

**U.S. AGENCY FOR  
INTERNATIONAL DEVELOPMENT**



**Congressional Presentation  
Fiscal Year 1999**



U.S. AGENCY FOR  
INTERNATIONAL  
DEVELOPMENT

*The Administrator*

February 20, 1998

**TO THE CONGRESS OF THE UNITED STATES**

On behalf of the U.S. Agency for International Development, I am pleased to transmit the Agency's request for authorization and appropriations for fiscal year 1999.

The economic and democratic development of other nations is directly in the interest of the United States. A more prosperous and democratic developing world is good for our economy, is vital to our strategic interests, and will help alleviate suffering and despair around the globe.

The following material and accompanying volumes describe in detail the Agency's programs, objectives and results.

A handwritten signature in black ink, which appears to read "Brian Atwood". The signature is written in a cursive, flowing style.

J. Brian Atwood

**U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT  
FY 1999 CONGRESSIONAL PRESENTATION**

**Table of Contents**

Introduction . . . . .	1
Statement of the Administrator . . . . .	3
Summary of Budget Request . . . . .	7
Program Performance . . . . .	13
Management Improvements . . . . .	25
Special Interests . . . . .	29
Central Programs . . . . .	39
Credit Programs . . . . .	119
International Disaster Assistance . . . . .	123
P.L. 480 Food for Peace . . . . .	127
USAID Operating Expenses . . . . .	131
Inspector General Operating Expenses . . . . .	141
Foreign Service Disability and Retirement Fund . . . . .	147
Glossary . . . . .	149
Abbreviations and Acronyms . . . . .	155

## INTRODUCTION

The U.S. Agency for International Development's (USAID) FY 1999 Congressional Presentation (CP) reflects the Administration's program and budget justification for the bilateral foreign assistance program.

The **Main Volume** of the CP document summarizes the budget request and discusses the programs and activities implemented through USAID's centrally funded programs and through the four geographic regions (Africa, Asia and the Near East, Europe and the New Independent States, and Latin America and the Caribbean).

Four regional annexes to the Main Volume discuss our programs in the geographic regions, including program narratives and activity data sheets. **Annex I** details programs and activities for Africa, **Annex II** details the programs for Asia and the Near East, **Annex III** details the programs for Europe and the New Independent States of the former Soviet Union, and **Annex IV** details the Latin America and Caribbean programs.

A separate volume of **Summary Tables** is included with this Congressional Presentation. These tables illustrate the foreign assistance budget request for FY 1999 and provide a detailed tabular breakout of the foreign assistance budget for FY 1997 (actual), FY 1998 (estimate), and FY 1999 (request) for the entire International Affairs (Function 150) account.

Finally, a separate **Statistical Annex (Annex V)** providing details for the USAID-managed programs will be submitted to the Congress following enactment of the FY 1999 appropriations.

## STATEMENT OF THE ADMINISTRATOR

I am pleased to submit the U.S. Agency for International Development's (USAID) budget request for FY 1999. It reflects expanding agreement with Congress on the role sustainable development assistance plays in furthering U.S. foreign policy. As Secretary of State Madeleine Albright stated in June 1997, "In the wake of the Cold War, it is not enough for us to say that Communism has failed...we must heed the lessons of the past, [and] take advantage of the opportunity that now exists to bring the world together in an international system based on democracy, open markets, law, and a commitment to peace." The stakes are high. As the Secretary has repeatedly noted, our one percent contribution to international cooperation may well determine fifty percent of the history that is written about our era. USAID, more than ever, is doing its part to help the United States meet the historic challenges and opportunities of the post-Cold War.

After highlighting several of USAID's recent accomplishments, I will focus on key elements of USAID's FY 1999 budget request and how they relate to the agency's overall strategy and approaches.

### Recent Accomplishments

I am particularly proud of the direct impact our programs have on people -- from saving lives to helping people improve the quality of their lives by building enduring economic, social and democratic institutions in diverse settings.

USAID emergency relief programs provided food and other assistance to more than 28 million disaster victims in 1996. A number of these humanitarian programs also supported U.S. foreign policy by helping mitigate potentially larger, more complex disasters (e.g., North Korea). Similarly, prior investments to establish local and regional capacities to anticipate disasters resulted in seven African countries being able to avert serious food shortages.

We responded rapidly to support transitions from crises, helping move nations from instability to stability and down the path to sustainable democracy. After the Guatemalan Peace Accords were signed in December 1996, USAID rapidly launched programs to demobilize and reintegrate former combatants into society. As part of an integrated U.S. Government effort, USAID provided assistance to Bosnia's nascent democracy through media support, human rights monitoring and support for democratic institutions, while helping to build free market institutions which will give citizens a stake in the country and help mitigate future conflict. Elsewhere, our programs in Eastern Europe and the former Soviet Union continue to help shape that region's political and economic transition. More than a quarter of the countries in the region have democratic systems nearly equal to those of Western Europe, and an average of 60 percent of the gross domestic product is now being produced by the private sector in Central and Eastern Europe, and 49 percent in the former Soviet Union.

To further democratic transitions, USAID also strengthened the capacity of indigenous groups in countries of significant foreign policy interest (e.g., Kenya, Angola, Bosnia) to participate fully in a democratic society. In addition, in 1996 we supported free and fair elections in 14 countries and the drafting and adoption of new constitutions in three countries.

USAID's economic growth programs expanded opportunities for people worldwide, including Americans. USAID support for regulatory and policy reforms to open markets, increase transparency and accountability in government operations, and increase access to economic opportunity contributed to rapid average annual growth rates in per capita income (ranging from 3.4 to 7 percent) over the 1992-1996 period in ten countries, affecting 1.5 billion people.

In Mongolia, Economic Support Fund-financed technical assistance and training had a substantial impact on bank restructuring actions in 1996. This led to rapid recovery of savings and time deposits in Mongolian banks, which averted a potential collapse of the banking system and contributed to a

sharp drop in the inflation rate. USAID ESF assistance also had a significant impact on the Mongolian government's trade reforms. Mongolia now has one of the most liberal trading regimes in the world, with virtually all customs duties having been eliminated.

Higher incomes translate into greater opportunities for U.S. export growth. Indeed, developing and emerging market countries now account for more than half of America's export growth, and that share is increasing. Where more targeted programs were called for, USAID launched microenterprise activities, often leading the way with new models. Over the last year, more than a million people, two-thirds of them women, benefited from these USAID activities. In turn, these same models are now being successfully applied in U.S. cities and rural areas. We also helped farmers in Latin America choose alternatives to growing drugs, resulting in a 27 percent reduction in acreage devoted to coca in Peru and a five percent reduction in Bolivia.

USAID helped protect human health and stabilize the world population. We estimate that the lives of five million children in 33 countries were saved in 1996 through collaboration with the World Health Organization, the United Nations Children's Fund, the World Bank and other bilateral donors. A major step forward in the worldwide eradication of polio resulted from USAID's support for national immunization days in Africa and Asia. We achieved very high coverage rates, reaching some 80 percent of our target populations in Africa -- children under five years of age. Our public-private partnership created "heat-sensitive vaccine vial monitors" that indicate when the oral polio vaccine has become unusable, thus allowing countermeasures to be taken which have resulted in \$10 million of savings per year.

Our international family planning programs provided millions of couples the option to use family planning for the first time. In 1996, there were roughly 8 million new users in 36 countries. In countries assisted by USAID, over one-third of all couples are now using family planning. This is of great significance as analyses suggest that family planning programs alone can prevent upwards of a quarter of maternal and child deaths.

There is also progress to report in our efforts to better manage the environment. I have taken aggressive steps to implement the President's commitment to tackle global climate change issues. USAID's \$1 billion five-year initiative encourages industrializing and transitioning countries to take the steps that will simultaneously address this critical problem and help their economies grow. These measures will reduce climate change gas sources and preserve and enhance the natural processes which absorb these gases from the atmosphere. For example, a successful USAID program in Egypt supported the introduction of unleaded gasoline, and by January 1998, virtually all the gasoline sold in Egypt was unleaded. As a result, lead levels in Cairo, which had been among the highest in the world, dropped by approximately 80 percent and are now within internationally accepted ranges. At the same time, USAID contributed significantly to conserving the world's biodiversity last year, with more than 14 countries improving conservation on over 21,000 square miles of land.

In addition to these on-the-ground results, USAID led an effort with other bilateral and multilateral donors over the past year to "internationalize" the spirit of the Government Performance and Results Act (GPRA). In May 1996, the major international donors agreed on specific global development goals, measures to evaluate performance, and common approaches to achieving those goals. This new international consensus was captured in the breakthrough "Shaping the 21st Century" agreement prepared under the auspices of the Organization for Economic Cooperation and Development's Development Assistance Committee (DAC); the forum created by donor nations to improve the planning and coordination of development assistance worldwide. Similarly, as part of the New Transatlantic Agenda of the European Union and the United States, USAID is now working closely with the European Commission on more than 60 joint development activities worldwide.

Over the past year, USAID also took cooperation a step further by concentrating on emerging regional fora. We provided support to the Caspian region's oil-gas development initiative, the Global Coalition

for Africa's efforts to strengthen indigenous economic growth and democratic initiatives, and the United States Asia Environmental Partnership which strengthens U.S. and Asia business linkages and promotes the adoption of more efficient technology which contributes to environment friendly economic growth.

Our coordination with the Department of State was enhanced, both at policy and operational levels. Steps were taken to streamline and better align operations ranging from how we manage our physical facilities to how we jointly approach specific U.S. national interests in a country. There is now an explicit linkage between USAID's Strategic Plan and the U.S. Strategic Plan for International Affairs.

At the same time, USAID continues to reform so that assistance is delivered faster and results are achieved more cost-effectively. This past year, we continued our efforts toward operationalizing the computer-based new management system (NMS) and preparing for the year 2000. In addition, two USAID task forces identified ways to streamline procurement processes and to align our work force to projected needs in developing countries and on global issues. The move to the new Ronald Reagan Building and International Trade Center, now complete, places all USAID staff in one location for the first time. This provides us an opportunity to further improve internal teamwork and coordination.

In the process of evaluating the significance of our accomplishments and monitoring our progress, we have identified areas where strategic and management refinements and corrections should be made. The budget request incorporates these findings, as well as our best assumptions on what it will take to implement them.

#### **USAID's Budget Request**

A substantial share of USAID's budget honors existing commitments where our monitoring and evaluation systems demonstrate that programs and partners are achieving the results we targeted. The program budget also reflects several changes and a modest increase. We are requesting that funding for USAID-administered programs, other than food aid assistance, rise from the \$6.1 billion appropriated in FY 1998 to \$6.4 billion in FY 1999. This would be the second year in a row that development assistance would increase after several years of decline. Finally, the Operating Expense budget is proposed to remain essentially constant, reflecting efficiencies introduced in previous years.

This budget proposal increases the amount available for countries making transitions towards sustainable development. USAID currently lacks sufficient resources to undertake the additional responsibilities in transition efforts, including supporting demobilization, reintegrating ex-combatants into civilian society, addressing the concerns of displaced and vulnerable populations, and dealing with conflict resolution. Our current plans reflect the findings of world experts we recently assembled to identify the most successful approaches to mitigating conflicts and fostering smooth post-conflict transitions.

As part of our effort to capitalize on emerging regional fora, the budget proposal includes funds to support the initiatives to be endorsed at the Second Summit of the Americas, planned for April 1998, in Santiago, Chile. USAID has taken a leadership role in defining the agenda for the upcoming Summit. The region's 34 presidents will focus on regional challenges, including economic integration, education, democratic institution building, and poverty alleviation through microenterprise activities.

Infectious diseases have been given a new priority the health portion of our request. This supports Congressional interests and complements USAID's long-standing emphasis on child survival and HIV/AIDS programs. Intensive consultations with partners on the most effective strategy for addressing infectious diseases have already occurred and a strategy has been devised.

USAID's emphasis on sub-Saharan Africa has not diminished. The proposed budget increase supports the African Trade and Investment Policy Initiative and constitutes a key element of the Administration's Partnership for Economic Growth and Opportunity in Africa. Although the Development Fund for Africa (DFA) is no longer a separate account, authorities continue to apply.

To further reinforce our overall agency strategy, we have increased our emphasis on agriculture and education. Agriculture is now being pursued in tandem with USAID's economic growth goal by refocusing on the links between agriculture, economic growth and food security. As part of this effort, USAID, at the World Food Summit in November 1996, highlighted the continuing food security issues of the over 800 million chronically undernourished people in the developing world. The proposed substantial budget allocations for food aid are part of this Administration focus. At the same time, USAID is working to improve basic education levels of girls and boys, particularly in the poorer countries of sub-Saharan Africa.

Finally, over the coming year, USAID will be challenged on how we use our performance measures and internal management systems to help allocate resources, control costs and address the priorities of the Administration and the Congress. The toughest challenges may lay in implementing the management assumptions which underpin our operating expenses budget and in matching the structure of resources appropriated with the identified priorities and existing commitments. As we work within the context of the balanced budget agreement, USAID will carefully evaluate those assumptions in light of how effectively our management systems perform.

### **Looking Ahead**

Over the coming year, I will seek to further improve USAID's unique comparative advantage to rapidly and innovatively respond to diverse development and humanitarian needs. First, I anticipate significant on-the-ground results in key areas such as global climate change, agriculture and food security, infectious diseases, education and in helping countries in crisis and transition.

Second, we have already set for ourselves the objective of further streamlining our internal work processes. We aim to further improve our ability to respond rapidly, innovatively and with others on the broad array of development challenges. Doing so will allow USAID to maintain the technical and sectoral breadth and on-the-ground developing country expertise necessary to respond effectively to specific local conditions. For example, responding only to Asia's financial crisis misses the reality that the problem is also one of governance.

Third, USAID's continued excellence as a preeminent bilateral development organization permits the United States to lead by example. This helps create a shared vision on development goals and approaches across the U.S. Government, among donors, within the nongovernmental and business communities, and with the countries in which we work. Our efforts must reinforce one another better. As hosts of the upcoming Tidewater meeting of the development ministers of the major donor nations, we will seek further agreements on concrete steps to advance our collective responsibilities.

Ultimately, U.S. development assistance administered by USAID improves people's lives and helps to strengthen their ability to take greater responsibility for their own development. It constitutes one of America's best tools for building relationships among peoples and institutions that can endure and advance our national interests. I look forward to working with you towards these ends over the coming year.

**SUMMARY OF USAID  
FISCAL YEAR 1999 BUDGET REQUEST**

For Fiscal Year 1999, the President is requesting appropriations of \$7,319,197,000 for USAID-administered programs, including those jointly administered with the State Department. The FY 1999 request compares to the FY 1998 appropriation level of \$7,018,600,000. The FY 1999 USAID request includes funding for Development Assistance (DA), the Economic Support Fund (ESF), Support for East European Democracy (SEED), and Assistance for the New Independent States of the former Soviet Union (NIS). P.L. 480 Titles II and III (Food for Peace) resources administered by USAID are formally requested as a part of the U.S. Department of Agriculture (USDA) budget.

The following chart and subsequent descriptions provide further details in support of the budget request. FY 1998 levels include funds transferred to USAID for International Cooperative Administrative Support Services (ICASS).

(in Dollars Thousands)

Appropriation	FY 1997 Appropriated level	FY 1998 Appropriated level	FY 1999 Budget Request
Sustainable Development Assistance (DA)\1	1,130,000	1,172,134	1,265,798
Child Survival and Disease Programs	500,000	550,000	502,836
International Disaster Assistance	190,000	190,298	205,000
Credit Programs	11,500	11,053	14,053
Development Credit Authority	-0-	[8,000]	[15,000]
USAID Operating Expenses\2	488,250	478,858	483,858
Inspector General Operating Expenses	30,000	29,047	33,000
Foreign Service Disability & Retirement	43,826	44,208	44,552
Economic Support Fund & International Fund for Ireland	2,362,600	2,419,928	2,513,600
Assistance to New Independent States\1	625,000	770,798	925,000
Assistance for Eastern Europe and the Baltics\1	475,000	485,276	464,500
P.L. 480 Food For Peace Title II	837,000	837,000	837,000
P.L. 480 Food For Peace Title III	29,500	30,000	30,000
<b>USAID Total</b>	<b>6,722,676</b>	<b>7,018,600</b>	<b>7,319,197</b>

1. To be consistent with the FY 1999 request, the FY 1997 and FY 1998 appropriated levels exclude transfers to the African Development Foundation, the Inter-American Development Foundation, and the International Fund for Agricultural Development but include transfers of SEED and NIS funds to other agencies.

2. FY 1997 includes \$17.5 million of the Sustainable Development Assistance account used for operating expenses.

## **DEVELOPMENT ASSISTANCE**

The Sustainable Development Assistance account and the Child Survival and Disease Program Fund provide support for activities worldwide that are designed to promote sustainable development in some of the poorest countries in the world. These nations represent the world's last great underdeveloped markets; USAID strongly believes that the modest and well targeted investments we make today in the form of human capital and the partnerships we establish with their communities will pay economic and political dividends to the United States well into the future. These accounts constitute the core of USAID's sustainable development programs and support five of USAID's six strategic goals -- integrated, interrelated and mutually reinforcing goals that are aimed at addressing the long-term interests of the United States. (The sixth goal of humanitarian assistance includes USAID's request for International Disaster Assistance and the Food For Peace accounts). These five development goals include activities aimed at promoting broad-based and sustainable economic growth and agricultural development ( \$463 million); building human capacity through education and training (\$98.2 million); stabilizing population growth rates and protecting human health (\$779.6 million); protecting the environment (\$290 million); and strengthening democracy and good governance ( \$137.8 million). (USAID's credit programs also cut across many of these goals, as do those of the Central and Eastern Europe and the New Independent States, and some of the programs funded under the Economic Support Fund. )

### **Sustainable Development Assistance**

The request for the Development Assistance account in FY 1999 is \$1,265.8 million, and includes funding for two new initiatives: the Africa Trade and Investment Initiative (\$30 million), and the Americas Summit Initiative (a total of \$20 million, a portion of which will be funded under the Child Survival and Disease account).

The aim of the Africa initiative is to improve prospects for increased growth and sustainable poverty reduction in Africa by enlarging foreign markets, promoting foreign investment, and facilitating the transfer of technology and knowledge; this will be done through work with the private sector, host country organizations and U.S. Government entities such as the U.S. Trade Representative and the Departments of Treasury, Agriculture, Commerce, and Justice. The Americas Summit Initiative is to be a follow-up to the second Summit of the Americas scheduled for April 1998 and will address three key priorities of the summit: weaknesses in basic education, access to financial systems by the poor, and expanded regional trade and investment for which USAID is uniquely positioned to assist due to its long history of involvement and in-country presence in these areas. These funds are also intended to leverage the much larger ordinary capital resources of the Inter-American Development Bank and the World Bank.

USAID's programs address the primary causes of social instability and underdevelopment by joining in partnership with the governments and citizens of host countries to address mutually identified problems. Development is sustainable when it permanently enhances the capacity of a society to improve its quality of life. Thus, while addressing problems in any one of the agency's five major development goals, USAID also can achieve the facilitation of progress in the other areas. This is because USAID programs aim at increasing participation and empowerment; the impact of USAID activities is felt far beyond any one specific development problem. USAID programs bring people at all income levels, with special emphasis on women and ethnic minorities, into the economic, social, and political processes in order that they may contribute to and benefit from national progress. Sustainable development also creates lasting trade and social linkages between the United States and the developing world.

## **Child Survival and Disease Programs**

The FY 1999 request for the Child Survival and Disease Programs account is \$502.8 million and includes \$404.6 million for child survival, HIV/AIDS, infectious diseases and other health; and \$98.2 million for basic education. These funds will support efforts to improve infant and child health and nutrition, reduce infant and child mortality, lower HIV transmission and the impact of HIV/AIDS, and mitigate the threat of infectious diseases of major public health importance through the provision of critical health services. These services are credited with preventing millions of infant and child deaths annually. Basic education programs will address the acquisition of literacy, numeracy, and problem-solving skills, especially among girls. Investments in health and basic education contribute to increases in productivity, improved health, and a more stable population growth.

## **USAID Credit Programs**

USAID believes there are significant instances in which U.S. development priorities can be best funded through credit, especially in emerging market countries and in countries moving toward graduation status. Credit resources permit the leveraging of private sector resources to support sustainable development and to enable USAID to reach populations it would not otherwise be able to reach. These programs enable people to feed themselves and their families better, educate their children, improve their health, and upgrade housing standards. Ultimately, the goal of all USAID credit programs is to allow the citizens of the developing world to concentrate on something beyond their next meal and free up economic growth potential of the next generation of U.S. economic partners.

USAID's credit guarantee programs include the Micro and Small Enterprise Development Program, the Urban and Environmental Credit Program (formerly the Housing Guaranty program), and a request for authority to transfer up to \$15 million from the accounts of Sustainable Development Assistance, Support for Eastern Europe Democracy, and New Independent States for the Development Credit Authority program.

- **Micro and Small Enterprise Development Program**

This program requests appropriations totalling \$1,500,000 for credit subsidies and \$500,000 for program administration. The program uses loans and guarantees to encourage financial institutions to extend and expand credit to microentrepreneurs and small businesses. The Micro and Small Enterprise Development program is a grassroots program designed to help poor people create employment for themselves, acquire incomes, build assets and join in the strengthening of the formal sector of the economy. Microenterprise and small loan programs provide the bridge to society for poor people, who until now have had no real connection to the economic mainstream.

- **Development Credit Authority**

The Development Credit Authority provides the Agency with an important and timely tool to address its strategic priorities. It will leverage Agency resources more effectively through the use of market rate loans and guarantees to finance sovereign and non-sovereign development projects that are both developmentally sound and creditworthy. This authority assumes special importance in supporting efforts related to global climate change. Budget authority is being requested to transfer up to \$15 million in FY 1999 from DA, SEED and NIS funds, of which up to \$2 million would be for administrative expenses.

- **Urban and Environmental Credit Program (formerly the Housing Guaranty Program)**

This USAID program extends guarantees to U.S. private sector investors who make loans to developing countries to support the formulation and implementation of sound housing and

community development activities. These activities are targeted exclusively to meet the needs of lower-income groups in the assisted country with an emphasis on addressing the urban and environmental problems that impair human health, decrease child survival rates and prevent economic growth. The FY 1999 request for these activities totals \$6,000,000 for subsidies and \$6,053,000 for program administrative costs.

### **International Disaster Assistance**

USAID requests \$205 million for this program which includes \$160 million for disaster relief managed by the U.S. Office of Foreign Disaster Assistance (OFDA) and \$45 million for programs managed by the Agency's Office of Transition Initiatives (OTI).

OFDA funds support emergency relief efforts. They also are used to improve the capacity of foreign nations to prepare and plan for disasters, mitigate their effect, and teach prevention techniques that increase the skills available locally to respond when disaster strikes.

OTI funds underwrite rehabilitation and recovery efforts for countries emerging from complex crises. It focuses on the special post-crises needs of nations that are not addressed by either emergency relief or long-term development programs. These efforts are designed to help nations return to the path of sustainable development, prevent crises from becoming more impacted, and minimize the need for future, ongoing humanitarian and disaster relief.

### **Operating Expenses**

The Operating Expenses appropriation covers the salaries and other support costs associated with the operations of USAID worldwide. Operating Expenses for USAID's Inspector General, and the costs associated with the administration of USAID's credit programs are requested separately.

