



U.S. Agency for
International
Development

FISCAL YEAR
2004

Budget Justification to the Congress

Annex V *Central Programs*

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT
FY 2004 Budget Justification
Central Programs

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BUREAU FOR DEMOCRACY, CONFLICT, AND HUMANITARIAN ASSISTANCE
Budget Justification to the Congress
Notification Levels for FY 2003

<u>Program/ SO Number</u>	<u>Title</u>	<u>FY 2003 Total Planned Budget</u>	<u>Account</u>	<u>FY 2003 Notification by FY 2004 CBJ</u>
Office of Democracy and Governance				
932-001	Legal systems operate more effectively to support democratic governance and protect human rights	1,694,000	DA	0 *
932-002	Political processes, including elections, are competitive and more effectively reflect the will of an informed citizenry	2,496,000	DA	0 *
932-003	Informed citizen's groups effectively contribute to more responsive government	6,444,000	DA	0 *
932-004	National and local government institutions more openly and effectively perform public responsibilities	2,145,000	DA	0 *
Office of Food For Peace				
962-001	Critical food needs of targeted groups met	984,000 2,016,000	CSH DA	0 * 0
962-002	Increased effectiveness of FFP's partners in carrying out Title II development activities	983,000 2,017,000	CSH DA	0 * 0
Office of Private and Voluntary Cooperation				
963-001/ 960-001	Increased capability of PVC's partners to achieve sustainable service delivery/Program Mgmt Support	21,833,000 21,924,000	CSH DA	0 * 0 *
963-002	Enhanced NGO capacity to deliver development services in select USAID countries.	10,564,000	DA	10,564,000
Office of American Schools and Hospitals Abroad				
964-001	U. S. educational and medical technologies and practices demonstrated in selected countries	17,000,000	DA	0 *
Office of Conflict Management and Mitigation				
966-001	Conflict Prevention, Resolution, and Mitigation	10,000,000	DA	0 **

* Previously notified.

** Previously notified under SO 999-xxx.

BUREAU FOR ECONOMIC GROWTH, AGRICULTURE AND TRADE
Congressional Budget Justification
Notified Levels for FY 2003

<u>SQ Number</u>	<u>Strategic Objective Title</u>	<u>OYB FY 2003</u>	<u>Account</u>	<u>Amount Notification FY 2003</u>
933-008	Open, competitive economies promoted	12,600,000	DA	0
933-009	Science and technology developed to improve agricultural productivity, natural resource management, markets, and human nutrition	66,806,000	DA	0
933-010	Access to economic opportunities for the poor expanded	3,800,000	DA	0
933-011	Increased technical cooperation among middle eastern, developing countries, and the U.S.	3,500,000	DA	0
	Middle East Regional Cooperation (MERC)	5,000,000	ESF	0
934-001.1	Effective biodiversity conservation and management	5,792,000	DA	0
934-001.2	Improved management of natural forest and tree system	2,418,000	DA	0
934-001.3	Environmental education and communication	1,750,000	DA	0
934-001.4	Coastal and freshwater resources	2,965,000	DA	0
934-002	Improved management of urbanization in targeted areas	3,300,000	DA	0
934-003.1	Increased, energy efficiency	3,000,000	DA	0
934-003.2	Increased use of renewable energy resources	3,600,000	DA	0
934-003.3	Clean energy production and use	3,400,000	DA	0
934-004	Reduced threat to sustainable development from global climate change	2,075,000	DA	0
935-001	Improved and expanded basic education, especially for girls, women and other under-served populations	7,660,000	DA	0
935-002	Higher education strengthens the capacity of institutions, communities and individuals to meet local and national development needs	2,500,000	DA	0

BUREAU FOR ECONOMIC GROWTH, AGRICULTURE AND TRADE
Congressional Budget Justification
Notified Levels for FY 2003

<u>SO Number</u>	<u>Strategic Objective Title</u>	<u>OYB FY 2003</u>	<u>Account</u>	<u>Amount Notification FY 2003</u>
935-003	Training improves work performance of host country trainees and effectiveness of host country organizations	1,100,000	DA	0
935-004	Expanded access to and application of information and telecommunications services	2,900,000	DA	0
940-001	Enhance communities' capabilities to conduct low-cost, grass-roots, sustainable development activities	1,000,000	DA	0
940-003	Program development and learning activity	5,634,000	DA	0
941-001	Gender-based constraints to economic growth policies and programs increasingly addressed	2,440,000	DA	0
941-002	Broad-based, informed constituencies mobilized to improve girls' education in emphasis countries	2,340,000	DA	0
941-003	Women's legal rights increasingly protected	3,020,000	DA	0
941-004	Greater reflection of gender considerations in the agency's work	3,200,000	DA	0

BUREAU FOR GLOBAL HEALTH
FY 2004 Congressional Budget Justification
Notified Levels for FY 2003
(In Thousands of Dollars)

SO Number	Title	Account	FY 2003 Total Planned Budget	FY 2003 CBJ Notification by FY 2003 CBJ
936-001.1	New and improved technologies and approaches for contraceptive methods and family planning identified, developed, tested, evaluated and disseminated	CSH	47,173	0*
936-001.2	Improved policy environment and increased global resources for planning programs	CSH	8,438	0*
936-001.3	Enhanced capacity for national programs (public, private, non-governmental organizations and community-based institutions) to design, implement, finance, and evaluate sustainable family planning programs	CSH CSH	43,924 244 co	0*
936-001.4	Increased access to, quality of, cost-effectiveness of, and motivation to use family planning, breastfeeding, and selected reproductive health information and services	CSH	51,285	0*
936-002	Increased use of key maternal health and nutrition interventions	CSH CSH	12,168 34 co	0*
936-003	Increased use of key child health and nutrition interventions	CSH CSH DA	36,732 74 co 3,800	0* 0*
936-004	Increased use of improved, effective, and sustainable responses to reduce HIV transmission and to mitigate the impact of the HIV/AIDS pandemic	CSH CSH	65,506 1,080 co	0*
936-005	Increased use of effective interventions to reduce the threat of infectious diseases of major public health importance **Of which Pakistan	CSH CSH	35,794 68 co	0*

* Previously notified

** Separate notification required.

Bold denotes change.

**Budget Justification to the Congress
Notification Levels for FY 2003**

<u>Program/ SO Number</u>	<u>Title</u>	<u>Account</u>	<u>FY 2003 Total Planned Budget</u>	<u>FY 2003 Notification by FY 2004 CBJ</u>
BUREAU FOR MANAGEMENT				
999-010	Information Tech- nology Transfer	CSH DA	TBD TBD	0 ** 0 **
BUREAU FOR POLICY AND PROGRAM COORDINATION				
996-013	Learning from Experience	CSH DA	\$4,700,000 \$7,400,000	0 * 0 *
GLOBAL DEVELOPMENT ALLIANCE				
020-001	Institutionalizing Alliance Building	DA	\$ 1,000,000	0 *
020-002	Public-Private Alliance Building	DA	\$29,000,000	0 **

* Previously notified.

** Separate notification required.

BUREAU FOR DEMOCRACY, CONFLICT, AND HUMANITARIAN ASSISTANCE
Budget Justification to the Congress
Notification Levels for FY 2004

<u>Program/ SO Number</u>	<u>Title</u>	<u>Notification by FY 2004 CBJ</u>	<u>Account</u>
Office of Democracy and Governance			
932-001	Legal systems operate more effectively to support democratic governance and protect human rights	1,592,000	DA
932-002	Political processes, including elections, are competitive and more effectively reflect the will of an informed citizenry	2,345,000	DA
932-003	Informed citizen's groups effectively contribute to more responsive government	6,049,000	DA
932-004	National and local government institutions more openly and effectively perform public responsibilities	2,014,000	DA
932-005	Improved social, economic, and/or developmental status of vulnerable populations	2,050,000 4,470,000	CSH DA
Office of Food For Peace			
962-001	Critical food needs of targeted groups met	400,000 2,600,000	CSH DA
962-002	Increased effectiveness of FFP's partners in carrying out Title II development activities	400,000 2,600,000	CSH DA
Office of Private and Voluntary Cooperation			
963-001/ 960-001	Increased capability of PVC's partners to achieve sustainable service delivery/Program Mgmt Support	200,000 7,982,000	CSH DA
963-002	Enhanced NGO capacity to deliver development services in select USAID countries	15,800,000	DA
Office of American Schools and Hospitals Abroad			
964-001	U. S. educational and medical technologies and practices demonstrated in selected countries	14,000,000	DA
Office of Conflict Management and Mitigation			
966-001	Conflict Prevention, Resolution, and Mitigation	10,000,000	DA

BUREAU FOR ECONOMIC GROWTH, AGRICULTURE AND TRADE
Congressional Budget Justification
Notified Levels for FY 2004

<u>SO Number</u>	<u>Strategic Objective Title</u>	<u>OYB FY 2004</u>	<u>Account</u>	<u>Amount Notification FY 2004</u>
933-008	Open, competitive economies promoted	15,400,000	DA	15,400,000
933-009	Science and technology developed to improve agricultural productivity, natural resource management, markets, and human nutrition	63,555,000	DA	63,555,000
933-010	Access to economic opportunities for the poor expanded	4,800,000	DA	4,800,000
933-011	Increased technical cooperation among middle eastern, developing countries, and the U.S.	1,500,000	DA	1,500,000
	Middle East Regional Cooperation (MERC)	5,000,000	ESF	5,000,000
934-001.1	Effective biodiversity conservation and management	6,300,000	DA	6,300,000
934-001.2	Improved management of natural forest and tree system	4,185,000	DA	4,185,000
934-001.3	Environmental education and communication	5,595,000	DA	5,595,000
934-001.4	Coastal and freshwater resources	4,215,000	DA	4,215,000
934-002	Improved management of urbanization in targeted areas	2,500,000	DA	2,500,000
934-003.1	Increased, energy efficiency	2,300,000	DA	2,300,000
934-003.2	Increased use of renewable energy resources	2,800,000	DA	2,800,000
934-003.3	Clean energy production and use	2,900,000	DA	2,900,000
934-004	Reduced threat to sustainable development from global climate change	3,700,000	DA	3,700,000
935-001	Improved and expanded basic education, especially for girls, women and other under-served populations	9,800,000	DA	9,800,000
935-002	Higher education strengthens the capacity of institutions, communities and individuals to meet local and national development needs	6,100,000	DA	6,100,000

BUREAU FOR ECONOMIC GROWTH, AGRICULTURE AND TRADE
Congressional Budget Justification
Notified Levels for FY 2004

<u>SO Number</u>	<u>Strategic Objective Title</u>	<u>OYB FY 2004</u>	<u>Account</u>	<u>Amount Notification FY 2004</u>
935-003	Training improves work performance of host country trainees and effectiveness of host country organizations	1,400,000	DA	1,400,000
935-004	Expanded access to and application of information and telecommunications services	3,600,000	DA	3,600,000
940-003	Program development and learning activity	1,663,000	DA	1,663,000
941-001	Gender-based constraints to economic growth policies and programs increasingly addressed	1,500,000	DA	1,500,000
941-002	Broad-based, informed constituencies mobilized to improve girls' education in emphasis countries	1,840,000	DA	1,840,000
941-003	Women's legal rights increasingly protected	1,500,000	DA	1,500,000
941-004	Greater reflection of gender considerations in the agency's work	2,550,000	DA	2,550,000

BUREAU FOR GLOBAL HEALTH
FY 2004 Congressional Budget Justification
Notified Levels for FY 2004
(In Thousands of Dollars)

SO Number	Title	Account	Notified by FY 2004 CBJ
936-001.1	New and improved technologies and approaches for contraceptive methods and family planning identified, developed, tested, evaluated and disseminated	CSH	40,200
936-001.2	Improved policy environment and increased global resources for planning programs	CSH	7,700
936-001.3	Enhanced capacity for national programs (public, private, non-governmental organizations and community-based institutions) to design, implement, finance, and evaluate sustainable family planning programs	CSH	37,600
936-001.4	Increased access to, quality of, cost-effectiveness of, and motivation to use family planning, breastfeeding, and selected reproductive health information and services	CSH	44,100
936-002	Increased use of key maternal health and nutrition interventions	CSH	11,923
936-003	Increased use of key child health and nutrition interventions	CSH	47,450
936-004	Increased use of improved, effective, and sustainable responses to reduce HIV transmission and to mitigate the impact of the HIV/AIDS pandemic	CSH	85,200
936-005	Increased use of effective interventions to reduce the threat of infectious diseases of major public health importance **Of which Pakistan	CSH	31,890

**Budget Justification to the Congress
Notification Levels for FY 2004**

<u>Program/ SO Number</u>	<u>Title</u>	<u>Account</u>	<u>Notification by FY 2004 CBJ</u>
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BUREAU FOR LEGISLATIVE AND PUBLIC AFFAIRS

025-xxx	Global Awareness of U.S. Economic Assistance	DA	\$2,000,000
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BUREAU FOR MANAGEMENT

999-010	Information Tech- nology Transfer	CSH DA	0 ** 0 **
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BUREAU FOR POLICY AND PROGRAM COORDINATION

996-013	Learning from Experience	CSH DA	\$3,400,000 \$6,150,000
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GLOBAL DEVELOPMENT ALLIANCE

020-001	Institutionalizing Alliance Building	DA	\$ 500,000
020-002	Public-Private Alliance Building	DA	0 **

* Previously notified.

** Separate notification required.

Democracy, Conflict, and Humanitarian Assistance

The mission of the Bureau for Democracy, Conflict, and Humanitarian Assistance (DCHA) is to save lives, alleviate suffering, support democracy, and promote opportunities for people adversely affected by poverty, conflict, natural disasters, and a breakdown of good governance. DCHA rapidly responds in support of USAID's mission worldwide, particularly in fragile, failed and failing states. To carry out its mission, the bureau collaborates within the Agency, the U.S. Government, and with external stakeholders. DCHA seeks to maximize its efforts through partnerships with organizations that share the Agency's vision and complement its resources. DCHA's teams design and implement effective solutions to crisis situations that link humanitarian efforts with longer-term development goals. USAID's vision is that strong democratic institutions, less conflict, improved food security, and timely humanitarian relief will produce a free and more prosperous global community.

Under the authority of the Foreign Assistance Act of 1961, as amended, the President has designated the USAID Administrator as his Special Coordinator for International Assistance.

“Understanding what, if anything, the foreign assistance community can do to help stop a nation's slide to self-destruction is critical.”

Source: *Foreign Aid in the National Interest: Promoting Freedom, Security, and Opportunity*

The DCHA bureau within USAID is the lead U. S. Government organization for providing emergency, life-saving disaster relief, including food aid, and other humanitarian assistance to people in the developing countries, particularly those plagued by state failure problems. Even in countries that are not so fragile, however, there are inevitably natural disasters and violent man-made crises that threaten large-scale loss of life. DCHA's programs, and especially those providing development assistance, also encourage responsible participation by all citizens in the political processes of their countries, assist those countries to improve governance, especially the rule of law, and help strengthen non-governmental organizations (NGOs) and other elements of civil society. Proposed funding for FY 2004 will further strengthen U.S. leadership in foreign disaster relief, emergency food aid, and other humanitarian assistance. The financial resources requested will also underwrite crucial assistance programs for helping countries to: manage and mitigate conflict; make the transition from crisis to recovery and a return to development progress, practice democracy and good governance, and

strengthen the capacity of indigenous non-governmental organizations.

The Development Challenge: The biggest challenge facing the Agency today is the enormous food crisis plaguing the developing world. The crisis has put the international humanitarian relief system at risk of being completely overwhelmed. The main causes of the crisis include widespread droughts in southern Africa and in the Horn of Africa, continued turmoil in Afghanistan, and an ongoing food shortage of major proportions in North Korea.

Global Food Aid Needs and Projected Contributions	
Fiscal Year 2003	
(In millions of metric tons)	
Emergency Needs	
World	5.900
Africa	3.717
Afghanistan	.488
DPRK	.512
Other	1.183
Estimated Available	2.3 - 3.5
<i>Source: WFP Estimates</i>	

An unprecedented gap between the world's emergency food aid needs and levels has opened, exceeding at least two million tons. This gap is posing a daunting challenge for the USAID-managed PL 480 Title II program. While Title II funding levels have remained within a relatively stable range over the last several years, total U.S. food aid levels have fallen to near fifteen-year lows in tonnage terms and, when cost is accounted for in constant dollars, to nearly the lowest-ever levels since the birth of the PL 480 program in 1954. European Union and world food aid

totals have followed a similar decline, driven by World Trade Organization (WTO) reforms that have cut back on agricultural surpluses at the same time that food aid has become more costly. With the sole exception of the Title II program, none of the donor pledges in the WTO's Marrakech Decision to maintain food aid to developing countries in the face of rising food prices is being honored.

USAID's Title II program has extensive experience with both emergency relief and longer-term food security assistance in these needy regions. Working with prominent Private Voluntary Organizations (including CARE, Catholic Relief Services, Save the Children, and World Vision) partnering with local NGOs (such as the Relief Society of Tigray), USAID was able to respond quickly to allay the growing famine in Ethiopia.

In southern Africa almost fifteen million people are at risk of acute hunger and malnutrition from the drought and complex food emergency. Using Title II resources and Bill Emerson Humanitarian Trust Fund commodities in fiscal year 2002 USAID was able to provide 248,100 MT of food assistance, valued at \$127 million - the equivalent of more than 10 percent of the entire Title II appropriation - in response to the first severe food emergency in the Southern African region in nearly a decade. Title II resources will continue to be taxed in FY 2003, as estimates of food needs in the southern Africa region have more than doubled from those of the previous fiscal year on top of increased needs in many other parts of the world.

"States with ineffective and incompetent governance not only will fail to benefit from globalization, but in some instances will spawn conflicts at home and abroad, ensuring an even wider gap between regional winners and losers than exists today."

Source: *Global Trends 2015: A Dialogue About the Future with Nongovernment Experts*

All seven of DCHA's offices that manage programs share a set of common goals: (1) advancing longer-term development through integrated, high-impact interventions, particularly in countries affected by crisis, conflict, and food insecurity; (2) strengthening capable, responsive, and stable democratic systems and civil society, particularly in fragile, failing, and failed states; (3) increasing host country capacity to save lives and reduce human suffering; (4) providing technical leadership within the U. S. Government and to

partners in response to the needs of fragile, failed, and failing states; and (5) ensuring coordination within DCHA for more effective responses to crisis and development needs.

The programs managed by these seven offices support USAID's four pillars: (1) democracy, conflict, and humanitarian assistance; (2) economic growth, agriculture, and trade; (3) global health; and (4) global development alliance.

- Office of Democracy and Governance (DG): A balanced foreign policy approach underpins USAID's programs to strengthen democracy and good governance worldwide. In the words of the recently released report *Foreign Aid in the National Interest: Promoting Freedom, Security, and Opportunity*: "It is strongly in the U. S. interest to promote both democracy and good governance." Democratic governments tend to advocate and observe international laws, protect civil and human rights, avoid external conflicts, and pursue free market economies essential to international trade and prosperity. Supporting such governance entails a variety of often difficult political and institutional reforms, and capacity-building across four strategic areas: (1) promoting the rule of law and respect for human rights; (2) encouragement of credible and competitive political processes; (3) development of politically active civil society; and (4) promoting more transparent and accountable government institutions, including local government support and anti-corruption efforts.
- Office of Conflict Management and Mitigation (CMM): The world faces a major and growing threat from the increasing incapacity of states globally to deal with the potential causes of instability, conflict, and in some cases terrorism. Responding effectively to this emerging global reality is the challenge that shapes CMM's programs and external relationships. All USAID development programs and partners, especially those that directly address humanitarian assistance, the transition from crisis to stability, and promotion of democracy, must now address this new imperative. A key distinguishing feature of CMM programs is that they are longer-term than those of the Office of Transition Initiatives and they can be utilized for non-emergency activities.
- Office of U.S. Foreign Disaster Assistance (OFDA): The United States, through USAID, remains the world's leader in responding to man-made and natural disasters. While emergency relief for natural

disasters is crucial, preparedness is equally important. Even though nature cannot be tamed, or natural disasters stopped from taking place, there is room for prevention. OFDA's preparedness, mitigation and prevention efforts are essential in dealing with natural disasters, playing an even greater role in the case of complex emergencies. The last decade's marked growth in these man-made emergencies has continued into the new millennium, as internal conflict and war increasingly cause social, political, and economic institutions and systems to fail. Sometimes, natural disasters accompany man-made emergencies, which compound their complexity.

- Office of Transition Initiatives (OTI): Addressing the needs of pre- and post-transition countries experiencing significant political change, or facing critical threats to basic stability and democratic reform, is the charge of OTI. Working on the ground with local partners, the office provides short-term, high-impact assistance targeted at key transition needs.
- Office of Food for Peace (FFP): FFP manages P.L. 480 Title II food aid, which is the primary resource of the United States for responding swiftly to the critical food needs of disaster victims and other targeted vulnerable groups. Non-emergency, development food aid programs focus on mitigating food insecurity in low-income, food deficit countries.
- Office of Private and Voluntary Cooperation (PVC): Increasingly, PVC is focusing on providing resources to private voluntary and cooperative development organizations for use in strengthening the capabilities of local partners to carry out development and humanitarian aid programs at the local level. The programs address priority needs such as agriculture, micro-enterprise, civil society, democracy, child survival and health, and the environment.
- Office of American Schools and Hospitals Abroad (ASHA): ASHA awards grants to U.S. organizations that are founders or sponsors of private, overseas schools, libraries and hospital centers. These grants increase access abroad to American ideas, values and practices. The assistance and activities project a positive image of the United States, contribute to the reduction of poverty, and assist in combating terrorism.
- Office of Program, Policy and Management (PPM): PPM provides technical assistance and support to various offices, both within and outside the DCHA Bureau.

Program And Management Challenges: To be effective, the DCAH bureau's interventions must be well coordinated, the responses must be careful but rapid, and the approaches must be appropriately integrated if lives are to be saved and suffering reduced, conflict prevented or mitigated, non-governmental organizations' and other local institutions' capacities strengthened, and democracy and good governance buttressed. To that end, DCHA is implementing a number of important initiatives and innovations.

- The bureau has helped USAID make considerable progress in integrating disaster relief, transition, food security, and conflict management and mitigation programs into country portfolios. The result has been a shifting of country program priorities to crisis prevention and mitigation activities focused on both natural and man-made disasters.
- The bureau, through its Office of Transition Initiatives, continues to be the principal means by which the Agency delivers transition assistance to countries emerging from a crisis or teetering on the brink of one.
- The bureau has worked closely with the rest of the Agency to develop agency-wide response mechanisms for quickly dealing with crises as they arise.
- The bureau continues to actively pursue a resource-leveraging approach with its partners, particularly in its innovative work on forging PVO- and other public-private partnerships.

- The bureau continues to refine and apply performance-monitoring tools to strengthen program management and the allocation of resources. Reinforcing effective past practice, DCHA offices continue to consult with partners on adopting up-to-date Agency performance management and results reporting procedures and practices.

The individual sections on each of the bureau's offices contain numerous examples of the results their programs have achieved in the past year. They also contain specific information on the program plans for fiscal year 2004.

Other Program Elements: DCHA is a "pillar bureau-plus" within USAID. Like the Agency's other two pillar bureaus, DCHA provides field support to overseas missions and serves as a center of technical excellence for programs in democracy and governance, conflict, private and voluntary cooperation, and humanitarian assistance. However, several of DCHA's offices have direct responsibility for field programs. This is true of OFDA, OTI, ASHA, PVC, and perhaps to a lesser degree FFP and CMM. DCHA is making a concerted effort to integrate its programs more fully within both the bureau and the Agency. The bureau is also continuing its work on ensuring close coordination with the Departments of State and Agriculture, the National Security Council, and other parts of the U.S. Government.

Other Donors: A hallmark of DCHA's programs is the degree to which they involve partners, including private voluntary organizations (PVOs), cooperative development organizations (CDOs), non-governmental organizations (NGOs), for-profit contractors, American schools and hospitals sponsoring overseas institutions, United Nations agencies, international organizations, and other bilateral and multilateral donors. DCHA intends to continue working closely with the U.S. foreign affairs community, particularly the Department of State, on donor coordination and other partnering relationships. The bureau plans to form an increased number of alliances with entities such as the U.S. Institute for Peace, the Department of Defense, indigenous religious institutions dedicated to conflict prevention, mitigation, and resolution, and other non-governmental and governmental organizations.

BUREAU FOR DEMOCRACY, CONFLICT, AND HUMANITARIAN ASSISTANCE

Program Summary (in Thousands of Dollars)				
Category	FY 2001 Actual	FY 2002 Actual	FY 2003 Estimated	FY 2004 Request
Development Assistance	65,826	66,269	76,300	69,452
Child Survival & Health Fund	31,618	25,893	23,800	3,050
International Disaster Assistance (a)	164,640	235,500	285,500	235,500
Emergency Response Fund - IDA (b)		146,000		
Supplemental - IDA (c)	134,700	40,000		
Transition Initiatives (d)	49,890	50,000	55,000	55,000
P. L. 480 Title II	835,159	850,000	1,185,000	1,185,000
Emergency Response Fund - P. L. 480 (e)		95,000		200,000
Supplemental - P. L. 480 (f)		13,820		
Famine Fund				
Total Program Funds	1,281,833	1,522,482	1,625,600	1,748,002

- (a) FY 2003, International Disaster Assistance (IDA) includes \$50 million budget amendment for West Bank and Gaza.
- (b) FY 2002, IDA received \$146 million Supplemental for Afghanistan Emergency Response Fund (ERF) of which \$95 million was programmed by OFDA.
- (c) FY 2001, IDA received \$134.7 million Supplemental funding for Southern Africa Floods and in FY 2002 received \$40 million supplemental for Afghanistan reconstruction.
- (d) Transition Initiatives (TI) excludes \$15.5 million in Economic Support Funds (ESF) in FY 2001 and \$5.1 million ESF in FY 2002 for various countries.
- (e) In FY 2002, P. L. 480 Title II received Supplemental funds of \$95 million ERF for Afghanistan.
- (f) In FY 2002, P. L. 480 Title II received \$13.8 million Supplemental transfer of unobligated Global Food for Education funds (P. L. 107-206). See *Summary Tables* volume for *P. L. 480 Dollars and Metric Tonnage* tables.

Roger P. Winter
 Assistant Administrator
 Bureau for Democracy, Conflict, and Humanitarian Assistance

American Schools and Hospitals Abroad

The Development Challenge: The goal of the Office of American Schools and Hospitals Abroad (ASHA) program, as stated in its enabling legislation, is to assist schools, libraries, and medical centers outside the United States founded or sponsored by U.S. citizens to serve as study and demonstration centers for ideas and practices of the United States. To this end, the principal objective of ASHA grants is to demonstrate U.S. advances in education and medical technology and practices, in areas of research and training in selected countries. With the above goal and principal objective in mind, the challenge of the ASHA program is to increase the ability of overseas schools, libraries, and medical centers to demonstrate U.S. advancements in educational and medical technology. It is envisioned that these institutions will contribute to the strengthening of bridges and mutual understanding between the people of the United States and those of other countries. The challenge for the ASHA program also involves developing the capacity of overseas institutions to effectively project and foster favorable images of the United States. Consequently, the ASHA-assisted institutions will create a foundation for nurturing and developing leadership in a wide variety of disciplines, while providing an appreciation for, and an understanding of, U.S. economic, political and social institutions, philosophy, and practices.

The USAID Program: For the FY 2002 competitive award cycle, 47 U.S. organizations applied for \$53 million under the ASHA program. These U.S. organizations sponsored 52 overseas institutions in 26 countries. Of the 47 U.S. sponsors, ASHA awarded grants to 25 sponsors for 26 overseas institutions in 14 countries. A total of \$17 million was obligated for the FY 2002 program. For FY 2003, ASHA received grant applications from 43 U.S. organizations requesting a total of \$66 million. These U.S. organizations sponsored 47 overseas institutions in 29 countries.

In pursuit of ASHA's goal and objective, grants were awarded to:

- build technological bases for integrated research, training, and patient care in critical areas of medical science;
- build technological bases for efficient information acquisition and communication for informed decision-making;
- build technology-augmented "smart" classrooms for training generations of independent thinkers with problem-solving skills; and
- build open-access facilities modeled after U.S. academic institutions and libraries to provide access to uncensored information and promote understanding between the people of the United States and those of other countries.

In addition to projecting a positive image of the United States, ASHA-funded activities contribute directly to three of the Agency's four pillars. Through development of professionals with American-style education and the transmission of current American ideas and practices in agriculture, business, medical sciences, and democracy and governance, these overseas institutions contribute to the achievement of the Agency's goals in their respective countries by: (1) supporting broad-based economic growth, (2) improving agricultural productivity and enhancing food security through practical training, research and technology transfer, (3) promoting environmental awareness and sustainable development, (4) conducting medical research and protecting human health, (5) demonstrating and promoting good governance and democracy, and (6) clarifying and building an understanding of U.S. foreign policy. Activities of these institutions also support the U.S. international affairs strategic goals of maintaining regional stability and open markets, and they help protect U.S. national interests by promoting understanding between the people of the United States and the beneficiary countries.

Other Program Elements: ASHA funds pay for the procurement of scientific and educational commodities and for the construction and renovation of structures used for teaching, research, and patient care. ASHA's grant assistance goes to a variety of institutions, including secondary schools, undergraduate and graduate institutions, and medical centers. The secondary schools provide basic academic subjects and entrepreneurial and vocational training. The undergraduate institutions' curricula include subjects in liberal arts, business, agriculture, the sciences, medicine, and nursing; the graduate

institutions provide specialized training in health, law, social sciences, physical sciences, and international studies. The medical centers offer training in such areas as modern health care, medical education, and research. Many of these institutions provide virtually the only modern academic education, health care, and medical training programs in the recipient countries and sometimes in the geographic region. ASHA-assisted educational institutions produce professionals to fill the urgent need for a skilled workforce in the countries and regions they serve. The USAID regional and other pillar bureaus often have programs involving institutions that ASHA supports.

Other Donors: ASHA grants supplement contributions predominantly from private sources. ASHA-funding has also enabled overseas institutions to leverage financial assistance from other bilateral donors such as faith-based and private voluntary institutions.

**Office of American Schools and Hospitals Abroad
PROGRAM SUMMARY**

(in thousands of dollars)

Accounts	FY 2001 Actual	FY 2002 Actual	FY 2003 Prior Request	FY 2004 Request
Development Assistance	17,000	18,000	17,000	14,000
Total Program Funds	17,000	18,000	17,000	14,000

STRATEGIC OBJECTIVE SUMMARY

964-001 American Schools and Hospitals Abroad				
DA	17,000	18,000	17,000	14,000

Data Sheet

USAID Mission:	Office of American Schools and Hospitals Abroad
Program Title:	American Schools and Hospitals Abroad
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	964-001
Status:	Continuing
Proposed FY 2003 Obligation:	\$17,000,000 DA
Prior Year Unobligated:	\$1,048,000 DA
Proposed FY 2004 Obligation:	\$14,000,000 DA
Year of Initial Obligation:	1957
Estimated Completion Date:	Continuing

Summary: The ASHA-funded program aims to demonstrate the best in American educational and medical technologies and practices. Overseas institutions assisted include U.S.-style overseas high schools, universities, libraries, and medical centers, founded or sponsored by United States citizens and institutions. ASHA-assisted institutions: provide the benefits of American educational and medical achievements to people abroad; assist recipient countries with socioeconomic development and poverty reduction through training and outreach programs and by serving as models of advanced practices; and serve as overseas centers that project and foster a favorable image of the United States. ASHA's assistance to grantees also includes hosting annual workshops on grant management, strategic planning, and results-oriented performance measurement.

Inputs, Outputs, Activities:

FY 2003 Program:

ASHA plans to obligate approximately \$17 million in worldwide grant assistance, based on competitive grant applications from U.S. sponsors of overseas institutions. The assistance is intended to demonstrate U.S. advances in educational and medical technology and practices in the areas of research, training, and patient care. Grant funds will be used to:

- Construct new facilities (academic buildings, dormitories, and hospital units);
- Renovate existing buildings or structures;
- Renovate and install improved information technology infrastructure; and
- Procure scientific, medical, and training commodities and equipment.

Some of the proposed grant activities will:

- Help meet the increased demands for critical educational programming and reconstruction in developing countries; promote the international environment in which students and faculty interact; and enhance mutual understanding and promote the values of democratic institutions and structure of a civil society through the construction of classrooms, multi-purpose facilities and dormitories.
- Increase the use of information technology for higher levels of quality instruction and learning in high schools, colleges, universities, and teaching hospitals, higher levels of quality patient care, and more efficient communication and sharing of research data.
- Enhance the quality of scientific inquiry, research, and hands-on practical instruction and learning, with the equipment and commodities for classrooms, laboratories, and libraries procured with ASHA funds.
- Improve and expand the quality of patient care, medical education and research through the construction of improved hospital infrastructure and procurement of equipment, computer hardware, system software, reference books, surgical, urological, and blood screening and storage facilities, and critical care apparatus.
- Extend expert medical care to rural communities through outreach programs that employ telemedicine and other technologies for use in remote areas.

FY 2004 Program:

ASHA plans to use FY 2004 resources (\$14,000,000) to continue assisting overseas institutions that demonstrate U.S. advances in educational and medical technology and practices in the areas of research, training, and patient care. ASHA will provide grants to overseas institutions to upgrade academic and medical research and training facilities and resources. While aiming to maintain geographic balance, ASHA will encourage institutions in developing countries that offer agricultural vocational training, as well as educational and medical institutions engaged in research and training in Afghanistan, to apply, recognizing the key role such institutions play in economic development and poverty alleviation.

Performance and Results: Since its inception in 1957, ASHA has provided over \$800 million to schools and hospitals in all geographic regions abroad. ASHA-assisted institutions collectively and separately, have demonstrated U.S. advances in educational and medical technology and practices in the areas of training, research, and patient care. These institutions provide American-style: (1) academic and vocational training; (2) programs in liberal arts, medicine, nursing, agriculture, law, and the sciences; (3) specialized training to potential national and international leaders in health sciences, physical sciences, and other professional areas; (4) information necessary for effective decision making; and (5) leadership training in the health professions, to influence health standards and provide facilities and community-based health care, training, and research. The schools and hospitals assisted by ASHA grants reflect U.S. standards and practices in administration, management, medical research, patient care and training, governance, private initiative, critical thinking, free inquiry, and innovative approaches to problem solving. Funding has helped local institutions develop and implement programs that otherwise would not have been possible, as well as take advantage of opportunities that contribute to the growth and sustainability of the institutions that serve the local community.

US Financing in Thousands of Dollars

Office of American Schools and Hospitals Abroad

964-001 American Schools and Hospitals Abroad	CSH	DA
Through September 30, 2001		
Obligations	300	446,746
Expenditures	236	393,328
Unliquidated	64	53,418
Fiscal Year 2002		
Obligations	0	17,102
Expenditures	2	21,882
Through September 30, 2002		
Obligations	300	463,848
Expenditures	238	415,210
Unliquidated	62	48,638
Prior Year Unobligated Funds		
Obligations	0	1,048
Planned Fiscal Year 2003 NOA		
Obligations	0	17,000
Total Planned Fiscal Year 2003		
Obligations	0	18,048
Proposed Fiscal Year 2004 NOA		
Obligations	0	14,000
Future Obligations	0	0
Est. Total Cost	300	495,896

Conflict Management and Mitigation

The Development Challenge: The costs and consequences of violent conflict for USAID and the international donor community have become alarmingly high. According to World Bank records, the donor community pledged more than \$60 billion to assist in the recovery of war-torn countries just during the 1990s, and World Bank lending for post-conflict recovery has increased almost tenfold the past ten to fifteen years. Furthermore, spending on peacekeeping operations increased from \$464 million in 1990 to more than \$2.5 billion in 2001. Violent conflicts have blunted and reversed prospects for economic growth, wiping out decades of investment in the blink of an eye and fueling a dramatic deterioration in the quality of life in many countries. Although these conflicts have taken a serious toll on the economies of countries experiencing conflict, the impact of violence frequently reaches beyond borders and adversely affects the economies of neighboring countries and regions as well.

Recent events in Central Asia, Central Africa, and the Balkans show that internal conflict has the potential to spill across borders and spark wider, regional wars. Among the most intractable and worrisome in this regard are those conflicts that result in failed states, such as Somalia, Liberia, Afghanistan, Sudan, and the Democratic Republic of Congo. In these lawless settings, a new breed of "conflict entrepreneur" has found sanctuary, and the line between criminal violence and political violence has blurred. Transnational criminal organizations, terrorist networks and local warlords have exploited instability and violence to amass enormous power and wealth.

A peaceful and prosperous world is one of the foremost U.S. foreign policy priorities, and development assistance has an important role to play in advancing this objective. To best contribute to this goal, USAID understands that conflict is complex and does not happen simply because people are unhappy or greedy or because state and social institutions are weak or perverse. It happens when causes at multiple levels come together and reinforce one another. It is ultimately the product of deep grievance, zero-sum political and economic competition, irresponsible political leadership, weak or predatory institutions, and forces at the regional and global level.

Every major focus area in foreign assistance from economic growth, to agriculture, to democracy and governance has at least some bearing on the underlying causes of conflict. In recognition of this fact, the Office of Conflict Management and Mitigation (CMM) was established to strengthen the contribution that foreign assistance can make to addressing the critical challenge of violent conflict in the developing world.

The USAID Program: In FY 2003 and FY 2004, the Agency has requested a total of \$20 million in Development Assistance for Conflict Management and Mitigation programs, with \$10 million programmed each year to address the causes and consequences of violent conflict in the developing world. CMM will focus on areas where USAID has been particularly effective in breaking the chain of events fueling violent conflict, including youth in the developing world, the economic causes and consequences of violence, the role of economic actors in building peace, the links between natural resources and conflict, and the relation of political, economic and social institutions to violence.

Youth can be an extraordinary resource for positive change. In many parts of the developing world, however, they have little hope for a viable future and can become easy targets for groups seeking to promote violence and hate. USAID addresses this development challenge through education programs that teach values such as tolerance, critical thinking and democratic participation. In Nigeria and the Balkans, civic education programs have taught high-school students the benefits of non-violent political participation by helping them to identify local problems, develop solutions, and then implement those solutions together with local government officials. In partnership with the private sector, CMM will explore ways to provide high-risk youth with economic opportunities through vocational education and employment generation programs, particularly in urban and semi-urban areas.

The economic causes and consequences of violence and the role that economic actors can play in building peace is another area of CMM emphasis. In Sri Lanka, the business community led efforts to bring the government and the Tamil insurgents back to the negotiating table. With USAID assistance, the

same business leaders continue their support by providing young people and former combatants with skills training and jobs, sponsoring media campaigns on the benefits of peace, and rebuilding economic ties between regions long torn apart by war. CMM also hopes to limit the negative economic forces that drive violence by providing technical assistance to governments for anti-corruption programs and by strengthening the ability of civil society groups to monitor economic abuses of power.

Environmental crises and zero-sum competition over natural resources can also represent a serious destabilizing force. Competition over a dwindling supply of productive land and water fuels ethnic tensions within and between countries. In many countries emerging from conflict, violence has re-ignited as internally displaced populations return to find their land occupied by others. Governments and indigenous groups have clashed over the exploitation of forest and mineral resources. The degradation of rural environments and subsequent disruption of rural economies has led to massive waves of rural-to-urban migration and the emergence of sprawling slums around urban centers. USAID conflict programs will focus on land use tensions, better management of natural resources, assistance to governments in drafting legislation governing property rights, and mediation boards and legal assistance on land issues for displaced populations.

The strength and health of political, economic, and social institutions are perhaps the most critical factors in determining whether conflict will emerge. The institutions of healthy democracies are able to cope with many causes of violence and a robust and inclusive civil society can articulate group goals, monitor abuses of power, and propose effective solutions to a wide range of problems. A strong and accountable security sector and an equitable and impartial rule of law can guarantee personal security and protect property rights, thereby addressing one of the major reasons that individuals turn to violence. Effective and accountable local governance can help to resolve tensions that arise at the community level before they escalate to dangerous levels. CMM is working closely with the Office of Democracy and Governance to develop democracy programs that are suited to the unique needs of conflict prone environments. In Nigeria, USAID supports a group that brings together Christian and Muslim leaders who have successfully intervened to calm religious tensions in a number of areas. USAID also supports programs that train local media to report on sensitive issues in a way that will not inflame tensions but rather reinforce the ability of local government to identify and address many of the root causes of conflict such as competition over land or youth unemployment.

To support the work of USAID field missions, CMM will continue to provide technical leadership in the area of conflict management and mitigation. It will provide research support to missions in conflict-prone environments through conflict assessments and assist with developing conflict-sensitive programs and strategies. CMM will distill the lessons learned on programming in high-risk environments, disseminate best practices, and monitor and evaluate the impact of conflict programs.

Other Program Elements: CMM will continue its ongoing relationships with important institutions engaged in conflict mitigation activities, including CONTACT, the International Crisis Group, LaRoche College and Seeds of Peace. CMM will also attempt to explore new and non-traditional approaches to development programming tailored specifically to the unique situation of pre- and post-conflict environments.

Normally, the field missions will manage conflict management and mitigation activities. However, in non-presence countries, CMM will work with the relevant regional bureaus and other offices in DCHA to see that activities are managed and monitored appropriately. In certain non-presence countries where the regional bureaus and other DCHA offices lack capacity, CMM will directly manage activities. In these situations, CMM oversight will ensure targeted programming in difficult environments and will also allow for re-programming of funds if circumstances warrant.

Other Donors: CMM has maintained healthy consultation with other donors active in this sector, particularly the United Kingdom's Department for International Development, and will continue to coordinate conflict management and mitigation programming with such donors so as to maximize the overall impact of interventions in this area.

**Office of Conflict Management and Mitigation
PROGRAM SUMMARY**

(in thousands of dollars)

Accounts	FY 2001 Actual	FY 2002 Actual	FY 2003 Prior Request	FY 2004 Request
Development Assistance	0	653	10,000	10,000
Total Program Funds	0	653	10,000	10,000

STRATEGIC OBJECTIVE SUMMARY

966-001 Conflict Management and Mitigation				
DA	0	653	10,000	10,000

Notes: In FY 2003 an additional \$40.6 million for conflict management and mitigation was requested for geographic and other regions: AFR: \$20 million, ANE: \$13.2 million, LAC: \$7 million, and PPC: \$.4 million.

In FY 2004 an additional \$17.7 million for conflict management and mitigation was requested for geographic regions: AFR: \$8.4 million, ANE: \$2.4 million, and LAC: \$6.9 million.

Data Sheet

USAID Mission:	Office of Conflict Management and Mitigation
Program Title:	Conflict Management and Mitigation
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	966-001
Status:	Continuing
Proposed FY 2003 Obligation:	\$10,000,000 DA
Prior Year Unobligated:	\$598,000 DA
Proposed FY 2004 Obligation:	\$10,000,000 DA
Year of Initial Obligation:	FY 2002
Estimated Completion Date:	FY 2007

Summary: The Conflict Management and Mitigation program supports USAID mission efforts to address both the causes and consequences of violent conflict in a strategic manner so as to maximize the stabilizing impact of USAID development assistance. CMM provides technical assistance and field support to USAID missions operating in conflict-prone environments and supports mission activities by: enhancing the capacity of partners and USAID operating units to systematically and strategically direct programming interventions to address the causes and consequences of violent conflict; improving the Agency's policies, strategies and programs for managing and mitigating conflict; developing and refining analytical methodologies to support and inform programming decisions in the field; and coordinating research and analysis into the causes and trigger events that give rise to violent conflict.

Inputs, Outputs, Activities:

FY 2003 Program:

Building on the foundations laid in FY 2002, CMM will continue to work with organizations such as Seeds of Peace, the International Crisis Group, LaRoche College and CONTACT to support the conflict mitigation activities they carry out (\$1,500,000). CMM will fund additional technical staff (\$750,000) to increase the number of conflict assessments undertaken in conflict-sensitive countries and regions, continue its research and analysis efforts to identify and disseminate best practices in the field of conflict management and mitigation, and otherwise support program design and implementation in the field (\$4,600,000). CMM will also work with USAID field missions, the regional bureaus and the other pillar bureaus to enhance the conflict "tool kit" including Indefinite Quantity Contracts and other procurement mechanisms, indicators, a country conflict "watch list," and other tools identified collaboratively with USAID offices and partner organizations (\$2,000,000). CMM will conduct a survey of USAID's current conflict-related activities to be included in the conflict-related tool kit being developed by the office, enhance its information dissemination capabilities and conduct a survey to measure sub-national conflict risk and work with the State Department's Humanitarian Information Unit to use the Global Information System to map conflict risk (\$150,000). Finally, CMM will initiate limited direct programming to mitigate potential conflict in certain high-priority non-presence countries (\$1,000,000).

FY 2004 Program:

In FY 2004, CMM will continue activities initiated in FY 2002 and FY 2003 and will commence more programming in certain emphasis areas that relate to violent conflict, including: political and social institutions, economic instability, ethnic and religious hatreds, demography, and disaster response. In USAID-presence countries, programming will be carried out through the field missions. In non-presence countries, CMM will work with the relevant regional bureau and other DCHA offices whenever possible or, as necessary, directly manage programs and activities if other options are not available.

Performance and Results: CMM was created as a new office in the third quarter of FY 2002, inheriting the mandate of the Conflict Task Force formerly managed by the Bureau for Policy and Program Coordination. CMM still accomplished several significant results in FY 2002. The office initiated action to award grants to several organizations engaged in important conflict mitigation activities, including: Seeds

of Peace, LaRoche College, the International Crisis Group, the Woodrow Wilson Center and CONTACT. Furthermore, eight conflict assessments were conducted using the CMM analytical framework. CMM also assisted two other missions in conducting more limited conflict evaluations and desk studies. CMM took a lead role in discussions on conflict management convened by the Development Assistance Committee of the Organization for Economic Cooperation and Development discussions and participated in a conference on violence and urban youth.

US Financing in Thousands of Dollars

Office of Conflict Management and Mitigation

966-001 Conflict Management and Mitigation	DA
Through September 30, 2001	
Obligations	0
Expenditures	0
Unliquidated	0
Fiscal Year 2002	
Obligations	55
Expenditures	0
Through September 30, 2002	
Obligations	55
Expenditures	0
Unliquidated	55
Prior Year Unobligated Funds	
Obligations	598
Planned Fiscal Year 2003 NOA	
Obligations	10,000
Total Planned Fiscal Year 2003	
Obligations	10,598
Proposed Fiscal Year 2004 NOA	
Obligations	10,000
Future Obligations	0
Est. Total Cost	20,653

Democracy and Governance

The Development Challenge: USAID efforts to strengthen democracy and good governance worldwide anchor a balanced foreign policy approach. These efforts are increasing, in part as a result of a renewed emphasis from President Bush, as announced in the "National Security Strategy of the United States," and as reflected in the Agency's reorganization moving democracy and governance to a new pillar bureau. These measures reflect contemporary research that democratic governments are more likely to advocate and observe international laws, protect civil and human rights, avoid external conflicts, and pursue free market economies essential to international trade and prosperity.

Toward this end, USAID invests resources in five priority areas:

- Improving laws and legal systems;
- Conducting fair and impartial elections and strengthening political processes;
- Developing citizen groups and civil society;
- Improving government's ability to perform and respond to constituency needs; and
- Improving social, economic, and developmental status of targeted vulnerable populations.

The USAID Program: In FY 2003, the Office of Democracy and Governance (DG Office) will program \$19.6 million in development assistance (DA) funding and \$2 million in child survival (CSH) funding. For FY 2004, the Administration has requested \$18.5 million in DA funding and \$2.05 million in CSH funding for the DG portfolio. The FY 2004 funds would further existing strategic objectives, with rule of law programs receiving 9 %, elections and political processes 13%, civil society 33%, governance 11%, and crisis funds 34%. The DG Office's own funding is directed to:

- formulating new approaches to make DG programs work better;
- assessing innovative activities and promoting best practices;
- training worldwide staff; and
- providing direct technical support to USAID missions.

The DG Office also manages some additional DA and economic support funds (ESF) at the request of USAID field missions or U.S. embassies in countries where USAID is not present.

The DG Office continues to take a leading role in providing guidance and leadership on a number of U.S. Government priorities, while launching into areas that have remained sparsely covered. For example, the DG Office has been actively involved in the development of the Agency's anti-corruption strategy. The Office has been coordinating an intra-agency working group since 1997, but it has stepped up its engagement in preparation for the 1999 Global Forum on Fighting Corruption. This past year saw the DG Office tasked by the Administrator with developing an Agency-wide anti-corruption strategy (in coordination with Policy and Program Coordination Bureau (PPC)). At the same time, the office was fully engaged in inter-agency efforts to develop a presidential initiative on corruption.

There remains, within the community of both practitioners and analysts, profound uncertainty about how best to direct democracy assistance. USAID, like other donors, does not really know with any degree of certainty, based on empirical evidence, what works and what does not, or what works better, and what works less well, in any particular context - or in general, for that matter. USAID needs to rigorously examine its nearly two decades of experience in order to extract, as best and systematically as it can, lessons learned and best practices for the Agency. The first preliminary results of this examination will not be conclusive. However, they can begin to give USAID an understanding of how to program DG resources for greater effectiveness and efficiency. The DG Office began such an examination effort some two years ago. The Office has already completed six country case studies and begun four sub-sector investigations. These efforts will continue in FY 2003 and for at least two more years, as the office intends to be thorough in this analysis.

On the other end of its technical leadership, the DG Office has worked to increase attention to the important but oft sidelined topic of campaign finance, often a source of corruption and undue influence in developing countries. The campaign finance project has continued to gather attention, and a technical handbook is forthcoming.

The DG Office also worked within DCHA to further discussions on areas of bureau-wide interest. The Office provided staff and research to support the start-up of the Office of Conflict Management and Mitigation. It is also contributing to the bureau's planning framework working group, which in part will define opportunities for programming in fragile, failed, and failing states. The DG Office has also worked this past year with the Office of Transition Initiatives and Office of Foreign Disaster Assistance on short- and longer-term response in post-conflict countries.

Other Program Elements: The DG Office continues to provide essential contributions by supporting a number of programs in non-presence countries. These activities allow USAID to work in a number of countries that are U.S. foreign policy priorities, but where a USAID mission is not present. Examples include support to a woman's rights advocacy program in Afghanistan (prior to a mission being established late last fiscal year) and elections administration and assessment assistance to the Cote d'Ivoire. The DG Office plays a leadership role in the field of democracy assistance within the U.S. Government (USG) and among other donors.

Other Donors: DG disseminates its best practices widely and coordinates with other donors to develop cutting edge approaches in each of the four program sectors, in the area of rule of law, elections and political processes, civil society, and governance. DG works closely with other relevant USG actors, primarily the Departments of Justice and State, to coordinate programs that have multiple funding sources. The highly political nature of elections often creates circumstances in which donor coordination is critical. UN organizations, other bilateral donors, and myriad international organizations and NGOs provide large-scale assistance on a selective basis. In these situations, the DG Office works closely with the other donors to coordinate activities and leverage other funds. The labor portfolio provides a particularly prominent example of donor coordination within civil society programs. DG coordinates its program with activities conducted by other USG actors, including the Department of State's Bureau for Democracy, Human Rights, and Labor; the Department of Treasury; the Office of the U.S. Trade Representative; and Labor's Bureau of International Labor Affairs. State and USAID coordinate on funding of anti-sweatshop programs, with USAID focusing on labor-related issues and State on business features. In the area of governance, anti-corruption programs require particularly intensive coordination. DG's major focus for anti-corruption collaboration in the coming year will be the establishment of a multi-donor-funded endowment for Transparency International, a key international anti-corruption NGO. In the area of civil-military programs, coordination occurs on many levels. An arrangement with the Department of Defense's Defense Security Cooperation Agency provides a foundation from which numerous collaborative activities have been launched, including a joint civil-military program in the Republic of Georgia.

**Office of Democracy and Governance
PROGRAM SUMMARY**

(in thousands of dollars)

Accounts	FY 2001 Actual	FY 2002 Actual	FY 2003 Prior Request	FY 2004 Request
Development Assistance	15,621	16,503	12,779	16,470
Child Survival and Health Programs Fund	0	0	0	2,050
Total Program Funds	15,621	16,503	12,779	18,520

STRATEGIC OBJECTIVE SUMMARY				
932-001 Rule of Law Program				
DA	1,425	2,508	1,694	1,592
932-002 Elections and Political Processes Program				
DA	3,925	1,750	2,496	2,345
932-003 Civil Society Program				
DA	8,346	8,745	6,444	6,049
932-004 Governance Program				
DA	1,925	3,500	2,145	2,014
932-005 Improved social, economic, and/or developmental status of targeted vulnerable populations				
CSH	0	0	0	2,050
DA	0	0	0	4,470

Data Sheet

USAID Mission:	Office of Democracy and Governance
Program Title:	Rule of Law Program
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	932-001
Status:	Continuing
Proposed FY 2003 Obligation:	\$1,694,000 DA
Prior Year Unobligated:	\$927,000 DA
Proposed FY 2004 Obligation:	\$1,592,000 DA
Year of Initial Obligation:	FY 1997
Estimated Completion Date:	FY 2007

Summary: The DG rule of law program provides technical assistance and support to USAID missions worldwide through the development of new methodologies based on synthesis of lessons learned in the design and implementation of rule of law (ROL) assistance and through management of contracts, grants, cooperative agreements, and interagency agreements. The purpose of this DG program is to strengthen USAID programming and reinforce country-based efforts in the areas of:

- Promoting respect for human rights;
- Improving the institutional administration of justice;
- Increasing access to justice;
- Building local constituencies for justice sector reform and improvement; and
- Supporting the role of legal systems in consolidating democracy.

Inputs, Outputs, Activities:

FY 2003 Program:

DG will continue to build upon activities that have provided innovative technical guidance to USAID missions, helped improve U.S. ROL field programs, and further established USAID's role as a leader in ROL and justice sector assistance. FY 2003 resources will increase DG's capacity to provide such technical assistance. The primary uses for 2003 funds are technical personnel to carry out field support and grant and contract management (\$525,000), support for activities that work toward judicial independence around the world (\$300,000), operations research (\$300,000), support for rapid response and human rights initiatives (\$525,000), and support to the International Judicial Relations Committee of the U.S. Federal Judiciary Committee (\$100,000 over three years).

DG continued to widely distribute its "Guidance for Promoting Judicial Independence and Impartiality," which is a milestone in assisting USAID missions to improve the effectiveness of their ROL programs. It also completed translation of the document into Spanish and is working on a French version in order to achieve wider global distribution. In FY 2003, DG will continue to sponsor a range of activities to further assist USAID missions and to bring judicial independence to the forefront of the international donor dialogue on justice sector assistance, including a southern Africa region-wide conference on judicial independence in January 2003, and a regional conference on judicial independence in the Middle East. The judicial independence guidance was discussed at the Organization of Economic Cooperation Development, Development Assistance Committee's Government and Capacity Building Network (GOVNET), a forum for DG donors. These donors have in turn disseminated the guidance to their field staff. In FY 2003 work will continue on the production and dissemination of supplementary guidance on issues related to judicial independence and impartiality, such as codes of ethics, enforcement of judicial decisions, and oversight of the judiciary.

The DG Office completed four translations of its "Case Tracking and Management Guide." The document is now available in Arabic, French, Russian, and Spanish and has been distributed to field missions to more effectively share its guidance.

Principal Contractors, Grantees, or Agencies: In the ROL area, the DG Office manages eight implementing agreements. Contractors include the National Center for State Courts (sub-contractors: DPK Consulting and the National Judicial College), the IRIS Center (sub-contractors: Abt Associates, American University, Casals & Associates, Inter-American Bar Association, International Programs Consortium, Inc., Amex International, Inc., Barents Group, University of Maryland, International Law Institute, and the Spangenberg Group), and Management Sciences for Development, Inc. (sub-contractors: State University of New York, American University, Planitech, and Brown & Co.). A grantee is the International Development Law Organization. Cooperative agreements are held with the Rights Consortium (consisting of Freedom House, the American Bar Association, and the National Democratic Institute for International Affairs); and the International Foundation for Election Systems/International Human Rights Law Group Consortium. The DG Office also maintains two inter-governmental relationships: a participating agency services agreement with the Department of Justice and a relationship with the International Relations Committee of the U.S. Judicial Conference.

FY 2004 Program:

The FY 2004 program will focus on the DG Office's new work in the area of access to justice. Completed technical guides will be disseminated through regional events (\$572,000) and agency-wide training. Operations research (\$500,000) will be conducted in tandem with other DG sectors to determine which approaches to developing the rule of law in various country contexts have had the best results, building upon the study "Achievements in Building and Maintaining the Rule of Law" published in November 2002. In accordance with the Agency's reorganization, the capacity of the DG Office to provide technical leadership and support to field missions (\$550,000) will increase dramatically, as a total of 10 staff, both direct hire and program funded, are projected to be on board to support this ROL program. The DG Office will have major responsibilities in the ROL area for training Agency democracy officers, both New Entry Professionals (NEPs) and more senior officers, in the December 2003 DG training conference, and at an introductory workshop planned for June 2003. Principal contractors will be the same ones used in FY 2003.

Performance and Results: In FY 2002, the Agency undertook a major reorganization with positive outcomes for the DG's ROL work, filling personnel gaps and increasing its capacity to provide technical leadership in this area. The DG Office disseminated guidance to USAID missions on case management and tracking within judicial systems. Training of USAID democracy officers on this subject, initiated in 1999, continued in FY 2002. "Achievements in Building and Maintaining the Rule of Law" was completed, published, and disseminated. DG's rapid response mechanisms and funds allowed USAID to assist human rights activists and ROL reformers in countries without USAID missions. Especially critical was DG support to start-up programming in Afghanistan, participation in developing new initiatives for the Middle East, and DG's work on non-presence ROL projects such as that in Swaziland. The DG Office also provided substantial support to USAID missions such as India that are initiating major ROL programs.

Major personnel turnover in FY 2002 delayed completion of a strategic framework for justice sector assistance. This document will assist USAID missions in ensuring that ROL programs directly address the linkages between the rule of law and democratic governance. The analytic methodology proposed in the framework will be applied in selected countries throughout FY 2003 as part of the process of refining and completing it. The DG Office also plans to complete work in FY 2003 on guidance regarding access to justice.

Due to overwhelming demand from USAID field missions and from the State Department for access to services in the ROL area, the DG Office undertook a major procurement in FY 2002 that will result in up to five new indefinite quantity contracts that missions can use to implement their programs in FY 2003 and beyond. DG existing ROL contracts are nearing their financial ceilings, but the office will continue to manage them as existing task orders are implemented through FY 2005.

US Financing in Thousands of Dollars

Office of Democracy and Governance

	DA	ESF
932-001 Rule of Law Program		
Through September 30, 2001		
Obligations	13,238	5,232
Expenditures	11,557	3,091
Unliquidated	1,681	2,141
Fiscal Year 2002		
Obligations	3,187	0
Expenditures	2,216	0
Through September 30, 2002		
Obligations	16,425	5,232
Expenditures	13,773	3,091
Unliquidated	2,652	2,141
Prior Year Unobligated Funds		
Obligations	927	0
Planned Fiscal Year 2003 NOA		
Obligations	1,694	0
Total Planned Fiscal Year 2003		
Obligations	2,621	0
Proposed Fiscal Year 2004 NOA		
Obligations	1,592	0
Future Obligations	0	0
Est. Total Cost	20,638	5,232

Data Sheet

USAID Mission:	Office of Democracy and Governance
Program Title:	Elections and Political Processes Program
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	932-002
Status:	Continuing
Proposed FY 2003 Obligation:	\$2,496,000 DA
Prior Year Unobligated:	\$306,000 DA
Proposed FY 2004 Obligation:	\$2,345,000 DA
Year of Initial Obligation:	FY 1997
Estimated Completion Date:	FY 2007

Summary: The DG elections and political processes program provides technical assistance and support to USAID missions worldwide by synthesizing lessons across countries and regions, developing and testing new approaches, and managing contracts, grants, and a cooperative agreement. The program's purpose is to strengthen USAID programming and reinforce country-based efforts, mainly by:

- Assisting countries to administer their elections in a credible, impartial and professional manner;
- Training local organizations to monitor elections and educate voters about their rights and responsibilities;
- Helping political parties to become better able to represent citizens, compete effectively, and govern in the public interest;
- Encouraging the political participation of women and historically-disenfranchised groups; and
- Training newly elected legislators and local officials to effectively govern.

