development |
| OFDA | Office of Foreign Disaster Assistance |
| OPEC | Organization of Petroleum Exporting Countries |
| OPIC | Overseas Private Investment Corporation |
| ORS | Oral Rehydration Salts |
| OTI | Office of Transition Initiatives |
| | |
| PA | Palestinian Authority |
| Pact | Private Agencies Collaborating Together |
| PACT/CRH | Program for the Advancement of Commercial Technology/ Child and Reproductive Health |
| PATH | Program for Appropriate Technologies in Health |
| PC | Palestinian Council |
| PDF | Power Development Fund |
| PEDS | Provincial Environment Departments |
| PERPP | Public Enterprise Reform & Privatization Program |
| PHCI | Primary Health Care Initiative |
| PIEFZA | Palestinian Industrial and Free Zone Authority |
| PIL | Public Interest Litigation |
| PIPA | Palestinian Investment and Promotion Agency |
| PK-3 | Third generation Labor Intensive Works |
| PKSF | Palli Karma Sahayak Foundation |
| P.L. | Public Law |
| PLC | Palestinian Legislative Council |
| PLO | Palestinian Liberation Organization |
| PLN | Perusahaan Listrik Negara (Indonesian National Electric Company) |
| PMA | Palestinian Monetary Authority |
| PMC | Pune Municipal Corporation |
| PNFPP | Philippine National Family Planning Program |
| POP | Persistent Organic Pollutant |
| PRIME | Primary Providers' Training & Education in Reproductive |
| PVO | Private Voluntary Organization |
| PVC | Private Voluntary Cooperation |
| PWA | Palestinian Water Authority |
| PWC | Price Waterhouse Coopers |
| | |
| QCHT | Quality Control of Health Technologies |
| QIZ | Qualifying Industrial Zones |

| | |
|---|---|
| RACHA | Reproductive and Child Health Alliance |
| RCSP | Rural Civil Society Program |
| RDS | Regional Development and Support |
| RGC | Royal Government of Cambodia |
| RH/PHC | Reproductive and Primary Health Care |
| ROT | Rehabilitate-Operate-Transfer |
| RRB | Regional Rural Banks |
| RTI | Research Triangle Institute |
| RTII | Regional Trade and Investment Initiative |
| | |
| SAARC | South Asian Association for Regional Cooperation |
| SARI | South Asia Regional Initiative |
| SCA | Supreme Council for Antiquities |
| SEBI | Securities and Exchange Board of India |
| SEI | State Environmental Initiative |
| SEP | Senior Executive Program |
| SIWM | Souss-Massa Integrated Water Resources |
| SME | Small and Medium-sized Enterprises |
| SME | Small-and Micro-enterprises |
| SO | Strategic Objective |
| SOE | State-owned Enterprises |
| SPO | Special Objective |
| SPR | Sector Policy Reform |
| STD | Sexually Transmitted Disease |
| STI | Sexually Transmitted Infections |
| STII | Standard Research Institute International |
| | |
| TAACS | Technical Advisors for AIDS and Child Survival |
| TAF | The Asia Foundation |
| TB | Tuberculosis |
| TDA | Tourism Development Authority |
| TFCA | Tropical Forest Conservation Act |
| TFET | Trust Fund for East Timor |
| TFR | Total Fertility Rate |
| TIFA | Trade and Investment Framework |
| TISS | Tata Institute of Social Sciences |
| TN | Tamil Nadu |
| TRA | Telecommunications Regulatory Agency |
| TRM | Tadla Resources Management |
| TSG | The Services Group |
| | |
| UC | Union Council |
| UECP | Urban Environmental Credit Program |
| UES | Urban Environmental Services |
| ULP | University Linkages Project |
| UN | United Nations |
| UNAIDS | United Nations Joint Programme on HIV/AIDS |
| UNCHS | United Nations Centre for Human Settlements (Habitat) |
| UNDB | United Nations Development Bank |
| UNDP | United Nations Development Programme |
| UNEP | United Nations Environment Programme |
| UNESCO | United Nations Educational, Scientific and Cultural Organization |
| UNFPA | United Nations Fund for Population Activities |
| UNGA | United Nations General Assembly |

| | |
|---|---|
| UNHCR | United Nations High Commission for Refugees |
| UNICEF | United Nations Children's Fund |
| UNRWA | United Nations Refuge Works Agency |
| UNRWA | United Nations Relief and Works Agency |
| UNTAET | United Nations Transitional Authority for East Timor |
| UP | Uttar Pradesh |
| U.S. | United States |
| USAEP | U.S.-Asia Environmental Partnership |
| USAID | United States Agency for International Development |
| USDA | United States Department of the Agriculture |
| USEA | United States Energy Association |
| USF | University of San Francisco |
| USIA | United States Information Agency |
| USIS | United States Information Services |
| USG | United States Government |
| USTR | United States Department of Treasury |
| UTC | United Technologies Corporation |
| UZP | Upazila Parishad |
| VHS | Voluntary Health Services |
| VITA | Volunteers in Technical Assistance |
| VOCA | Volunteers in Overseas Cooperative Assistance |
| VSC | Voluntary Surgical Contraceptive |
| WAJ | Water Authority of Jordan |
| WB | World Bank |
| WCC | World Coast Conference |
| WFP | World Food Program |
| WHO | World Health Organization |
| WMO | World Meteorological Organization |
| WRS | Water Resource Sustainability |
| WSSCC | Water Supply and Sanitation Collaborative Council |
| WTO | World Trade Organization |
| YMCA | Young Men’s Christian Association |