The FY 1999 request is \$483.9 million, which for the first time includes \$5.9 million for International Cooperative Administration Support Services (ICASS). (Several program accounts also include funding for ICASS costs associated with program management.) While this is an increase of \$5 million over the 1998 appropriated level, including the total amount available from other funds for operating costs (local currencies, recoveries, reimbursements, etc), there is a decrease of \$15.3 million. We believe this net reduction can be sustained given the continuing reduction in total staff and other ongoing cost-efficiencies being implemented.

### **Inspector General Operating Expenses**

The Inspector General Operating Expenses appropriation covers salaries and other support costs associated with USAID's Inspector General operations worldwide. Activities covered include audits, investigations, and security relating to USAID's worldwide programs and operations. The Office of Inspector General has reduced the number of supervisors, managers, and Senior Foreign Service designated positions as well as overall staffing levels worldwide in past years. The request of \$33 million covers both the domestic and overseas operations of USAID's Inspector General.

### **Foreign Service Retirement and Disability Fund**

The Foreign Service Retirement and Disability Fund covers the mandatory costs associated with the inclusion of USAID foreign service employees in the fund. The FY 1999 request is \$44.552 million.

### **ECONOMIC SUPPORT FUND**

The Economic Support Fund advances economic and political foreign policy interests of the United States. To the extent feasible, the use of ESF conforms to the basic policy directions underlying

sustainable development assistance. ESF can finance balance of payments and economic stabilization programs, frequently in a multi-donor context.

The FY 1999 request of \$2.513 billion will be used to support the Middle East peace process, assist countries in transition, such as Haiti, Angola and Cambodia, to promote peace and stability in such countries as Ireland and Cyprus, and support democracy through assistance with elections, political party building and legislative training.

#### **SUPPORT FOR EAST EUROPEAN DEMOCRACY ASSISTANCE**

This funding supports activities authorized under the Support for East European Democracy (SEED) Act of 1989. SEED is a transitional program designed to aid central and eastern European countries through their difficult passage to democracy and market economies. These programs help establish competitive market-oriented economies, build democratic institutions and establish linkages to the democracies of the west, and help sustain the neediest sector of the population during the transition period. As countries consolidate their political and economic transitions, they will be graduated from the assistance category, and funding for bilateral SEED programs will be phased out. The FY 1999 request is \$464.5 million, including \$225 million for Bosnian reconstruction and \$267 million for other countries in the Northern and Southern Tiers. The request also includes \$12.5 million for the first of four tranches to capitalize a \$100 trust fund, on a 50-50 basis, in a public and private partnership with a number of U.S. foundations.

#### **ASSISTANCE TO THE NEW INDEPENDENT STATES OF THE FORMER SOVIET UNION**

These funds support the activities established under the FREEDOM Support Act. USAID's assistance to the New Independent States (NIS) of the former Soviet Union supports the fundamental U.S. foreign policy goals of consolidating improved U.S. security, building a lasting partnership with the individual New Independent States, and providing access to each other's markets, resources and expertise. The FY 1999 request is \$925 million, of which \$234.9 million is for the Partnership for Freedom program which will build on achievements to date and reorient the U.S. assistance program, first to Russia and then for the other NIS countries, toward longer-term and more cooperative activities to spur economic growth and develop lasting links between our peoples.

#### **P.L. 480 FOOD FOR PEACE PROGRAMS**

USAID's Food for Peace programs (P.L. 480) provide both humanitarian and sustainable development assistance in the form of U.S. agricultural commodities. In addition, P.L. 480 also funds the farmer-to-farmer exchange program and a grant program to U.S. private voluntary organizations and cooperatives implementing P.L.480 activities. Although requested by the U.S. Department of Agriculture, P.L. 480 Titles II and III are administered by USAID.

Title II provides resources to U.S. private and voluntary organizations (PVOs) and the World Food Program to implement sustainable development programs targeted to improve the food security of needy people, either by the direct distribution of agricultural commodities or the use of local currencies generated by the sale of these commodities in the recipient county. Title II also provides the vast majority of U.S. food assistance used to respond to emergencies and disasters around the world. The FY 1999 request is \$837 million.

The Title III Food for Development program provides country-to-country grants of agricultural commodities to improve food security and to promote agricultural policy reforms that encourage food production in the poorest, most food-deficient countries in the world. The FY 1999 request is \$30 million.

## PROGRAM PERFORMANCE

### About USAID

The U.S. Agency for International Development (USAID) administers America's bilateral economic assistance program. USAID promotes sustainable development and save lives. USAID promotes global economic prosperity and democracy, helps those in crisis, and addresses global issues like environmental protection, population growth and spread of infectious diseases.

For development to be sustainable, aid recipients must do their part to address their challenges and to create the conditions for success. But even the best-intentioned countries cannot do their part to achieve progress without strong institutions, capable people and other resources. American resources, expertise, ideas, and values, along with those of other donors, and U.S. and host-country partners, often make the difference between success and failure.

This report looks **ahead** at USAID's goals for the coming year and looks **back** at the impact of foreign assistance in developing and transition nations. USAID has had a key role in the results reported here, but these results do not reflect only USAID's direct assistance efforts. They reflect the sustained effort of many committed agencies, organizations and individuals. One of the most important lessons USAID has learned over the years is the importance of local commitment. Successful, sustainable development must be based on local needs, priorities, choices, and commitment; it must draw on and mobilize local resources; and it must involve a broad cross-section of the country's citizens, especially women and other disadvantaged groups.

USAID works in a variety of settings. USAID activities reflect host-country needs and priorities, as well as the work of other donors and partners. Often, countries are committed to achieving sustainable development but lack necessary technical skills or resources. In these countries, USAID helps work toward one or more of the goals essential to development: achieving broad-based economic growth and agricultural development, building sustainable democracies, stabilizing population and protecting human health, managing the environment for long-term sustainability, building the human capacity needed for development, and saving lives and reducing suffering. USAID also works in countries making the transition from centrally planned to market-driven economies. In these countries, USAID programs seek to build essential human and institutional capacities to implement necessary reforms.

Increasingly, USAID is working with countries emerging from conflict. Here, the emphasis is on restoring infrastructure -- social, institutional, and physical -- to reduce the risk of renewed conflict and to return the country to a path of sustainable development. USAID works with some of the world's poorest and least stable countries where living conditions are often harsh and political and economic conditions uncertain.

USAID continues to change the way it does business to maximize efficiency and to better respond to changing foreign policy needs. USAID has revamped its strategic approach, for example, to reflect the new priorities of the post-Cold War era, focusing its goals and objectives on a limited number of high-priority development challenges. Greater emphasis is made on programs that incorporate participation, partnership and concern for gender. *Managing for results* is becoming ingrained in the agency's culture. Monitoring and evaluating systems continue to be strengthened, and the agency is using more performance information in program, policy and budget decisions.

USAID has also made major organizational and management changes. During the Clinton Administration, USAID has reorganized and streamlined operational units, reduced the direct-hire work force by 29%, closed 28 overseas posts, reengineered program operations and procedures, and reformed its systems for procurement, financial management, budget, personnel and management information.

## **The USAID Strategy**

USAID sets its goals in those areas most critical to sustainable development. USAID currently has six development and humanitarian assistance goals: (1) encouraging broad-based economic growth and agricultural development, (2) strengthening democracy and good governance, (3) building human capacity through education and training, (4) stabilizing the world's population and protecting human health, (5) protecting the world's environment for long-term sustainability, and (6) saving lives and reducing suffering associated with disasters, and re-establishing conditions necessary for political and economic development. In addition, there is a seventh goal: management reform to ensure that USAID remains a premier bilateral development agency. (A detailed discussion of management improvement is included in the next section of this Congressional presentation.) These goals were articulated in the September 1997 Agency Strategic Plan.

As USAID has implemented many reforms, the development and global challenges also have evolved. Much of USAID's development success has relied upon the agency's unique capabilities in technical leadership and assistance, reflecting and drawing upon U.S. and international expertise. USAID maintains its critical role through its continued investment in applied strategic research, development and applications of tools and technologies, and accompanying training in skills needed for development. Creative partnerships involving the private sector, nongovernmental organizations and higher education institutions together with governments, provide the collaborative means to improve and extend results of agency programs.

There are a variety of cross-cutting themes that affect all of USAID's goals. Among the most important are ensuring women have full access to social benefits (e.g., health care, education and financial markets), ensuring women's voices are heard in politics and governance and ensuring that women and their children are protected in times of crisis.

### **Goal 1: Broad-Based Economic Growth and Agricultural Development Encouraged**

USAID helps developing and transitional countries achieve broad-based, rapid and sustainable economic growth. Broad-based economic growth reduces poverty, increases household incomes and improves food security. There is strong evidence that economic growth is the single best way to reduce poverty. Economic growth creates jobs and provides the increased revenues governments need to expand and improve education, health, and other social services. Restoring economic growth is an essential element of successful transition.

Altruism is not the only motive for fostering economic growth in developing nations. Growth in recipient USAID countries directly promotes U.S. trade and investment. Continuing a trend that began in the 1980s, U.S. exports to developing countries in the 1990s are expanding by 12% a year, more than double the export growth to industrial countries. Indirectly, broad-based economic growth reinforces other U.S. national interests and foreign policy goals, including democratic development, environmental sustainability and more stable world social conditions.

USAID fosters broad-based economic growth by pursuing three interrelated objectives: (1) strengthening critical private markets; (2) promoting agricultural development, and (3) expanding access and opportunity for the poor.

For 1999, USAID programs are expected to contribute to accelerated economic growth and poverty reduction, particularly in Africa, Latin America, and the New Independent States (NIS) of the former Soviet Union, where only a minority of countries have achieved significantly positive growth in per capita income. In Asia, USAID hopes to sustain the largely positive growth performance of the past decade, in the face of the current difficult financial crisis. In at least half of our low-income recipients, mainly Africa, USAID will help agricultural growth keep pace with population growth. This would represent a significant improvement over past performance. USAID programs will contribute to a

continuation of the positive trends for economic freedom, with at least half of the countries in each region showing clear improvements in scores for economic freedom. USAID will also help achieve significantly diminished reliance on foreign aid in most advanced developing and transitional countries.

A sampling of the considerable progress that has been made includes:

- Ten USAID-assisted countries (Bangladesh, Dominican Republic, El Salvador, Ethiopia, India, Indonesia, Mozambique, Peru, Sri Lanka and Uganda)--accounting for 1.5 billion people--achieved very rapid average annual growth in per capita income (3.4 to 7 percent) over the 1992-1996 period.
- USAID directly expanded opportunities for the poor worldwide. During 1996, USAID microenterprise development programs in 54 countries supported over 300 institutions that made more than \$300 million in loans to more than one million people. More than two-thirds of the loan recipients were women. Income-generation programs like these are particularly critical given the fact that the vast majority of poor women in the developing world are barred from formal markets.
- Programs in more than a dozen countries in Africa, Asia, the Near East, and the formerly communist countries helped privatize 26,000 state-owned enterprises during 1996. In Ukraine, through 1997, USAID programs assisted in privatizing 40,000 small enterprises, and helped develop the policies for all small-scale privatization in Ukraine. The agency was instrumental in restructuring 138 collective farms, with 138 more in process, and in issuing over 3,500 land titles to individual farmers through 1997. More than six million hectares of land (five million more than were targeted) were transferred to farm members by issuing land certificates (one hectare equals about 2½ acres.)
- The agency has made progress in leveraging food aid to improve economic opportunities and in increasing access by the rural poor to a variety of services. In Latin America and the Caribbean, for example, P.L. 480 Title III resources were used to support policy reforms affecting food security in Haiti, Honduras and Nicaragua. P.L. 480-generated local currencies and food for work were used in Bolivia, Guatemala, Haiti, Honduras, Nicaragua and Peru to support agricultural extension and marketing services and the development of productive infrastructure in rural areas. This included building market access roads, recovering eroded land through soil conservation and forestry activities, and building small irrigation systems.
- In sub-Saharan Africa, USAID promoted growth in agricultural production and nontraditional exports. The agency strengthened the private sector by providing support for policy and regulatory reforms, increasing market access, and promoting investments in agriculture. During 1996, significant progress in policy, legal and regulatory reform was made in Ghana, Madagascar, Senegal, Tanzania, Uganda, and Zambia. USAID made good progress in increasing market efficiency and access in many countries in sub-Saharan Africa, particularly Kenya, Malawi, and Zimbabwe.
- In Indonesia, India, the Philippines, Jordan and Egypt, USAID has supported economic, trade and investment policy reforms. USAID support, for example, resulted in private sector non-petroleum exports increasing nearly 70% in Egypt, and in increased capital market investment in India and the Philippines of \$40 billion between 1993 and 1996.

#### **FY 1999 Program Budget Request for USAID Strategic Goal 1: Broad-Based Economic Growth and Agricultural Development Encouraged**

USAID's six strategic goals, as noted following the discussion of each specific goal, are directly linked to objectives in the agency's performance plan as well as to the budget request for FY 1999. Funding cited applies to Development Assistance (DA) and Child Survival and Disease (CSD) accounts unless

otherwise noted. Credit programs can touch on more than one of the agency's strategic objectives. Moreover, Operating Expenses of \$484 million fund the operating costs of the agency to carry out all goals and objectives.

The remaining USAID-managed accounts -- Economic Support Funds, Support for East European Democracy (SEED), and FREEDOM Support Act funds for the New Independent States (FSA) -- fund activities that would also fall under the agency's strategic goal area. Given the special nature of these programs, however, the agency configures goals for these programs in a slightly different format in the Congressional presentation.

For Goal 1, encouraging broad-based economic growth and agricultural development:

Objectives are:

- Critical, private markets expanded and strengthened
- More rapid and enhanced agricultural development and food security enhanced
- Access to economic opportunity for the rural and urban poor expanded and made more accessible

FY 1999 budget request:

Base program	\$418 million (DA)
New initiatives	\$ 45 million (DA)
P.L. 480 Title III	<u>\$ 30 million</u>
	\$493 million

## **Goal 2: Democracies and Good Governance Strengthened**

Anarchy, autocracy, oppression, and human rights abuses threaten global peace and prosperity. USAID works to help build democracies and improve governance. Democracy offers citizens advantages and opportunities that no other form of government can provide. It protects human rights, encourages informed participation, and promotes public-sector accountability. Growing popular demand for democracy is evidenced by a decade of dramatic transitions from dictatorship to democracy. USAID has provided timely and constructive support during these transitions. The agency helps citizens draft constitutions, protect human rights, hold free and fair elections, and enhance judicial independence. USAID supports development of democratic institutions, an informed and educated populace, a vibrant civil society, and a relationship between the state and society that encourages pluralism, inclusion, and peaceful conflict resolution.

USAID's democracy building goals support America's foreign policy interests. By promoting democracy, the United States supports governments capable of maintaining peace and averting crises. Democracies governed by the rule of law are more reliable trade partners. USAID has learned that promotion of democracy is essential for sustainable development. Accountable and transparent political institutions, representing and responding to citizens' needs, help consolidate the social and economic gains of development. Democracy building thus reinforces the agency's efforts in other areas.

USAID helps build democracies in four ways: (1) strengthening rule of law and respect for human rights, (2) developing more genuine and competitive political processes, (3) increasing development of a politically active civil society, and (4) promoting more transparent and accountable government institutions.

Recent results include:

- In 1996 and early 1997, USAID helped develop new constitutions in Eritrea, South Africa and Uganda; constitutional forums and new laws in Croatia, Georgia and the Ukraine; and free and fair elections in Bangladesh, Benin, Bulgaria, the Dominican Republic, Ghana, Lithuania, Mongolia, Nicaragua, Paraguay, Peru, Romania, Russia, Senegal and Uganda.
- USAID continues to help dismantle the legacy of communist rule. The agency has supported the efforts of citizens in Georgia, Kyrgyzstan, Romania, Russia and elsewhere to form advocacy-oriented nongovernmental organizations (NGOs), community groups, political parties and labor unions. Even where the political environment proved less conducive to NGO development, such as in Azerbaijan, Belarus, and much of Central Asia, space for autonomous action has been created through social service delivery organizations.
- In partnership with the U.S. Congress, USAID has strengthened parliaments in central and eastern Europe. USAID, the U.S. Library of Congress and the U.S. House of Representatives Information Systems Office teamed to strengthen information systems and research capacities for the parliaments in Albania, Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania and Slovakia.
- In the West Bank and Gaza in 1996, local NGOs, with agency support, reached 8,800 citizens monthly -- half of them women -- to debate issues of citizens' rights. Unprecedented town meetings were established between members of the new Legislative Council and constituents. These results helped establish a foundation for decentralized local government.
- Kenya's USAID-supported Human Rights Commission persistently confronted the government with documented evidence of police brutality. In response, the government formed its own Standing Committee on Human Rights to address the charges.
- In Nepal, women's advocacy led to a supreme court decision in 1996 to overturn existing inheritance laws because of gender bias. This outcome resulted, in part, from USAID's legal literacy programming that trained 44,000 women that year in fundamental and legal rights, far exceeding the target of 17,000 women.
- In South Africa, USAID worked on conflict prevention in KwaZulu Natal. The agency facilitated high-level political dialog and provided extensive training in conflict resolution to 2,200 people from communities directly affected by violence in Natal. The agency also provided voter education and campaign training emphasizing nonviolent methods of political participation. These activities improved South Africans' ability to prevent, manage, and resolve democracy-threatening conflicts.

**FY 1999 Program Budget Request for USAID Strategic Goal 2: Strengthening Democracy and Good Governance**

Objectives:

- Rule of law and respect for human rights of women as well as men strengthened
- Credible and competitive political processes encouraged
- The development of politically active civil society promoted
- More transparent and accountable government institutions encouraged

FY 1999 budget request:

\$138 million (DA)

### **Goal 3: Human Capacity Built through Education and Training**

In 1997, USAID added an important new goal to the agency's strategic framework: building human capacity through education and training. This goal acknowledges USAID's longstanding commitment to building human capacity as a key basis for development that endures. The goal's primary focus is on expanding access to quality basic education, especially for women and girls. In more modest ways, the goal describes the agency's commitment to enhancing the contribution that higher education institutions make to solving national and local development problems. What follows are a few illustrative examples of the impacts. Further descriptions are found in the Special Interests chapter of this Congressional presentation.

- In Guinea, the agency promoted reforms of the education system. The government increased the share of the education budget devoted to primary education from 36% in 1995 to 38% in 1996. The share of education in the total budget continued to rise during 1996, reaching 26%. Overall, the primary enrollment rate increased from 44% in 1995 to 47% in 1996, progress that exceeded USAID's target.
- In Honduras, USAID's program for teacher training and curriculum development facilitated important gains in efficiency. More than 103,000 children completed primary school in 1996, an increase of almost 3% over 1995. The overall primary school completion rate in 1996 reached 70%.
- In Egypt in 1996, the Ministry of Education adopted several USAID-supported policy reforms that contribute to increased girls' participation. The permissible age for entry to primary school was increased from 8 to 9 years; for entry to preparatory school, from 14 to 18. One-room schools, under an initiative by Egypt's First Lady, were opened to communities in the evenings for literacy classes.
- In Malawi, the agency contributed to improvements in the quality of basic education by supporting teacher training. In 1996, nearly 61% of all teachers (compared with 58% in 1995) possessed the required qualifications, exceeding program expectations.
- USAID resources provide a catalyst for linkages between U.S. colleges and universities and counterpart institutions in developing and transitional countries. These partnerships facilitate in-country institutions' ability to play a key role in solving national and local development problems. For example, with USAID funding through the University Development Linkages project, the University of Florida has worked actively with Makerere University in Uganda to establish a very successful Human Rights and Peace Center. In India, Iowa's Sinclair Community College used a USAID grant to transform a vocational education center into a proactive, self-sufficient institution that offers training in key economic trades.
- In the Carpathian region of Eastern Europe and in Mexico, very modest investments by USAID have catalyzed extensive networks of U.S. community colleges, universities and private sector with in-country institutions, businesses and community groups. As a result, in-country colleges have become more actively engaged in the local, regional and national development dialogue.
- USAID's new higher education community partnership emphasizes the importance of U.S. colleges and universities in planning, implementing, and evaluating USAID's development programs. In agriculture, health, population and other sectors, the scientific and technical depth that resides on U.S. campuses is a national resource that the agency continues to tap.

The expertise represented in academic administrators is increasingly sought by overseas counterparts to develop vibrant, high quality, and development-relevant academic systems.

### **FY 1999 Program Budget Request for USAID Strategic Goal 3: Human Capacity Built through Education and Training**

#### **Objectives:**

- Access to quality basic education, especially for girls and women expanded
- The contribution of institutions of higher education to sustainable development increased

#### **FY 1999 budget request:**

Basic Education	
Base program	\$ 93 million (CSD)
New Initiative	\$ 5 million (CSD)
Higher education	<u>[to be determined]</u> (DA)
	\$ 98 million

### **Goal 4: World's Population Stabilized and Human Health Protected**

Rapid and unsustainable population growth and poor health and nutrition (particularly of mothers and children) cause human suffering and impede development. When women are repeatedly pregnant and people suffer from malnutrition and infectious diseases, they are unable to contribute to their own economic and social progress. Activities in population, health, and nutrition have long been central to USAID's work.

Stabilizing the world's population serves U.S. national interests because it contributes to global economic growth, a sustainable environment and regional security. Reducing growth rates in countries with high population growth prevents humanitarian crises (e.g., famine) along with the need for U.S. humanitarian assistance. Giving families the ability to choose the number and spacing of their children makes tremendous contributions to maternal and child survival, and empowers women and their families. Protecting health and nutrition, including increasing child survival in developing and transitional countries, directly affects America's public health -- unhealthful conditions outside America's borders increase disease and the threat of epidemic for U.S. citizens. Improved health and nutrition also contribute to economic development and lower the risk of humanitarian crises and the suffering that accompanies them.

USAID helps stabilize world population and protect human health by supporting sustainable reductions in (1) unintended pregnancies, (2) child mortality, (3) maternal mortality, (4) transmission of sexually transmitted infections, including HIV, and (5) reducing the threat of infectious diseases of major public health importance. (This last objective was added to USAID's portfolio in 1998.)

Considerable progress has been made:

- In 1996 alone, USAID, as a leading donor in family planning, health and nutrition, helped save the lives of five million children in 33 countries and enabled more than eight million couples in 36 countries to adopt family planning. USAID programs provided information access to many millions more to continue to use family planning.
- Nearly 400 million couples in the developing world now use contraception to avoid unwanted births. Family planning alone can prevent 25% of all maternal and infant deaths.

- In Jordan, the modern contraceptive prevalence rate has increased from 27% (1990) to 38% (1996), suggesting that the National Population Commission's target of 41.5% by 2000 will be met.
- In Zimbabwe, the average family size declined from 6.3 children in 1984 to 4.3 children in 1994.
- USAID has successfully concluded its family planning program in Colombia, with the average number of children per woman falling from 6.5 in 1965 to 2.8 in 1995.
- In Nepal, child mortality plummeted from 165 deaths per 1,000 live births in 1991 to 118 in 1996.
- Twenty five years ago, fewer than 5% of the world's children in developing countries were immunized against measles, diphtheria, pertussis, tetanus, polio, and tuberculosis. The figure now stands at approximately 80%. Polio has been eradicated from the Western Hemisphere and may be eradicated globally by the year 2000. Measles elimination is also within reach in the Americas.
- During 1980-1995, infant mortality in developing countries (excluding China) fell from 107 in 1,000 live births to 74 in 1,000. In the same period, under-five mortality rates fell from 165 in 1,000 to 116 in 1,000.
- In Central Asia, citizens have access to private health care services for the first time. In Kazakhstan, with USAID help, the government broke up the state monopoly, and auctioned and transferred ownership of 90% of the pharmacies (including 1,000 retail and 300 wholesale pharmacies). The new pharmacies offer better services and more complete and up-to-date pharmaceutical and other products at considerably lower prices and in customer-oriented settings. In Kazakhstan and Kyrgyzstan, citizens and doctors have a choice for the first time, and they like it. In pilot areas of Kazakhstan, 90% of the population has enrolled in private group medical practices. In Kyrgyzstan, 81 family group practices are fully operational in the pilot Karakol city, with 85% of the population enrolled.
- USAID has been a global leader since 1996 in HIV/AIDS prevention and helped pioneer a cohesive strategy for preventing and controlling HIV and AIDS. Working with donor, host-country, and NGO partners, USAID has helped countries respond to the crisis and develop effective interventions. Those interventions are changing behavior among groups at risk and lowering infection rates.
- USAID has helped decrease sexual HIV transmission by promoting safer sexual behavior. The agency supports the largest and most effective worldwide HIV/AIDS prevention program, providing education in behavior change and other interventions for more than 15 million people vulnerable to HIV infection.