Inputs, Outputs, Activities:

FY 2003 Program:

USAID's election and political process activities continue to serve as a primary means for supporting key U.S. foreign policy initiatives. Activities fall into two categories: support for regional and field programs, and technical leadership in election and political party assistance. Regional and field programs will be implemented through grants, contracts, and cooperative agreements managed by the DG Office. Programs range from several months to several years, depending on the country needs. FY 2003 elections programming will include Afghanistan, Bahrain, Burundi, Ecuador, Kenya, Madagascar, Nigeria, and Pakistan, with political party assistance programs to include Colombia, Liberia, Mexico, and Nigeria. To assist these with rapid start up of time-sensitive election programs, approximately \$1.05 million in FY 2003 development assistance will be set aside into the forward-funding, rapid-response mechanisms of Consortium for Elections and Political Process Strengthening (CEPPS) and two indefinite quantity contracts, so that trainers and advisors may mobilize rapidly in response to foreign policy priorities.

For technical leadership (\$1,496,000), staff will focus in 2003 on three subjects: political finance reform; political party assistance; and institutional strengthening of local NGOs concerned with elections and political processes. Technical leadership involves research, publications, pilot programs, field manuals, and training for DG officers and other practitioners.

Political finance (\$250,000): the findings and recommendations that emerged from drafts of USAID's money and politics handbook are being circulated widely and incorporated into political party and anti-corruption initiatives. Pilot programs will be implemented in 2003 so that more people around the world know how politics is financed in their country. One example is an initiative with the International Foundation for Election Systems (IFES) to tailor country specifications into a database allowing political party and candidate financial disclosure statements on the Internet.

Political party assistance (\$800,000): FY 2003 funds will fund the fieldwork and analysis for a research effort to determine the impact of USAID's assistance. The results of this research will enable field officers

to determine the types of political party assistance programs that achieve the most-or least-impact under a given set of circumstances, including transitional and post conflict settings.

Institutional strengthening of election NGOs (\$446,000): USAID's partners under the Consortium for Election and Political Process Strengthening (CEPPS) cooperative agreement will select and strengthen a small group of organizations with the potential to work at a regional or global level. They will be trained and assisted in becoming financially and organizationally sustainable, assisted in providing technical assistance in other countries; the result will be an expanded, more capable, and more sustainable community of democracy promoters.

Principal Contractors, Grantees, or Agencies: The primary partner organization is CEPPS, with its partners: the National Democratic Institute for International Affairs, International Republican Institute, and International Foundation for Election Systems. USAID has separate indefinite quantity contracts with International Foundation for Election Systems and Development Associates, Inc. Sub-contractors are The Carter Center, Decision Strategies Fairfax International, Joint Center for Political and Economic Studies, and Mendez England & Associates. A grant with the International Organization for Migration was awarded to expand suffrage for refugees and displaced persons.

FY 2004 Program:

Regional and field programs will continue to be implemented through DG agreements. Countries with national elections scheduled for 2004 that may be assisted via DG agreements include Belarus, Dominican Republic, El Salvador, Ghana, Indonesia, Mozambique, Philippines, Russia, South Africa, and Ukraine. Political party assistance, too, will be implemented upon demand from the field. \$600,000 will likely be pre-positioned during FY 2004.

The three main thrusts of technical leadership (\$1,790,000)--political finance reform \$250,000, political party assistance \$1,000,000, and institutional strengthening of NGOs \$540,000 concerned with elections and political processes--will continue; the relative priority of each of the three will depend on work plans submitted by grantees in 2004. For political finance reform, missions will design programs, based upon the best practices and lessons gained from pilot experiences funded in 2003. For political party assistance, research on the impact of USAID assistance will be nearing completion and the results beginning to be disseminated broadly. For NGO institutional strengthening, grantees should be bringing the completion a first set of organizations assisted with FY 2004 funds.

Performance and Results: Field support continued to be a top priority in FY 2002: over \$32 million in field programs was obligated via contracts and agreements; Bolivia, Burundi, Colombia, and Mexico received in-country technical support to develop programs; intensive support was provided by staff in Washington for FY 2002 electoral processes in Afghanistan, Algeria, Bangladesh, Bulgaria, Burkina Faso, Guinea, Madagascar, Mali, Nicaragua, Sierra Leone, Zambia, and Zimbabwe; and for FY 2003 elections in Bahrain, Bosnia, Burundi, Cambodia, Ecuador, Kenya, Liberia, Nigeria, Madagascar, Morocco, and Pakistan. Technical leadership on a variety of issues achieved results. USAID's political party assistance policy is pending final approval, and negotiations on its content were completed with the National Security Council and the Bureau for Democracy, Human Rights and Labor at the State Department. USAID Missions in Bolivia, Colombia, and Mexico received in-country assistance to design political party assistance programs. The six-year, \$70 million CEPPS I program was completed and an end-of-project conference was held at which key decision- and policy-makers, together with implementers, reflected on past experience and lessons for the future in election and political process programs. The aforementioned three priorities guiding future technical leadership for CEPPS II emerged from this event. USAID research on political finance and the importance of disclosure has catalyzed attention at events involving political leaders from central and eastern Europe, Asia, and Latin America and the Caribbean, and demands for technical assistance outpace supply. In response to concern for elections in areas of conflict, a grant was provided to the International Organization for Migration to expand suffrage to refugees and displaced populations. The DG Office reviewed past experiences in mitigating conflict during elections and produced a tool kit that is being used to develop programs in Nigeria.

US Financing in Thousands of Dollars

Office of Democracy and Governance

932-002 Elections and Political Processes Program	DA	ESF
Through September 30, 2001		
Obligations	24,599	3,316
Expenditures	21,154	3,270
Unliquidated	3,445	46
Fiscal Year 2002		
Obligations	3,322	0
Expenditures	837	0
Through September 30, 2002		
Obligations	27,921	3,316
Expenditures	21,991	3,270
Unliquidated	5,930	46
Prior Year Unobligated Funds		
Obligations	306	0
Planned Fiscal Year 2003 NOA		
Obligations	2,496	0
Total Planned Fiscal Year 2003		
Obligations	2,802	0
Proposed Fiscal Year 2004 NOA		
Obligations	2,345	0
Future Obligations	0	0
Est. Total Cost	33,068	3,316

Data Sheet

USAID Mission:	Office of Democracy and Governance
Program Title:	Civil Society Program
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	932-003
Status:	Continuing
Proposed FY 2003 Obligation:	\$6,444,000 DA
Prior Year Unobligated:	\$1,490,000 DA
Proposed FY 2004 Obligation:	\$6,049,000 DA
Year of Initial Obligation:	FY 1997
Estimated Completion Date:	FY 2007

Summary: The DG civil society program provides technical assistance and support to USAID missions worldwide through the development of new methodologies and synthesis of lessons learned in the design and implementation of civil society assistance and through management of contracts, grants, and cooperative agreements. The purpose of this DG program is to strengthen USAID programming and reinforce country-based efforts through:

- Support for civil society organizations, including democratic labor unions, seeking to expand and enhance citizen participation in democratic governance;
- Support for monitoring and advocacy organizations, on behalf of garment workers, through assistance and training programs (the anti-sweatshop initiative);
- Development of independent media; and
- Civic education programs designed to strengthen democratic political culture through education.

Inputs, Outputs, Activities:

FY 2003 Program:

In FY 2003, the DG Office will continue to support civic education (\$500,000) through activities to promote democratic values and reinforce democratic behavior. DG grantees will implement civic education programs with primary emphasis on school-based pedagogy and curricula that foster the development of civic skills and values in predominantly Muslim countries. Initial field assessments for school-based civic education were undertaken in the Middle East and Asia in FY 2002, with pilot projects and regional educational networks planned for FY 2003. The DG Office will continue USAID's longstanding support for democratic labor unions (\$5 million) in its quest to spread democracy around the world. DG's work creates enabling environments that allow democratic trade unions to represent workers and give them an active political voice within their societies. In FY 2003, DG will enter the second of a five-year cooperative agreement with the American Center for International Labor Solidarity (ACILS), continuing programs in over 20 countries, as well as regional programs in Asia, Africa, Latin America, and the Caribbean. ACILS also will carry out global programs addressing core labor standards worldwide, supporting gender equality programs, developing worker economic literacy education programs, and continuing its HIV/AIDS programs. The current country programs include Bangladesh, Kenya, Mexico, Sri Lanka, and Zimbabwe. In addition, both ACILS and the International Labor Rights Fund (ILRF) will continue their new anti-sweatshop activities in sub-Saharan Africa, the Persian Gulf states, Egypt, the Caribbean Basin, Central America, and Asia.

The DG Office recognizes independent media not only as essential for democratic development and good governance, but also critical in other areas, including economic growth and public education campaigns about health, environment, social issues, etc. (\$500,000). DG experts provide guidance to USAID missions in the areas of journalism training, media business development, media law and legal defense, and association building among media professionals. To support independent media in FY 2003, the DG office and its grantees are designing activities to track freedom of press issues; raise awareness of media law-related problems; and provide legal advice to media professionals attempting to reform the media legal enabling environment in their countries. Also, the DG office will continue to support independent media through a grant to Internews and Western Kentucky University, providing journalism and media

management training, U.S. site visits, in-country follow-on training, and small grants for media professionals. The DG office is also developing a media distance learning module for DG officers. Starting in FY 2003, the DG Office will initiate a multi-country assessment of its civil society programs (\$500,000). This study will consider under which circumstances and in which contexts USAID support has been successful in helping civil society organizations shape public policy, improve public dialogue and engage in oversight of public institutions. This effort forms part of a broader initiative of the DG Office to systematically assess its programs.

Principal Contractors, Grantees, or Agencies: Contracts: Creative Associates International, Management Systems International, Academy for Educational Development (affiliates: Management Systems International, Mercy Corps International, International Foundation for Election Systems, International Labor Rights Fund, International Research and Exchanges Board, International Center for Not-for-profit Law, The Johns Hopkins University, The Kettering Foundation, and Search for Common Ground), and PACT (affiliates: The American Center for International Labor Solidarity, The Center for Civic Education, The Center for Private Enterprise, Children's Resources International, Institute for Development Research, Internews, International Center for Not-for-profit Law, International Republic Institute, National Democracy Institute, Research Triangle Institute, UNITE Union, and World Education), The American Center for International Labor Solidarity, the International Labor Rights Fund, and Western Kentucky University (Internews). Sub-contracts are held by The Asia Foundation, Counterpart International, Development Alternatives, International Center for Not-for-profit Law, the International Research and Exchange Board, Advocacy Institute, Center for Development Communication, Children's Resources International, Esquel Group Foundation, Yeshiva University, Institute for Development Research, International Development Professionals, International Media Center at Florida International University, League of Women Voters, and Oxford University.

FY 2004 Program:

The DG Office plans to continue many of its FY 2003 civil society programs into FY 2004. Civic education (\$350,000), media support (\$400,000), and support to labor unions (\$5 million) are planned to be important vehicles to promote democratic values. Technical support and practical research (\$400,000) are planned to continue to be other important elements of the DG Office's technical leadership. Principal contractors and grantees will be the same as in FY 2003.

Performance and Results: The DG Office continues to support the International Labor Rights Fund (ILRF) work in promoting worker rights and in increasing capacity of local NGOs to continue activities at apparel and footwear production sites. The ILRF has been active in Guatemala and Indonesia and recently launched a project in Kenya to address sexual harassment in the workplace. The DG Office worked with the Economic Growth, Agriculture and Trade Bureau in awarding a 3-year, \$5 million grant to the Educational Development Center, in order to enhance the quality of out-of-school youth training. In February 2002, the DG office also worked with the World Bank to co-host a workshop on global media assistance strategies. Over 70 participants representing major media aid donors and implementers consulted to compare results and improve coordination.

The DG anti-sweatshop grant to American Center for International Labor Solidarity (ACILS) was instrumental in helping ACILS conclude its framework agreement with Chiquita, allowing banana plantation workers in Central America to gain and maintain union representation and giving them a voice within the Labor Ministry. In Bangladesh, ACILS has helped 40,000 women garment workers learn about their legal rights, thus empowering them in the workplace and giving them the ability to protect their own interests. Over the past decade, civic education has become a major component of USAID DG programming. In order to better understand how and under what conditions civic education contributes to the development of a more active and informed democratic citizenry, the Agency initiated a major multi-part study designed to measure the impact of both adult and school-based civic education programs on participants' democratic behaviors and attitudes. The summary of these findings was published in June 2002 as "Approaches to Civic Education: Lessons Learned."

US Financing in Thousands of Dollars

Office of Democracy and Governance

	DA	ESF
932-003 Civil Society Program		
Through September 30, 2001		
Obligations	72,248	13,309
Expenditures	65,780	11,426
Unliquidated	6,468	1,883
Fiscal Year 2002		
Obligations	12,314	0
Expenditures	10,551	0
Through September 30, 2002		
Obligations	84,562	13,309
Expenditures	76,331	11,426
Unliquidated	8,231	1,883
Prior Year Unobligated Funds		
Obligations	1,490	0
Planned Fiscal Year 2003 NOA		
Obligations	6,444	0
Total Planned Fiscal Year 2003		
Obligations	7,934	0
Proposed Fiscal Year 2004 NOA		
Obligations	6,049	0
Future Obligations	0	0
Est. Total Cost	98,545	13,309

Data Sheet

USAID Mission:	Office of Democracy and Governance
Program Title:	Governance Program
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	932-004
Status:	Continuing
Proposed FY 2003 Obligation:	\$2,145,000 DA
Prior Year Unobligated:	\$2,605,000 DA
Proposed FY 2004 Obligation:	\$2,014,000 DA
Year of Initial Obligation:	FY 1997
Estimated Completion Date:	FY 2007

Summary: The DG Office governance program provides technical assistance and support to USAID missions worldwide through the development of new methodologies and synthesis of lessons learned in the design and implementation of governance assistance and through management of contracts, grants, and cooperative agreements. The purpose of the DG governance program is to strengthen USAID programming and reinforce country-based efforts through:

- Supporting anti-corruption efforts;
- Strengthening of civilian capacity to understand and oversee the military;
- Supporting and providing technical assistance on implementing decentralization programs and democratic local governance;
- Supporting and providing technical assistance to legislatures; and
- Assisting countries in managing the policy reform process.

Inputs, Outputs, Activities:

FY 2003 Program:

USAID will use FY 2003 DA resources from the DG sector to respond to USAID mission requests for assistance with their governance programs (\$450,000). Significant programs in anti-corruption (Colombia, Dominican Republic, Honduras, Madagascar, and Mexico); legislative strengthening (Armenia, Bolivia, Egypt, Kenya, Peru, and Uganda); and democratic local governance (Bangladesh, Benin, Colombia, Ecuador, Guatemala, Honduras, Mali, Morocco, Paraguay, Peru, and Rwanda) continue to make contributions to their respective mission programs. Increased mission and bureau demand for these services has led to the need to compete new contracting mechanisms with a combined ceiling of \$235 million over the next five years across these governance areas (\$300,000 for initial awards). USAID advanced its effort to foster the long-term financial independence and sustainability of a leading international anti-corruption NGO, Transparency International (\$500,000). USAID initiated pre-obligation activities to prepare for a one-time, \$2 million contribution to Transparency International's multi-donor funded endowment in FY 2003. USAID's contribution will leverage \$20 million over the next five to six years. Cross-sector work will include work with parliaments on specific issues of concern such as anti-corruption efforts and HIV/AIDS policy. A new mechanism will be developed to deliver technical assistance and other support in the area of civil-military relations (\$500,000). The DG Office's impact assessments will continue in the areas of legislative strengthening and democratic local governance (\$300,000). These studies are aimed at developing our knowledge on what approaches have been most successful and using this data to update our training and technical publications and to raise the quality of program interventions.

Principal Contractors, Grantees, or Agencies: Grantees are Transparency International and the National Democratic Institute for International Affairs; contractors are the Abt Associates, Chemonics International, State University of New York, Development Associates, Associates in Rural Development, International City/County Management Association, Research Triangle Institute, Development Alternatives International, Casals and Associates, Development Alternatives, Inc., and Management Systems International. Thirty-four sub-contracts are managed by Almy, Gloudemans, Jacobs, and Denne; AMEX International, Inc.; Associates in Rural Development; Bannock Consulting Limited; Carana Corporation;

Caribbean Resources International; Center for Strategic and International Studies; CIET International; City/County Communications and Marketing Association; Deloitte Touche; Florida International University; Georgia State University; Institute of Public Administration; Institute for Training and Development; International Foundation for Election Systems; International Women's Democracy Center; IRIS Center; KPMG Barents Group; Management Sciences for Development; Management Systems International; Mendez England and Associates; National Conference of State Legislatures; Robinson and Associates; Search for Common Ground; Syracuse University; The Asia Foundation; The Services Group; Tohmatsu; Training Resources Group; University of Pittsburgh; and Yuuma Creative Strategies.

FY 2004 Program:

In addition to its ongoing engagement with Transparency International, USAID will explore new avenues to engage the private sector and other relevant actors in designing new ways to fight corruption and to implement the Agency's anti-corruption strategy. USAID will continue to offer missions technical assistance (\$400,000), training (\$300,000), and other support in anti-corruption (\$500,000), local governance (\$100,000), legislative strengthening (\$150,000), management of the policy reform process, and civil-military relations (\$300,000). New areas of endeavor are likely to include budget transparency and reform as a crosscutting governance issue, public administration, and further exploration of the links between democratic governance and service delivery (\$300,000). Principal contractors and grantees will be the same as in FY 2003.

Performance and Results: The DG Office developed and disseminated key technical leadership products capturing USAID best practices and program guidance in the governance area. Over 5,000 copies of the "Decentralization and Democratic Local Governance Programming Handbook" were downloaded from the Webster. The anti-corruption Webster received over 7,000 hits; the "A Handbook on Fighting Corruption" was downloaded over 2,900 times; and more than 500 individuals downloaded the anti-corruption distance learning module--all indicative of the strong demand for guidance in this area. The DG Office also designed a new training module in the area of open budgeting and finance for the December 2002 training workshop. The DG Office helped USAID initiate country-specific good governance programs in Madagascar (anti-corruption), Armenia, Peru (legislative strengthening) and Benin, Guatemala, Honduras, and Peru (local government). The DG Office supported policy reform processes including anti-corruption in Ukraine, democracy networks in Nigeria, education policy in Guatemala, decentralization in Uganda and "reinventing government" in Mexico. USAID lessons learned in the area of policy reform and in-depth treatment of the various tools for managing the policy reform process--stakeholder analysis, political mapping, advocacy, conflict resolution and policy monitoring--were published in book form, "Managing Policy Reform" by Kumarian Press. NDI civil-military programs were initiated in Cambodia and East Timor and a civil-military assessment was conducted in the Philippines.

US Financing in Thousands of Dollars

Office of Democracy and Governance

	DA	ESF
932-004 Governance Program		
Through September 30, 2001		
Obligations	22,581	1,684
Expenditures	20,729	1,672
Unliquidated	1,852	12
Fiscal Year 2002		
Obligations	2,846	0
Expenditures	3,262	0
Through September 30, 2002		
Obligations	25,427	1,684
Expenditures	23,991	1,672
Unliquidated	1,436	12
Prior Year Unobligated Funds		
Obligations	2,605	0
Planned Fiscal Year 2003 NOA		
Obligations	2,145	0
Total Planned Fiscal Year 2003		
Obligations	4,750	0
Proposed Fiscal Year 2004 NOA		
Obligations	2,014	0
Future Obligations	0	0
Est. Total Cost	32,191	1,684

Data Sheet

USAID Mission:	Office of Democracy and Governance
Program Title:	Improved Status of Vulnerable Populations
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	932-005
Status:	Continuing
Proposed FY 2003 Obligation:	\$0
Prior Year Unobligated:	\$0
Proposed FY 2004 Obligation:	\$2,050,000 CSH; \$4,470,000 DA
Year of Initial Obligation:	FY 2001
Estimated Completion Date:	September 30, 2011

Summary: The overall objective of the Leahy War Victims Fund, Victims of Torture Fund, and Displaced Children and Orphans Fund is to improve the social, economic, and development status of targeted vulnerable populations. The Patrick J. Leahy War Victims fund (LWVF) supports programs that contribute to improving the mobility, health, and socio-economic integration of civilians who have sustained physical disabilities as a result of armed conflict. The Displaced Children and Orphans fund (DCOF) supports programs that strengthen the capacity of families and communities to provide for the care, support, and protection of orphans, unaccompanied minors, and children affected by armed conflict. The Victims of Torture fund (VOT) supports programs that contribute to the improved and sustained functioning of torture survivors, their families, and their communities.

Inputs, Outputs, Activities:

FY 2003 Program:

The activities described below were administered by the Bureau for Global Health prior to the Agency's recent reorganization. They were funded with \$2 million in CSH and \$6.8 million in DA in FY 2003 and are ongoing activities that will continue in FY 2004.

LWVF focuses on responding to the needs of victims of conflict in war-affected developing countries. The fund provides a dedicated source of financial and technical assistance for people living with disabilities - primarily those who suffer from mobility-related injuries- caused by unexploded ordnance, including antipersonnel landmines - and other direct and indirect causes of physical disability such as polio and other preventable diseases that might result from interrupted immunization campaigns. The fund's primary objective is to expand access to affordable and appropriate prosthetic and orthotic services. The DG Office will manage \$3,800,000 from this fund in FY 2003. Roughly 80% (\$3,040,000) of that amount will be directed toward expanding access to affordable and appropriate orthopedic services. Approximately 10% (\$380,000) will be directed toward developing and strengthening laws, and the remaining 10% (\$380,000) will be spent on activities that increase the social and economic opportunities for people with disabilities.

DCOF supports activities to improve the psychosocial well-being of at-risk children and youth, especially those affected by war. The DG Office will manage \$2,000,000 in CSH resources from this fund in FY 2003. Approximately 40% (\$840,000) of that amount will be directed toward services benefiting children and youth who have been separated from their families. Approximately 30% (\$600,000) will be directed toward returning children to school, providing opportunities for play and recreation and facilitating access to training for older children. The remainder (roughly \$600,000) will be spent on strengthening organizations that serve the needs of at-risk children.

The Victims of Torture fund (VOT) assists the rehabilitation of individuals who suffer from the physical and psychological effects of torture. The fund administers treatment programs based in 23 countries that span four regions (Latin America and the Caribbean, Africa, Asia and Near East, and Europe and Eurasia). Currently, the fund supports approximately 45 treatment programs that include attention to the

physical, mental, social, and legal condition and function of torture survivors, their families, and communities. Approximately 25% (\$750,000) will be directed toward training and capacity building of professionals and organizations that provide treatment services to victims of torture. The balance remaining (approximately \$150,000) will be spent on activities that increase the knowledge and dissemination of findings related to long-term improvement in function.

The referenced amounts include only those resources managed centrally from AID/W. Resources from the three special funds managed by overseas missions will be reported separately.

Impact to be achieved: It is expected that for each of the funds the impact will be the same; namely, that the physical, mental, and social function of targeted populations will be improved through the services provided by specialized groups or institutions, the capacity of organizations to deliver services will be improved, and the knowledge related to long-term improvement in function will be increased and disseminated widely to practitioners.

The principal recipients are non-governmental organizations who provide services to civilian victims of war and other people with disabilities, to displaced children and orphans, and to victims of torture. These NGOs are Save the Children, Vietnam Veterans of America, and the Center for Victims of Torture.

FY 2004 Program:

Plans for use of these resources in FY 2004 are similar to those for FY 2003, since it is assumed that the underlying legislation governing the use of the three special funds will remain unchanged. In that scenario, the anticipated breakdown would be as follows:

LWVF funding level - \$2,050,000 to be used for orthopedic services, legal development, and social and economic opportunities.

VOT funding level - \$2,235,000 for support of client services, training, capacity-building and dissemination of findings.

DCOF funding level - \$2,235,000 toward client services, training, schooling, play, and recreation activities for children and youth and capacity-building for at-risk youth.

Performance and Results: LWVF currently supports 17 programs in 13 countries. DCOF supports 26 programs in 18 countries. VOT supports an estimated 45 treatment programs worldwide. Overall, LWVF, DCOF, and VOT expect that program beneficiaries, individuals, families and communities will improve their functioning so that they can regain the capacity, confidence, and ability to resume as full a life as possible.

US Financing in Thousands of Dollars

Office of Democracy and Governance

932-005 Improved social, economic, and/or developmental status of targeted populations	CSH	DA
Through September 30, 2001		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
Fiscal Year 2002		
Obligations	0	0
Expenditures	0	0
Through September 30, 2002		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2003 NOA		
Obligations	0	0
Total Planned Fiscal Year 2003		
Obligations	0	0
Proposed Fiscal Year 2004 NOA		
Obligations	2,050	4,470
Future Obligations	0	0
Est. Total Cost	2,050	4,470

Famine Fund

PROGRAM SUMMARY				
(in thousands of dollars)				
Accounts	FY 2001 Actual	FY 2002 Actual	FY 2003 Prior Request	FY 2004 Request
Famine Fund	0	0	0	200,000
Total Program Funds	0	0	0	200,000

The Development Challenge: The specter of severe food crises, often including the threat of famine, continues to haunt developing countries in the new millennium, with the threats even showing clear signs of reaching new plateaus early in the 21st century. Demands on food aid resources have intensified over the past three years, and donors are being hard-pressed to supply sufficient quantities to stave off famine. The rise in frequency and severity of both natural and man-made food crises is increasingly accompanied by more complex causality, as geopolitical change intensifies, particularly in the developing world. The result is that the donor community must deal with food emergencies much more comprehensively than ever before.

The USAID Program: In recognition of the need to combat famine by not only providing relief to its victims but also attacking its root causes, the President has announced the creation of a special new, flexible program, the Famine Fund. One purpose of this new Fund is to strengthen U.S.-led multilateral efforts, especially for seeing that the necessary resources are available for averting famines wherever possible. The Fund is also to be a means for improving the efficiency and effectiveness of response to famines that cannot be prevented. A related objective of the new Fund is to ensure more equitable burden-sharing among donors in combating famine.

The Famine Fund will draw upon the broad disaster assistance authorities in the Foreign Assistance Act. USAID will manage the Fund, under the foreign policy direction of the Secretary of State, subject to approval by the President. The FY 2004 request is \$200 million, to be appropriated into a new account.

Food for Peace – P.L. 480 Program

The Development Challenge: U.S. Government support for overseas food aid was formalized in the Agricultural Trade Development and Assistance Act of 1954, also known as P.L. 480. The basic legislation, which has been modified many times, establishes the U.S. policy for using abundant U.S. agricultural resources and food processing capabilities to enhance food security in the developing world through the provision of culturally acceptable nutritious food commodities. On a global level, more than 815 million people today are chronically undernourished. For the United States, reducing the number of chronically undernourished and underweight people throughout the world is both a humanitarian concern and a strategic goal. Food resources are given to help those in need in an effort both to deal with hunger and to eliminate the food insecurity that fuels political instability and environmental degradation. P.L. 480 Title II, administered by USAID's Office of Food for Peace (FFP), is a people-to-people program, from the people of the United States to people who do not have access to sufficient food to meet their needs for healthy and productive lives. The P.L. 480 Title I program of concessional sales to foreign governments is administered by the U.S. Department of Agriculture.

The USAID Program: USAID remains concerned about the troubling projections for world hunger. According to current estimates, by the year 2030 world population will rise from the present 5.7 billion to 8.7 billion. As populations grow, per capita availability of arable land will decrease even further, thus heightening the need for intensification of agricultural production and increasing the demands on finite natural resources. At the 2002 World Food Summit, the U.S. Government reaffirmed its commitment to the broad objective of utilizing America's agricultural abundance to meet the United States' humanitarian and foreign policy objectives.

Several developments are occurring that are likely to have a major impact on the resource requirements for the P.L. 480 Title II program in FY 2003 and beyond and the manner in which the resources are programmed. Global emergency food needs are severely straining host country and donor capacity to assist vulnerable populations. Title II resource limitations may undermine development program results. Implementation of a monetization rationalization plan will result in reductions in monetized tonnage, which in turn may make it more difficult to meet the sub-minimum tonnage requirements.

The 2002-2007 Farm Bill, which is the authorization bill for the U.S. Department of Agriculture (USDA) and P.L. 480, has the following major impacts:

- Minimum tonnages of commodities that FFP must approve annually increased from 2,025,000 to 2,500,000; the sub-minimum tonnage requirement for non-emergency programs is increased from 1,550,000 to 1,875,000.
- Section 202(e) funding (cooperating sponsor administrative, management, personnel, etc.) is raised from \$28 million per year to five to ten percent of Title II annual appropriated funds.
- Internal transport, storage and handling (ITSH) funds can now be used for non-emergency development programs in least developed countries (LDCs); this may reduce the impact of decreased monetization.

USAID will continue efforts to streamline Title II guidance, program approval and implementation procedures consistent with legislative requirements.

The June and August 2002 authorized releases of 275,000 and 300,000 metric tons, respectively, of wheat from the Bill Emerson Humanitarian Trust for the southern Africa complex food security crisis will need to be repaid. Initial estimates of the payback total \$84 million.

DCHA and the FFP Office are developing new five-year strategic plans that will take into account support of USAID's mission worldwide, particularly in fragile, failed and failing states. FFP's plan will target efforts toward working together with partners and with other Pillar Bureaus and Missions within USAID to predict, prevent, and respond to malnutrition and potential famine overseas.

As part of the Administration's effort to improve performance measures and results reporting, FFP will continue to work within the Administration toward this end by streamlining and further improving Title II operations.

P.L. 480 Title II Emergency Food Aid. The request level in FY 2004 represents a straight line from the FY 2003 request for the FFP objective to meet the critical needs of targeted groups. Beneficiaries are food insecure and nutritionally vulnerable persons affected by conflict or natural disasters. Primary implementing partners are the World Food Program (WFP) and private voluntary organizations (PVOs). In FY 2002, SO 1 provided 976,800 metric tons of Title II emergency food aid, valued at \$541.4 million. These emergency food resources met the critical food needs of 34,040,820 food insecure and nutritionally at-risk persons affected by natural disasters and complex emergencies in a total of 35 countries worldwide. In comparison to FY 2001, this represents a marked increase in both the quantity of emergency food aid resources provided and the number of countries served.

The regions in Africa (especially southern Africa and the Horn) continued to be the largest recipients. In FY 2002, 59% of Title II emergency resources were programmed in Africa, totaling 533,170 metric tons worth \$318.1 million. A total of 297,170 metric tons of Title II resources, valued at \$166.8 million (31%), went to Asia. About 6% of Title II resources were provided to Europe and Eurasia, equaling 54,500 metric tons, valued at \$31.1 million. Latin America and the Caribbean received 1% of Title II assistance, with 9,860 metric tons valued at \$5.9 million. Emergency programs are designed to meet short- and medium-term food security requirements of beneficiaries. Activities within Title II emergency programs have shifted from direct, general food aid distribution to integrating transitional development and self-reliance interventions. As emergency programs vary according to a country's contextual situation, implementing partners might incorporate several of these types of activities into their interventions while leveraging non-food items from other resources to address beneficiaries' wide-ranging needs. Over 83% of emergency programs engage beneficiaries in developing and participating in Food for Work, Food for Agriculture, Food for Asset Creation, and Food for Training activities. These emergency, food-aid supported activities help to begin the process of rebuilding lives and livelihoods in addition to forging the bridge from relief to development.

P.L. 480 Title II Development Food Aid. Title II non-emergency food aid is focused on mitigating food insecurity through activities implemented by PVOs and the WFP. These organizations utilize Title II food resources to reduce food insecurity in the developing world through activities that enhance household nutrition or increase incomes and agricultural production and productivity. The ongoing activities continue to facilitate rapid response to natural disasters worldwide. The FFP Office has built a solid portfolio of multi-year commitments to PVOs for this purpose.

In 2002, the Office of Food for Peace programmed \$395.6 million and 976,800 metric tons in support of development activities. Over 80% of Title II development resources support activities to improve household nutrition (including water and sanitation activities) and agricultural productivity (including natural resource management), the priority technical areas of intervention designed to attack the root causes of food insecurity. Priority was also given to programming Title II development activities in sub-Saharan Africa and South Asia and to targeting the most food insecure and vulnerable households and individuals within the countries where Title II development programs are implemented.

In addition to programs in the Office of Food for Peace, Title II funds are used to support the Farmer-to-Farmer Program that mobilizes the knowledge and skills of United States agricultural volunteers, land grant universities, cooperatives, private agribusinesses, and nonprofit farm organizations to help farmers in USAID-assisted countries to increase food production and improve the effectiveness of marketing and distribution systems. This program, previously managed by the Office of Private and Voluntary Cooperation, is being transferred to the Bureau for Economic Growth, Agriculture and Trade.

Other Program Elements: The strength of our nation's international food assistance program is USAID's presence around the world and its numerous organizational partnerships. USAID collaborates closely with the U.S. Department of Agriculture, the Department of State, other USAID offices and field missions to ensure that both development and emergency food aid programs are coordinated and effective.

USAID works in close partnership with PVOs, indigenous organizations, universities, American businesses, international agencies, and other governments. USAID has relationships with a large number of American companies and U.S.-based PVOs, allowing for great creativity and effectiveness in incorporating food into a wide range of development efforts.

Other Donors: The World Food Summit of 2002, convened by the Food and Agriculture Organization of the United Nations (FAO), provided an international forum to focus attention on efforts to address hunger and food insecurity. The United States, along with 182 nations and the European Community, pledged to halve the number of hungry people by the year 2015. The United States is one of a number of international donors supporting global food aid activities. In 2001, the U.S. contributed 62 percent of global food aid, the European Union 17 percent, Japan 8 percent, China 4 percent, Canada 3 percent, South Korea 2 percent, Australia 1(one) percent, and other donors 3 percent.

P.L. 480 Title II, Food for Peace

**Office of Food for Peace
PROGRAM SUMMARY**

(In thousands of dollars)

USAID Accounts	FY 2001 Actual	FY 2002 Actual	FY 2003 Prior Request	FY 2004 Request
Child Survival and Health Programs Fund	2,297	2,050	1,967	800
Development Assistance	3,703	3,950	4,033	5,200
Total Program Funds	6,000	6,000	6,000	6,000

P.L. 480 Title II Accounts	FY 2001 Actual	FY 2002 Actual	FY 2003 Prior Request	FY 2004 Request
P.L. 480 Title II	835,159	850,000	1,185,000	1,185,000
Emergency Response Fund		95,000		
Global Food for Education Transfer *		13,820		
Total Program Funds	835,159	958,820	1,185,000	1,185,000

STRATEGIC OBJECTIVE SUMMARY				
962-001 Central Programs: Support for PL 480 Title II Emergency				
CSH	1,150	1,025	984	400
DA	1,852	1,975	2,016	2,600
962-002 Central Programs: Support for PL 480 Title II Development				
CSH	1,147	1,025	983	400
DA	1,851	1,975	2,017	2,600

Note: See Summary Tables volume for P.L. 480 Dollars and Metric Tonnage by Region and Country.

* Transfer of unobligated Global Food for Education funds.

Data Sheet

USAID Mission:	Office of Food for Peace
Program Title:	Central Program, Support for PL 480 Title II Emerg
Pillar:	Global Development Alliance
Strategic Objective:	962-001
Status:	Continuing
Proposed FY 2003 Obligation:	\$984,000 CSH; \$2,016,000 DA
Prior Year Unobligated:	\$75,000 DA
Proposed FY 2004 Obligation:	\$400,000 CSH; \$2,600,000 DA
Year of Initial Obligation:	1986
Estimated Completion Date:	continuing

Summary: The Office of Food For Peace (FFP) program to support P.L. 480 Title II emergency programs includes a variety of mechanisms to provide institutional support to USAID missions and cooperating sponsors while simultaneously pursuing a forward-leaning analytical agenda in order to predict, prevent, and respond to malnutrition and potential famine overseas. Private voluntary organizations (PVOs) and international organizations (IOs) are supported through the Title II-funded International Food Relief Partnership Program (IFRP) in their efforts for the rapid transportation, delivery, and distribution of shelf-stable prepackaged foods. Additional assistance is made available through institutional support assistance (ISA) agreements to support PVOs and cooperative development organizations (CDOs):

- to better target emergency food aid activities;
- to promote increased household or national food security;
- to further develop and implement common, generic food aid performance indicators and mutually acceptable implementation methodologies;
- to establish sound program monitoring and evaluation systems; and
- to predict, prevent, and respond to malnutrition and potential famine overseas.

Inputs, Outputs, Activities:

FY 2003 Program:

USAID plans continued support for sustained improvement in household food security, nutrition and agricultural productivity for food insecure groups served by USAID emergency food aid programs that are implemented by the FFP Office. The 14 PVOs and CDOs will complete five-year plans in FY 2003 with improved capacity to effectively target emergency food aid, sound monitoring and evaluation systems in place making use of common generic indicators and mutually accepted methodologies, and capacity to foster food security in emergency contexts. A new request for application will be issued in FY 2003 to continue strengthening results achieved and to develop PVO and CDO capacities in addressing food security needs in the complex environments found in fragile, failed and failing states. USAID has also utilized the Food and Nutrition Technical Assistance (FANTA) mechanism to complement institutional support agreement efforts. Similarly as a part of the USAID reorganization, management of the Famine Early Warning System (FEWS) program is being in FY 2003 to the FFP Office from the Africa Bureau, and given a worldwide focus, while simultaneously providing a platform to more efficiently target Title II emergency and development programming toward the root causes of famine worldwide. A special support objective is being established to provide core funding requirements of the FEWS program, as part of the Democracy Conflict and Humanitarian Assistance Bureau.

The expected total cost of the strategic objective's institutional capacity building is \$3M for FY 2003. Grantees include Adventist Development and Relief Agency (ADRA), Africare, ACDI/VOCA, American Red Cross, Cooperative for Assistance and Relief Everywhere (CARE), Catholic Relief Services (CRS), Counterpart Inc., Food for the Hungry (FHI), Food Aid Management (FAM, Opportunities Industrialization Centers International, Inc. (OICI), Project Concern International (PCI), Save the Children (SCF/USA), Technoserve, and World Vision, Inc. (WVUS).

Beginning in 2002, the major contractor assisting SO 1 is AMEX, International. It provides institutional support for Title II program and administrative backstopping. In addition, through the Global Health bureau's cooperative agreement with the Academy for Educational Development, the Food and Nutrition Technical Assistance Project (FANTA) provides technical assistance in performance measurement, health, and nutrition.

The World Food Program, other relevant United Nations agencies and the European Commission coordinate with USAID and the U.S. cooperating sponsors on food security policies. The Office of Food for Peace collaborates closely with the U.S. Department of Agriculture (USDA) which administers Title I, Food for Progress and 416(b).

FY 2004 Program:

The institutional support assistance program will continue to support sustained improvement in household food security, nutrition and agricultural productivity for food insecure groups served by USAID emergency food aid programs implemented by the FFP Office. The program will do so through increasing USAID's FFP partners' effectiveness in carrying out Title II emergency food security activities and meeting critical food needs in emergencies. Substantial portions of this program address partners' capacity to mount effective agricultural, nutrition, and child survival activities, including HIV/AIDS. As a result of these activities, PVOs and CDOs benefit from an increased capacity for Title II emergency response planning, implementation and evaluation. The new institutional support assistance agreements will provide support to PVOs and CDOs to: (1) better target emergency and development food aid activities to predict, prevent and respond to malnutrition and potential famine overseas, (2) promote increased household or national food security, through better definition of purpose, key elements, trends, data quality and discrepancies, and local government commitment, (3) define, codify and promulgate best practices in program design, monitoring and evaluation and implementation, (4) promote program innovation related to famine mitigation and developmental relief, (5) enhance collaboration to improve program cost efficiency and effectiveness. While continuing these activities, USAID also intends to utilize these resources to obtain the following necessary services:

- Strategic planning at the office level;
- Short term, sector-specific technical assistance;
- Studies on the role of development relief/conflict prevention in Title II;
- Country-specific and broader emergency sectoral evaluations; and
- Technology upgrades of USAID's Food for Peace Information System (web-based application, desktop query capability, and inter-agency systems integration with the U.S. Department of Agriculture and possibly PVOs).

The expected total cost of the SO 1's institutional capacity building is \$3M for FY 2004. Anticipated grantees are the same as FY 2003.

Performance and Results: In FY 1998, multi-year institutional support assistance with an average annual aggregate budget of \$5 million was awarded to 14 PVOs and CDOs. The PVOs are continuing to build the capacity of both their headquarters and in-country staff through technical exchanges, training workshops, and involvement in monitoring and evaluation activities. Examples of achievements include:

- In FY 2001, CARE integrated advances in cost-effective nutrition programming for emergency planning.
- In FY 2001, Save the Children conducted training for various cadre of field staff to improve their capacity to implement Title II activities. Save the Children also continued to develop a training module on nutrition assessments integrating the current state of the art regarding nutrition and anthropometry.
- In FY 2002, World Vision International (WVI) was instrumental in establishing appropriate and cost-effective monitoring and evaluation methodologies for use in emergency programs. For instance, the

evaluation of WVI's Commodity Tracking System (CTS) in food emergency relief operations in Zambia and Afghanistan has proven the importance of CTS in these programs.

-- In FY 2002, Adventist Development and Relief Agency (ADRA) has increased its overall management of Title II programs through improvements in its commodity management systems and its standards of operating procedures, including financial reporting and provision of technical training to its staff at all levels. At the field level, ADRA was successful in providing increased technical and administrative support and promoting local capacity building in Bolivia, Guinea, and Kenya.

US Financing in Thousands of Dollars

Office of Food for Peace

962-001 Central Programs: Support for PL 480 Title II Emergency	CSH	DA	ESF
Through September 30, 2001			
Obligations	5,079	18,979	1,631
Expenditures	4,275	16,934	1,631
Unliquidated	804	2,045	0
Fiscal Year 2002			
Obligations	1,025	1,825	0
Expenditures	709	1,353	0
Through September 30, 2002			
Obligations	6,104	20,804	1,631
Expenditures	4,984	18,287	1,631
Unliquidated	1,120	2,517	0
Prior Year Unobligated Funds			
Obligations	0	75	0
Planned Fiscal Year 2003 NOA			
Obligations	984	2,016	0
Total Planned Fiscal Year 2003			
Obligations	984	2,091	0
Proposed Fiscal Year 2004 NOA			
Obligations	400	2,600	0
Future Obligations	0	2,500	0
Est. Total Cost	7,488	27,995	1,631

Data Sheet

USAID Mission:	Office of Food for Peace
Program Title:	Central Program, Support for PL 480 Title II Devel
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	962-002
Status:	Continuing
Proposed FY 2003 Obligation:	\$983,000 CSH; \$2,017,000 DA
Prior Year Unobligated:	\$75,000 DA
Proposed FY 2004 Obligation:	\$400,000 CSH; \$2,600,000 DA
Year of Initial Obligation:	1986
Estimated Completion Date:	continuing

Summary: The Office of Food For Peace (FFP) program to support P.L. 480 Title II non-emergency programs includes a variety of mechanisms to provide technical and institutional support to USAID missions and cooperating sponsors while simultaneously pursuing a forward leaning analytical agenda in order to ensure that a) food aid reaches the most vulnerable groups; b) food aid programs significantly and sustainably reduce food insecurity, and c) food aid-supported development programs are effectively contributing to a reduction in the frequency and severity of emergencies and human suffering.

The FFP Office provides assistance through institutional support assistance agreements to support private voluntary organizations (PVOs) and cooperative development organizations (CDOs):

- to better target development food aid activities;
- to promote increased household or national food security;
- to further develop and implement common, generic food aid performance indicators and mutually acceptable implementation methodologies;
- to establish sound program monitoring and evaluation systems; and
- to predict, prevent, and respond to malnutrition and potential famine overseas.

Inputs, Outputs, Activities:

FY 2003 Program:

USAID plans continued support for sustained improvement in household food security, nutrition and agricultural productivity for food insecure groups served by USAID development food aid programs that are implemented by the FFP Office. The 14 PVOs and CDOs will complete five-year plans in FY 2003 with improved capacity to effectively target development food aid, advances in the development of sound monitoring and evaluation systems in place making use of common generic indicators and mutually accepted methodologies, and capacity to foster food security in development contexts. A new request for application will be issued in FY 2003 to continue strengthening results achieved and to develop PVO/CDO capacities in addressing food security needs in the complex environments found in fragile, failed and failing states. USAID has also utilized the Food and Nutrition Technical Assistance (FANTA) mechanism to complement ISA efforts. Similarly as a part of the USAID reorganization, management of the Famine Early Warning System (FEWS) program is being transferred in FY 2003 to the FFP Office from the Africa Bureau, and given a worldwide focus, while simultaneously providing a platform to more efficiently target Title II emergency and development programming toward the root causes of famine worldwide. A special support objective is being established to provide core funding requirements of the FEWS program, as part of the Democracy Conflict and Humanitarian Assistance Bureau.

The expected total cost of the strategic objective's institutional capacity building is \$3M for FY 2003. Grantees include Adventist Development and Relief Agency (ADRA), Africare, ACDI/VOCA, American Red Cross, Cooperative for Assistance and Relief Everywhere (CARE), Catholic Relief Services (CRS), Counterpart Inc., Food for the Hungry (FHI), Food Aid Management (FAM, Opportunities Industrialization Centers International, Inc. (OICI), Project Concern International (PCI), Save the Children (SCF/USA), Technoserve, and World Vision, Inc. (WVUS).

Beginning in 2002, the major contractor assisting SO 2 is AMEX, International. It provides institutional support for Title II program and administrative backstopping. In addition, through Global Bureau's cooperative agreement with the Academy for Educational Development, the Food and Nutrition Technical Assistance Project (FANTA) provides technical assistance in performance measurement, health and nutrition.

The World Food Program, other relevant United Nations agencies and the European Commission coordinate with USAID and the U.S. cooperating sponsors on food security policies. The Office of Food for Peace collaborates closely with the U.S. Department of Agriculture (USDA) who administers Title I, Food for Progress and 416(b).

FY 2004 Program:

The institutional support assistance program will continue to support sustained improvement in household food security, nutrition and agricultural productivity for food insecure groups served by USAID development food aid programs implemented by the FFP Office. The program will do so through increasing USAID's FFP partners' effectiveness in carrying out Title II development food security activities. Substantial portions of this program address partners' capacity to mount effective agricultural, nutrition, and child survival activities, including HIV/AIDS. As a result of these activities, PVOs and CDOs benefit from an increased capacity for Title II planning, implementation and evaluation. The new Institutional Support Assistance agreements will provide support to PVOs and CDOs to: (1) better target development food aid activities to predict, prevent and respond to the root causes of malnutrition and potential famine overseas, (2) promote increased household or national food security, through better definition of purpose, key elements, trends, data quality and discrepancies, and local government commitment, (3) define, codify and promulgate best practices in program design, monitoring and evaluation and implementation, (4) promote program innovation related to famine mitigation and developmental relief, and (5) enhance collaboration to improve program cost efficiency and effectiveness. While continuing to support these activities, USAID also intends to utilize FY 2004 resources to obtain the following necessary services:

- Strategic planning at the office level;
- Short term, sector-specific technical assistance;
- Research to validate and disseminate best practices and key models of food aid in key areas such as community resiliency, livelihood capacities, HIV/AIDS, developmental relief programming and conflict prevention;
- Country-specific and broader evaluations to document results in terms of reduced food insecurity, vulnerability to food insecurity and increased resilience; and
- Technology upgrades of USAID's Food for Peace Information System (web-based application, desktop query capability, and inter-agency systems integration with U.S. Department of Agriculture and possibly PVOs).

The expected total cost of the SO 2's institutional capacity building is \$3M for FY 2004. Anticipated grantees are the same as FY 2003.

Performance and Results: In FY 1998, multi-year institutional support assistance with an average annual aggregate budget of \$5 million was awarded to 14 PVOs and CDOs. The PVOs are continuing to build the capacity of both their headquarters and in-country staff through technical exchanges, training workshops, and involvement in monitoring and evaluation activities. Examples of achievements include:

- In FY 2001, Save the Children conducted training for various cadre of field staff to improve their capacity to implement Title II development activities. Save the Children also continued to develop a training module on nutrition assessments integrating the current state of the art regarding nutrition and anthropometry.

-- In FY 2002, Save the Children Federation (SCF) successfully carried out training workshops on implementation issues, such as the Baseline Survey Planning and Preparation Workshop in Guatemala, as well as provided technical support to implement effectively their Title II development programs at the field level. SCF has also been effective in collaborating with local organizations in country. For instance, SCF recently worked with CARE in Malawi to undertake a joint food security assessment to determine food security needs at both the household and the community levels.

-- In FY 2002, CARE made great progress in implementing its Title II programs through the advancement of its food and livelihood security conceptual framework, with particular emphasis on partnership and capacity building, as well as the development of tools and methods for effective program design and evaluation. For instance, the Food Security and Household Livelihood Security approach implemented in Bangladesh served as an effective organizing principle that helped establish priorities based on household needs and helped target activities aimed at increasing income and resource sustainability.

As part of the analytical agenda to inform the FY 2003 - FY 2007 Strategic Plan, the Food and Nutrition technical assistance (FANTA) project was commissioned by the Office of FFP and the Office of Program Policy and Management to review progress in implementing USAID's Food Aid and Food Security Policy Paper and assess whether the Title II development programs have been successful in achieving and reporting on the food security goals laid out in the Policy Paper. The Food Aid and Food Security Assessment report documented the achievement of significant food security results by Title II development programs since the Policy Paper was issued. Additional key findings include: greater focus of the Title II development program on the most food insecure regions and countries, especially in sub-Saharan Africa; increased programmatic emphasis on improving agricultural productivity and household nutrition, including a dramatic improvement in the design of Title II agricultural and nutrition programs with the integration of complementary activities such as technical assistance and training, largely funded by monetization, the sale of food aid commodities to generate local currencies for logistic and other program costs; and better results and results reporting.

US Financing in Thousands of Dollars

Office of Food for Peace

962-002 Central Programs: Support for PL 480 Title II Development	CSH	DA
Through September 30, 2001		
Obligations	5,377	18,977
Expenditures	3,583	15,689
Unliquidated	1,794	3,288
Fiscal Year 2002		
Obligations	1,178	1,995
Expenditures	1,214	1,905
Through September 30, 2002		
Obligations	6,555	20,972
Expenditures	4,797	17,594
Unliquidated	1,758	3,378
Prior Year Unobligated Funds		
Obligations	0	75
Planned Fiscal Year 2003 NOA		
Obligations	983	2,017
Total Planned Fiscal Year 2003		
Obligations	983	2,092
Proposed Fiscal Year 2004 NOA		
Obligations	400	2,600
Future Obligations	0	2,500
Est. Total Cost	7,938	28,164

International Disaster Assistance

The Development Challenge: The role of the Office of Foreign Disaster Assistance (OFDA) within the U.S. Government is as primary first responder to disasters in foreign countries. The Office is structured to meet one objective: Meeting the critical needs of targeted vulnerable groups in emergency situations. This objective supports USAID's goal of saving lives, reducing suffering, and reestablishing conditions for political and economic development. Given the magnitude and unpredictable nature of most disaster events, OFDA is organized to respond rapidly while remaining flexible and creative in responding to relief and mitigation needs. Emergency programs initiated by OFDA are short-term in nature, and are carried out with the expectation that other USAID offices, such as USAID regional bureaus or the Office of Transition Initiatives (OTI), or other U.S. Government agencies will address medium to long-term rehabilitation and reconstruction needs.

The USAID Program: Under the authority of the Foreign Assistance Act of 1961, as amended, the President has designated USAID's Administrator as the Special Coordinator for International Disaster Assistance. The disaster assistance program is implemented through the Office of U.S. Foreign Disaster Assistance (OFDA). International Disaster Assistance funds, obligated and implemented mainly through OFDA, play an important part in U.S. foreign policy by providing humanitarian assistance to victims of crisis and disaster. Prevention, preparedness, emergency response, economic recovery and rehabilitation are all part of a comprehensive effort to mitigate the effects of disasters and reduce vulnerability to future emergencies.

OFDA's management structure includes relief professionals trained to respond to disasters within 24 - 72 hours. The office is also capable of drawing on public and private sector resources while maintaining a staff within OFDA with specific expertise in public health, sanitation, nutrition, shelter, agriculture, social sciences, hydro-meteorology and earth science, to identify needs and coordinate appropriate emergency response and facilitation of information. OFDA also provides disaster assistance response teams (DART), search and rescue teams, health and medical interventions, shelter assistance and water purification units.

OFDA programs frequently include the following activities:

- Provision of emergency commodities and services for immediate health care and nutrition;
- Training of local health care staff in basic hygiene, nutrition and surveillance;
- Provision of potable water and appropriate sanitation facilities to reduce the probability of disease outbreak;
- Increased capability of OFDA, its partners and local and host country governments to provide timely emergency response to disasters;
- Increased capacities to prepare for and mitigate vulnerability in disaster situations;
- Provision of plastic sheeting, tents, blankets and household kits to meet basic shelter and cooking tool needs of targeted vulnerable groups; and
- Emergency provision of seeds, tools, and a seed multiplication and distribution system.

In FY 2003, the Administration requested \$248.5 million. This budget will address the challenges of projected increases in frequency and severity of natural and human-caused emergencies. The onset of a moderate El Nino in late 2002 is already having an affect on climate in some parts of the world, and droughts and flooding are occurring with more frequency and severity. Recent El Nino-related climatic impacts have included drier-than-average conditions over many parts of Indonesia, India, Mexico, Central America and northern South America. Scientists also predict more devastating earthquakes and severe volcanic eruptions. OFDA will continue to organize professional training to strengthen the disaster response, mitigation and preparedness capacities of targeted at-risk countries worldwide. OFDA will also continue to use innovative approaches to strengthen its own capabilities to respond to disasters effectively and efficiently, and to incorporate risk-reduction measures in disaster response programs.

OFDA will strengthen internal capacity by upgrading training for Washington and field staff on new methodologies, systems and tools. A core response team is being trained to respond to potential humanitarian needs in the Persian Gulf. OFDA will strengthen its disaster assistance response teams (DARTs) and its Washington-based response management teams (RMTs) through improved training. The RMT is a multi-disciplinary team of professionals, brought together to respond to disasters and provide support to DARTs in the field. At the same time, OFDA will continue to collaborate with USAID missions, and draw on the resources and expertise of other U.S. Government entities through participating agency services agreements (PASAs) and resource sharing and service agreements (RSSAs) to respond to disasters. In 2002, for example, experts in locusts and grasshoppers from a USAID's Africa Bureau project were assigned to OFDA's food security unit to apply their expertise to emergency agriculture programs. OFDA will strengthen its collaboration with numerous regional and multilateral organizations, including the World Bank, the Caribbean Development Bank and the Organization of American States. OFDA will improve the technical capability of its Technical Assistance Group (TAG) to provide innovative approaches through specialized technical advice to emergency response programming in the face of evolving challenges. The TAG team is composed of specialists who provide scientific and technical expertise to long-term planning and disaster preparedness.

For FY 2004, the Administration has requested \$235,500,000 in International Disaster Assistance for relief, rehabilitation and reconstruction activities carried out by OFDA. These resources will be used to broaden response capability of RMTs and DARTs and to strengthen the Response Alternatives for Technical Services program, established in FY 2000 to enhance OFDA's "surge capacity" by ensuring that additional professional expertise is available, if needed, for immediate field deployment or emergency Washington support. A total of fifty such responders, who are on-call personal service contractors, will be available in FY 2003 and FY 2004.

In addition, OFDA plans to maintain staff in its regional offices in Latin America (San Jose, Costa Rica), Africa (Nairobi, Kenya), and Asia (Manila, Philippines), to continue with improved monitoring of potential crises and to maintain the capability to provide regionally managed disaster response. OFDA's Asia Regional Office will relocate in the spring of 2003 to Bangkok, Thailand, which will provide the staff with optimal travel capabilities and access to regional offices of many international organizations. OFDA is currently conducting a desktop assessment of how best to address coverage in Africa. OFDA expects to establish two additional offices in Africa, one in southern Africa and the other in West Africa.

Through innovative team building, staffing and training, OFDA will extend the professional skills of its staff and partners to continue to make available highly specialized disaster response capabilities. OFDA also intends to work to reduce the time it takes to mobilize staff and resources in response to natural and complex crises. Increasingly, OFDA incorporates preventive, risk-reduction and livelihood-protection measures in disaster response activities. This reduces risk, and in some cases, lessens the vulnerability of populations to future disaster events.

Some major OFDA achievements, responses, and initiatives for FY 2002 include:

-- Afghanistan Complex Emergency. Two decades of war in Afghanistan left the country impoverished and with a widespread humanitarian crisis. A four-year drought compounded the crisis, forcing Afghans to leave their homes in search of food and water following the collapse of coping mechanisms. OFDA's humanitarian assistance totaled \$114.4 million during FY2002, representing the largest program in an overall U.S. Government support effort of \$531.4 million. Over 25 partners, including non-governmental agencies, UN agencies, and international organizations have been engaged in Afghanistan in sectors ranging from health, nutrition, agriculture and sanitation to air transportation, logistics, donor coordination and shelter. The success of OFDA's program in Afghanistan can be partially measured by the fact that widespread famine was averted as a consequence of OFDA initiatives.

-- Angola Complex Emergency. During 2002, the situation in Angola changed dramatically. At the start of the year, military forces of the Angolan Government and those of the National Union for the Total Independence of Angola (UNITA) were engaged in a civil war that disrupted lives and livelihoods throughout the country, with over four million people displaced. The death of Jonas Savimbi, leader of

UNITA, led to the signing of a memorandum of understanding on April 4 between the warring parties, ending 27 years of civil war. In FY 2002, OFDA's total program budget was \$20.6 million, meeting critical needs in selected areas of the Planalto Region. Total assistance to Angola from the U.S. Government in FY 02 amounted to \$122 million. OFDA's program covers key humanitarian sectors including health, nutrition, water, sanitation and coordination. OFDA field presence has been critical in playing a coordinating role among the numerous donors in Angola, but it is time to transition to and focus on development programs there.

-- Sudan Complex Emergency. OFDA programmed \$38.4 million in FY 2002 through 25 partner agencies in several sectors including primary health, nutrition, water and sanitation, food security, logistics and donor coordination. Since 2001, when President Bush appointed USAID Administrator Natsios as Special Humanitarian Coordinator and former U.S. Senator John Danforth as Special Envoy for Peace, the U.S. Government has been at the forefront of sustained peace negotiations between the warring Sudanese parties. This involvement has led to a formal cease-fire agreement for the Nuba Mountains, a negotiated agreement for the cessation of attacks against civilians, established periods of tranquility, and initiation of an international inquiry into slavery in Sudan. U.S. involvement helped create a favorable environment for peace talks under the auspices of the regional Intergovernmental Authority on Development (IGAD) that produced the Machakos Protocol, signed by the Government of Sudan (GOS) and Sudan People's Liberation Army on July 20, 2002. Despite these notable gains, constraints to humanitarian assistance continue. For example, the Sudanese Government has expanded the ban on all flights to Eastern Equatoria, placed new restrictions on flights to the Nuba Mountains, and denied access to 61 specific locations in opposition controlled areas. Also, government aerial attacks against civilians have increased, forcing humanitarian aid organizations to evacuate staff from numerous locations. OFDA and the Africa Bureau continue to provide program support to Sudan in the sectors of health, food, security, education and economic revitalization. Both OFDA and Africa Bureau are also at the forefront with initiatives directly linked to the peace process and reconciliation.

-- Democratic Republic of Congo (DROC) Complex Emergency: Insecurity, lack of infrastructure, and limited access to vulnerable populations continue to hinder humanitarian assistance in DROC. However, important peace initiatives took place during 2002. On July 30, 2002, the presidents of Rwanda and DROC signed a peace agreement in Pretoria, South Africa, and Rwanda pledged to withdraw forces and Nutu militia from the country. On September 6, 2002, the Government of Uganda also signed an agreement to withdraw troops. Most foreign troops (from Angola, Namibia, Rwanda, and Uganda) have withdrawn from DROC during the past year. Insecurity in rural areas persists, restricting access to agricultural land, which results in decreased crop yields that contribute to the food security crisis in DROC. During FY 2002, OFDA provided more than \$26 million (\$22 million for the complex emergency and nearly \$5 million in response to the January, 2002 eruption of Mt. Nyiragongo near Goma). OFDA's emergency assistance has been in the food security and nutrition sectors, in its contributions to market infrastructure rehabilitation, and through support of agricultural programs for war-affected, vulnerable and displaced persons. Projects are targeted in the geographic areas with the highest mortality and malnutrition rates. OFDA also provides grants for local capacity building to promote rebuilding of livelihoods. An important component of the OFDA program is the funding of AirServe International to operate three humanitarian aircraft in areas outside government control. Chronic insecurity and conflict continue to put approximately 20 million people at risk in DROC.