**FY 1999 Program Budget Request for USAID Strategic Goal 4: World's Population Stabilized and Human Health Protected**

**Objectives:**

- Unintended and mistimed pregnancies reduced
- Infant and child health and nutrition improved and infant and child mortality reduced
- Death and adverse health outcomes to women as a result of pregnancy and child birth reduced

- HIV transmission and the impact of the HIV/AIDS pandemic reduced
- The threat of infectious diseases of major public health importance reduced

FY 1999 budget request:

Family planning	\$375 million (DA)
Infant and child health	\$227 million (CSD)
AIDS	\$121 million (CSD)
Other Health	\$ 27 million (CSD)
Infectious Diseases	<u>\$ 30 million</u> (CSD)
	\$780 million

### **Goal 5: The World's Environment Protected for Long-term Sustainability**

Environmental degradation endangers human health, undermines long-term economic growth and threatens ecological systems essential to sustainable development. The United States is affected directly by the loss of biological diversity, changes in global climate, the spread of pollutants, the use of toxic chemicals and the decline of fish in the ocean. Furthermore, struggles over land, water, and other resources can lead to instability and conflict, which can directly affect U.S. interests. U.S. leadership is essential to resolving global environmental problems and promoting environmentally sustainable economic growth in developing countries.

USAID promotes better environmental management to sustain the world's natural resources. Agency programs help people manage their activities in ways that enable the natural environment to continue to produce -- now and in the future -- the goods and services necessary for survival.

USAID focuses on five objectives to achieve its environmental goals: (1) conserving biological diversity, (2) reducing the threat of global climate change, (3) promoting sustainable urbanization and increasing pollution management, (4) increasing provision of environmentally sound energy services, and (5) expanding sustainable natural resource management.

In FY 1999, USAID will move into its second year of implementation of its \$1 billion five-year Global Climate Change Initiative. This will assist developing and transitioning countries to participate meaningfully in world efforts to significantly reduce gasses from the atmosphere. Programs will focus on energy efficiency, renewable energy production, forest protection, and agricultural techniques. Also in FY 1999, USAID will follow through on its recent decision to expand its highly successful U.S.-Asia Environmental Partnership program approach with U.S. environmental companies to other regions in the world.

The following are a few examples of current activities that USAID intends to continue, expand, or replicate during FY 1999:

- In the past year, USAID conserved the world's biodiversity through improved conservation on more than 5.5 million hectares (21,200 square miles) of land in 14 countries. Furthermore, USAID programs in rural communities led to 320,000 people in 16 countries adopting sustainable practices.
- With USAID assistance, Guinea, Malawi, Namibia, Nepal, Niger, the Philippines, and Tanzania took responsibility for managing their forest resources for long-term use. In 1996, 12 countries protected more than 5.5 million hectares of land important for preserving biodiversity.
- In India, a new gene bank facility, with storage capacity for 800,000 additional germ plasm samples (over the capacity of an older facility) for food crops, is now open and functioning as

a result of USAID assistance. The 34,000 exchanges of germ plasm materials with other countries in 1997 far exceeded expectations. The conservation of plant germ plasm samples is essential for maintaining the diversity and resilience of the world's food crops.

- In Egypt, USAID's work with polluting industries, power plants and vehicles led to more than 9,400 metric tons of nitrous oxide emissions averted in 1996 (surpassing the target by 6%). Carbon monoxide emissions fell by 22,560 metric tons (surpassing the target by 4%).
- Through a partnership with a local NGO, USAID is tackling one of Jamaica's biggest problems: disposal of sewage in low-income communities. In 1996, a 1,400 home squatter community installed on-site sanitation facilities and adopted behaviors consistent with good health and a clean environment, while the monitoring of ten key sanitation and environmental behavior indicators demonstrated a dramatic improvement in compliance from 46% to 96%.
- In Russia, the discharge of nickel from a large medical-instruments facility was reduced by 60% after a system to trap and reclaim this toxic metal was installed. Also, with low-cost pollution prevention and control measures adopted at eight factories, emissions from stationary sources in one city dropped by 8% in 1996.
- In Mexico, USAID support for energy efficiency and renewable energy programs, during 1996, prevented over 270,000 tons of carbon dioxide from going into the atmosphere.
- The agency's programs in Bolivia, Guatemala, Honduras, and the Philippines resulted in 820,000 hectares (3,200 square miles) of commercial forests being placed under sustainable management practices. Because of USAID-sponsored work in eight countries in Latin America and Africa, more than 210,000 people adopted sustainable agriculture practices in 1996. In Guinea, Honduras, Indonesia and Jamaica, USAID programs resulted in improved agriculture practices on nearly 125,000 hectares (about 480 square miles) of land.
- In Haiti, over 130,000 farmers practiced environmentally sound cultivation and participated in activities to increase sustainable hillside agriculture (substantially exceeding USAID's target of 100,000). The project has proven effective in helping farmers significantly increase farm production, income, and food security and protect the environment through soil and water conservation practice.

#### **FY 1999 Program Budget Request for USAID Strategic Goal 5: The World's Environment Protected for Long-term Sustainability**

##### **Objectives:**

- Threat of global climate change reduced
- Biological diversity conserved
- Sustainable urbanization including pollution management promoted
- Use of environmentally sound energy services increased
- Sustainable management of natural resources increased

##### **FY 1999 budget request:**

\$290 million (DA), of which Global Climate Change is (\$ 87 million)

## **Goal 6: Lives Saved, Suffering Associated with Disasters Reduced, and Conditions Necessary for Political and Economic Development Re-established**

USAID provides humanitarian assistance to achieve the goal of saving lives, reducing suffering, and reinforcing development potential through three objectives: (1) reducing the potential impact of humanitarian crises, (2) meeting urgent needs in crises, and (3) establishing security and getting basic institutions functioning to meet essential needs and basic rights.

USAID has traditionally responded to natural and relatively simple man-made disasters. Natural disasters include floods, tropical storms, cyclones, landslides, earthquakes, volcanoes, fires, droughts, pests and disease outbreaks. "Simple" man-made disasters include the collapse of bridges and other infrastructure and industrial and technological accidents caused by human error in design, operation and management. In recent years, USAID has had to respond to fewer natural and simple man-made disasters, largely because improvements supported by USAID in preparedness, technology and response systems have lessened the consequences of such disasters.

Increasingly, however, USAID is responding to more complex emergencies. These disasters are mostly political in origin and usually violent. They last longer and are more multifaceted than traditional natural and man-made disasters. The end of the Cold War created new challenges that test the capacity of USAID and its partners in the international community to provide humanitarian assistance. As superpower tensions eased, religious and ethnic rivalries have sharpened. USAID has provided a leadership role by undertaking preventive measures to reduce the impact of humanitarian crises by meeting urgent humanitarian needs, restoring law and order, and increasing the ability of institutions to meet basic needs and human rights. The agency created the Office of Transition Initiatives to work with USAID bureaus to integrate a timely and appropriate response to crises.

USAID has developed a strong partnership with the U.S. private voluntary organizations and international and indigenous nongovernmental organizations to deliver USAID's humanitarian assistance to support effectively the three objectives of this goal. These partners are a valued resource because they have an intimate knowledge of field conditions and provide continuity. A recent assessment by the Advisory Committee on Voluntary Foreign Aid, a board of private citizens who advise USAID and other government agencies on development issues, determined that the USAID-PVO partnership is significantly stronger than it was only four years ago.

- In 1996, USAID's disaster relief programs provided food and other assistance to more than 28 million disaster victims. In addition to timely delivery of humanitarian assistance, USAID continued its preventive and self-help measures, working with many nations to develop preparedness planning and early warning systems. Thirteen at-risk Latin American countries are far less dependent on external emergency assistance as a result. USAID-supported famine early warning systems in Africa averted serious food shortfalls in the Sahel and Horn of Africa.
- In Bangladesh, in 1996, USAID provided emergency supplies within 72 hours of a cyclone, assisting six million vulnerable people representing 40% of the population in 48 disaster-prone areas. Similarly, 4,000 families affected by a tornado received assistance within 48 hours, including first-aid treatment for 3,511 patients.
- USAID's emergency and humanitarian program in Angola has kept alive hundreds of thousands of Angolans during the civil war and the transition that followed. USAID-supported programs continue to provide food to 300,000 people monthly. As a result, malnutrition in one area dropped from 15.2% in 1994 to 8.7% in 1996.
- Women have been instrumental in peace processes and transitions in many areas of the world, from Mali and Somalia in Africa; and Guatemala and El Salvador in Latin America. The experience of women in Sierra Leone, where they took an active role in bringing about

democratic elections but were then unable to gain political representation and participation in the government then elected, is, unfortunately, widespread.

- USAID's land-mine awareness program in Angola has reached 1.4 million people and trained 750 people in mine removal techniques. As a result, mine accidents have been reduced significantly, large areas of the country have been reopened to commerce and agriculture, and many refugees and displaced persons have returned to their communities.

**FY 1999 Program Budget Request for USAID Strategic Goal 6: Lives Saved, Suffering Associated with Disasters Reduced, and Conditions Necessary for Political and Economic Development Re-established**

**Objectives:**

- The potential impact of crises reduced
- Urgent needs in times of crisis met
- Personal security and basic institutions to meet critical intermediate needs and protect human rights reestablished

**FY 1999 budget request:**

Disaster Assistance	\$160 million
Transition Assistance	\$ 45 million
P.L. 480 Title II Food Aid	<u>\$837 million</u>
	\$1,042 million

**USAID's Performance Monitoring and Evaluation Systems**

USAID's improved strategic planning and performance monitoring systems help the agency manage for results and learn from experience at every level. USAID is committed to using the lessons learned from monitoring and evaluating performance to improve program and management decisions, including decisions on resource allocation and program approaches.

About every five years, each USAID field mission and Washington-based office prepares a new multi-year strategic plan to guide its operations over the next planning period. The plan specifies the strategic objectives for which the unit will be accountable. These objectives must contribute directly to the agency's goals and objectives. Each year, the field missions and Washington offices and centers report on performance toward achievement of their objectives. They use evaluations to examine their approaches and assess, in particular, how or why results are or are not being achieved.

In addition to missions' evaluations, the Washington bureaus and offices conduct evaluations each year. Central evaluations, conducted by the Center for Development Information and Evaluation, address strategic program and policy concerns of USAID's senior managers. These studies generally assess a specific agency objective or program across a variety of countries. Each year, USAID develops an agenda for agency-wide evaluations. The results of these evaluations, including their findings and lessons learned, are widely disseminated through formal reports, briefings and electronic distribution. They substantially influence USAID's program and policy decisions. The technical centers in USAID's Global Bureau also conduct evaluations that examine the way programs are implemented in the field. In addition, regional bureaus evaluate region-specific issues.

## MANAGEMENT IMPROVEMENTS

Since May 1993, when USAID became one of two "reinvention laboratories" as part of the Vice President's National Performance Review, the Agency has sought to remake itself by:

- improving its strategic focus on fewer but more attainable goals;
- linking resource allocation more directly to program performance;
- reducing redundancy in management and empowering employees;
- instilling critical values of customer service, teamwork, results orientation, empowerment and diversity into the organization's corporate culture;
- supporting the new values with reformed operating systems that simplify and streamline USAID's work; and
- bolstering new operating systems with modern technology that will improve accountability and better track USAID's program and financial performance.

The goal of these management reforms is to make USAID a more responsive, effective and efficient organization in delivering assistance resources.

Promoting the new management vision and introducing new ways of doing business have been affected by resource shortages that have driven both the pace and content of the reform effort. These include cuts since FY 1993 in operating expenses, the program budget (excluding Egypt and Israel), and U.S. direct-hire staff.

These cuts have focused agency efforts on restructuring overseas operations. To maintain the agency's comparative advantage in its overseas presence, in the aftermath of major staff reductions over the past two years (including a reduction in force), USAID has begun to take stock of its remaining human and physical resources to achieve a new equilibrium between its mission and its management capacity.

USAID is embarking on the next phase of management reform. This includes agency efforts to deepen earlier reforms and tackle some difficult management areas -- such as human resources and work force information management -- as it seeks to support smaller, more focused field missions in managing for results.

### **Achievements in Agency Business Areas**

USAID is making major progress in most of its core business areas and administrative support systems.

**Operations.** Changes in how the agency plans, delivers and monitors its assistance have been the most dramatic. In September 1997, USAID issued its strategic plan, prepared in close coordination with the Department of State. In addition, almost all agency operating units have strategic plans in place supported by management contracts. Most field missions have formed and operate within strategic objective teams with increased authorities. About 80% of all agency operating units have performance monitoring systems in place with established baseline data for at least one of their strategic objectives.

**Procurement.** Procurement (contracts) and assistance (grants and cooperative agreements) are two of the major ways through which USAID translates its development objectives into performance.

USAID has been part of the overall federal effort to make procurement more user friendly, while administering resources responsibly. USAID has concentrated on two key areas: communication and training, and use of innovative contracting techniques, such as performance-based contracting. USAID is one of the leading agencies in using a contractor's past performance in the award of future contracts.

Improving communications with the contractor and grantee community is an important part of USAID's reform effort. In 1997, USAID used its internet website to post contract information on virtually all solicitation documents. Most of the queries on USAID's website involve procurement topics and issues.

Within USAID, however, there was acknowledgement that the processes involved in assistance and acquisition needed serious reform. A task force was formed in late 1997 to recommend ways to do this. The recommendations focused on more training for program management personnel, improved "teamwork" between contract and program management personnel, and increased delegations of warrant authorities. Implementation of these recommendations has already started.

**Organizational Management and Human Resource Development.** USAID has been going through a critical period for staffing and organizational restructuring. Driven by severe budget cuts, the agency revamped its overseas presence, reducing U.S. direct-hire staffing in field missions by 35% compared to FY 1992 (excluding the Office of Inspector General's staff). In addition, 28 missions have been closed since FY 1992.

In late 1997, another task force, which was formed to look at workforce planning issues, was asked to make recommendations about the size and composition of USAID's direct-hire staffing. The task force's primary concern was that the agency maintain a sufficient number of U.S. direct-hire employees overseas in order for USAID to continue to have its on-the-ground comparative advantage in development. Their recommendations favored preserving current overseas staffing, trimming Washington staff through attrition, increasing funds for staff training, and discussing alternative ways for managing USAID overseas missions.

Improvements in other areas of personnel management were in employee evaluation and the assignments process. A revamped employee evaluation program was put into use in 1996 and further streamlined in 1998. That program ties employee work objectives to strategic objectives of USAID's operating units and, more broadly, to the agency's goals. It focuses employees and raters on "results" and achievements rather than process, and heavily values teamwork. Also, a new assignments process has been put in place that reduces the time it takes to assign foreign service officers by an average of 50%.

**Information Resources Management.** A critical element to making agency core values succeed is effective information and communication systems. An integrated information system, as envisioned by the new management system (or NMS), empowers employees by providing ready access to shared information and by improving accountability through better record-keeping systems.

USAID has improved its ability to communicate internally and externally with both employees and customers. The last two years witnessed development of a variety of channels for reaching employees and customers alike, including: USAID internet and intranet with links to agency documents, policies and announcements in Washington and 40 of the agency's largest field missions; publication of On Track, a monthly reengineering digest; disseminating USAID Automated Directives System and supplementary references on CD-ROM as well as its access on internet; and USAID's Center for Development Information and Evaluation (CDIE) Reengineering Best Practices Series and Performance Monitoring and Evaluation TIPS available through "CDIE On-Line." All these media are supported by electronic help desks, so that all employees now have access to at least one channel of management support for management and policy queries.

USAID has also enhanced its use of information technology to improve its outreach to customers and stakeholders. It is estimated that the USAID corporate web page reaches 40 million people worldwide. Organizations and individuals are able to access procurement policies and business opportunities from nearly anywhere in the world. In 1997, for example, USAID's website for procurement information and business opportunities received over 500,000 hits.

The most serious challenge that USAID faces in information management is in introducing a fully functioning NMS worldwide. The system was rolled out on October 1, 1996 in 43 field missions and in Washington. Its success promised resolution to the agency's long-standing material weakness of lacking an integrated financial accounting system, greater efficiencies in budgeting, reporting program results, and managing financial resources. Initially, the system processed \$1.6 billion in contracts and grants, as well as the \$1.2 billion Israel cash transfer. In addition, 14,500 records from financial accounting and contract information management systems were "migrated" to the new system's data base.

Following initial rollout of the NMS, unanticipated problems emerged. Specific concerns about the new system included poor integration between the different modules, difficulty in generating summary reports, and data reconciliation. Following a report issued by USAID's Office of the Inspector General in late 1996, the agency took several management actions. First, an NMS group of senior agency personnel was formed in mid-1997 to diagnose and prioritize the measures needed to address the system's problems. An acting chief information officer was named with significant available time to devote to information resource management matters. A new director of information resources management was appointed, and an experienced USAID employee was brought from the field to serve as NMS program manager. As a result of these efforts, a comprehensive external assessment of the NMS has recently been completed. This assessment provides the necessary foundation of information for the agency to select the most cost-effective way to fix the NMS problems.

At the same time, staff and resources have been redeployed to ensure that the NMS and all other USAID systems will comply fully with federal year 2000 (Y2K) requirements. Most systems have already been fully assessed for Y2K compliance and necessary remedial actions are under way.

**Financial Management.** USAID has improved aspects of its financial management as it seeks to meet compliance standards of the Chief Financial Officers Act. In the area of accountability, increased use of automation has permitted the agency to streamline its cash reconciliation process. Also, increased use of electronic systems means that USAID pays 99% of its personnel through electronic fund transfers. Moreover, through use of the electronic certifying system, 96% of domestic vouchers are paid electronically, one of the highest rates of any U.S. Government agency.

Limited progress was made in correcting the material weaknesses related to internal accounting and administrative controls. The most critical weakness -- lack of a single, integrated financial management system -- remained outstanding. Correcting this critical weakness, and most of the others, depends on the development and full implementation of a new accounting system, which is under way. An interim evaluation of progress and possible strategic corrective changes is just being completed. A strategy for a worldwide integrated financial management system will be finalized, based on the results of the evaluation.

In the area of credit management, the agency has established a credit management improvement action plan which lays out a number of actions to correct identified problems with the management of credit resources. A series of milestones for completing the actions have been agreed with the Office of Management and Budget (OMB). A critical element in the action plan is the outsourcing of financial servicing and accounting for the credit activities. After the milestones have been achieved, OMB is expected to certify that the agency has established an effective credit management system, which will then permit the agency to exercise its new authority to transfer appropriated funds to the Development

Credit Authority. This authority will significantly expand USAID's ability to leverage private sector resources in support of its sustainable development objectives.

In the area of audit, there has been a concerted effort to enhance the agency's working partnership with the Office of the Inspector General (OIG). An audit resolution program has been developed that closely tracks and works to resolve outstanding recommendations that have exceeded six months.

**Administrative Services.** The most significant administrative event of 1996-1997 was the consolidation of USAID's headquarters operating units into a single office building at Federal Triangle. USAID has now relocated from eleven separate sites to one. This will improve productivity by eliminating employee transit between buildings and by facilitating contacts among the different bureaus and offices.

Work has also begun between USAID and the State Department management bureaus to consolidate overseas and Washington-based administrative functions, where practical. The old system of assigning overseas support costs between foreign affairs agencies (known as FAAS) has been replaced by a new, more accountable system called International Cooperative Administrative Support Services (ICASS). The objective of ICASS is quality service at U.S. Government field posts at the lowest cost. This is accomplished by more closely aligning the costs of delivering management services with the demand for these services. Equity is achieved by having agencies pay their fair share of administrative costs based on usage. Also, ICASS adopts the concept of customer service standards and accountability against which service providers are evaluated and held responsible.

The new system is being implemented over three years. In FY 1996, it was tested at four pilot posts, two of which (Warsaw and El Salvador) had a USAID presence. An assessment conducted in April 1996 made adjustments necessary prior to worldwide introduction in FY 1997. Full implementation of ICASS began October 1, 1997.

## **Conclusion**

The objective of USAID's reform of its management systems since 1993 has been to improve responsiveness, effectiveness and efficiency in delivering development resources. As the agency's global mission has become more complex, responding increasingly to transnational problems, countries in transition, and natural and man-made emergencies, its management systems have similarly been challenged to respond in different ways. After what was an overly ambitious start, USAID is examining options recently recommended by an independent assessment team to correct problems with the new management system, particularly its financial components. USAID remains committed to an integrated financial and information system that will support the agency's operations in the years ahead. Changes in the international operating environment, and in USAID staff levels, demand management approaches which may not call for a traditional USAID field mission model, in some cases. Successful management responses are being increasingly measured by their ability to adapt to and be effective in a variety of development situations.

## **SPECIAL INTERESTS**

USAID, in carrying out its sustainable development assistance mandate, has long provided funding for a variety of programs that have been supported by the Congress, the Administration, and the American people. These activities -- which range from specific interventions to promote child survival and combat infectious diseases, to providing assistance to the victims of landmine explosions -- embody the generosity of the American people's response in the face of human loss and suffering.

These compelling activities, in conjunction with USAID's strategies to foster economic growth, build democratic institutions, develop human capacity, promote improved health and family planning, protect the environment, and provide humanitarian assistance represent an important part of the agency's integrated approach to building sustainable, long-term solutions to development problems.

The following are some examples of the development activities for which Congress and the Administration have expressed explicit support or concern.

### **Agriculture**

In recognition of increased congressional and administration interest, USAID's planned budget for agricultural activities from all accounts will increase from \$283 million in FY 1998 to over \$300 million in FY 1999. Of this amount, \$127 million will come from the Development Assistance account in FY 1999, up from the \$121 million in FY 1998. Within the Development Assistance account, other funding categories also address agricultural issues, reflecting the importance of integrated strategies that address multiple aspects of development issues.

Over the last decade, funding for agricultural development has declined significantly for all major donors. There is now a growing recognition that the funding cuts went too far, and that developing agriculture is one of the best ways to reduce poverty and hunger in low-income countries, where the majority of the poor live in rural areas. There is also increased awareness that malnutrition is a major contributing factor in over 50% of childhood deaths in developing countries. Finally, there is greater recognition that support to long-term agricultural development is a "win-win" situation for the United States. Helping smallholder farmers in developing countries stimulates overall economic growth, which leads to increased imports of U.S. goods and services, such as the high-quality food and feed commodities in which the United States has a comparative advantage. In fact, former recipients of U.S. aid are now some of the biggest importers of American products. In 1996, South Korea and Taiwan alone purchased more agricultural commodities from the United States than the cost of the entire USAID bilateral programs worldwide, excluding food aid (about \$6.8 billion).

USAID is increasing its attention to the agriculture sector in several ways:

- Agricultural development has been elevated to the goal level in the agency's new Strategic Plan.
- USAID's contribution to the International Agricultural Research Centers (CGIAR Institutions) was increased by 16% in FY 1997, and will go up modestly again in FY 1998. The CGIAR funding includes assistance for a new program to more closely link U.S. universities with these international institutions.
- In FY 1998, USAID will launch the new Africa Food Security Initiative. Food security is the fundamental emphasis area in the Greater Horn of Africa Initiative.
- USAID's Farmer-to-Farmer Program, which provides voluntary U.S. technical expertise to developing countries, is showing increasingly impressive results and has been a stimulus for

- USAID is working more closely with U.S. agribusiness to develop a stronger public-private partnership that can enhance the development impact of investments from both sides, while helping to gain access to markets for U.S. business.
- In nutrition, USAID is forging an alliance of public, private and nongovernmental (NGO) groups to combat vitamin A deficiency, a major cause of childhood death and illness.

Worldwide, USAID's agricultural programs are having impressive results. These programs improve agricultural policies so that farmers have the right incentives; they support research that provides new agricultural technology like improved crop varieties and better, more environmentally sustainable farming practices; and they work to strengthen indigenous agricultural institutions and train farmers and researchers.

For example, USAID agricultural programs in Mali have played a major role in helping turn around the country's food security situation, by providing an integrated package of support for market-oriented farm policies, improved farmer incentives, and new technologies. In Albania, USAID is working with the Alabama-based International Fertilizer Development Center to facilitate development of a network of private agricultural input dealers that has been extremely effective in helping local farmers expand production and move toward a market-based agricultural economy.

As USAID seeks ways to reverse past downward funding trends, difficult trade-offs present themselves. A variety of competing administration priorities and congressional directives have left the agency with limited room to increase funding for discretionary areas like agriculture.

### **Child Survival**

The Congress and the American people have continued to provide strong support for child survival efforts. The national resolve to reduce childhood mortality will remain prominent within USAID's broader development program. As evidence of this continued commitment into the second decade of USAID's Child Survival Program, and consistent with Congressional action in the last two foreign operations appropriations bills, the Administration requests a separate Child Survival and Disease Program appropriation for FY 1999 of \$502.8 million. Of this amount, \$253.6 million is for child survival activities, \$98.2 million is for basic education, and \$151 million is for AIDS and infectious diseases.

USAID also funds child survival activities from other accounts, including Assistance for Eastern Europe and the Baltic States, FREEDOM Support Act funds for the New Independent States of the former Soviet Union, Economic Support Funds, and International Disaster Assistance. Continued U.S. involvement in the worldwide child survival initiative sends a strong message to the rest of the world: the United States is not willing to let the world's children suffer and die from preventable diseases.

Since its inception in 1985, USAID's Child Survival Program has played a vital role in preventing childhood deaths and illness around the globe. As the leading bilateral supporter of the global Child Survival program, USAID programs have helped avert over 25 million deaths in children under age five. Today, nearly 80% of infants are vaccinated by their first birthday, compared with only 44% in 1985. Polio has been eradicated in the Western Hemisphere and, with concerted effort, could completely disappear. Even the elimination of measles, the vaccine-preventable childhood disease that takes the most lives, is within reach in the Americas. Oral rehydration therapy programs are preventing deaths from diarrheal dehydration every day, as well as in crises like the cholera epidemic in Latin America two years ago. USAID has supported efforts to preserve breastfeeding as the method of choice for infant feeding and to promote proper breastfeeding practices. Increased and improved breastfeeding potentially can save an additional one to two million lives every year. Research sponsored by USAID and its partners proved that acute respiratory infections, especially pneumonia -- the disease that kills

the largest number of children -- can be treated effectively in community settings to significantly reduce deaths. USAID-supported research also shows that vitamin A supplements could avert a million deaths each year by reducing the devastating effects of diarrhea, measles, and other childhood diseases.

USAID's Child Survival Program has been an integral part of these accomplishments, improving the health of the world's children and saving millions of lives each year. The United States can be proud of the contribution it has made over the past decade to improving the health of the world's children. USAID is committed to sustaining this effort and realizing the goals of the 1990 World Summit for Children. Future directions of the program will concentrate on reaching underserved populations, on sustaining progress by institutionalizing the child survival interventions in the regular health programs and budgets of host countries, and finding ways to protect children from emerging problems -- such as the impact of HIV/AIDS and of increasing resistance to affordable antibiotics -- that threaten the gains achieved in their health and survival.

Social and economic conditions such as poverty, malnutrition, lack of education and sanitation, overcrowding and environmental degradation are key underlying contributors to child mortality. For example, 20% of the population in developing countries can be classified as malnourished, which weakens defenses to diseases and causes other health problems. For the past several years, funding has been severely reduced in the broader development areas which also impact child survival. Thus, while the agency will continue to strongly support direct child survival interventions, USAID is proposing \$47 million less in direct funding in the Child Survival and Diseases account, from the FY 1998 enacted level, in order to provide funds to broader activities such as those which provide economic opportunities for families to better support themselves and their children as they move from childhood into adolescence and adulthood.

### **Infectious Diseases**

As part of the overall Child Survival and Disease Program account, the Congress provided an additional \$50 million in the FY 1998 budget for programs to combat infectious diseases around the world. For FY 1999, the Administration plans to allocate \$30 million of the \$502.8 million requested for the Child Survival and Disease Program Account.

As a result of this Congressional support, USAID revised the overall strategy to put in place a new objective for reducing the threat of infectious diseases -- tuberculosis, malaria, acute respiratory infections, and other diseases such as yellow fever and diseases that are resistant to antimicrobial drugs.

USAID's approach to the prevention and control of infectious diseases is integrally linked to, and must be supported by, the agency's efforts in other areas to change the social and economic conditions that allow infectious diseases to flourish and spread, such as poverty, malnutrition, lack of education, lack of sanitation, overcrowding and environmental degradation.

The agency's new infectious diseases objective will work in conjunction with ongoing USAID efforts, particularly those relating to reducing the spread of HIV/AIDS and improving child survival and maternal health. In developing the implementation strategy for this objective, USAID is conferring closely with its partners, including the World Health Organization, the National Institutes of Health, the Centers for Disease Control and Prevention and others. As a result of the first technical consultation, USAID has reached agreement with its partners on an infectious diseases initiative based on four key elements:

- Slowing the emergence and spread of antimicrobial resistance, targeted at the major microbial threats in developing countries: pneumonia, diarrhea, sexually transmitted diseases, tuberculosis and malaria;

- Testing, improving and implementing options for tuberculosis control;
- Implementing new and effective disease prevention and treatment strategies focused on malaria and other infectious diseases of major public health importance; and
- Strengthening surveillance systems by enhancing information systems and data-based decision making and response capacity in developing countries.

USAID, together with its partners, has structured this initiative to achieve maximum impact on the control and prevention of infectious diseases by focusing on a few particular diseases which are sources of significant mortality. USAID will achieve results in the areas outlined above through provision of technical assistance to developing countries, through applied and other relevant research in strategically critical areas, and through helping to build indigenous capacity to address these issues.

While addressing these underlying social and economic conditions will not have an immediate impact on infectious diseases, serious gaps in these areas will threaten to undermine the focused set of priorities that USAID is funding through the infectious diseases initiative. Thus, to develop a more balanced and sustainable approach, for FY 1999, USAID has requested \$20 million less than the FY 1998 directed level for the targeted initiative in order to use these funds to address the underlying conditions that give rise to infectious diseases.

#### **HIV/AIDS Prevention and Care Initiatives**

For more than a decade, USAID has made a major commitment of resources -- nearly \$1 billion -- to counter the spread of HIV/AIDS in the developing world. For FY 1999, the Administration requests \$121 million for HIV/AIDS programs, as part of the Child Survival and Disease account. This crucial investment in HIV/AIDS prevention as a key to sustainable development has put the agency in the forefront of the global response to the epidemic.

In FY 1999, USAID will maintain its strong focus on preventing sexual transmission -- which is responsible for about 80% of HIV infections -- as the central component of the agency's widespread efforts in service delivery, capacity building, biomedical and behavioral research, and policy formulation. The vast majority of USAID's overall budget for HIV/AIDS will be spent to continue prevention activities through the following approaches: increasing distribution of condoms, changing high-risk behaviors through communication, and improving the diagnosis, treatment and control of sexually transmitted infections.

Uganda is an example of the success of this focus on prevention. Although Uganda has been severely affected by HIV/AIDS since early in the epidemic, recent trend data offers hope that new infections are decreasing. In 1997, 5% to 9% of Ugandan adults were infected, compared to 7%-12% in 1996. This decrease in new infections is most pronounced in younger age groups, confirming behavior studies that young people are adopting safer sexual behavior, including later sexual initiations, fewer partners and increased condom use.

To enhance this prevention agenda, USAID's expanded portfolio will embrace new efforts to mitigate the effect of the epidemic on individual lives and communities through activities such as improving basic care and psychosocial support for people living with HIV/AIDS and their survivors.

Working with the agency's counterparts in the international health community and local partners in more than 75 countries, USAID will continue to promote these effective responses to one of the world's most complex and devastating health crises. In the words of Congresswoman Nancy Pelosi, a leader in the fight for increased attention to the HIV/AIDS pandemic, "The destabilizing effect of HIV/AIDS on the societies and economies of the developing world cannot be underestimated."

## Education

Agency programs help build human capacity through education and training.

**Basic Education.** USAID plans to provide \$98.2 million from the Child Survival and Disease Program account for basic education activities in FY 1999, the same level as in FY 1998. USAID's investment in basic education seeks to ensure that developing countries give every child access to an effective primary education. The agency addresses basic education assistance in countries where substantial need exists for primary education and where governments and other partners are committed to universal access and improved quality, efficiency and equity.

USAID basic education programs continue to build national primary education systems in nine African countries. With USAID assistance, Benin, Ethiopia, Guinea, Malawi and Uganda have increased the share of the education budget going for primary education and raised the non-salary share of the education budget. In Uganda, primary teacher salaries have increased sevenfold over the past three years. Benin, Ghana and Mali have decentralized their finance and budgeting systems to empower regions to make their own budgetary decisions. In Guinea, teachers who were at the secondary level now serve primary schools, with a 7% increase in enrollment in 1996 alone. Community schools in Mali increased gross enrollment from 22% in 1989 to 33% in 1997, and similar trends are evident in Benin and Guinea. USAID helped nongovernmental organizations to pioneer new instructional materials and methods in South Africa, which the government is now promoting in schools nationwide. USAID support to regional institutions is resulting in dynamic dialogue and capacity building within and between African countries.

USAID assistance to countries in Asia and the Near East concentrates on girls and women in Egypt, India, Morocco and Nepal. In Egypt, the Ministry of Education adopted several USAID-supported policy reforms that contribute to increased participation of girls. For example, the permissible age for entry to primary school was increased from eight to nine years.

In Latin America and the Caribbean, programs in Ecuador, El Salvador, Guatemala, Haiti, and Honduras concentrated on educational reforms to improve educational quality and address issues of equity in primary schooling. USAID's assistance to Honduras for teacher training and curriculum development led to gains in efficiency. As a result, the number of primary school children completing school rose by 3% between 1995 and 1996. In El Salvador, USAID supported the procurement and distribution of newly designed sixth grade textbooks and curriculum guides for language and mathematics, which led to an increase in achievement scores in mathematics.

**Higher Education.** USAID funds a variety of partnerships with higher education institutions. Broadly speaking, these fall into two groups.

First, USAID resources provide a catalyst for linkages between U.S. colleges and universities and counterpart institutions in developing countries. Through programs like the University Development Linkages project, USAID funding leverages substantial additional resources and provides the stimulus for lasting partnerships that can greatly strengthen developing country institutions. For example, with USAID funding, the University of Florida has worked actively with Makerere University in Uganda to develop a very successful Human Rights and Peace Center. In India, Iowa's Sinclair Community College used a USAID grant to transform a vocational education center into a proactive, self-sufficient training institution.

Second, U.S. colleges and universities are important partners in implementing USAID's development programs in several sectors. In agriculture, health, population and other sectors, the technical depth and institutional strength of the U.S. higher education community is a valuable asset in implementing foreign assistance programs.

## **Microenterprise**

In launching its Microenterprise Initiative in 1994 with broad and bipartisan Congressional support, and renewing it in 1997, USAID affirmed that support for microentrepreneurs would be one of the main aspects of its approach to economic growth. USAID's microenterprise programs, which provide very small loans to individual entrepreneurs, stress increasing the economic participation of the poor and people in transitioning economies. It is an approach that is capable of reaching many people. In 1996, USAID's programs reached over one million households.

The overall trend in USAID microenterprise funding shows a persistent increase during the past decade. Congress has stated its preference for an overall funding level of \$130 million to \$135 million for the microenterprise program. USAID intends to meet the \$135 million level of funding in FY 1999. In meeting this level, USAID also must remain cognizant of the limited absorptive capacity of this relatively new development endeavor.

Congressional interest has focused not only on the amount of money spent on microenterprise programs but also how it is spent. Some important statistics, based on the latest available data, are:

- 66% of loan clients were women.
- 89% of the total number of loans were "poverty lending" loans.
- Africa had the smallest average loan size of \$130. Europe and the New Independent States of the former Soviet Union had the largest -- \$1,014.
- Of the total funds committed to microcredit programs, 58% was provided to poverty lending programs.

USAID's biggest challenge in the coming years is to help more of its partners achieve financial sustainability. As is the goal of all of America's foreign assistance programs, the ideal is to nurture institutions that are self-supporting. With respect to microenterprise, USAID cannot, and should not, manage these programs from Washington. In fact, the USAID countries that have been most successful in developing a vital local microenterprise development "industry" are precisely those that have strong in-country staff who are able to nurture these programs.

## **Private and Voluntary Organizations**

Private and voluntary organizations (PVOs) and cooperatives are key partners in USAID development and humanitarian efforts abroad. USAID, PVOs and cooperatives share similar values and objectives. Over the past three decades, USAID and the PVOs have developed a strong working relationship consonant with the important contributions made by these organizations to international relief and development efforts and the changing priorities, structures and capacities of the U.S. foreign assistance program. U.S. PVOs and cooperatives have substantive advantages that complement and are compatible with USAID's areas of program concentration.

The Congress has long supported the USAID-PVO partnership and has urged the USAID Administrator to draw on the resources of the PVOs and cooperatives to plan and carry out development activities. In 1995 at the United Nations World Summit for Social Development, Vice President Al Gore announced a New Partnerships Initiative, which emphasizes the strategic value of a strong and vibrant civil society and looks to strategic partnering among nongovernmental organizations (NGOs), the business community, and institutions of local democratic governance to help break the dependence of developing countries on external support. The Vice President also announced the goal of increasing the funding for NGOs to 40 percent of development assistance. The most recent data available shows over 30% of the Development Assistance budget alone was directed to PVOs and cooperatives, and

we plan to continue to channel significant amounts of funding through these key development partners.

USAID, through the Office of Private Voluntary Cooperation (PVC), supports activities which increase the capabilities of PVOs and cooperatives to deliver development services at the grass-roots level. In addition to these PVC programs which strengthen the organizational capacity and programs, the agency's central, regional and country programs have fully integrated funding for PVO activities into their strategies. U.S. PVOs have played an important role in stimulating the growth and vitality of indigenous NGOs in many countries. There has been a worldwide expansion in the level of voluntary activity and in the number and variety of indigenous NGOs.

The Advisory Committee on Voluntary Foreign Aid (ACVFA) was established after World War II by Presidential directive to serve as a link between the U.S. Government and PVOs active in humanitarian assistance and development work overseas. Through this committee, USAID consults with these organizations about topics of general interest, including overall agency policies and strategies. The ACVFA meetings serve as fora for information exchange between the public and private sectors. The Committee brings together USAID and PVO officials and representatives of universities, international NGOs, the business community, and other government, multilateral, and private organizations to foster understanding, communication, and cooperation among those involved in international development.

### **Non-Project Assistance**

The Joint Explanatory Statement of the Committee of Conference on the FY 1998 Foreign Operations Appropriations bill expressed concern that "large non-project assistance programs ... could perpetuate aid dependencies," and requested that USAID undertake a thorough review of such assistance programs and report on the results of the review by March 1, 1998. USAID's experience with NPA in Africa will be fully elaborated in the March report.

Non-project assistance (NPA) consists of both cash transfers and commodity import programs. Initially funded only through the Economic Support Fund (ESF), beginning in FY 1989 the Congress authorized the use of the Development Fund for Africa (DFA) for such purposes. Support for East European Democracy (SEED) funds and FREEDOM Support Act funds in the New Independent States (NIS) also have been used recently, as described below.

The first table following this narrative shows NPA obligations by geographic bureau during the period FY 1988 through FY 1998. In FY 1997, of the \$1.8 billion obligated for NPA, \$1.5 billion was for Israel and Egypt; another \$120.2 million was for Bosnia. The remainder was for three LAC countries (Bolivia, Haiti, Guatemala) four African countries (Ethiopia, Ghana, Malawi, Uganda), Ireland, Turkey and the South Pacific Tuna Treaty.

The second table provides 1999 estimates of potential non-project assistance, by country, which could change in some cases if certain conditions are not met.

Except for Israel and Egypt, NPA has been declining in recent years, but has served as a useful tool providing both short-term and long-term benefits -- cash for budget support, foreign exchange or repaying debt, while at the same time leveraging change in a country's policies that lead to sustainable development.

In Africa, non-project assistance is a critically important tool for long-term capacity and institution building. It is the most effective way to support African-led reform efforts. USAID's NPA programs in Africa, which are always in the form of sector assistance and accompanied by project assistance (PA), provide the up-front investment necessary for a host country partner to initiate and implement much needed sector reform. USAID has been a leader in supporting sector reform, and all donors are now increasingly directing their NPA and project assistance resources to support African-led sector programs. Through the agency's NPA and PA hybrid mechanism, USAID's sector reform programs

help: to ensure budgetary room to undertake reform, and to build long-term, sustainable approaches to development; to build technical know-how and the institutional base for reform; to facilitate participatory policy deliberation and decision-making; and to build nongovernmental and private sector capacity to actively play a role in the reform process at the local, regional and national levels. The end result is a strengthened, African owned and led sustainable development process.

USAID has undertaken very few cash transfers in Latin America and the Caribbean in recent years. Exceptions are the immediate post-intervention period in the Haiti program and the first year of the Guatemala Peace Program. Both of these countries faced very low levels of tax revenues in relation to gross domestic produce (GDP), together with very high commitments for public sector services. Both NPA programs provided local currencies to sustain government services while the host government took actions which increased their respective levels of tax efforts. The result in both cases was that essential services, including in the case of Haiti, police services, were maintained and the tax effort was increased, although less rapidly in both cases than had been expected.

In the Europe and NIS region, USAID has supported balance-of-payments requirements and encouraged economic policy reform in Turkey through ESF-funded cash transfers; these ended in FY 1997. The International Fund for Ireland is supported through ESF-funded grants to help promote economic regeneration, community involvement and social reconciliation through investments in activities which create jobs and help reconstruct disadvantaged areas. In Bosnia, SEED funds have supported the Dayton Peace Accords through reconstruction and economic recovery programs which generate employment and provide balance-of-payments support; this program will continue in FY 1999. In Russia, in FY 1994, FREEDOM Support Act funds were used for a commodity import program to finance importation of U.S. equipment important to increased energy efficiency and environmental improvements; this program is completed.

**Non-Project Assistance Obligations - FYs 1988-1998**  
(\$millions)

<u>Bureau</u>	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1990</u>	<u>FY 1991</u>	<u>FY 1992</u>	<u>FY 1993</u>	<u>FY 1994</u>	<u>FY 1995</u>	<u>FY 1996</u>	<u>FY 1997 est.</u>	<u>FY 1998 est</u>
Africa (Sub-Saharan)	21.9	180.6	158.1	264.4	186.2	158.2	132.5	85.3	58.4	44.3	45.5
Asia & Near East	1,617.4	1,902.9	1,763.6	2,276.2	1,617.0	1,658.9	1,416.0	1,864.0	1,614.0	1,554.0	1,614.0
Europe & the NIS	99.0	110.0	63.7	292.0	80.8	200.0	134.4	204.9	72.7	181.4	185.3
Latin America & Caribbean	412.2	344.3	896.9	513.8	301.5	192.0	65.0	70.0	10.0	15.0	10.0
Totals	2,150.5	2,537.7	2,882.2	3,346.4	2,185.4	2,209.1	1,747.9	2,224.2	1,755.1	1,794.7	1,854.8

NOTE: Non-project assistance (NPA) consists of cash transfers and commodity import programs (CIPs); in recent years the latter has been usually implemented only in Egypt. Until FY 1989, NPA was funded only through the Economic Support Fund. Beginning in FY 1989 the FAA authorized the use of the Development Fund for Africa for such purposes and SEED and NIS funds have been used for programs in Bosnia and Russia.

**NON-PROJECT ASSISTANCE  
REQUESTED IN FY 1999  
(\$ millions)**

<u>Bureau/Country</u>	<u>FY 1999 Estimate</u>	<u>Reason</u>
<b><u>Africa (Sub-Saharan)</u></b>		
Eritrea	2.5	to improve health care
Ethiopia	8.0	improve systems for primary education
Ghana	5.0	policy reform re primary education and trade and investment
Malawi	13.5	to improve smallholder access to ag markets manage natural resources
Mozambique	10.0	improved/decentralized health services, improve rural income through access to markets
Senegal	3.0	improve private sector income through GOS policy reforms
Uganda	7.5	to support primary education reform
Zambia	4.0	to ensure health sector reforms that decentralize responsibilities/resources.
<b><u>Asia &amp; Near East</u></b>		
Israel	1,200.0	U.S. debt repayment/U.S. imports
Egypt	400.0	CIPs/cash for expanding private sector
South Pacific Tuna	14.0	allows the U.S. to harvest tuna
<b><u>Europe &amp; the NIS</u></b>		
Bosnia	76.0	reconstruction & economic recovery
International Fund for Ireland	19.6	Projects to promote private enterprise
<b><u>Latin America</u></b>		
	<u>None</u>	
<b>Total</b>	<b>1763.1</b>	

## CENTRAL PROGRAMS

	FY 1997 Actual	FY 1998 Estimate	FY 1999 Request
<b>Development Assistance</b>	<b>\$310,405,000</b>	<b>\$294,920,000</b>	<b>\$313,517,000</b>
<b>Child Survival and Disease</b>	<b>\$120,362,000</b>	<b>\$133,633,000</b>	<b>\$123,628,000</b>

The central programs of USAID are essential to carry out activities that directly advance U.S. national interests of economic prosperity, democracy and human rights advocacy, and to address global issues, such as environmental protection, population growth and health, and humanitarian assistance. In partnership with private and voluntary organizations (PVOs), universities, other donors and international assistance organizations, USAID contributes to substantive improvement in the ability of societies to improve the quality of life of people in developing countries and countries undergoing transition to market economies. The core of these central programs funds the research, technology development and transfer, and capacity building essential to achieve conditions favorable to sustainable development, which USAID has identified in its six goal areas: broad-based economic growth and agricultural development, strengthening democracy and good governance, building human capacity through education and training, stabilizing world population and protecting human health, protecting the world's environment for long-term sustainability, and providing humanitarian assistance. The central programs are comprised of three distinct, yet interrelated, bureaus within USAID: Global Programs, Field Support and Research; Humanitarian Response; and Policy and Program Coordination. These bureaus initiate and manage the central program core budget of Development Assistance (DA) **\$313,517,000** and Child Survival and Disease (CSD) **\$123,628,000** funds.