In FY 2002, OFDA responded to 75 declared disasters in 60 countries, involving 59 natural disasters, 13 complex emergencies, and three human-caused emergencies. Civilians continue to bear the brunt of conflicts and natural disasters. During FY 2002, millions of people have been forced to flee their homes and communities, and have lost access to health care, clean water, food, and other basic essentials for survival. These people look to the international humanitarian community for life-saving and life-sustaining support.

Floods made up the largest number of natural disasters in FY 2002 (39%), impacting one of every two countries in which OFDA responded to a disaster declaration. Droughts continued for the fourth year in Central Asia and the Indian Sub-Continent, and this year drought also affected Southern Africa and the Horn of Africa causing significant crop failure, livestock loss and shortage of potable water.

A substantial percentage of OFDA funds address the physical needs of internally displaced populations. The security of IDPs, both physical and legal, generally referred to as protection, has also been provided through OFDA funding but has been limited to the purely physical sorts of protection. Determining the extent to which OFDA can promote the further integration of protection thinking into humanitarian assistance programming, support protection activities that move toward the legal, human rights sort of activities and how and when it would be appropriate to fund stand-alone protection activities for IDPs are issues OFDA hopes to address within the bureau and the agency as a whole.

Other Program Elements: OFDA is not the only office within the U.S. Government that provides humanitarian aid to foreign countries. USAID's Office of Food for Peace is responsible for administering P.L. 480, Title II emergency food aid, which is targeted to vulnerable populations suffering from food insecurity as a result of natural disasters, civil conflict, or other crises. USAID's Office of Transition Initiatives provides assistance to countries that are in a stage of transition from crisis to recovery. In FY 2003, a new Office of Conflict Management and Mitigation was established in the DCHA Bureau to respond to conflict situation. Equally important to OFDA is collaboration with other parts of USAID such as the regional bureaus and field missions, which provide development aid to foreign countries. Development aid and disaster assistance often work together. Countries that have achieved sustainable development are often less likely to require massive U.S. humanitarian assistance after a crisis. Three of the biggest providers of U.S. Government humanitarian assistance are the U.S. Department of Agriculture, the U.S. Department of State's Bureau for Population, Refugees and Migration, and the U.S. Department of Defense's Office for Peacekeeping and Humanitarian Affairs.

Other Donors: OFDA collaborates closely with other donors in the international relief community. This is important both to coordinate programs and share the burden of relief costs. For example, all international donors attended a pledging conference in Tokyo in 2002 to coordinate assistance to Afghanistan. Over \$1 billion was pledged at this meeting. U.S. PVOs are essential partners who play a key role in raising resources, providing humanitarian assistance, and implementing relief programs. OFDA's partnership with U.S. PVOs and non-governmental organizations include support for mechanisms to facilitate the exchange of information among international partners and to prevent duplication of effort.

**International Disaster Assistance
Office of Foreign Disaster Assistance
PROGRAM SUMMARY**

(in thousands of dollars)

Accounts	FY 2001 Actual	FY 2002 Actual	FY 2003 Prior Request	FY 2004 Request
International Disaster Assistance {a}	164,637	235,500	285,500	235,500
Emergency Response Fund {(b)}		146,000		
Supplemental {c}	134,703	40,000		
Child Survival and Health Programs Fund {d}	1,886	0	0	0
Development Assistance {d}	17,000	0	0	0
Total Program Funds	318,226	421,500	285,500	235,500

STRATEGIC OBJECTIVE SUMMARY

961-001 Critical needs met of targeted vulnerable groups on emergency situations.				
IDA	164,637	235,500	285,500	235,500
CSH	1,886	0	0	0
DA	17,000	0	0	0

- {a} FY 2003 International Disaster Assistance (IDA) includes a \$50 million budget amendment for West Bank Gaza.
- {b} FY 2002 Emergency Response Fund for Afghanistan of which \$50 million was managed by ANE and other bureaus.
- {c} FY 2001 Supplemental for Southern Africa Floods; FY 2002 Supplemental for Afghanistan reconstruction of which \$7 million was provided to OFDA.
- {d} FY 2001 DA & CSH funds were transferred to OFDA under FAA section 492(b) authority.

**Major Disaster Responses by Country and Regional Totals
International Disaster Assistance**

COUNTRY/REGION	FY 2001	Disaster Type	FY 2002	Disaster Type
Afghanistan	\$13,317,401	Complex Emergency	\$114,428,000	Complex Emergency
Albania	\$3,701,063	Complex Emergency		
Angola	\$8,877,688	Complex Emergency	\$20,538,000	Complex Emergency
Burundi	\$12,117,457	Complex Emergency	\$13,398,053	Complex Emergency
Congo/Brazzaville	\$2,061,950	Complex Emergency		
Democratic Republic of the Congo	\$22,022,964	Complex Emergency	\$26,804,000	Complex Emergency
El Salvador	\$14,252,591	Earthquake		
Eritrea	\$2,433,121	Complex Emergency		
Ethiopia	\$3,894,393	Complex Emergency	\$1,265,360	Drought
Guatemala			\$500,000	Drought
Guinea	\$1,073,409	Complex Emergency		
India	\$11,193,690	Earthquake		
Indonesia	\$5,181,232	Complex Emergency	\$7,112,854	Complex Emergency
Kosovo	\$3,768,395	Complex Emergency		
Kenya	\$5,932,699	Drought	\$1,487,964	Drought
Macedonia	\$2,946,679	Complex Emergency		
Malawi			\$4,640,990	Drought
Mauritania			\$529,686	Flood
Mozambique	\$1,438,774	Flood		
Sierra Leone	\$11,889,855	Complex Emergency	\$11,649,000	Complex Emergency
Somalia	\$5,300,069	Complex Emergency	\$6,310,782	Complex Emergency
Southern Africa Food Security Response			\$1,015,300	Drought
Sudan	\$24,841,702	Complex Emergency	\$38,384,321	Complex Emergency
Tajikistan	\$943,194	Drought	\$859,000	Drought
Uganda			\$1,559,000	Complex Emergency
Zambia			\$1,538,560	Drought
Other Disaster Responses				
Africa Region	\$702,594		\$983,020	
Asia Region	\$2,722,461		\$885,000	
Australia			\$25,000	
Europe Region	\$175,000		\$446,400	
LAC Region	\$2,189,245		\$1,577,407	
Middle East Region			\$662,417	
Mitigation/Preparedness	\$23,724,470		\$29,960,000	
Program/Operations Support	\$37,809,302		\$26,351,000	
GRAND TOTAL	\$224,511,398		\$312,911,114	

Private and Voluntary Cooperation

The Development Challenge: USAID and U.S. private voluntary organizations (PVOs) recognize that sustainable development, poverty reduction, and economic benefits to vulnerable or marginalized populations are much more likely to occur in areas where local non-government organizations (NGOs) are strong and supported by viable, sector-wide institutions. Reflecting this view, local NGOs and cooperatives have become increasingly important as development partners. Their growing role rests on three factors: their ability to deliver services to local constituencies; the link they provide between the constituencies they serve and local government and the private sector; and when democratic transitions falter and conflict emerges, their ability to help stabilize the situation and address the conditions that exacerbate conflict.

While the potential for local NGOs to contribute to civil society and national development is strong, considerable challenges confront them and limit their potential. Many such organizations are constrained by financial, managerial, and technical limitations that restrict their ability to improve or expand services. They are undermined by weak or hostile legal and regulatory environments and, because of their small size and inability to coordinate actions, are limited in their ability to exercise influence at the local and national levels.

The growing local NGO community is more than a series of discrete organizations acting in isolation. There is an obvious need to build linkages among local organizations by connecting them to durable networks and support organizations that: provide a locus for problem solving and group action; build stronger relationships with local and regional government agencies; and increase their ability to form alliances with the business community.

The worldwide growth of local NGOs and the need to strengthen their capacity to deliver services is widely recognized and supported by the U.S. PVO community. The growth of the NGO community is paralleled by a shift in the role of U.S. PVOs and increased reliance on local NGOs as primary service delivery partners. As U.S. PVOs redefine their role to support the capacity-strengthening needs of local NGOs, cooperatives, local governments, and rural institutions, they have indicated that local organizations are relatively inexperienced in program implementation and are often financially insecure. They need a great deal more assistance in using performance data to manage program implementation more effectively and measuring the effects and impact of programs, using state-of-the-art technical approaches, and developing management and planning skills.

The challenge is to create a more vibrant NGO sector at the local level. USAID's Office of Private and Voluntary Cooperation (PVC) and the U.S. PVO community will need to develop and implement a program that:

- strengthens existing NGO networks and intermediate support organizations that link individual NGOs and foster self-reliance and problem solving;
- builds bridges between local organizations and local governments;
- creates opportunities for local business to make parallel investments in NGO development actions;
- addresses the need for reform of the legal and regulatory environment that hinders the formation and operations of local organizations;
- uses the best practices and program guidance gained from the PVC office's experience in strengthening the U.S. PVO community;
- increases analysis - with special emphasis on interventions and program responses to pre-conflict situations - that examines issues, identifies warning signals, and forecasts trends that affect local organizations' ability to deliver services; and

-- promotes the development of a uniform USAID strategy for strengthening the capacity of local NGOs and community organizations in terms of pre- and post-conflict situations and humanitarian response in times of disaster.

The USAID Program: Historically, Congress and USAID have recognized the potential of U.S. PVOs and cooperative development organizations (CDOs) to contribute human, technical, and financial resources to the resolution of development problems overseas. The PVC office's primary objectives are to strengthen U.S. PVOs' and cooperatives' capacity to carry out development programs in a wide variety of sectors, including economic growth, health, and civil society, and to use these voluntary organizations' strengths and skills to develop programs to increase local NGOs' ability to provide better services to their constituencies.

As a result of the recent Agency-wide reorganization, several PVC grant programs - Child Survival, Farmer to Farmer, Development Education and the Victims of Torture Program - were transferred to other USAID/Washington offices. At the same time, the Peace Corps Small Grant Program was transferred to PVC.

Currently, the PVC Office manages three competitive grant programs: Matching Grants; Cooperative Development; and the NGO Strengthening Program. These grants fund individual PVOs and CDOs to carry out development programs in countries where the United States has strategic interests. The grants contain a cost-sharing requirement to leverage additional private resources for development activities and are implemented with a variety of local partners, including local NGOs, cooperatives, networks, local governments, and businesses.

The PVC Office also manages two specialized programs: the competitive Ocean Freight Reimbursement program, which provides U.S. PVOs with a means to ship supplies to country programs, and the Denton Program, a non-competitive initiative that enables private groups to ship development and humanitarian supplies to overseas recipients using military transportation on a space-available basis.

FY 2003 funds will be used to implement a new objective that will enhance the capacity of local NGOs to deliver development services in select USAID-assisted countries. Funds will also be used for ongoing programs that build the capacity of U.S. PVOs.

Other Program Elements: In addition to the development programs described, the PVC Office administers the Agency's PVO Registration Program and serves as the Secretariat for the U.S. Advisory Committee on Voluntary Foreign Aid, a group that advises the USAID Administrator on issues and challenges affecting the relationship between U.S. foreign assistance efforts and the work of the private voluntary community. While the PVC Office is the PVOs gateway to the Agency, other Washington bureaus and field missions partner with these organizations in carrying out USAID programs around the world.

Other Donors: The United States is a leader among donors in supporting PVOs, CDOs, and NGOs. Other donors that support these voluntary organizations include multilateral development banks, multilateral agencies (e.g., the United National Development Program), the European Community, and bilateral donors. The PVC Office coordinates with the NGO liaison units of the multilateral development banks and has worked closely with Japan on expanding the role of voluntary organizations in its development activities. The PVC Office also promotes expanded relationships between PVOs and CDOs and private sources of development funding in the United States.

**Office of Private and Voluntary Cooperation
PROGRAM SUMMARY**

(in thousands of dollars)

Accounts	FY 2001 Actual	FY 2002 Actual	FY 2003 Prior Request	FY 2004 Request
Child Survival and Health Programs Fund	27,435	23,843	21,833	200
Development Assistance	28,123	27,163	32,488	23,782
Total Program Funds	55,558	51,006	54,321	23,982

STRATEGIC OBJECTIVE SUMMARY				
963-001 Capabilities of U.S. PVOs increased				
CSH	27,435	23,843	21,833	200
DA	28,123	27,163	21,924	7,982
963-002 Local NGO Capacity Enhanced				
DA	0	0	10,564	15,800

Data Sheet

USAID Mission:	Office of Private and Voluntary Cooperation
Program Title:	Capabilities of U.S. PVOs increased
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	963-001
Status:	Continuing
Proposed FY 2003 Obligation:	\$21,833,000 CSH; \$21,924,000 DA
Prior Year Unobligated:	\$3,587,000 CSH; \$7,804,000 DA
Proposed FY 2004 Obligation:	\$200,000 CSH; \$7,982,000 DA
Year of Initial Obligation:	1996
Estimated Completion Date:	2007

Summary: The PVC Office provides competitively awarded grants to U.S. private voluntary organizations (PVOs) and cooperative development organizations (CDOs). These grants help build the managerial, operational, and technical capabilities of the recipients and their local partners, support implementation or expansion of innovative programs at the field level, and strengthen relationships between local non-governmental organizations (NGOs), local governments and businesses, and PVC grant recipients in the countries in which they work. This objective has five components: improved operational and technical capacity of grantees; strengthened partnerships between USAID and U.S. PVOs and CDOs; strengthened partnerships between U.S. PVOs and CDOs and local organizations; improved mobilization of resources by partners; and increased U.S. public awareness of private, voluntary contributions to development.

Inputs, Outputs, Activities:

FY 2003 Program:

The PVC Office pursues its results through a series of competitively awarded cooperative agreements with registered U.S. PVOs and CDOs. These agreements enable recipients to initiate new or innovative programs within their own organizations, increase the impact of proven programs, build alliances among themselves and with non-U.S. Government sources of support, and enhance connections with NGOs in countries where they work.

The PVC Office plans to use a total of \$16.4 million (DA) in FY 2003 to finance the continuing activities of current grant recipients. PVC's current recipients carry out activities in a variety of fields. The Office plans to use \$5.5 million dollars to continue funding U.S. cooperative development organizations to strengthen democratic, member-owner agriculture, housing, telecommunications and electrical cooperatives in key countries. This is expected to result in an improved laws and regulations, governance and enhanced and expanded services. Individual grantees include ACDI/VOCA; The Americas Association of Cooperative and Mutual Insurance Societies, Cooperative Housing Foundation, Land O' Lakes, The National Cooperative Business Association, The National Rural Electric Cooperative Association, The Telecommunications Cooperative Association and The World Council of Credit Unions. The Ocean Freight Program will provide \$2.7 million dollars to more than 50 individual private organizations to reimburse these organizations for the cost of transporting donated commodities to developing countries. These organizations include many small U.S. PVOs as well as faith-based organizations such as The International Book Bank, Community of Caring, Ethiopian Community Development Council, and Heart to Heart International. These educational, agricultural and medical supplies are instrumental in assisting these U.S. PVOs to achieve their programmatic mission. The PVC Office will use \$4.4 million dollars to continue funding 18 grants to U.S. PVOs that are matched dollar-for-dollar by the PVOs' own resources. These grants are to improve the effectiveness of community-based, microfinance, health, HIV/AIDS, food production and agribusiness, and environmental protection programs. Grantees include both large and small U.S. PVOs such as Catholic Relief Services, TechnoServe, Mercy Corps, Freedom from Hunger and The Mennonite Economic Development Associates.

The PVC Office will also use \$1.8 million (DA) for administrative and program support services, including support for the Advisory Committee on Voluntary Foreign Aid.

The following programs and funds (\$25.1 million dollars) will be transferred to other bureaus: Child Survival and Blind Children's Initiative will go to Global Health; Farmer to Farmer to Global Economic Growth, Agriculture and Trade, Development Education to Legislative and Public Affairs; and Victims of Torture to Democracy and Governance.

The joint USAID and Peace Corps small grant program for grass-root community development activities will be transferred to PVC with funding.

FY 2004 Program:

The PVC Office will use approximately \$5.7 million dollars in FY 2004 funds requested for this objective to fund only the continuing cooperative agreements for the Matching Grants program.

Performance and Results: During 2002, progress towards achieving the end results of this objective was successful in three key areas: capacity building, service delivery and sustainability.

The PVC Office has promoted the use of organizational assessments to bring about change within an organization. PVOs that conducted formal assessments of their organizational strengths and weaknesses made substantial management and technical improvements in their operations. In FY 2002, 92% of the grantees did formal organizational assessments as compared to 80% in FY 1998. The majority of these assessments resulted in organizational, technical, and program changes over the past three years. The most striking change over time has been in the area of technical practices, where in FY 2002, 68% of the grantees reported they made changes as a result of the assessment (compared to 54% in FY 2000). Similar organizational improvements have taken place among local partners, reflecting the small but steady increase in the number of PVOs conducting assessments of their organizations. Again, as with the PVOs themselves, the assessments prompted local partners to make technical improvements in their programs.

PVC's focus on organizational capacity, setting standards, and establishing best practices has helped improve PVOs' and local partners' ability to deliver quality services. For example, important gains in immunization coverage were achieved in geographic areas where the majority of PVC-funded health programs operate. In these areas, average immunization coverage is 10% or more below the national average. In addition, in countries where PVC's Child Survival grants were consolidated at the district or regional level, local information networks grounded in shared interests and needs emerged. These networks facilitated country-level learning about best practices and positioned the PVOs and their local partners to be stronger advocates at the national level.

Improved service delivery also occurred in PVC's microfinance programming. The FY 2001 microfinance portfolio demonstrated a considerable increase in the number of borrowers, along with a significant increase in poverty lending among PVC-supported institutions. This increased focus on poverty lending is a positive development, which supports Agency initiatives in this area. All of PVC's core microfinance indicators have demonstrated significant change between 1996 and 2001, as indicated by:

- a 35% increase in the average number of borrowers per institution and an 83% increase in the total number of borrowers;

- while the number of borrowers increased, the average outstanding loan portfolio per institution declined 46% and the total outstanding loan portfolio decreased 27%. Average loan size decreased 60% to \$140 per borrower. Several factors contributed to this change, but one key one has been the increased focus on poverty lending by the microfinance institutions in PVC's portfolio. Many of these institutions are increasing the number of clients helped and are reaching further into the poorer segments of their communities; and

-- a 17% increase in the percentage of women borrowers (87% of all borrowers are women).

In the area of sustainability, FY 2002 saw the culmination of several years' worth of efforts to improve how PVOs design and operate their programs and measure sustainability. Currently, virtually all (95%) PVO grantees have sustainability plans within their grants, and approximately half of them plan to measure post-grant sustainability with their own funds. Similarly, in collaboration with PVC's technical contractor, CORE (the PVO child survival network funded by PVC) developed and tested an evaluation methodology for assessing sustainability in health programs. In addition, PVC-supported institutions have made significant progress in financial and operational sustainability. For example, the percentage of PVC-supported microfinance institutions that were either financially or operationally sustainable more than doubled from 17% in 1997 to 37% in 2001.

US Financing in Thousands of Dollars

Office of Private and Voluntary Cooperation

963-001 Capabilities of U.S. PVOs increased	CSH	DA	ESF
Through September 30, 2001			
Obligations	116,821	605,157	150
Expenditures	53,068	555,185	150
Unliquidated	63,753	49,972	0
Fiscal Year 2002			
Obligations	20,875	23,014	0
Expenditures	36,468	40,243	0
Through September 30, 2002			
Obligations	137,696	628,171	150
Expenditures	89,536	595,428	150
Unliquidated	48,160	32,743	0
Prior Year Unobligated Funds			
Obligations	3,587	7,804	0
Planned Fiscal Year 2003 NOA			
Obligations	21,833	21,924	0
Total Planned Fiscal Year 2003			
Obligations	25,420	29,728	0
Proposed Fiscal Year 2004 NOA			
Obligations	200	7,982	0
Future Obligations	0	0	0
Est. Total Cost	163,316	665,881	150

Data Sheet

USAID Mission:	Office of Private and Voluntary Cooperation
Program Title:	Local NGO Capacity Enhanced
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	963-002
Status:	New
Proposed FY 2003 Obligation:	\$10,564,000 DA
Prior Year Unobligated:	\$0
Proposed FY 2004 Obligation:	\$15,800,000 DA
Year of Initial Obligation:	2003
Estimated Completion Date:	2007

Summary: The PVC Office provides competitively awarded grants to U.S. private voluntary organizations (PVOs) and cooperative development organizations (CDOs) to build the managerial, operational, and technical capabilities of local non-government organizations (NGOs), networks, and intermediate support organizations that deliver services in countries vulnerable to or emerging from civil strife or conflict. Since local organizations and institutions are frequently limited in resources and reach, this program will promote linkages among individual organizations, local and national businesses, and local governments. These linkages will increase sharing of knowledge and technical skills, enhance self-sufficiency, and provide a platform for program and policy advocacy. Overall, these efforts are expected to result in a strengthened civil society at the local level. To foster organizational learning among NGOs, networks, and intermediate support organizations, the PVC Office will emphasize program analysis, testing new approaches, documenting best practices, and the operation of a pro-active communication program to assure widespread dissemination and use of accomplishments and lessons learned.

Inputs, Outputs, Activities:

FY 2003 Program:

The PVC Office pursues its results through a series of competitively awarded cooperative agreements with registered U.S. PVOs. These agreements enable recipients to initiate work in countries that are a high priority to USAID and on programs that will strengthen the capacity of NGOs, networks, and intermediate support organizations to deliver development services to their constituencies. A new cooperative agreement will develop lessons learned and best practices from PVC NGO strengthening programs, conduct small-scale studies on factors that constrain program performance, and institute a communication outreach program to U.S. PVOs, NGOs, and other donors. Program activities will be in a variety of fields, including microfinance, health, HIV/AIDS, food production and agribusiness, and environmental protection.

The PVC Office will use approximately \$8.0 million (DA funds) in FY2003 to finance a series of new cooperative agreements to U.S. PVOs to strengthen the capacity of local NGOs, networks, and intermediate service organizations in select countries and to expand linkages among local NGOs and between local NGOs and public and private sector institutions. These activities will be complemented by a joint Peace Corps and USAID small grant program (1million DA) that will increase the capabilities of local communities to conduct low-cost, grass-roots development activities.

The PVC Office plans to use approximately \$1 million (DA) in FY2003 to initiative analytical and communication activities that will bring together lessons learned in building the capacity of local organizations and develop standards, best practices, and outreach activities to promote effective approaches to the U.S. PVO, international donor, and local NGO communities.

The PVC Office will also use \$2 million (DA) FY 2003 funds to initiate a new Capable Partners Program, which is designed to provide technical assistance and training in support of USAID mission initiatives to strengthen local NGOs.

FY 2004 Program:

The PVC Office will use \$6.8 million of the FY 2004 funds requested for this objective to continue 2003 activities that strengthen local NGOs, networks and local institutions and to fund analysis and communication activities that address issues that will improve the effectiveness of local organizations. The PVC Office will continue to provide \$2.7 million in funding to reimburse private groups that need assistance in transporting vital equipment and supplies to their overseas programs. The cooperative development program will use \$5.5 million to fund actions that reform cooperative laws and build self-sustaining cooperative movements in agriculture, telephone and electronic services, insurance and housing. These activities will be supported by the Capable Partners Program (\$2 million) and the administrative support contractor (\$1.2 million). The joint USAID and Peace Corps small grant program for grass-root community development activities will continue.

Performance and Results: These activities will begin in FY 2003 and performance data is not yet available.

US Financing in Thousands of Dollars

Office of Private and Voluntary Cooperation

963-002 Local NGO Capacity Enhanced	DA
Through September 30, 2001	
Obligations	0
Expenditures	0
Unliquidated	0
Fiscal Year 2002	
Obligations	0
Expenditures	0
Through September 30, 2002	
Obligations	0
Expenditures	0
Unliquidated	0
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2003 NOA	
Obligations	10,564
Total Planned Fiscal Year 2003	
Obligations	10,564
Proposed Fiscal Year 2004 NOA	
Obligations	15,800
Future Obligations	0
Est. Total Cost	26,364

Transition Initiatives

The Development Challenge: The late 1980s and early 1990s was a period of dramatic change. Countries all over the globe underwent transitions: transitions from autocratic to democratic rule, transitions from war to peace, and, unfortunately, transitions away from democracy and from peace to war. It quickly became apparent that these transitions were particularly sensitive; choices made during these periods had enormous influence on a country's future--for good or ill. However it also became quickly apparent that traditional forms of humanitarian aid and development assistance were not suited to these periods of transition. Instead, there was a need for a mechanism that retained the responsiveness and flexibility of humanitarian response, but focused on advancing democratic governance and managing conflict within highly charged and highly fluid transitional environments.

In 1994, USAID created the Office of Transition Initiatives (OTI) as a new tool for this new era. Since then OTI has operated in 25 diverse transitional settings worldwide, and this accumulated experience has confirmed the initial premise that transitions are times when ways of governing have been discredited, but there is no agreement on what is to take their place. In these extraordinarily fluid times, it is indeed possible to reshape a society socially, economically, and politically. And in transitions from Serbia to East Timor to Sierra Leone, OTI has demonstrated that modest amounts of targeted transitional programming can leverage profound political and social change.

The benefits of transitional assistance are not automatic, however. Transitions are highly politicized and frequently unstable as major groups within the country jockey to shape the emerging regime. With so much that is unsettled, the dominant social concerns are short term: personal security, the basic needs of shelter, food and water, and immediate political aims. Successfully operating in these environments requires orientations, activities and modalities that differ from those adapted to the more stable environments where long-term, sustainable development is possible. Programmatic flexibility is central. The currents within a transition are often unpredictable, revealing both unexpected opportunities to advance democracy and peace and unforeseen threats. Responding appropriately requires financial resources and implementation mechanisms that can be readily redirected, and program staff who are sensitive to the operating environment, willing to take risks and empowered to make needed programmatic adjustments. Another key is to identify activities that have rapid, visible impact. In uncertain transitional periods, the population is hungry for assurance that democracy or peace is worth the risks, and they are not willing to wait months or years for that sign. Thus activities that provide transition dividends--or publicize them--are vital for sustaining the momentum for positive change.

The USAID Program: While OTI has worked in a diverse range of transition settings, its programs tend to fall into one of three operating environments. Even though each OTI program is designed specifically around the needs of the transition underway in a particular country, the three categories provide a useful means for thinking about the political and social environment and the types of activities that are best suited to each.

Transitions to Democracy: Transitions to democracy occur when a seminal event, typically an election, ushers in a democratic government after a long period of military or autocratic rule and offers the opportunity to sustain support for democracy until economic and social reforms can take hold. In Haiti, Kosovo, and East Timor, OTI addressed citizens' pressing needs and began the process of creating and strengthening democratic institutions. In East Timor, for example, OTI's Transitional Employment Program (TEP) injected critical financial resources into devastated communities to jumpstart the economy, providing East Timorese tangible results of the reconstruction and development process. In fragile democracies, such as in Nigeria, Indonesia, and Peru, OTI's programs often focus on establishing civilian control over the country's armed forces, educating democratically elected officials, and supporting the development of a free press. For example, in Peru, OTI provided support to the media, civil society, and the Peruvian Congress to facilitate higher civilian involvement in defense and security issues.

Transitions to Peace: Transitions to peace are openings that signal movement away from conflict and instability toward more stable, democratic governance. Typically, a window is a constitutive settlement,

broadly defined as an agreement among political actors on how to move forward. The settlement may take the form of a peace agreement, an accord, or a new constitution. In these situations, OTI works to strengthen the chances of an agreement's success by identifying and addressing critical bottlenecks to it, and by increasing civil society's involvement in the negotiation process. Typical activities involve supporting forums and conferences organized for NGOs to discuss and provide input to the peace process, and providing technical assistance to the development of national peace-building plans. In Sierra Leone, for example, an OTI grantee conducted consultative forums in all areas under government control and played a key role in peace-building efforts after the May 2000 setback. OTI also promotes a culture of peace and reconciliation through media campaigns and programs to ensure accurate and balanced reporting; establishes "safe spaces" where members of diverse communities can discuss or address problems of common concern; builds the capacity of local communities to manage their own conflicts; and works with local partners to resolve specific conflicts through facilitated workshops and joint problem solving. Other OTI programs targeted at transitions to peace include Indonesia, Kosovo, Macedonia, Congo and Burundi.

In several instances of supporting transition to peace, OTI was asked to establish a presence in a country that did not yet have a USAID mission. For example, OTI entered East Timor on the heels of the retreating Indonesian militia and before the USAID mission established an on-the-ground presence. OTI's ability to demonstrate a U.S. Government commitment can be enormously useful to USAID and the U.S. Government. In the East Timor case, OTI worked with local communities to repair needed infrastructure and provide economic incentives to the population. To the East Timorese, OTI was the welcome face of the U.S. Government.

Transitional Political Crisis: A third scenario for OTI intervention involves a political crisis in which a transition has first stalled and then begun to unravel. In this scenario, OTI sees the potential to prevent or mitigate what could turn into violent conflict by shoring up democratic institutions and supporting the momentum for positive, political change. OTI typically achieves this objective by supporting forums and public meetings at which key issues can be debated. For example, Zimbabwe's President precipitated a political crisis in early 2000 by seeking to amend the constitution in order to strengthen the power of the executive and undermine due process and the rule of law. OTI established a program to respond to the crisis that successfully supported civil society's opposition to the constitutional changes. Since then, OTI has continued to work with civil society and independent media to prevent even further erosion of democracy in Zimbabwe. Similarly, in Venezuela, OTI's program is intended to provide an opportunity for a society sharply divided over fundamental issues to discuss their differences in neutral space.

OTI has found that responding to transitional political crises poses particular challenges. Unlike transitions to democracy or from war to peace, there is frequently no discernable event--a peace accord or an election--to mark the start of a political crisis. Moreover, not every political crisis is serious enough to warrant OTI's involvement. This places an extra burden on OTI in collaboration with regional bureaus and field missions to determine when a transitional crisis has begun and how OTI can best respond.

Other Program Elements: OTI works closely with the Agency's geographic bureaus and field missions to coordinate objectives and activities that support a country's transition. In East Timor, for example, OTI's program laid the foundation upon which the new mission is building. In Afghanistan, OTI is an integral part of the Agency's program, along with the ANE bureau and OFDA. OTI's contributions have resulted in the transfer of funds from the geographic bureaus and field missions to OTI to carry out activities in two new country programs, Angola and Sri Lanka. OTI's program in Zimbabwe is funded mostly by economic support funds from the Department of State.

Other Donors: OTI makes an effort to coordinate its programs with other in-country bilateral or multi-lateral donors. In Afghanistan, OTI has a memo of understanding with the Japanese aid agency (JICA) and the United National Development Program (UNDP) to collaborate. In Aceh, Indonesia, OTI attended the multi-donor conference and, as a result, was able to complement others' activities. In the Balkans (Serbia and Montenegro and Macedonia), OTI worked with the European Union (EU) and The World Bank on programs to support transition initiatives.

**Office of Transition Initiatives
PROGRAM SUMMARY**

(in thousands of dollars)

Accounts	FY 2001 Actual	FY 2002 Actual	FY 2003 Prior Request	FY 2004 Request
Transition Initiatives	49,890	50,000	55,000	55,000
Total Program Funds	49,890	50,000	55,000	55,000

STRATEGIC OBJECTIVE SUMMARY				
965-001 Political transactions successfully advanced in priority, conflict-prone countries.				
TI	49,890	50,000	55,000	55,000

Note: Table excludes \$20 million in FY01 and \$25 million in FY02 of funds managed by OTI from other sources as well as \$15.5 million FY01 and \$5.1 million FY02 of Economic Support Funds (ESF). See summary tables volume for additional funds managed by OTI.

OFFICE OF TRANSITION INITIATIVES (TI)

(U.S. DOLLARS)

Region	Country	FY 2001	FY 2002	FY 2003	FY 2004
		OBLIGATIONS	OBLIGATIONS	ESTIMATES	REQUEST
Europe	Kosovo	6,573,504	369,653	-	-
	Macedonia	918,464	10,408,029	6,600,000	-
	Serbia/Montenegro	10,146,125	8,494,363	-	-
Africa	Angola	-	-	2,500,000	4,000,000
	Burundi	-	2,105,502	3,500,000	3,000,000
	Congo	148,254	3,561,524	4,600,000	3,000,000
	Nigeria	5,495,796	60,282	-	-
	Sierra Leone	3,666,589	1,158,177	-	-
	Sudan	-	-	4,000,000	3,000,000
	Zimbabwe	5,556,234	1,017,395	3,000,000	-
Asia & The Near East	Afghanistan	-	9,004,068	8,000,000	5,000,000
	East Timor	1,500,000	-	-	-
	Indonesia	4,963,354	1,867,145	2,000,000	-
	Lebanon	1,033,270	-	-	-
	Middle East	-	-	6,000,000	8,000,000
	Sri Lanka	-	-	4,000,000	3,000,000
Americas	Colombia	1,135,668	-	-	-
	El Salvador	2,000,000	-	-	-
	Peru	3,314,190	7,657,771	100,000	-
	Venezuela	-	2,197,066	6,500,000	4,000,000
New Countries	Unallocated	-	-	200,000	18,000,000
Program Support	World wide	1,986,154	3,214,459	4,000,000	4,000,000

TOTAL: INTERNATIONAL DISASTER ASSISTANCE(IDA) Carryover Funds	3,524,560	383,116		
TOTAL: TRANSITION INITIATIVES (TI) Carryover Funds-FROM PRIOR YEAR		4,962,154		
TOTAL: TRANSITION INITIATIVES (TI) Carryover Funds-TO NEXT YEAR	4,962,154	4,909,487		
TOTAL: NOA TI - Funds	49,875,196	50,679,651	55,000,000	55,000,000

FY-2001: Total does not include \$3,524,560 IDA Carryover funds, \$4,983,000 (TI) funds for Aceh (Indonesia) and for activities from other accounts managed by OTI that totaled to \$15,420,048 (\$600,000 E&E SEED for Serbia, \$950,000 DFA and \$570,000 ESF for Sierra Leone, \$8,300,048 ESF for East Timor, \$2,500,000 ESF for ANE, Indonesia and \$2,500,000 ESF managed for the mission (LAC) obligated at the mission for Child Soldiers in Colombia).

FY-2002: Total does not include \$383,116 IDA carryover, \$4,962,154 TI carryover and a total of \$17,861,084 for Afghanistan, (\$11,132,000 IDA Supplement, \$3,000,000 01/02 ESF, \$3,000,000 02/03 ESF, \$350,000 02/03 DV, \$279,084 OE mission funds and \$100,000 01/02 ESF), \$6,051,921(\$4,884,269 02/03 ESF and \$1,167,652 01/02 ESF) for East Timor, \$5,000,000 (\$2,000,000 02/03 ESF, \$3,000,000 02/03 mission ESF) for Indonesia, \$1,000,000 01/02 ESF for Zimbabwe, \$400,000 DFA managed by the mission for Nigeria, \$180,000 DA and \$38,750 DV funds for worldwide, that totaled to \$30,531,755 managed by OTI.

FY-2003: Estimate is based on \$55 million FY-2003 budget request in absence of appropriation. Total does not include \$4.9 million carryover (TI) funds which will be allocated later to the programs.

FY-2004: Allocation by country is notional at this time and could change based on resource availabilities and future priorities.

OFFICE OF TRANSITION INITIATIVES

Country	Description	Dates	FY 2001	FY 2002	FY 2003	FY 2004
			OBLIGATIONS	OBLIGATIONS	ESTIMATES	REQUEST
EUROPE						
Kosovo	Promote local democratic leadership by organizing community improvement councils, meeting their priority needs and promoting development of an independent media and strong civil society.	Start: 7/1997 Ext: 9/2002	6,573,504	369,653	0	0
Macedonia	Mitigate political and ethnic tensions through confidence building during implementation of the Framework Agreement. Increase public access to balanced information and diverse points of view. Strengthen relationships between citizens and elected officials at the local level. Increase positive interaction among diverse groups of people in constructive activities and projects.	Start: 9/2001 Ext: 10/2003	918,464	10,408,029	6,600,000	0
Serbia & Montenegro	Consolidate recent democratic gains - Promote government reform and its responsiveness to citizens. Improve citizens understanding of government reform efforts. Expand knowledge of human rights and truth and reconciliation efforts. Promote a transparent electoral process that encourages active and informed citizen participation.	Start: 7/1997 Ext: 11/2002	10,146,125	8,494,363	0	0
AFRICA						
Angola	Expand the foundation for a more democratic, more transparent, and ultimately more peaceful Angola. Promote civil society advocacy on key transition issues. Strengthen independent media. Nurture broad participatory democratic processes.	Start: 11/2002 Est. Ext: TBD	0	0	2,500,000	4,000,000
Burundi	Good governance at all levels is developed and there is active and informed participation of citizens. Increase active and informed discussions among people of diverse ethnic groups about common public issues. Encourage the evolution of government institutions at all levels to be more transparent and accountable.	Start: 3/2002 Est. Ext: 4/2004	0	2,105,502	3,500,000	3,000,000
Democratic Republic of the Congo	The informed participation of Congolese society in political and economic decision-making processes contributes to a peaceful, unified, and democratic country. Increased access to information representing diverse perspectives. Increased participation of civil society in decision-making on national issues. Expanded and strengthened linkages between communities.	Re-start Program 4/2002 Est. Ext: 9/2004	148,254	3,561,524	4,600,000	3,000,000
Nigeria	Sustain the transition toward national reconciliation and a democratic government by mitigating conflict. Supporting civil society efforts to respond to destabilizing conflicts in key areas or on key issues. Leveraging other donor efforts in good governance by providing conflict mitigation, interventions and training at the federal, state and local level. Promoting development of a conflict management infrastructure. Promoting the effective continuation of conflict management advocacy, training and interventions and reform of the National Police.	Start: 5/1999 Ext: 1/2001	5,495,796	60,282	0	0
Sierra Leone	Support the peace process. Assisting civil society and government to build leadership and renew national values. Assisting the design, implementation and monitoring of a diamond certification system. Reintegrating ex-combatants, including literacy and vocational training, counseling and civic education. Supporting a media and communications program that aids demobilization, reconciliation and reintegration. Promoting the participation of women and other underrepresented groups in the upcoming elections.	Start: 1/1997 Ext: 1/2002	3,666,589	1,158,177	0	0
Sudan	The OTI plans to link ongoing Sudanese peace processes and peace-building efforts to initiatives that engender good governance practices, and to deepen the participation of a broader cross-section of the southern Sudanese population in their governing structures. OTI's program will promote southern Sudanese access to: balanced information, increased conflict resolution expertise in areas vulnerable to conflict and provide timely peace dividends to support people-to-people peace processes.	Start: 1/2003 Est. Ext: TBD	0	0	4,000,000	3,000,000
Zimbabwe	Advance prospects for a peaceful transition. Support activities to increase respect for basic human rights. Promote opportunities for democratic participation.	Start: 1/2000 Ext: 9/2003	5,556,234	1,017,395	3,000,000	0

OFFICE OF TRANSITION INITIATIVES

Country	Description	Dates	FY 2001	FY 2002	FY 2003	FY 2004
			OBLIGATIONS	OBLIGATIONS	ESTIMATES	REQUEST
ASIA & THE NEAR EAST						
Afghanistan	Support political stabilization and rehabilitation in post-conflict Afghanistan. Increase the capacity of the Afghan Interim Authority (AIA) to govern effectively. Increase citizen and community participation in decision-making processes. Increase government accountability to the public. Support voices of moderation and peace across the country. Build connections between civil society and emerging government structures. Increase the availability and quality of public information.	Start: 10/2001 Est. Ex: TBD	0	9,004,068	8,000,000	5,000,000
East Timor	Promote transition to independence. Supporting small-scale community-led projects by focusing on gaps in local social services and economic infrastructure. Enabling civil society to play a role in relief, reconstruction and nation-building. Providing start-up funding for independent media outlets. Providing training and economic initiatives for ex-combatants.	Start: 6/1999 Est: 10/01/2002	1,500,000	0	0	0
Indonesia	Promote democratic reform and mitigate conflict. Supporting civil society organizations to mobilize peaceful political participation and address ethnic/religious conflicts through dialogue and mediation. Supporting peace negotiations and human rights in Aceh. Encouraging accountable, transparent government and raising awareness about decentralization. Increasing capacity of media to cover political processes. Improving civilian capacity for military oversight and control.	Start: 8/1998 Est: 12/01/2002	4,963,354	1,867,145	2,000,000	0
Lebanon	Help combat corruption by increasing public awareness, changing attitudes, strengthening investigative journalism, and helping local governments become more transparent and accountable.	Start: 9/1999 Est: 3/2001	1,033,270	0	0	0
Middle East	Provide tangible examples of improvement and change. Strengthen the capacity and involvement of local community institutions while identifying promising, emerging, local leadership. Promote the dissemination of moderate and balanced information including information on humanitarian and reconstruction activities.	Start: TBD Est. Ex: TBD	0	0	6,000,000	8,000,000
Sri Lanka	To mitigate conflict and broaden the constituency for peace within Sri Lanka. Establishing up to four offices in the country, providing the USAID Mission the capacity to make small direct cash and in-kind grants to local organizations. Small grants will demonstrate peace dividends to affected populations, encouraging reconciliation and cooperation between conflicting parties.	Start: 2/2003 Est. Ex: 06/2005	0	0	4,000,000	3,000,000
LATIN AMERICA						
Colombia	Advance peace process through local action. Strengthening the role of NGOs involved in the peace process on the national and local level. Promoting democratic participation and effective local governance. Designing and implementing a reintegration program for child ex-combatants.	Start: 1/1999 Est: 12/2001	1,135,668	0	0	0
El Salvador	To support earthquake relief to the people of El Salvador.	Start: 4/2001 Est: 9/2001	2,000,000	0	0	0
Peru	Lay the groundwork for long-term democratic reform. Enhance the ability of civilians to provide oversight and increase transparency of the military. Promote transparency, accountability and citizen access to local government. Enhance the capacity of the Truth and Reconciliation Commission. Promote congressional reform. Strengthen national anti-corruption efforts.	Start: 1/2001 Est: 1/2003	3,314,190	7,657,771	100,000	0
Venezuela	Strengthen democratic institutions and processes to support a peaceful, democratic resolution to the political crisis. Create opportunities for enhanced and improved dialogue for political actors. Strengthen capacity and effectiveness of democratic institutions.	Start: 8/2002 Est: TBD	0	2,197,066	6,500,000	4,000,000
New Countries			0	0	200,000	18,000,000
World Wide	Program Support		1,986,154	3,214,459	4,000,000	4,000,000
TOTAL INTERNATIONAL DISASTER ASSISTANCE (IDA) FUNDS			3,524,560	383,116	0	0
TOTAL TRANSITION INITIATIVES (TI) CARRYOVER FUNDS FROM PRIOR YEAR			0	4,962,154	0	0
TOTAL TRANSITION INITIATIVES (TI) CARRYOVER FUNDS TO NEXT YEAR			4,962,154	4,909,487	0	0
TOTAL TRANSITION INITIATIVES (TI) NOA FUNDS *			49,875,196	50,879,651	55,000,000	55,000,000

*New account created effective FY-2001

FY-2001: Total does not include \$3,524,560 IDA carryover funds, \$4,983,000 (TI) funds for Aceh (Indonesia), and for activities from other accounts managed by OTI that totaled to \$15,420,048 (\$600,000 E&E SEED for Serbia, \$950,000 DFA and \$570,000 ESF for Sierra Leone, \$8,300,048 ESF for East Timor, \$2,500,000 ESF for ANE, Indonesia and \$2,500,000 ESF managed for the mission (LAC) obligated at the mission for Child Soldiers in Colombia).

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BUREAU FOR ECONOMIC GROWTH, AGRICULTURE AND TRADE

The Bureau for Economic Growth, Agriculture, and Trade (EGAT) was constituted as one of the Agency's three new technical "pillar" bureaus in August 2001. As the Bureau was organized throughout FY 2002, each Office in the new EGAT was assigned lead responsibility for technical leadership and field support in a given program area: economic growth, poverty reduction, development credit, agriculture, environment and science policy, natural resource management, energy and information technology, urban development, and women in development. Technical staff from regional bureaus were reassigned to the EGAT Bureau to encourage greater synergy among programs in different regions and to deepen the Agency's expertise in priority areas. This structure enables EGAT to take the lead for the Agency and the Administration in meeting a broad range of development challenges and to provide coordinated support for mission programs around the world.

FY 2002 was a banner year for global debate on the issues of trade, financing for development, hunger and food security, and sustainable development. In addition, the G-8 took on a number of development concerns – education, African development, the digital divide – and special events – the U.N. General Assembly on Children, the Education for All meetings, various OECD forums – focused the attention of senior leaders in the United States on development issues. Finally, the famine in sub-Saharan Africa and the coffee crisis in Latin America underscored the devastating impacts that global forces can have on the livelihoods of poor people.

EGAT staff helped shape the agendas for each of the major conferences and meetings; coordinated USAID participation – often through an interagency process – in these events; drafted action plans for Agency implementation of the Presidential initiatives associated with many of the events; and assumed responsibility for managing and monitoring outcomes of these initiatives. To illustrate:

The World Trade Organization (WTO) Ministerial meeting in Doha, Qatar, in November, 2002, set out a new trade negotiation agenda – and resulted in agreement that the developed countries would pay attention to enhancing the ability of developing countries to participate successfully in global trade. EGAT coordinated the process of assessing the USG support for what is now called "trade capacity-building" and providing this information in a readable report. This report helped persuade developing countries that the United States was focused on their trade-related issues and willing to support their efforts to increase trade. EGAT staff subsequently drafted a Trade and Investment Strategy for the Agency, developed closer relationships with the U.S. Trade Representative's Office to ensure coordination of development assistance and trade negotiation processes. Staff worked with both U.N. agencies and a number of Least Developed Countries to begin the process of boosting their export capabilities and opening up their trading systems more generally.

At the International Financing for Development Conference at Monterrey, Mexico, in March, 2002 (check date), President Bush's welcome announcement of the Millennium Challenge Account (MCA) reinforced the major theme of the conference: that it is domestic and foreign private capital that fuels growth and that the governance structures, business climates, and transparent financial systems in developing countries are critical to ensuring that such capital is available. USAID's efforts in promoting good governance, favorable environments for business investments, and functioning financial systems that reach down to the poor (e.g., through microfinance) were recognized. EGAT's mandate includes continued support for these programs worldwide.

The five-year anniversary of the World Food Summit, held in Rome in June, 2002, renewed the United States' commitment to reducing hunger through increasing agricultural productivity, ending famine, and improving nutrition, particularly in Africa. EGAT staff supported the inter-agency process to develop this commitment and are providing the technical expertise needed to realize these objectives in programs around the world.

Finally, the World Summit on Sustainable Development (WSSD) in Johannesburg, South Africa, September, 2002, concluded a year of debate and dialogue on issues of economic growth, agriculture, and trade by highlighting the environmental factors that must be addressed to assure sustainability of the global economic growth. EGAT participation enabled the U.S. delegation to draw on the implementation experiences of USAID in defining a proactive way forward, laid out in the Presidential Signature Initiatives on Water, Clean Energy, and Ending Hunger in Africa.

To manage these programs, EGAT is working with both its traditional partners as well as new partners in the private sector. Through EGAT contracting mechanisms, traditional service providers offer field missions and regional bureaus technical knowledge based on long experience. As part of the Global Development Alliance (GDA), new private sector partners are also bringing a new perspective and additional resources to EGAT's development work. Specific areas for such public-private partnerships include forestry, water, coffee, basic education, and urban infrastructure development.

EGAT plays the critical role of linking Administration policies and initiatives with the field. EGAT manages a portfolio of contracts and grants to provide Missions and regional bureaus rapid access to cutting edge technical assistance. EGAT strengthens the capability of our field missions to work collaboratively with governments, entrepreneurs, investors, traders, scientists, farmers, parents and community groups. EGAT stimulates cross-sectoral thinking that sheds more light on old issues; promotes increased collaboration with other USG, international organizations, and private sector partners; and focuses on those actions that can make a difference.

In FY 2003 and FY 2004, the Bureau will program \$147.4 million and \$149.7 million, respectively. These funds will be used for innovative research, formation of worldwide partnerships, development and testing of project implementation concepts and tools, and direct provision of technical expertise and training. Through these activities, EGAT will provide the foundation for effective Agency assistance programs in more than 70 countries.

EGAT's new structure and team approach will promote synergies across sectors and disciplines. New strategic frameworks are being developed to reflect this approach. During this period of transition, however, there is no longer a one-to-one relationship between Strategic Objectives (SOs) and management units (i.e., offices). Multiple offices may have joint responsibility for an individual SO. For example, the Office of Environment and Science Policy (ESP) manages activities, which support agriculture and natural resource management (NRM) strategic objectives. In addition, individual SOs receive funds from more than one funding code. As an example, Women in Development SOs are supported by education, economic growth, and trafficking resources. The Data Sheets that follow include activities that have management input by more than one office.

EGAT Bureau Offices

Economic Growth Office

The Development Challenge: Approximately 1.3 billion people live in abject poverty. More than 800 million people, mostly women and children, go to bed hungry every night. Economic growth can translate into overall improvements in the economic and social well being of people in developing countries. Better incomes result in increased food consumption and, often, diets of better quality; greater opportunities for micro and small enterprises to flourish; and significant contributions to improvements in health, education, mortality and morbidity rates. Trade and investment are the principal mechanisms through which global market forces spur economic growth.

Although the share of developing countries in world trade and global foreign investment is increasing, the 49 poorest countries in the world account for only 0.5% and 0.3% of world trade

and investment respectively. Some countries are clearly being left behind. Faster economic growth is essential to achieving the international development goal of reducing by one half the proportion of people living on \$1 a day by 2015.

The USAID Program: The United States forcefully renewed its commitment to promoting economic growth in the developing world at the World Trade Organization Ministerial in Doha, Qatar and at the International Financing for Development Conference at Monterrey, Mexico. Trade, investment and governance were identified as keys to economic growth.

USAID invests approximately \$2.3 billion a year in economic growth activities. The EGAT Office of Economic Growth (EGAT/EG) provides leadership and technical support to all USAID economic growth programs around the world. EGAT/EG financial and personnel resources are focused on meeting the needs and concerns of USAID field missions and developing countries through implementing programs to build or strengthen the policy, legal and institutional underpinnings required for USAID-assisted countries to achieve open and competitive economies. EGAT/EG also serves as the lead technical office for USAID follow-up to trade capacity building commitments made at Doha and the development framework laid out at Monterrey.

EGAT/EG's objective concentrates on promoting open and competitive economies. FY 2003 funds will be used to implement programs to: 1) enhance the capacity to participate in, and benefit from, global trade and investment; 2) improve macro-economic stability and public governance to foster favorable business environments; and 3) enhance private sector capacity to respond to opportunities in the global marketplace. The specific activities to be funded by FY 2004 requested appropriations is described in more detail in the data sheet.

Other Program Elements: USAID field missions buy-in to EGAT mechanisms and services.

Other Donors: EGAT/EG collaborates with and helps finance the Integrated Framework for Trade-Related Technical Assistance to Less Developed Countries, which incorporates international trade into country development strategies. EGAT/EG also has international organizational agreements with the World Trade Organization and the World Bank, which follow up on investment and finance-related issues emerging in the post-Doha/Monterrey environment. EGAT/EG also collaborates closely with a wide range of bilateral donors in strengthening trade capacities overseas.

Poverty Reduction Office

The Development Challenge: Poverty reduction must go hand and hand with economic growth. Economic growth is key to reducing this acute level of poverty. Improved household incomes provide poorer families with the purchasing power they need to improve their health and education, put food on the table and provide shelter for family members. Access to jobs and income allow families to create the assets they need to sustain improved livelihoods and keep the family from slipping back into poverty during difficult times.

Economic growth alone, however, will not be sufficient to achieve improvements in the lives of the world's poor. Only if the poor can participate equally in growth in new jobs and income will the Millennium Development Goal of reducing poverty by half by 2015 be reached. Poor families will have to increase their per capita income from 3-5 percent per year to achieve this goal. To assure the poor are not left behind in a broader growth process, pro-poor interventions will be needed. Such interventions include expansion of microenterprise development and microfinance programs, increased availability of more productive agricultural technologies to the rural poor, land and property ownership reforms that increase poor peoples' access to assets, and the development of sustainable and affordable safety nets for food, housing, and other basic needs.

Enactment of the Microenterprise for Self-Reliance Act of 2000 confirmed the role of microenterprise in the U.S. foreign assistance programs and emphasized its links to poverty alleviation, growth and competitiveness.

The USAID Program: EGAT's Office of Poverty Reduction (EGAT/PR) seeks to ensure that markets work for the poor and that the poor are empowered to participate fully in community and national economic life. EGAT/PR's program assists USAID field missions design economic policies and programs that are both growth oriented and directly benefit the poor. The Office helps to develop mechanisms that protect the poor from major natural and economic shocks and expand the poor's access to business development and financial services markets to improve incomes and build assets. The Office will continue work in microenterprise development to expand the availability of business and financial services to poorer entrepreneurs. It will also undertake poverty analysis to build understanding and support missions' efforts to grapple with the multiple dimensions of poverty.

EGAT/PR's strategic objective concentrates on expanding access to economic opportunities for the poor. EGAT/PR depends upon USAID regional bureaus for much of its annual funding. For example, in FY 2003 EGAT/PR estimates that it will manage \$20.3 million in USAID regional funds in support of microenterprise development activities. It will use FY 2003 core and regional bureau funding, totaling \$26.1 million, to continue its competitive grants and research program, expand its technical and financial commitment to improve and expand field programs. EGAT/PR will also begin implementation of a new knowledge management system and fund the start-up of the Poverty Analysis and Social Safety Net Team.

EGAT/PR plans to use FY 2004 resources, totaling \$4.8 million in core funds and \$20.1 million in regional bureau financing, to expand agency-wide investments in microenterprise development from the current level of \$155 million to \$200 million per year. The goal will require a partial shift in EGAT/PR focus from research and pilot testing to working more closely with USAID field missions to identify and flesh out new investment opportunities, improve staff skills to design and implement more effective microenterprise development investments. Activities will also increase the flow of practical knowledge to field staff and their partners to improve the day-to-day management of microenterprise development programs.

The specific activities to be funded by FY 2004 appropriations are described in more detail in the data sheet.

Other Program Elements: USAID field missions buy-in to EGAT mechanisms and services.

Other Donors: Almost all donors have poverty reduction as a key component of their programs. The Poverty Reduction Strategy Paper (PRSP) process managed by the World Bank and the International Monetary Fund provides a funding framework and serves as a focal point for coordinating poverty investment activities in many USAID countries.

At the international level, 29 bilateral and multilateral donors are engaged in funding pro-poor microbusiness and financial services around the world. USAID has been instrumental in organizing these donors to finance a multi-donor funding and coordination mechanism, the Consultative Group to Assist the Poorest (CGAP), which is housed in the World Bank. In part, CGAP supports the analysis and training needed to improve donor microfinance policy, build staff capacity and improve investment performance within member organizations.

USAID has also been very active in supporting and leading the Donors' Committee on Small Enterprise Development, which serves as a catalyst and coordinating mechanism for donors involved in advancing business development services delivery and improving the policy environment for small and micro-enterprises. In addition to these public sector donors, the Office works closely with a number of private foundations - the Ford Foundation, the Soros Foundation

and the Eurasia Foundation - to develop and test new policy and approaches to improving the access that the poor have to markets and financing.

Development Credit (DCA) Office

The Development Challenge: Private investment and effective credit markets are critical for economic growth in developing countries. Significant private domestic capital exists in most of these countries, but is not properly mobilized. Many developing countries are net exporters of capital in the absence of local credit markets and sound investment vehicles. Huge sums of privately owned capital are held "under the mattress" or in banks that lend only to large customers who can put up collateral worth 100-200% of the loan. Economic growth will not happen until this local capital can be put to work. Development Credit Authority (DCA) Office assistance is intended to induce local-currency lending to creditworthy but historically under-served markets.

The USAID Program: The United States has comparative expertise in the role of financial mediator. A combination of grant-financed training and technical assistance supported by true risk-sharing DCA guarantees is a powerful tool for change. Experience has shown that true risk-sharing guarantees supported by carefully focused technical assistance can effectively address the historical, cultural, and other credit market imperfections that block the effective use of local capital

While not appropriate in every circumstance, DCA has already proven quite effective in channeling resources to micro-enterprises, small and medium-scale businesses, farmers, mortgage markets and certain infrastructure sectors, especially energy. Since its inception four years ago, USAID missions' demand for DCA guarantees has grown rapidly. Increasingly, private sector activities formerly assisted through grant funding are now being assisted with disciplined, less costly DCA credit enhancement. As private banks and investors successfully experiment in providing credit to under-served sectors with DCA credit enhancement, new economic relationships are forged with the expectation that credit will continue to flow to these sectors when DCA assistance is no longer available.

DCA is not a separate program requiring additional appropriations. Rather, it is an alternative use of existing appropriations. Subject to an annual Congressional ceiling, funding from other USAID-managed accounts can be transferred to the DCA account and used to pay for the costs of more disciplined, less costly credit assistance. DCA augments grant assistance by mobilizing private capital in developing countries for sustainable development projects, thereby supporting the capacity of host countries to finance their own development.

DCA-funded activities will conform to the following guiding principles:

- Projects contribute to the achievement of USAID objectives;
- Risk is shared with private sector partners who bear the majority of risk;
- Prudent independent risk management methods are used to assess project risk;
- Projects will address market failure; and
- Credit support to non-sovereign transactions will be emphasized.

As such, DCA correlates strongly with the Agency's newly articulated operational pillars. Insofar as it both supports the private sector and requires partnership with private enterprise using its own capital, DCA is by definition an example of the Global Development Alliance in action. Furthermore, while DCA can support any sector with adequate cost-recovery potential, experience has shown that it is especially effective in stimulating economic growth and agricultural development. For instance, DCA has been used to channel the local currency equivalent of \$3.7 million in loan capital to agribusiness lending in Mali, and the local currency equivalent of \$2 million to small mid-sized enterprises in Peru to support the use of clean and efficient energy technology. DCA has also proven useful in promoting global health by directing

local capital to finance potable water and sanitation systems for poor people in Honduras, Morocco, and South Africa.

Since the inception of DCA in 1998, a total of twenty-two projects in fourteen countries have been approved. These projects established a credit portfolio of \$308 million in local currencies at a credit subsidy cost to the Agency of \$8.9 million. The contingent liability of the existing DCA portfolio amounts to \$114 million.

For FY 2004 USAID is requesting \$8 million in directly appropriated funding for credit administrative expenses and \$21 million in transfer authority for DCA credit subsidy.

Development Credit	FY 2002 Actual	FY 2003 Planned	FY 2004 Request
Credit Subsidy			
Transfer authority for DCA	[3,320,000]		[21,000,000]
Unused FY02 Transfer Authority for DCA	-	[15,200,000]	-
Appropriation for DCA Program	1,400,000	-	-
Appropriation for MSED Program	1,100,000	-	
Administrative Expenses			
Appropriation for DCA	6,000,000	7,500,000	8,000,000
Appropriation for MSED Program	132,000		

To conform with the Federal Credit Reform Act of 1992, the \$8 million appropriation request for credit administrative expenses reflects the total cost of the development, implementation and financial management of all Agency credit programs, including certain costs previously funded by the Agency OE appropriation. It will fund 26 full-time direct hire staff associated with management and oversight of new DCA activities and the continued administration of existing credit portfolios which amount to more than \$15 billion. In addition to providing direct support to field missions, it also includes funding for legal support, financial and accounting services.

The DCA transfer authority will be used to guarantee loans and loan portfolios worldwide and in every economic sector targeted by USAID. In FY 2004, the Agency will commit \$15 million transfer authority to support the Presidential Water Initiative and \$6 million to support activities such as bond financing, micro-small and medium enterprise (MSME) development, competitive financial services, and creative municipal financing and clean energy. Activities funded through DCA add value to the Agency's overall efforts by:

- **Demonstrating** to financial institutions in developing countries that mobilizing local private capital to fund activities in their own countries leads to profitable, worthy ventures;
- **Creating Competitive Markets** by providing local financial institutions with incentives to engage in providing financial services to historically disadvantaged groups and all viable economic sectors;
- **Improving Policies and Increasing Transparency** within financial institutions and the legal framework guiding those organizations;
- **Establishing Efficient Credit Markets** by helping institutions develop business plans, revise credit policies and train staff properly; and
- **Increasing Employment** through increased lending to MSMEs and spillover effects into related and peripheral sectors.

Other Program Elements: USAID field missions actively participate in establishing credit facilities.

Other Donors: None

Agriculture Office

The Development Challenge: It is estimated that more than two billion children will be born over the next twenty years, and more than 95% of them will live in the developing world. To provide diets adequate for a healthy and active population, agricultural producers in developing countries must be able to more than double the current productivity of their land, labor and water resources. But agricultural producers cannot do this alone. Science, training, credit, infrastructure, and external investments must all come together to achieve the needed agricultural transformation. Also, increased integration into global markets is critical for developing and transition countries. Not only will such integration contribute to making available new production and processing technologies, but it will also expand the opportunities for developing country agricultural producers and rural industries to market higher value crops and products competitively and profitably to a broader range of consumers.

Poverty reduction and food security are basic to alleviating hunger, and the vast majority of developing and transitional countries depend on agriculture for food supplies and for generating economic growth opportunities. The key challenge for partner countries is to assure that the agricultural sector constitutes a sustainable economic base to achieve food security and economic growth. Additionally, partner countries must undertake efforts to assure that nutritionally adequate food supplies are available and affordable to their populations. To meet these challenges, EGAT's Office of Agriculture (EGAT/AG) implements programs that develop and expand the application of science and technology and market enhancing policies to address food and agricultural problems that face the world over the next decade.

The USAID Program: EGAT/AG provides leadership and technical support to all USAID agricultural programs worldwide. Its financial and personnel resources are focused on meeting the needs and concerns of USAID field missions and developing countries through implementing programs that are organized around three major themes and a special initiative. These include: 1) Agriculture and Rural Policy and Governance; 2) Agricultural Technology Generation and Outreach; 3) Agribusiness and Markets; and 4) Collaborative, Development-Related Research involving Israeli, Arab, and Developing-Country Institutions.

EGAT/AG will pursue USAID priorities in agriculture for curtailing hunger, promoting economic growth, and rebuilding USAID's agricultural programs worldwide. It will also facilitate USAID's and field missions' ability to develop and implement U.S. Government agricultural sector initiatives announced at the World Food Summit -- ending famine, improving nutrition and increasing agricultural productivity -- and the Presidential Initiative to End Hunger in Africa: A Second Green Revolution.

USAID is requesting FY 2004 funds for two objectives. One objective concentrates on the use of science and technology to improve agricultural productivity, natural resource management, markets, and human nutrition. The other special objective promotes increased scientific and technical cooperation in agriculture, environment, health, and other technical fields among Middle Eastern countries, developing countries, and the U.S. by fostering productive, developmentally relevant professional relationships among scientists. The specific activities to be funded by FY 2004 appropriations are described in more detail in the data sheets.

Other Program Elements: USAID field missions buy-in to EGAT mechanisms and services.

Other Donors: The EGAT/AG program collaborates with other donors to ensure dialogue on strategic approaches and policy coherence for agricultural development programs and other issues related to food security and poverty reduction efforts. EGAT/AG maintains dialogue with the key organizations under the UN umbrella, particularly FAO, International Fund for Agricultural Development, and the World Food Program, and provides input during program development and review. This past year consultations with the European Union and other donors were conducted during the preparations for and participation in the World Food Summit and the World Summit for

Sustainable Development. Bilateral consultations with other donors are also undertaken when the need and opportunity arises.

Environment and Science Policy Office

The Development Challenge: In this world of science and technological innovations, developing and transitional countries are at a disadvantage. Much of the innovation and research takes place in developed countries and results are not communicated well to the rest of the world. As a result, developing and transitional countries often remain unaware of the innovations that could help them to achieve their development goals. They are unable to participate in international fora and take advantage of opportunities to help themselves. For that to occur, scientific capacity in developing countries must be significantly strengthened.

The USAID has an interest in assisting developing and transitional countries to acquire science and technical innovation to participate both in the range of multilateral fora and to work with multilaterally supported institutions. Having acquired this knowledge they can take advantage of opportunities to find new solutions to development problems, particularly in the areas of agriculture and environment.

The USAID Program: On behalf of the U.S. government, USAID provides assistance to multilateral institutions and assistance to developing and transitional countries to promote the sustainable use of natural resources and protect the environment, public health, the status of indigenous and local communities and to increase agricultural productivity. USAID also seeks to link extensive U.S. agriculture and environment science communities with policy and decision-makers and scientists around the world. The Agency seeks to advance U.S. multilateral policy through programs that ensure those issues such as environmental sustainability, community participation, and the responsible use of sound science and technological innovations re applied.

The EGAT Office of Environment and Science Policy (EGAT/ESP) was created to provide leadership to three specific areas that include science and technological innovation— multilateral policy, biotechnology and agricultural research and climate change. The office coordinates USAID efforts to implement an international agenda on environmental, agricultural and natural resource issue within the larger international science and technology context. EGAT/ESP programs are implemented through three closely linked teams:

- The Multilateral Policy and Conventions Team works across USAID and with USG partners, civil society groups, and international organizations to pursue consistent approaches to protecting the environment and improving public health both multilaterally and within USAID programs.
- The International Research and Biotechnology Team assures oversight of the agriculture, natural resource management and environmental research portfolios and enhances the prospects for improving food security, protecting the environment, and reducing poverty by the use of agricultural biotechnology; and
- The Global Climate Change Team assures oversight of and reporting on USAID activities in support of the US government's international strategy on climate change, and coordinates USAID involvement in climate change research activities. The program encourages climate-friendly economic development and helps vulnerable populations and ecosystems to improve their resilience to potential climate change.

The data sheets cover the objectives and specific activities for which EGAT/ESP is requesting FY 2004 funds.

Other Program Elements: USAID field missions buy-in to EGAT mechanisms and services.

Other Donors: EGAT/ESP works closely with the World Bank, and provides overall management for USG participation in the Consultative Group on International Agriculture Research (CGIAR). The CGIAR is reaching out to partners around the world to launch a series of programs aimed at bringing new, innovative solutions to major global problems. USAID views these programs as an excellent means of forging stronger partnerships between the International Agriculture Research Centers and U.S. universities for new joint research and development programs on genomics, genetic resources, water resources, climate change, livestock disease and an array of other problems and opportunities. EGAT/ESP also plays a leadership role on developing country issues as they arise in US bilateral agreements on climate change. The US has established fifteen bilateral agreements, six with other donors (Canada, Australia, New Zealand, the European Union, Italy, and Japan). These agreements provide frameworks for undertaking activities in support of joint climate change objectives.

Natural Resource Management Office

The Development Challenge: Sustainable economic growth that alleviates poverty and human suffering requires wise management of natural assets and the minimization of pollution. Loss of forests, reduced biodiversity, and loss or impairment of land and water resources undermines long-term economic growth and threatens ecological systems. It also directly threatens U.S. security by endangering human health and increasing developing countries' vulnerability to natural disasters and conflict. The world's natural resource base is rapidly degrading, with over 130,000 km² of tropical forest lost each year, and the extinction of species is up to 1,000 times faster than what would occur naturally. Approximately 450 million people in 31 countries face serious shortages of fresh water today. And more than 1.2 billion people lack access to clean water.

Natural resources stand at the center of efforts to spur economic growth, promote good governance, and protect the biosphere. Experience has shown that countries that develop and implement effective resource management plans that involve local communities in decision-making are more likely to develop sustainable economies and fully functioning democracies. As a result, citizens of all countries, including the United States, benefit from safeguarding the world's biodiversity and sustainably managing natural resources.

The USAID Program: The new Office of Natural Resources Management (EGAT/NRM) is responsible for oversight and management of USAID programs that affect the sustainable use of natural resources. EGAT/NRM assists in the development, implementation and evaluation of USAID policies, strategies, and resource allocation priorities regarding biodiversity, water, forestry and sustainable agriculture/natural resource management. EGAT/NRM manages contracts, grants, and interagency agreements that provide USAID field missions access to world-class natural resources management expertise from private sector contractors, industry associations, non-governmental organizations, and other U.S. Government agencies. The structure and portfolio of the Office explicitly reflects the reorganization goal of more closely linking natural resource conservation and use with sustainable agriculture. Four inter-linked teams carry out EGAT/NRM's objectives.

USAID is requesting funds for four objectives: 1) effective biological diversity; 2) improved management of natural forest and tree systems; 3) land resources management; and 4) coastal and freshwater resources. The specific activities to be funded by FY 2004 appropriations are described in more detail in those data sheets.

Other Program Elements: USAID missions and regional bureaus regularly contribute to and utilize EGAT/NRM technical services to conduct programs in their regions.

Other Donors: USAID plays a central role in harmonizing international development programs among U.S. agencies and with U.S. non-government partners, a group that include environmental conservation groups, business and trade associations, private and public foundations, universities, and research and policy institutes. USAID works closely with multilateral institutions and donors including UN agencies, the World Bank, the Global Environment Facility, regional development banks in Africa, Asia, Latin America and Eastern Europe as well as with the European Union, the Organization of American States and major bilateral donors.

Energy and Information Technology Office

The Development Challenge: Energy (electricity, oil, gas, and renewable energy) and Information Technology (IT) are critical to economic growth and social development. These infrastructure sub-sectors underpin the expansion and improvement of services in almost all other sectors, including agriculture, health, and education. The importance of these sub-sectors is reflected in the enormous investments made in them worldwide.

A recent World Energy Assessment Report showed that an increase of 1 kilowatt per capita would be sufficient for the populations of developing countries to achieve a standard of living as high as Western Europe in the 1970s. Despite the importance of energy to development, two billion people worldwide live without access to modern energy services. For example, in Southern Africa, 75% of the region's population still relies on wood for fuel, which led to major deforestation and indoor air pollution, causing respiratory illnesses and high infant mortality rates. Furthermore, energy can be very expensive. On average, people in developing countries currently spend about 12% of their income on energy, compared to an average of 2% in Organization for Economic Cooperation and Development (OECD) countries.

Three billion people have never used a telephone, and only slightly more than 500 million use the Internet. This is at a time when the rapid diffusion of information communications technology (ICT) in industrialized countries is changing the way we work, learn, communicate, cure, govern and protect the environment. As an example, the conduct of business on the Internet has created, in less than a decade, a global electronic market estimated at over a trillion dollars in value - but almost entirely for the benefit of industrialized nations. Developing nations have made great strides in adopting ICTs, especially wireless cell phones, but still trail far behind in access to ICT and its enormous economic and social benefits.

The USAID Program: In recent years, USAID focused its infrastructure assistance in two sub-sectors: energy and information technology. EGAT has brought these two programs and key elements of the Global Technology Network together because of their common policy reform agendas and reliance on public - private partnerships to speed technology transfer. These partnerships promote private sector investment, which is critical for the modernization of infrastructure in developing countries. The EGAT Office of Energy and Information Technology (EGAT/EIT) provides technical leadership and field support for improved governance and increased access to clean energy supplies, information/ communication technologies, and clean modern manufacturing technologies.

USAID is requesting funds for five objectives that concentrate on: 1) increased efficiency of energy use and production; 2) increased use of renewable energy; 3) clean sources used in energy production; and 4) expanded access to and use of information and telecommunications technology; 5) open, competitive economies promoted.

Some FY 2003 funds will be used to develop alliances between the public and private sector to leverage resources and maximize efficiency. EGAT/EIT has taken a major role in the implementation of the U.S. Government Clean Energy Initiative announced at the World Summit on Sustainable Development (WSSD) in September 2002. USAID, through EGAT, is responsible for increasing access to modern and affordable energy services. This will be achieved through

implementation of the Global Village Energy Partnership (GVEP), a partnership of developed and developing countries and the private sector. GVEP constitutes a new paradigm for increasing access to energy services for rural and urban populations in developing countries by integrating energy services into sectors vital to reducing poverty and achieving economic, social, and political development.

To ensure that developing nations enjoy the benefits of information technology, EGAT/EIT promotes expanded access to and application of information and telecommunication services. EGAT/EIT cooperates with other U.S. agencies, international groups and the private sector. It supports experts from the Federal Communications Commission and the National Telecommunication and Information Administration, which has provided technical assistance and participated in regional workshops. EGAT/EIT supports cooperation with the International Telecommunication Union to promote regional cooperation and assist countries in special need in Africa. It continues to support the United States Telecommunications Training Institute, a public-private partnership, which uses the training resources of its corporate and government board members to provide training for developing nation professionals. The Office has a close relationship with Cisco Networking Academies Program, facilitating relationship with partner universities in developing countries, and in some cases paying for connectivity and equipment costs. The IT-Team plans to engage U.S. industry in a new global initiative to promote e-commerce in the developing world through policy reform and small business training.

The Technology Transfer component complements the Energy and IT team by facilitating the transfer of appropriate clean technologies and private sector investment in infrastructure. These activities help small and medium enterprises acquire modern manufacturing technologies and deal with pollution issues through the development of partnerships with NGOs and the private sector in the U.S. Technology transfer activities also support the Public-Private Infrastructure Advisory Facility (PPIAF), a multi-donor funded organization which successfully promotes private sector investment in infrastructure.

The specific activities to be funded by FY 2004 appropriations are described in more detail in data sheets for Energy, Information Technology and Technology Transfer.

Other Program Elements: USAID field missions buy-in to EGAT mechanisms and services.

Other Donors: The Energy Office leveraged funds from multilateral development banks, principally from the Asia Sustainable Energy Unit of the World Bank, the Global Environment Facility, and the United Nations Development Program (UNDP). The Global Village Energy Partnership will increasingly leverage of other donor resources. For the Watergy program, the Energy Office will leverage additional funding from such organizations as the U.N. Foundation, the World Bank and the Organization of American States. In IT, the Office works closely on e-Government with the State Department and the U.S. Trade and Development Agency.

Urban Program Office

The Development Challenge: Half of the world's population lives in urban areas. Furthermore, 95% of world population growth over the next twenty years will take place in the cities of the developing world. These cities are fast becoming focal points of poverty, civil unrest, infectious disease, and potential recruitment zones by terrorist groups. The success of national development plans largely depends on the ability of city governments to respond to increasing demands for basic service delivery, job creation, and infrastructure for economic development. Cities can play very positive roles as the hubs of national economic growth and trade, but the inability of national and city authorities to manage urbanization is undermining this constructive function.

The growing crisis of increased urbanization in the developing world is emerging and drawing greater U.S. and international attention. Failing cities can lead to political instability in countries important to U.S. economic interests and national security. The Millennium Development Goals specify that by 2020 the lives of at least 100 million slum dwellers should be significantly improved as proposed in the "Cities Without Slums" initiative. Also, by 2015, the number of people who are unable to reach or to afford safe drinking water is to be cut in half.

The USAID Program: USAID's urban program is currently in a period of transition. The long-standing U.S. Government's Housing Guarantee and Urban Environmental Credit programs ended in 2000 and the five overseas Regional Urban Development Offices closed in 2002. In response, EGAT/UP has updated its strategy to respond to the challenges of unprecedented global urbanization and needs of USAID missions and partners that seek to address urban problems. It is applying the lessons learned in urban programming to mainstream development programs across sectors.

USAID recognizes the problems facing developing cities and EGAT's Office of Urban Programs (EGAT/UP) takes the lead role in addressing them. Concerted efforts are underway to manage and share USAID's urban knowledge and experience acquired over 30 years, and to bridge the gap in applied urban sciences. EGAT/UP provides technical assistance, training, knowledge management services, and promotes public-private partnerships that enable field missions and national governments and local authorities to improve their management of urbanization. Low-income urban residents, especially children, are the direct beneficiaries of USAID urban activities. Expanded integration of urban programs across USAID's country portfolios can increase field missions' development impact, particularly by targeting resources to poor city dwellers. Urban programs provide opportunities to reduce poverty and build the underpinnings of sustained economic growth through better urban governance.

EGAT/UP's development objective is to increase the capacity of cities to improve the standards of living and economic opportunities for the urban poor. The focus is poor urban child health, poor urban youth employment and conflict abatement, and sustainable service delivery to the urban poor. The specific activities to be funded by FY 2004 appropriations are described in more detail in the data sheet.

Other Program Elements: USAID field missions buy-in to EGAT mechanisms and services.

Other Donors: USAID anticipates the continued involvement of key partners including, the bilateral donors associated with the Cities Alliance (including: Canada, France, Germany, Italy, Japan, Netherlands, Norway, Sweden and the UK), The World Bank, UN-Habitat, Asian Development Bank, European Bank for Reconstruction and Development, Inter-American Development Bank, African Development Bank.

Education Office

The Development Challenge: Education is the foundation for higher living standards and democratic societies. It is a critical long-term investment in peace and development. Economic growth and participation in the global economy for developing countries demand the creation and continuous re-tooling of a skilled workforce. The current situation is challenging. Overall, more than 125 million children worldwide are out of school, and 60% of these are girls. One in four children does not complete five years of basic education. Nearly 900 million adults are illiterate, primarily in developing countries. Violent conflicts in some 85 countries, as well as natural and man-made disasters compound problems. HIV/AIDS is undermining the human capital investments and development successes of the past 40 years in all sectors, including education, and to date the development response has not been proportional to the magnitude of the unprecedented challenge.

U.S. national interests are supporting economic growth and democratic societies. Education and training underpin a country's ability to participate in the global economy, while supporting the growth of democratic institutions and local and regional stability.

The USAID Program: The EGAT Office of Education (EGAT/ED) provides technical leadership, broad donor coordination in education and training, and support to field missions to expand and accelerate USAID results in developing countries. EGAT/ED objectives focus on (a) improved basic education, especially for girls and women and other under-served populations; (b) strengthened higher education institutions, communities and individuals to meet local and national economic growth and social development needs; and (c) improved performance of host-country trainees and effectiveness of host-country organizations. FY 03 and FY 04 funding will improve access and quality of USAID basic education programs, including support for Presidential Initiatives in Latin America and Africa. Funding will also increase developing country workforce skills, expand the number of U.S.-developing country higher education partnerships, and improve the management (including post-9/11 security concerns) and performance of USAID training programs worldwide.

The Office of Education manages a \$10 million Global Development Alliance (GDA) in education focused on teacher training, community partnerships, and an education web portal. EGAT/Education also provides education and developing country expertise to support the U.S. participation in G-8 summits, Development Committee meetings, and international meetings and fora. The Office of Education also has the U.S. government lead with UNESCO, the World Bank, UNICEF, and other multilateral actors in the Education for All Initiative.

Other Program Elements: USAID field missions buy-in to EGAT mechanisms and services.

Other Donors: Global Response: The world community gathered in Dakar, Senegal, in April 2000 to focus on achieving Education for All (EFA) through a consensus to pursue six comprehensive education goals. The Financing for Development (FFD) at Monterrey in April 2002 led to the Monterrey Consensus: developing countries were primarily responsible and accountable for their own economic and social development and donor would help once commitment was demonstrated. The G-8 leaders through a senior-level Education Task Force reaffirmed support for EFA with special emphasis on quality and gender and access for the under-served. The Development Committee has supported EFA through the IDA 13 replenishment and the World Bank's Fast Track Initiative which focuses on accelerating results within 18 good education performers. USAID is a member of the EFA High Level Group, the EFA Working Group and the FTI Donor Partnerships.

Women in Development Office

The Development Challenge: Women and girls represent the largest segment of the world's poor- approximately 70% of the 1.3 billion people living in absolute poverty today; women constitute 60 percent of the poor living in rural areas. Women's unemployment rates remain high relative to those of men, and, when employed, they are often paid less than men are for the same work. Despite significant gains in many areas, women worldwide continue to have fewer rights and less control over important resources than is the case for men.

Increasing gender equality is central to effective development. All members of society—not only girls and women—pay a price for gender inequality in lower standards of living, slower economic growth, weaker governance, and lower quality of life. Countries with smaller gaps between men and women in education, employment, and property rights have lower child malnutrition and mortality and more transparent business and government operations and faster economic growth, leading in turn to further narrowing of the gender gap.

The USAID Program: The integration of gender concerns into USAID's programs is the responsibility of all agency staff. The Office of Women in Development (EGAT/WID) is the focal point for technical expertise and leadership on gender issues. The program is designed to reflect U.S. values of fairness, which demand that both women and men have opportunities, in ways that bolster development impacts in all sectors. Funding is used for innovative field activities and studies and technical assistance for missions. EGAT/WID identifies and initiates work on emerging issues with critical gender dimensions such as trafficking, conflict resolution, information technology, trade, and the linkage between women's status and HIV/AIDS.

Increasingly, all USAID units are mainstreaming gender considerations into their activities. As examples, in the areas of microfinance, basic education, and agriculture, addressing gender differences are accepted as fundamental to achieving program results. In response to evolving assistance needs, the EGAT/WID office will be developing a new strategic approach and style of operation. It will begin to shift focus from research and pilot testing to promoting increased mission ownership, and improving staff skills to incorporate critical gender issues into mainstream assessments, designs and implementation of strategies and programs. As part of this shift, the Office will leverage and track other Agency resources that directly support gender concerns.

EGAT/WID objectives are focused on: 1) reducing gender-based constraints to economic growth; 2) mobilizing local constituencies to improve girls' education; 3) improving protection of women's legal rights; and 4) increasing integration of gender considerations in USAID programs. The specific activities to be funded by FY 2004 appropriations are described in more detail in the data sheets.

Other Program Elements: USAID field missions buy-in to EGAT mechanisms and services.

Other Donors: EGAT/WID works with the United Nations Development Program and the World Bank, which are working on gender mainstreaming in their organizations. EGAT/WID also collaborates with the International Organization for Migration to help implement some USAID anti-trafficking programs in partner countries. EGAT/WID coordinates closely with the U.S. Department of State's Office to Monitor and Combat Trafficking in Persons and other U.S. Government agencies, including the U.S. Department of Labor.

Program Analysis, Implementation, Communications and Outreach Office

The Development Challenge: This office in the EGAT Bureau is primarily responsible for ensuring that program activities are efficient and achieve stated results, and that program funds are adequate and efficiently managed. This office also focuses on regional coordination, efficient internet-based communication, knowledge management information systems, and evaluations and program monitoring. This office is also responsible for managing activities under the bureau's program development and learning objective. The strategic objective for program and development funds activities that enable the Bureau to fulfill its mandate to evaluate programs, develop new initiatives, and respond to worthy unsolicited project ideas.

The USAID Program: The Bureau Program Development and Learning (PDL) objective allows the EGAT Bureau to finance program development costs, program assessments, special projects, evaluation efforts and better information management tools. It enables the EGAT to pilot new program initiatives through competitive or unsolicited processes and to design and support program evaluations. The program will develop knowledge-sharing technologies to enhance USAID staff and contractor effectiveness in implementing programs, and expand information technology systems to improve communications via the internet and web sites.

Other Program Elements: These activities support EGAT Bureau programs.

Other Donors: None

**Economic Growth, Agriculture & Trade
PROGRAM SUMMARY**

(In thousands of dollars)

Accounts	FY 2001 Actual	FY 2002 Actual	FY 2003 Prior Request	FY 2004 Request
Child Survival and Health Programs Fund	8,265	0	0	0
Development Assistance	150,592	182,298	154,800	149,703
Total Program Funds	158,857	182,298	154,800	149,703

Emmy B. Simmons
Assistant Administrator

**Economic Growth, Agriculture & Trade
PROGRAM SUMMARY**

(In thousands of dollars)

Country / Fund Account	FY 2001 Actual	FY 2002 Actual	FY 2003 Request	Prior
Economic Growth and Agriculture Development				
Development Assistance	93,527	110,691		86,706
Total Economic Growth and Agriculture Development	93,527	110,691		86,706
Environment				
Development Assistance	38,317	36,510		28,300
Total Environment	38,317	36,510		28,300
Human Capacity Development				
Development Assistance	7,123	22,360		14,160
Child Survival and Health Programs Fund	5,925	0		0
Total Human Capacity Development	13,048	22,360		14,160
Program Development & Strategic Planning				
Development Assistance	2,965	1,736		14,634
Total Program Development & Strategic Planning	2,965	1,736		14,634
Women in Development				
Development Assistance	8,660	11,000		11,000
Child Survival and Health Programs Fund	2,340	0		0
Total Women in Development	11,000	11,000		11,000
Total Program Funds	158,857	182,297		154,800

The levels and the offices presented in this table reflect EGAT pre-reorganization.

**Economic Growth, Agriculture & Trade
PROGRAM SUMMARY**

(in thousands of dollars)

Country / Fund Account	FY 2003 Request	FY 2004 Request
Agriculture Office		
Development Assistance	35,126	34,060
Total Agriculture Office	35,126	34,060
Economic Growth Office		
Development Assistance	11,600	13,500
Total Economic Growth Office	11,600	13,500
Education Office		
Development Assistance	19,260	17,300
Child Survival and Health Programs Fund	0	0
Total Education Office	19,260	17,300
Energy and Information Technology Office		
Development Assistance	13,900	13,500
Total Energy and Information Technology Office	13,900	13,500
Environment and Science Policy Office		
Development Assistance	37,255	34,695
Total Environment and Science Policy Office	37,255	34,695
Natural Resource Management Office		
Development Assistance	12,925	20,295
Total Natural Resource Management Office	12,925	20,295
Poverty Reduction Office		
Development Assistance	3,800	4,800
Total Poverty Reduction Office	3,800	4,800
Program Analysis, Implementation, Communication, Outreach		
Development Assistance	6,634	1,663
Total Program Analysis, Implementation, Communication, Outreach	6,634	1,663
Urban Program Office		
Development Assistance	3,300	2,500
Total Urban Program Office	3,300	2,500
Women in Development		
Development Assistance	11,000	7,390
Child Survival and Health Programs Fund	0	0
Total Women in Development	11,000	7,390
Total Program Funds	154,800	149,703

The levels and the offices presented in this table reflect EGAT's current organization.

STRATEGIC OBJECTIVE SUMMARY				
	FY 2001 Actual	FY 2002 Actual	FY 2003 Prior Request	FY 2004 Request
933-001 Improved access to financial and non-financial services for microenterprises of the poor				
DA	15,036	0	0	0
933-002 Improved food availability, economic growth and conservation of natural resources through agricultural development				
DA	65,160	0	0	0
933-003 Appropriate and functioning economic policies, market reforms, and institutions are developed to accelerate ec growth				
DA	5,792	0	0	0
933-006 Private sector business linkages support U.S. technology transfer in support of development objectives				
DA	4,000	0	0	0
933-007 Increased science and technology cooperation among Middle Eastern and developing countries				
DA	3,539	0	0	0
933-008 Open, Competitive Economies Promoted				
DA	0	16,870	12,600	15,400
933-009 Science and technology developed to improve agricultural productivity, natural resource mgmt, markets, human nutrition				
DA	0	65,098	66,806	63,555
933-010 Access to Economic Opportunities for the Poor Expanded				
DA	0	25,224	3,800	4,800
933-011 Increased technical cooperation among middle eastern, developing countries, and the U.S.				
DA	0	3,500	3,500	1,500
934-0011 Effective biodiversity conservation and management				
DA	8,277	6,541	5,792	6,300
934-0012 Improved management of natural forest and tree system				
DA	2,248	4,227	2,418	4,185
934-0013 Environment education and communication				
DA	1,690	1,662	1,750	5,595
934-0014 Increased conservation and sustainable use of coastal and freshwater resources				
DA	3,200	4,558	2,965	4,215
934-002 Improved management of urbanization in targeted areas				
DA	4,084	3,304	3,300	2,500
934-0031 Increased energy efficiency				
DA	3,239	3,632	3,000	2,300
934-0032 Increased use of renewable energy resources				
DA	5,175	4,276	3,600	2,800
934-0033 Clean energy production and use				
DA	4,455	4,526	3,400	2,900
934-004 Agency climate change program effectively implemented				
DA	5,949	3,784	2,075	3,700
935-001 Improved and Expanded Basic Education, Especially for Girls, Women, and Other Under-served Populations				
CSH	5,925	0	0	0
DA	0	7,260	7,660	9,800
935-002 Higher Education Strengthens the Capacity of Institutions, Communities, and Individuals to Meet Local and National				
DA	3,495	10,500	10,500	6,100
935-003 Training Improves Work Performance of Host-Country Trainees and Effectiveness of Host-Country Organizations				
DA	1,033	1,100	1,100	1,400
935-004 Expanded Access to and Application of Information and Telecommunications Services				
DA	2,595	3,500	2,900	3,600

STRATEGIC OBJECTIVE SUMMARY				
	FY 2001 Actual	FY 2002 Actual	FY 2003 Prior Request	FY 2004 Request
940-001 Enhance Communities' Capabilities to Conduct Low-Cost Grassroots, Sustainable Development Activities				
DA	2,965	1,000	1,000	0
940-003 Program Development and Learning (PD&L) Activity				
DA	0	736	5,634	1,663
941-001 Gender-based constraints to economic growth policies and programs increasingly addressed				
DA	3,580	2,440	2,440	1,500
941-002 Broad-based, Informed constituencies mobilized to improve girls' education in emphasis countries				
CSH	2,340	0	0	0
DA	0	2,340	2,340	1,840
941-003 Women's legal rights increasingly protected				
DA	2,599	3,020	3,020	1,500
941-004 Greater reflection of gender considerations in the Agency's work				
DA	2,481	3,200	3,200	2,550

BUREAU FOR ECONOMIC GROWTH, AGRICULTURE AND TRADE

The Bureau for Economic Growth, Agriculture, and Trade (EGAT) was constituted as one of the Agency's three new technical "pillar" bureaus in August 2001. As the Bureau was organized throughout FY 2002, each Office in the new EGAT was assigned lead responsibility for technical leadership and field support in a given program area: economic growth, poverty reduction, development credit, agriculture, environment and science policy, natural resource management, energy and information technology, urban development, and women in development. Technical staff from regional bureaus were reassigned to the EGAT Bureau to encourage greater synergy among programs in different regions and to deepen the Agency's expertise in priority areas. This structure enables EGAT to take the lead for the Agency and the Administration in meeting a broad range of development challenges and to provide coordinated support for mission programs around the world.

FY 2002 was a banner year for global debate on the issues of trade, financing for development, hunger and food security, and sustainable development. In addition, the G-8 took on a number of development concerns – education, African development, the digital divide – and special events – the U.N. General Assembly on Children, the Education for All meetings, various OECD forums – focused the attention of senior leaders in the United States on development issues. Finally, the famine in sub-Saharan Africa and the coffee crisis in Latin America underscored the devastating impacts that global forces can have on the livelihoods of poor people.

EGAT staff helped shape the agendas for each of the major conferences and meetings; coordinated USAID participation – often through an interagency process – in these events; drafted action plans for Agency implementation of the Presidential initiatives associated with many of the events; and assumed responsibility for managing and monitoring outcomes of these initiatives. To illustrate:

The World Trade Organization (WTO) Ministerial meeting in Doha, Qatar, in November, 2002, set out a new trade negotiation agenda – and resulted in agreement that the developed countries would pay attention to enhancing the ability of developing countries to participate successfully in global trade. EGAT coordinated the process of assessing the USG support for what is now called "trade capacity-building" and providing this information in a readable report. This report helped persuade developing countries that the United States was focused on their trade-related issues and willing to support their efforts to increase trade. EGAT staff subsequently drafted a Trade and Investment Strategy for the Agency, developed closer relationships with the U.S. Trade Representative's Office to ensure coordination of development assistance and trade negotiation processes. Staff worked with both U.N. agencies and a number of Least Developed Countries to begin the process of boosting their export capabilities and opening up their trading systems more generally.

At the International Financing for Development Conference at Monterrey, Mexico, in March, 2002 (check date), President Bush's welcome announcement of the Millennium Challenge Account (MCA) reinforced the major theme of the conference: that it is domestic and foreign private capital that fuels growth and that the governance structures, business climates, and transparent financial systems in developing countries are critical to ensuring that such capital is available. USAID's efforts in promoting good governance, favorable environments for business investments, and functioning financial systems that reach down to the poor (e.g., through microfinance) were recognized. EGAT's mandate includes continued support for these programs worldwide.

The five-year anniversary of the World Food Summit, held in Rome in June, 2002, renewed the United States' commitment to reducing hunger through increasing agricultural productivity, ending famine, and improving nutrition, particularly in Africa. EGAT staff supported the inter-agency process to develop this commitment and are providing the technical expertise needed to realize these objectives in programs around the world.

Finally, the World Summit on Sustainable Development (WSSD) in Johannesburg, South Africa, September, 2002, concluded a year of debate and dialogue on issues of economic growth, agriculture, and trade by highlighting the environmental factors that must be addressed to assure sustainability of the global economic growth. EGAT participation enabled the U.S. delegation to draw on the implementation experiences of USAID in defining a proactive way forward, laid out in the Presidential Signature Initiatives on Water, Clean Energy, and Ending Hunger in Africa.

To manage these programs, EGAT is working with both its traditional partners as well as new partners in the private sector. Through EGAT contracting mechanisms, traditional service providers offer field missions and regional bureaus technical knowledge based on long experience. As part of the Global Development Alliance (GDA), new private sector partners are also bringing a new perspective and additional resources to EGAT's development work. Specific areas for such public-private partnerships include forestry, water, coffee, basic education, and urban infrastructure development.

EGAT plays the critical role of linking Administration policies and initiatives with the field. EGAT manages a portfolio of contracts and grants to provide Missions and regional bureaus rapid access to cutting edge technical assistance. EGAT strengthens the capability of our field missions to work collaboratively with governments, entrepreneurs, investors, traders, scientists, farmers, parents and community groups. EGAT stimulates cross-sectoral thinking that sheds more light on old issues; promotes increased collaboration with other USG, international organizations, and private sector partners; and focuses on those actions that can make a difference.

In FY 2003 and FY 2004, the Bureau will program \$147.4 million and \$149.7 million, respectively. These funds will be used for innovative research, formation of worldwide partnerships, development and testing of project implementation concepts and tools, and direct provision of technical expertise and training. Through these activities, EGAT will provide the foundation for effective Agency assistance programs in more than 70 countries.

EGAT's new structure and team approach will promote synergies across sectors and disciplines. New strategic frameworks are being developed to reflect this approach. During this period of transition, however, there is no longer a one-to-one relationship between Strategic Objectives (SOs) and management units (i.e., offices). Multiple offices may have joint responsibility for an individual SO. For example, the Office of Environment and Science Policy (ESP) manages activities, which support agriculture and natural resource management (NRM) strategic objectives. In addition, individual SOs receive funds from more than one funding code. As an example, Women in Development SOs are supported by education, economic growth, and trafficking resources. The Data Sheets that follow include activities that have management input by more than one office.

EGAT Bureau Offices

Economic Growth Office

The Development Challenge: Approximately 1.3 billion people live in abject poverty. More than 800 million people, mostly women and children, go to bed hungry every night. Economic growth can translate into overall improvements in the economic and social well being of people in developing countries. Better incomes result in increased food consumption and, often, diets of better quality; greater opportunities for micro and small enterprises to flourish; and significant contributions to improvements in health, education, mortality and morbidity rates. Trade and investment are the principal mechanisms through which global market forces spur economic growth.

Although the share of developing countries in world trade and global foreign investment is increasing, the 49 poorest countries in the world account for only 0.5% and 0.3% of world trade

and investment respectively. Some countries are clearly being left behind. Faster economic growth is essential to achieving the international development goal of reducing by one half the proportion of people living on \$1 a day by 2015.

The USAID Program: The United States forcefully renewed its commitment to promoting economic growth in the developing world at the World Trade Organization Ministerial in Doha, Qatar and at the International Financing for Development Conference at Monterrey, Mexico. Trade, investment and governance were identified as keys to economic growth.

USAID invests approximately \$2.3 billion a year in economic growth activities. The EGAT Office of Economic Growth (EGAT/EG) provides leadership and technical support to all USAID economic growth programs around the world. EGAT/EG financial and personnel resources are focused on meeting the needs and concerns of USAID field missions and developing countries through implementing programs to build or strengthen the policy, legal and institutional underpinnings required for USAID-assisted countries to achieve open and competitive economies. EGAT/EG also serves as the lead technical office for USAID follow-up to trade capacity building commitments made at Doha and the development framework laid out at Monterrey.

EGAT/EG's objective concentrates on promoting open and competitive economies. FY 2003 funds will be used to implement programs to: 1) enhance the capacity to participate in, and benefit from, global trade and investment; 2) Improve macro-economic stability and public governance to foster favorable business environments; and 3) enhance private sector capacity to respond to opportunities in the global marketplace. The specific activities to be funded by FY 2004 requested appropriations is described in more detail in the data sheet.

Other Program Elements: USAID field missions buy-in to EGAT mechanisms and services.

Other Donors: EGAT/EG collaborates with and helps finance the Integrated Framework for Trade-Related Technical Assistance to Less Developed Countries, which incorporates international trade into country development strategies. EGAT/EG also has international organizational agreements with the World Trade Organization and the World Bank, which follow up on investment and finance-related issues emerging in the post-Doha/Monterrey environment. EGAT/EG also collaborates closely with a wide range of bilateral donors in strengthening trade capacities overseas.

Poverty Reduction Office

The Development Challenge: Poverty reduction must go hand and hand with economic growth. Economic growth is key to reducing this acute level of poverty. Improved household incomes provide poorer families with the purchasing power they need to improve their health and education, put food on the table and provide shelter for family members. Access to jobs and income allow families to create the assets they need to sustain improved livelihoods and keep the family from slipping back into poverty during difficult times.

Economic growth alone, however, will not be sufficient to achieve improvements in the lives of the world's poor. Only if the poor can participate equally in growth in new jobs and income will the Millennium Development Goal of reducing poverty by half by 2015 be reached. Poor families will have to increase their per capita income from 3-5 percent per year to achieve this goal. To assure the poor are not left behind in a broader growth process, pro-poor interventions will be needed. Such interventions include expansion of microenterprise development and microfinance programs, increased availability of more productive agricultural technologies to the rural poor, land and property ownership reforms that increase poor peoples' access to assets, and the development of sustainable and affordable safety nets for food, housing, and other basic needs.

Enactment of the Microenterprise for Self-Reliance Act of 2000 confirmed the role of microenterprise in the U.S. foreign assistance programs and emphasized its links to poverty alleviation, growth and competitiveness.

The USAID Program: EGAT's Office of Poverty Reduction (EGAT/PR) seeks to ensure that markets work for the poor and that the poor are empowered to participate fully in community and national economic life. EGAT/PR's program assists USAID field missions design economic policies and programs that are both growth oriented and directly benefit the poor. The Office helps to develop mechanisms that protect the poor from major natural and economic shocks and expand the poor's access to business development and financial services markets to improve incomes and build assets. The Office will continue work in microenterprise development to expand the availability of business and financial services to poorer entrepreneurs. It will also undertake poverty analysis to build understanding and support missions' efforts to grapple with the multiple dimensions of poverty.

EGAT/PR's strategic objective concentrates on expanding access to economic opportunities for the poor. EGAT/PR depends upon USAID regional bureaus for much of its annual funding. For example, in FY 2003 EGAT/PR estimates that it will manage \$20.3 million in USAID regional funds in support of microenterprise development activities. It will use FY 2003 core and regional bureau funding, totaling \$26.1 million, to continue its competitive grants and research program, expand its technical and financial commitment to improve and expand field programs. EGAT/PR will also begin implementation of a new knowledge management system and fund the start-up of the Poverty Analysis and Social Safety Net Team.

EGAT/PR plans to use FY 2004 resources, totaling \$4.8 million in core funds and \$20.1 million in regional bureau financing, to expand agency-wide investments in microenterprise development from the current level of \$155 million to \$200 million per year. The goal will require a partial shift in EGAT/PR focus from research and pilot testing to working more closely with USAID field missions to identify and flesh out new investment opportunities, improve staff skills to design and implement more effective microenterprise development investments. Activities will also increase the flow of practical knowledge to field staff and their partners to improve the day-to-day management of microenterprise development programs.

The specific activities to be funded by FY 2004 appropriations are described in more detail in the data sheet.

Other Program Elements: USAID field missions buy-in to EGAT mechanisms and services.

Other Donors: Almost all donors have poverty reduction as a key component of their programs. The Poverty Reduction Strategy Paper (PRSP) process managed by the World Bank and the International Monetary Fund provides a funding framework and serves as a focal point for coordinating poverty investment activities in many USAID countries.

At the international level, 29 bilateral and multilateral donors are engaged in funding pro-poor microbusiness and financial services around the world. USAID has been instrumental in organizing these donors to finance a multi-donor funding and coordination mechanism, the Consultative Group to Assist the Poorest (CGAP), which is housed in the World Bank. In part, CGAP supports the analysis and training needed to improve donor microfinance policy, build staff capacity and improve investment performance within member organizations.

USAID has also been very active in supporting and leading the Donors' Committee on Small Enterprise Development, which serves as a catalyst and coordinating mechanism for donors involved in advancing business development services delivery and improving the policy environment for small and micro-enterprises. In addition to these public sector donors, the Office works closely with a number of private foundations - the Ford Foundation, the Soros Foundation

and the Eurasia Foundation - to develop and test new policy and approaches to improving the access that the poor have to markets and financing.

Development Credit (DCA) Office

The Development Challenge: Private investment and effective credit markets are critical for economic growth in developing countries. Significant private domestic capital exists in most of these countries, but is not properly mobilized. Many developing countries are net exporters of capital in the absence of local credit markets and sound investment vehicles. Huge sums of privately owned capital are held "under the mattress" or in banks that lend only to large customers who can put up collateral worth 100-200% of the loan. Economic growth will not happen until this local capital can be put to work. Development Credit Authority (DCA) Office assistance is intended to induce local-currency lending to creditworthy but historically under-served markets.

The USAID Program: The United States has comparative expertise in the role of financial mediator. A combination of grant-financed training and technical assistance supported by true risk-sharing DCA guarantees is a powerful tool for change. Experience has shown that true risk-sharing guarantees supported by carefully focused technical assistance can effectively address the historical, cultural, and other credit market imperfections that block the effective use of local capital

While not appropriate in every circumstance, DCA has already proven quite effective in channeling resources to micro-enterprises, small and medium-scale businesses, farmers, mortgage markets and certain infrastructure sectors, especially energy. Since its inception four years ago, USAID missions' demand for DCA guarantees has grown rapidly. Increasingly, private sector activities formerly assisted through grant funding are now being assisted with disciplined, less costly DCA credit enhancement. As private banks and investors successfully experiment in providing credit to under-served sectors with DCA credit enhancement, new economic relationships are forged with the expectation that credit will continue to flow to these sectors when DCA assistance is no longer available.

DCA is not a separate program requiring additional appropriations. Rather, it is an alternative use of existing appropriations. Subject to an annual Congressional ceiling, funding from other USAID-managed accounts can be transferred to the DCA account and used to pay for the costs of more disciplined, less costly credit assistance. DCA augments grant assistance by mobilizing private capital in developing countries for sustainable development projects, thereby supporting the capacity of host countries to finance their own development.

DCA-funded activities will conform to the following guiding principles:

- Projects contribute to the achievement of USAID objectives;
- Risk is shared with private sector partners who bear the majority of risk;
- Prudent independent risk management methods are used to assess project risk;
- Projects will address market failure; and
- Credit support to non-sovereign transactions will be emphasized.

As such, DCA correlates strongly with the Agency's newly articulated operational pillars. Insofar as it both supports the private sector and requires partnership with private enterprise using its own capital, DCA is by definition an example of the Global Development Alliance in action. Furthermore, while DCA can support any sector with adequate cost-recovery potential, experience has shown that it is especially effective in stimulating economic growth and agricultural development. For instance, DCA has been used to channel the local currency equivalent of \$3.7 million in loan capital to agribusiness lending in Mali, and the local currency equivalent of \$2 million to small mid-sized enterprises in Peru to support the use of clean and efficient energy technology. DCA has also proven useful in promoting global health by directing

local capital to finance potable water and sanitation systems for poor people in Honduras, Morocco, and South Africa.

Since the inception of DCA in 1998, a total of twenty-two projects in fourteen countries have been approved. These projects established a credit portfolio of \$308 million in local currencies at a credit subsidy cost to the Agency of \$8.9 million. The contingent liability of the existing DCA portfolio amounts to \$114 million.

For FY 2004 USAID is requesting \$8 million in directly appropriated funding for credit administrative expenses and \$21 million in transfer authority for DCA credit subsidy.

Development Credit	FY 2002 Actual	FY 2003 Planned	FY 2004 Request
Credit Subsidy			
Transfer authority for DCA	[3,320,000]		[21,000,000]
Unused FY02 Transfer Authority for DCA	-	[15,200,000]	-
Appropriation for DCA Program	1,400,000	-	-
Appropriation for MSED Program	1,100,000	-	-
Administrative Expenses			
Appropriation for DCA	6,000,000	7,500,000	8,000,000
Appropriation for MSED Program	132,000		

To conform with the Federal Credit Reform Act of 1992, the \$8 million appropriation request for credit administrative expenses reflects the total cost of the development, implementation and financial management of all Agency credit programs, including certain costs previously funded by the Agency OE appropriation. It will fund 26 full-time direct hire staff associated with management and oversight of new DCA activities and the continued administration of existing credit portfolios which amount to more than \$15 billion. In addition to providing direct support to field missions, it also includes funding for legal support, financial and accounting services.

The DCA transfer authority will be used to guarantee loans and loan portfolios worldwide and in every economic sector targeted by USAID. In FY 2004, the Agency will commit \$15 million transfer authority to support the Presidential Water Initiative and \$6 million to support activities such as bond financing, micro-small and medium enterprise (MSME) development, competitive financial services, and creative municipal financing and clean energy. Activities funded through DCA add value to the Agency's overall efforts by:

- **Demonstrating** to financial institutions in developing countries that mobilizing local private capital to fund activities in their own countries leads to profitable, worthy ventures;
- **Creating Competitive Markets** by providing local financial institutions with incentives to engage in providing financial services to historically disadvantaged groups and all viable economic sectors;
- **Improving Policies and Increasing Transparency** within financial institutions and the legal framework guiding those organizations;
- **Establishing Efficient Credit Markets** by helping institutions develop business plans, revise credit policies and train staff properly; and
- **Increasing Employment** through increased lending to MSMEs and spillover effects into related and peripheral sectors.

Other Program Elements: USAID field missions actively participate in establishing credit facilities.

Other Donors: None

Agriculture Office

The Development Challenge: It is estimated that more than two billion children will be born over the next twenty years, and more than 95% of them will live in the developing world. To provide diets adequate for a healthy and active population, agricultural producers in developing countries must be able to more than double the current productivity of their land, labor and water resources. But agricultural producers cannot do this alone. Science, training, credit, infrastructure, and external investments must all come together to achieve the needed agricultural transformation. Also, increased integration into global markets is critical for developing and transition countries. Not only will such integration contribute to making available new production and processing technologies, but it will also expand the opportunities for developing country agricultural producers and rural industries to market higher value crops and products competitively and profitably to a broader range of consumers.

Poverty reduction and food security are basic to alleviating hunger, and the vast majority of developing and transitional countries depend on agriculture for food supplies and for generating economic growth opportunities. The key challenge for partner countries is to assure that the agricultural sector constitutes a sustainable economic base to achieve food security and economic growth. Additionally, partner countries must undertake efforts to assure that nutritionally adequate food supplies are available and affordable to their populations. To meet these challenges, EGAT's Office of Agriculture (EGAT/AG) implements programs that develop and expand the application of science and technology and market enhancing policies to address food and agricultural problems that face the world over the next decade.

The USAID Program: EGAT/AG provides leadership and technical support to all USAID agricultural programs worldwide. Its financial and personnel resources are focused on meeting the needs and concerns of USAID field missions and developing countries through implementing programs that are organized around three major themes and a special initiative. These include: 1) Agriculture and Rural Policy and Governance; 2) Agricultural Technology Generation and Outreach; 3) Agribusiness and Markets; and 4) Collaborative, Development-Related Research involving Israeli, Arab, and Developing-Country Institutions.

EGAT/AG will pursue USAID priorities in agriculture for curtailing hunger, promoting economic growth, and rebuilding USAID's agricultural programs worldwide. It will also facilitate USAID's and field missions' ability to develop and implement U.S. Government agricultural sector initiatives announced at the World Food Summit -- ending famine, improving nutrition and increasing agricultural productivity -- and the Presidential Initiative to End Hunger in Africa: A Second Green Revolution.

USAID is requesting FY 2004 funds for two objectives. One objective concentrates on the use of science and technology to improve agricultural productivity, natural resource management, markets, and human nutrition. The other special objective promotes increased scientific and technical cooperation in agriculture, environment, health, and other technical fields among Middle Eastern countries, developing countries, and the U.S. by fostering productive, developmentally relevant professional relationships among scientists. The specific activities to be funded by FY 2004 appropriations are described in more detail in the data sheets.

Other Program Elements: USAID field missions buy-in to EGAT mechanisms and services.

Other Donors: The EGAT/AG program collaborates with other donors to ensure dialogue on strategic approaches and policy coherence for agricultural development programs and other issues related to food security and poverty reduction efforts. EGAT/AG maintains dialogue with the key organizations under the UN umbrella, particularly FAO, International Fund for Agricultural Development, and the World Food Program, and provides input during program development and review. This past year consultations with the European Union and other donors were conducted during the preparations for and participation in the World Food Summit and the World Summit for

Sustainable Development. Bilateral consultations with other donors are also undertaken when the need and opportunity arises.

Environment and Science Policy Office

The Development Challenge: In this world of science and technological innovations, developing and transitional countries are at a disadvantage. Much of the innovation and research takes place in developed countries and results are not communicated well to the rest of the world. As a result, developing and transitional countries often remain unaware of the innovations that could help them to achieve their development goals. They are unable to participate in international fora and take advantage of opportunities to help themselves. For that to occur, scientific capacity in developing countries must be significantly strengthened.

The USAID has an interest in assisting developing and transitional countries to acquire science and technical innovation to participate both in the range of multilateral fora and to work with multilaterally supported institutions. Having acquired this knowledge they can take advantage of opportunities to find new solutions to development problems, particularly in the areas of agriculture and environment.

The USAID Program: On behalf of the U.S. government, USAID provides assistance to multilateral institutions and assistance to developing and transitional countries to promote the sustainable use of natural resources and protect the environment, public health, the status of indigenous and local communities and to increase agricultural productivity. USAID also seeks to link extensive U.S. agriculture and environment science communities with policy and decision-makers and scientists around the world. The Agency seeks to advance U.S. multilateral policy through programs that ensure those issues such as environmental sustainability, community participation, and the responsible use of sound science and technological innovations re applied.

The EGAT Office of Environment and Science Policy (EGAT/ESP) was created to provide leadership to three specific areas that include science and technological innovation-- multilateral policy, biotechnology and agricultural research and climate change. The office coordinates USAID efforts to implement an international agenda on environmental, agricultural and natural resource issue within the larger international science and technology context. EGAT/ESP programs are implemented through three closely linked teams:

- The Multilateral Policy and Conventions Team works across USAID and with USG partners, civil society groups, and international organizations to pursue consistent approaches to protecting the environment and improving public health both multilaterally and within USAID programs.
- The International Research and Biotechnology Team assures oversight of the agriculture, natural resource management and environmental research portfolios and enhances the prospects for improving food security, protecting the environment, and reducing poverty by the use of agricultural biotechnology; and
- The Global Climate Change Team assures oversight of and reporting on USAID activities in support of the US government's international strategy on climate change, and coordinates USAID involvement in climate change research activities. The program encourages climate-friendly economic development and helps vulnerable populations and ecosystems to improve their resilience to potential climate change.

The data sheets cover the objectives and specific activities for which EGAT/ESP is requesting FY 2004 funds.

Other Program Elements: USAID field missions buy-in to EGAT mechanisms and services.

Other Donors: EGAT/ESP works closely with the World Bank, and provides overall management for USG participation in the Consultative Group on International Agriculture Research (CGIAR). The CGIAR is reaching out to partners around the world to launch a series of programs aimed at bringing new, innovative solutions to major global problems. USAID views these programs as an excellent means of forging stronger partnerships between the International Agriculture Research Centers and U.S. universities for new joint research and development programs on genomics, genetic resources, water resources, climate change, livestock disease and an array of other problems and opportunities. EGAT/ESP also plays a leadership role on developing country issues as they arise in US bilateral agreements on climate change. The US has established fifteen bilateral agreements, six with other donors (Canada, Australia, New Zealand, the European Union, Italy, and Japan). These agreements provide frameworks for undertaking activities in support of joint climate change objectives.

Natural Resource Management Office

The Development Challenge: Sustainable economic growth that alleviates poverty and human suffering requires wise management of natural assets and the minimization of pollution. Loss of forests, reduced biodiversity, and loss or impairment of land and water resources undermines long-term economic growth and threatens ecological systems. It also directly threatens U.S. security by endangering human health and increasing developing countries' vulnerability to natural disasters and conflict. The world's natural resource base is rapidly degrading, with over 130,000 km² of tropical forest lost each year, and the extinction of species is up to 1,000 times faster than what would occur naturally. Approximately 450 million people in 31 countries face serious shortages of fresh water today. And more than 1.2 billion people lack access to clean water.

Natural resources stand at the center of efforts to spur economic growth, promote good governance, and protect the biosphere. Experience has shown that countries that develop and implement effective resource management plans that involve local communities in decision-making are more likely to develop sustainable economies and fully functioning democracies. As a result, citizens of all countries, including the United States, benefit from safeguarding the world's biodiversity and sustainably managing natural resources.

The USAID Program: The new Office of Natural Resources Management (EGAT/NRM) is responsible for oversight and management of USAID programs that affect the sustainable use of natural resources. EGAT/NRM assists in the development, implementation and evaluation of USAID policies, strategies, and resource allocation priorities regarding biodiversity, water, forestry and sustainable agriculture/natural resource management. EGAT/NRM manages contracts, grants, and interagency agreements that provide USAID field missions access to world-class natural resources management expertise from private sector contractors, industry associations, non-governmental organizations, and other U.S. Government agencies. The structure and portfolio of the Office explicitly reflects the reorganization goal of more closely linking natural resource conservation and use with sustainable agriculture. Four inter-linked teams carry out EGAT/NRM's objectives.

USAID is requesting funds for four objectives: 1) effective biological diversity; 2) improved management of natural forest and tree systems; 3) land resources management; and 4) coastal and freshwater resources. The specific activities to be funded by FY 2004 appropriations are described in more detail in those data sheets.

Other Program Elements: USAID missions and regional bureaus regularly contribute to and utilize EGAT/NRM technical services to conduct programs in their regions.

Other Donors: USAID plays a central role in harmonizing international development programs among U.S. agencies and with U.S. non-government partners, a group that include environmental conservation groups, business and trade associations, private and public foundations, universities, and research and policy institutes. USAID works closely with multilateral institutions and donors including UN agencies, the World Bank, the Global Environment Facility, regional development banks in Africa, Asia, Latin America and Eastern Europe as well as with the European Union, the Organization of American States and major bilateral donors.

Energy and Information Technology Office

The Development Challenge: Energy (electricity, oil, gas, and renewable energy) and Information Technology (IT) are critical to economic growth and social development. These infrastructure sub-sectors underpin the expansion and improvement of services in almost all other sectors, including agriculture, health, and education. The importance of these sub-sectors is reflected in the enormous investments made in them worldwide.

A recent World Energy Assessment Report showed that an increase of 1 kilowatt per capita would be sufficient for the populations of developing countries to achieve a standard of living as high as Western Europe in the 1970s. Despite the importance of energy to development, two billion people worldwide live without access to modern energy services. For example, in Southern Africa, 75% of the region's population still relies on wood for fuel, which led to major deforestation and indoor air pollution, causing respiratory illnesses and high infant mortality rates. Furthermore, energy can be very expensive. On average, people in developing countries currently spend about 12% of their income on energy, compared to an average of 2% in Organization for Economic Cooperation and Development (OECD) countries.

Three billion people have never used a telephone, and only slightly more than 500 million use the Internet. This is at a time when the rapid diffusion of information communications technology (ICT) in industrialized countries is changing the way we work, learn, communicate, cure, govern and protect the environment. As an example, the conduct of business on the Internet has created, in less than a decade, a global electronic market estimated at over a trillion dollars in value - but almost entirely for the benefit of industrialized nations. Developing nations have made great strides in adopting ICTs, especially wireless cell phones, but still trail far behind in access to ICT and its enormous economic and social benefits.

The USAID Program: In recent years, USAID focused its infrastructure assistance in two sub-sectors: energy and information technology. EGAT has brought these two programs and key elements of the Global Technology Network together because of their common policy reform agendas and reliance on public - private partnerships to speed technology transfer. These partnerships promote private sector investment, which is critical for the modernization of infrastructure in developing countries. The EGAT Office of Energy and Information Technology (EGAT/EIT) provides technical leadership and field support for improved governance and increased access to clean energy supplies, information/ communication technologies, and clean modern manufacturing technologies.

USAID is requesting funds for five objectives that concentrate on: 1) increased efficiency of energy use and production; 2) increased use of renewable energy; 3) clean sources used in energy production; and 4) expanded access to and use of information and telecommunications technology; 5) open, competitive economies promoted.

Some FY 2003 funds will be used to develop alliances between the public and private sector to leverage resources and maximize efficiency. EGAT/EIT has taken a major role in the implementation of the U.S. Government Clean Energy Initiative announced at the World Summit on Sustainable Development (WSSD) in September 2002. USAID, through EGAT, is responsible for increasing access to modern and affordable energy services. This will be achieved through

implementation of the Global Village Energy Partnership (GVEP), a partnership of developed and developing countries and the private sector. GVEP constitutes a new paradigm for increasing access to energy services for rural and urban populations in developing countries by integrating energy services into sectors vital to reducing poverty and achieving economic, social, and political development.

To ensure that developing nations enjoy the benefits of information technology, EGAT/EIT promotes expanded access to and application of information and telecommunication services. EGAT/EIT cooperates with other U.S. agencies, international groups and the private sector. It supports experts from the Federal Communications Commission and the National Telecommunication and Information Administration, which has provided technical assistance and participated in regional workshops. EGAT/EIT supports cooperation with the International Telecommunication Union to promote regional cooperation and assist countries in special need in Africa. It continues to support the United States Telecommunications Training Institute, a public-private partnership, which uses the training resources of its corporate and government board members to provide training for developing nation professionals. The Office has a close relationship with Cisco Networking Academies Program, facilitating relationship with partner universities in developing countries, and in some cases paying for connectivity and equipment costs. The IT-Team plans to engage U.S. industry in a new global initiative to promote e-commerce in the developing world through policy reform and small business training.

The Technology Transfer component complements the Energy and IT team by facilitating the transfer of appropriate clean technologies and private sector investment in infrastructure. These activities help small and medium enterprises acquire modern manufacturing technologies and deal with pollution issues through the development of partnerships with NGOs and the private sector in the U.S. Technology transfer activities also support the Public-Private Infrastructure Advisory Facility (PPIAF), a multi-donor funded organization which successfully promotes private sector investment in infrastructure.

The specific activities to be funded by FY 2004 appropriations are described in more detail in data sheets for Energy, Information Technology and Technology Transfer.

Other Program Elements: USAID field missions buy-in to EGAT mechanisms and services.

Other Donors: The Energy Office leveraged funds from multilateral development banks, principally from the Asia Sustainable Energy Unit of the World Bank, the Global Environment Facility, and the United Nations Development Program (UNDP). The Global Village Energy Partnership will increasingly leverage of other donor resources. For the Watergy program, the Energy Office will leverage additional funding from such organizations as the U.N. Foundation, the World Bank and the Organization of American States. In IT, the Office works closely on e-Government with the State Department and the U.S. Trade and Development Agency.

Urban Program Office

The Development Challenge: Half of the world's population lives in urban areas. Furthermore, 95% of world population growth over the next twenty years will take place in the cities of the developing world. These cities are fast becoming focal points of poverty, civil unrest, infectious disease, and potential recruitment zones by terrorist groups. The success of national development plans largely depends on the ability of city governments to respond to increasing demands for basic service delivery, job creation, and infrastructure for economic development. Cities can play very positive roles as the hubs of national economic growth and trade, but the inability of national and city authorities to manage urbanization is undermining this constructive function.

The growing crisis of increased urbanization in the developing world is emerging and drawing greater U.S. and international attention. Failing cities can lead to political instability in countries important to U.S. economic interests and national security. The Millennium Development Goals specify that by 2020 the lives of at least 100 million slum dwellers should be significantly improved as proposed in the "Cities Without Slums" initiative. Also, by 2015, the number of people who are unable to reach or to afford safe drinking water is to be cut in half.

The USAID Program: USAID's urban program is currently in a period of transition. The long-standing U.S. Government's Housing Guarantee and Urban Environmental Credit programs ended in 2000 and the five overseas Regional Urban Development Offices closed in 2002. In response, EGAT/UP has updated its strategy to respond to the challenges of unprecedented global urbanization and needs of USAID missions and partners that seek to address urban problems. It is applying the lessons learned in urban programming to mainstream development programs across sectors.