In keeping with its mandate as the Agency's central technical resource, central programs provide technical leadership to the Agency's five sustainable development goal areas and are responsible for providing technical support to field missions which it does both through its on-board staff and through its portfolio of centrally managed assistance tools. Central programs are responsible for most of the agency's research as well as the technical training which enables agency staff to continue to provide cutting-edge technical leadership. Central programs identify, then test and adapt successful approaches and methodologies from around the world to ongoing efforts to achieve sustainable development. In many cases, central programs lead the agency's efforts to bring other donors, international organizations, other US government agencies and developing country institutions together around pressing issues such as Global Climate Change, the HIV/AIDS pandemic, and the economic status and legal rights of women.

Central programs design, manage, and evaluate technology transfer, applied and operations research, and other technical leadership activities in a diverse array of program areas directly related to the agency's strategic goals. These programs provide direct field support and other technical resources to USAID's regional and country programs. USAID field missions tap into the central programs to obtain the latest global technical leadership and research experience. This process marshals the resources required to provide the most up-to-date methods and tools to address specific country problems, support capacity building with USAID's development partners and customers, and provide lessons on the most effective development strategies that are disseminated throughout the international assistance community. Thus central programs use core resources and transfers of a roughly equal amount of resources from field and regional operating units to fund direct program management, technical leadership activities, and provision of specialized resources to the field.

Achievements of central programs have been notable: programs in population and family planning have helped to bring the average number of children per family in developing countries down from more than

six in the 1960s to four in 1997; between 1995 and 1997, USAID support for family planning resulted in an increase of more than 10 million contraceptive users. The United Nations estimates that seven million children's lives are being saved annually through the global child survival program and USAID is one of its largest supporters. During the next two years, the number of low-income clients gaining access to ongoing financial services supported by USAID will increase from 157,000 to 400,000, and over 65% of them will be women. In human capacity development, USAID has developed new educational development products, including software packages, to collect, analyze and provide statistics for use by Ministries of Education worldwide. In the past year USAID programs have helped improve the conservation of biodiversity on an additional one million hectares (2.5 million acres) of tropical forests, coral reefs, and grasslands, bringing USAID's total to 11 million hectares (27.5 million acres) in 32 countries under sustainable resource management. Through its support of Transparency International, central programs work with USAID field missions to establish coalitions of like-minded organizations and individuals to work with governments on developing and implementing anti-corruption programs. Over 70 national chapters that foster anti-corruption programs have been established to date. The institutional changes being implemented through USAID's Gender Plan of Action have become a model for integration of gender issues in the follow-up to the Fourth World Conference on Women.

Special initiatives are underway to promote programming synergies across the operating units in the central programs. Urban issues have been targeted including a multi-sector, local capacity-building approach to managing urban problems in several African cities, a pilot urban electronic center to give citizens access to government information and services at six community centers in Asuncion, Paraguay, and testing participatory approaches to solving water resource problems in a small number of municipalities that are experiencing serious water shortages.

Donor countries and partners are working towards agreement, on specific targets in many areas of development, ranging from child survival to global climate change. Central programs provide USAID technical leadership in demonstrating that coordinated efforts among donors and partners are the most effective way to achieve results. The critical mix of research, field testing and evaluation in USAID's central programs enables USAID to exercise a leadership position in the donor community, with the dissemination of drought-resistant crop technologies and cooperation in combatting the spread of the HIV/AIDS virus as two examples of effective donor collaboration.

The central programs improve the capabilities of USAID and its partners to obtain and use development information in decision-making and policy formulation, sharing lessons learned throughout the international development assistance community and leading to the development and adoption of strategic planning and performance measurement for all of USAID's program operations.

Central programs support activities to increase the capabilities of PVOs and cooperative development organizations (CDOs) to deliver sustainable development services at the grassroots level in priority areas such as child survival, microenterprise development, women's education, and the environment. These programs strengthen the organizational capacity and programs of PVOs and CDOs, enabling these key USAID partners to provide cross-cutting support for the achievement of shared objectives and the agency's strategic goals.

## **STABILIZING WORLD POPULATION AND PROTECTING HUMAN HEALTH**

Despite significant declines in fertility and overall improvements in mortality and health status in developing countries during the past three decades, important challenges remain. More than 120 million women worldwide currently want to limit or space their childbearing, but do not have access to safe and effective contraception. Each year, approximately 585,000 women die unnecessarily from causes associated with pregnancy and childbirth. About 98% of these deaths occur in developing countries, and the vast majority are preventable. Child mortality in the developing world has declined, but remains high, with an estimated 11 million children under age five dying annually from preventable

causes such as measles, pneumonia and diarrheal disease. The HIV/AIDS pandemic continues to spread and devastate social and economic development efforts worldwide.

The United States has a vital stake in providing assistance in the population, health, and nutrition (PHN) sector because these programs have proven to be cost-effective, and they clearly address U.S. national interests. For example, early stabilization of the world's population serves U.S. national interests by contributing to global economic growth, a sustainable environment and regional stability. Reduced population pressures will also lower the risk of humanitarian crises in countries where population growth is highest. Protecting human health and nutrition impacts directly on economic productivity, and also affects the public health in the United States. Unhealthy conditions elsewhere in the world increase the incidence of disease and threat of epidemics which may directly affect U.S. citizens, retard economic development, and increase human suffering. Thus, the United States has a direct interest in both safeguarding the health of Americans and helping to reduce the negative consequences of disease worldwide.

USAID continues to be the premier technical assistance agency in the PHN sector, by virtue of the size of its program, its field presence, and the significant results it is achieving. Central programs have made important contributions to agency objectives in this sector.

**Strategic Support Objective 1. Increased use by women and men of voluntary practices that contribute to reduced fertility.**

USAID programs in *population and family planning* have had a significant impact on fertility, helping to bring the average number of children per family in developing countries down from over six in the 1960s to four in 1997. Between 1995 and 1997, USAID support for family planning resulted in an increase of over 10 million contraceptive users. Central programs have created a supportive environment and institutional framework for the provision of quality family planning services and information.

**Strategic Support Objective 2. Increased use of safe pregnancy, women's nutrition, family planning, and other key reproductive health interventions.**

To meet the agency's objective of contributing to the *global reduction of maternal mortality* through PHN interventions, central programs have leveraged scarce resources by documenting the feasibility, effectiveness, and affordability of key maternal health interventions. These results are shared with USAID's international, governmental and nongovernmental partners so that the important USAID contribution can be used by others as they make their policy and programming decisions for investments in maternal health. Other USAID programs in economic growth, education of girls, and promotion of gender equity also continue to be essential contributors to the agency goal of maternal mortality reduction.

**Strategic Support Objective 3. Increased use of key child health and nutrition interventions.**

The Secretary General of the United Nations estimates that seven million children's lives are now being saved annually by the global *child survival program*. As one of the largest supporters of that program, USAID is responsible for a substantial part of this accomplishment. The special roles of central programs within the agency's child survival program include developing and applying cost-effective and sustainable interventions against childhood diseases; engaging in global policy development and in partnerships with other organizations; providing state-of-the-art technical support and assistance to field missions', regional bureaus', and countries' child survival programs; and deriving and disseminating best practices and innovative approaches from USAID's experience to improve worldwide child survival programming.

**Strategic Support Objective 4. Increased use of improved, effective, and sustainable responses to reduce HIV transmission and to mitigate the impact of the HIV/AIDS pandemic.**

USAID has emerged as the global leader in *addressing the HIV epidemic* by developing international standards of practice (i.e., proven interventions) for the prevention of HIV transmission. Since 1991, in over 45 countries, USAID-supported programs have reached nearly 22 million persons with comprehensive HIV prevention education and behavior change activities to reduce risk behavior; 186,967 counselors and educators have received intensive training; and over 400 million condoms have been distributed, 80% of which were sold through social marketing programs. The clinical management of sexually transmitted infections has been improved in 22 countries and innovative tools, such as the female condom, have been developed and introduced as part of intervention research activities.

**Strategic Support Objective 5. Increased use of proven interventions to reduce the threat of infectious diseases of major public health importance.**

USAID is undertaking a new initiative to help increase the international effort to *combat infectious diseases*. To this effort, USAID brings a focus on diseases which have a major public health impact in the developing world (concentrating on those diseases that are the sources of significant mortality) and building the capacity of developing countries to prevent, treat and minimize the spread of infectious diseases. Activities will focus on four areas: (1) combatting anti-microbial resistance; (2) tuberculosis prevention and control; (3) malaria prevention and control; and (4) disease surveillance and monitoring. USAID will continue its existing work to reduce mortality due to infectious diseases that threaten the survival of children, the reproductive health of women and the life expectancy of young adults through diseases such as HIV/AIDS.

The important contributions of central programs to agency performance in the PHN sector stems from the success of central programs in carrying out three critical functions. These functions include *global leadership, research and evaluation, and technical support to the field*. These critical functions link the operations of central programs with the problems and opportunities in the developing world, not only in countries served by USAID missions, but globally.

Global Leadership. Central programs are responsible for major programmatic innovations in the population, health and nutrition field, including the development and introduction of new and improved contraceptive methods, improved public and private sector service delivery systems, the Child Survival Initiative, and the mobilization of the international community in response to the HIV/AIDS pandemic. As a leader among donors in the PHN sector, USAID places great importance on donor coordination as a means to avoid duplication and to ensure that the most urgent program needs are met. Although USAID has the greatest experience and technical capacity in service delivery programs, other donors often play important complementary roles in other areas such as policy dialogue and training. Donor coordination occurs through formal and informal communication, and through USAID's leadership in multilateral meetings on population, health and nutrition.

Research and Evaluation. Central programs play a significant technical leadership role in the arena of research and evaluation, currently accounting for more than 80% of the agency's research activities in population, health and nutrition. Central programs support the development, testing and dissemination of new technologies and methodologies that address key technical problems and constraints to program implementation in developing countries.

Technical Support to the Field. Central programs are customer-driven with field missions as their primary clients. The rationale for all of the central programs is to support the field by providing information, training, commodities, and technical support particularly for delivery of services. Field technical support provided through central programs is the critical link through which advances in research are reflected in program improvements at the country level. Central programs also work with

field missions to ensure an appropriate fit between centrally funded initiatives and country-specific situations, and provide a ready mechanism by which missions can benefit from the experience and knowledge that USAID has gained worldwide.

## **PROTECTING THE ENVIRONMENT**

Global environmental challenges -- climate change, the loss of biodiversity, explosive growth in the world's urban centers, and environmental mismanagement -- are fundamental constraints to sustainable development, and pose real threats to America's economic and political interests. To combat these threats, USAID, through the Environment Center, focuses on four strategic support objectives that contribute to managing the environment for long-term sustainability. Through these, the Environmental Center supports the environmental objectives of the missions and other parts of USAID, as well as provide technical leadership.

### **Strategic Support Objective 1. Improved protection and sustainable use of natural resources, principally forests, biodiversity, and coastal and freshwater ecosystems.**

The natural resources upon which people depend for sustainable development are being degraded, depleted, and inefficiently used in many parts of the developing world. Deforestation, water scarcity and poor water quality, loss of genetic resources, and the deterioration of coastal and aquatic ecosystems cause severe environmental, economic and social problems. Working in 60 countries, USAID supports one of the most comprehensive natural resource conservation programs of any bilateral donor. USAID has made important contributions to safeguarding biological diversity and maintaining environmental health by supporting the conservation of biologically important areas, sustainable forestry, integrated coastal resource management, and environmental education and awareness. Results achieved in FY 1997 include the following:

- Central programs helped improve the conservation of biodiversity on an additional one million hectares (2.5 million acres) of tropical forests, coral reefs, and grasslands, bringing the total to 11 million hectares (27.5 million acres) in 32 countries;
- An additional 301,033 hectares (752,580 acres) came under effective management, meaning that rates of environmental degradation were significantly slowed or reversed and that local organizations demonstrated the ability to manage their areas effectively;
- Integrated management of coastal resources covering 426,300 hectares in Sri Lanka, Mexico, Indonesia, Tanzania and Kenya created strong alliances between local government and coastal communities and promoted effective conservation of more than 125,000 hectares of critical coastal habitat; and
- National and local environmental awareness campaigns relating to water scarcity and conservation reached more than 2.5 million citizens in Central America and the Middle East.

Over the next two years, central environmental programs will achieve the following results:

- The improved conservation of at least an additional 600,000 hectares (1.5 million acres) of critical habitats in India, Nepal, the Philippines, Papua New Guinea, Indonesia, Mexico, Central America and Central Africa; and
- Improved management of 480,000 (1,200,000 acres) hectares of critical coastal habitat in East Africa, Mexico and Indonesia. Areas are considered under improved management when there is increased participation of stakeholders, strengthened capacity for planning and

implementing interventions or strategies and policies are developed that enable sustainable management.

**Strategic Support Objective 2. Improved management of urbanization in targeted areas.**

While cities in developing countries present opportunities for economic and social growth, urbanization poses enormous environmental problems with significant economic and social impacts, including dangerous levels of pollution and insufficient access to clean water, clean air, and sanitation. USAID helps countries develop policies, strengthen institutions (both public and private), and identify cost-effective measures and financial resources for addressing these problems. Results achieved in FY 1997 include the following:

- 546,000 households benefited from improved urban environmental infrastructure and shelter solutions through the Urban Environmental Credit Program;
- The International Resource Cities Program promoted more effective local governments by matching five cities in the United States with those in developing and transitional countries to provide technical advice and cooperation on issues such as urban service delivery, solid waste collection, and environmental management; and
- USAID reduced urban pollution by promoting the adoption of 270 cleaner production policies and manufacturing processes in Bolivia, Ecuador, Egypt, Indonesia and Paraguay through the Environmental Pollution Prevention Program.

Over the next two years the following results will be achieved:

- Using technical assistance funded under this strategic objective and loan funding through the Urban Environmental Credit Program, USAID will provide more than 1.2 million households with improved urban environmental infrastructure and shelter solutions (as defined by a series of technical performance indicators);
- The International Resource Cities Program will develop an additional six to seven partnerships between U.S. and host country cities to enhance more effective local governments through the sharing of information, technical approaches, etc., and use the lessons drawn from these experiences to influence actions in cities around the world; and
- A new Environmental Management System (EMS) program will help city governments define the roles and responsibilities of public and private institutions in environmental management, provide guidelines for controlling both municipal and industrial pollution sources, and provide assistance in developing appropriate financing tools to reduce urban pollution. Five area programs will report reduced pollution from implementing an EMS.

**Strategic Support Objective 3. Increased, environmentally sustainable energy production and use.**

Most developing countries must expand energy supply in order to achieve and maintain economic growth. However, expansion of energy production and use often creates substantial environmental and health problems and may increase greenhouse gas emissions that contribute to global climate change.

USAID is assisting developing countries to develop sustainable, environmentally sound, energy regimes, with strong emphasis on those approaches to the reduction of greenhouse gases which also provide economic or other environmental benefits. USAID promotes free market policies and more efficient power production, energy conservation, and private sector participation in the energy sector. USAID, working with other donors and the private sector, often leverages additional investments to finance

environmentally sustainable energy production and use. Increased private sector participation in the power sector of developing countries opens a \$50 billion industry to U.S. companies while providing needed investment in energy infrastructure. Results achieved in FY 1997 include the following:

- Over \$300 million in renewable energy financing by the World Bank and the International Finance Corporation was leveraged by USAID activities; and
- More than 19,000 tons of CO<sub>2</sub> emissions were avoided through USAID activities to implement energy efficient technologies, practices and policies.

Over the next two years, significant progress is expected toward the following results:

- Increase of 40% in megawatts saved by adopting energy efficient technologies, practices, and policies in USAID-assisted countries;
- Increase of 75% in the number of households, businesses and service centers (hospitals, schools, etc.) that benefit from small-scale energy systems; and
- Number of partnerships between U.S. and host country businesses in cleaner energy technologies will triple from 1996 levels.

#### **Special Objective 1. Reduced threat to sustainable development from global climate change.**

Global climate change poses profound economic and ecological challenges. While all sectors of the global economy, all realms of the natural environment and all countries of the world will be affected, the greatest impacts will fall on developing and transition countries, the countries least able to cope with crisis and adapt to change.

In June 1997, President Clinton announced that the United States would provide at least \$1 billion over the next five years for programs to reduce the threat of climate change by decreasing the rate of growth in net greenhouse gas emissions in developing countries, increasing developing country participation in the United Nations Framework Convention on Climate Control (UNFCCC), and reducing developing country vulnerability to climate change. This agency-wide special objective was created to implement the initiative. Results achieved in FY 1997 include the following:

- USAID analyzed the climate change experience of the last five years, and based on the results, developed an action plan to implement the President's initiative and a results framework to track USAID's climate change activities;
- USAID provided technical and policy leadership to U.S. Government efforts to promote joint implementation measures with developing countries, and developed a bilingual *Guide for Establishing Joint Implementation Programs* to assist Guatemala, El Salvador, Nicaragua, Chile and Bolivia to establish projects, set-up Joint Implementation offices or committees, and introduce methodologies for technically evaluating projects; and
- USAID has implemented environmental programs that, though targeted on other goals (e.g., energy efficiency, forestry and biodiversity conservation), have had a direct impact on greenhouse gas emissions.

Over the next two years, significant progress is expected toward the following results:

- Decreasing the rate of growth in net greenhouse gas emissions from key developing countries by reducing emissions from greenhouse gas sources and maintaining or increasing greenhouse gas sinks;

- Increasing developing country participation in the UNFCCC, with at least five key countries participating in joint implementation and accepting other increased responsibilities; and
- Reducing developing country vulnerability to climate change, with a global vulnerability analysis completed.

## **ENCOURAGING BROAD-BASED ECONOMIC GROWTH AND AGRICULTURAL DEVELOPMENT**

Poor countries can benefit from the growing global economy if their economic policies and institutions favor economic growth. Centrally funded programs in agriculture research, microenterprise and emerging markets provide a wide range of activities supporting economic growth. Many countries in the developing world have turned away from centrally planned economies and have embraced free market approaches. To complete this transition, governments must continue to implement policy and institutional reforms, assisted by specific reform interventions which foster market-oriented economies. USAID central programs support these reforms through technical input into bilateral mission programs.

Central programs promote broad-based economic growth through three strategic support objectives and four special objectives.

### **Strategic Support Objective 1. Improved access to financial and non-financial services for microenterprises of the poor.**

Central programs have played a leading role in implementing USAID's microenterprise initiative. USAID continues to work to open economies and financial systems to allow poor entrepreneurs to participate. Activities include direct funding, strategic support to USAID field missions and developing countries, and technical leadership. During the next two years, the number of low-income clients gaining access to ongoing financial services will increase from 157,000 to 400,000. Over 65% of them will be women. Due in part to USAID leadership, other donors are increasing their participation in this effort. For example, the World Bank's Consultative Group to assist the Poorest, a multi-donor effort which USAID was instrumental in establishing, is off to a strong start.

### **Strategic Support Objective 2. Improved food availability, economic growth and conservation of natural resources through agricultural development.**

Food security is a key part of USAID's integrated, sustainable development program, given that global food requirements are expected to double in the next 25 years and some 800 million people are still hungry. This ranges from policy analysis and support to value-added processing and marketing. Agricultural research is one of the most effective and sustainable investments. Central programs increasingly emphasize collaborative efforts among its research partners, and in particular, between U.S. institutions, such as the land-grant universities and Collaborative Research Support Programs (CRSPs), and the Consultative Group on International Agricultural Research (CGIAR). This partnership collaboration produces additional food in developing countries which is valued in the billions of dollars per year. Central programs also promote scientific, commercial and policy linkages with agricultural research institutions, experts, businesses and investors. Central programs also facilitate an array of technical and market support activities which provide technological support to farm input and post-harvest economic activity. The agricultural and economic development resulting from central programs provide extensive benefits in the United States. This exchange of information generates alternative technologies which can alleviate tropical deforestation, decertification and biodiversity loss. USAID supports agricultural research and technology dissemination to complement environmental programs. Advances in productivity of rice, wheat and other crops help meet food demands and thus help to ensure that millions of hectares of forest lands remain in their natural state. For example, Asia's rice requirement is expected to double in the next 25 years. To support the Asia region's sustainable development, USAID sponsors research on "super-rices." This advanced research promises to produce

14 tons of rice per hectare, up from the current average of six tons, and this helps to ensure that millions of hectares of forest lands remain in their natural state.

**Strategic Support Objective 3. Support appropriate and functioning economic policies, market reforms in emerging markets and priority countries.**

Excluding China, 80% of the world's poor (700 million people with income of less than \$1 per day) live in 12 USAID-assisted countries. A recently completed USAID study on economic growth concluded that reformed economic systems can reduce that number to less than 300 million by the year 2020 and increase U.S. exports to those countries by 530% with sustained reforms and rapid growth. Central programs promote openness and transparency in economic systems to: (1) increase efficiency and competitiveness; (2) expand participation in the economy for all citizens; and (3) integrate the countries into the global economy. In the past year, USAID has provided assistance on policy reform to more than 30 countries. For example, USAID worked to reform the telecommunications regulatory structure in El Salvador. Policy advisors from the U.S. Securities and Exchange Commission have been made available to USAID-assisted countries to help restructure the financial market institutions. Central programs have provided research in poverty reduction, failed states, reforms in war-torn economies, and fiscal decentralization.

**Special Objective 1. Better access to finance and information for micro and small business.**

USAID builds sustainable linkages between financial institutions and small and microenterprises lacking full access to formal financial markets. A primary tool of this program provides guarantees for loans made by financial institutions. USAID's credit programs are described in another section in the Congressional Presentation.

**Special Objective 2. Enhance the ability of indigenous businesses to become viable within emerging markets.**

The transfer of technology is a key USAID function carried out through the International Executive Service Corps (IESC), Appropriate Technology International (ATI), and the Global Technology Network (GTN). They concentrate on private sector growth to enhance competitiveness. Sustainability is institutionalized as businesses utilize the transferred technology. During the past year, IESC conducted 1,200 voluntary executive assignments, generating over \$370 million in monetary benefits. ATI delivered technical expertise in seven specific microenterprise productive modalities, generating benefits in excess of \$11.5 million and serving more than 250,000 participants.

**Special Objective 3. Expand technology transfer by U.S. business.**

USAID's Global Technology Network (GTN) promotes the growth and competitive ability of U.S. small and medium-sized enterprises (SMEs). This, in turn, promotes U.S. private sector ties which support USAID's technological and policy reforms. GTN measures its success by the utilization of its databases, the coverage of its trade network, and the value of the transactions completed annually. In 1997, the total value of completed transactions exceeded \$20 million. USAID seeks to expand the SME database to 100,000 from its current level of 60,000 and to complete 15 state-level agreements annually.

**Special Objective 4. Increased science and technology cooperation among Middle Eastern and developing countries, and utilization of U.S. & Israeli technical expertise by developing countries.**

Central programs foster collaboration between Israel and other countries in applying science and technology to address shared development goals in the Middle East, the New Independent States, Africa, Latin America, and Asia. Israel excels in such areas as arid lands management,

irrigation, solar energy, biotechnology, biological pest control, and aquaculture. These programs provide a mechanism to apply Israeli technical capabilities along with those of its Arab and lesser-developed country partners. USAID funding catalyzes cooperation and U.S. involvement makes possible Israeli collaboration in countries otherwise closed to Israel. This contributes to the peace process and to development. Measurable results include advances in saline agriculture, improved agricultural water management technology, improved biopesticides, increased understanding of tropical diseases in the region, and increased knowledge of threats to the unique aquatic environment of that region.