USAID recognizes the problems facing developing cities and EGAT's Office of Urban Programs (EGAT/UP) takes the lead role in addressing them. Concerted efforts are underway to manage and share USAID's urban knowledge and experience acquired over 30 years, and to bridge the gap in applied urban sciences. EGAT/UP provides technical assistance, training, knowledge management services, and promotes public-private partnerships that enable field missions and national governments and local authorities to improve their management of urbanization. Low-income urban residents, especially children, are the direct beneficiaries of USAID urban activities. Expanded integration of urban programs across USAID's country portfolios can increase field missions' development impact, particularly by targeting resources to poor city dwellers. Urban programs provide opportunities to reduce poverty and build the underpinnings of sustained economic growth through better urban governance.

EGAT/UP's development objective is to increase the capacity of cities to improve the standards of living and economic opportunities for the urban poor. The focus is poor urban child health, poor urban youth employment and conflict abatement, and sustainable service delivery to the urban poor. The specific activities to be funded by FY 2004 appropriations are described in more detail in the data sheet.

Other Program Elements: USAID field missions buy-in to EGAT mechanisms and services.

Other Donors: USAID anticipates the continued involvement of key partners including, the bilateral donors associated with the Cities Alliance (including: Canada, France, Germany, Italy, Japan, Netherlands, Norway, Sweden and the UK), The World Bank, UN-Habitat, Asian Development Bank, European Bank for Reconstruction and Development, Inter-American Development Bank, African Development Bank.

Education Office

The Development Challenge: Education is the foundation for higher living standards and democratic societies. It is a critical long-term investment in peace and development. Economic growth and participation in the global economy for developing countries demand the creation and continuous re-tooling of a skilled workforce. The current situation is challenging. Overall, more than 125 million children worldwide are out of school, and 60% of these are girls. One in four children does not complete five years of basic education. Nearly 900 million adults are illiterate, primarily in developing countries. Violent conflicts in some 85 countries, as well as natural and man-made disasters compound problems. HIV/AIDS is undermining the human capital investments and development successes of the past 40 years in all sectors, including education, and to date the development response has not been proportional to the magnitude of the unprecedented challenge.

U.S. national interests are supporting economic growth and democratic societies. Education and training underpin a country's ability to participate in the global economy, while supporting the growth of democratic institutions and local and regional stability.

The USAID Program: The EGAT Office of Education (EGAT/ED) provides technical leadership, broad donor coordination in education and training, and support to field missions to expand and accelerate USAID results in developing countries. EGAT/ED objectives focus on (a) improved basic education, especially for girls and women and other under-served populations; (b) strengthened higher education institutions, communities and individuals to meet local and national economic growth and social development needs; and (c) improved performance of host-country trainees and effectiveness of host-country organizations. FY 03 and FY 04 funding will improve access and quality of USAID basic education programs, including support for Presidential Initiatives in Latin America and Africa. Funding will also increase developing country workforce skills, expand the number of U.S.-developing country higher education partnerships, and improve the management (including post-9/11 security concerns) and performance of USAID training programs worldwide.

The Office of Education manages a \$10 million Global Development Alliance (GDA) in education focused on teacher training, community partnerships, and an education web portal. EGAT/Education also provides education and developing country expertise to support the U.S. participation in G-8 summits, Development Committee meetings, and international meetings and fora. The Office of Education also has the U.S. government lead with UNESCO, the World Bank, UNICEF, and other multilateral actors in the Education for All Initiative.

Other Program Elements: USAID field missions buy-in to EGAT mechanisms and services.

Other Donors: Global Response: The world community gathered in Dakar, Senegal, in April 2000 to focus on achieving Education for All (EFA) through a consensus to pursue six comprehensive education goals. The Financing for Development (FfD) at Monterrey in April 2002 led to the Monterrey Consensus: developing countries were primarily responsible and accountable for their own economic and social development and donor would help once commitment was demonstrated. The G-8 leaders through a senior-level Education Task Force reaffirmed support for EFA with special emphasis on quality and gender and access for the under-served. The Development Committee has supported EFA through the IDA 13 replenishment and the World Bank's Fast Track Initiative which focuses on accelerating results within 18 good education performers. USAID is a member of the EFA High Level Group, the EFA Working Group and the FTI Donor Partnerships.

Women in Development Office

The Development Challenge: Women and girls represent the largest segment of the world's poor- approximately 70% of the 1.3 billion people living in absolute poverty today; women constitute 60 percent of the poor living in rural areas. Women's unemployment rates remain high relative to those of men, and, when employed, they are often paid less than men are for the same work. Despite significant gains in many areas, women worldwide continue to have fewer rights and less control over important resources than is the case for men.

Increasing gender equality is central to effective development. All members of society--not only girls and women--pay a price for gender inequality in lower standards of living, slower economic growth, weaker governance, and lower quality of life. Countries with smaller gaps between men and women in education, employment, and property rights have lower child malnutrition and mortality and more transparent business and government operations and faster economic growth, leading in turn to further narrowing of the gender gap.

The USAID Program: The integration of gender concerns into USAID's programs is the responsibility of all agency staff. The Office of Women in Development (EGAT/WID) is the focal point for technical expertise and leadership on gender issues. The program is designed to reflect U.S. values of fairness, which demand that both women and men have opportunities, in ways that bolster development impacts in all sectors. Funding is used for innovative field activities and studies and technical assistance for missions. EGAT/WID identifies and initiates work on emerging issues with critical gender dimensions such as trafficking, conflict resolution, information technology, trade, and the linkage between women's status and HIV/AIDS.

Increasingly, all USAID units are mainstreaming gender considerations into their activities. As examples, in the areas of microfinance, basic education, and agriculture, addressing gender differences are accepted as fundamental to achieving program results. In response to evolving assistance needs, the EGAT/WID office will be developing a new strategic approach and style of operation. It will begin to shift focus from research and pilot testing to promoting increased mission ownership, and improving staff skills to incorporate critical gender issues into mainstream assessments, designs and implementation of strategies and programs. As part of this shift, the Office will leverage and track other Agency resources that directly support gender concerns.

EGAT/WID objectives are focused on: 1) reducing gender-based constraints to economic growth; 2) mobilizing local constituencies to improve girls' education; 3) improving protection of women's legal rights; and 4) increasing integration of gender considerations in USAID programs. The specific activities to be funded by FY 2004 appropriations are described in more detail in the data sheets.

Other Program Elements: USAID field missions buy-in to EGAT mechanisms and services.

Other Donors: EGAT/WID works with the United Nations Development Program and the World Bank, which are working on gender mainstreaming in their organizations. EGAT/WID also collaborates with the International Organization for Migration to help implement some USAID anti-trafficking programs in partner countries. EGAT/WID coordinates closely with the U.S. Department of State's Office to Monitor and Combat Trafficking in Persons and other U.S. Government agencies, including the U.S. Department of Labor.

Program Analysis, Implementation, Communications and Outreach Office

The Development Challenge: This office in the EGAT Bureau is primarily responsible for ensuring that program activities are efficient and achieve stated results, and that program funds are adequate and efficiently managed. This office also focuses on regional coordination, efficient internet-based communication, knowledge management information systems, and evaluations and program monitoring. This office is also responsible for managing activities under the bureau's program development and learning objective. The strategic objective for program and development funds activities that enable the Bureau to fulfill its mandate to evaluate programs, develop new initiatives, and respond to worthy unsolicited project ideas.

The USAID Program: The Bureau Program Development and Learning (PDL) objective allows the EGAT Bureau to finance program development costs, program assessments, special projects, evaluation efforts and better information management tools. It enables the EGAT to pilot new program initiatives through competitive or unsolicited processes and to design and support program evaluations. The program will develop knowledge-sharing technologies to enhance USAID staff and contractor effectiveness in implementing programs, and expand information technology systems to improve communications via the internet and web sites.

Other Program Elements: These activities support EGAT Bureau programs.

Other Donors: None

**Economic Growth, Agriculture & Trade
PROGRAM SUMMARY**

(in thousands of dollars)

Accounts	FY 2001 Actual	FY 2002 Actual	FY 2003 Prior Request	FY 2004 Request
Child Survival and Health Programs Fund	8,265	0	0	0
Development Assistance	150,592	182,298	154,800	149,703
Total Program Funds	158,857	182,298	154,800	149,703

Emmy B. Simmons
Assistant Administrator

**Economic Growth, Agriculture & Trade
PROGRAM SUMMARY**

(in thousands of dollars)

Country / Fund Account	FY 2001 Actual	FY 2002 Actual	FY 2003 Request	Prior
Economic Growth and Agriculture Development				
Development Assistance	93,527	110,691	86,706	
Total Economic Growth and Agriculture Development	93,527	110,691	86,706	
Environment				
Development Assistance	38,317	36,510	28,300	
Total Environment	38,317	36,510	28,300	
Human Capacity Development				
Development Assistance	7,123	22,360	14,160	
Child Survival and Health Programs Fund	5,925	0	0	
Total Human Capacity Development	13,048	22,360	14,160	
Program Development & Strategic Planning				
Development Assistance	2,965	1,736	14,634	
Total Program Development & Strategic Planning	2,965	1,736	14,634	
Women in Development				
Development Assistance	8,660	11,000	11,000	
Child Survival and Health Programs Fund	2,340	0	0	
Total Women in Development	11,000	11,000	11,000	
Total Program Funds	158,857	182,297	154,800	

The levels and the offices presented in this table reflect EGAT pre-reorganization.

Economic Growth, Agriculture & Trade PROGRAM SUMMARY (In thousands of dollars)		
Country / Fund Account	FY 2003 Request	FY 2004 Request
Agriculture Office		
Development Assistance	35,126	34,060
Total Agriculture Office	35,126	34,060
Economic Growth Office		
Development Assistance	11,600	13,500
Total Economic Growth Office	11,600	13,500
Education Office		
Development Assistance	19,260	17,300
Child Survival and Health Programs Fund	0	0
Total Education Office	19,260	17,300
Energy and Information Technology Office		
Development Assistance	13,900	13,500
Total Energy and Information Technology Office	13,900	13,500
Environment and Science Policy Office		
Development Assistance	37,255	34,695
Total Environment and Science Policy Office	37,255	34,695
Natural Resource Management Office		
Development Assistance	12,925	20,295
Total Natural Resource Management Office	12,925	20,295
Poverty Reduction Office		
Development Assistance	3,800	4,800
Total Poverty Reduction Office	3,800	4,800
Program Analysis, Implementation, Communication, Outreach		
Development Assistance	6,634	1,663
Total Program Analysis, Implementation, Communication, Outreach	6,634	1,663
Urban Program Office		
Development Assistance	3,300	2,500
Total Urban Program Office	3,300	2,500
Women in Development		
Development Assistance	11,000	7,390
Child Survival and Health Programs Fund	0	0
Total Women in Development	11,000	7,390
Total Program Funds	154,800	149,703

The levels and the offices presented in this table reflect EGAT's current organization.

STRATEGIC OBJECTIVE SUMMARY				
	FY 2001 Actual	FY 2002 Actual	FY 2003 Prior Request	FY 2004 Request
933-001 Improved access to financial and non-financial services for microenterprises of the poor				
DA	15,036	0	0	0
933-002 Improved food availability, economic growth and conservation of natural resources through agricultural development				
DA	65,160	0	0	0
933-003 Appropriate and functioning economic policies, market reforms, and institutions are developed to accelerate ec growth				
DA	5,792	0	0	0
933-006 Private sector business linkages support U.S. technology transfer in support of development objectives				
DA	4,000	0	0	0
933-007 Increased science and technology cooperation among Middle Eastern and developing countries				
DA	3,539	0	0	0
933-008 Open, Competitive Economies Promoted				
DA	0	16,870	12,600	15,400
933-009 Science and technology developed to improve agricultural productivity, natural resource mgmt, markets, human nutrition				
DA	0	65,098	66,806	63,555
933-010 Access to Economic Opportunities for the Poor Expanded				
DA	0	25,224	3,800	4,800
933-011 Increased technical cooperation among middle eastern, developing countries, and the U.S.				
DA	0	3,500	3,500	1,500
934-0011 Effective biodiversity conservation and management				
DA	8,277	6,541	5,792	6,300
934-0012 Improved management of natural forest and tree system				
DA	2,248	4,227	2,418	4,185
934-0013 Environment education and communication				
DA	1,690	1,662	1,750	5,595
934-0014 Increased conservation and sustainable use of coastal and freshwater resources				
DA	3,200	4,558	2,965	4,215
934-002 Improved management of urbanization in targeted areas				
DA	4,084	3,304	3,300	2,500
934-0031 Increased energy efficiency				
DA	3,239	3,632	3,000	2,300
934-0032 Increased use of renewable energy resources				
DA	5,175	4,276	3,600	2,800
934-0033 Clean energy production and use				
DA	4,455	4,526	3,400	2,900
934-004 Agency climate change program effectively implemented				
DA	5,949	3,784	2,075	3,700
935-001 Improved and Expanded Basic Education, Especially for Girls, Women, and Other Under-served Populations				
CSH	5,925	0	0	0
DA	0	7,260	7,660	9,800
935-002 Higher Education Strengthens the Capacity of Institutions, Communities, and Individuals to Meet Local and National				
DA	3,495	10,500	10,500	6,100
935-003 Training Improves Work Performance of Host-Country Trainees and Effectiveness of Host-Country Organizations				
DA	1,033	1,100	1,100	1,400
935-004 Expanded Access to and Application of Information and Telecommunications Services				
DA	2,595	3,500	2,900	3,600

STRATEGIC OBJECTIVE SUMMARY				
	FY 2001 Actual	FY 2002 Actual	FY 2003 Prior Request	FY 2004 Request
940-001 Enhance Communities' Capabilities to Conduct Low-Cost Grassroots, Sustainable Development Activities				
DA	2,965	1,000	1,000	0
940-003 Program Development and Learning (PD&L) Activity				
DA	0	736	5,634	1,663
941-001 Gender-based constraints to economic growth policies and programs increasingly addressed				
DA	3,580	2,440	2,440	1,500
941-002 Broad-based, informed constituencies mobilized to improve girls' education in emphasis countries				
CSH	2,340	0	0	0
DA	0	2,340	2,340	1,840
941-003 Women's legal rights increasingly protected				
DA	2,599	3,020	3,020	1,500
941-004 Greater reflection of gender considerations in the Agency's work				
DA	2,481	3,200	3,200	2,550

Data Sheet

USAID Mission:	EGAT Bureau
Program Title:	Promoting Competitive Economies
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	933-008
Status:	Continuing
Proposed FY 2003 Obligation:	\$11,600,000 DA
Prior Year Unobligated:	\$5,729,000 DA
Proposed FY 2004 Obligation:	\$13,500,000 DA
Year of Initial Obligation:	FY 2002
Estimated Completion Date:	FY 2010

Summary: USAID's program to promote competitive economies includes: 1) enhancing the capacity of countries to participate in, comply with, and benefit from the global trade system; 2) improving macro-economic stability and public governance to foster favorable business environments; and 3) enhancing private sector capacity to respond to opportunities in the global marketplace.

Inputs, Outputs, Activities:

FY 2003 Program:

Increase capacity to participate in, and benefit from, global trade and investment (\$5,675,000 DA). EGAT/EG serves as a catalyst, stimulating innovative field mission efforts to support increased trade capacity and investment in their partner countries as a part of USAID's post-Doha trade strategy. Specific activities will be expanded in the fields of sanitary and phyto-sanitary standards (SPS), World Trade Organization (WTO) accession, commercial law reform, and financial sector development. The SPS initiative will identify constraints and assist to design new projects to address how developing countries can increase their agricultural exports by meeting the sanitary standards required in major export markets. Assistance to facilitate Cape Verde's accession to the WTO will continue, and be extended to one more WTO applicant. A new customs reform program will provide technical assistance to identify customs-related constraints to trade, and design activities for missions to address. This, and agreements with the U.S. Department of Agriculture, the Federal Deposit Insurance Corporation and the U.S. International Trade Commission, will broaden field access to services that will enable developing countries to understand and better negotiate (in the Doha Development Round) on competition policy issues. A quick response mechanism will address priority trade agreement compliance problems identified by the U.S. Trade Representative (USTR) and the State Department. Commercial law activities will be extended from 12 (number of) countries to more than 16 countries. As Doha negotiation proceed, three missions will receive fiscal reform support and trade policy analysis support. Funds also will provide informational services and technical advisors. Principal contractors and grantees are Nathan Associates, Development Alternatives, Inc., Booz Allen, Deloitte Touche Tohmatsu, Financial Services Volunteer Corps, U.S. Treasury Department, the Academy for Educational Development and the UNCTAD/World Trade Organization's International Trade Centre.

Improve macro-economic stability and public governance to foster favorable business environments (\$2,250,000 DA). A growth-friendly fiscal reform activity will strengthen USAID's ability to link trade liberalization and fiscal stability, facilitate access by USAID field missions to specialized fiscal expertise for use in analysis and design of fiscal activities (particularly those related to tariff revenue), improve technical competence on fiscal issues among USAID staff, and improve USAID's overall understanding of a range of fiscal issues that confront developing countries. A new country analytic template will help missions to identify the principal constraints hindering economic growth in their countries, and provide a guide for developing a new country-specific, economic growth-related strategy to help in the design of new foreign assistance. The concepts underlying New Institutional Economics will be tested for use in designing and implementing technical assistance. A grant will help African research institutions increase

their capacity to conduct trade analysis. Funds also will provide informational services. Principal grantees are Institutional Reform in the Informal Sector, George Mason University and Cornell University.

Enhance private sector capacity to respond to opportunities in the global marketplace (\$3,675,000 DA). Four additional developing country WTO members will be assisted to establish competitive service sectors to support export-oriented producers (e.g., transport, telecommunications). Analytical work on competitiveness and other firm-level support activities will assist to identify the most effective approaches to raising productivity and incomes through firm-level interventions. To encourage new trade partners, a trade identification network will provide information and linkages between private sector firms in developing countries and the U.S. A new activity will enhance the availability of business development services to small and medium enterprises. Funds also will provide an expanded program of technical training of economic growth practitioners and technical personnel. Principal contractors and grantees are: International Executive Service Corps (IESC), Carana Corporation, IBM Business Consulting Services, Institute of International Education, Mitchell Group, and Kenan Institute.

FY 2004 Program:

Funding will be provided to intensify work in the fields of sanitary and phyto-sanitary standards (SPS), WTO accession, commercial law reform, and financial sector development. The customs reform program will expand to additional countries. Ongoing U.S. agency and private partnerships, together with a new partnership with the Federal Trade Commission, will broaden field access to services promoting global trade and investment. Trade policy analysis support will be extended to developing countries beyond Africa. Funds also will provide informational services, a new set of financial services field support indefinite quantity contracts, and technical advisors.

Funds will be provided to intensify the growth-friendly fiscal reform activity, provide field tests of the country analytic template, and finance pilot activities to strengthen country institutions critical to a trade-friendly, civic society, including the African research institutions focusing on trade analysis. Funds also will provide informational services.

Technical assistance to developing country private sector enterprises will continue to help them be more successful in the regional and global marketplace. An activity supporting USAID's trade capacity building strategy at the enterprise level will strengthen the industries that support exporting firms and assist in the identification of trade opportunities. A competitiveness initiative is expected to provide sector strategy and design assistance to three missions per year. Funds also will provide for training of economic growth practitioners, and technical personnel.

Performance and Results: FY 2002, the initial year of this program, was used to put in place a variety of field support activities that will provide design support and technical assistance to USAID field missions and host countries. Initial interventions include "trade mainstreaming" initiatives in Mali, Morocco and Mozambique, and help to Cape Verde for its program to prepare for WTO accession. Other activities new in FY 2002 provide support on meeting sanitary and phytosanitary standards in major markets, and assisting to promote the service sector as an area for growth in developing countries.

This objective is intended to provide intellectual leadership and support to USAID's bilateral programs to assist them to participate in and benefit from global trade and investment. Expected results over the next few years are that more developing countries will accede to the WTO; those that are or become WTO members will effectively implement an increased number of WTO obligations. Developing countries will put into place specific trade- and investment-inducing reforms. They will obtain tangible reform results in their own countries, strengthening commercial, legal, financial and institutional frameworks, and privatizing government-owned utilities or transport facilities that can be better managed by the private sector.

Data Sheet

USAID Mission:	EGAT Bureau
Program Title:	Technology Transfer
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	933-008
Status:	Continuing
Proposed FY 2003 Obligation:	\$1,000,000 DA
Prior Year Unobligated:	\$0 DA
Proposed FY 2004 Obligation:	\$1,900,000 DA
Year of Initial Obligation:	FY 2002
Estimated Completion Date:	FY 2010

Summary: The rapid change and growth in technology and the business environment has been drastic and the pace of technological change has reached unprecedented levels. Technology is a dominating force in economic development, productivity, and competitiveness and is vital to a society overall progress and improved quality of life. Proper management of technology forms the foundation for economic growth and helps to create prosperity for nations, businesses and individuals. A major distinction between developed and developing economies lies to a large degree in the ability to improve competitiveness through the acquisition and development of technology. The goal of EIT's Technology Transfer Team is to promote technology solutions that effectively enable companies in the emerging and underdeveloped markets to increase efficiency and competitiveness in an increasing globalized economy, creating a more robust foundation for economic growth.

Inputs, Outputs, Activities:

FY 2003 Program:

Utilization of the Global Technology Network (GTN) to facilitate transfer of technology. EGAT/EIT's Technology Transfer Team augments the activities of both the Energy Team and the I-Team through GTN to facilitate market driven transfer of appropriate clean technologies and information technology to developing countries. EIT will develop a collaborative framework within this partnership among EIT teams and other USG agencies to leverage, and improve economic growth and market development impact by increasing use of technologies through partnerships between the private sector in the U.S. and in USAID-assisted countries and regions. Principal contractors and grantees: International Executive Service Corps (IESC), Johnson & McLamb.

Increase use of technology transfer and best business practices. A new program will be implemented through strategic partnerships between U.S., Mexican, Hungarian, and Brazilian institutions representing government, financial institutions, and the private sector. The program is designed to assist small and medium sized enterprises (SMEs) with adopting and acquiring advanced manufacturing and other appropriate technologies, as well as effectively entering international supply chains and sector specific market opportunities. This program will leverage a better than 1:1 investment match from its partners and industry participants. Principal contractors and grantees: Sandia National Laboratory (SNL), and the National Institute of Standards and Technology (NIST's) Maine Manufacturers Extension Partnership (MEP).

Private sector participation in infrastructure projects. Channel technical assistance to governments in developing countries on strategies and measures to tap the full potential of private sector involvement in various projects including ports, railways, electricity, sewerage, water, solid waste, transmission, and others. EGAT/EIT has engaged the Public-Private Infrastructure Advisory Facility (PPIAF), a multi donor facility designed to help developing countries improve the quality of their infrastructure through private sector involvement. This partnership will contribute to USAID's new business model, the Global Development Alliance which is designed to enhance development impact by mobilizing the ideas, efforts and resources of the public sector with those of the private sector and non-governmental organizations.

Activity designed to assist Missions with various facets of technology transfer, clean production, environment, water initiatives and IT. Technical assistance to developing country private sector enterprises in obtaining needed technologies, which will improve their competitiveness, economic growth and assist SME's in entering the regional and global marketplace.

Support for Ecolinks and expansion beyond Europe and Eurasia region. EGAT/EIT/TT will provide funding to support practical, market-based solutions to industrial and urban environmental problems in Central and Eastern Europe and the former Soviet Union as well as expand and leverage this model to other geographic regions.

FY 2004 Program:

EIT/TT plans to continue to facilitate the transfer of appropriate technologies to developing countries by expanding to four additional countries and to develop a knowledge management & business intelligence support system to better target resources and increase results while continuing to improve the programs sustainability. EIT/TT also plans to expand and leverage the government-private industry partnerships with the addition of two countries.

EIT/TT will continue with the PPIAF activity, monitor results and seek to leverage additional agency buy-ins and continue technical assistance to developing countries. EGAT/EIT will continue to support Ecolinks with a focus on sustainability, expansions and private sector support of this model to other geographic regions.

Performance and Results: In FY 2002, the GTN program increased field support activities by expanding budgets and staff, which led to a dramatic increase in successfully completed business linkages. The GTN Technology activity completed 69 successful technology related business transactions in FY2002 compared to 40 deals in FY2001. The value of the transactions achieved in FY2002 (over \$35 million) is 3.5 times more than the value (over \$10 million) achieved by the deals in FY 2001. In FY 2001, small and medium enterprises (SMEs) from 17 countries and 14 U.S. States were involved in transactions with GTN. In sharp contrast, in FY 2002 SMEs from 25 countries and 22 U.S. States were involved in transactions with GTN. Further, a Monitoring and Evaluation self-assessment of the GTN program was completed in October of 2002 that highlighted the scope and extent of GTN's development impact identifying areas that GTN may be helping SMEs in the U.S and abroad. These included: exposing SME's to an array of knowledge, technology and business opportunities, giving SMEs the potential to develop self-sustaining enterprises in the future; building capacity; and generating employment, increasing skills, saving money and stimulating export earnings.

US Financing in Thousands of Dollars

933-008 Open, Competitive Economies Promoted	DA
Through September 30, 2001	
Obligations	0
Expenditures	0
Unliquidated	0
Fiscal Year 2002	
Obligations	11,933
Expenditures	6,494
Through September 30, 2002	
Obligations	11,933
Expenditures	6,494
Unliquidated	5,439
Prior Year Unobligated Funds	
Obligations	5,729
Planned Fiscal Year 2003 NOA	
Obligations	12,600
Total Planned Fiscal Year 2003	
Obligations	18,329
Proposed Fiscal Year 2004 NOA	
Obligations	15,400
Future Obligations	73,786
Est. Total Cost	119,448

Data Sheet

USAID Mission:	EGAT Bureau
Program Title:	Agriculture
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	933-009
Status:	Continuing
Proposed FY 2003 Obligation:	\$66,806,000 DA
Prior Year Unobligated:	\$8,943,000 DA
Proposed FY 2004 Obligation:	\$63,555,000 DA
Year of Initial Obligation:	2002
Estimated Completion Date:	2010

Summary: USAID's agriculture program includes research, technical assistance and training to: 1) develop and extend agricultural technologies to increase the productivity and incomes, improve childhood nutrition, and protect and improve the natural resource base; 2) develop policy analysis and reform tools to assist developing and transitional countries formulate and implement policies that promote competitive and efficient agricultural markets capable of meeting the needs of the poor; and 3) develop the human and institutional capacity of developing and transitional countries to implement policies and regulations and encourage innovators across the agricultural system to acquire and adapt science and commercially-based technologies.

Inputs, Outputs, Activities:

FY 2003 Program:

Improve agriculture and rural policy and governance. EGAT/AG promotes sound agricultural sector policies and will undertake several activities to support field missions and develop new approaches for policy analysis. EGAT/AG will respond to the rural financial constraints blocking increases in agricultural productivity and competitive trade. This activity will result in new approaches for establishing more favorable policy environments, improved risk management, and improved financial products and practices. To guide USAID agricultural programs, a revitalized Board for Food and Agricultural Development (BIFAD), working with the U.S. Land Grant Institutions, will develop new approaches to long-term training, sector analysis, and impact assessment. EGAT/AG will also assist field missions in negotiating and implementing improved policies for environmental management, and in sector policy analysis and implementation. Principal contractors and grantees include BIFAD, Michigan State University, Abt Associates, International Fertilizer Development Center, University of Wisconsin, Cornell University, and Associates in Rural Development.

Improve agriculture technology and outreach. EGAT/AG will support developing country institutions in research and training and expand partnerships and increase their emphasis on value-added through processing and improved food quality and dietary improvement. Expected results will be increased country-level capacity for conducting agricultural research on priority food problems. EGAT/AG will also develop tools, mechanisms and networks to connect the isolated rural poor and those serving them to the global knowledge network. This will result in the wider dissemination of agricultural technology and market information throughout partner countries. Under the Farmer-to-Farmer (F-t-F) program, EGAT/AG will continue to promote the use of U.S. agricultural expertise throughout the developing world. F-t-F will provide training to farmers and farmer groups across an array of needs. Principal contractors and grantees include: 51 Land Grant Universities, 16 International Agricultural Research Centers, Winrock International, Land O'Lakes, Agricultural Cooperative Development International/Volunteers in Overseas Cooperative Assistance, USDA, Monsanto, Cornell University.

Improve agribusiness and market development. EGAT/AG is helping USAID-assisted countries address food safety and quality issues, which increases their capacity to participate in the global food trading system. Under this activity, EGAT/AG will continue funding work in the fruit and vegetable sectors, and

expand into the natural products and livestock sectors. EGAT/AG will address issues related to rinderpest, an acute viral intestinal disease in livestock, and Foot and Mouth Disease in Asia, Africa, and Latin America, resulting in improved capacity to ensure food safety and increased livestock potential. A grant to the International Fertilizer Development Center (IFDC) will assist field missions in achieving increased agricultural productivity. IFDC will also continue to implement a seed and fertilizer distribution program for Afghanistan. EGAT/AG will also make available key support to USAID field missions across several sectors, providing cutting edge analysis and implementation approaches. Major contractors and grantees include: IFDC, Michigan State University, Louisiana State University, Chemonics, Land O'Lakes.

FY 2004 Program:

EGAT/AG activities addressing rural financial constraints will be substantially expanded. Activities assisting field missions in negotiating and implementing improved policies for environmental management will be established, and expanded support to the field will be provided in key environmental policy areas. EGAT/AG will also develop and implement new, innovative approaches to train developing country agricultural scientists.

Research and training activities will continue to address problems associated with research on vital commodities for developing countries and continue to focus on improving food quality. Connecting isolated rural poor to the global knowledge network will be expanded substantially and the activity will work with partners for field testing of the various models of technology transfer.

EGAT/AG will continue to develop capacity within partner country private sectors to address food safety and quality concerns. EGAT/AG will focus on developing partner country capacity for addressing concerns related to Foot and Mouth Disease in Latin America. Also, a new Global Development Alliance activity will be developed with key food industry groups to combat food-borne aflatoxins in the global food supply. EGAT/AG will continue to make available key field support across several sectors, providing cutting edge analysis and implementation approaches.

Performance and Results: A Livestock Early Warning Systems, which detects vegetation cover and forage availability for livestock, has been developed and incorporated into the Famine Early Warning System in East Africa. Improved Geographic Information Systems (GIS) field applications were developed and are being used to address natural resource management concerns across Africa. Through the Consultative Group on International Agriculture Research (CGIAR) consortium, EGAT/AG provided valuable assistance in seed multiplication for the Afghanistan relief effort, and EGAT/AG's biotechnology activities continued to build capacity for biotechnology research and regulation. EGAT/AG helped partner country producers and exporters address emerging requirements for the international trade of agricultural products in 10 countries. The IFDC program has provided seed and fertilizer to Afghan farmers to enable them to do a spring planting of wheat, and thus, assisting with a key feature of the country's rehabilitation. EGAT/AT continued to make significant contributions to research and action programs on land tenure and property rights reform in Eastern Europe and Latin America. Finally, EGAT/AG activities provided assistance to seven African countries in food policy analysis and market reform, and also provided support to 29 field missions in business, trade, and environmental management.

US Financing in Thousands of Dollars

933-009 Science and technology developed to improve agricultural productivity, natural resource mgmt, markets, human nutrition	DA
Through September 30, 2001	
Obligations	0
Expenditures	0
Unliquidated	0
Fiscal Year 2002	
Obligations	67,731
Expenditures	30,855
Through September 30, 2002	
Obligations	67,731
Expenditures	30,855
Unliquidated	36,876
Prior Year Unobligated Funds	
Obligations	8,943
Planned Fiscal Year 2003 NOA	
Obligations	66,806
Total Planned Fiscal Year 2003	
Obligations	75,749
Proposed Fiscal Year 2004 NOA	
Obligations	63,555
Future Obligations	397,998
Est. Total Cost	605,033

Data Sheet

USAID Mission:	EGAT Bureau
Program Title:	Poverty Reduction
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	933-010
Status:	Continuing
Proposed FY 2003 Obligation:	\$3,800,000 DA
Prior Year Unobligated:	\$9,496,000 DA
Proposed FY 2004 Obligation:	\$4,800,000 DA
Year of Initial Obligation:	FY 2002
Estimated Completion Date:	FY 2007

Summary: The USAID poverty reduction program focuses on making development markets and policy work for, not against the poor. The program assists USAID field missions to grapple with the tough questions of designing economic policies and programs that are both growth oriented and pro-poor, develop more efficient mechanisms that protect the poor from major natural and economic shocks and expand the poor's access to business development and financial services markets that they can use to improve incomes and build assets. The program promotes:

- a growing understanding of the synergies that exist between growth and poverty reduction;
- the expansion and diversification of financial services assessable by the poor through sustainable intermediaries;
- the dissemination of appropriate business services and technologies for poor microentrepreneurs, particularly women; and,
- the development and adoption of policies and tools to improve the viability and competitiveness of poor households and their access to services.

Inputs, Outputs, Activities:

FY 2003 Program:

Promote microenterprise development (\$3,800,000 DA). EGAT/PR will continue to provide leadership to USAID efforts to expand the availability of business and financial services to poorer entrepreneurs. Funds will support up to seven field missions that wish to expand their microenterprise programs and/or work more comprehensively to address the problems that poorer entrepreneurs and families face. In addition, EGAT/PR's two competitive grant programs will encourage up to 12 private organizations to expand microfinance and business development services to poorer clients and test new product lines that more effectively reach and benefit the poor. EGAT/PR will also continue its research program to identify best practices and improve impact, particularly in the area of weaning successful microfinance institutions off donor funding to reliance on commercial capital. To mine knowledge from USAID's \$155 million in annual investments in microenterprise development, funds will be used to develop and test a new knowledge management system. To support these activities, funds will also be used to improve program management and strengthen EGAT/PR's bilateral and multilateral donor relationships, and operate USAID's Microenterprise Results Reporting system. EGAT/PR will continue to work through its network of 9 contract and 75 non-governmental partners. The principal contractors and partners include Development Alternatives, Chemonics, IBM Consulting, Pricewaterhouse and the University of Maryland. Non-governmental partners include the Consultative Group for Assistance to the Poorest (CGAP), the Small Enterprise Educational Program (SEEP), FINCA, ACCION, Opportunity International, CARE and 70 other partners.

Support poverty Analysis and Social Safety Nets (PASS). This program was created to increase EGAT/PR's ability to support missions' efforts in designing policies and programs, which are both growth-oriented and directly benefit the poor. Funds will be used to identify priority research and program components in areas such as conflict prevention and recovery, use of non-emergency safety nets to build capacity among the poor for growth, and better management of vulnerability to natural and manmade

disasters. To support these activities, a portion of these funds will also be used to improve program management and strengthen donor relationships. Principal contractors and grantees supporting the Team are yet to be determined.

FY 2004 Program:

Funds will be used to continue the microenterprise grant programs and begin the shift from knowledge generation to increased emphasis on knowledge dissemination. The knowledge management, analysis and dissemination system will improve USAID staff capacities to design and implement better and more efficient microenterprise development investments, help other donors to improve their effectiveness and raise the performance ceiling of the microfinance and business development industry as a whole. Principal contractors and grantees will include those mentioned above, plus new NGOs identified during the competitive grant process.

Funds also will be used to continue to support and expand the research and programming elements. Efforts will concentrate on learning more about the synergies that result from coordinating poverty reduction initiatives in agriculture, microenterprise development, health, education and natural resource management and how they can be achieved operationally with USAID's program. Principal contractors and grantees are yet to be determined.

Performance and Results: Through the Agency-wide Microenterprise Initiative, EGAT/PR continued to influence the expansion of microenterprise development investments and improved their effectiveness. This was especially true with respect to microfinance investments. In FY 2001, the latest year for which complete performance data is available, a record 5.5 million poor clients (including 2.8 million from one Indonesian institution), had active loans from USAID-supported institutions. The loans were valued at \$917.7 million, with 93% of all loan payments paid on time. Loan losses across the whole portfolio were less than 1.5%. More than 73% of the clients were women and more than 69% of the loans were held by very poor clients. These institutions had over 3.5 million savings clients (8% higher than in FY 2000), with combined savings deposits of \$424 million. More than 830,000 poor microentrepreneurs, three times FY 2000 levels, received business development services from USAID assisted institutions, resulting in improved market access, productivity and earnings. Just over half of total funding provided by USAID to its more than 700 implementing partners supported very poor entrepreneurs.

By program completion in FY 2007, EGAT/PR anticipates that USAID microenterprise development programs will serve 5 to 6 million clients worldwide. Currently, 38% of the institutions supported by USAID are fully sustainable, i.e. covering all their financial and operating costs. By the end of the program, the Office believes that at least 50% of the microfinance institutions supported by the program throughout its life will have graduated to full sustainability and rely completely on commercial, not donor financing. Both the microfinance and business development services markets will be self-sustaining and will have found cost effective ways of reaching the very poor. And finally, USAID will have recognized the multi-dimensional nature of poverty and developed a coordinated approach, calling on all development investments, in an effort to attack the root causes of poverty.

US Financing in Thousands of Dollars

933-010 Access economic opportunities for the poor expanded	DA
Through September 30, 2001	
Obligations	0
Expenditures	0
Unliquidated	0
Fiscal Year 2002	
Obligations	20,534
Expenditures	11,721
Through September 30, 2002	
Obligations	20,534
Expenditures	11,721
Unliquidated	8,813
Prior Year Unobligated Funds	
Obligations	9,496
Planned Fiscal Year 2003 NOA	
Obligations	3,800
Total Planned Fiscal Year 2003	
Obligations	13,296
Proposed Fiscal Year 2004 NOA	
Obligations	4,800
Future Obligations	188,213
Est. Total Cost	226,843

Data Sheet

USAID Mission:	EGAT Bureau
Program Title:	Mid-East Agriculture Research
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	933-011
Status:	Continuing
Proposed FY 2003 Obligation:	\$3,500,000 DA
Prior Year Unobligated:	\$152,000 DA
Proposed FY 2004 Obligation:	\$1,500,000 DA
Year of Initial Obligation:	2002
Estimated Completion Date:	2010

Summary: USAID's program under this special objective on technical cooperation has three components, which are jointly funded from Development Assistance (DA) and Economic Support Funds (ESF) resources. DA funding supports the U.S.-Israel Cooperative Development Research (CDR) Program, a competitive grants program funding collaborative research projects between Israeli scientists and counterparts in developing countries and the U.S.-Israel Cooperative Development Program (CDP), a core grant to the State of Israel to support Israel's foreign assistance program. ESF resources support the Middle East Regional Cooperation (MERC) Program, a competitive grants program focused on promoting the collaboration of Arab and Israeli scientists on research topics supporting development in the Middle East region.

Inputs, Outputs, Activities:

FY 2003 Program:

The U.S.-Israel Cooperative Development Research (CDR) Program (\$1,500,000 DA, plus FSA funds reported separately by E&E Bureau). This activity is designed to address challenges faced by developing countries through funding collaborative research projects involving scientists from those countries working with their counterparts in Israel and the U.S. CDR is a peer-reviewed competitive grants program based on the premise that innovative development ideas can arise from outside the USAID framework, and it is presently the only such program open to all technical topics and geographic regions. Projects are selected based upon technical merit, innovation, relevance to development, and the ability to strengthen the research capacity of developing-country institutions, which receive a substantial portion of each grant. Nearly 70 CDR projects are presently active, and 50 developing countries are eligible. Maximum grant size is \$200,000. CDR includes both a DA-funded core program and a special initiative for Central Asia and Georgia funded from FSA under an E&E Bureau strategic objective. In keeping with the heightened U.S. foreign-policy interest in Central Asia, a goal in FY 2003 is to promote more U.S. links to that region, and therefore the program guidelines have been amended to require a U.S. partner on each new grant funded under the Central Asia initiative. The U.S. National Academy of Sciences is contracted to organize peer-review panels for USAID and to provide general technical support. Under an interagency agreement, the U.S. Embassy in Tel Aviv negotiates and awards grants to recipients selected by USAID, as well as providing financial oversight for the individual grants. Grantees include universities and other research institutions throughout Israel, and these institutions in turn make sub-awards to partner institutions in developing countries and the U.S.

The Middle East Regional Cooperation (MERC) Program (\$5,000,000 ESF requested by the Department of State). This activity is designed to promote development collaboration between Arab and Israeli scientists, students, and affected communities. MERC awards competitive grants for collaborative research involving scientists from Israel and one or more other Middle Eastern countries. Scientists and institutions in Jordan, Egypt, West Bank/Gaza, Morocco, Tunisia, and Lebanon presently participate. U.S. scientists may also participate in a supporting technical role, however, all projects are required to demonstrate significant levels of direct Arab-Israeli cooperation. The program utilizes external peer-review panels to provide expert technical advice to a USAID/Department of State selection committee. Selection

is based on the degree of Arab-Israeli cooperation, relevance to development, technical merit/innovation, and merit of approach (management, costs, capacity strengthening, and sustainability). Over 30 MERC projects are presently active. The maximum grant size is \$3 million, but much smaller projects are encouraged. Despite the conflict in the region, most MERC projects are functioning well, and applicant interest remains strong. The National Academy of Sciences is contracted to organize peer-review panels for USAID and to provide general technical support. The U.S. Embassy in Tel Aviv negotiates and awards most of the individual grants, except for grants to other U.S. Government agencies or those over \$1 million. Most of the grantees are U.S. or Israeli universities, government research institutions, or non-governmental institutions, which in turn make sub-awards to partner institutions in Arab countries, the U.S., and Israel.

The U.S.-Israel Cooperative Development Program (CDP) (\$1,000,000 DA). The CDP provides core funding to MASHAV, the international cooperation unit of Israel's Ministry of Foreign Affairs. MASHAV uses its USAID funding (CDP cash transfer) primarily to train developing-country personnel, both in Israel and their home countries, in fields such as irrigated crop production, dairy management, and a variety of health, small business, and rural development topics. Model farms and other Israeli technology demonstration activities are also funded. The CDP has met its goal of helping to introduce the Israeli model of development throughout the world, and, therefore, USAID and MASHAV are phasing-out the ongoing program and will transition to a new partnership. The new arrangement will be managed at the country level, with potential joint ventures identified by MASHAV and individual field missions considered for U.S. funding by the missions as they fit within the strategic objectives for each country. As agreed, FY 2003 is to be the last year of the CDP core grant. As stated above, MASHAV is the only grantee. Some work is subcontracted to other government ministries, universities, or training institutions within Israel.

FY 2004 Program:

USAID will continue to manage CDR as an open, competitive grants program utilizing external peer review advice and emphasizing developmental relevance and sustainable capacity strengthening of scientists and research institutions in developing countries. At the request of the E&E Bureau, Tajikistan will be added to the list of eligible countries under the Central Asia initiative.

USAID will continue to manage the MERC program emphasizing developmental relevance and sustainable capacity strengthening. Maximizing direct Arab-Israeli cooperation will remain a major criterion for selecting projects.

Performance and Results: Despite the unrest and deterioration of general relations in the Middle East region since September 2000, USAID's programs are achieving their overall goal of catalyzing significant technical cooperation that would not occur otherwise. The MERC Program continues to receive more qualified proposals than can be funded. The number of Arab-Israeli research projects funded by MERC is now more than 30, a higher number than at any time in MERC's 20-year history. Although nearly all projects have encountered significant barriers to direct cooperation, especially the exchange of personnel, the participants sustain joint projects by meeting in neutral sites such as Cyprus and Turkey, through joint training in the U.S., and electronic communication. While the intermittent closures of institutions in the West Bank and Gaza remain the largest single obstacle to program implementation, MERC-funded Palestinian students continue to study in Israel as part of the joint research projects in some cases. However, with travel bans enacted by most of the countries in the region, original indicator targets are unrealistic. For example, the number of joint Arab-Israeli meetings and workshops per year more than doubled from 1998 to 2000, but currently travel to such activities is impossible for most participants. Cooperation between Israeli and developing country scientists in other parts of the world under the CDR grants program has remained largely unaffected by events in the Middle East. On the technical side, results to date from CDR and MERC funded research include advances in saline and dry lands agriculture, improved agricultural water management technology, improved biological pest management, and an increased understanding of emerging diseases and threats to the environment. The CDP core grant to the Israeli government has enabled Israeli to provide development assistance to more than 50 developing countries. The CDP has fully achieved its purpose and is being phased out.

US Financing in Thousands of Dollars

933-011 Increased technical cooperation among middle eastern, developing countries, and the U.S.	DA	ESF
Through September 30, 2001		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
Fiscal Year 2002		
Obligations	3,345	4,989
Expenditures	0	0
Through September 30, 2002		
Obligations	3,345	4,989
Expenditures	0	0
Unliquidated	3,345	4,989
Prior Year Unobligated Funds		
Obligations	152	0
Planned Fiscal Year 2003 NOA		
Obligations	3,500	0
Total Planned Fiscal Year 2003		
Obligations	3,652	0
Proposed Fiscal Year 2004 NOA		
Obligations	1,500	0
Future Obligations	13,003	0
Est. Total Cost	21,500	4,989

Data Sheet

USAID Mission:	EGAT Bureau
Program Title:	Biodiversity Protection
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	934-0011
Status:	Continuing
Proposed FY 2003 Obligation:	\$5,792,000 DA
Prior Year Unobligated:	\$0
Proposed FY 2004 Obligation:	\$6,300,000 DA
Year of Initial Obligation:	FY 1999
Estimated Completion Date:	FY 2008

Summary: Global biological diversity, the living resources that comprise it and the ecological processes that sustain it form the foundation for human life on this planet. Because of this, biodiversity conservation plays a prominent role in USAID environment program. USAID has worked with more than 60 countries to maintain the integrity of biologically diverse ecosystems of national and international value. USAID programs to conserve and better manage biologically important areas worldwide enable the natural environment to continue to provide essential environmental, economic and other benefits to humanity.

The biodiversity program, managed by the Office of Natural Resources Management, applies a threats based approach to addressing the loss of biological diversity. This approach emphasizes activities that will mitigate a threat or threats to biodiversity at the site level. The biodiversity program also promotes strategic integration with development efforts of other USAID sectors, other donors, host-country governments, the private sector, and other institutions. Program activities include strengthening individual and institutional capacity of non-government organizations, and government institutions involved in the conservation and use of biodiversity. Activities also promote biodiversity initiatives that assist rural communities to identify, value and better manage natural resources under their control; increase public awareness of and participation in natural resources management; and improve the design and implementation of policies that affect biodiversity use and conservation.

Inputs, Outputs, Activities:

FY 2003 Program:

Support a threats-based approach to addressing biodiversity loss and promoting the sustainable use of natural resources (\$4,800,000 DA). Activities will identify and prioritize threats to conservation and strategically address the causes of species decline and habitat degradation, as well as promote sustainable use of natural resources in over 20 sites worldwide. Examples of these activities include; strengthening local on-site protection and management of protected areas, organizing local communities around enterprise activities, and the development and implementation of landscape scale conservation plans. Also supported will be policy activities that promote initiatives to strengthen enforcement of national natural resource management and protected area policies and regulations. Grantees will be African Wildlife Foundation, Conservation International, Enterprise Works Worldwide, The Nature Conservancy, Wildlife Conservation Society, and World Wildlife Fund.

Support of the 5th The World Conservation Union World (IUCN) Parks Congress to be held in Durban South Africa in September 2003 (\$200,000 DA). This meeting will convene the world's foremost conference of experts on protected areas. The principal grantee will be IUCN.

Technical assistance to field missions in strategic planning, program design, and monitoring of biodiversity programs (\$792,000 DA). Activities will enhance cross-sector links between biodiversity and population, health, agriculture and governance.

FY 2004 Program:

The Office will continue supporting a threat-based approach to addressing biodiversity loss and promoting on the ground conservation and policy initiatives, learning and collaboration among non-governmental organizations. The program will enhance cross-sector links between biodiversity and population, health, agriculture, and governance. Activities will continue to prioritize threats to conservation and strategically address the causes of species decline and habitat degradation as well as promote sustainable use of natural resources.

EGAT/NRM plans to begin a new initiative, Partnerships with Industry for Biodiversity, to implement an industry-wide standard of best practices that should reduce impacts on ecosystems and communities while maintaining corporate profitability. These partnerships will be strategically developed in areas of high biodiversity. Principal contractors and grantees are to be determined.

Performance and Results: In FY 2002, the biodiversity program developed a guide for USAID staff on biodiversity conservation, particularly in integrated contexts. This Guide has been distributed widely and has been catalytic in informing mission and NGO strategy and program development. Other sectors have discussed replicating the guide. Overall, the program contributed to the establishment of 17,376,045 million hectares of land under improved management and 404,338 hectares of land under effective management, as well as the facilitation of seven policy successes. Furthermore, the program provided technical assistance to six USAID Missions and Bureaus, which was lower than anticipated due to travel restrictions imposed in the months following the September 11, 2001 terrorist attacks. Finally, the biodiversity program assumed a leadership role with respect to several Agency-specific and international policies, particularly the United Nations Convention to Combat Desertification (UNCCD).

US Financing in Thousands of Dollars

934-0011 Effective biodiversity conservation and management	DA
Through September 30, 2001	
Obligations	15,685
Expenditures	8,571
Unliquidated	7,114
Fiscal Year 2002	
Obligations	6,526
Expenditures	4,894
Through September 30, 2002	
Obligations	22,211
Expenditures	13,465
Unliquidated	8,746
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2003 NOA	
Obligations	5,792
Total Planned Fiscal Year 2003	
Obligations	5,792
Proposed Fiscal Year 2004 NOA	
Obligations	6,300
Future Obligations	1,163
Est. Total Cost	35,466

Data Sheet

USAID Mission:	EGAT Bureau
Program Title:	Forestry
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	934-0012
Status:	Continuing
Proposed FY 2003 Obligation:	\$2,418,000 DA
Prior Year Unobligated:	\$195,000 DA
Proposed FY 2004 Obligation:	\$4,185,000 DA
Year of Initial Obligation:	FY 1999
Estimated Completion Date:	FY 2008

Summary: The EGAT/NRM forestry program seeks to establish itself as a leader in the international natural resources management community through the provision of expertise for sustainable forest and associated resources management and policy. The program promotes sustainable forest and natural resources management worldwide through the following functional areas: (1) providing forestry information, analysis, and outreach services to missions, bureaus, and partners; (2) fostering partnerships/providing leadership; and (3) providing proactive technical support to missions and bureaus.

Inputs, Outputs, Activities:

FY 2003 Program:

Provide information, analysis and outreach to missions, regions, and partners on sustainable forestry issues. Center for International Forestry Research (CIFOR) and International Center for Research on Agroforestry (ICRAF) will conduct forestry and agroforestry research and analysis on topics relevant to missions. The Forestry Team will complete a review of USAID's forestry program through a "lessons learned" analysis and produce "Environment Notes" on leading edge topics in forestry. Through an interagency agreement with the U.S. Forest Service, the forestry program will continue to develop inter-linked web sites utilizing the strengths of various forestry organizations.

Maximize its positive impact in promoting sustainable forestry through strategic coordination within USAID and with other federal agencies, and continue the Sustainable Forest Products Global Alliance (SFPA) partnership with the private forestry sector and NGO community. The SFPA partnership will encourage responsible forest management and reduce illegal trade in forest products by facilitating local partnerships between communities, land managers and owners, and the global forest products industry. Partners: Certified Forest Products Council; U.S. Forest Service; Forest Trends, World Wildlife Fund.

Support to missions and bureaus on topics such as training of local foresters in techniques of reduced impact logging, forest certification, agroforestry, export markets, and associated opportunities for increased sustainable economic growth through improved community access to international markets. A distance learning activity will continue to address politically and technically sensitive topics in forestry. Partner: U.S. Forest Service.

FY 2004 Program:

EGAT/NRM will continue its leadership role in information, analysis, and outreach to missions, regions and partners on issues that impact sustainable forest management. Applied forest research will be expanded to address illegal logging, slash and burn agriculture, and agroforestry. The Forestry Team will develop use of the Internet to improve and expand accessibility of information about EGAT's forestry program and the results of its analytical studies and workshops. Partners: CIFOR, ICRAF, and U.S. Forest Service.

Partnerships with the private forestry sector, PVOs and others will be expanded to leverage additional private financial resources and provide training. Increased attention will be given to linking producers of certified forest products to buyers and to data tracking.

Support to missions and bureaus will be expanded, including strategy development, training in fire management and reduced impact logging, and guidance on community based natural resource management. Funds will also support the "Engaging Communities" portion of the White House Initiative on Illegal Logging.

Performance and Results: In FY 2002 the forestry program contributed to the establishment of over than 1.5 million hectares of land under improved management and over 100,000 ha of land under effective management. It also facilitated policy changes in Brazil, Botswana, Indonesia, Mexico, Namibia, Russia, and two policy changes in Albania. Program activities also contributed to the cumulative establishment of over three million hectares of land under improved management and over 600,000 hectares of land under effective management since 1996. The program also provided value-added technical assistance to 33 USAID missions and bureaus.

The forestry program contributed to the success of three Agency-specific policies: a USAID Forestry Position Paper; an Action Plan on Illegal and Destructive Logging; and a technical review of the Rio Convention Guidelines concerning Land Use, Land Use and Change in Forestry. The Team also provided leadership in eleven international policies, strategies, and programs:

Co-sponsorship (with Home Depot) of an international forest forum in Atlanta, Georgia on Responsible Pathways to Trade;

Lead a Global Development Alliance public-private partnership which resulted in the Sustainable Forest Products Alliance;

Coordinated with the State Department in the overall development of a White House initiative on illegal logging/ lead on the "Engaging Communities" component of the Initiative;

Participated on the U.S. delegation to the United Nations Forest Forum;

Served as Official advisor to the Convention on International Trade (CITES) Mahogany Working Group;

Development of a Mahogany Trade policy for the U.S. at the request of the International Tropical Timber Organization (ITTO);

Participated in a Food and Agriculture Organization meeting on "Policy Options to Increase Compliance with Forest Law";

Collaborated with the State Department on a Congo Basin Forestry Program;

Participated on a U.S. delegation to an ITTO meeting in Japan;

Participated on a U.S. delegation to the United Nations Forest Forum meeting in Rome; and

- Participated on a U.S. delegation to the Convention on Forest Biological Diversity in Montreal.

US Financing in Thousands of Dollars

934-0012 Improved management of natural forest and tree system	DA
Through September 30, 2001	
Obligations	6,264
Expenditures	4,466
Unliquidated	1,798
Fiscal Year 2002	
Obligations	4,208
Expenditures	3,156
Through September 30, 2002	
Obligations	10,472
Expenditures	7,622
Unliquidated	2,850
Prior Year Unobligated Funds	
Obligations	195
Planned Fiscal Year 2003 NOA	
Obligations	2,418
Total Planned Fiscal Year 2003	
Obligations	2,613
Proposed Fiscal Year 2004 NOA	
Obligations	4,185
Future Obligations	5,592
Est. Total Cost	22,862

Data Sheet

USAID Mission:	EGAT Bureau
Program Title:	Land Resources Management
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	934-0013
Status:	Continuing
Proposed FY 2003 Obligation:	\$1,750,000 DA
Prior Year Unobligated:	\$0
Proposed FY 2004 Obligation:	\$5,595,000 DA
Year of Initial Obligation:	FY 1999
Estimated Completion Date:	FY 2008

Summary: USAID's Land Resources Management Team was created in October 2002, and consolidates staff and programs from four geographic Bureaus and the Bureau for Economic Growth, Agriculture and Trade. The program provides cross-disciplinary expertise on sustainable productive use, conservation, and restoration of land resources, and promotes integration of USAID's agriculture and environment activities.

Elements include:

Providing technical and policy expertise on the use, conservation, and restoration of land for long-term social, economic, and environmental benefits.

Supporting Missions and other partners on optimal land use management, technical and policy issues regarding production and conservation uses, information management (including geo-spatial tools and application), property rights, and development of land management institutions and other forms of local capacity.

Inputs, Outputs, Activities:

FY 2003 Program:

Apply strategic environmental communication to influence human behavior on a large scale in support of best land use practices, and to build advocacy for policy reform (\$1,750,000 DA). Through a range of communication techniques, this project will build social capital with commitment to sustain action related to improved policies, voluntary compliance with laws and regulations, accelerated technology transfer and adoption, and positive behavior change for sustainable land resource management. The principal contractors and grantees are The Academy for Educational Development (Prime) with sub-contracts to the World Wildlife Fund and Chemonics.

FY 2004 Program:

The Environmental Education and Communication (EE&C) Program will expand with a focus on agriculture through the Agriculture Communications (AgCom) program. EE&C principles will be applied to address wide-scale behavior change across the agricultural spectrum promoting the adoption of improved technologies and best practices in production, transportation, marketing, and consumer awareness.

The Geo-Information Support for Sustainable Development (GISSD) activity proposes to promote policies, research and development activities that strengthen the institutional capacity of USAID itself, as well as its clients and partners to better use science-based geospatial tools such as global positioning systems (GPS), satellite imagery, and computer-based mapping. This activity would be accomplished through direct support projects, co-funded activities with the private sector and other donors, and through the technical leadership of a new contracting mechanism. GISSD would build on lessons-learned from activities and commitments arising from the World Summit on Sustainable Development as well as work done with the sixteen member Consultative Group on International Agricultural Research (CGIAR) Consortium for Spatial Information. Contractors and grantees are yet to be determined.

In FY 2004 USAID/Washington proposes to initiate a Land Tenure, Privatization, and Local Capacity Building activity to respond to increased requests from field Missions for property rights expertise. This activity would begin by facilitating a participatory Agency-wide needs assessment followed by the development of a consensus on the best means of addressing these needs. The objectives would be to provide effective technical assistance with land tenure assessments, program design, and implementation, and with promoting cross-sectoral coordination among democracy, economic growth, and resource management programs on issues concerning property rights. Contractors and grantees yet to be determined.

The office would continue to manage the Collaborative Research Support Programs (CRSPs) for Sound Soil, Pest, and Natural Resource Management and focus on strengthening the relationship between these CRSP and mission programs to the mutual benefit of both. The Integrated Pest Management (IPM), Sustainable Agriculture and Natural Resources Management (SANREM), and the Soils CRSPs would build host country capacity to conduct research in the three CRSPs' respective areas of expertise; and communicate research results to farmers with the objective of improving productivity, profits, and standards of living. Adopted technologies would also allow host country farmers to participate in international markets. The IPM CRSP would be implemented by Virginia Polytechnic Institute and State University; the SANREM CRSP by the University of Georgia; and the Soils CRSP by the University of Hawaii. The CRSPs are currently active in Ecuador, Peru, Colombia, Guatemala, Honduras, Jamaica, Mali, Ghana, Senegal, The Gambia, Cape Verde, Uganda, Bangladesh, the Philippines, Nepal, and Albania.

The Agency's reorganization resulted in regional and central programs and staff being transferred to form the new Land Resource Management Team. The Lessons Learned in Community-Based Land Resource Management activity proposes to adapt transferred regional programs, lessons learned, and best practices to make them available on a global basis. Contractors and grantees yet to be determined.

Performance and Results: During this year of transition, data on LRM performance and results are limited to Environmental Education and Communication activities under this Strategic Objective. FY 2002 performance and results for programs transferring in from other Strategic Objectives are reported this year by their originating offices which managed the programs in 2002.

In FY 2002, GreenCOM contributed to: the application of environmental education strategies, methods, and tools in 571 organizations; the training of 2,659 service providers; the change in environmental knowledge, attitudes and skills in close to 3,000 individuals; and the exposure of over 35.2 million people to environmental education and communication campaigns. Added value in the form of 47 person days of technical assistance was provided to Missions and Bureaus. In doing so, the GreenCOM team also took a leadership role with respect to the development of seven important USAID policies, strategies and programs, and eighteen international policies and programs.

During FY 2003, the new Land Resources Management Team will conduct a strategic planning process to clarify indicators and performance targets for future years.