## **STRENGTHENING DEMOCRACY AND GOOD GOVERNANCE**

USAID's commitment to strengthening democracy and good governance worldwide is now recognized as an essential component of a balanced foreign assistance program. That commitment is based on a recognition that America's long-term domestic and foreign policy interests are best served by enlarging the community of like-minded democratic nations, that democratic governments are more likely to advocate and observe international law, are more likely to protect civil and human rights and are more likely to sustain the long-term economic growth and stability so essential to U.S. international trade and prosperity.

Democracy not only supports U.S. foreign policy goals, but facilitates informed participation, public sector accountability, and the protection of human rights. Success in the other core areas of USAID's sustainable development program is inextricably linked to democratization and good governance.

The global transition toward democracy which gained such significant momentum over the past decade has brought forth a number of democracies exhibiting institutional weaknesses and vulnerabilities. Governments that select a democratic path are vulnerable -- to coups, corruption, organized crime or civil strife -- until they develop strong civil societies, a rule of law and strong governmental institutions at the federal and local levels. These countries, along with other post-crisis states, are the focus of USAID democracy and governance strategy. These are the countries where public and private institutions of democratic governance must be strengthened, where integrity, accountability and transparency at all levels must become the norm, where the insidious legacies of authoritarian rule must be overcome, and where individuals and groups must be allowed to deepen their cultural commitment to democratic norms.

By building on USAID's own experience and by tapping into the strength of this nation's democratic institutions and nongovernmental organizations, centrally-managed programs increase the overall effectiveness of activities in this newest area of development work. Central programs provide the technical and intellectual leadership to help shape USAID technical programs worldwide and to influence the assistance policies of other donors in the areas of rule of law, elections and political processes, civil society and governance.

Central programs work in collaboration with other USAID organizational units to achieve the following strategic support objectives:

### **Strategic Support Objective 1. Legal systems operate more effectively to embody democratic principles and protect human rights.**

The adherence to the rule of law is tied to how several key institutions function: the constitution, statutes and administrative regulations; the justice sector, including the judiciary, police and prosecutors; and civil society, including professional legal associations. USAID strategy focuses on judicial, legal and regulatory frameworks which support democratic institutions and market based economies (the relevance, transparency and enforceability of

constitutions, codes, and regulations); the independence and effectiveness of the judiciary and the fairness and transparency of other parts of the justice sector; access to justice (civil society's understanding of and willingness to use the justice system); and legal protections for human rights and gender equity.

**Strategic Support Objective 2. Political processes, including elections, are competitive and reflect the will of an informed citizenry.**

Free and fair elections are integral to a functioning democracy. In authoritarian countries or new democracies, they can be a primary tool to expand political liberalization and participation and, in addition, to choose representative leaders. Elections provide parties and civic groups an opportunity to mobilize supporters and present alternative platforms to the public. Central programs support election planning and administration, political party development, domestic and international monitoring, voter education and women's political participation.

**Strategic Support Objective 3. Informed citizens' groups effectively contribute to more responsive government.**

Civil society is emerging as a major pro-democratic force in countries which suffer from a legacy of authoritarian government. These pro-reform groups are composed of religious leaders, human rights groups, business and labor federations, women's and environmental groups, legal activists and other civic groups. USAID supports these groups in the interest of wider citizen participation in policy formulation and greater government transparency and accountability.

**Strategic Support Objective 4. National and local government institutions more openly and effectively perform their public responsibilities.**

The demand for more efficient, less corrupt, more transparent and more responsive government at all levels has grown with the emergence of competitive political parties, wider media coverage, and more active citizen participation. Central programs promote increased governmental integrity, democratic decentralization, legislative strengthening, civilian oversight of the military, and conflict mitigation.

Democracy and governance is a strategic objective in 69 USAID field missions. Central programs provide direct technical support to USAID field mission staff and maintain specialized grants, cooperative agreements, interagency agreements and contracts which missions may access for short, medium or long-term assistance. Technical guidance for the conduct of political sector assessments and development of country program strategy has been prepared, tested and refined. Regional trends are analyzed annually, and individual country initiatives are continually being assessed for identification of "best practices" which might be promoted for replication elsewhere. Based on this kind of research and analysis, resource allocation recommendations are formulated; country strategies are critiqued; and technical guidance is produced for in-country use by development practitioners and beneficiary counterparts. Publications currently being issued in the rule of law area address matters of political will, judicial training, justice sector reform, institutional strengthening, and alternative dispute resolution. Examples of publications in the other subject areas include manuals and handbooks on the strengthening of political processes, supporting legislative strengthening initiatives, and implementing democratic decentralization. Program results are being achieved: judicial reform is gaining momentum across Latin America as collaboration among countries improves and lessons on successful methods are replicated; successful national elections occurred in Bosnia, Nicaragua, Pakistan, Liberia and Kenya; and advocacy movements for improved democratic governance are gaining stature in Indonesia, Kenya and Angola.

Equally important is the current work with cross-sectoral issues. Most recently, USAID developed initiatives that build synergies between the economic growth and democracy and governance sectors. Central programs are exploring ways to better focus democratic processes that may improve the quality of economic policies and programs, enable civil society organizations to serve as catalysts for economic reform, strengthen the rule of law to enhance property rights and enforcement of contracts, and build transparency and anti-corruption activities that improve both citizen participation and conditions for economic growth.

Centrally managed global activities supplement and support mission-led country initiatives, and provide opportunities for networking, cross-fertilization, economies of scale and other efficiencies unavailable to bilateral missions. USAID relies and invests, for the most part, on the international programs of non-governmental organizations to address these world-wide interests. A grant to the American Federation of Labor and Congress of Industrial Organizations/Solidarity Center emphasizes the development of free, independent and democratic trade unions, their role and participation in political and economic processes, and the fostering of democracy. The Solidarity Center achieved a recent breakthrough in Bangladesh by winning Ministry of Labor recognition for the newly established national federation of independent garment workers which previously had no legal status. Formal recognition as a national federation will mean greater protection of worker rights and overall improvement of working conditions in hundreds of garment factories. A series of demonstration projects in both Asia and Latin America to implement the objectives of the White House Apparel Industry Partnership is being planned.

A cooperative agreement with The Asia Foundation aims to increase women's participation in political processes. An example of the kind of results sought in this program occurred when a coalition of women's organizations in Nepal used techniques shared at a USAID-sponsored meeting to mount a successful constitutional challenge to discriminatory inheritance laws.

A new grant to Transparency International, an international nongovernmental organization, pays for intensive anti-corruption work in seven to 10 countries. Target countries are being selected now, with the first criteria being suitable partners in government and civil society who are genuinely committed to reform.

A new cooperative agreement on civil-military relations is expected to be awarded in FY 1998. Elements of the program include assistance to non-military agencies, departments or committees of the legislative and executive branches of government to increase capacity for analyzing and formulating security and defense policy; building capacity for analysis of security and defense issues outside government, for example within think tanks, policy analysis groups, academic departments and interest or watchdog groups, and the media; and increased opportunities for interaction between military, other government and civil society representatives.

The National Democratic Institute for International Affairs, the International Republican Institute, and the International Foundation for Electoral Systems are recognized authorities in democracy and governance programming, and are USAID's major partners for the delivery of assistance for electoral and political processes strengthening. The rapid response capacity of these organizations has been particularly critical to the timely delivery of United States support to democratic processes in fast changing political environments around the world.

In countries where USAID has little or no presence, and exceptional circumstances require, activities may be managed through central programs. These programs are typically jointly planned with the Department of State, and funded from the Economic Support Fund to respond to a critical foreign policy need. Consistent with Agency strategy, post-crisis country interventions (e.g.: Liberia, Angola, Congo/Kinshasa, and prospectively Algeria and Sudan) are

usually of a rapid-response nature and involve activities of high visibility in support of a peace initiative. In transition situations (e.g.: Mongolia, Yemen, and Pakistan) the emphasis is foundation-building for longer-term institutional development.

Central program personnel actively participate in USAID and wider U.S. Government and international body policy development. USAID's Center for Democracy and Governance is playing a substantive role in U.S. Government follow-through on the communique of the Denver Summit in which a commitment by the Group of Seven, plus Russia, was made to "consider common efforts to promote democracy where it is now established." This commitment is further evidence of the rising profile of democracy and governance as an integral element of international development assistance. The United Nations Development Program and the International Monetary Fund have recently adopted new policies related to programming of resources in these areas; and the World Bank featured good governance as a critical factor in its annual development report.

### **HUMAN CAPACITY DEVELOPMENT THROUGH EDUCATION AND TRAINING**

The acquisition of sufficient knowledge and skills to lead an independent and productive life is a universal goal for the world's population and an essential part of national prosperity. In many nations these goals remain distant:

- For many people, especially women, illiteracy and lack of a basic education remain enormous barriers to more productive employment;
- Training and education institutions are costly and are easily outpaced by global technology and economic change;
- Many nations have a poorly performing public learning system and an underdeveloped workforce -- barriers to international investment and constraints to national development; and
- The mismatch between workforce capabilities and market opportunity causes destabilizing unemployment that impedes economic growth and nurtures radical threats to democracy.

As we enter the 21st century, it will become increasingly imperative that nations establish well-performing, public learning systems to manage and take advantage of global economic trends. It is strongly in the U.S. national interest to help nations avoid workforce stagnation and prosper through flexible and strategic investments in education, training, and workforce development.

Central programs address these problems with four *objectives* supporting USAID's goal, "Human Capacity Development through Education and Training."

#### **Strategic Support Objective 1. Improved and expanded basic education and learning systems.**

Although many countries are making progress in expanding schooling opportunity, progress is unacceptably slow in other areas, particularly sub-Saharan Africa and South Asia. In all regions, enrollment increases often mask poor quality. Low participation and poor achievement for girls are of particular concern, as are problems of early childhood development. In nations undergoing crisis and transition, educational investments are needed to break the cycle of violence and ensure sustainable development. To address these concerns, central programs have: fully developed new educational development products, including a software package to collect, analyze and provide statistics for use by ministries of education worldwide;

developed guidelines for supporting educational reform for Africa; and documented and disseminated lessons learned from key education reforms underway in Latin America and the Caribbean. Additionally, through central program support, regional networks of early childhood policy makers and practitioners have produced studies to look at policies and the impact of gender socialization in the early years to assist ministries and nongovernmental organizations to promote early learning and parent education.

**Strategic Support Objective 2. Expanded higher education and workforce development partnerships.**

USAID's higher education partnerships match strong American institutions with sister institutions overseas to achieve mutual development goals through research, teaching and faculty development, often with private sector support. USAID's workforce development program improves productivity and employment through market-driven, cost-effective education and training programs that meet the needs of employers and communities while building on the strengths of service-oriented training institutions, such as community colleges. Central programs have supported collaborative efforts resulting in developing country educational institutions becoming self-sustaining. Examples include skills training, research centers, technology transfer, human resource development, alumni networking, higher education linkages, and partnerships that address demand-driven skill needs of young adults, and under-employed people.

**Strategic Support Objective 3. Improved performance and effectiveness of targeted host country organizations.**

One of USAID's most important investments in sustainable development is training, both domestically and abroad. The developing world needs specialized, short-term technical training and advanced degree training as essential elements of many sectoral and capacity developing programs. Central programs are fine-tuning USAID training activities in order to lower costs, simplify administration, and promulgate "best practices" to increase the skills of individuals and the effectiveness of key organizations. At the same time, USAID is enhancing America's leadership position in international education and training. Activities are designed to assist USAID field missions in creating more effective linkages between training goals and strategic objectives. USAID coordinates its training programs with USIA and other U.S. federal agencies through the Inter-Agency Working Group on International Exchanges and Training.

**Special Objective 1. Expanded access to and application of information and telecommunications services.**

Information policy and technology applications will dominate the development agenda in the early 21st century, as nations compete for access and control of information and the technology to manage information. Central programs promote open market-based national communications systems and state-of-the-art applications, including distance learning, community-based information systems and multi-media training systems, in support of sustainable development objectives. Through innovative partnerships, USAID harnesses and delivers the expertise and entrepreneurship of American telecommunications and information technology industries and key Federal agencies such as the Federal Communications Commission.

## CROSS-CUTTING PROGRAMS

### WOMEN IN DEVELOPMENT

During the last several years, USAID has made significant increases in the level of funding directed to programs that directly benefit women and girls. In FY 1999, \$10 million is planned for the Women in Development (WID) program. The agency has launched major new initiatives in the areas of reproductive health for women, girls' education, women and microenterprise, and women's political participation and legal rights. These represent significant accomplishments, but perhaps the greatest accomplishment is the clear understanding throughout the agency that development can only be effective if programs pay attention to the central role of women in the economic and social advancement of a nation. USAID's Gender Plan of Action, launched in March 1996, reflects this understanding. The Gender Plan of Action consists of 15 distinct actions to build commitment to considerations of gender issues as key development issues. The institutional changes being implemented through the Gender Plan have become a model for the integration of gender issues in follow-up action to the Fourth World Conference on Women. USAID is now commonly cited by other U.S. Government agencies as having the lead on gender integration, and USAID has been asked to chair a working group on Gender and Institutional Change under the auspices of the President's Interagency Council on Women.

USAID's Women in Development program is focused on: (1) support to develop nongovernmental organization (NGO) capacity to focus on the role of women in their programs; (2) support for high-quality, applied research on women's roles and status; (3) communications and information dissemination focused on women's roles; (4) the development of professional expertise on women's roles; and (5) a variety of technical assistance activities designed to improve the extent to which USAID programs address gender considerations. The cross-cutting nature of the WID program provides for valuable contribution to each of the agency's sustainable development goal areas, including democracy and governance, economic growth and agricultural development, human capacity development through education and training, environment, and population and health.

**Strategic Support Objective 1. Enhance the economic status of women throughout the developing world.** The economic situation of women is of great importance in all regions of the world. Women's economic activity is high and growing, but women are disproportionately unemployed and underpaid. Almost all USAID missions are addressing economic growth issues with an emphasis on disadvantaged groups. USAID's approach includes support for women's involvement in agricultural producers' associations; explicit attention to "women's crops" in agricultural research and efforts to improve seed selection and develop new crop varieties; microenterprise development; and information dissemination regarding the key role of women in the labor force in privatization strategies. In Africa, USAID-supported activities have contributed to more equitable participation of women in the commercial agricultural sector, while USAID-supported NGOs are influencing national agricultural policies for the benefit of women farmers. In Asia and the Near East (ANE), USAID missions' attempts to reduce gender disparities are resulting in closer integration of women in the economic processes in their countries.

**Strategic Support Objective 2. Expanded educational opportunities for girls.** Significant disparities continue to exist in the educational status of girls compared to that of boys in most regions of the world. These are most striking in South Asia and Africa, where half of the USAID missions have strategic objectives related to girl's education. In addition to interventions such as training of female teachers and provision of scholarships for girls, USAID's girls' education program in emphasis countries is increasing girls' formal school attendance, retention, and completion through awareness raising for parents, educators, and religious

leaders at the community and national levels. USAID also stimulates the involvement of the private sector, encouraging employers to support girls' education as an effective investment in a productive labor force. In the public sector, USAID encourages a diverse range of agencies to develop programs that support girls' education via interventions such as infrastructure development, health programs, school lunch programs, and literacy training for mothers. Analytical studies in three other countries are strengthening decision makers' ability to make resource and programmatic decisions that positively affect girls' enrollment and retention.

**Strategic Support Objective 3. Improve women's legal and property rights and increase their participation in governance and civil society.** The legal rights of women and their enforcement, and women's participation in civil society are critical development issues in all regions. Most USAID missions worldwide have adopted strategic objectives in the area of democracy and governance, making a focus on women's legal rights and civil society warranted on the basis of USAID country priorities as well as women's needs. Issues of women and civil society are a particular focus in Latin America and the Caribbean; issues of property rights and privatization are emphasized in Europe and the New Independent States of the former Soviet Union. USAID is supporting legal literacy programs, training for the judiciary, and the development of the capacity of legal and human rights NGOs to effectively advocate for women. In South Africa, the national system of land distribution has been changed from being based on the household to accounting for the individual, thereby ensuring gender equity in land ownership and tenure. USAID partnerships with local women in their campaign against female genital mutilation (FGM) have contributed importantly to a close re-examination of FGM policy and practice in countries as diverse as Kenya, Ghana, Egypt, Mali, and Guinea. USAID-supported rule of law programs have led to constitutional reform in Guatemala, judicial training in El Salvador, prison reform in Haiti, human rights protection in former conflict zones in Nicaragua, and legal clinics for women in Peru. Worldwide, the capacity of more than 150 NGOs to work on women's advocacy issues has been strengthened.

**Strategic Support Objective 4. Integrate gender issues throughout USAID regional and country programs.** While the central WID program has selected several priority areas to improve the status of women in developing and transitional countries, opportunities in other areas exist throughout USAID regional and country programs. The central WID program supports efforts to address gender considerations and improve the status of women via technical assistance to field missions overseas. In Kenya, Uganda, Peru, Brazil, India, and Ukraine, technical assistance has resulted in integrating gender in missions' strategies and activities. Gender is now among the criteria utilized to determine resource allocation in USAID missions. In the past year in the ANE region alone, two-thirds of missions' objectives or special objectives were noted for their effort to reduce gender disparities; three missions were cited as models of gender integration, and two for their gender-led strategies. In the Africa region, seven missions demonstrated significant awareness of gender-based disparities. This involves providing the technical services of both direct-hire staff and contractors to work with USAID staff in field missions; ongoing Washington-based assistance with the identification of gender issues in key program areas, and guidance regarding how to address these issues; an active program of information dissemination including a newsletter, fact sheets and information bulletins on important gender and development issues; and support for a fellowship program that provides mid-career development professionals with training in WID issues as well as exposure to how these issues can be addressed in the field.

## **PEACE CORPS**

### **Special Objective 1. Enhance communities' capabilities to conduct low-cost, grassroots, sustainable development activities.**

Through a worldwide participating agency service agreement with the Peace Corps, central programs support the Small Project Assistance (SPA) program, with planned funding of \$1,500,000 in FY 1999. The purpose of the SPA program is to support, in conjunction with local communities, small-scale, sustainable development activities in areas of priority to USAID such as improving human health, protecting the environment, and facilitating economic growth. The SPA program facilitates local grassroots efforts by combining the Peace Corps volunteers' people-to-people approach and host country nationals' relationships with USAID's technical and financial resources. Since 1985, USAID has provided \$20 million in support of 6,200 community activities.

### **Strengthening USAID's Development Partners**

#### **Strategic Objective No. 1: Increased capability of private voluntary organizations to achieve sustainable service delivery.**

USAID, through the Office of Private and Voluntary Cooperation, supports activities which increase the capabilities of private voluntary organizations (PVOs) and cooperatives to deliver sustainable development services at the grassroots level in priority areas such as child survival, microenterprise development, women's education, and the environment. A key dimension of these programs is strengthening the organizational capacity and programs of PVOs and cooperatives to provide cross-cutting support for USAID's six strategic objectives. Increasingly, USAID is encouraging collaborative partnerships between U.S. PVOs and cooperatives and indigenous organizations to promote development at the local level and to enhance program sustainability and impact. Funds are allocated to individual organizations through competitive grants which include a matching requirement to leverage additional private resources for development. Approved grants are consistent with USAID mission strategic plans. The major central grants programs are:

**Matching Grants:** This competitive Matching Grants program (MGP) strengthens U.S. PVOs' technical, planning and management capacity to carry out development programs in USAID-assisted countries. The U.S. PVOs contribute at least 50% of the total project costs and increasingly implement their activities through local organizations and provide them with capacity-building support through technical assistance, training, and information sharing. For example, in Zimbabwe, the program has enabled Opportunity International's partner, Zambuko Trust, to rapidly increase its loan portfolio and become a leader in microenterprise finance. From 1993 to mid-1997, the Trust increased the number of loans and total lending value more than seven-fold, made over 13,500 loans totaling approximately \$2.3 million with a repayment rate of over 96% and provided underserved groups with access to credit. Two-thirds of the Trust's loan recipients are women. In El Salvador, TechnoServe developed the capacity of local cooperatives and institutions to increase rural employment and income generation. TechnoServe used a commodity-based enterprise model that focuses on bolstering established mid-sized private sector organizations that have a reasonable prospect of becoming financially viable. The project is having tangible, positive impact on the economic and social welfare of the participants. Members are managing cooperatives more effectively, increasing production and creating more jobs. For example: in Lajas, one of the cooperatives has been distributing a dividend of \$2,000 per member per year. The project has aided families in achieving incomes of \$5,000 per year compared to the \$600 per year of families not participating in the project. Economic improvements have translated into better housing, education and health services for cooperative members.

**Child Survival:** Child Survival (CS) grants are intended to meet the health needs of infants, children and mothers in countries with high mortality rates and to improve the capacity of U.S. PVOs and their local partners to carry out effective child survival programs. USAID currently supports 64 CS programs in 31 countries, through 25 PVOs, with a portfolio value of \$92 million. These technically rigorous programs focus on immunization, nutrition, breast feeding, diarrheal disease control, pneumonia treatment, maternal and newborn care, malaria control, child spacing and HIV/AIDS prevention. Through a competitive grants program, 18 grants were awarded in 1997 for new programs; two new categories of grants, "mentoring partnerships" and "entry" grants, were designed to bring in new organizations. New and mentoring partnerships are four-year programs; entry grants are for two years. Most new grants are up to \$1 million with a requirement to cost-share 25% of the total program cost. In Haiti, Save the Children has reduced the percentage of children with malnutrition from 77% to 46% in the project area. Andean Rural Health Care's child survival program in Bolivia effectively reduced the child mortality rate in the project area by 38% in four years. Through the PATH project in Lombok, Indonesia, since 1990, coverage of maternal tetanus toxoid immunization has increased from 47% to 73%; Expanded Program of Immunization coverage has increased from 55% to 84%; iron tablet usage by mothers has risen from 79% to 93%; and infant vitamin A supplementation has expanded from 33% to 82%. These interventions combined with an emphasis on improved training and supervision have contributed to lowering Lombok's infant mortality rate.

**Cooperative Development:** USAID's support to U.S. cooperative development organizations enables them to assist cooperative movements in developing and middle income countries and in new democracies. Cooperative development organizations provide assistance and training to local counterpart organizations in such areas as microenterprise development, housing, credit delivery, dairy development, rural electrification, insurance protection and cooperative development. For example, the National Cooperative Business Association (NCBA) assists small-scale farmers and their local organizations in El Salvador and Nicaragua diversify and increase the quality of products for the local and international markets. Thirty-six grower groups in El Salvador are being assisted in growing non-traditional crops and organically produced crops. Forty farm groups in Nicaragua also are being trained in organic production systems which produce crops that have higher market value. For example, during 1995/1996, organic coffee sold at a 35% higher price at the farm level than other coffees. Over 400,000 small farmers and their families benefit from NCBA activities in the two countries.

**Development Education:** USAID's development education program supports U.S. non-profit organizations' activities to educate the U.S. public about developing countries and U.S. development activities abroad, especially as they relate to hunger and poverty. The program has supported curriculum development at the K-12 and post-secondary level, as well as adult education activities targeting farmers, business and labor leaders, teachers, and congregational groups. The program strategy requires U.S. based development organizations to partner with U.S. domestic membership organizations with a shared sectoral focus, e.g., health, hunger, or agriculture, as the starting point for learning about local-global links and development. For example, during 1996/1997, The Population Reference Bureau, in collaboration with the National Geographic Society's Geographic Education Program and the National Council for Geographic Education, developed, produced, and disseminated school curricula infusing sustainable development content in geography education through "Adventures on Earth: Exploring Our Global Links." During this project, over 10,000 kits were distributed to state Geographic Alliances for use in teacher training workshops. About 8,000 educators were reached through a cascading training approach which trained 80 educators who in turn conducted workshops for approximately 100 teachers in each of their states. In addition, 55,000 teachers nationwide have received the geography education newsletter UPDATE featuring articles and activities based on the "Adventures on Earth" project.

**Ocean Freight:** Through the Ocean Freight Reimbursement (OFR) program, USAID reimburses registered PVOs for the costs of shipping equipment and supplies to developing countries in support of development and humanitarian assistance activities in the following areas: agricultural and rural development, health care, educational training, disaster assistance and relief, and rehabilitation. In 1997, the Agency funded 70 PVOs in the OFR program. These organizations shipped 5,258 tons of commodities valued at \$123 million at a cost of \$1.8 million to the program. This represents a ratio of 68:1 of the value of commodities shipped to USAID dollars spent.

**Institutional Support:** USAID provides institutional support assistance grants to strengthen the management and technical capacity of the PVOs that implement food assistance programs under the P.L. 480 Title II Food for Peace program. These grants have helped the PVOs to plan programs for greater impact on food security, to initiate food assessments, to develop monitoring and evaluation systems and to improve the technical skills of their staff.

**Strategic Objective No. 2: Strengthen overseas institutions which demonstrate American ideas and practices.**

USAID, through the American Schools and Hospitals Abroad (ASHA) program, provides grants to overseas universities and secondary schools, libraries and medical centers, that are founded or sponsored by U.S. organizations. These institutions serve as demonstration and study centers for American ideas and practices in education and medicine. The Administration plans to allocate \$15 million for a competitive ASHA grants program in FY 1999.

Institutions are the building blocks of society as they nurture and develop the next generation of policy makers, scientists and entrepreneurs. ASHA grants strengthen American developmental and foreign policy goals by linking U.S. organizations and individuals to key national institutions that promote democracy, private initiative, free inquiry and innovative approaches to problem-solving. The ASHA program supports institutions that foster a favorable image of the United States and the local ability to better interpret events in which the United States is involved. ASHA-assisted institutions educate future leaders, and those already in the workforce in disciplines essential to broad-based, sustained growth in the economy and society.

The ASHA grants provide resources that improve the quality of education and health services and institutional standards. These grants finance buildings and equipment and improve the physical infrastructure to strengthen institutional services, and in a few cases, support educational and medical programs. These grants provide secondary benefits in mobilizing resources, attracting students and increasing scholarship support. These private, non-profit institutions meet operating expenses primarily from tuition, fees, private contributions from U.S. and in-country sources, endowments, and the sale of services.

**LEARNING FROM EXPERIENCE**

USAID, through its Bureau for Policy and Program Coordination (PPC), learns from development experience to improve development results, creates new agency policies and improves development practices. PPC provides objective policy leadership and strategic thinking for the Agency. PPC supports the achievement of Agency development objectives by improving the capabilities of USAID and its partners to obtain and use development information in decision-making and policy formulation. PPC applies agency learning to its strategic planning and performance measurement systems, its performance reporting and its evaluations. It has created development information services that provide USAID managers and development partners with easy access to a broad range of needed development experience information. More specifically, PPC:

- Distills and disseminates development experience in paper and electronic format, analyzes and synthesizes USAID's development experience in response to client requests, provides on-line access to these documents, and assists USAID staff and partners in the use of information to achieve strategic objectives. In 1999, PPC will expand internet access to include the full text of key reports, and establish formal training and technical assistance programs on the use of development information in strategic planning, program implementation and evaluation.
- Informs decision-making by analyzing and evaluating key Agency programs, and coordinating with development partners to better share evaluation and analyses of development topics. In 1999, PPC will evaluate the impact of USAID's approaches in such areas as democracy and governance, focusing on local government strengthening and cross-sectoral linkages with other sectors, war-torn societies, including the effect of emergency assistance, and women's roles during crises.
- Strengthens USAID's performance planning, measurement and evaluations systems by developing appropriate policies and technical guidelines, providing training in strategic planning and evaluation and assisting program managers, bureaus and field missions. In 1999, PPC's Center for Development Information and Evaluation will focus on improving and streamlining the process of collecting, reporting, analyzing and using data on Agency results. It will also support bureaus and field missions in using performance, measurement and evaluation data to address operational issues, and strengthen the use of evaluation as a management tool at the operational level.

**CENTRAL PROGRAMS**  
**FY 1999 PROGRAM SUMMARY**  
(in Thousands of Dollars)

USAID Strategic Support and Special Objectives	Economic Growth and Agriculture	Population and Health	Environment	Democracy	Human Capacity Development	Humanitarian Assistance	Total
PHN 1. Reduced fertility. - DA	---	141,824	---	---	---	---	141,824
PHN 2. Key reproductive health interventions. - DA - CSD	---	[11,000]* [14,000]*	---	---	---	---	[11,000] [14,000]
PHN 3. Key child health and nutrition interventions. - CSD	---	53,857	---	---	---	---	53,857
PHN 4. Mitigate the impact of the HIV/AIDS pandemic. - CSD	---	31,727	---	---	---	---	31,727
PHN 5. Reduce the threat of infectious diseases. - CSD	---	8,000	---	---	---	---	8,000
ENV 1. More sustainable use of natural resources. - DA	---	---	10,000	---	---	---	10,000
ENV 2. Improved mgmt. of urbanization. - DA	---	---	7,000	---	---	---	7,000

USAID Strategic Support and Special Objectives	Economic Growth and Agriculture	Population and Health	Environment	Democracy	Human Capacity Development	Humanitarian Assistance	Total
ENV 3. Sustainable energy production and use. - DA	---	---	18,000	---	---	---	18,000
ENV 4. Reduced threat from global climate change. - DA	---	---	2,138	---	---	---	2,138
EGAD 1. Access to services for micro-enterprises. - DA	[25,000]	---	---	---	---	---	[25,000]**
EGAD 2. Improved food availability through agricultural development. - DA	21,850	---	20,400	---	---	---	42,250
EGAD 3. Appropriate economic policies in emerging markets. - DA	1,000	---	---	---	---	---	1,000
EGAD 4. Access to information for micro-enterprises. - DA	800	---	---	---	---	---	800
EGAD 5. Enhance ability of indigenous businesses. - DA	5,500	---	---	---	---	---	5,500
EGAD 6. Expand technology transfer by U.S. business. - DA	893	---	---	---	---	---	893

USAID Strategic Support and Special Objectives	Economic Growth and Agriculture	Population and Health	Environment	Democracy	Human Capacity Development	Humanitarian Assistance	Total
EGAD 7. Increased cooperation among Middle Eastern countries. - DA	5,500	---	---	---	---	---	5,500
DG 1. Strengthened rule of law. - DA	---	---	---	3,000	---	---	3,000
DG 2. Competitive political processes. - DA	---	---	---	1,000	---	---	1,000
DG 3. A politically active civil society. - DA	1,344	---	---	6,009	---	---	7,353
DG 4. Accountable government institutions. - DA	---	---	---	3,500	---	---	3,500
HCD 1. Improved basic education and learning systems. - CSD	---	---	---	---	4,595	---	4,595
HCD 2. Expanded education and workforce development partnerships. - DA	1,800	---	---	---	---	---	1,800
HCD 3. Improved performance and effectiveness. - DA	775	---	---	---	---	---	775

USAID Strategic Support and Special Objectives	Economic Growth and Agriculture	Population and Health	Environment	Democracy	Human Capacity Development	Humanitarian Assistance	Total
HCD 4. Access to tele-communication services. - DA	700	---	---	---	---	---	700
WID 1. Enhance the economic status of women. - DA	2,440	---	---	---	---	---	2,440
WID 2. Expand educational opportunities for girls. - CSD	---	---	---	---	2,340	---	2,340
WID 3. Improve women's legal and property rights. - DA	2,520	---	---	---	---	---	2,520
WID 4. Integrate gender issues through USAID programs. - DA	2,700	---	---	---	---	---	2,700
BHR 1. Increased capability of private voluntary organizations. - DA - CSD	27,566 ---	--- 21,231	2,700 ---	530 ---	--- 1,400	--- ---	30,796 22,631
BHR 2. Strengthen overseas institutions. - DA	15,000	---	---	---	---	---	15,000
PPC 1. Learning from experience. - DA - CSD	2,577 ---	20 478	1,796 ---	854 ---	281 ---	--- ---	5,528 478

USAID Strategic Support and Special Objectives	Economic Growth and Agriculture	Population and Health	Environment	Democracy	Human Capacity Development	Humanitarian Assistance	Total
Other special objectives. - DA	1,500	---	---	---	---	---	1,500
<b>TOTAL</b>	<b>94,465</b>	<b>257,137</b>	<b>62,034</b>	<b>14,893</b>	<b>8,616</b>	<b>0</b>	<b>437,145</b>

\*Note: PHN SSO 2 is a non-add item. Of the funds requested for SSO 2, 44% are allotted from SSO 1 and 56% from SSO 3.

\*\*Note: EGAD SSO 1 is a non-add item. Funds for SSO 1 are allotted from regional bureau transfers.

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## ACTIVITY DATA SHEET

**PROGRAM:** Central Programs

**TITLE AND NUMBER:** Increased use by women and men of voluntary practices that contribute to reduced fertility. (New and improved technologies and approaches for contraceptive methods and family planning identified, developed, tested, evaluated and disseminated), 936-SS01.1 (PHN)

**STATUS:** Continuing

**PROPOSED OBLIGATION AND FUNDING SOURCE:** FY 1999: \$27,798,000 DA

**INITIAL OBLIGATION:** FY 1996; **ESTIMATED COMPLETION DATE:** Continuing

**Purpose:** To build the scientific and technological base for successful high quality family planning (FP) and reproductive health (RH) programs by identifying, developing, testing, evaluating and disseminating new and improved technologies and approaches for FP and RH services.

**USAID Role and Achievements to Date:** USAID plays a vital role in increasing the effectiveness of FP/RH programs by supporting contraceptive research and development, operations research (OR) and other types of demographic and social science research. Scientists and technical staff are trained through the process of learning by doing. Successes during FY 1997 include completion of clinical trials for a new female barrier method, Femcap, which will now be submitted to the Food and Drug Administration (FDA) for approval. A second female barrier method, Lea's Shield, has moved from phase II to phase III clinical trials and a vaginal hormonal ring is moving into phase II trials. In OR, post-abortion care interventions have moved from pilot OR studies to national implementation in countries such as Egypt and Kenya. Organizations, such as the Center for Family Planning, now routinely use OR to solve problems and improve the quality of care and sustainability of programs.

**Description:** The priority for contraceptive research is the development and improvement of physical and chemical barrier methods for protection against pregnancy as well as against human immunodeficiency virus/sexually transmitted infections (HIV/STIs). OR activities focus on expanding post-abortion care and access to emergency contraception, as well as integrating family planning and reproductive health interventions. A new five-year results package for data collection, evaluation, and communication, awarded in FY 1997, focuses on the development of less expensive survey techniques and improvement of qualitative data collection methods, development and validation of indicators, and dissemination of information to technical and non-technical audiences.

**Host Country and Other Donors:** World Health Organization, National Institutes of Health, and foundations such as Mellon and Rockefeller complement USAID's work by supporting research. Host country partners are private and public sector research institutions and service delivery organizations.

**Beneficiaries:** The ultimate beneficiaries are women and men of reproductive age in developing countries who will have greater access to quality family planning information and services. The development and spread of these technologies also benefits the U.S. and other industrialized countries.

**Principal Contractors, Grantees or Agencies:** The Population Council, Family Health International, Eastern Virginia Medical School, Macro International, the Carolina Population Center, and other cooperating agencies, universities, research institutions, and host country organizations.

**Major Results Indicators:**

# of contraceptive leads and methods under development or evaluation; advancing to next stage; approved by FDA

**Baseline (1995)**

32 in development or evaluation; 0 advancing; 0 approved

**Target (1999)**

35 in development or evaluation; 5 advancing; 0 approved

Number of FP/RH strategies and subsystem improvements tested and completed

8 tested  
0 completed

10 tested  
10 completed

## ACTIVITY DATA SHEET

**PROGRAM:** Central Programs

**TITLE AND NUMBER:** Increased use by women and men of voluntary practices that contribute to reduced fertility. (Improved policy environment and increased global resources for family planning programs), 936-SS01.2 (PHN)

**STATUS:** Continuing

**PROPOSED OBLIGATION AND FUNDING SOURCE:** FY 1999: \$29,216,000 DA

**INITIAL OBLIGATION:** FY 1996; **ESTIMATED COMPLETION DATE:** Continuing

**Purpose:** To promote a supportive policy environment for the cost-effective provision of family planning and reproductive health (FP/RH) services and the expansion of contraceptive use.

**USAID Role and Achievements to Date:** USAID's investments in policy dialogue and policy reform have contributed to the development of formal population policies in more than 30 countries, helped convince policy makers of the economic benefits of family planning programs to society and to improved well-being at the family and individual level, and resulted in increased participation by the private sector. In the past year, USAID-supported activities resulted in an agreement by the Turkish government to purchase contraceptives on the open market; a commitment by the Indian state of Andhra Pradesh to increase the FP/RH budget by \$5 million to expand RH services; updating and dissemination of national medical service guidelines in 12 countries; and an Ecuadorian non-governmental organization used results from a willingness-to-pay study to set prices for services, implement a cost-recovery scheme and increase cost recovery from 63% in 1996 to 75% in 1997.

**Description:** Activities focus on: (1) formulation and implementation of operational policies relating to FP/RH and removal of barriers to service availability; (2) increasing total financial and human resources for FP/RH; and (3) rational allocation of human and financial resources in the population, health and nutrition sector to have maximum impact in achieving sector goals.

**Host Country and Other Donors:** USAID coordinates and collaborates with other donors such as the World Bank, International Planned Parenthood Foundation, United Nations Population Fund, and bilateral donors which also provide funds and technical assistance. Host country institutions, particularly public sector institutions, are responsible for implementing programs.

**Beneficiaries:** The ultimate beneficiaries are women and men of reproductive age in developing countries who will have greater access to quality family planning information and services.

**Principal Contractors, Grantees or Agencies:** USAID implements activities through the Futures Group International, U.S. Bureau of the Census, the National Academy of Sciences, Management Sciences for Health, and the Population Reference Bureau.

<u>Major Results Indicators:</u>	<u>Baseline (1997)</u>		<u>Targets (1999)</u>	
	(n = 13)		(n = 15)	
# of Joint Planning Countries with at least moderately strong policy statements and implementation re:	Policy	Impl'n	Policy	Impl'n
- participation	11	8	13	10
- attention to adolescents	7	3	10	5
- training	13	8	15	10
- monitoring and evaluation	10	8	15	10
- male involvement	5	3	8	5
Share of service delivery by the private sector in countries where USAID works	43%		49%	

## ACTIVITY DATA SHEET

**PROGRAM:** Central Programs

**TITLE AND NUMBER:** Increased use by women and men of voluntary practices that contribute to reduced fertility. [Enhanced capacity for national programs (public, private, nongovernmental organization and community-based institutions) to design, implement, finance, and evaluate sustainable family planning programs], 936-S001.3 (PHN)

**STATUS:** Continuing

**PROPOSED OBLIGATION AND FUNDING SOURCE:** FY 1999: \$27,939,000 DA

**INITIAL OBLIGATION:** FY 1996; **ESTIMATED COMPLETION DATE:** Continuing

**Purpose:** To improve the technical and programmatic capabilities and planning and budgeting decisions that impact the quality of family planning services provided and the number of users reached.

**USAID Role and Achievements to Date:** USAID has improved the technical and management capacity and the financial self-reliance of over 100 national family planning and reproductive health institutions in developing countries. During FY 1996, the elements of the index to measure sustainability were defined and the process of baseline data collection was started.

**Description:** Activities focus on strengthening the capabilities of family planning provider organizations and their staff to (a) design, monitor, finance and evaluate their programs; (b) manage more effectively by improving business and marketing skills, and developing strategies for increasing cost recovery and financial sustainability; and (c) collaborate to use limited resources efficiently, and to reach underserved groups. Funding is channeled through both U.S. and local nongovernmental organizations with the ultimate goal of program sustainability. During the year, USAID will field test the sustainability index and collect baseline data.

**Host Country and Other Donors:** United Nations Population Fund complements the work of USAID by funding local management, training-related costs, and the printing and distribution of related materials. The World Bank funds the restructuring of national health systems, the construction of clinics and hospitals, and policy reform. Other bilateral donors also fund capacity building, primarily for the public sector.

**Beneficiaries:** The ultimate beneficiaries are women and men of reproductive age in developing countries who will have greater access to quality family planning information and services.

**Principal Contractors, Grantees or Agencies:** USAID implements activities through Management Sciences for Health; John Snow, Inc.; Centers for Disease Control; Pathfinder International; The Futures Group International; the University of North Carolina and other universities; private sector companies and host country institutions.

**Major Results Indicators:**

	<u>Baseline (1997)</u>	<u>Target (1999)</u>
# of institutions with enhanced capacity for:		
- collection and use of information	11	13
- commodities	6	8
- financial management	6	8
- revenues	8	10
- planning	13	14
- human resources	7	8

## ACTIVITY DATA SHEET

**PROGRAM:** Central Programs

**TITLE AND NUMBER:** Increased use by women and men of voluntary practices that contribute to reduced fertility. (Increased access to, quality of, cost-effectiveness of, and motivation for use of family planning, breastfeeding, and selected reproductive health information and services), 936-SS01.4 (PHN)

**STATUS:** Continuing

**PROPOSED OBLIGATION AND FUNDING SOURCE:** FY 1999: \$56,871,000 DA

**INITIAL OBLIGATION:** FY 1997; **ESTIMATED COMPLETION DATE:** Continuing

**Purpose:** To improve the ability of information and service delivery systems to respond effectively to existing demand for family planning (FP) and related reproductive health (RH) information and services; and to increase FP awareness, community empowerment, and demand for such services and information.

**USAID Role and Achievements to Date:** Major innovations to expand access and quality of care pioneered by USAID include community-based distribution, contraceptive social marketing, mobilization of private sector service delivery, and client-centered services. Between April and September 1997, Pathfinder International reached over 1.8 million new FP users, supported community-based distribution programs in nine countries and completed training activities in 10 countries. Cooperative for Assistance and Relief Everywhere, Inc. (CARE) has obtained \$28.5 million from other donors, roughly matching USAID's 1991 funding level. With these additional resources, CARE has expanded its FP/RH programs beyond the initial eight funded by USAID to 28 programs in 22 countries, while developing and applying tools to monitor and improve service quality. The Center for Development and Population Activities is successfully linking FP/RH nongovernmental organization (NGO) service delivery organizations with democracy and governance, literacy and other civil society initiatives in Nepal and Nigeria, leading to increased access, choice, demand and community empowerment.

**Description:** Activities focus on expanding service-delivery points; enhancing quality by promoting a client-centered orientation, improving contraceptive logistics, and ensuring the existence of appropriate norms; expanding cost-effective approaches to implementation of services, including training in cost management; and increasing women's and community empowerment and demand for services by improving communications with clients and communities, and strengthening linkages between FP and integrated women's health services, hygiene, and other programs.

**Host Country and Other Donors:** USAID works closely with United Nations Population Fund, International Planned Parenthood Federation, and the World Bank. Host country partners, including national and local governments, private sector entities, NGOs, and community organizations, have primary responsibility for program implementation.

**Beneficiaries:** The ultimate beneficiaries are women and men of reproductive age in developing countries who will have greater access to quality FP information and services, and children 0 - 5 years in developing countries who will have improved health because of improved birth spacing.

**Principal Contractors, Grantees or Agencies:** USAID implements activities through Pathfinder International, CARE, Association for Voluntary and Safe Contraception, universities, research institutions, U.S. private voluntary organizations, private companies, and host country institutions.

<u>Major Results Indicators:</u>	<u>Baseline (1995)</u>	<u>Target (1999)</u>
Mean desired family size	3.4 children	3.1
Mean number of methods known by women of reproductive age	4.4	5.4

## ACTIVITY DATA SHEET

**PROGRAM:** Central Programs

**TITLE AND NUMBER:** Increased use of safe pregnancy, women's nutrition, family planning and other key reproductive health interventions. (Approaches and technologies to enhance key reproductive health interventions identified, developed, evaluated and disseminated), 936-SS02.1 (PHN)

**STATUS:** Continuing

**PROPOSED OBLIGATION AND FUNDING SOURCE:** FY 1999: [\$5,148,000] DA; [\$6,552,000] CSD

**INITIAL OBLIGATION:** FY 1996; **ESTIMATED COMPLETION DATE:** Continuing

Purpose: To identify, develop, evaluate, and disseminate technologies and model intervention packages which enhance delivery of key reproductive health interventions.

USAID Role and Achievements to Date: USAID provides technical leadership to identify and test new interventions in maternal health and nutrition. Achievements include development and testing of a new slow-release iron capsule to achieve greater efficacy and fewer side effects than conventional iron supplements; demonstration of improved compliance with iron supplementation through social marketing programs; improved syphilis treatment and screening through integration with antenatal care; development of the UniJect, a prefilled, single-dose auto-destruct injection system for medications such as tetanus toxoid for pregnant women; and reduction of perinatal mortality and maternal and newborn complications through an autodiagnosis technique to determine the needs of isolated rural women.

Description: Current studies designed to promote behavior change and deliver services to decrease maternal mortality include: (1) models of antenatal, safe delivery, emergency obstetric and postpartum and newborn services to improve pregnancy outcomes; (2) nutrition interventions, such as low-dose vitamin A supplementation in pregnancy and iron fortification for pre-pregnant, pregnant and lactating women; (3) models for detection and treatment of infections during pregnancy, such as malaria, intestinal parasites, and reproductive tract infections; (4) models of family planning integrated with other reproductive health services to improve access and quality of services; and (5) models of effective behavior-change interventions for improved self-care and access to services.

Host Country and Other Donors: World Health Organization, host country governments and nongovernmental organizations.

Beneficiaries: Pregnant and postpartum women and their newborns in developing countries, with emphasis on segments of the population that are underserved.

Principal Contractors, Grantees or Agencies: Population Communications Services, Johns Hopkins University, Pathfinder International, University of North Carolina, John Snow, Inc.

<u>Major Results Indicators:</u>	<u>Baseline (1994)</u>	<u>Target (1999)</u>
Studies on impact of low-dose vitamin A on postpartum and neonatal sepsis	1	1
Models for obstetric (OB) care training, cost-effective essential OB care, interventions to improve dietary intake of iron, enhanced use and access of reproductive health services to young adults	0	4

## ACTIVITY DATA SHEET

**PROGRAM:** Central Programs

**TITLE AND NUMBER:** Increased use of safe pregnancy, women's nutrition, family planning and other key reproductive health interventions. (Improved policies and increased public and private sector resources and capacity to deliver key reproductive health services), 936-SS02.2 (PHN)

**STATUS:** Continuing

**PROPOSED OBLIGATION AND FUNDING SOURCE:** FY 1999: [\$2,277,000] DA; [\$2,898,000] CSD

**INITIAL OBLIGATION:** FY 1996; **ESTIMATED COMPLETION DATE:** Continuing

**Purpose:** To improve policies and increase public and private sector resources and capacity to deliver safe pregnancy and reproductive health services.