US Financing in Thousands of Dollars

934-0013 Environment education and communication	DA
Through September 30, 2001	
Obligations	4,320
Expenditures	2,968
Unliquidated	1,352
Fiscal Year 2002	
Obligations	1,762
Expenditures	1,321
Through September 30, 2002	
Obligations	6,082
Expenditures	4,289
Unliquidated	1,793
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2003 NOA	
Obligations	1,750
Total Planned Fiscal Year 2003	
Obligations	1,750
Proposed Fiscal Year 2004 NOA	
Obligations	5,595
Future Obligations	2,149
Est. Total Cost	15,576

Data Sheet

USAID Mission:	EGAT Bureau
Program Title:	Water
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	934-0014
Status:	Continuing
Proposed FY 2003 Obligation:	\$2,965,000 DA
Prior Year Unobligated:	\$0
Proposed FY 2004 Obligation:	\$4,215,000 DA
Year of Initial Obligation:	FY 1999
Estimated Completion Date:	FY 2008

Summary: The USAID water program promotes the management and optimal use of water resources at the basin or watershed scale, including the integration of land and water, upstream and downstream, groundwater, surface water, and coastal resources. The program leverages funding from the private and NGO sectors, and provides technical, analytical, and managerial assistance on activities that include the provision of basic water supply and sanitation services, the establishment of river basin agencies and supportive national policies, and the development and implementation of comprehensive coastal management plans. In addition, the program works to ensure that coastal and freshwater aquaculture, capture fisheries, and coral reef conservation and use are appropriately integrated into a holistic resource management approach, wherever these activities are undertaken. The water program provides services in four functional categories: (1) technical and managerial assistance; (2) research and technology development; (3) public education and outreach; and (4) international leadership and coordination services both to Missions and Regional Bureaus within USAID, and to partners and other cooperators in the international arena.

Inputs, Outputs, Activities:

FY 2003 Program:

Promote an integrated water resources management (IWRM) approach towards the goals of water security and the conservation and use of freshwater and coastal resources worldwide (\$2.965 million DA). IWRM principles emphasize work at the basin-scale; the integration of supply-side and demand-side resource management; an intersectoral approach to decision-making; improved policy, regulatory, and institutional frameworks; and equitable access to water and coastal resources through participatory and transparent governance.

During FY 2003, the Water Team will close-out an eight-year program to establish coastal governance systems in key countries and regions worldwide, and develop a new and expanded program incorporating a suite of coastal governance, fisheries management, and IWRM technical services available through the U.S. university and NGO community. The Team will continue to manage and contribute core funding to the Water IQC, a mechanism for accessing U.S. private sector expertise that remains heavily utilized by missions to advance field programs in water and coastal resources management. In addition, the Team will continue to fund activities of the West Africa Water Initiative (WAWI), and identify leveraged funding to support expansion of the Initiative. WAWI is an alliance of 12 organizations dedicated to enhancing water supply and sanitation services, and eradicating water-borne disease, in both rural and urban areas of Ghana, Niger, and Mali. The Water Team will utilize additional core funds to support water and coastal-related collaboration activities of the U.S. and Japan, as announced at the World Summit on Sustainable Development. Finally, the Team will continue its collaboration with the International Water Management Institute (IWMI) on applied research and technical assistance in water resources management for selected countries and regions. Grantees implementing the coastal resources management and WAWI activities include the University of Rhode Island/Coastal Resources Center, World Vision, UNICEF, WaterAid, Desert Research Institute, Winrock International, and the Cornell International Institute for Food, Agriculture, and Development.

A central element of the Water Team's work in the FY 2003-04 period will be the continued provision of technical, analytical, and managerial support to USAID missions and regional bureaus worldwide.

FY 2004 Program:

The Water Team will continue its support for core elements of the USAID water program, while seeking leveraged funding for expanded and/or new partnerships. Funding will support the launch of two new technical assistance delivery mechanisms developed during FY 2003 - the renewed Water IQC and a new Leader with Associates Cooperative Agreement in Integrated Coastal and Water Resources Management. The Team will also provide a final year of support to the West Africa Water Initiative, and seek leveraged funds to achieve a geographically expanded Initiative within Africa and/or Southeast Asia. Finally, funding would allow modest expansion of an FY 2003 U.S./Japan Coastal Partnership Initiative for SE Asia, and implementation of 'partnership initiatives' in the Wider Caribbean Region in support of the Department of State sponsored White Water to Blue Water Initiative announced at the World Summit on Sustainable Development. Principal contractors and/or grantees are to be determined. Contractors and cooperators for both mechanisms will be competitively selected.

Performance and Results: The Coastal Resource Management II (CRMII) Cooperative Agreement continued to produce results at both the global and key-country levels to achieve increased conservation and sustainable use of coastal and freshwater ecosystems. Activities of the Water Team contributed to the establishment of 158,400 hectares of land under improved management and 35,000 hectares of land under effective management, as well as the facilitation of 7 new policy changes. Additionally, the Water Team contributed to the achievement of value-added targets through the provision of 149 person-days of in-country technical assistance to Agency missions and bureaus. The Water IQC received mission and other task orders totaling over \$62 million, and the CRMII Cooperative Agreement received field transfers and core support valued at over \$4.5 million. The total of almost \$67 million through the two mechanisms is up from \$38 million in FY 2001. Also during FY 2002, the Water Team assumed a leadership role with respect to 67 Agency-specific and 20 international policies, strategies, and programs. Finally, the Water Team provided key technical support for the development of the U.S. Signature Water Initiative unveiled at the World Summit on Sustainable Development.

US Financing in Thousands of Dollars

934-0014 Increased conservation and sustainable use of coastal and freshwater resources	DA
Through September 30, 2001	
Obligations	6,598
Expenditures	4,038
Unliquidated	2,560
Fiscal Year 2002	
Obligations	4,681
Expenditures	3,510
Through September 30, 2002	
Obligations	11,279
Expenditures	7,548
Unliquidated	3,731
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2003 NOA	
Obligations	2,965
Total Planned Fiscal Year 2003	
Obligations	2,965
Proposed Fiscal Year 2004 NOA	
Obligations	4,215
Future Obligations	3,071
Est. Total Cost	21,530

Data Sheet

USAID Mission:	EGAT Bureau
Program Title:	Making Cities Work
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	934-002
Status:	Continuing
Proposed FY 2003 Obligation:	\$3,300,000 DA
Prior Year Unobligated:	\$60,000 DA
Proposed FY 2004 Obligation:	\$2,500,000 DA
Year of Initial Obligation:	FY 1999
Estimated Completion Date:	FY 2008

Summary: Responding to both the crisis of urbanization in developing countries and U.S. foreign policy concerns, EGAT/UP seeks to improve the lives of the urban poor by engaging public, private, and community level organizations to take actions that benefit this vulnerable group. EGAT/UP's program for improved management of urbanization includes:

Improving living conditions and minimizing disaster risks, especially for urban poor slum settlements;
Increasing access and equitable delivery of water supply, electricity and provision for safe disposal/treatment of solid waste and raw sewerage;
Expanding the private sector's role in partnering with city governments in financing expanded services and shelter delivery for the poor;
Improving strategic and participatory urban planning and management to incorporate people and communities in defining needs and building public/private coalitions to find solutions; and
Sharing knowledge and experience with U.S. and foreign development partners to increase efficiency and effectiveness of efforts to improve the lives of the urban poor.

Inputs, Outputs, Activities:

FY 2003 Program:

This program is carried out through four principal activities: technical support to missions, knowledge management, and partnership development. As part of this approach EGAT/PR monitors impacts on urban populations to improve Agency responses.

Provide technical support on strategy, program design, implementation, and policy development (\$750,000 DA). For example, Resource Cities and its follow-on City-to-City Leader with Associates program will partner five U.S. cities with cities in developing countries to provide technical assistance in improving professional municipal management, supporting participatory and inclusive governance, economic development and sound financial management.

Increase the capacity, efficiency and effectiveness of those working to improve lives of the urban poor through knowledge management (\$850,000 DA). The urban knowledge management program shares its collective urban development knowledge, experience and best practices with U.S. and foreign development partners. Knowledge management funding will be used to implement a comparative urban studies project, provide website content development and dissemination of success stories, improve urban health data collection methods and train USAID staff on urban poverty reduction. EGAT/UP will hold specialized seminars and conferences to share best practices and experiences in strategic and participatory urban planning and management.

Advance partnerships and alliance building for urban development (\$1,250,000 DA). EGAT/UP's partnership and alliance building activities work with organizations like the multi-donor Cities Alliance, the Institute for Transportation and Development Policy, Lion's Club International, the International Youth Foundation and a variety of local private or non-profit organizations to advance public/private strategic partnerships for urban development. For example, EGAT/UP works with USAID regional and pillar

bureau, through the Making Cities Work Partnership Fund, to encourage the mainstreaming of urban programs within field mission development strategies.

Urban strategy and policy development (\$450,000). EGAT/UP takes the lead role in monitoring USAID's approved "Making Cities Work" urban strategy and continues the process identifying urban issues in assistance programs, ensuring performance and disseminating success stories. As a result of its partnership and strategy activities, EGAT/UP expects to lead or provide major influence on 20 USAID policies/strategies and 15 policies or strategies of international assistance organizations. Funds will also be used to monitor urban conditions and improve USAID responses.

The principal contractors and grantees for the above activities are Planning and Development Corporation (PADCO), The Urban Institute, Abt Associates, International City/County Manager Association (ICMA), The Communities Group, the Research Triangle Institute, the Woodrow Wilson Center, the Environmental Health Project and the Cities Alliance.

FY 2004 Program:

Technical support, knowledge management, partnership building and urban strategy development activities will continue as the FY 2003 program. Resources will be used to support strategic alliances and partnerships within USAID and with other partners to assist in the planning and delivery of services to the urban poor. EGAT/UP will continue to build the Agency's urban program knowledge base and implementation capacity focused on health, youth employment, and improving the capacity of local government to respond to poor urban communities.

Performance and Results: In FY 2002, EGAT/UP focused its work in Washington and in developing countries on:

mainstreaming an urban focus across USAID regional bureaus and country missions through raising awareness and knowledge of USAID 'Making Cities Work' strategy;
providing direct delivery of technical assistance, training, and policy support for new and continuing programs of USAID field missions and of development partners that directly benefit the urban poor; and
strengthening strategic alliances with international donor organizations and creating new partnerships with U.S. public/private and non-profit groups to better address sustainable urban development, promote economic growth, and target programs to alleviate urban poverty.

EGAT/UP provided outreach and technical support to approximately 20 USAID missions during FY 2002. Its work assisted in the design and start-up of new development initiatives across sectors (HIV/AIDS, urban poverty reduction and assistance to urban unemployed and at-risk youth), supported emergency natural disaster responses (Hurricane Mitch closeout and India earthquake), and helped draft national legislation and regulations. EGAT/UP contributed directly to improving capacity of cities to better govern and respond to people's needs through its city-to-city partnerships in 19 different cities.

US Financing in Thousands of Dollars

934-002 Improved management of urbanization in targeted areas	DA
Through September 30, 2001	
Obligations	9,480
Expenditures	6,516
Unliquidated	2,964
Fiscal Year 2002	
Obligations	3,573
Expenditures	3,049
Through September 30, 2002	
Obligations	13,053
Expenditures	9,565
Unliquidated	3,488
Prior Year Unobligated Funds	
Obligations	60
Planned Fiscal Year 2003 NOA	
Obligations	3,300
Total Planned Fiscal Year 2003	
Obligations	3,360
Proposed Fiscal Year 2004 NOA	
Obligations	2,500
Future Obligations	12,575
Est. Total Cost	31,488

Data Sheet

USAID Mission:	EGAT Bureau
Program Title:	Energy Production - Increased Efficiency
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	934-0031
Status:	Continuing
Proposed FY 2003 Obligation:	\$3,000,000 DA
Prior Year Unobligated:	\$1,487,000 DA
Proposed FY 2004 Obligation:	\$2,300,000 DA
Year of Initial Obligation:	FY 1999
Estimated Completion Date:	FY 2008

Summary: The provision of reliable, affordable and environmentally sound energy is critical for economic growth and social development. In most developing countries, the demand for energy far exceeds the capacity to provide it; presently two billion people worldwide lack access to energy services. Using energy more efficiently helps meet this demand, saves consumers money and conserves natural resources. The primary goals of this program are to promote energy efficiency in both the public and private sectors; improve urban air quality; and expand access to energy services to poor urban communities. The program's major components include:

adopting and implementing policies and regulatory frameworks that promote the delivery of reliable, efficient and affordable energy services at the national, state and local levels;
strengthening the institutional capacity of energy service providers to adopt best management practices and to finance investments in clean energy technologies; and
promoting public awareness of and advocacy for the provision of clean, reliable and affordable energy services for all.

Inputs, Outputs, Activities:

FY 2003 Program:

Presidential Clean Energy Initiative

Develop and implement energy efficient standards. EGAT/EIT's energy efficiency program is focused on a set of core global activities. The Collaborative Labeling and Appliance Standards Program (CLASP) works with national institutions in Brazil, India, Mexico and South Africa to develop and implement energy efficiency standards and labels for appliances and motors. This program is administered by a consortium of NGOs: the Alliance to Save Energy, Lawrence Berkeley National Laboratory and the International Institute for Energy Conservation.

Improve policies and practices to use water and energy more efficiently. The WATERGY (shorthand for water and energy) program works with municipal water utilities in Sri Lanka, Brazil, India, South Africa and Mexico to adopt policies and practices to use water and energy more efficiently thereby conserving natural resources and saving money. This program is particularly relevant in countries undergoing the decentralization of municipal services. In collaboration with municipal associations, funds will be used to develop and deliver training courses on energy efficiency for city managers and elected officials. Principal contractors and grantees include Alliance to Save Energy (Prime) and the International City/County Management Association (sub).

Air pollution impact analysis and mitigation. In Hyderabad, India, EGAT/EIT is working with local institutions and the Municipal Corporation to determine the impacts of air pollution on human health and economic productivity. Funds will also be used to support a pilot project to determine if behavioral changes can reduce the impacts of indoor air pollution caused by the burning of biomass. These activities are implemented jointly by USEPA, the National Renewable Energy Laboratory and Winrock.

FY 2004 Program:

The EIT Office will continue to support the Presidential Clean Energy Initiative by:

- Expanding CLASP to three additional countries and to leverage resources from the Global Environmental Facility.
- Continuing the WATERY activity and expanding to four additional countries.
- Expanding the pilot slum electrification program in Ahmedabad, India, from 700 to 4,000 household connections and to replicate it in other cities in India and possibly townships in South Africa. The Municipal Corporation, the Ahmedabad Electricity Company, World Vision and two community-based women's organizations administer this project.
- Collaborating with USEPA and the Shell Foundation will seek to improve urban air quality through the application of best practices in transportation planning, land use planning, public transportation, alternative fuels and public and private fleet management. Candidates for this program include Manila, Mexico City and Hyderabad. Collaborators include USEPA and the International Council for Local Environmental Initiatives.
- Collecting and analyzing data from pilot activities to determine if behavior changes can reduce indoor air pollution and reduce the incidences of respiratory ailments among women, children and the elderly. Contractor to be determined.

In addition, the program will continue to leverage resources from other operating units, such as USAEP, SARI/E, LAC, and EPA.

Performance and Results: This program helped local governments in Brazil, Ghana, India, Indonesia, and Mexico to save energy and money, and improve the delivery of municipal energy services. In Brazil, the program assisted a leading water utility to achieve savings of 5 MW of reduced demand through low and no-cost measures, and simultaneously managed to increase water supply and service to about 20,000 mostly low income, residents. In Mexico, the program assisted the largest oil refinery cut its greenhouse gas emissions by 5,300 tons of carbon dioxide/year; extension of the program to the entire refinery could result in annual carbon dioxide emissions reduction of about 200,000 tons/year. In Ahmedabad, the slum electrification program has completed household connections to nearly a quarter of the target beneficiaries and it is on track to complete Phase I in FY04. In Ghana, CLASP helped establish an energy efficiency standard and label for air conditioners resulting in estimated savings of 2-3 MW of demand reduction.

US Financing in Thousands of Dollars

934-0031 Increased energy efficiency	DA
Through September 30, 2001	
Obligations	13,356
Expenditures	8,087
Unliquidated	5,269
Fiscal Year 2002	
Obligations	3,881
Expenditures	5,048
Through September 30, 2002	
Obligations	17,237
Expenditures	13,135
Unliquidated	4,102
Prior Year Unobligated Funds	
Obligations	1,487
Planned Fiscal Year 2003 NOA	
Obligations	3,000
Total Planned Fiscal Year 2003	
Obligations	4,487
Proposed Fiscal Year 2004 NOA	
Obligations	2,300
Future Obligations	7,464
Est. Total Cost	31,488

Data Sheet

USAID Mission:	EGAT Bureau
Program Title:	Energy Production - Renewable Energy
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	934-0032
Status:	Continuing
Proposed FY 2003 Obligation:	\$3,600,000 DA
Prior Year Unobligated:	\$979,000 DA
Proposed FY 2004 Obligation:	\$2,800,000 DA
Year of Initial Obligation:	FY 1999
Estimated Completion Date:	FY 2008

Summary: The program seeks to overcome market and institutional barriers to increasing access to energy in rural areas, and encouraging widespread adoption and use of renewable energy systems to meet development needs. Elements include:

- supporting policies, technologies and business models that result in increased access to modern energy services in underserved areas;
- fostering implementation of policy or regulatory changes that clarify or establish rights and incentives for the cost-effective utilization of renewable energy resources and technologies;
- mobilizing business entities to pursue renewable energy projects;
- leveraging financial commitments to renewables; and
- catalyzing the establishment or strengthening of host-country, non-profit institutions for the explicit purpose of promoting renewables to meet development needs.

This program directly supports the Global Village Energy Partnership, a program of the U.S. Government Clean Energy Initiative.

Inputs, Outputs, Activities:

FY 2003 Program:

EGAT/EIT will target the expanding, yet limited, energy infrastructures of developing countries that are particularly well positioned to make use of environmentally sustainable energy technologies such as renewables. These activities will help numerous countries to seize the opportunity to pursue less carbon-intensive economic development pathways and leapfrog the polluting, carbon-rich industrialization phase that developed countries experienced. A brief description of each of the five renewable energy-contracting mechanisms is provided below:

Presidential Clean Energy Initiative

Renewable Energy Development in Central America and the Caribbean. Many countries in Central America and the Caribbean have announced intentions to increase their reliance on renewable energy in an attempt to decrease the price of electricity, protect the environment and as a hedge against future political instability and natural disasters. For example, Honduras gives a 10% premium in power purchase contracts that supply energy from renewable resources, and Guatemala has drafted new regulations that keenly favor development of renewable energy projects. This program will continue work with local NGOs to meet the energy needs of the Central American/Caribbean region's rural populations through activities such as water pumping and using renewable energy sources and technologies to power rural schools to bring distance education programs to remote areas. The program is implemented by the Organization of American States (OAS).

Increased Use of Renewable Energy Resources. Funds support activities in Central America, The Philippines, India, Nepal, Brazil and Mexico to expand the potential for renewable energy initiatives. Activities to date have yielded over \$1 billion in investments leveraged from international financial institutions and supported the establishment of nine host-country institutions for the promotion of

renewable energy. In addition, over 665 megawatts of renewable energy generation capacity is expected online, and each megawatt can provide electric power to a community of about 5,000 residents in a developing country. This program is also taking a lead role in implementing the Global Village Energy Partnership (GVEP) which is one of the programs included in the Clean Energy Initiative that the U.S. Government announced at the World Summit on Sustainable Development (WSSD) in September 2002. GVEP is a major international effort to increase access to modern energy services in the developing world, and it expects that 10 countries will have committed to energy-poverty programs, reaching over 25 million people in the next 5 years. GVEP also expects that at least 3 multilateral development bank energy-poverty projects will be initiated, leveraging over \$500 million in energy-poverty investments by the World Bank annually, of which at least \$300 million will be dedicated to Africa. The prime contractor is Winrock International.

Resource Assessment Mapping. EGAT/EIT supported identifying, quantifying, and mapping of renewable energy resources - primarily solar and wind resources in the Maldives, Sri Lanka, the Mexican State of Oaxaca and Tibet. The identification and mapping of these resources serves to overcome the first barrier those governments and the private sector face when developing renewable energy projects. National Renewable Energy Laboratories (Prime).

Financing Renewable Energy Projects. This project works with in-country entrepreneurs and financial institutions to identify and develop financing mechanisms and business models to provide energy to rural areas and increase the amount of renewable energy resources in national energy portfolios. The prime contractor is E+Co.

Provide Technical and Engineering Support for Renewable Energy Development. This project builds on the previous three years experience in establishing pilot projects for renewable energy, and expanded the number and type of renewable technologies used for productive purposes. Activities included providing technical expertise to the World Bank Energy Sector Management Assistance Program (ESMAP) for the rural telecenter program in Honduras, and to the Inter-American Development Bank for its distance education and rural telecenter program in Central America. Sandia also developed a new "proof of concept" approach to remote forestry education through a distance education platform powered by renewable energy technologies. The prime contractor is Sandia National Laboratories.

FY 2004 Program:

EGAT/EIT plans to use FY 2004 resources requested in this Budget Justification to support the strategic realignment of renewable energy activities to effectively address the delivery of energy services to rural and urban populations. This program will continue as one of USAID's principle vehicles for carrying out its commitments to the Presidential Clean Energy Initiatives announced at the World Summit on Sustainable Development (WSSD) in September of 2002. EGAT/EIT, along with the ESMAP program at the World Bank, and the UNDP, will continue to play a lead role on the Technical Secretariat of the Global Village Energy Partnership (GVEP), and our contractors and cooperators are already initiating activities to support GVEP. In addition, a review of existing programs will lead to the continuation of some activities, such as improving the policy and regulatory frameworks for increased commercial delivery of renewable energy services, and an enhanced capacity of energy service companies (ESCO's) to access local financial capital. New activities will include expanding the knowledge base for designing and implementing productive use of energy projects, integrating sector governance issues into commercial-based energy service provision, and increasing information and use of non-electricity energy sources in rural areas, such as plant-based fuels, biogas, and solar thermal technologies. In particular, the program will move beyond an emphasis on the provision of energy, in order to work with communities to develop productive use applications such as irrigation pumping, value-added processing of agricultural commodities, communications, and information technologies.

Performance and Results: The program strengthened approximately 55 host-country institutions dealing with renewable energy, which resulted in 13 renewable energy related policies and regulations. 73 local businesses benefited from support for individual enterprise development services, and new financial commitments of \$141.8 million were made available for renewable energy projects in assisted countries. Other notable results from the renewable energy program to date include:

- Assisted the Vice-Minister of Mines and Energy in Guatemala to design three specific policy measures to offer incentives to private developers.

Helped set up rural renewable energy funds in Guatemala and Honduras.

Provided inputs to the Philippine Omnibus Bill on power sector restructuring.

Supported Brazil on policy and regulatory efforts to promote renewable energy.

Completed the draft USAID/World Bank paper, "Fostering Investments in Renewable-based Generation in Rural Areas of Developing Countries: Lessons from Experience and Ideas for Intervention and Innovation".

Hosted a Renewable Energy Policy Forum for a set of power sector regulators from India, which led to an exchange of regulatory experiences in US and India in promoting renewables.

Provided assistance to the World Bank in developing a national renewable energy policy and action plan for Cambodia.

Promoted a clean fuel policy in India to use ethanol as alternative transport fuel and a clean transport policy in Nepal to use electric vehicles.

Assisted USAID/India with a study of financial analysis of distributed generation option in India.

In the Caribbean, St. Lucia, Granada and Dominica worked closely with USAID partners to craft national energy plans that will significantly increase their commitment to renewable energy resources.

US Financing in Thousands of Dollars

934-0032 Increased use of renewable energy resources	DA
Through September 30, 2001	
Obligations	17,161
Expenditures	11,892
Unliquidated	5,269
Fiscal Year 2002	
Obligations	4,983
Expenditures	2,646
Through September 30, 2002	
Obligations	22,144
Expenditures	14,538
Unliquidated	7,606
Prior Year Unobligated Funds	
Obligations	979
Planned Fiscal Year 2003 NOA	
Obligations	3,600
Total Planned Fiscal Year 2003	
Obligations	4,579
Proposed Fiscal Year 2004 NOA	
Obligations	2,800
Future Obligations	34,720
Est. Total Cost	64,243

Data Sheet

USAID Mission:	EGAT Bureau
Program Title:	Energy Production; Clean Energy and Use
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	934-0033
Status:	Continuing
Proposed FY 2003 Obligation:	\$3,400,000 DA
Prior Year Unobligated:	\$1,000,000 DA
Proposed FY 2004 Obligation:	\$2,900,000 DA
Year of Initial Obligation:	FY 1999
Estimated Completion Date:	FY 2008

Summary: Economically viable clean energy production and use in developing countries is hindered by an inability to create attractive business environments for the investments necessary for such technologies to be deployed. Existing business environments are characterized by immature markets for energy delivery, weak local capital markets; intermittent application of the rule of law, poor energy sector structures, poor business management performance of energy institutions, lack of adoption of best practices and standards by energy institutions and the public sector; poor consumer knowledge and awareness of legal and commercial requirements for sustainable energy services, and inadequate participation of civil society in the energy sector decisions that affect their lives. In this context, EGAT/EIT works to create:

the institutional scaffolding (i.e. transparent, predictable and enforceable rules) for an efficient and effective energy sector;

a public sector supportive of efficient energy markets;

a civil society that is well equipped to democratically participate in the energy decisions of the nation, municipality, or community; and

economically sustainable transactions for energy products and services

Inputs, Outputs, Activities:

FY 2003 Program:

USAID will help establish free-market policies and strengthen energy and environmental institutions that enable more efficient power production. The program will improve public- and private-sector institutional ability to operate and manage the energy sector, allow for more effective delivery of energy services to rural and urban populations, and improve the ability of civil society to democratically participate in the energy decisions that affect the public.

Governance, Trade and Investment

Develop best practices on utility regulations and build capacity in developing country regulatory bodies. (\$2,000,000 DA). EGAT/EIT with the National Association of Regulatory Utility Commissioners (NARUC), will create a global forum whereby energy regulators from the developing world can discuss mutual challenges and share best practices with their counterparts from the U.S., and if appropriate, other donors. The result of this global regulatory network will be to increase the efficiency of developing countries' energy sectors and facilitate an atmosphere conducive to private sector involvement. Additionally, EGAT/EIT, with the US Energy Association (USEA), will continue to increase the capacity of developing country energy companies to function on a commercial basis. USEA has organized over 75 cooperative partnerships between U.S. organizations and counterparts in developing and transitional economies. Through these partnerships, U.S. organizations have conveyed U.S. experiences and business / regulatory practices to other nations. The prime contractors are NARUC and USEA.

Launch pilot programs in democratic governance in the energy sector (\$1,000,000 DA). USAID will initiate five new and innovative pilot programs geared toward developing the capacity of civil society to participate in the energy decisions that affect citizens' lives and livelihoods.

Build the capacity of the Southern Africa Power Pool (\$486,000 DA). EGAT/EIT will continue assisting the Southern Africa Development Community to develop training and technical assistance for the Southern Africa Power Pool (SAPP). This assistance will focus on improving the capacity of energy officials in the 12 SAPP countries, including South Africa, Zambia, Botswana and Namibia. Prime contractors are CORE International, US Energy Association and Institute of International Education.

Educate communities affected by hydro-power projects in Brazil (\$200,000 DA). EGAT/EIT will continue to support a training program in energy, environment and democratic participation for communities affected by large hydropower projects. The result of this program will be communities that are better educated as to the necessity of energy for development, better equipped to exercise their democratic rights, and better prepared to constructively interact with private power developers and the Brazilian government. The contractors are International Institute for Education (Prime) and Ecológica (Sub).

Field Support

Increased public understanding of, and participation in, decisions regarding delivery of energy services (\$765,000 DA). Engaging key stakeholders - the public, business community, product manufacturers and suppliers, utilities, fuel suppliers, local and national governments - in the process of energy policy formulation at the earliest stages and throughout implementation will accomplish the following: energy policies will benefit from early buy-in from all key parties affected; through better education, the public will understand how energy policy affects their lives and will be in a better position to influence and facilitate change; stakeholders will feel empowered to influence the process of policy development and will know how to effectively participate in the process; consensus-building opportunities will be identified that will help facilitate positive change; and implementation of energy sector policies will achieve greater success when a democratic process is used to develop strategies. Currently, programs are being implemented in Indonesia, India, and Zambia. The prime contractor is Academy for Educational Development (AED).

FY 2004 Program:

USAID plans to use FY 2004 resources to support the strategic realignment of clean energy and environmental management activities to more effectively address the delivery of energy services to rural and urban populations, and the governance of the sector that enables such changes to occur. A review of existing programs has led to the continuation of some activities and the preparation of a number of new programs.

Governance, Trade and Investment: USAID will continue to support legal and regulatory reforms that are a prerequisite for a sustainable energy sector that can meet a country's energy needs, including the energy needs of the poor, while contributing to a country's economic and social development. USAID will likely augment its current program with the National Association of Regulatory Utility Commissioners, which focuses on capacity building for newly formed energy regulatory bodies. It will also likely continue its successful partnership program with the US Energy Association, which has an excellent track record in assisting utilities to function on a commercial basis. USAID will also continue to provide support for promising programs in democratic governance in the energy sector, geared toward developing the capacity of civil society to participate in the energy decisions that affect citizens' lives and livelihoods.

Field Support: The new People Energy and Development Indefinite Quantity Contract (PED IQC) will be awarded by September 2003. The new IQC is Phase II of the current Energy and Environment Training Program (EETP IQC), and will serve as a vehicle for Regional and Pillar Bureaus as well as Missions to gain access to highly qualified energy training professionals.

Performance and Results: In sub-Saharan Africa, an estimated \$3 billion was saved after the 12 countries involved finalized arrangements to share existing electricity generating facilities to reduce reserve margins. The World Bank is investing \$138 million to expand on this initiative. USAID has been instrumental in the establishment of the West Africa Power Pool (WAPP) and has designed a Global Development Alliance for the WAPP, one of the first alliances of its kind. In Nepal, the program worked to replace polluting diesel three-wheelers with locally-built zero-emissions, battery-operated electric vehicles. Today, there are over 600 electric 3-wheeled taxis in Katmandu. The program arranged over a

total of 98 senior energy officials from over 60 institutions to participate in 18 international energy sector capacity building activities, resulting in transfer of modern institutional management methods to institutions worldwide. New partnerships were successfully initiated among U.S. corporations and developing country counterparts through an agreement with the Business Council for Sustainable Energy (BCSE). Other partnerships among U.S. and developing country utilities and regulatory agencies were created through an agreement with the United States Energy Association. Regional Bureaus and Missions have applauded these partnerships as among the most successful foreign assistance programs.

US Financing in Thousands of Dollars

934-0033 Clean energy production and use	DA
Through September 30, 2001	
Obligations	13,563
Expenditures	9,741
Unliquidated	3,822
Fiscal Year 2002	
Obligations	5,463
Expenditures	2,842
Through September 30, 2002	
Obligations	19,026
Expenditures	12,583
Unliquidated	6,443
Prior Year Unobligated Funds	
Obligations	1,000
Planned Fiscal Year 2003 NOA	
Obligations	3,400
Total Planned Fiscal Year 2003	
Obligations	4,400
Proposed Fiscal Year 2004 NOA	
Obligations	2,900
Future Obligations	33,226
Est. Total Cost	59,552

Data Sheet

USAID Mission:	EGAT Bureau
Program Title:	Global Climate Change
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	934-004
Status:	Continuing
Proposed FY 2003 Obligation:	\$2,075,000 DA
Prior Year Unobligated:	\$589,000 DA
Proposed FY 2004 Obligation:	\$3,700,000 DA
Year of Initial Obligation:	FY 1999
Estimated Completion Date:	FY 2008

Summary: USAID's most recent Agency-wide climate change program, the five-year Climate Change Initiative (CCI), began in FY 1998 and ended in FY 2002. During this time, EGAT's Climate Change Program was tasked with overseeing the Agency's Climate Change Initiative. This program provided technical leadership and assistance to more than 40 field missions and central and regional offices to assist them to implement and report progress on activities that reduced greenhouse gas emissions. Another objective was strengthening developing and transition country participation in efforts to address climate change, primarily through the UN Framework Convention on Climate Change (FCCC).

With the conclusion of the CCI, the Agency's climate change program is making a transition in FY 2003. The new climate program will promote climate-friendly economic development and, in response to the findings of the P.A.R.T.(conducted by OMB) to support programmatic areas important to the Administration's climate negotiating team, will assist vulnerable populations and ecosystems to be more resilient to climate impacts across the broad rants of USAID sectors. EGAT's Climate Change Program will therefore focus FY 2003 activities on establishing access to expertise required to support the new program focus. In addition, the FY 2003 program will develop and disseminate outreach and education materials to communicate the new objective to Agency staff and their partners, and to advise on pathways for implementation.

Inputs, Outputs, Activities:

FY 2003 Program:

Promoting climate friendly technologies and practices (\$1,460,000 DA). EGAT/ESP will lead USAID climate change activities and goals, focusing on carbon sequestration, technology cooperation and adaptation. EGAT/ESP will support new analyses of vulnerable regions to the impacts of climate change, as well as continue promoting climate-friendly technologies and practices in the energy, forestry, and agriculture sectors. It will also provide technical support to USAID field mission activities that have a link to climate change. Principal contractors and grantees are Winrock International, Nexant, and E&Co. Principal agencies with whom USAID will cooperate are DOS, USDA, DOE, NOAA, USGS, and EPA.

Developing outreach and education materials (\$250,000 DA). Outreach and education materials will be developed to communicate the new objective of USAID's climate program, with the goal of improving the integration of climate concerns into USAID's development programs. These funds will also be used to disseminate information, methodologies and other tools to assist operating units to implement activities that respond to the new program focus of increasing developing and transition country resilience to climate impacts. Principal contractors are still being identified, but will include PADCO and TRG.

Core staff and technical support (\$954,000 DA). Approximately half of the FY 2003 funds will be used to provide for core staff to oversee USAID's Climate Program, and to monitor and report on Agency-wide results. These results are detailed in an annual report to Congress. The prime contractor is PADCO.

FY 2004 Program:

EGAT/ESP will continue to encourage the adoption of climate-friendly technologies and practices in the energy, agriculture, and land-use sectors. It will provide access to essential climate change technical expertise and tools through mechanisms managed in Washington but geared toward servicing the needs of field offices. It will also focus attention on refining methods of reducing vulnerability to the impacts of climate variability and change with regard to agriculture and food security, coastal resources, disaster mitigation, and biodiversity/natural resources.

Outreach and education will continue to be a strong focus of the program for the coming years. These funds will also be used to disseminate information, and provide training on methodologies and other tools to assist operating units to implement activities that assist with adaptation climate impacts.

FY 2004 funds will be used to continue to provide for core staff to oversee USAID's Climate Program, and to monitor and report on Agency-wide results.

Performance and Results: The program increased investment in climate-friendly technologies in Brazil, Mexico, Philippines, Egypt, and South Africa, and promoted practices that sequester carbon in the land-use sector. Agency-wide climate change reporting for the last four years showed that USAID helped avoid emissions of more than 15 million metric tons of carbon dioxide-equivalents and initiated activities in more than 93 million hectares to protect carbon sinks. In 2001 alone, the Agency-wide program reported more than \$1 billion in directly leveraged funding, while more than 5.8 million tons in emissions of carbon dioxide equivalents were avoided.

US Financing in Thousands of Dollars

934-004 Agency climate change program effectively implemented	DA
Through September 30, 2001	
Obligations	10,844
Expenditures	6,249
Unliquidated	4,595
Fiscal Year 2002	
Obligations	4,010
Expenditures	3,725
Through September 30, 2002	
Obligations	14,854
Expenditures	9,974
Unliquidated	4,880
Prior Year Unobligated Funds	
Obligations	589
Planned Fiscal Year 2003 NOA	
Obligations	2,075
Total Planned Fiscal Year 2003	
Obligations	2,664
Proposed Fiscal Year 2004 NOA	
Obligations	3,700
Future Obligations	36,649
Est. Total Cost	57,867

Data Sheet

USAID Mission:	EGAT Bureau
Program Title:	Basic Education
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	935-001
Status:	Continuing
Proposed FY 2003 Obligation:	\$7,660,000 DA
Prior Year Unobligated:	\$3,421,000 DA
Proposed FY 2004 Obligation:	\$9,800,000 DA
Year of Initial Obligation:	1999
Estimated Completion Date:	2007

Summary: The EGAT/ED program in basic education assists developing countries improve pre-primary, primary, and secondary levels of education, teacher training for these levels, and adult literacy. Activities increase access, quality, equity, and efficiency of education systems through policy reform, systems management, decentralization, teacher training and certification, community involvement in schools, educational technology, and educational opportunities for out-of-school children. These activities support countries' efforts to achieve Education for All, with particular focus on transparency, private sector involvement in policymaking and resource budgeting, and better classroom practices. All activities have an emphasis on raising girls' enrollment and completion rates.

Inputs, Outputs, Activities:

FY 2003 Program:

Basic education policies and institutions improved (\$2,894,000 DA). EGAT/ED will promote policy reform to increase the number of children, especially girls, enrolled in school. Education system decentralization processes will also be supported. It will provide technical assistance for policy analysis, for addressing system constraints affecting education quality, and for increasing the participation of civil society in education. Principal contractors and grantees include Creative Associates International Inc. (Prime); CARE, George Washington University, and Groundwork (Subs).

Formal and out-of-school basic education learning environments improved (\$2,849,000 DA). EGAT/ED will support interactive radio education programs, assist in the education and socialization of child combatants and child soldiers, and disseminate information on the benefits of pre-school programs on the educational success of children. Principal contractors and grantees include Creative Associates International Inc. (Prime), CARE, George Washington University, and Groundwork (Subs).

Basic education quality improved through education technology (\$955,000 DA). Innovations in information and communication technology (ICT) will assist at least three institutions to increase the reach and quality of basic education, including applications of Internet and ICT for learning systems in countries suffering the effects of natural disasters and HIV/AIDS. Principal contractors and grantees include Education Development Center (Prime); Academy for Educational Development, Howard University, Michigan State University, Prince George's Community College, Concord Consortium (Subs).

Basic education data collected, analyzed, and disseminated (\$962,000 DA). EGAT/ED will support the collection of education-related data through the implementation of nationally representative household surveys and through smaller assessments and evaluations addressing issues of demand for schooling and education system decentralization. EGAT/ED will also fund the maintenance and updating of the Global Education Database, which makes education indicators available free online. Principal contractors and grantees include ORC Macro International Inc. (Prime).

FY 2004 Program:

EGAT/ED plans to fund policy reform to increase the number of children, especially girls, enrolled in school. It also may support education system decentralization processes, technical assistance for policy analysis, and policies that support the participation of civil society in education.

EGAT/ED plans to support interactive radio education programs, assist in the education and socialization of child combatants and child soldiers, and disseminate information on the benefits of pre-school programs on the educational success of children. Programs with national or regional impact that take advantage of information and communication technology will be tested in at least five institutions, including increasing access to basic education and accelerating the adoption of e-learning, with an emphasis on reaching girls and women and mitigating the effects of HIV/AIDS.

EGAT/ED plans to support the development of standardized international education survey modules for data collection in developing countries. It also plans to support government readiness for education reform, household, school, and community surveys to improve the data available to policy makers and program planners working to achieve Education for All.

Performance and Results: Principal outcomes include improved government policies impacting education access, equity, and quality, more community participation in the education process, more relevant learning experiences for children, and increased access to education programs. The number of international education indicators available on our on-line Global Education Database was increased, and more teachers used education technology to improve classroom learning experiences. EGAT/ED provided technical assistance to ministries of education in 19 countries, and implemented diagnostic studies and research activities to increase knowledge about improving basic education. Household education surveys were also supported in Malawi and Zambia to expand the database of accurate and reliable education data for policy making and programming. In Uganda and Guatemala EGAT/ED supported innovative online programs to develop interactive teaching curricula and improve bilingual language teaching.

US Financing in Thousands of Dollars

935-001 Improved and Expanded Basic Education, Especially for Girls, Women, and Other Under-served Populations	AEEB	CSH	DA	DFA
Through September 30, 2001				
Obligations	1,000	24,625	20,727	4,074
Expenditures	1,000	11,502	20,727	4,074
Unliquidated	0	13,123	0	0
Fiscal Year 2002				
Obligations	0	0	4,204	0
Expenditures	0	0	2,841	0
Through September 30, 2002				
Obligations	1,000	24,625	24,931	4,074
Expenditures	1,000	11,502	23,568	4,074
Unliquidated	0	13,123	1,363	0
Prior Year Unobligated Funds				
Obligations	0	0	3,421	0
Planned Fiscal Year 2003 NOA				
Obligations	0	0	7,660	0
Total Planned Fiscal Year 2003				
Obligations	0	0	11,081	0
Proposed Fiscal Year 2004 NOA				
Obligations	0	0	9,800	0
Future Obligations	0	0	5,122	0
Est. Total Cost	1,000	24,625	50,934	4,074

Data Sheet

USAID Mission:	EGAT Bureau
Program Title:	Higher Education
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	935-002
Status:	Continuing
Proposed FY 2003 Obligation:	\$10,500,000 DA
Prior Year Unobligated:	\$1,043,000 DA
Proposed FY 2004 Obligation:	\$6,100,000 DA
Year of Initial Obligation:	FY 1997
Estimated Completion Date:	FY 2007

Summary: Many countries under-utilize or misdirect higher education and research institutions, and support outdated vocational education and training institutions that do not provide the necessary leaders and skilled employees for the productive sectors. In 1997, USAID began to target cost-effective higher education and workforce partnerships and networks to increase the capacity and contributions of host-country institutions of higher education, research, and training to sustainable development.

The program plans to establish 60 higher education, research, workforce and training partnerships and networks in 20 countries involving over 100 higher education institutions from the U.S. and developing countries. These partnerships and networks will: a) improve the quality of teacher training colleges and institutes; b) improve the administrative capacity of higher education and workforce institutions; and c) improve the management capacity of developing country institutions.

Inputs, Outputs, Activities:

FY 2003 Program:

Improve the quality of teacher training colleges and institutes. EGAT/ED will fund approximately 5 higher education, research, and training partnerships and or networks that will adopt quality assurance policies that certify graduate teachers for primary and secondary schools. Because of the HIV/AIDS pandemic, these partnerships and networks will use appropriate information technology to ensure institutional quality assurance while rapidly scaling up the availability of qualified teachers. Contractors and Grantees: Primes: American Council on Education, Education Development Center, and United Negro College Fund Special Programs, through a competitive process accessing 3,988 accredited U.S. higher education institutions; 10 colleges and universities will receive sub-agreements.

Improve the administrative capacity of higher education and workforce institutions. EGAT/ED will fund approximately 10 higher education and workforce partnerships and networks that apply research methodology, establish workforce development initiatives, adapt and create new curricula, improve teaching methodology, and apply technology for the productive clusters within society. Sector emphasis will include partnerships in education, agriculture, trade, environment, health, and civil society.

Contractors and Grantees: Primes: American Council on Education, Education Development Center, and United Negro College Fund Special Programs, through a competitive process accessing 3,988 accredited U.S. higher education institutions; 10 colleges and universities will receive sub-agreements.

Improve the management capacity of developing country institutions. EGAT/ED will fund approximately 10 higher education and workforce partnerships and networks to improve and sustain the policy and management capacity of partner organizations that serve the development needs of productive clusters within society. Contractors and Grantees: Primes: American Council on Education, Education Development Center, and United Negro College Fund Special Programs, through a competitive process accessing 3,988 accredited U.S. higher education institutions; 10 colleges and universities will receive sub-agreements.

FY 2004 Program:

EGAT/ED will fund up to eight higher education, research, and training partnerships and/or networks that will adopt quality assurance policies that certifies graduate teachers for primary and secondary schools. Because of the continued impact of HIV/AIDS these partnerships and networks will use appropriate information technology to ensure institutional quality assurance while rapidly scaling up the availability of qualified teachers.

EGAT/ED will fund approximately 7 higher education, workforce, research, and training partnerships and networks that apply research methodology, establish workforce development initiatives, adapt and create new curricula, improve teaching methodology, and apply technology for the productive clusters within society. And 7 higher education partnerships to sustain the policy and management capacity of partner organizations that serve the development needs of productive clusters within society.

Performance and Results: Since 1998, the program has established 146 partnerships involving more than 200 U.S. colleges and universities from 40 states. These partnerships are building the capacity of 150 developing country higher education, research, and training institutions in 53 countries.

In 2002, the program established 45 new partnerships in 16 countries, involving 46 U.S. community colleges and universities and 45 developing country higher education, research, and training institutions. Of these partnerships, 18 were established in Mexico to promote long-term capacity building relationships between U.S. and Mexican institutions of higher education to promote economic growth and trade through their respective private and public sector partners. The seven higher education partnerships operating in the West Bank and Gaza have upgraded and used appropriate information technology to conduct seminars on strengthening fiscal policy analysis, model water quality of aquifers, map aquifer water supply, develop geographic information systems, use remote sensing, and review commercial law and intellectual property rights.

US Financing in Thousands of Dollars

935-002 Higher Education Strengthens the Capacity of Institutions, Communities, and Individuals to Meet Local and National	AEEB	DA	DFA	FSA
Through September 30, 2001				
Obligations	8	71,077	68,883	8
Expenditures	8	69,408	58,574	8
Unliquidated	0	1,669	10,309	0
Fiscal Year 2002				
Obligations	0	10,779	0	0
Expenditures	0	5,197	7,298	0
Through September 30, 2002				
Obligations	8	81,856	68,883	8
Expenditures	8	74,605	65,872	8
Unliquidated	0	7,251	3,011	0
Prior Year Unobligated Funds				
Obligations	0	1,043	0	0
Planned Fiscal Year 2003 NOA				
Obligations	0	10,500	0	0
Total Planned Fiscal Year 2003				
Obligations	0	3,543	0	0
Proposed Fiscal Year 2004 NOA				
Obligations	0	6,100	0	0
Future Obligations	0	20,000	0	0
Est. Total Cost	8	91,499	68,883	8

Data Sheet

USAID Mission:	Education Office
Program Title:	Training
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	935-003
Status:	Continuing
Proposed FY 2003 Obligation:	\$1,100,000 DA
Prior Year Unobligated:	\$0
Proposed FY 2004 Obligation:	\$1,400,000 DA
Year of Initial Obligation:	FY 1999
Estimated Completion Date:	FY 2007

Summary: In the last few years, USAID has spent approximately \$70 million a year on training in the U.S. and twice that worldwide. The program objective is to increase the impact of these investments by providing a) contract services for designing and managing training; health insurance; participant data collection; and evaluation services; b) best practices guidance, technical leadership, and on-site assistance to the field; and c) Agency training policies, procedures, and administrative support. The importance of missions and partners adhering to Agency student exchange policies in line with emerging federal laws has increased since 9/11 and EGAT/ED has responsibility for the Agency's visa program. With the decrease in mission budgets and training staffs, greater assistance from Washington is vital to success in building the human and institutional capacity required for realizing missions' development goals.

Inputs, Outputs, Activities:

FY 2003 Program:

Management of USAID training contracts (\$700,000 DA). EGAT/ED will manage umbrella contracts and service mechanisms used by missions and bureaus to implement the Agency's participant training program. These mechanisms include a) overseeing the State/INS J-1 student visa program, b) providing centralized placement and monitoring of trainees, c) providing Health and Accident (HAC) insurance, d) implementing the Agency's worldwide participant training database (TraiNet), e) performing evaluation, monitoring, and design services, f) developing Agency policies and procedures for training, and g) designing an alternative turn-key mechanism for distance learning skill development in newly emerging crisis countries. An estimated \$38 million in mission and regional bureau buy-ins are expected for these services.

Technical leadership on training impact (\$400,000 DA). EGAT/ED will provide technical leadership through assistance to missions, bureaus, and contractors to improve the impact of the Agency's training programs. The training - through an expanded interactive website and field visits - will include training/capacity development sector assessments, training evaluations and design services, and workshops on best practices.

Outputs will include the implementation of training programs for approximately 7,000 participants in the U.S., third countries, and host countries. This will include centralized management responsibility for major training programs in Europe and Eurasia, Africa, and Latin America. Outputs will also include application of heightened visa security procedures; compilation and reporting of improved data on participants and programs; expanded training; facilitated access to improved design and evaluation of training, education, and other capacity development programs; and expanding distance training programs to missions. Contractors and Partners: Academy for Educational Development, Development Associates, World Learning; Africa America Institute; Georgetown University; Highway to Health; Development Infrastructure (DevIS); Aguirre International; International Science and Technology Institute; ADL Co-Lab.

FY 2004 Program:

EGAT/ED will implement training programs for approximately 8,000 participants in the U.S., third countries, and host countries and ensure compliance with new heightened visa security procedures. EGAT/ED plans to improve data for Agency and Congressional reporting, improve design and evaluation of training, education and other capacity development programs, and establish alternative distance learning options and programs for missions. EGAT/ED will continue to provide assistance to missions, bureaus, and contractors to improve the development impacts of the participant training program and expand distance learning models.

Performance and Results: The Training Team's activities achieved their targeted results for FY 2002. 93% of the surveyed work units undergoing training improved performance as a result of the application of training on the job. The number of missions using the Agency training database (TraiNet) stands at 63. The number of missions collaborating with EGAT/ED to strengthen local NGO training capacity is 21. Another measure is the percentage of women among new training starts, which continues at approximately 40%. USAID sponsored training programs also have an exceptional high success rate of returned participants: only 1/7 of 1% (67 out of 47,000+) of the participants don't return home.

US Financing in Thousands of Dollars

935-003 Training Improves Work Performance of Host-Country Trainees and Effectiveness of Host-Country Organizations	AEEB	DA	DFA	FSA
Through September 30, 2001				
Obligations	203	42,065	124,858	346
Expenditures	203	40,865	124,858	0
Unliquidated	0	1,200	0	346
Fiscal Year 2002				
Obligations	0	1,566	0	0
Expenditures	0	1,087	0	0
Through September 30, 2002				
Obligations	203	43,631	124,858	346
Expenditures	203	41,952	124,858	0
Unliquidated	0	1,679	0	346
Prior Year Unobligated Funds				
Obligations	0	0	0	0
Planned Fiscal Year 2003 NOA				
Obligations	0	1,100	0	0
Total Planned Fiscal Year 2003				
Obligations	0	1,100	0	0
Proposed Fiscal Year 2004 NOA				
Obligations	0	1,400	0	0
Future Obligations	797	3,466	0	0
Est. Total Cost	1,000	49,597	124,858	346

Data Sheet

USAID Mission:	EGAT Bureau
Program Title:	Telecommunications Leadership
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	935-004
Status:	Continuing
Proposed FY 2003 Obligation:	\$2,900,000 DA
Prior Year Unobligated:	\$440,000 DA
Proposed FY 2004 Obligation:	\$3,600,000 DA
Year of Initial Obligation:	FY 1997
Estimated Completion Date:	FY 2007

Summary: EGAT/EIT's program in information technology coordinates USAID's response to the global challenge of promoting digital opportunity through policy dialogue, technical assistance, training and demonstration projects. The program fosters pro-competitive reform of telecommunications, Internet, and electronic commerce policy and regulation. It assists host countries to better manage and grow their information and communication technology (ICT) sector and increase access to the under-served, especially women and girls; and expands demand for widespread use of ICT services through demonstration projects in areas such as e-commerce, e-government and distance learning.

Inputs, Outputs, Activities:

FY 2003 Program:

Telecommunications reform. EGAT/EIT will assist telecommunications policy and regulatory reform in Afghanistan, Namibia, Nigeria, Macedonia, Mexico, Vietnam and at least three other countries and regionally in Eastern Europe, South Asia, and the Caribbean. Collaboration with the Departments of State, Commerce and Justice in initiatives for e-government, e-commerce, and e-security includes an international e-government conference and regional workshops in Southeast Europe, Central Asia, and the Pacific Basin. Expected results are more competition, private investment and trade in the ICT sector, increased access by the under-served to enhanced ICT services, pro-competitive and competent telecommunications regulators, and increased network security. Principal contractors, grantees, or agencies include Department of State, Internews Network (Primes); Departments of Justice and Commerce, Federal Communications Commission, Center for International Development and Conflict Management at University of Maryland (Subs).

Professional development. Coursework and workshops will train over 400 public and private professionals, including senior regulators and decision-makers in telecommunications, e-commerce and e-government, with emphasis on gender equity among participants. The use of volunteer trainers at Internet centers in Senegal will accelerate ICT training for service providers and related entrepreneurs. In Rwanda, the electoral commission will be trained in ICT to monitor and record votes. ICT business associations in Bangladesh, Kenya, Nepal, Nigeria, the Philippines, South Africa, and Sri Lanka will receive technical assistance and training. Workshops in e-commerce and e-business will train entrepreneurs in Central America and the Caribbean. Principal contractors, grantees or agencies include U. S. Telecommunications Training Institute (USTTI) (Prime); Kenan Institute and Geekcorps (Subs).

Increasing access and impact. Seed funding and public-private alliances will lead mission participation in e-commerce, e-government, distance learning, and increased ICT access particularly for girls and women. A program in Romania will support entrepreneurs in developing sustainable telecenters, including the use of prepaid vouchers for targeted consumer groups not yet familiar with the Internet, and help local governments provide online services with an emphasis on technologies that enhance the transparency and speed of transactions. In Rwanda, technical assistance will be provided to local entrepreneurs seeking to establish remote Internet access centers in areas without telephones or electricity. Public-private partnerships in South Africa and Brazil will assist local entrepreneurs in developing marketing

analyses and business plans for community-based computer learning and Internet access centers. Twelve African Universities will be assisted in obtaining digital academic literature through the African Universities Virtual Library Program. Principal contractors, grantees, or agencies: Academy for Educational Development, Education Development Center (Primes); Research Triangle Institute, Winrock International, PEOPLink (Subs).

FY 2004 Program:

Assistance in telecommunications and e-commerce policy reform, including the World Trade Organization trade issues and in e-government strategies will be provided to over twenty countries. Technical assistance will be provided to regional telecommunications regulator associations in East, West and Southern Africa. Workshops in e-government, e-commerce and cyber-crime will be held in Latin American and Caribbean countries. Business associations for the ICT sector will be strengthened in Eastern Europe and Eurasia. Anticipated results include a competitive telecommunications and e-commerce marketplace, increased ICT trade, greater transparency and efficiency in government operations, and expanded ICT access.

Distance learning pilots in telecommunications regulation, e-commerce and e-government will complement training through universities, workshops and the USTTI program, more than doubling the number of professionals trained. Assistance to ICT associations will expand to include an e-mentoring component. Training through networks of volunteers will accelerate development of Internet service providers and expansion of small and medium size enterprises in the ICT sector. Alliances with the private sector will enhance ICT workforce development, with emphasis on training of girls and women.

Programs will be tested that take advantage of the global use of the Internet, such as increasing access for developing country professionals to courses and credentials provided through U.S. and developing country higher education partnerships. Activities will also promote increased use of Geographic Information Systems (GIS) applications and promote programs to facilitate e-commerce and financial transactions. Seed funding and public-private alliances will encourage host country NGO and small and medium-sized entrepreneur participation in e-commerce, e-government, e-learning and the extension of Internet services to under-served populations, with particular attention to the inclusion of women.

Performance and Results: Countries broadly assisted in national telecommunications liberalization and regulatory reform includes Afghanistan, Romania, and Rwanda. A new West African Telecommunications Regulators Association was formed and planning was advanced for a similar association in East Africa. Eighty senior policy and business officials from Middle East and North African countries participated in a workshop in Morocco on telecommunications regulation, stressing competition, open networks and transparency. With the Departments of Justice and State, a cybercrime workshop for Asian countries was held and will serve as a model for future cybersecurity workshops worldwide. Also funded were an Internet peering workshop for inter-American telecom officials, an e-commerce training workshop for small businesses in Mexico, a telecommunications policy reform workshop for Caribbean authorities, and African ministerial and business participation in a pro-liberalization conference.

USTTI trained 260 professionals from 70 countries, including 52 women and four government representatives from Afghanistan, in telecommunications and Internet policy, network security, privatization, spectrum management, distance education and tele-medicine. Nearly 200 more received training at regional workshops and through study tours.

The Digital Opportunity through Technology and Communication Partnerships (DOT-COM Alliance) has assisted 19 programs in 10 countries to expand telecommunications services and applications. These include networking 40 women parliamentarians in Morocco and a public-private partnership to provide technology and training to disadvantaged youth in Brazil. A pilot project in Bulgaria demonstrated that for-profit community-based telecenters operated by local entrepreneurs could be sustainable. Also completed were five country assessments and a state-of-the-art paper to identify new opportunities for using ICT in agricultural assistance. Collaboration with the Office of Women in Development identified innovative applications of ICT to fight the trafficking of women.

US Financing in Thousands of Dollars

935-004 Access to and Application of Information and Telecommunications Services Expanded	DA
Through September 30, 2001	
Obligations	8,895
Expenditures	6,598
Unliquidated	2,297
Fiscal Year 2002	
Obligations	3,465
Expenditures	2,462
Through September 30, 2002	
Obligations	12,360
Expenditures	9,060
Unliquidated	3,300
Prior Year Unobligated Funds	
Obligations	440
Planned Fiscal Year 2003 NOA	
Obligations	2,900
Total Planned Fiscal Year 2003	
Obligations	3,340
Proposed Fiscal Year 2004 NOA	
Obligations	3,600
Future Obligations	7,470
Est. Total Cost	26,770

Data Sheet

USAID Mission:	EGAT Bureau
Program Title:	Peace Corps Small Projects
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	940-001
Status:	Continuing
Proposed FY 2003 Obligation:	\$1,000,000 DA
Prior Year Unobligated:	\$0 DA
Proposed FY 2004 Obligation:	\$0 DA
Year of Initial Obligation:	FY 1985
Estimated Completion Date:	FY 2004

Summary: The joint USAID/Peace Corps Small Project Assistance (SPA) program enables Peace Corps volunteers worldwide to identify, design, and implement small-scale, community-level, self-help, sustainable development activities in areas of priority interest to USAID. These activities increase participation at the local level and help lay the foundation for long-term economic and social transition. The program has two primary components. (1) Grant funding is provided for small sustainable development activities developed by Peace Corps volunteers in conjunction with local community organizations. (2) Technical assistance supports host country nationals and training for counterparts in activities that enhance local capacity building in the design and management of specific activities.

Inputs, Outputs, Activities:

FY2003 Program:

The program is used to bring more volunteers and counterparts into the process of promoting grass root sustainable development. Though program activities will remain the same, new small grants will be awarded, and training activities, information production, and dissemination will be enhanced to meet the growing need for capacity building skills and material support. An increasing percentage of resources will be allocated by USAID field missions to support the program.

FY 2004 Program:

The program has been transferred to the Bureau for Democracy, Conflict and Humanitarian Assistance (DCHA).

Performance and Results: In FY 2002 this program funded about 1,300 community-based activities. These activities directly benefited over 950,000 individuals (of which more than 52% were women or girls). In addition project design and management workshops and other training for community and organizational leaders enabled more than 2,000 host country nationals to participate in these events. Community activities were implemented in the following sectors: Community Health, HIV/AIDS Education and Awareness, Water and Sanitation, Education and Business Development.

US Financing in Thousands of Dollars

940-001 Enhance communities' capabilities to conduct low-cost, grass-roots, sustainable development activities	CSH	DA
Through September 30, 2001		
Obligations	1,400	9,415
Expenditures	760	6,970
Unliquidated	640	2,445
Fiscal Year 2002		
Obligations	0	1,000
Expenditures	0	2,011
Through September 30, 2002		
Obligations	1,400	10,415
Expenditures	760	8,981
Unliquidated	640	1,434
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2003 NOA		
Obligations	0	1,000
Total Planned Fiscal Year 2003		
Obligations	0	1,000
Proposed Fiscal Year 2004 NOA		
Obligations	0	0
Future Obligations	0	0
Est. Total Cost	1,400	11,415

Data Sheet

USAID Mission:	EGAT Bureau
Program Title:	Program Development
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	940-003
Status:	Continuing
Proposed FY 2003 Obligation:	\$5,634,000 DA
Prior Year Unobligated:	\$0 DA
Proposed FY 2004 Obligation:	\$1,663,000 DA
Year of Initial Obligation:	FY 2001
Estimated Completion Date:	Continuing

Summary: Through this activity, the EGAT Bureau is able to fund new special projects and pilot program initiatives; design, support and evaluate programs; develop knowledge-sharing technologies to enhance USAID staff and contractor effectiveness in implementing programs; and expand information technology-based systems that foster improved real-time communications via internet.

Inputs, Outputs, Activities:

FY 2003 Program:

This program is used to fund studies, analyses and evaluative work for purposes of assessing, designing and learning efforts and special grants to universities for unsolicited proposals (\$13,634,000 DA). Activities also facilitate the knowledge management functions of the bureau by enabling it to develop and disseminate lessons learned, strategic approaches and applied research results. For the most part, these types of activities required by operating units within the Bureau will be planned for, funded and carried out within the framework of an existing strategic objective. However, in some cases, this is not possible. For example, studies or analyses needed to develop a new operating unit strategy or to establish a new objective that does not yet exist would be funded by this activity. Additionally, these activities will provide valuable information and data to support the Agency's priority areas and to enhance the Agency's new strategic orientation paradigm. Program Development and Learning (PD&L) activities will facilitate cross-border and regional analyses, studies and evaluative work to define and refine programs, as well as provide analytical support to USAID presence and non-presence country programs. PD&L funded activities include:

Principal Contractors, Grantees or Agencies: The grantees, contractors and implementing agencies are determined after specific tasks are identified.

FY 2004 Program:

The Bureau will continue to fund PLD type activities and will enhance its knowledge management activities by publishing and widely disseminating lessons learned and best practices.

Performance and Results: This was a new activity in FY 2002 for which results were limited. To better facilitate communications within the bureau and throughout the Agency, the EGAT Bureau developed a fully integrated web site. This web site will be further developed and serve as the primary knowledge management vehicle.

US Financing in Thousands of Dollars

940-003 Program development and learning activities	DA
Through September 30, 2001	
Obligations	0
Expenditures	0
Unliquidated	0
Fiscal Year 2002	
Obligations	51
Expenditures	0
Through September 30, 2002	
Obligations	51
Expenditures	0
Unliquidated	51
Prior Year Unobligated Funds	
Obligations	736
Planned Fiscal Year 2003 NOA	
Obligations	5,634
Total Planned Fiscal Year 2003	
Obligations	14,370
Proposed Fiscal Year 2004 NOA	
Obligations	1,663
Future Obligations	0
Est. Total Cost	16,084

Data Sheet

USAID Mission:	EGAT Bureau
Program Title:	Addressing Economic Gender Constraints
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	941-001
Status:	Continuing
Proposed FY 2003 Obligation:	\$2,440,000 DA
Prior Year Unobligated:	\$0
Proposed FY 2004 Obligation:	\$1,500,000 DA
Year of Initial Obligation:	FY 1995
Estimated Completion Date:	Continuing

Summary: The USAID program for gender-based constraints to economic growth includes the following areas:

improving policy makers' understanding of the gender-based constraints to women's participation in economic activities;
strengthening the capacity of non-governmental organizations (NGOs) and other partners to address women's economic issues; and
providing opportunities for improving women's economic well being.

Inputs, Outputs, Activities:

FY 2003 Program:

Short-term technical assistance in economic policy analysis and development, project and program design, implementation, monitoring and evaluation (\$500,000 DA). Training will also be provided to strengthen the skills of USAID staff, host country counterparts, NGOs, contractors and other partners to integrate gender in their mainstream work. Additionally, EGAT/WID will support research and analysis of gender dimensions of ongoing and emerging issues, produce publications, and maintain databases and a web site. The prime contractors are DevTech Systems, Inc. and Development & Training Services, Inc

Specific pilot activities (\$1,450,000 DA). These include:

Reducing barriers to trade and improving market access for regional women traders.

Improving competitiveness for rural women small agricultural producers and processors.

Promoting greater access of women to property and assets through changes in land registry policies, laws, and practices in these areas.

Improving the capacity of West African Businesswomen to use information and communications technology to expand their businesses.

The prime contractors for the above activities are International Business Initiatives and Computer Frontiers International. Others will be determined.

Seed funds (\$500,000 DA) will be made available for USAID field missions for new and emerging issues and for unsolicited proposals with substantial merit and new, unanticipated priority activities. Contractor/grantee to be determined.

FY 2004 Program:

Efforts will be made to encourage USAID missions to rely more on EGAT/WID mechanisms to provide direct technical assistance to incorporate gender into the design and implementation of USAID programs. It will provide training to build capacity within and outside the Agency and promote mission ownership of gender issues. EGAT/WID will leverage increasing Agency resources through its procurement mechanisms.

Pilot activities will continue in:

- Reducing barriers to trade and improving market access for regional women traders.

Improving competitiveness for rural women small agricultural producers and processors.
Promoting greater access of women to property and assets in Asia and Africa.
Improving the capacity of West African businesswomen to use information and communications technology (ICT) to expand their businesses.

Performance and Results: The program supported expanded roles by women in economic growth and regional trade and increased knowledge of women's land and property rights. Three key intermediate results were achieved: (1) increased engagement of policy makers in addressing gender issues in economic growth; (2) increased effectiveness of non-governmental organizations (NGOs) and other partners in addressing women's economic issues; and (3) increased knowledge and skills to deal with gender issues affecting economic growth.

US Financing in Thousands of Dollars

941-001 Gender-based constraints to economic growth policies and programs increasingly addressed	DA
Through September 30, 2001	
Obligations	30,945
Expenditures	27,906
Unliquidated	3,039
Fiscal Year 2002	
Obligations	2,540
Expenditures	1,936
Through September 30, 2002	
Obligations	33,485
Expenditures	29,842
Unliquidated	3,643
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2003 NOA	
Obligations	2,440
Total Planned Fiscal Year 2003	
Obligations	2,440
Proposed Fiscal Year 2004 NOA	
Obligations	1,500
Future Obligations	940
Est. Total Cost	38,365

Data Sheet

USAID Mission:	EGAT Bureau
Program Title:	Girls and Women's Education
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	941-002
Status:	Continuing
Proposed FY 2003 Obligation:	\$2,340,000 DA
Prior Year Unobligated:	\$484,000 DA
Proposed FY 2004 Obligation:	\$1,840,000 DA
Year of Initial Obligation:	FY 1995
Estimated Completion Date:	Continuing

Summary: The girls' and women's education program: (1) increases the rate of learning for girls in primary school; (2) documents, measures and monitors progress and achievements in and sustainability of girls' education; and (3) raises the awareness of leaders and the general public about the benefits of educating girls.

Inputs, Outputs, Activities:

FY 2003 Program:

EGAT/WID will work directly with the EGAT Education Office to launch new activities for women's and girls' education that build upon past success and respond to emerging challenges that limit female attainment of a basic education.

Short-term skills training and technical assistance (\$500,000 DA). Technical assistance will be provided for policy analyses, project and program design and implementation, and monitoring and evaluation to strengthen the development process. EGAT/WID will support research and analyses, communications and outreach assistance through the production of publications, maintain databases and a web site. The prime contractors are DevTech Systems, Inc. and Development & Training Services, Inc.

Advance Girls' Education in Afghanistan (\$500,000 DA). A new small grants (\$25,000-\$100,000) will be established for local non-governmental organizations in Afghanistan as seed funds for activities that focus on accelerated learning for girls and women. Principal contractor/grantee to be determined.

Develop strategies for multi-sector approaches to eliminate barriers (\$1,824,000 DA). These barriers include such issues as cultural values, economic factors, religion, gender-based violence or conflict in communities and HIV/AIDS. Activities are currently being designed. Contractor will be determined.

FY 2004 Program:

Building on new multi-sector approaches to eliminate barriers and to meet emerging challenges that limit girls' and women's attainment of a basic education, EGAT/WID and the EGAT/ED will continue activities for women's and girls' education. EGAT/WID will continue to provide limited technical assistance and training resources and encourage missions to take direct ownership of these activities.

The Advance Girls' Education in Afghanistan program will continue in FY 04. Additional Afghanistan organizations may be awarded small grants.

Performance and Results: EGAT/WID enabled civil society and non-governmental organizations, the media, business leaders, and the public sector to continue to support girls' education in FY 2002. In Morocco, an NGO that received technical assistance in partnership building, fund raising and project management continued to support girls' scholarships. Because of their leveraging ratio of 1 to 7.5, the NGO received USAID's Global Development Alliance funds to cover operating costs for the next three years (FY2003-2005). In another example, the local alliance in Brouwai Sounki, Morocco increased

primary school enrollment for both boys and girls and reduced the gender gap. In 2002, 200 girls and 241 boys enrolled in first grade, compared to 33 girls and 73 boys in 1998.

US Financing in Thousands of Dollars

941-002 Broad-based, informed constituencies mobilized to improve girls' education in emphasis countries	CSH	DA
Through September 30, 2001		
Obligations	12,360	6,164
Expenditures	10,020	6,164
Unliquidated	2,340	0
Fiscal Year 2002		
Obligations	0	3,573
Expenditures	0	2,496
Through September 30, 2002		
Obligations	12,360	9,737
Expenditures	10,020	8,660
Unliquidated	2,340	1,077
Prior Year Unobligated Funds		
Obligations	0	484
Planned Fiscal Year 2003 NOA		
Obligations	0	2,340
Total Planned Fiscal Year 2003		
Obligations	0	2,824
Proposed Fiscal Year 2004 NOA		
Obligations	0	1,840
Future Obligations	0	2,340
Est. Total Cost	12,360	16,741

Data Sheet

USAID Mission:	EGAT Bureau
Program Title:	Women's Legal Rights
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	941-003
Status:	Continuing
Proposed FY 2003 Obligation:	\$3,020,000 DA
Prior Year Unobligated:	\$272,000 DA
Proposed FY 2004 Obligation:	\$1,500,000 DA
Year of Initial Obligation:	FY 1995
Estimated Completion Date:	Continuing

Summary: Gender-sensitive legislation and administrative practices, widespread information about women's rights and changes in credit and commercial policies will help strengthen women's legal rights and provide them with better tools to meet challenges posed by social changes and globalization. USAID's program: (1) improves the quality of legislation to protect women's rights; (2) enhances the capacity of the judiciary to enforce legislation and to perform in a more gender-equitable manner; and (3) strengthens the organizational capacity of civil society organizations to lobby more effectively for women's legal rights and social concerns.

Inputs, Outputs, Activities:

FY 2003 Program:

Short-term skills training and technical assistance, and outreach assistance (\$500,000 DA). EGAT/WID will support technical service, research and analyses, communications and outreach assistance through the production of publications, databases and a web site. The prime contractors are DevTech Systems, Inc. and Development & Training Services, Inc.

New mechanism to develop programs fostering fairer and more equitable laws to protect women's legal rights and promoting their participation as equal citizens in society (\$1,086,000 DA). USAID missions will be able to utilize a this mechanism for efforts that strengthen women's legal rights, remove barriers to their access to the judicial system, and promote their full political participation and their economic rights. The prime contractor is Chemonics .

Program to promote legal reforms and advocacy (\$646,000 DA). In Ghana, Nigeria, Tanzania and Uganda, a program that promotes legal reforms and advocacy through enactment of new laws will focus on: domestic violence; reform of discriminatory practices related to property inheritance and land ownership laws; polygamy; employment discrimination; and ending trafficking in women. The primary grantee is Georgetown University Law Center

Support to NGOs (\$524,000 DA). EGAT/WID will support 1-2 non-governmental organizations to change laws, improve functioning of judicial systems, strengthen civil society groups in developing countries or promote awareness of women's legal and political rights. Principal contractor/grantee will be determined.

Anti-Trafficking (\$600,000 DA). EGAT/WID will provide technical services to USAID Washington and 4-5 field missions to address trafficking issues such as identifying and developing activities, reviewing/evaluating existing activities, designing and implementing research activities. Additionally, EGAT/WID will jointly fund anti-trafficking activities with USAID missions in two or more geographic regions that are mutually selected with geographic bureaus and missions. Selection criteria will include countries with significant levels of severe forms of trafficking, innovation in anti-trafficking approach, mission commitment to funding and program support, and capacity for lasting benefits to actual or potential victims of trafficking). Development Alternatives is the prime contractor for TA ; the principal

contractor/grantees for country programs will be determined. Funding for anti-trafficking activities is split between EGAT/WID strategic objectives 941-003 and 941-004.

FY 2004 Program:

Programs to combat trafficking in persons in developing countries will continue to be a primary focus of EGAT/WID. EGAT/WID also will continue limited technical assistance while encouraging USAID missions to take ownership of gender issues in their programs. The Office will also continue to support to the non-governmental organization programs in women's legal and political rights and new and emerging issues in women's legal and political rights.

Performance and Results: The Small Grants Program supported organizations advocating labor and property rights for women in Africa, Asia and Latin America. Activities with Partners of the Americas and the Georgetown University Law Center contributed to increasing knowledge of women's rights in communities in selected countries in Latin America and Africa and to increasing the capacity of civil society groups to defend and implement those rights. Support for Anti-trafficking activities in Romania and Kazakhstan helped to increase the knowledge of potential victims and their communities of the dangers of trafficking. EGAT/WID support in Kazakhstan also contributed to development of improved anti-trafficking laws.

US Financing in Thousands of Dollars

941-003 Women's legal rights increasingly protected	DA
Through September 30, 2001	
Obligations	16,415
Expenditures	13,271
Unliquidated	3,144
Fiscal Year 2002	
Obligations	4,075
Expenditures	3,041
Through September 30, 2002	
Obligations	20,490
Expenditures	16,312
Unliquidated	4,178
Prior Year Unobligated Funds	
Obligations	272
Planned Fiscal Year 2003 NOA	
Obligations	3,020
Total Planned Fiscal Year 2003	
Obligations	3,292
Proposed Fiscal Year 2004 NOA	
Obligations	1,500
Future Obligations	3,020
Est. Total Cost	28,302

Data Sheet

USAID Mission:	EGAT Bureau
Program Title:	Gender Considerations in the Agency
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	941-004
Status:	Continuing
Proposed FY 2003 Obligation:	\$3,200,000 DA
Prior Year Unobligated:	\$321,000 DA
Proposed FY 2004 Obligation:	\$2,550,000 DA
Year of Initial Obligation:	FY 1995
Estimated Completion Date:	Continuing

Summary: USAID's program for greater reflection of gender considerations in the Agency's work has been successful in building the capacity throughout the Agency to address gender issues. As a result, responsibility for designing, implementing and assessing gender issues will increasingly move to missions.

Inputs, Outputs, Activities:

FY 2003 Program:

Short-term technical assistance to incorporate gender in the design and implementation of their programs and build technical capacity of staff and partners (\$1,250,000 DA). Assistance will be provided to 6-12 countries. Additionally EGAT/WID will provide research on gender issues and communications and outreach assistance. The prime contractors are DevTech Systems, Inc. and Development & Training Services, Inc. and the Institute for International Education (IIE).

Anti-Trafficking (\$700,000 DA). The office will provide technical services to USAID Washington and 4-5 field missions to address trafficking issues such as identifying and developing activities, reviewing/evaluating existing activities, designing and implementing research activities. Additionally, EGAT/WID will jointly fund anti-trafficking activities with USAID field missions in two or more geographic regions that are mutually selected with geographic bureaus. Selection criteria will include country with significant level of severe forms of trafficking, innovation in anti-trafficking approach, mission commitment to funding and program support, and capacity for lasting benefits to actual or potential victims of trafficking Development Alternatives is the prime for TA. Principal contractors/grantees for country programs will to be determined. Funding for anti-trafficking activities is split between EGAT/WID strategic objectives 941-003 and 941-004.

Activities designed to increase participation by people with disabilities (\$357,451 DA). These activities will continue in InterAction member agencies as participants, staff, administrators and beneficiaries. Principal contractors and grantees include Mobility International, USA (MIUSA).

Support to NGOs (\$585,000 DA). EGAT/WID will support a new effort to greatly increase the number of non-governmental organizations that will be able to assess the integration of gender issues in their work and develop plans to improve their performance. Training of trainers and networking among institutions will be featured in this three-year program. Grantee: InterAction

Seed funds (\$128,232 DA) will be used to provide seed funds to Missions for new and emerging issues and unsolicited proposals with substantial merit and new, unanticipated priority activities. Principal contractor/grantee to be determined.

FY 2004 Program:

EGAT/WID will provide limited technical assistance to incorporate gender into the design and implementation of USAID programs. It will focus on building staff capacity within the Agency and among

partners to incorporate gender issues into mainstream development activities. EGAT/WID expects to leverage significant Agency resources in direct support of WID objectives through its procurement mechanisms.

Funds will be used for the second year of the new InterAction activity as well as for unsolicited proposals with substantial merit, to fund new and emerging issues, and to provide co-funding to Missions and other USAID units for new activities.

EGAT/WID will continue to provide technical services to support USAID/Washington and Missions to address trafficking issues. Work will continue to address anti-trafficking activities. Between 2-3 additional countries will be provided assistance. Resources will be provided for jointly funded anti-trafficking activities with USAID missions. Anti-trafficking activities will also be funded under SO 941-003.

Performance and Results: This program contributed directly to equitable and sustainable social and economic development in USAID assisted countries. In FY-02, EGAT/WID provided technical assistance to 14 USAID missions. EGAT/WID assisted them with assessing gender issues in preparation for strategies; trained mission staff and their external partners in analysis of gender issues; designed new activities to take gender concerns into account and evaluating the gender related impacts of completed activities. Strengthening natural resource conservation was a particular focus of gender-related technical assistance in the Latin America Caribbean region and included assistance missions to Ecuador, Guatemala and Peru. In Africa and Asia, in addition to gender assessments and custom-designed training, a design for better integrating women into local government was developed for Mali and a gender research center for Eritrea. Technical assistance missions to Europe and Eurasia included two visits devoted to anti-trafficking.

US Financing in Thousands of Dollars

941-004 Greater reflection of gender considerations in the Agency's work	DA
Through September 30, 2001	
Obligations	41,732
Expenditures	37,794
Unliquidated	3,938
Fiscal Year 2002	
Obligations	0
Expenditures	0
Through September 30, 2002	
Obligations	41,732
Expenditures	37,794
Unliquidated	3,938
Prior Year Unobligated Funds	
Obligations	321
Planned Fiscal Year 2003 NOA	
Obligations	3,200
Total Planned Fiscal Year 2003	
Obligations	3,521
Proposed Fiscal Year 2004 NOA	
Obligations	2,550
Future Obligations	2,960
Est. Total Cost	50,763

Bureau for Global Health

The Development Challenge: In response to increasingly prominent health challenges, USAID created the Bureau for Global Health (GH) to serve as the global leader in international public health and as the locus of technical leadership for USAID. USAID is recognized as a world leader in global health, including maternal health/child survival and nutrition, family planning, HIV/AIDS, and infectious diseases. As HIV/AIDS and other infectious diseases continue to threaten the health of families and children in developing countries worldwide, USAID works to eliminate these threats and improve the health and livelihoods of people across the globe. Investing in the health of the world's population contributes to global economic growth, reduction of poverty, a sustainable environment, and regional security. In addition to enhancing the lives of people overseas, with special emphasis on women and children, protecting human health and nutrition in developing and transitional countries directly affects public health in the United States by preventing the spread of infectious diseases.

Specifically, GH defines its three main roles as follows:

- Global leadership
- State-of-the-art research, innovation, and dissemination of innovation
- High quality technical support to the field

The USAID Program: GH has focused its resources and built its portfolio on the dynamic synergies of these three program elements and continues to expand and improve its programs to meet the changing public health needs and the realities of the field. Over the past year, GH has critically reviewed all its program activities, consolidated and refined approaches as appropriate, and expanded programs to meet new demands. The Bureau's programs are directed toward achievements of the following five strategic objectives:

- Increased use by women and men of voluntary practices of family planning that reduce fertility
- Increased use of key maternal health and nutrition interventions
- Increased use of key child health and nutrition interventions
- Increased use of improved, effective and sustainable responses to reduce HIV transmission and to mitigate the impact of the HIV/AIDS pandemic
- Increased use of effective interventions to reduce the threat of infectious diseases of major public health importance

Other Program Elements: Currently GH has over 222 technical and program experts who manage a wide spectrum of diverse technical projects; provide technical support to USAID missions and field programs; and nurture and galvanize stronger partnerships with the development community. This global leadership helps to achieve results by influencing the worldwide health agenda, and encouraging the wider global community to adopt new technologies and approaches, thereby increasing the likelihood of successful health programs.

GH follows a field-driven and field-centered approach to developing and testing new technologies and methodologies. GH develops new cost-effective, field-based tools, such as rapid and simple HIV/STD diagnostics, new and improved contraceptive methods, and new approaches to addressing mother-to-child transmission of HIV. Staff members are dedicated to providing superior technical expertise, information, commodities, and services to support mission and country programs. GH programs are flexible and can respond rapidly to field needs, such as the opening and closing of bilateral programs or responses to emergencies such as hurricanes and earthquakes.

GH is the repository for state-of-the-art information in biomedical, social science and operational research. It develops, tests, and disseminates new technologies and methodologies that contribute to successful field program implementation. GH is a pioneer in results monitoring and is a world leader in the development of tools for program evaluation and trend analysis in the global health sector.

Other Donors: USAID has long recognized the valuable role that collaboration among many partners and stakeholders play in the quest to achieve development objectives. Today, many new public and private partners are joining forces with traditional bilateral and multilateral donors to invest in global health. The international health-related expenditures of the top 10 private U.S. foundations now exceed U.S. government spending in this area. Accordingly, GH has refocused its efforts to develop strategic alliances with new public and private partners to bring substantial resources, ideas, and technologies to address global health issues. USAID has developed new ways of doing business in development that involve working more closely with non-traditional partners and incorporating commercial sector strategies into global health programs. USAID engages in many successful types of public-private partnerships in its efforts to improve global health. Examples include the Global Alliance for Vaccines and Immunization (GAVI), the Global Fund to Fight AIDS, Tuberculosis, and Malaria (GFATM), the Global Alliance for Improved Nutrition (GAIN), the STOP TB Initiative, the Roll Back Malaria Initiative, and the Initiative for Contraceptive Security.

USAID's long-standing partnerships with PVOs and NGOs enable the Agency to pursue its maternal health, child survival, family planning/reproductive health, HIV/AIDS, and infectious disease objectives in community-based programs worldwide. PVOs and NGOs have unique capabilities in mobilizing communities, partnering at the household level to educate and encourage changed behaviors, working with socially marginalized groups, and helping empower those with limited access to modern health care. Examples of PVO partnership mechanisms include PVO Child Survival Grants and the PVO/NGO Core Fund.

Social marketing has long been an area of strength for USAID health programs. Social marketing helps increase the demand for and utilization of public health products and services. To improve prospects for sustainability, some GH programs are transitioning to a more commercial or "manufacturer's model" of social marketing. Examples of such partnerships include: NetMark, a public-private partnership for the promotion of a commercially sustainable market for bednets and other insecticide-treated netting for the prevention of malaria; and the Commercial Market Strategies project to expand quality reproductive health care delivery by the private and commercial sector.

Currently, the primary objective of direct partnerships with private industry is to facilitate the development of health products of global importance that might not otherwise succeed in the commercial marketplace. Examples of such partnerships include the International AIDS Vaccine Initiative (IAVI) and the Malaria Vaccine Development Program (MVDP), as well as microbicide and contraceptive development.

**Bureau for Global Health
PROGRAM SUMMARY**

(in thousands of dollars)

Accounts	FY 2001 Actual	FY 2002 Actual	FY 2003 Prior Request	FY 2004 Request
Child Survival and Health Programs Fund	229,392	322,766	301,000	306,063
Development Assistance	158,323	3,714	3,800	0
Total Program Funds	387,715	326,480	304,800	306,063

STRATEGIC OBJECTIVE SUMMARY				
936-0011 Population and Reproductive Health - New Tech.				
CSH	0	47,173	47,173	40,200
DA	49,559	0	0	0
936-0012 Population & Reproductive Health-Policy				
CSH	0	8,438	8,438	7,700
DA	10,016	0	0	0
936-0013 Population & Reproductive Health - Capacity				
CSH	0	43,924	43,924	37,600
DA	38,508	0	0	0
936-0014 Population & Reproductive Health-Access				
CSH	0	51,265	51,265	44,100
DA	56,490	0	0	0
936-002 Maternal Health				
CSH	14,140	14,883	12,168	11,923
936-003 Child Health and Nutrition				
CSH	96,525	46,434	36,732	47,450
DA	3,750	3,714	3,800	0
936-004 AIDS Prevention and Control				
CSH	77,259	60,085	65,506	85,200
936-005 Infectious Disease Program				
CSH	41,468	50,564	35,794	31,890

E. Anne Peterson
Assistant Administrator
Bureau for Global Health

Data Sheet

USAID Mission:	Bureau for Global Health
Program Title:	Population and Reproductive Health - New Tech.
Pillar:	Global Health
Strategic Objective:	936-0011
Status:	Continuing
Proposed FY 2003 Obligation:	\$47,173,000 CSH
Prior Year Unobligated:	\$0
Proposed FY 2004 Obligation:	\$40,200,000 CSH
Year of Initial Obligation:	1996
Estimated Completion Date:	2013

Summary: Major categories of assistance under this Intermediate Result include:

- Training and technical assistance to service providers;
- Technical assistance to develop and improve logistics, financial, information, and human resource management systems;
- Technical assistance to help design, implement and evaluate communication and behavior change programs in family planning and reproductive health;
- Training of managers and leaders in business skills to ensure program sustainability;
- Leadership and organizational development interventions to improve motivation and performance of managers and service providers;
- Promoting collaboration among relevant FP/RH institutions; and
- Technical assistance to evaluate program results and apply operations research findings.

Inputs, Outputs, Activities:

FY 2003 Program:

Research and development activities are typically multi-year efforts (\$26,358,000). In the area of contraceptive and microbicide research and development, FY 2003 funds will be used to: (1) initiate or complete Phase I/II/III trials/studies of seven microbicide products, the Two Day Method (TDM) of natural family planning; two new female condoms, and a novel diaphragm; (2) complete studies on improved techniques for vasectomy; (3) continue evaluation of the efficacy of the diaphragm to prevent STIs; (4) scale-up the Standard Days Method (SDM) of natural family planning; (5) study the impact of the Lactational Amenorrhea Method (LAM) on long-term contraceptive use and to introduce the female condom in high-risk groups; and (6) test different strategies to increase male condom use and to assess the safety of reusing the female condom. Principal contractors, grantees include Eastern Virginia Medical School, Family Health International, The Population Council, the Program for Appropriate Technology in Health, and Georgetown University.

In the area of operations research (\$7,845,000). GH will complete a number of studies in FY 2003, including multi-country studies of: (1) how client-provider interaction affects contraceptive continuation rates, (2) cost-effective strategies to reach sexually-active youth with RH information and services, and (3) strategies for involving men in reproductive health. Strategies to integrate FP/STI/HIV services, such as introducing FP into Voluntary Counseling and Testing (VCT) programs, will be developed and tested. A key focus in FY 2003 will be on the development of effective strategies for translating research results, such as those from the studies and the quality of services mentioned here, into programmatic application. Use of successful tools, such as the Strategic Counseling Tool and the Pregnancy Checklist, that have been shown to improve provider practice will be scaled-up worldwide. Principal contractors, grantees currently include The Population Council and Family Health International.

In FY 2003, GH will make two awards aimed at improving the collection, analysis, and presentation of data for use in planning, policymaking, managing, monitoring and evaluating population, health and nutrition programs. One of these awards will be the next iteration of the Demographic and Health

Surveys. It will provide technical leadership and assistance in the design and implementation of a range of data collection methodologies, "translation" of survey and other data into information for use by a range of technical and non-technical audiences, and individual and institutional capacity-building in data collection and use. The second award will continue to develop the state-of-the-art in monitoring and evaluation (M&E) in the health sector, including provision of assistance to USAID missions for development of performance monitoring plans and institutionalization of M&E capacity in developing countries. GH will also continue to provide missions with access to technical assistance for strategy development, project design and evaluation. FY 2003 funding for these activities totals \$12,970,000. Principal contractors, grantees include ORC Macro International; the University of North Carolina at Chapel Hill (prime), with Tulane University, John Snow Research and Training Institute and ORC Macro International (subs); the U.S. Bureau of the Census, and Centers for Disease Control and Prevention; and LTG Associates (prime) with TvT Associates (sub). New contractors/grantees will be selected by competitive award.

FY 2004 Program:

Most of the programs described for FY 2003 funding are multi-year efforts and will continue in FY 2004. These include research and development related to microbicides, female barrier methods, and continued expansion of new natural family planning methods. In addition, new strategies for improving the use of research results and expanding data-based decision making will be implemented, the results of which should be expanded method choices and improved service delivery and quality in developing countries. Data collection will be initiated under the new Demographic and Health Services contract. M&E work will likely focus increasingly on equity, or lack thereof, in the distribution of health improvements. The implications of health reform, decentralization, and "basket" funding schemes on the provision and use of FP/RH services may also be studied.

All family planning assistance agreements incorporate clauses that implement the President's directive reinstating the Mexico City Policy.

Performance and Results: In the area of contraceptive research, FDA approval was granted for Lea's Shield, a one-size-fits-all diaphragm-like barrier method that does not require fitting by a medical provider. Other barrier methods and microbicides moved to the next stage of product design and testing. The FDA also approved extending the use life of the Jadelle hormonal implant to five years, thereby providing women with a longer-term, reversible method. Clinical trials of the plastic male condom, eZon, were completed and the product is now being marketed through the private sector. Operations research studies show that natural family planning methods are now more widely known and used: The Standard Days Method, a natural family planning method was introduced into 25 organizations in 10 countries. and Exclusive breastfeeding rates and use of the Lactational Amenorrhoea Method (LAM) have increased significantly in the three countries where LAM has been actively promoted. Findings from other research suggest that contraceptive discontinuation is a good measure of quality of care and that as fertility falls, emphasis should be shifted from trying to attract new users to trying to reduce discontinuation. Research on Afghan refugee populations found the highest levels of unmet need and maternal mortality ever documented. Among the new tools and methodologies developed in FY 2002 is a composite measure of contraceptive security that assesses and ranks countries according to the extent to which individuals are able to choose, obtain, and use quality contraceptives.

Assuming progress continues as expected, these investments will result in: the availability of better, and more affordable, contraceptive choices for men and women and more effective microbicides and other methods to prevent HIV/STI; increased condom use for dual protection against unwanted pregnancy and STI/HIV infection; successful service delivery strategies for meeting the needs of underserved populations; and a better understanding of the impact of program investments. The ultimate result will be improved reproductive health for women and men.

US Financing in Thousands of Dollars

Bureau for Global Health

936-0011 Population and Reproductive Health - New Tech.	CSH	DA
Through September 30, 2001		
Obligations	0	270,625
Expenditures	0	267,100
Unliquidated	0	3,525
Fiscal Year 2002		
Obligations	44,670	0
Expenditures	18,535	0
Through September 30, 2002		
Obligations	44,670	270,625
Expenditures	18,535	267,100
Unliquidated	26,135	3,525
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2003 NOA		
Obligations	47,173	0
Total Planned Fiscal Year 2003		
Obligations	47,173	0
Proposed Fiscal Year 2004 NOA		
Obligations	40,200	0
Future Obligations	283,564	0
Est. Total Cost	415,607	270,625

Data Sheet

USAID Mission:	Bureau for Global Health
Program Title:	Population & Reproductive Health-Policy
Pillar:	Global Health
Strategic Objective:	936-0012
Status:	Continuing
Proposed FY 2003 Obligation:	\$8,438,000 CSH
Prior Year Unobligated:	\$0
Proposed FY 2004 Obligation:	\$7,700,000 CSH
Year of Initial Obligation:	1996
Estimated Completion Date:	2013

Summary: Major categories of assistance under this Intermediate Result include:

- Developing awareness-raising presentations and resource planning models for use with host-country policymakers;
- Strengthening the ability of local organizations to participate in the policy process;
- Promoting private sector participation in family planning/reproductive health (FP/RH) service delivery; and
- Synthesizing and disseminating research on macro issues in population, reproductive health, and family planning that are confronting the population community.

Inputs, Outputs, Activities:

FY 2003 Program:

GH will continue to fund the development of strategies to promote family planning in the context of high HIV prevalence, particularly in African countries. It will also work with host-country governments and other donors to assure the long term availability of contraceptives at affordable prices, both in countries where USAID is phasing-out and in USAID-presence countries where unmet need is rising rapidly. Small grants will be provided to local advocacy groups to enable them to participate in policy-making activities and to train others to advocate for themselves. GH will continue to fund a study by the National Academy of Sciences on transitions to adulthood and their implications for reproductive health. This research includes behavior change with regard to onset of sexual activity and number of partners and will include recommendations for improving FP/RH activities to support youth. Efforts will also be made to overcome policy barriers to the provision of pregnancy-related hemorrhage care and to support research on global trends in contraceptive use and demand for family planning. Finally, FY 2003 resources will be used to demonstrate the increased impact of a holistic approach to policy action that includes using data in policy decision-making; strengthening policy champions; planning, formulating, and drafting policies; identifying and dealing with operational policy barriers; and building NGO networks.

FY 2004 Program:

GH policy support will increasingly focus on ensuring the sustainability of FP/RH services and overcoming policy barriers. For example, GH plans to fund training and technical assistance to help governments prioritize their RH needs, choose interventions that best meet those needs, and allocate funds to carry out the chosen interventions. Efforts will also be undertaken to consolidate the lessons learned from the FY 2003 work on operational policy barriers and the implications of broadly replicating such work to improve access to FP/RH services. GH will develop, test, and apply policy approaches to integrate reproductive health and HIV/AIDS services.

All family planning assistance agreements incorporate clauses that implement the President's directive reinstating the Mexico City Policy.

Performance and Results: Over the past year, USAID helped increase worldwide financial resources available for FP/RH and contributed to changes in organizational structures and operational policies to

bring about better access to quality services. In FY 2002, USAID/FP/RH programs leveraged over \$5 million in external funds and resources from commercial partners, other donors and foundations to support USAID FP/RH social marketing objectives in seven countries in Asia, Africa and Latin America. In Romania, USAID technical assistance and support for a range of grass-roots networks resulted in oral and injectable contraceptives being included on the list of drugs covered under national health insurance, helping to decrease unintended pregnancies and abortions. In Bangladesh, the government approved a plan that will allow 24 non-governmental organizations (NGOs) to run government community health clinics. This is a major step toward induction of NGOs into the public health service system and follows from a successful USAID-supported pilot project involving NGOs running two clinics. Following extensive USAID technical assistance, the government of Malawi adopted a new National Reproductive Health Policy that guides decision-makers, managers, and service providers in planning and implementing a RH program that addresses service quality and standards, resource allocation, and client rights.

Continued progress in these areas will result in more supportive policies for FP/RH in USAID-assisted countries, increases in non-USAID resources for FP/RH, and more efficient and prudent use by host countries of their own funds. The ultimate impact will be improved reproductive health for women and men.

US Financing in Thousands of Dollars

Bureau for Global Health

936-0012 Population & Reproductive Health-Policy	CSH	DA
Through September 30, 2001		
Obligations	0	50,217
Expenditures	0	47,285
Unliquidated	0	2,932
Fiscal Year 2002		
Obligations	8,697	150
Expenditures	3,175	0
Through September 30, 2002		
Obligations	8,697	50,367
Expenditures	3,175	47,285
Unliquidated	5,522	3,082
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2003 NOA		
Obligations	8,438	0
Total Planned Fiscal Year 2003		
Obligations	8,438	0
Proposed Fiscal Year 2004 NOA		
Obligations	7,700	0
Future Obligations	52,526	0
Est. Total Cost	77,361	50,367

Data Sheet

USAID Mission:	Bureau for Global Health
Program Title:	Population & Reproductive Health - Capacity
Pillar:	Global Health
Strategic Objective:	936-0013
Status:	Continuing
Proposed FY 2003 Obligation:	\$43,924,000 CSH
Prior Year Unobligated:	\$244,000 CSH
Proposed FY 2004 Obligation:	\$37,600,000 CSH
Year of Initial Obligation:	1996
Estimated Completion Date:	2013

Summary: Major categories of assistance under this Intermediate Result include:

- Training and technical assistance to service providers;
- Technical assistance to develop and improve logistics, financial, information, and human resource management systems;
- Technical assistance to help design, implement and evaluate communication and behavior change programs in family planning and reproductive health;
- Training of managers and leaders in business skills to ensure program sustainability;
- Leadership and organizational development interventions to improve motivation and performance of managers and service providers;
- Promoting collaboration among relevant FP/RH institutions; and
- Technical assistance to evaluate program results and apply operations research findings.

Inputs, Outputs, Activities:

FY 2003 Program:

The FY 2003 program will seek to increase the quality and quantity of human resources to lead and manage programs as well as provide services. USAID will apply innovative, cost-efficient training methods and strategies, including distance learning, to reach the largest number of providers, leaders and program managers possible. The program will emphasize developing partnerships with host country organizations and building their capacity to provide technical assistance locally and regionally. A network of quality technical assistance firms delivering management and leadership development assistance locally and in south-to-south engagement is being established and will be supported. Assistance will be provided to develop management systems at the district level to ensure the success of decentralization efforts in Indonesia and basic management systems are being introduced to rebuild the Ministry of Health in Afghanistan. GH will continue to support NGO sustainability, emphasizing increased revenues, cost-recovery and effective governance. In FY 2003, GH will begin to implement a new competitive award to provide assistance to field missions in the areas of communication and behavior change.

Principal contractors, grantees and agencies include: Management Sciences for Health; John Snow, Inc.; Pathfinder International; the Public Health Institute; the University of North Carolina (prime) with Abt Associates, EngenderHealth, PATH, Training Resources Group, the American College of Nurse Midwives, and Save the Children (subs); (8) Johns Hopkins University/Center for Communication Programs (prime) with the Academy for Educational Development, Save the Children, The International HIV/AIDS Alliance, Tulane School of Public Health and Tropical Medicine, and University of North Carolina at Chapel Hill (subs); University of Michigan; and JHPIEGO.

FY 2004 Program:

In the area of capacity building, USAID expects that FY 2004 funds will support management and human resource assessments of national family planning and reproductive health institutions. Funds may be used to incorporate innovative approaches, such as distance learning and mentoring, into leadership development courses for leaders and managers of key public and private institutions. Technical

assistance products, such as an organizational climate assessment instrument, will be developed to support leadership and management development. USAID will continue its emphasis on improving provider performance through the design of more efficient supervision systems. Under the new communication and behavior change award, funds may be used to further develop programs to influence community and societal norms related to health and family planning choices. In FY 2004, GH will begin implementation of a new competitive award to assist field missions to strengthen private commercial sector service provision. It will focus on public-private partnerships for service provision and assistance to the public sector to effectively target subsidies to the poor. GH will also begin implementation of a new award to support credit and technical assistance to private providers.

All family planning assistance agreements incorporate clauses that implement the President's directive reinstating the Mexico City Policy.

Performance and Results: In Nicaragua, in Hurricane Mitch-affected areas, three USAID-assisted clinics are now recovering between 85% and 114% of their costs, while increasing the number of clinic visits by more than 40% and the number of family planning visits by 37%. In Turkey, USAID achieved a complete phase-out of USAID contraceptive donations with minimal disruption to services and an increase in the GOT Ministry of Health funding of contraceptives from \$400,00 in 1998 to \$2.4 million in 2000. Additional achievements in Turkey include: a standardized FP/RH training program in 17 medical and 19 midwifery schools; a 38% increase in the number of clinics offering 3 modern family planning methods; the establishment of pregnancy-related hemorrhage care programs in 37 hospitals and postpartum family planning in 18 hospitals. USAID-supported technical assistance to a Cambodian NGO resulted in increased institutional equity from zero to \$47,167 in 2002, while family planning visits increased by 21% in the same period.

USAID's focus on training and human capacity development will translate into higher quality reproductive health services, reaching a larger number of people per year. Its focus on institutional capacity building through improved management systems and business planning will result in stronger, more sustainable institutions providing these services.

US Financing in Thousands of Dollars

Bureau for Global Health

936-0013 Population & Reproductive Health - Capacity	CSH	DA
Through September 30, 2001		
Obligations	0	287,748
Expenditures	0	279,720
Unliquidated	0	8,028
Fiscal Year 2002		
Obligations	47,699	0
Expenditures	15,528	0
Through September 30, 2002		
Obligations	47,699	287,748
Expenditures	15,528	279,720
Unliquidated	32,171	8,028
Prior Year Unobligated Funds		
Obligations	244	0
Planned Fiscal Year 2003 NOA		
Obligations	43,924	0
Total Planned Fiscal Year 2003		
Obligations	44,168	0
Proposed Fiscal Year 2004 NOA		
Obligations	37,600	0
Future Obligations	382,252	0
Est. Total Cost	511,719	287,748

Data Sheet

USAID Mission:	Bureau for Global Health
Program Title:	Population & Reproductive Health-Access
Pillar:	Global Health
Strategic Objective:	936-0014
Status:	Continuing
Proposed FY 2003 Obligation:	\$51,265,000 CSH
Prior Year Unobligated:	\$0
Proposed FY 2004 Obligation:	\$44,100,000 CSH
Year of Initial Obligation:	1996
Estimated Completion Date:	2013

Summary: Major categories of assistance under this Intermediate Result include:

- Expanding service-delivery in the public, private commercial and non-governmental organization (NGO) sectors;
- Implementing client-centered services that emphasize voluntarism and informed choice; Institutionalizing performance improvement systems to strengthen the skills of health care providers and ensuring quality of care in a sustainable manner;
- Improving access to contraceptive commodities;
- Increasing access to and quality of pregnancy-related hemorrhage care services (emergency treatment; family planning services; and referral for STI treatment and follow-up);
- Fostering the development of community-based organizations that can function as both advocates for, and providers of, quality health information and services;
- Increasing private sector participation in the delivery of quality family planning/reproductive health (FP/RH) services by working through professional associations and networks and by increasing FP/RH organizations' access to credit;
- Improving the reproductive behavior of youth including delaying first sexual encounter and improving access to information and contraceptives; and
- Providing technical assistance to strengthen linkages between FP/RH, HIV and maternal health programs to ensure there are no missed opportunities to improve primary health and service access.

The ultimate beneficiaries are women and men of reproductive age in developing countries who will have greater access to quality FP/RH information and services, and children under five years old whose health will improve because of improved birth spacing.

Inputs, Outputs, Activities:

FY 2003 Program:

Activities under this Intermediate Result are typically multiyear efforts and it is anticipated that there will be continuity between FY 2003 and FY 2004 activities. In FY 2003, USAID will work to increase the number and quality of FP/RH service delivery points in the public, private commercial and NGO sectors using a client-centered approach that emphasizes informed choice. In the public sector USAID will support the development and institutionalization of management, performance improvement and quality assurance systems. In the commercial sector, USAID will support social marketing programs to heighten awareness of FP/RH issues and increase the availability of related commodities. Private providers will receive information, training and, in some cases, access to credit to increase their role in the provision of FP/RH services. GH will continue to address barriers to family planning/reproductive health use through behavior change campaigns and through outreach to private providers and pharmacists to improve education and counseling skills and continued emphasis on informed choice. GH will launch a new fund for U.S. private voluntary organizations (PVOs) and non-governmental organizations(NGOs). The fund will support technical assistance and training to PVOs and local NGOs to improve their capacity to deliver FP/RH information and services. Resources will also be allocated to applying evidence-based best-

practices at country, regional and national levels. Young adults will continue to be a particular focus. Youth-focused activities address young adults' unique needs to delay sexual debut as well as prevent pregnancy and sexually transmitted infection. In addition, recognizing the impact of the HIV epidemic, a number of pilot activities will integrate family planning and HIV information and services to reach both adolescents and adults.

Principal contractors and grantees include: Pathfinder International (prime) with the Academy for Educational Development (AED), Centre for Development and Population Activities (CEDPA), Meridian Development Foundation, and ProFamilia/Colombia (subs); EngenderHealth; Save the Children (prime) with the Cooperative for Assistance and Relief Everywhere (CARE), the Adventist Development and Relief Agency, ChildReach/Plan International, and the Program for Appropriate Technology in Health (partners); Management Sciences for Health (prime), with AED, Family Health International (FHI), the Centre for African Family Studies, the Federation of African Women Educationalists, and Deloitte Touche Tohmatsu (DTT) (subs); CEDPA; DTT (prime) with The Futures Group International, Abt Associates, Meridian Development Foundation, and Population Services International (PSI) (subs); FHI (prime) with CARE, Research Triangle Institute, Margaret Sanger Center International, and DTT (subs); CARE, AED (prime) with LaLeche League International, PSI, Wellstart International, CARE, Catholic Relief Services, and WorldVision (subs); John Snow International (prime) with Alatech Healthcare Products (sub); and various contraceptive manufacturers (FEI Products, Inc, Leiras Oy, Wyeth-Ayerst International, Ortho-McNeil Pharmaceutical, Pharmacia Worldwide, and Panalpina).

FY 2004 Program:

Agreements for activities in the PVO sector, commercial sector and selected activities in performance improvement and service delivery come to an end in FY 2003. Thus, the focus of activities in FY 2004 will be to assure a smooth transition between activities that are ending and start-up agreements. Two new awards (cooperative agreements) are planned. One will strengthen clinical service provision, to include linkages to antenatal and postpartum care, and voluntary counseling and testing for HIV. A second award will be designed to strengthen human capacity for expanded service provision.

All family planning assistance agreements incorporate clauses that implement the President's directive reinstating the Mexico City Policy.

Performance and Results: By providing missions with easy access to technical assistance and training, GH contributed to the delivery of FP/RH information and services in 26 countries through public sector programs, 14 countries through private commercial sector programs, and 17 countries through private voluntary and non-governmental organizations' programs. During FY 2002, USAID partnerships with the commercial sector resulted in the provision of 2.3 million couple years of protection (CYP), an increase of 6% over FY 2001, in India, Jordan, Morocco, Senegal and Uganda. USAID/FP/RH programs leveraged over \$5 million in external funds and resources from commercial partners, other donors and foundations to support USAID FP/RH social marketing objectives in seven countries in Asia, Africa and Latin America. The number of countries with active pregnancy-related hemorrhage care programs increased from 12 in FY 2001 to 21 in FY 2002; results include in-country scale-up to 120 facilities in four provinces in Kenya and, through a new program, to 24 facilities in five provinces in Peru. In Nicaragua, USAID has supported the creation of an effective PVO/NGO network, Nicasalud, to expand access to quality health services in Hurricane Mitch-affected areas. Nicasalud has increased exclusive breastfeeding from 35% to 62%; the proportion of women delivering with a clinician from 52% to 70%; contraceptive use from 13% to 69% and births spaced at least three years from 21% to 32%.

Continued progress under this program is expected to increase access to and use of reproductive health services by increasing the capacity of every sector to delivery quality information and services. The focus on strengthening systems and institutions is also expected to help ensure the sustainability of activities undertaken under this program.

US Financing in Thousands of Dollars

Bureau for Global Health

936-0014 Population & Reproductive Health- Access	CSH	DA
Through September 30, 2001		
Obligations	0	759,540
Expenditures	0	748,940
Unliquidated	0	10,600
Fiscal Year 2002		
Obligations	49,490	0
Expenditures	16,155	0
Through September 30, 2002		
Obligations	49,490	759,540
Expenditures	16,155	748,940
Unliquidated	33,335	10,600
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2003 NOA		
Obligations	51,265	0
Total Planned Fiscal Year 2003		
Obligations	51,265	0
Proposed Fiscal Year 2004 NOA		
Obligations	44,100	0
Future Obligations	357,003	0
Est. Total Cost	501,858	759,540

Data Sheet

USAID Mission:	Bureau for Global Health
Program Title:	Maternal Health
Pillar:	Global Health
Strategic Objective:	936-002
Status:	Continuing
Proposed FY 2003 Obligation:	\$12,168,000 CSH
Prior Year Unobligated:	\$34,000 CSH
Proposed FY 2004 Obligation:	\$11,923,000 CSH
Year of Initial Obligation:	1996
Estimated Completion Date:	20013

Summary: The Bureau for Global Health's Health, Infectious Disease and Nutrition program focuses on technology development, and identification and documentation of approaches that improve pregnancy outcome for mothers and their infants. These efforts provide global leadership by working with other partners to carry out research and disseminate findings, as well as fostering advocacy and policy dialogue related to critical issues of financing, training and deployment of personnel, rational management of pharmaceuticals, and information systems. This program component supports the field in providing tools, technologies, and approaches in designing, implementing and evaluating maternal health programs in low resource environments with traditional cultural practices, preference for home birth, and limited institutional capacity.

Inputs, Outputs, Activities:

FY 2003 Program:

Quality Maternal and Neonatal Health Services (\$5,245,000 CSH). GH supports training of midwives, doctors and nurses in treatment of obstetric complications, and antenatal, birth, postpartum and newborn care. Effective interventions are promoted to include iron folate supplementation, tetanus toxoid immunization, intermittent preventive treatment of malaria and promotion of insecticide treated nets, syphilis control, and prevention of mother-to-child-transmission of HIV. Clean and safe delivery and rapid treatment of complications, including hemorrhage, infection, hypertensive disorders, obstructed labor are taught to birth attendants. Quality assurance programs will be instituted. Funding for the special initiatives to prevent and treat postpartum hemorrhage, the biggest maternal killer, continue. Principal contractors, grantees and cooperative agreement recipients: JHPIEGO Corporation--subcontractors: Center for Development and Population (CEDPA), Johns Hopkins University (JHU), Program for Appropriate Technology in Health (PATH); Academy for Educational Development (AED)-subcontractors: Cooperative for Assistance and Relief Everywhere, Catholic Relief Services, World Vision, Cornell University, Tufts University; International Science and Technology Institute-subcontractors: Helen Keller Institute (HKI), AED, Population Services Institute; HKI; University of North Carolina/INTRAH-subcontractors: Abt Associates, Inc., Engender Health, American College of Nurse Midwives, Training Resource Group.

Community Practices and Mobilization (\$2,000,000 CSH). GH continues to support the White Ribbon Alliance to promote the Safe Motherhood Initiative through a global network to create demand for and use of life-saving maternity care. In the community, programs are supported that promote good nutrition, infection prevention, avoidance of harmful practices, use of skilled birth attendants, and rapid use of services in the event of a life-threatening complication. Principal contractors, grantees and cooperative agreement recipients: JHPIEGO Corporation-subcontractors: CEDPA, JHU, PATH; The Futures Group-subcontractors: CEDPA, Research Triangle Institute (RTI).

Policy for Safe Motherhood (\$2,273,000 CSH). GH fosters policy dialogue to institutionalize political and financial commitments to maternal and newborn health. Special attention is focused on supporting national standards of practice so that they are based on current scientific evidence and identifying and

addressing regulatory barriers to provision of life-saving care by mid-level providers. Principal contractors, grantees and cooperative agreement recipients: The Futures group-subcontractors: CEDPA, RTI; International Life Sciences Institute; LTG Associates-subcontractor: TvT; Management Sciences for Health-subcontractors: AED, APUA, Boston University, Harvard, PATH; US Pharmacopeia; Jorge Scientific Corporation-subcontractors: The Futures Group; JohnSnow, Inc. (JSI); Global Health Council; WHO; UNICEF.

Research (\$2,650,000 CSH). GH supports a multi-donor international effort to improve the evidence base for effective, affordable approaches in low resource environments. It continues to support research on new technologies to decrease postpartum hemorrhage, the effect of micronutrients on pregnancy outcome, and approaches to improve antenatal, delivery and postpartum services and increase use of skilled birth attendants and essential obstetric care. Principal contractors, grantees and cooperative agreement recipients: Johns Hopkins University; University of Aberdeen-subcontractors: London School of Hygiene and Tropical Medicine, Institute of Tropical Medicine in Antwerp, JHU; University Research Corporation (URC)-subcontractors: Joint Commission Resources, JHU; Abt Associates-subcontractors: URC, Development Associates Incorporated, Tulane University, PATH; ORC Macro Int.-subcontractors: Population Council, East West Center; Carolina Population Center-subcontractors: JSI; Tulane; ORC Macro Int..

FY 2004 Program:

Quality Maternal and Neonatal Health Services (\$5,000,000 CSH). Timely, effective and compassionate care will be promoted through training and quality assurance approaches. The special initiative to prevent and treat postpartum hemorrhage in order to achieve rapid reduction in maternal mortality will be supported.

Community Practices and Mobilization (\$2,000,000 CSH). To encourage use of life-saving services, including skilled attendants at delivery, additional work at the community level to increase demand and use of safe delivery and essential obstetric care services will be emphasized.

Policy for Safe Motherhood (\$2,300,000 CSH). Advocacy and policy in critical areas of financing, health system strengthening, and dissemination of effective, affordable approaches to increase skilled attendance at delivery and improve pregnancy outcome will be continued.

Research (\$2,600,000 CSH). GH will continue to add to the knowledge base by supporting key research activities and analysis of existing data to identify and promote more effective, efficient and affordable maternal and neonatal health programming.

Performance and Results: GH continues to play a leadership role in development and promotion of key maternal and newborn health interventions. Through research, policy dialogue and technical assistance it has contributed to increases in skilled birth attendance in USAID-assisted countries and reduction of maternal mortality in several countries in the past decade. In the last year, success has been achieved in getting international, evidence-based standards of care accepted in ministerial resolutions and national training curricula. Community mobilization activities have brought community representatives and national policy makers together in 18 countries to promote improved self care and increased access to and use of life-saving services. In the complex emergency in Afghanistan, USAID was able to support a CDC study to document the severity of the problem of maternal mortality-and the wide differentials between urban and rural areas-and rapidly introduce competency-based training for midwives and auxiliary midwives in life-saving skills. GH support for the Safe Motherhood Best Practices international conference provided the first open forum since the launch of the global Safe Motherhood Initiative to promote south-to-south exchange among representatives of 35 nations on approaches for successful, replicable maternal health programs.

US Financing in Thousands of Dollars

Bureau for Global Health

	CSH	DA
936-002 Maternal Health		
Through September 30, 2001		
Obligations	70,572	19,808
Expenditures	58,411	19,808
Unliquidated	12,161	0
Fiscal Year 2002		
Obligations	15,327	0
Expenditures	2,716	0
Through September 30, 2002		
Obligations	85,899	19,808
Expenditures	61,127	19,808
Unliquidated	24,772	0
Prior Year Unobligated Funds		
Obligations	34	0
Planned Fiscal Year 2003 NOA		
Obligations	12,168	0
Total Planned Fiscal Year 2003		
Obligations	12,202	0
Proposed Fiscal Year 2004 NOA		
Obligations	11,923	0
Future Obligations	122,119	0
Est. Total Cost	232,143	19,808

Data Sheet

USAID Mission:	Bureau for Global Health
Program Title:	Child Health and Nutrition
Pillar:	Global Health
Strategic Objective:	936-003
Status:	Continuing
Proposed FY 2003 Obligation:	\$36,732,000 CSH; \$3,800,000 DA
Prior Year Unobligated:	\$74,000 CSH
Proposed FY 2004 Obligation:	\$47,450,000 CSH
Year of Initial Obligation:	1995
Estimated Completion Date:	2013

Summary: The Bureau for Global Health's Child Health and Nutrition program focuses on developing low-cost, feasible, effective interventions that address the major causes of infant and child malnutrition, morbidity, and mortality and supporting their widest possible implementation in developing countries. It achieves this by investing resources and staff effort in applied and operations research and technology development, technical support to country programs, and addressing cross-cutting policy and health service delivery factors that directly affect child health services. These activities are carried out through direct technical leadership and through partnerships with other international organizations and bilateral donors.

Inputs, Outputs, Activities:

FY 2003 Program:

Applied and operations research and technology development (\$6,891,000 CSH). During FY 2003 GH will continue its support for research through U.S. universities, international organizations including WHO, and developing country researchers. Micronutrient research will include assessment of effects of vitamin A on newborn mortality and zinc supplementation on infant and under five mortality. Another major research area will be new vaccines to prevent major causes of diarrhea and pneumonia in children. Additional research will include developing and evaluating technologies (including injectable antibiotics in UniJect single-use devices) and program approaches to improve newborn survival. Operations research (with UNICEF) will develop and evaluate program approaches to implement community treatment of pneumonia in West African countries. Principal contractors, grantees include: World Health Organization, International Center for Diarrheal Disease Research/Bangladesh (ICDDR/B), Johns Hopkins University, International Life Sciences Institute, Boston University and Program for Appropriate Technologies in Health (PATH).

Technical support to country programs (\$16,465,000 CSH, \$3,800,000 DA). During FY 2003, GH will dedicate most of its resources and effort to assist programs in priority USAID-assisted countries. This technical assistance will largely focus on core technical areas including: strengthening routine immunization capabilities, including helping countries that receive Global Alliance and Vaccine Immunization (GAVI) grants apply those resources most effectively; improving the effectiveness of polio eradication efforts in countries with continuing virus transmission; improving the care of children with diarrhea, pneumonia, and other common child illnesses, with particular focus on care in primary facilities, communities, and households and on the role of private sector providers; improving nutrition through promotion of breastfeeding and appropriate complementary feeding, and especially on expanding vitamin A and other micronutrient fortification and supplementation programs; and applying known interventions (such as tetanus immunization and improved immediate care of newborns) in expanded programs to reduce newborn mortality. There will be increased emphasis on support of countries affected by crisis. Principal contractors, grantees, and cooperating agencies include: Partnership for Child Health Care, Academy for Educational Development, Management Sciences for Health (MSH), John Snow Inc., Helen Keller International, International Science and Technology Institute (ISTI), the PVO CORE Group (World Vision), Camp, Dresser & McKee and Save the Children.

GH will program \$3,800,000 DA account as part of the Leahy War Victims Fund (WVF) This program contributes to improving the mobility, health and socioeconomic integration of civilians who have sustained physical disabilities as a result of armed conflicts.

Improving key cross-cutting policy and health service delivery system factors (\$5,268,000 CSH). A limited portion of resources will be used in cost-shared activities addressing elements of policy, resource allocation, health systems, and promotion of healthy behaviors essential for increased availability and use of key child health and nutrition interventions. These include analyses of resource availability (including the role of private sector providers) in selected countries, as well as evaluation of mutual health insurance schemes in poor communities; identification of steps to improve availability and use of key child health drugs in health systems and communities; application of simple quality improvement techniques to child health care delivery; use of Demographic and Health Surveys and other measurement approaches to monitor coverage and impact; and expanded application of modern techniques in communication to promote healthy practices like breastfeeding. Principal contractors, grantees, and cooperating agencies include: Abt Associates, MSH, MACRO Inc., Jorge Scientific Corp.

Improving community-based programs (\$13,376,000 CSH). GH will continue to support U.S. PVO programs in family planning and maternal and child health emphasizing partnerships and collaboration with USAID Missions and other partners to increase impact and sustainability of improved health gains.

FY 2004 Program:

Applied and operations research and technology development (\$8,072,000 CSH). Research in micronutrients, vaccines, and newborn survival will continue; it is expected that at least one new vaccine will be in field trial and evaluation of zinc supplements as diarrhea treatment will be concluded and applied in programming.

Technical support to country programs (\$17,540,000 CSH). This core area of Child Health and Nutrition will continue with increased effort in expanding effective treatment for pneumonia, improving basic care of newborns and providing treatment for life-threatening newborn illness, and continuing improvement in addressing micronutrient deficiency and malnutrition.

Improving key cross-cutting policy and health service delivery system factors (\$6,172,000 CSH). Continued activities in this area will especially emphasize the mobilization of private sector and community resources and new strategies to increase the availability of key drugs and commodities. GH's new communication project will increase emphasis on communication and promotion of improved child health care practices.

Improving community-based programs (\$15,666,000 CSH). GH will continue to support U.S. PVO programs in family planning and maternal and child health emphasizing partnerships and collaboration with USAID Missions and other partners to increase impact and sustainability of improved health gains.

Performance and Results: GH has played a major continuing role in the development and implementation of key child health and nutrition interventions. The GH-initiated "Boost Immunization" initiative, combined with GH's leadership and technical roles in the Global Alliance for Vaccines and Immunization, have contributed to revitalization of immunization programs and increased coverage in USAID-assisted countries. Micronutrient research, development of international partnerships, and direct support to country programs have led to increased coverage of vitamin A and development of zinc treatment for diarrhea. GH has also provided leadership in directing attention and resources to key areas of unmet need in child health, including community treatment of pneumonia and simple approaches to improve newborn survival. GH's efforts directly contribute to global resource mobilization and to effective on-the-ground programs that have yielded measurable improvements in children's survival, health, and nutrition.

US Financing in Thousands of Dollars

Bureau for Global Health

936-003 Child Health and Nutrition	CSH	DA
Through September 30, 2001		
Obligations	278,945	88,572
Expenditures	271,677	83,204
Unliquidated	7,268	5,368
Fiscal Year 2002		
Obligations	46,949	1,726
Expenditures	1,580	0
Through September 30, 2002		
Obligations	325,894	90,298
Expenditures	273,257	83,204
Unliquidated	52,637	7,094
Prior Year Unobligated Funds		
Obligations	74	0
Planned Fiscal Year 2003 NOA		
Obligations	40,532	0
Total Planned Fiscal Year 2003		
Obligations	40,606	0
Proposed Fiscal Year 2004 NOA		
Obligations	47,450	0
Future Obligations	242,333	0
Est. Total Cost	656,283	90,298

Data Sheet

USAID Mission:	Bureau for Global Health
Program Title:	AIDS Prevention and Control
Pillar:	Global Health
Strategic Objective:	936-004
Status:	Continuing
Proposed FY 2003 Obligation:	\$65,506,000 CSH
Prior Year Unobligated:	\$1,080,000 CSH
Proposed FY 2004 Obligation:	\$85,200,000 CSH
Year of Initial Obligation:	1996
Estimated Completion Date:	2013

Summary: The Bureau for Global Health's HIV/AIDS program ranges from preventing people from contracting HIV to caring for and treating people living with AIDS. While concentrating efforts on 23 "priority" countries, USAID provides HIV/AIDS assistance to more than 50 countries worldwide.

Inputs, Outputs, Activities:

FY 2003 Program:

Prevention (\$29,406,000 CSH): Prevention is the cornerstone of USAID's strategy to fight the war on AIDS. The terrible impact on families, societies and economies will continue and the war won't be winnable if we do not prevent the next wave of people from getting infected with HIV. The key elements of USAID's HIV/AIDS strategy are changing behavior to avoid or decrease risk (through mass media and interpersonal communications), prevention of mother-to-child transmission of HIV, diagnosis and treatment of sexually transmitted infections, and voluntary counseling and testing. USAID uses a fully-balanced "ABC" approach to prevention: promotion of abstinence, being faithful to one partner/behavior change, and use of condoms among high-risk populations. (Also see mother-to-child transmission and Children sections.) Principal contractors, grantees, and cooperating agencies include: Family Health International (FHI), Population Services International, Johns Hopkins University and Population Council.

System Strengthening and Policy (\$15,000,000 CSH): The overall capacity of the health system is a major limitation in the fight against AIDS. USAID believes it is critical to invest significantly in the development of service systems and human capacity to deliver key prevention and care services and also in the policies that support these activities. Critical effort is now being invested in USAID increasing its technical support to missions and host country governments on strategic design, program implementation and results reporting. USAID also assists Country Coordinating Mechanisms, which develop and implement proposals to the Global Fund to Fight AIDS, Tuberculosis and Malaria. Principal contractors, grantees, and cooperating agencies include: The Futures Group International, Management Sciences for Health (MSH), University of North Carolina, ABT Associates and Social & Scientific Systems.

Care and Treatment (\$8,000,000 CSH): USAID is increasing its investment in care and treatment activities. Three antiretroviral treatment sites have begun work in Ghana, Rwanda, and Kenya. These are to be treatment models which governments and the private sector can scale up to the national level in "low resource" settings. Non-antiretroviral care and treatment is also critically important. It can significantly extend the life of those with AIDS, even in the absence of antiretroviral treatment, and can be scaled-up within current infrastructure constraints to extend lifespan for millions already infected. USAID is currently funding 25 care and treatment programs in 14 countries. These programs treat tuberculosis and other opportunistic infections; provide psychosocial and palliative care; and meet the nutritional needs of affected households, Principal contractors, grantees, and cooperating agencies include: FHI and MSH.

Children affected by HIV/AIDS (\$6,500,000 CSH): More than 75 USAID-supported projects in 24 countries are helping communities provide care, counseling, psychological support and economic

strengthening activities, as well as assistance such as food, school fees, shelter and clothing to children affected by AIDS. Principal contractors, grantees, and cooperating agencies include: FHI.

Preventing Mother to Child Transmission of HIV (\$5,900,000 CSH): Eleven countries currently have USAID-supported programs to prevent HIV transmission from a mother to her baby. The President's International Mother and Child HIV Prevention Initiative will dramatically expand the number of programs and number of countries where pregnant women and their families can access these services. USAID expects an additional \$100 million for the second year of the program. Principal contractors, grantees, and cooperating agencies include: Elizabeth Glaser Pediatric AIDS Foundation, Population Council, FHI and Population Services International.

Surveillance (\$700,000 CSH): Surveillance is an important component of USAID's expanded response. It is critical to monitor trends in seroprevalence, as well as monitoring changes in behavior, to measure results from prevention programs. Principal contractors, grantees, and cooperating agencies include: US Bureau of Census, FHI, University of North Carolina.

The Global Fund to Fight AIDS, TB and Malaria is an international public-private partnership with pledges totaling over \$2.2 billion. The U.S. pledge of \$500 million makes it the largest contributor. The Global Fund complements bilateral and multilateral assistance programs for the three diseases, but it is a financing not program implementing mechanism. Bilateral support is critical to the success of the Global Fund. USAID has been essential to the board of the Global Fund, and the role of USAID mission staff to assist at the country level will become more critical as Global Fund projects move from proposal to implementation.

FY 2004 Program:

Prevention (\$38,200,000 CSH): Prevention will continue to be the priority in USAID's strategy to step up the war on AIDS, continuing the "ABC" strategies outlined above, to document successes and facilitate the spread and application of lessons learned. (Also see Preventing Mother to Child Transmission of HIV and Children sections.)

System Strengthening and Policy (\$17,000,000 CSH): Strategic planning and evaluation of national programs, technical assistance to missions, and collaboration with international and host country partners will continue to be a focus. USAID will also support increased human and systems capacity building needed to manage expanded national HIV/AIDS programs. In addition, USAID is planning new links to existing provider networks (for example, medical associations and faith-based organizations) and enhancing their capacity to do new tasks.

Care and Treatment (\$12,800,000 CSH): Increase the number of antiretroviral treatment sites. Introductory programs in Rwanda, Ghana, and Kenya will provide the model for additional country-level programs. The expanded scope and scale of non-care and treatment programs will continue to include programs to treat tuberculosis and other opportunistic infections; provide psychosocial and palliative care; and meet the nutritional needs of affected households, in order to extend healthy life of those already infected with HIV.

Children (\$8,600,000 CSH): Continue to support projects that help communities provide care, counseling, psychological support and economic strengthening activities, as well as material assistance such as food, school fees, shelter and clothing to children affected by AIDS. USAID is bringing in new community and faith-based partners to assist in these endeavors, and expand on successful model programs in additional communities.

Preventing Mother-to-Child Transmission of HIV (\$7,700,000 CSH): Increase the number of countries supporting programs to prevent transmission of HIV from a mother to her baby. Through the President's International Mother and Child HIV Prevention initiative, USAID and the Department of Health and Human Services plan new and expanded programs to prevent mother-to-child transmission of HIV at a national level in 14 countries.

Surveillance (\$900,000 CSH): Increase the number of countries with second generation surveillance systems in place. Data frequency and quality improvements will be made in all priority countries over the next two years.

Performance and Results: USAID has helped alter the course of national HIV/AIDS epidemics in Uganda, Cambodia, Zambia, Bolivia, and Senegal. USAID measures its results through a monitoring and evaluation reporting system that uses standardized indicators to track similar results over time and among countries.

In FY 2001, all 23 missions in intensive focus countries identified HIV/AIDS as a part of their health or youth strategic objectives. Of these 23 missions, 30% exceeded their targets and another 61% met their targets. Only two missions did not meet their targets.

USAID has a general target for reducing the transmission and impact of HIV/AIDS, which is that at least 85% of strategic objectives in this area will meet or exceed their targets for the year with no more than 10% not met and 5% or fewer not assessed. The Agency succeeded in meeting its general target for HIV/AIDS activities. Ninety-one percent of the missions met or exceeded their targets, 9% did not meet their targets, and no mission did not assess its performance in 2001.

US Financing in Thousands of Dollars

Bureau for Global Health

936-004 AIDS Prevention and Control	CSH	DA
Through September 30, 2001		
Obligations	235,814	37,452
Expenditures	181,819	37,452
Unliquidated	53,995	0
Fiscal Year 2002		
Obligations	60,435	0
Expenditures	0	0
Through September 30, 2002		
Obligations	296,249	37,452
Expenditures	181,819	37,452
Unliquidated	114,430	0
Prior Year Unobligated Funds		
Obligations	1,080	0
Planned Fiscal Year 2003 NOA		
Obligations	65,506	0
Total Planned Fiscal Year 2003		
Obligations	66,586	0
Proposed Fiscal Year 2004 NOA		
Obligations	85,200	0
Future Obligations	3,491,779	0
Est. Total Cost	3,939,814	37,452

Data Sheet

USAID Mission:	Bureau for Global Health
Program Title:	Infectious Disease Program
Pillar:	Global Health
Strategic Objective:	936-005
Status:	Continuing
Proposed FY 2003 Obligation:	\$35,794,000 CSH
Prior Year Unobligated:	\$68,000 CSH
Proposed FY 2004 Obligation:	\$31,890,000 CSH
Year of Initial Obligation:	1998
Estimated Completion Date:	2013

Summary: The Bureau for Global Health's Infectious Disease Program is a multi-year effort to reduce the threat of infectious diseases of major public health importance by: designing, testing, improving and implementing tuberculosis prevention and control programs; developing, and implementing new malaria disease prevention, treatment and policy efforts; strengthening disease surveillance systems to better detect diseases and respond appropriately; and developing strategies to slow the emergence and spread of antimicrobial resistance.

Inputs, Outputs, Activities:

FY 2003 Program:

Improve and implement tuberculosis (TB) prevention and control programs (\$ 13,700,000 CSH). GH will continue to provide direct assistance to more than 30 national TB control programs with the objective of building in-country political commitment and local capacity to implement and sustain effective TB control efforts, such as the Directly Observed Treatment, Short Course (DOTS) Strategy. Regional training programs will complement these efforts by increasing the global cadre of TB professionals. GH will continue to support the STOP TB Partnership and the Global Plan to Stop TB, directly support and provide technical assistance to the Global Drug Facility, develop and disseminate best practices regarding TB prevention and control (e.g., treatment of MDR-TB, TB/HIV, community based care), and support the development of tools to diagnosis TB rapidly. Principal contractors, grantees and cooperating agencies include: TB Coalition for Technical Assistance, The Centers for Disease Control and Prevention, Gorgas Memorial Institute, The National Institutes for Health, Management Sciences For Health, Program for Appropriate Technology in Health, U.S. Pharmacopoeia Convention Inc., and The World Health Organization (WHO).

Malaria disease prevention, treatment and policy efforts (\$13,250,000 CSH). GH will continue to work closely with USAID regional bureaus and missions to expand malaria control activities in association with the Roll Back Malaria Partnership. In FY 2003 private sector partnerships for commercial marketing of affordable insecticide treated bednets will be expanded throughout the African Region. GH will also expand a coordinated effort to institute newly developed treatment guidelines and policies for malaria in pregnant women and improve policies and drug use practices. These expanded efforts will compliment ongoing malaria activities and will be focused largely in Africa, but will also target populations in complex emergencies and sub-regional efforts in South America and Southeast Asia to reduce the spread of drug resistant malaria. The most promising new malaria vaccine currently in field trials will continue to be evaluated in Kenya through a public-private partnership, and new knowledge will enable even more advanced candidates to enter the pipeline. A new initiative will focus on strengthening Schools of Public Health in Africa to improve local capacity for malaria, TB, HIV/AIDS and other public health priorities. Principal contractors and cooperating agencies include: Academy for Educational Development, Camp Dresser & McKee, The Centers for Disease Control and Prevention, JHPIEGO Corporation, Management Sciences for Health, Maxygen, The Naval Medical Research Institute, Walter Reed Army Institute of Research, U.S. Pharmacopoeia Convention Inc., University Research Corporation, and The World Health Organization.

Strengthening disease surveillance systems (\$3,844,000 CSH). GH will continue to support The Centers for Disease Control and Prevention (CDC) and the World Health Organization (WHO) efforts to strengthen infectious disease surveillance at the national, regional and global level. Complementary efforts will support programs that identify obstacles and target capacity development of health workers at the district level as a key part of timely detection and response within a disease surveillance system. Epidemiology capacity will be strengthened by supporting the development of field-based training programs at the country level, as well as reinforcing regional and international networks. GH will continue working with the European Office of WHO on the regional dissemination of USAID's experience with strengthening immunization, disease and health information systems. Principal contractors, grantees and cooperating agencies include: Abt Associates, Academy for Educational Development, The Centers for Disease Control and Prevention, The Program for Appropriate Technology in Health, Training in Epidemiology and Public Health Interventions Network, and WHO.

Slow the emergence and spread of antimicrobial resistance (AMR) (\$5,000,000 CSH). Building upon the recently developed WHO Global Strategy for the Containment of Antimicrobial Resistance, the AMR activities will focus on global and country-level antimicrobial resistance advocacy, and the development of an intervention package(s) to support the appropriate and judicious use of antimicrobial drugs. The Global TB Drug Facility will continue to receive direct technical assistance, along with beneficiary countries to develop and strengthen drug management and logistics capacity, along with USAID programs. Principal contractors, grantees and cooperating agencies include: The Centers for Disease Control and Prevention, International Clinical Epidemiology Network, Johns Hopkins University, Management Sciences For Health, U.S. Pharmacopoeia Convention Inc., and WHO.

FY 2004 Program:

Improve and implement TB prevention and control programs (\$12,178,000 CSH). TB activities will further support national implementation of TB prevention and control measures at the community level, while expanding efforts to address the lack of TB technical expertise in the developed and developing world.

Malaria disease prevention, treatment and policy efforts (\$12,088,000 CSH). Malaria programs will further expand the availability of insecticide treated bednets, improve policy and practices regarding effective treatment and prevention of malaria in pregnant women, further accelerate vaccine development and strengthen Schools of Public Health.

Strengthening disease surveillance systems (\$4,950,000 CSH). GH will work closely with USAID Missions and host countries to address critical constraints to effective disease surveillance and disseminate best practices.

Slow the emergence and spread of antimicrobial resistance (\$2,674,000 CSH). GH will continue to implement and expand the application of appropriate drug management practices, especially within the purview of global disease trust funds, and to reduce the spread of antimicrobial resistance.

Performance and Results: GH has significantly contributed to the STOP TB Partnership, a very effective advocacy partnership contributing to the adoption of the DOTS Strategy in more than 150 countries. GH has provided ongoing technical support to 30 countries, which have expanded TB services and improved cure rates, such as El Salvador reaching a national cure rate of 80% and Kazakhstan where the national TB mortality rate had decreased by 30%. Malaria prevention efforts are expanding the availability of bednets through a public-private partnership with 13 African and international manufacturers and distributors to produce and distribute inexpensive insecticide treated bednets. Taxes and tariffs on bednets have been eliminated in three more African countries and bednet marketing campaigns have been introduced. USAID has influenced the TB Global Drug Facility to include approaches that will strengthen pharmaceutical management in countries in order to minimize the development and spread of drug resistance. GH's efforts will directly contribute to increased access to and use of life saving interventions for the prevention and control of malaria and tuberculosis.

US Financing in Thousands of Dollars

Bureau for Global Health

	CSH	DA
936-005 Infectious Disease Program		
Through September 30, 2001		
Obligations	91,916	250
Expenditures	58,263	250
Unliquidated	33,653	0
Fiscal Year 2002		
Obligations	51,303	0
Expenditures	11,891	0
Through September 30, 2002		
Obligations	143,219	250
Expenditures	70,154	250
Unliquidated	73,065	0
Prior Year Unobligated Funds		
Obligations	68	0
Planned Fiscal Year 2003 NOA		
Obligations	35,794	0
Total Planned Fiscal Year 2003		
Obligations	35,862	0
Proposed Fiscal Year 2004 NOA		
Obligations	31,890	0
Future Obligations	192,761	0
Est. Total Cost	403,732	250

**Legislative & Public Affairs
PROGRAM SUMMARY**

(in thousands of dollars)

Accounts	FY 2001 Actual	FY 2002 Actual	FY 2003 Prior Request	FY 2004 Request
Development Assistance	0	0	0	2,000
Total Program Funds	0	0	0	2,000

STRATEGIC OBJECTIVE SUMMARY

025-XXX Global Awareness of US Economic Assistance				
DA	0	0	0	2,000

Data Sheet

USAID Mission:	Legislative & Public Affairs
Program Title:	Global Awareness of US Economic Assistance
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	025-XXX
Status:	New
Proposed FY 2003 Obligation:	\$0
Prior Year Unobligated:	\$0
Proposed FY 2004 Obligation:	\$2,000,000 DA
Year of Initial Obligation:	2004
Estimated Completion Date:	2009

Summary: Support USAID's development and humanitarian assistance activities through programs designed to collect, organize, summarize and disseminate USAID program experiences and results to key audiences worldwide. Increase awareness of the breadth of U.S. foreign assistance and help facilitate widespread public discussion, analysis, and review. Expand public awareness of the political, economic, technical and social factors relating to the need for continued U.S. engagement and support in the developing world.

Inputs, Outputs, Activities:

FY 2003 Program:

This program will begin in FY 2004. Some components of the program were previously managed by USAID's Office of Private and Voluntary Cooperation, Bureau for Democracy, Conflict, and Humanitarian Assistance.

FY 2004 Program:

(\$2,000,000 DA) USAID will finance activities to collect, organize, summarize, and disseminate USAID program experiences and results to better communicate the message about America's foreign assistance program to the world. In all areas, implementers are to be determined.

Specifically, USAID will fund:

- Efforts aimed at expanding and strengthening host country awareness of U.S. assistance. Activities directed at increasing the understanding overseas of the importance, impact, and breadth of U.S. assistance in host countries, especially in key sectors such as economic growth, education, health (in particular, HIV/AIDS and child survival), democracy and good governance. (Furthering the objectives of section 641 of the Foreign Assistance Act, as amended, concerning marking and identifying American assistance.)
- Projects geared toward informing and educating the American public about issues relating to overseas economic and social development to increase domestic understanding of the importance of U.S. Government overseas assistance programs and why they are in the interest of the United States. Information dissemination campaigns, and development education programs for the purposes of broadening exposure to, and enhanced understanding of, the mission and goals of U.S. assistance and successful assistance activities. (Furthering the objectives of section 316 of the International Security and Development Cooperation Act of 1980.)

Performance and Results: The principle outcomes of this objective will be:

- To enhance exposure and understanding of Agency information and successes by development practitioners;
- To expand host country knowledge of U.S. development and humanitarian assistance efforts;
- To contribute to the goals of the National Security Strategy by increasing public awareness and understanding of the purposes and importance of U.S. assistance provided to developing countries; and
- To increase awareness of the importance of international development among the U.S. public.

US Financing in Thousands of Dollars

Legislative & Public Affairs

025-XXX Global Awareness of US Economic Assistance	DA
Through September 30, 2001	
Obligations	0
Expenditures	0
Unliquidated	0
Fiscal Year 2002	
Obligations	0
Expenditures	0
Through September 30, 2002	
Obligations	0
Expenditures	0
Unliquidated	0
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2003 NOA	
Obligations	0
Total Planned Fiscal Year 2003	
Obligations	0
Proposed Fiscal Year 2004 NOA	
Obligations	2,000
Future Obligations	2,000
Est. Total Cost	4,000

**Management
PROGRAM SUMMARY**
(in thousands of dollars)

Accounts	FY 2001 Actual	FY 2002 Actual	FY 2003 Prior Request	FY 2004 Request
Child Survival and Health Programs Fund	0	0	TBD	TBD
Development Assistance	1,394	0	TBD	TBD
Total Program Funds	1,394	0	TBD	TBD

STRATEGIC OBJECTIVE SUMMARY

969-010 Information Technology Transfer				
CSH	0	0	TBD	TBD
DA	1,394	0	TBD	TBD

Data Sheet

USAID Mission:	M-IRM
Program Title:	Information Technology Transfer
Pillar:	Global Development Alliance
Strategic Objective:	969-010
Status:	Continuing
Proposed FY 2003 Obligation:	TBD
Prior Year Unobligated:	\$0
Proposed FY 2004 Obligation:	TBD
Year of Initial Obligation:	FY 1998
Estimated Completion Date:	FY 2005

Summary: The Information technology transfer program guides and supports USAID program officers worldwide with an analytical framework for linking IT investment decisions to their strategic objectives and business plans for the Agency's geographical bureaus. The Information Technology Transfer program links strategic plans to the Agency's mission, goals, and customer needs, as required by the Clinger-Cohen Act (CCA) and U.S. Public Law 40. Therefore, the Information Technology Transfer program effort ensures proper implementation of the IT phases in a project and stabilizes the investment process for technology programs in health, democracy, agriculture, environment, economic growth and other programs. The Information Technology Transfer program is the Agency's vehicle to ensure that organizational attributes for successful IT investment are approached by:

- Applying IT integrated architectures standards;
- Expressing the cost-benefits analysis in the project;
- Review the investment for select, control and evaluation success factors;
- Provide guidance with a management process for IT support structures;
- Measure performance that support's the Agency's executive programs;
- Planning the Agency's mission as it is expressed within its IT policy; and
- Audit the work process for the appropriate IT contractor.

Inputs, Outputs, Activities:

FY 2003 Program:

The Information Technology Transfer program will provide short-term technical assistance with a wide range of IT proposals for relevance and feasibility in the following areas.

Establish a mature investment screening process of IT activities with internet data support services. The array of services will focus on web design, development, and hosting. Moreover, compliance testing with Section 508 (accessibility), form development, content management, and maintaining online communities (threaded discussion groups).

Develop sustainable IT program development training programs and technical workshops, guidance with telecommunications services, systems analysis and design methods, and quality assurance audits that include system security checks and well as physical security checks for USAID programs worldwide.

Implement best practices in program management where project management skills are demonstrative in program funded activities, qualified staff, scoring projects for risk before the program officer approves an IT contract or grant. Consequently, the program development officer can consider and balance the success factors when making a final decision on resource allocation and project mix.

Administering Agency's IT Directive ADS 548 for projects' for its compliance forming sustainable development that is furthered by increased access of local populations and national governments to information, and by efficiency gains resulting from automating manual processes; opening the challenge

to identifying ways in which telecommunication and information technology activities can promote sustainable development objectives and accelerate the integration of developing and transitioning countries into the world economy.

FY 2004 Program:

Improve and promote cases for e-government, technology and governance, building competitiveness in IT. In a world increasingly transformed by the information technologies, the Information Technology Transfer program will create a mature investment process complying with the Agency policies and procedures. The critical investment process will not only represent public tax dollars but create an Agency's investment process that works better, cost less, and demands high returns on information technology investments and reduce systems development risks. Moreover, the Information Technology Transfer program's mature investment process will help ensure the taxpayer dollars spent on information technology will be used to effectively support the Agency's mission objectives. Scarce resources and higher global demand for service mean that a project must be worth doing from a mission perspective, it must be possible to accomplish it in a reasonable time and cost, and it must support the strategic direction of the agency. This is how the Information Technology Transfer program works in responding to increasing even greater requests for technical support for the Bureaus for Democracy, Conflict and Humanitarian Assistance; Economic Growth, Agriculture and Trade; Global Health; and international partnerships.

Performance and Results: The Information Technology Transfer program assist vary greatly depending on the needs identified by the program officers requesting support, and is best illustrated by example:

Developing Government off-the-shelf Software for Economic Growth, Agriculture and Trade Programs

The Information Technology Transfer program is developing and implementing Government Off-the-Shelf (GOTS) software solution packages. USAID program officers and contractors around the world and contractors frequently develop specialized software packages. Once developed, the research and experience gained is frequently discarded. Similar programs implemented elsewhere do not benefit from the prior investment, which frequently can be substantial. The Information Technology Transfer program is leveraging the institutional investment by reusing the baseline applications and developing reusable information technology systems as a government off-the-shelf software.

During budget year FY2003 the Information Technology Transfer program invested efforts to develop a reusable government off-the-shelf software suite that supported the Economic Growth, Agriculture and Trade program. The government off-the-shelf software was implemented in a regional program resulting in a USAID cost savings solution vice conventional development or commercial procurements. In budget year FY2004 the Information Technology Transfer program will support program activities that will implement a Government off-the-shelf solution in three additional Central Bank Regions.

Leveraging Modern Computer Technology to Strengthen International Partnerships

Under this partnership was formed with the World Bank, the Ministry of Transport and Communication (MOTC) in Eritrea and the Information Technology Transfer program is setting the strategic and policy direction for creation a more liberalized telecommunications environment in Eritrea. This work developed the new Telecommunications Law and key Regulations in Eritrea.. This body of work explored the current environment in Eritrea and examined the broad national policy direction for the country, developed and assessed options based on international best practices and worked with the MOTC to establish the country's telecommunications-related strategies and policies.

Legal and Regulatory Reform Partnership liberalizing sub-sectors with Eritrea

The Information Technology Transfer program collaborative efforts were tasked to provide technical assistance with structural options for establishing new modern computer technologies that would form platforms for new market structures for marketing, efficient investments to include fair and non-discriminatory use of infrastructure sharing among different sectors and sub sectors. The Information

Technology Transfer program specialists developed technical scopes of work and interviewed firms that could adapt American software systems to meet local needs.

The specialists then verified the quality and performance of the system and corporate designs that was developed and oversaw its successful implementation. As a result of the Information Technology Transfer program Programassisted in this component, where the overall USAID country strategy in Eritrea was greatly strengthened.

Leveraging Information Technology to Strengthen Governments

The transformation from a Soviet state to full independence has not been easy for the new Republic of Armenia. The process of operating a government - maintaining roads, providing social services, operating schools, among many other responsibilities an so on is no simple task. Revenue is required, and an equitable tax collection system is important. A new State Registry system had to be built virtually from scratch. It then needed to be, networked nationally, to include the assigning of unique tax identification numbers to all commercial and private organizations, registering declarations about property and income, and recording payments. The USAID program officers, working closely with the Armenian Government, used specialists in the database systems that were required, but recognized the need to turn to specialists to develop the wide area network to link the nation's State Registration System around the country.

The Information Technology Transfer program was thus tasked to oversee the development of the wide area network component of the national tax system where 90 per cent of tax offices in the Republic of Armenia connected in a wide area network. The information Technology Transfer program specialists developed technical scopes of work and interviewed firms that could perform the necessary infrastructure installations. The specialists then verified the quality and performance of the national network as it was put in place. Currently, the 90 per cent of the 30 commercial and private organizations have been connected. As a result of the information Technology Transfer program's assistance for this component, the overall USAID program to reform and strengthen Armenian Government institutions has been greatly enhanced.

US Financing in Thousands of Dollars

Management

	CSH	DA
969-010 Information Technology Transfer		
Through September 30, 2001		
Obligations	0	1,397
Expenditures	0	1,397
Unliquidated	0	0
Fiscal Year 2002		
Obligations	0	1,500
Expenditures	0	1,500
Through September 30, 2002		
Obligations	0	2,897
Expenditures	0	2,897
Unliquidated	0	0
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2003 NOA		
Obligations	TBD	TBD
Total Planned Fiscal Year 2003		
Obligations	TBD	TBD
Proposed Fiscal Year 2004 NOA		
Obligations	TBD	TBD
Future Obligations	0	0
Est. Total Cost	TBD	TBD

Bureau for Policy and Program Coordination

The Development Challenge: In the 21st century, the principal aim of American foreign assistance is to contribute to global peace, prosperity, and security by promoting political, economic, and social progress in developing and transition countries, while addressing humanitarian issues as they arise. The world is changing more rapidly today than ever before. The complex and daunting challenges facing lesser-developed countries in the context of ever-increasing globalization require knowledge and understanding that empower donor agencies such as USAID to make effective policy and program decisions. The evolving global environment poses new challenges to development, and USAID is reforming its program and administrative structures to meet these challenges head-on. In the past two years, USAID has undergone significant agency restructuring, implementing necessary reforms to maintain its position at the forefront of the development community. USAID has built upon its previous successes and has positioned itself to better respond to U.S. national interests, foreign policy objectives, and values. In FY 2003 and beyond, USAID will continue this process of evolution in order to adapt to changing global conditions. This vision of change will be essential to maintaining and promoting USAID's position as a leader in the international development community.

The USAID Program: USAID's Bureau for Policy and Program Coordination (PPC) addresses the above development challenge by concentrating its program activities in three critical areas: 1) shaping the policy debate on development and humanitarian assistance; 2) aligning ends and means by ensuring that budgets reflect strategic priorities; and 3) developing and disseminating timely, policy-relevant knowledge and analysis of critical development issues. PPC provides quick, experience-based policy analysis as well as longer-term in-depth evaluations to share lessons learned and to inform the global development policy debate. Current evaluations address topics such as investments in agriculture, support of education in the Islamic world, and the role of transition assistance. In FY 2002, PPC played a key role in bringing together the international donor community by helping to create and organize the World Summit on Sustainable Development (WSSD) held in South Africa and supporting other development-related conferences around the world. In FY 2003, PPC will sponsor workshops to discuss the development of freedom, opportunity and knowledge in non-Arab countries with large Muslim populations. PPC will also complete a policy document on new directions in development assistance to supplement the recently published U.S. National Security Strategy and USAID's recently released report on Foreign Aid in the National Interest.

In the area of strategic budgeting, USAID is changing its planning and resource allocation processes to better meet U.S. strategic priorities and better inform its decisions by emphasizing performance. PPC is carrying out an extensive development process for a new joint USAID strategic plan with the Department of State and for the implementation of a new strategic budgeting model. These two efforts focus on meeting the requirements of the Presidential Management Agenda (PMA) for better integrating performance and budgeting. Once completed, these new elements will enable USAID to better contribute to national security objectives by addressing the global development challenge more efficiently and more effectively, thereby maximizing the impact of U.S. development assistance and humanitarian aid resources.

"Knowledge management" is the systematic process of finding, selecting, organizing, distilling and presenting information in a way that improves comprehension in a specific area of interest. It involves acquiring, storing and utilizing knowledge for problem solving, dynamic learning, strategic planning and decision making, protecting intellectual assets from decay, adding to Agency intelligence and providing increased flexibility. Knowledge management helps USAID gain insight and understanding from its own experience. PPC is responsible for ensuring that relevant and timely information is made available to USAID's administrative and program managers as well as to the broader U.S. foreign affairs community. USAID's new approach to knowledge management will utilize modern electronic management systems for information collection, storage, retrieval, dissemination and sharing. These improved systems will enable USAID to make better and more informed decisions on policy priorities and program design, and to greater influence the U.S. foreign affairs and international development community.

Other Program Elements: N/A

Other Donors: PPC represents USAID in various Organization for Economic Cooperation and Development (OECD) Development Assistance Committee (DAC) fora, including the DAC Expert Groups on Evaluation, Poverty and Conflict. PPC works in collaboration with multi-lateral and bilateral donors, such as the World Bank, the European Union, the G-8 members, the United Nations, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Kingdom, Japan, and Germany on current and future development activities, and on evaluation of past development programs.

**Bureau for Policy and Program Coordination
PROGRAM SUMMARY**

(in thousands of dollars)

Accounts	FY 2001 Actual	FY 2002 Actual	FY 2003 Prior Request	FY 2004 Request
Child Survival and Health Programs Fund	3,022	0	4,700	3,400
Development Assistance	4,796	0	7,400	6,150
Total Program Funds	7,818	0	12,100	9,550

STRATEGIC OBJECTIVE SUMMARY

996-013 Learning from Experience				
CSH	3,022	0	4,700	3,400
DA	4,796	0	7,400	6,150

Data Sheet

USAID Mission:	Bureau for Policy and Program Coordination
Program Title:	Learning from Experience
Pillar:	Global Development Alliance
Strategic Objective:	996-013
Status:	Continuing
Proposed FY 2003 Obligation:	\$4,700,000 CSH; \$7,400,000 DA
Prior Year Unobligated:	\$584,000 DA
Proposed FY 2004 Obligation:	\$3,400,000 CSH; \$6,150,000 DA
Year of Initial Obligation:	1998
Estimated Completion Date:	2005

Summary: This USAID program includes policy analysis and evaluation, knowledge management, and performance budgeting. These initiatives provide USAID with the necessary information and analysis to design and implement effective development assistance and humanitarian aid programs, manage and more fully utilize the Agency's extensive network of development knowledge and experience, support the President's Management Agenda, promote effective forums for international donor coordination, and disseminate important information to the greater development community.

Inputs, Outputs, Activities:

FY 2003 Program:

Evaluations and development information services (\$7,900,000 DA and/or CSH). USAID will pursue a mix of long-term evaluations and short-term analyses to support the Agency's objectives, including an improved knowledge management system for development leadership, strategic budgeting, evaluation, and knowledge-sharing initiatives. The program will also provide analytical support for materials on lessons learned from USAID's experience, create an electronic system for group collaboration, and begin implementation of online systems for tracking presidential initiatives and calculating political risk assessments. Principal contractors, grantees or partners are: Academy for Education Development (AED), International Business Initiatives (IBI), LTS Corporation, Management Systems International (MSI), Checchi/Louis Berger Joint Venture, and The Mitchell Group.

Shape the development policy debate (\$2,100,000 DA and/or CSH). USAID will further shape its strategic planning and program guidance processes; sponsor workshops on freedom, opportunity, and knowledge in non-Arab countries with large Muslim populations; work with bureaus, missions and interagency partners to define potential policy priorities; produce articles for USAID's internal newsletter, editorials, and other outreach-oriented materials that convey USAID policy to target audiences within and outside the Agency; and co-sponsor a National Academy of Sciences workshop on USAID science and technology programs. This program will also develop and disseminate USAID core strategies for education, anti-corruption, agriculture, and trafficking in persons. Principal contractors, grantees or partners are: University of Maryland's Center for International Reform and the Informal Sector (IRIS), the U.S. Departments of Agriculture, and Treasury.

Donor coordination and outreach (\$1,100,000 DA and/or CSH). USAID will carry on dialogue and negotiations with other bilateral and international donors; participate in international events and bilateral consultations; represent USAID in Tokyo, Organization for Economic Cooperation and Development (OECD), Brussels, Geneva, and the World Bank; support field missions; assist in donor strategy development; provide information services for U.S. Government reporting to the OECD's Development Assistance Committee (DAC), analytical support to USAID and other agencies, and current reports on policies and programs of other bilateral and multilateral donors; and coordinate analyses to support U.S. leadership in international organizations. Principal contractors, grantees or partners are: U.S. Departments of Agriculture and Education, Office of the U.S. Trade Representative, USAID Development Information Services, OECD/DAC, World Bank, and World Trade Organization.

Develop and implement a comprehensive strategic budgeting system (\$1,000,000 DA and/or CSH). USAID will continue to develop a strategic budgeting system; prepare a new and highly focused Agency strategic plan; complete the design of the strategic budgeting model; complete the operating expense cost study; integrate strategic budgeting into USAID's business systems; improve USAID's performance management system; use the new strategic budgeting system and criteria to approve strategic plans and to allocate resources; coordinate the next round of program assessment and rating tool (PART) reviews; and manage USAID-wide program portfolio reviews. Principal contractors, grantees or partners are: IBM Performance Consulting and the National Academy for Public Administration (NAPA).

FY 2004 Program:

Improve knowledge management systems (\$6,300,000 DA and/or CSH). USAID will continue to develop and expand the use of knowledge management systems, including an analysis of the establishment of additional community of practice (CoP) sites and further transform the current USAID library into a fully operational Knowledge Sharing and Learning Center. USAID will also increase program evaluations by giving more assistance to program officers throughout the Agency. USAID will fully implement its online Presidential initiatives network, provide an Agency-wide assessment of USAID performance relating to the United Nations' Millennium Development goals, and test its newly developed Agency scorecard for development risk. Principal contractors, grantees or partners are: Academy for Education Development (AED), International Business Initiatives (IBI), LTS Corp., Management Systems International (MSI), Checchi/Louis Berger Joint Venture, and The Mitchell Group.

Shape the development policy debate (\$1,650,000 DA and/or CSH). USAID will work to implement the Monterrey Consensus and determine the impact of the Millennium Challenge Account on how USAID does business; assess the implications of trends in USAID programs; revise the USAID strategy on environment; develop a policy paper on institutional capacity-building; develop operational guidelines for a multi-sector approach to address the development impacts of the HIV/AIDS epidemic; provide policy support for interagency initiatives in the Middle East and the Muslim world; and continue to enhance the PPC Website to provide easy access to USAID policies and strategies. Principal contractors, grantees or partners are: University of Maryland's Center for International Reform and the Informal Sector (IRIS), and the U.S. Departments of Agriculture and Treasury.

Donor coordination and outreach (\$800,000 DA and/or CSH). USAID will address performance-based assistance, poor performing states, conflict, program support, and the critical need of good governance and economic growth. Specific donor coordination activities will: support the U.S. in hosting the 2004 Group of Eight (G-8) Summit; intensify bilateral consultations with key donors; promote multi-donor agreements; increase analytical work in multilateral fora; and increase involvement in crisis response task forces. Principal contractors, grantees or partners are: U.S. Department of Agriculture, Office of the U.S. Trade Representative, USAID Development Information Services, Organization for Economic Cooperation and Development's Development Assistance Committee, World Bank, United Nations, and G-8.

Develop and promote strategic budgeting model (\$800,000 DA and/or CSH). USAID will refine the strategic budgeting model and translate Agency priorities into processes for the allocation of program and operating expense resources; modify and update program, budget, and financial management policies and practices; streamline the Agency's performance management system; and direct the new strategic budgeting system to integrate priority-setting and performance. Principal contractors, grantees or partners are: IBM Performance Consulting, and the National Academy for Public Administration (NAPA).

Performance and Results: In FY 2002, USAID obtained excellent results in advancing to the forefront of the global development policy debate by establishing broad policy consultation with international donors, publishing analyses and evaluations on key development policy issues, providing knowledge management support to field and Washington-based offices, and attaining notable success in developing a strategic budgeting model for the Agency. With successful completion of this strategic objective, USAID will strengthen its position among the world's top development assistance and humanitarian aid organizations while promoting U.S. national security interests and strategic priorities.

US Financing in Thousands of Dollars

Bureau for Policy and Program Coordination

996-013 Learning from Experience	CSH	DA
Through September 30, 2001		
Obligations	6,013	23,747
Expenditures	3,942	19,367
Unliquidated	2,071	4,380
Fiscal Year 2002		
Obligations	0	0
Expenditures	0	0
Through September 30, 2002		
Obligations	6,013	23,747
Expenditures	3,942	19,367
Unliquidated	2,071	4,380
Prior Year Unobligated Funds		
Obligations	0	584
Planned Fiscal Year 2003 NOA		
Obligations	4,700	7,400
Total Planned Fiscal Year 2003		
Obligations	4,700	7,984
Proposed Fiscal Year 2004 NOA		
Obligations	3,400	6,150
Future Obligations	0	0
Est. Total Cost	14,113	37,881

Global Development Alliance

The Development Challenge: With the establishment of the Global Development Alliance (GDA) as one of USAID's four pillars came formal recognition of the major shift in resource flows to the developing world. In 1970, 70% of the money that went to the developing world from the United States was official development assistance (ODA); 30% was private. By contrast, in 2000, 80% was private and 20% was ODA.

There are many types of private resource flows. Foreign direct investment (FDI) and net capital markets to the developing world is the most significant at \$27.8 billion in 2000. However, these investments by U.S. private investors in the developing world fluctuate with the macroeconomic environment. In addition, they are unevenly distributed with most flows going to wealthier countries in the developing world. Personal remittances from ethnic diasporas are large and historically have been overlooked. In 2000, U.S. immigrants from developing countries sent back \$18 billion to their home countries. Family and private foundations have taken on a significant role in development. The Bill and Melinda Gates Foundation spends on a par with USAID, the largest bilateral donor, in the area of developing world health care. Non-governmental organizations (NGOs), corporate foundations and corporate giving, religious organizations and family and private foundations all contribute significant financial, human and in-kind resources. Their cash resources totaled an estimated \$11 billion in 2000. U.S. universities and colleges make a significant contribution to development through the over \$1 billion that is spent on scholarships for foreign students, many from the developing world. All of these private resource flows in 2000 dwarf the United States' Part 1 (assistance to the world's poorest countries) ODA of \$10 billion to the poorest countries and our Part 2 (assistance to those countries that are "graduates" of strict developing country status) ODA of \$2.5 billion to our allies such as Israel and Russia.

Until now, USAID has not been integrated into the wide spectrum of U.S. private activity in the developing world. The purpose of the GDA is to combine USAID resources, where appropriate, with those of others. USAID has unique strengths that it brings to any alliance: USAID has a large number of field missions, many with over 40 years in a country; USAID professionals have unique technical expertise; and USAID is the largest bilateral donor in the world. USAID's portfolio of alliances with other partners demonstrates the enlarged impacts and reach that the Agency achieves working with others for common development objectives.

The USAID Program: The GDA Secretariat, charged with mainstreaming the use of this business model within USAID, has the following objectives:

- 1) Change the way the Agency - at all levels and in all regions and sectors - defines its role and acts;
- 2) Reach out to new partners to work in concert with them and maximize collective achievements in improving the economic, social and political conditions of people in the lesser developed world;
- 3) Work with USAID's traditional partners in this changing environment to engage them in new and creative ways; and
- 4) Clearly demonstrate the commitment of the U.S. Government, through its foreign assistance programs, to address the reality of a budget that will never be enough to adequately respond and creatively gather and channel the resources of others to further this goal.

Working in alliance with others sharing the Agency's goals and objectives is not new, but it is increasingly important to maximize the use of this model in all appropriate situations. The Secretariat is a small staff with an enormous agenda. In the first year of its existence, the office prepared an alliance-builders tool kit for Agency staff to help mainstream the GDA business model; held a three-sector conference in collaboration with the U.S. Chamber of Commerce to announce clearly and broadly USAID's intent to work with the private sector and others in new ways; provided guidance to Agency staff on identifying

alliance opportunities, developing alliances and reporting them; and funded important alliance opportunities in economic growth, education, environment, and agriculture.

Other Program Elements: Across the Agency, over 80 alliances were established in FY 2002 with USAID funding totaling approximately \$385 million (of which \$200 million is dedicated to the Global Fund to Fight AIDS, Tuberculosis, and Malaria). These alliances leveraged non-federal resources on at least a 1:1 basis. The largest number of new alliances were formed in Africa (36), and the sector which received the largest amount of alliance funding was agriculture, followed by environment (including water), economic growth, and education. These alliances represent a new way of doing the work necessary to achieve results under existing strategic objectives. The first year of experience with this emphasis on the use of public-private alliances was approached in varying ways by different bureaus and operating units. The Bureau for Global Health, in fact, has been a leader in this approach and, in recognition of the GDA business model, is increasing its consideration of potential alliances. Relatively new to this way of thinking, from the USAID/Washington perspective, the Africa and the Asia and Near East Bureaus held competitions between mission proposals and allocated resources for the most promising alliances through an incentive fund. Other bureaus targeted specific sectors or previously identified opportunities. Information sharing was transparent, lessons are being learned, and the Agency is well positioned to further expand the development and success of alliances in FY 2003 and beyond.

Other Donors: The list of private sector alliance partners is extensive and continues to expand rapidly. The FY 2002 Incentive Fund was used to enter into alliances related to education (Academy for Educational Development, ChevronTexaco, Sun Microsystems), youth (International Youth Foundation), economic growth (Small Enterprise Assistance Fund), water for the poor (Conrad Hilton Foundation, World Vision, Lions' Club), quality coffee production and small farmer income generation (Coffee Quality Institute), information technology (Information Technology of America Association), and protecting forests through certification of forest products (World Wildlife Fund, Certified Forest Products Council, Home Depot).

**GDA Secretariat
PROGRAM SUMMARY**

(in thousands of dollars)

Accounts	FY 2001 Actual	FY 2002 Actual	FY 2003 Prior Request	FY 2004 Request
Development Assistance	2,000	20,000	30,000	15,000
Total Program Funds	2,000	20,000	30,000	15,000

STRATEGIC OBJECTIVE SUMMARY

020-001 Institutionalizing Alliance Building				
DA	2,000	2,000	1,000	500
020-002 Public-Private Alliance Building				
DA	0	18,000	29,000	14,500

Data Sheet

USAID Mission:	GDA Secretariat
Program Title:	Institutionalizing Alliance Building
Pillar:	Global Development Alliance
Strategic Objective:	020-001
Status:	Continuing
Proposed FY 2003 Obligation:	\$1,000,000 DA
Prior Year Unobligated:	\$0
Proposed FY 2004 Obligation:	\$500,000 DA
Year of Initial Obligation:	2001
Estimated Completion Date:	September 30, 2004

Summary: The GDA Secretariat was established to mainstream the use of public-private alliances across the regions and sectors where USAID invests its development resources. This approach will increase USAID's effectiveness and impact through: leveraging additional non-federal resources; improving coordination of multiple, distinct strategies and programs; accessing proprietary technologies and assets to further USAID's goals; applying leading-edge management practices; and tapping a broader network of development and country expertise. Using the limited funding within this objective, the Secretariat positions resources to develop tools, perform assessments, conduct outreach, foster intra- as well as inter-Agency dialog on best practices, and respond to field mission technical assistance needs.

Inputs, Outputs, Activities:

FY 2003 Program:

FY 2003 will be largely devoted to training USAID staff in the field and in Washington on the precepts of public-private alliances as envisioned under the GDA business model. The current goal is to conduct eight overseas workshops (two per region) and two in USAID/Washington. In addition, the Secretariat is devoting increased resources for assisting field missions with specific alliance issues -- assessing the country environment in terms of the availability of private sector resources, constructing alliances, managing relationships with alliance partners, conducting due diligence, and monitoring and reporting results.

Resources will also be used to further refine appropriate monitoring and evaluation systems and procedures to enable the Secretariat and the Agency as a whole to accurately report success in leveraging non-federal resources, working with new partners that share common objectives, and significantly expanding the end-results we can achieve through these inputs.

An "Access" database, to include Agency-wide alliance activities reported by individual operating units in FY 2002, will be populated and made available as a tool for missions to explore others' experiences and identify potential new partners. This database is expected to serve broader Agency reporting requirements on the numbers and types of partners we have engaged, the value of non-federal resources brought to bear on development issues, and the focus of the collaboration.

These activities are being pursued with the assistance of Management Systems International under a contract entered into in FY 2001 and expected to continue. The Secretariat has also recently entered into an agreement with Business for Social Responsibility (BSR), a non-profit organization with nearly 100 member companies who are committed to corporate social responsibility as a vital element of their business approach. USAID and BSR share interest in several specific issues such as human rights and supply chains, the extractive industries, and measuring country-level impact. USAID is supporting, and as appropriate, will participate in these initiatives to increase its knowledge and understanding and obtain useful tools developed through these activities. BSR values USAID's alliance-building efforts and recognizes the benefit the Agency can offer to corporations interested in investing in developing countries

and will provide technical assistance, share information, and identify useful opportunities for networking with potential partners.

USAID has also acquired a one-year licence to access a due diligence database created by Calvert Associates to allow the Secretariat to provide field and Washington staff with due diligence research on for-profit private sector companies. The effectiveness of this relatively new tool will be monitored to inform the future decision on whether or not to continue its use or assess other potential alternatives to meet this critical information need.

FY 2004 Program:

At present, the Secretariat is scheduled to close at the end of FY 2004. Some training and workshop activities for USAID staff may be necessary, but it is expected this will essentially be completed in FY 2003. Otherwise, efforts will generally mirror FY 2003, on a more limited and necessarily targeted scale. In addition, resources will be put toward an evaluation of the overall impact of the Secretariat's efforts and identification of need for continued dedicated staff to maintain the momentum of Agency-wide efforts and ensure the continued implementation of public-private alliances beyond the life of the Secretariat.

Performance and Results: In its first year of operation, the Secretariat prepared a practical guidebook, called "Tools for Alliance Builders" to assist Agency staff to think through this business model and apply it to their own programs. A four-part strategy for achieving the result of mainstreaming the use of public-private alliances was developed to inform our actions. An initial design for overseas workshops was created. A definitive analysis was conducted on private resource flows. Collaboration with the U.S. Chamber of Commerce on the Three-Sector Conference raised the visibility of the Agency's efforts in this area. In-reach to USAID staff in Washington and in the field, and outreach to the private sector and other traditional and non-traditional partners, began in a significant way. These tools were employed across the Agency resulting in an enabling environment which yielded over 80 new public-private alliances with significant non-federal resources being brought to bear on our development objectives.

US Financing in Thousands of Dollars

GDA Secretariat

020-001 Institutionalizing Alliance Building	DA
Through September 30, 2001	
Obligations	2,000
Expenditures	0
Unliquidated	2,000
Fiscal Year 2002	
Obligations	2,000
Expenditures	2,000
Through September 30, 2002	
Obligations	4,000
Expenditures	2,000
Unliquidated	2,000
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2003 NOA	
Obligations	1,000
Total Planned Fiscal Year 2003	
Obligations	1,000
Proposed Fiscal Year 2004 NOA	
Obligations	500
Future Obligations	500
Est. Total Cost	6,000

Data Sheet

USAID Mission:	GDA Secretariat
Program Title:	Public-Private Alliance Building
Pillar:	Global Development Alliance
Strategic Objective:	020-002
Status:	Continuing
Proposed FY 2003 Obligation:	\$29,000,000 DA
Prior Year Unobligated:	\$2,400,000 DA
Proposed FY 2004 Obligation:	\$14,500,000 DA
Year of Initial Obligation:	2002
Estimated Completion Date:	September 30, 2004

Summary: The GDA Incentive Fund is a limited pool of resources necessary to pursue public-private alliances that further existing USAID programs and are used to demonstrate to Agency staff and the external community that the GDA business model is an effective way to extend the reach of our development dollars. These funds are targeted at gaps identified elsewhere in the Agency's alliance programming (such as information technology and education in FY 2002) and to bridge similar alliances in different regions to allow for a broader, global impact where the need exists. The GDA Secretariat, using the Incentive Fund, acts as a catalyst for the Agency's efforts in building public-private alliances but is not intended to operate as an implementing unit. As such, those alliances funded through these resources are ultimately transferred to cognizant technical officers in the field or elsewhere in USAID/Washington to manage the implementation and monitoring of activities and to nurture new relationships established through alliances to explore opportunities for additional collaboration.

Inputs, Outputs, Activities:

FY 2003 Program:

FY 2003 alliances have not been sufficiently developed at this time to describe in detail. Separate notifications will be provided for each alliance under the Incentive Fund. The Secretariat has issued a competitive solicitation to the external community seeking concept papers which further Agency-supported country and worldwide programs. This will serve as a primary vehicle for identifying opportunities to work with new partners and work with traditional partners in new ways. The goal is to find common causes and coordinate the use of partner resources to expand the impact of our limited resources. In general, alliances will be pursued in sectors similar to FY 2002: economic growth, agriculture, information technology, education, and environment. Although no official constraints exist for funding other sectors, in principle, the sectors supported through the FY 2002 Incentive Fund are critical components of USAID's strategic plan, yet have the least-available, least-flexible funding and therefore represent areas where concentrated effort building public-private alliances is essential for progress.

FY 2004 Program:

FY 2004 alliances are expected to follow the same strategy in identifying the public-private alliances that offer the most significant positive impacts for people in the developing world. Funding constraints will presumably necessitate smaller alliances across the sectors identified above, and a reassessment of the most critical sectors to focus and concentrate resources where the greatest need exists.

Performance and Results: In FY 2002, the GDA Incentive Fund supported the following public-private alliances:

Certified Forests - Major U.S. and European manufacturers and retailers of wood and wood products have made a public commitment to increase the quantity they sell which is certified as having been produced by environmentally sustainable methods. Meanwhile, illegal and environmentally damaging logging continues, and the supply of certified timber is very limited. USAID has partnered with environmental NGOs led by the World Wildlife Fund (WWF) and the Global Forest and Technology

Network (GFTN), related industry associations led by the Certified Forest Products Council (CFPC), socially responsible investment groups, timber manufacturers and retailers (such as International Paper, Home Depot and IKEA-US), and foundations in a global alliance to address these issues.

The global alliance will assist producing countries and local groups of producers and small businesses to meet certification standards and to implement sustainable forest management. These efforts will increase incomes for local communities and decrease negative environmental impacts, while expanding the supply of certified products available to U.S. consumers.

Coffee - During 2000 and 2001, coffee prices fell to their lowest levels in 30 years. Prices are now well below the cost of production for the vast majority of producers. This is causing serious hardships for coffee farmers worldwide, destabilizing developing country economies and contributing to significant social problems. The coffee crisis is most apparent in Central America, the Caribbean and East Africa, where economies are heavily dependent on coffee. The Central American countries have experienced a drop in coffee export earnings of U.S. \$1 billion over the past two years. In Uganda, revenues from coffee have fallen by 75% in recent years. The goal of the Coffee Alliance is to mitigate the crisis by supporting the development of sustainable (economically, socially, environmentally) small-farmer coffee systems. This will help to ensure a reliable supply of coffee in the range of qualities demanded by consumers.

This alliance supports the creation of a "Coffee Corp", through the Coffee Quality Institute. The Corp includes experienced U.S. coffee executives willing to provide pro bono technical assistance to producer groups. Industry's desire to work with USAID comes from its interest in helping to mitigate the social aspects of the current crisis and also from its concern for ensuring a long-term stable supply of quality coffee.

Small Enterprise Development - Latin America has made considerable economic progress in the last decade, in large part due to their commitment to private sector-led growth. An entrepreneurial class has emerged that has seized the opportunity to participate in regional and global trade, producing internationally competitive products and services and creating employment in their countries. However, growth in the private sector has been hampered by the continuing lack of investment in the region, particularly during the early stage of a firm's development. This lack of capital translates into a lack of market access, and limited growth and employment-creation potential. The small and medium enterprise segment has been particularly under-served by existing capital markets.

USAID is partnering with public and private sector institutions to address this problem by developing small enterprises through the provision of equity and technical assistance. USAID provided a grant to Small Enterprise Assistance Funds (SEAF) to establish and manage a Trans-Andean Early Stage Equity Fund. For every \$1 from the GDA Incentive Fund, at least an additional \$4 will be leveraged from other alliance partners. The Fund will invest in enterprises in a variety of value-added, export-oriented sectors such as high-quality home furnishings and other wood products from certified forests, media, distribution, information technology, and local-branded consumer goods.

Water for the Poor - The toll on human life exacted by poor quality and insufficient water supply is huge. More than a billion people do not have access to a consistent supply of fresh water, and water-related diseases kill as many as 30,000 children per day. The goal of this alliance is to improve food security, livelihoods, health, and well-being through access to clean water and an integrated approach to water resources management. Activities will be carried out in a partnership that will build on the strengths of each of the contributing institutions to ensure technical excellence, programmatic innovation, and long-term financial, social and environmental sustainability.

Alliance members include The Conrad Hilton Foundation, World Vision, WaterAid, the World Chemistry Council, UNICEF, Desert Research Institution, Winrock International, the Cornell International Institute for Food, Agriculture and Development, and the Lions' Club, all of which are bringing substantial resources, either cash or in-kind. In its initial phase, the alliance is investing in small-scale potable water supply and sanitation activities in West Africa as the entry point for an integrated approach to water resources

management. These activities will build upon past work in Ghana, but will dramatically expand both the geographic focus (to Mali, Niger and Northern Ghana), as well as the scope of the activities.

Worldwide Education - Broadly, this initiative pursues the improvement of education quality worldwide. The five-part program builds on strategies and methodologies that show promise for sustainability and have been recognized by donors, practitioners, and researchers as worthy of replication. Existing alliance partners include the Academy for Educational Development, Sun Microsystems, ChevronTexaco, the American Chamber of Commerce of Nicaragua, the American Nicaraguan Foundation, and the Asian University for Women with extended partners - the Open Society Institute and the Andrew W. Mellon Foundation.

Of the five components of this alliance, two are U.S.-based with global implications aimed at furthering the "Education for All" initiative: an education Internet portal and a matrix/diagnostic tool for measuring country progress toward education goals. The three other components are field-based with a geographic spread in Africa (Nigeria: accelerated learning for out-of-school youth), Latin America (Nicaragua: model school expansion), and Asia (Bangladesh: development of the Asian University for Women). The interventions, all directed at improving education quality for those in greatest need, specifically address youth at risk, workforce preparation, teacher education/classroom management, and gender equity and access of women to technology.

International Youth Foundation - The IYF and USAID have formed an alliance to improve the employability of disadvantaged young people in the Latin America and Caribbean region by working with the private sector for training in information and communication technology. In up to 26 countries, the program will co-finance approximately 40 locally-conceived and executed projects that will train youth in skills related to information and communication technology (ICT) and place them in jobs. On the local level, alliances among youth-serving organizations, ICT trainers, and the private sector will ensure that training is based on current and emerging employment opportunities and that the trainees are linked to jobs via internships and placement mechanisms. In addition, projects will provide work-place and social skills that employers look for and disadvantaged youth often lack. The program goes beyond traditional ones that concern themselves exclusively with technical training.

In addition, the program is designed for learning policy lessons. Discovering, strengthening and uniformly evaluating 40 sound, locally-conceived projects will give IYF and its co-investors the opportunity to identify best practices in working with youth, in training them, and in engaging the business sector in employing them. IYF will document and disseminate these lessons to those that can take them to greater scale: policy makers at the local, national and international levels, business associations, donor agencies, and foundations.

Information Technology - USAID, the Information Technology Association of America (ITAA) and the World Information Technology Alliance have agreed to work together on the shared goal of significantly improving the capacities of information and communications technology trade associations in Africa, Asia and the Near East. Achievement of this goal will enable such associations to work with host-country governments on the establishment of policy environments favorable to indigenous development.

This alliance will support technical assistance, policy reform, market access and/or capacity building in areas such as: improvement of association management through education, training and other support; enhancement of issue development and advocacy capabilities; support of appropriate mechanisms for association development and sustainability; adoption of favorable policy reforms; and improvement of linkages between U.S. and African, Asian and Near Eastern associations and their member companies.

US Financing in Thousands of Dollars

GDA Secretariat

020-002 Public-Private Alliance Building	DA
Through September 30, 2001	
Obligations	0
Expenditures	0
Unliquidated	0
Fiscal Year 2002	
Obligations	15,600
Expenditures	21
Through September 30, 2002	
Obligations	15,600
Expenditures	21
Unliquidated	15,579
Prior Year Unobligated Funds	
Obligations	2,400
Planned Fiscal Year 2003 NOA	
Obligations	29,000
Total Planned Fiscal Year 2003	
Obligations	31,400
Proposed Fiscal Year 2004 NOA	
Obligations	14,500
Future Obligations	4,500
Est. Total Cost	66,000

INTERNATIONAL PARTNERSHIPS

Within the Child Survival and Health Programs Fund \$251.5 million is requested in FY 2004 for international health partnerships: HIV/AIDS \$204.5 million; and Child Survival and Maternal Health \$47.0 million, compared with a total of \$226.5 requested in FY 2003.

- **HIV/AIDS and Infectious Diseases: FY 2003 \$173.0 million; FY 2004 \$204.5 million**

The Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM) was established by a group of international public and private sector partners to leverage increased resources to support prevention and treatment programs in the fight against the three diseases. The fund will support an integrated approach to combating the diseases, combining prevention, treatment, and care. Current GFATM partners include bilateral donors, multilateral agencies, private foundations, nongovernmental organizations and developing country representatives. USAID requests \$100 million for the Global Fund for FY 2004.

USAID requests \$15 million in FY 2004 for the development of microbicides for the prevention of HIV/AIDS and sexually transmitted diseases. USAID has been partnering with both U.S. Government and international partners to ensure a coordinated effort to develop an effective microbicide. As a part of these efforts, U.S. Government agencies, including the National Institutes of Health, Centers for Disease Control and Prevention and Health Resources and Services Administration, have generated a comprehensive plan to support microbicide development. The U.S. Government is requesting a total of \$35 million in FY 2004.

In addition, \$89.5 million is requested in FY 2004 for both on-going and new partnerships. Examples of ongoing partnerships are the International AIDS Vaccine Initiative (IAVI) and the Joint United Nations Programme on HIV/AIDS (UNAIDS). The goal of IAVI is to leverage and apply resources towards the global effort to develop an AIDS vaccine. UNAIDS provides global leadership and promotes consensus on policy and programmatic approaches to fighting the HIV/AIDS pandemic. UNAIDS strengthens national government programs by assisting them in the development of appropriate HIV/AIDS policies and strategies.

- **Child Survival and Maternal Health: FY 2003 \$53.5 million; FY 2004 \$47.0 million**

USAID requests \$45 million in FY 2004 for the Global Alliance for Vaccines and Immunization (GAVI) Vaccine Fund. The goal of GAVI is to increase the availability of essential life-saving vaccines in developing countries. Strategic objectives shared by GAVI partners are to improve access to and expand use of vaccines, accelerate vaccine research and development, and make immunization coverage a centerpiece in the design and assessment of international development efforts.

In FY 2004, USAID requests \$2.0 million for the Global Alliance for Improved Nutrition (GAIN). GAIN is a newly-formed alliance of public and private sector organizations seeking to improve health through the elimination of vitamin and mineral deficiencies. GAIN was founded by initial pledges from USAID, the Bill & Melinda Gates Foundation, and the Canadian International Development Agency. GAIN's primary strategy will be to provide grants to developing countries in support of commercially sustainable food fortification programs. GAIN partners include bilateral donors, foundations, multilateral agencies and private sector organizations.