**USAID Role and Achievements to Date:** USAID provides global leadership to heighten awareness of the importance of reproductive health services and to contribute to the development of policies and programs that enhance the quality and availability of such services. USAID and its partners have developed methodologies to assess the cost-effectiveness of reproductive health services and have developed and tested methodologies to assess private sector involvement in meeting maternal health goals. Constituencies for reproductive health have been developed with governments, non-governmental organizations (NGOs), universities, women's groups, other donors and USAID's collaborating partners.

**Description:** Activities focus on three areas that contribute to the achievement of this result: (1) increased and sustainable public sector resources and support for safe pregnancy, maternal health, women's, infant's and girl's nutrition, and other key reproductive health interventions; (2) improved allocation and use of resources; and (3) increased availability and sustainability of reproductive health service delivery through strengthened private sector participation and effectiveness.

**Host Country and Other Donors:** World Health Organization, host country counterparts, World Bank, United Nations agencies, NGOs and private sector service providers.

**Beneficiaries:** Pregnant and postpartum women and their newborns in developing countries, with emphasis on segments of the population that are underserved.

**Principal Contractors, Grantees or Agencies:** Futures Group, Center for Development and Population Activities, Research Triangle Institute, Harvard School of Public Health, Howard University, Abt Associates, Inc.

<u>Major Results Indicators:</u>	<u>Baseline (1994)</u>	<u>Target (1999)</u>
Number of priority countries with policies and implementation plans in place for safe pregnancy and breastfeeding promotion	7	17
Number of priority countries with competency-based training for selected reproductive health interventions incorporated into national curricula for life-saving skills training and breastfeeding promotion	8	17

## ACTIVITY DATA SHEET

**PROGRAM:** Central Programs

**TITLE AND NUMBER:** Increased use of safe pregnancy, women's nutrition, family planning and other key reproductive health interventions. (Access to essential obstetric services increased in selected countries), 936-SS02.3 (PHN)

**STATUS:** Continuing

**PROPOSED OBLIGATION AND FUNDING SOURCE:** FY 1999: [\$1,287,000] DA; [\$1,638,000] CSD

**INITIAL OBLIGATION:** FY 1996; **ESTIMATED COMPLETION DATE:** Continuing

Purpose: To ensure that appropriate, client-centered, high-quality reproductive health services are available, accessible and in demand.

USAID Role and Achievements to Date: USAID has contributed to the development of packages of essential reproductive health services, including basic essential obstetric and emergency obstetrical care (EOC), designed to reduce maternal mortality. Information, education and communication campaigns for safer motherhood directed at domestic and community-level decision-makers have focused on improving recognition of complications of pregnancy and referral mechanisms for safer delivery.

Description: Activities focus on four areas that contribute to the achievement of this result: (1) increasing knowledge and skill in self care, complication recognition and choice of appropriate services for preventive and curative care; (2) improving community systems, resources and demand for preventive, curative and emergency services; (3) adopting comprehensive client-centered service models; and (4) establishing and strengthening community-based information networks for reproductive health.

Host Country and Other Donors: Inter-Agency Group for Safe Motherhood (World Health Organization, United Nations Population Fund, United Nations Children Fund, United Nations Development Program, International Planned Parenthood Federation, and World Bank), host country counterparts and non-governmental organizations.

Beneficiaries: Pregnant and postpartum women and their newborns in developing countries, with emphasis on segments of the population that are underserved.

Principal Contractors, Grantees or Agencies: University of North Carolina, Pathfinder International, Program for Appropriate Technology in Health, Population Communication Services.

<u>Major Results Indicators:</u>	<u>Baseline (1996)</u>	<u>Target (1999)</u>
% of adults with knowledge of complications related to pregnancy and childbirth	5%	10%
% of adults with knowledge of location of essential obstetric services	5%	10%
Number of priority countries with systems in place to monitor access to EOC	2	5

## ACTIVITY DATA SHEET

**PROGRAM:** Central Programs

**TITLE AND NUMBER:** Increased use of safe pregnancy, women's nutrition, family planning and other key reproductive health interventions. (Quality of essential obstetric services increased in selected countries), 936-SS02.4 (PHN)

**STATUS:** Continuing

**PROPOSED OBLIGATION AND FUNDING SOURCE:** FY 1999: [\$2,288,000] DA; [\$2,912,000] CSD

**INITIAL OBLIGATION:** FY 1996; **ESTIMATED COMPLETION DATE:** Continuing

**Purpose:** To increase the quality of antenatal, essential obstetric, postpartum, postabortion, and newborn care in selected countries.

**USAID Role and Achievements to Date:** USAID has provided technical leadership in implementing strategies to improve maternity care services in developing countries, including assisting countries to set standards of practice against which to measure the quality of care. USAID is a leader in the documentation of the efficacy of various models and approaches to measuring and improving pregnancy outcomes.

**Description:** Three areas contribute to the achievement of this result: (1) establishment of quality assurance systems; (2) strengthening of health worker performance; and (3) strengthening of information and management systems. USAID programs determine client and provider needs and preferences, develop client satisfaction and clinical process standards, implement problem-solving and life-saving skills training, build capacity to provide logistics to ensure adequate supply of drugs and equipment and to supervise clinical and non-clinical aspects of care, promote an enabling physical and professional environment for health care workers, initiate and strengthen certification and recertification systems to ensure competency, improve management information systems to identify problems, and measure progress toward improved pregnancy outcomes.

**Host Country and Other Donors:** World Health Organization, Pan American Health Organization, United Nations Children Fund, World Bank, host country counterparts, nongovernmental organizations, and private sector service providers.

**Beneficiaries:** Pregnant and postpartum women and newborns in developing countries, with emphasis on segments of the population that are underserved.

**Principal Contractors, Grantees or Agencies:** American College of Nurse-Midwives, Wellstart International, University Research Corporation, John Snow, Inc.

<u>Major Results Indicators:</u>	<u>Baseline (1996)</u>	<u>Target (1999)</u>
Number of facilities adopting prototype systems for:		
Recording complications by cause	4	8
Monitoring admission-intervention interval for hemorrhage	4	8

## ACTIVITY DATA SHEET

**PROGRAM:** Central Programs

**TITLE AND NUMBER:** Increased use of key child health and nutrition interventions. (New and improved cost-effective child survival interventions developed and disseminated), 936-SS03.1 (PHN)

**STATUS:** Continuing

**PROPOSED OBLIGATION AND FUNDING SOURCE:** FY 1999: \$17,180,000 CSD

**INITIAL OBLIGATION:** FY 1996; **ESTIMATED COMPLETION:** Continuing

Purpose: To identify, test and introduce improved, lower-cost products, technologies and technical approaches to prevent and treat childhood illness and malnutrition.

USAID Role and Achievements to Date: USAID has achieved global leadership in child survival research. USAID provided critical support in early research to develop oral rehydration therapy as an effective treatment for diarrheal disease in infants and children, and in disseminating knowledge and use of this technique worldwide, contributing directly to saving millions of lives. USAID supported original research on how vitamin A deficiency not only causes child mortality, but contributes to higher rates of maternal mortality and developed new diagnostic techniques for malaria and vitamin A deficiency. USAID has provided sustained support for developing new vaccines against acute respiratory infection (ARI) and malaria as well as safer, more efficient childhood immunization instruments and techniques.

Description: USAID's child survival funding supports two types of basic research: (1) New child survival technologies and products, including new vaccines, nutritional supplements and similar products. By October 2000, for example, USAID will have integrated a new ARI vaccine into immunization programs, and is developing a new understanding of anti-microbiotic resistance, and developing means of slowing its spread. (2) Development of new approaches for child survival, including ways to improve delivery of child survival interventions and new ways to evaluate the success of child survival programs. For example, USAID is leading the expansion of integrated management of childhood illness into the community for prevention and health promotion.

Host Country and Other Donors: Host countries, World Bank, United Nations Children's Fund, World Health Organization (WHO) and other United Nations organizations, nongovernmental organizations, and European donors.

Beneficiaries: Children under five and women of child-bearing age.

Principal Contractors, Grantees or Agencies: International Center for Diarrheal Disease Research, WHO, Centers for Disease Control and Prevention, National Institutes of Health, Harvard Institute for International Development, International Life Sciences Institute, Johns Hopkins University, the Partnership for Child Health Care, the Academy for Educational Development, and other public and private sector entities.

<u>Major Results Indicators:</u>	<u>Baseline (1996)</u>	<u>Target (2002)</u>
Technologies evaluated for ARI infection and vaccines, malaria vaccines and diagnostics, and vaccine vial monitors	4 Evaluated	1 Developed 10 Evaluated 4 Available
Approaches evaluated for integrated case management of the sick child, integrated supervision, and methods to increase availability of impregnated bednets	1 Developed	2 Developed 1 Evaluated 1 Available

## ACTIVITY DATA SHEET

**PROGRAM:** Central Programs

**TITLE AND NUMBER:** Increased use of key child health and nutrition interventions. (Improve policies and increase global, national and local resources for appropriate child health interventions), 936-SS03.2 (PHN)

**STATUS:** Continuing

**PROPOSED OBLIGATION AND FUNDING SOURCE:** FY 1999: \$11,902,000 CSD

**INITIAL OBLIGATION:** FY 1996; **ESTIMATED COMPLETION DATE:** Continuing

**Purpose:** To reduce infant and child mortality by establishing sustainable child health services, improving policies supportive of these services, increasing overall financial support for child health services, and improving the balance of public and private sector provision of health services.

**USAID Role and Achievements to Date:** For over a decade, USAID leadership in health policy and sector reform has: (1) initiated pilot cost-recovery programs to generate additional resources for child survival services; (2) developed and applied quality assurance programs to improve health services and lower health care costs; (3) supported decentralization to strengthen local planning and priority setting; (4) supported development of partnerships between governments and the private sector [non-governmental organizations (NGOs) and private voluntary organizations], private practitioners, and commercial providers; and (5) supported creation of national health expenditure data to ensure transparent budgeting. USAID, with the World Health Organization and the United Nations Children's Fund (UNICEF), is helping countries identify and develop policies that represent cost-effective approaches to address major threats to the survival and health of infants and children.

**Description:** This result is being achieved through four approaches: (1) Technical analyses regarding state-of-the-art approaches to improving child health and nutrition, to foster the development of appropriate policies and programs, e.g., new policies combating drug resistance to malaria treatment. (2) Analysis, policy dialogue and advocacy resulting in reform, improved decision-making, regulatory action and commitment to child survival activities, e.g., increasing host country financial contribution for the vaccine supplies. (3) Support of sustainable financing and management approaches resulting in increased host country resources for child survival activities and better resource allocation among these activities. (4) Developing partnerships that increase accessibility, efficiency and quality of child survival goods and services, e.g., promoting increased commercial investment in promotion of soap for handwashing, and food fortification to address vitamin A deficiency. Increasing the host country's efficiency and effectiveness will ensure that USAID's investments in child survival are sustained.

**Host Country and Other Donors:** Host countries, World Bank, UNICEF and other United Nation organizations, NGOs, European donors.

**Beneficiaries:** Children under five and women of child-bearing age.

**Principal Contractors, Grantees or Agencies:** Harvard University; Centers for Disease Control and Prevention; John Snow, Inc.; Wellstart International; Abt Associates, Inc.; Partnership for Child Health Care; Management Sciences for Health; Camp, Dresser, and McKee.

<u>Major Results Indicators:</u>	<u>Baseline (1996)</u>	<u>Target (2002)</u>
Number of countries financing child vaccines from national budget	47	67
Number of African integrated malaria initiative countries with appropriate malaria treatment drug policies	1	4

Number of countries meeting vaccine self-financing levels

38

45

## ACTIVITY DATA SHEET

**PROGRAM:** Central Programs

**TITLE AND NUMBER:** Increased use of key child health and nutrition interventions. (Enhanced knowledge and use of key child health and nutrition behaviors and practices in selected countries), 936-SS03.3 (PHN)

**STATUS:** Continuing

**PROPOSED OBLIGATION AND FUNDING SOURCE:** FY 1999: \$11,364,000 CSD

**INITIAL OBLIGATION:** FY 1996; **ESTIMATED COMPLETION DATE:** Continuing

**Purpose:** To reduce infant and child mortality by enhancing knowledge and use of key child health and nutrition behaviors and practices in selected countries. To maintain technical leadership in, and to further refine and adapt approaches to, health and nutrition behavior change.

**USAID Role and Achievements to Date:** Beginning in the 1970s, USAID supported ground-breaking activities applying social marketing approaches to promote better child health and nutrition. As a result, modern communication methodologies are being employed by essentially all components of child survival programs, including care seeking, nutrition, malaria prevention through use of bed nets, immunization, oral rehydration, breastfeeding, handwashing and other program elements. USAID's experiences have shown that small additional investments -- about 10% -- in information, education and communication can assure greater impact of the Agency's child health and nutrition programs in developing countries.

**Description:** Activities focus on improving four areas of behavior change: (1) knowledge and use of preventive behavior at the household and community levels; (2) home treatment and correct care-seeking when child illness occurs; (3) client-provider relationships; and (4) synthesizing, adapting and disseminating effective communication strategies and approaches. USAID works to refine and adapt communication strategies and channels appropriate for specific country situations within the framework of countries' and USAID missions' child survival programs. USAID will continue to improve communication technologies and strategies for child health and nutrition, with particular emphasis on sustainability and cost-effectiveness. In addition to social marketing, other complementary approaches to health-related behavior change, such as community participation, changes in social norms, and public policy changes, will be pursued.

**Host Country and Other Donors:** Host countries, World Bank, United Nations Children's Fund and other United Nations organizations, nongovernmental organizations, and European donors.

**Beneficiaries:** Children under five and women of child-bearing age.

**Principal Contractors, Grantees or Agencies:** Partnership for Child Health Care; Academy for Educational Development; John Snow, Inc.; the Harvard Institute for International Development; the Manoff Group; and other public and private sector entities.

**Major Results Indicators:**

	<u>Baseline (1996)</u>	<u>Target (2002)</u>
Percent of caretakers with correct knowledge of:		
(a) Symptoms and signs of acute respiratory infection needing assessment	33%	40%
(b) Appropriate treatment of diarrhea (increased fluids)	50%	60%

## ACTIVITY DATA SHEET

**PROGRAM:** Central Programs

**TITLE AND NUMBER:** Increased use of key child health and nutrition interventions. (Improvement in the quality and availability of key child health and nutrition services), 936-SS03.4 (PHN)

**STATUS:** Continuing

**PROPOSED OBLIGATION AND FUNDING SOURCE:** FY 1999: \$13,411,000 CSD

**INITIAL OBLIGATION:** FY 1996; **ESTIMATED COMPLETION DATE:** Continuing

Purpose: To improve the quality and availability of key child health and nutrition services.

USAID Role and Achievements to Date: USAID has been a leader in systematically addressing the areas of improved quality of child health and nutrition services. USAID contributions have included the widespread application of operations research and quality assurance techniques to improve child health services, the development of methods to improve availability of essential drugs and commodities like oral rehydration salts, and the support of improved training approaches for health workers. The Integrated Management of Childhood Illness protocol, developed by USAID and the World Health Organization (WHO), is being implemented in over 20 countries, revolutionizing the training and provision of child survival services. USAID is assisting in the eradication of polio in over 60 countries. Worldwide polio eradication will strengthen child health systems and eventually save over \$230 million annually in the United States.

Description: Activities in both the public and private sectors focus on improving: (1) quality of prevention and treatment services for children; (2) planning, organization and management of health and nutrition service provision systems; (3) access to health and nutrition services, especially for high-risk children; (4) production, procurement, and distribution of child health commodities; (5) the capability of institutions and communities to provide environmental health services; and (6) use of information for managing child survival services.

Host Country and Other Donors: Host countries, World Bank, WHO, United Nations Children's Fund and other United Nations organizations, nongovernmental organizations, and European donors.

Beneficiaries: Children under five and women of child-bearing age.

Principal Contractors, Grantees or Agencies: University Research Corporation, Management Sciences for Health, John Snow, Inc., Partnership for Child Health Care, Harvard Institute for International Development, Centers for Disease Control and Prevention, and other public and private sector entities.

<u>Major Results Indicators:</u>	<u>Baseline (1996)</u>	<u>Target (2002)</u>
Number of countries adopting integrated management of childhood illness	20	30
Number of countries participating in polio eradication, or certified polio free	40	60
Percent of facilities capable of providing standard case management for acute respiratory infection	20%	30%
Percent of facilities capable of providing case management for diarrhea	35%	50%

## ACTIVITY DATA SHEET

**PROGRAM:** Central Programs

**TITLE AND NUMBER:** Increased use of improved, effective, and sustainable responses to reduce HIV transmission and to mitigate the impact of the HIV/AIDS pandemic. (Increase quality, availability, and demand for information and services to change sexual risk behaviors and cultural norms in order to reduce transmission of HIV), 936-SSO4.1 (PHN)

**STATUS:** Continuing

**PROPOSED OBLIGATION AND FUNDING SOURCE:** FY 1999: \$13,770,000 CSD

**INITIAL OBLIGATION:** FY 1997; **ESTIMATED COMPLETION DATE:** Continuing

**Purpose:** To increase quality, availability, and demand for information and services to change sexual risk attitudes and behaviors in order to reduce transmission of HIV.

**USAID Role and Achievements to Date:** The reduction of sexual transmission of HIV infections (which accounts for 85% of all HIV infections in the developing world) implies the adoption of safer sexual behavior. Mass media can raise awareness, change attitudes and promote safer behavior; however these programs cannot work alone and must be supported with interpersonal communication activities. Communications activities have taken place in virtually every country where HIV/AIDS programs have occurred -- more than 40 countries. Twenty-two million people have received comprehensive HIV prevention education and approximately 187,000 educators and counselors have been trained.

**Description:** From FY 1998 to FY 2000, USAID will support programs to: (1) develop multi-channel communication strategies and complementary educational interventions to reduce sexual risk behaviors in household, school, workplace, other community, national and transnational settings; (2) promote cost-effective public and private sector strategies to increase the quality, demand for, and access to, male and female barrier methods for the prevention of HIV transmission; (3) support models and strategies to introduce, improve and expand services provided by public and private health providers to prevent sexual transmission of HIV and sexually transmitted infection (STI).

**Host Country and Other Donors:** Host countries through their national AIDS control program, public and private health infrastructure, select donor agencies, and Joint United Nations Program on HIV/AIDS.

**Beneficiaries:** Communities, adult women and men, and youth who are at risk of HIV/STIs or are already infected, their sexual partners, HIV/STI health care providers and their clients.

**Principal Contractors, Grantees or Agencies:** Family Health International Population Services International Population Council, Program for Appropriate Technologies for Health, Management Sciences for Health, University of North Carolina, International Planned Parenthood Federation, Centers for Disease Control and Prevention, U.S. Bureau of Census, Futures Group International, and International HIV/AIDS Alliance.

<u>Major Results Indicators:</u>	<u>Baseline (1996)</u>	<u>Target (2000)</u>
Percent of target populations in emphasis countries who know how to prevent STI/HIV transmission	60%	70%
Percent of emphasis countries with annual increases of 10% or more in male condom distribution.	40%	50%

## ACTIVITY DATA SHEET

**PROGRAM:** Central Programs

**TITLE AND NUMBER:** Increased use of improved, effective, and sustainable responses to reduce HIV transmission and to mitigate the impact of the HIV/AIDS pandemic. (Provide enhanced quality, availability, and demand for sexually transmitted infection management and prevention services), 936-SSO4.2 (PHN)

**STATUS:** Continuing

**PROPOSED OBLIGATION AND FUNDING SOURCE:** FY 1999: \$5,521,000 CSD

**INITIAL OBLIGATION:** FY 1997; **ESTIMATED COMPLETION DATE:** Continuing

Purpose: To provide enhanced quality, availability, and demand for sexually transmitted infection (STI) management and prevention services.

USAID Role and Achievements to Date: USAID intends to reduce the efficiency of HIV transmission associated with sexually transmitted infections. To do this, USAID has assisted 22 countries in developing national sexually transmitted disease (STD) guidelines, and improved care at points of first encounter. New, low-cost, rapid, simple diagnostics for gonorrhea and chlamydia are under development. Social marketing of STD self-treatment kits is proposed for a select set of countries.

Description: This result will be achieved by promoting policies and programs to: develop and disseminate sound treatment guidelines; develop improved techniques and approaches to prevent and manage STIs; conduct research to determine best practices for service delivery; and provide technical assistance to strengthen public and private sector initiatives in STI prevention and management.

Host Country and Other Donors: Host country governments, public and private health service delivery sectors (including the "informal sector"), selected nongovernmental organizations who are or can be involved in clinical services. Other international donors include Joint United Nations Program on HIV/AIDS, Overseas Development Administration, and European Union.

Beneficiaries: Symptomatic and asymptomatic men, women and children with sexually transmitted infections.

Principal Contractors, Grantees or Agencies: Family Health International, Population Services International, Population Council, Centers for Disease Control and Prevention.

<u>Major Results Indicators:</u>	<u>Baseline (1996)</u>	<u>Target (1999)</u>
% of providers who are technically competent in STI management.	10%	20%

## ACTIVITY DATA SHEET

**PROGRAM:** Central Programs

**TITLE AND NUMBER:** Increased use of improved, effective and sustainable responses to reduce HIV transmission and to mitigate the impact of the HIV/AIDS pandemic. (Provide improved knowledge about, and capacity to address, the key policy, cultural, financial, and other contextual constraints to preventing and mitigating the impacts of HIV/AIDS), 936-SS04.3 (PHN)

**STATUS:** Continuing

**PROPOSED OBLIGATION AND FUNDING SOURCE:** FY 1999: \$3,458,000 CSD

**INITIAL OBLIGATION:** FY 1997; **ESTIMATED COMPLETION DATE:** Continuing

**Purpose:** To provide improved knowledge about, and capacity to address, the key policy, cultural, financial, and other contextual constraints to preventing and mitigating the impact of HIV/AIDS.

**USAID Role and Achievements to Date:** HIV/AIDS prevention efforts are often hampered by policy and other constraints. USAID addresses these constraints by communicating costs of HIV/AIDS to policy makers, and promoting the elimination of barriers to prevention services. Much of this work is done through private voluntary organizations (PVOs) and nongovernmental organizations (NGOs) in the field. In working to improve the capacity of PVOs and NGOs in over 40 countries, USAID provided technical and financial support to more than 600 PVO and NGO partners to implement HIV prevention programs.

**Description:** Activities will include efforts to: (1) enhance knowledge and awareness among policy-makers of the social, economic, cultural, and health impacts of HIV/AIDS, and of the political strategies to address them; (2) identify and address key social, political, information, human resources and service barriers, including stigma and discrimination that affect responses to HIV/AIDS; (3) reduce key information and service barriers for vulnerable populations; (4) develop, evaluate and promote important policies and strategies for the delivery of basic care and support services for HIV infected and affected persons; and (5) support global, regional and national policy initiatives to allocate adequate resources, and develop more cost-effective responses to HIV/AIDS.

**Host Country and Other Donors:** Multilateral organizations and the World Bank, Joint United Nations Program on HIV/AIDS, bilateral donors, host governments, the private sector, churches and the broader PVO and NGO sector all provide critical assistance.

**Beneficiaries:** Communities, men, women, and youth in developing countries who are at risk of HIV infection or already infected with HIV.

**Principal Contractors, Grantees or Agencies:** International HIV/AIDS Alliance, National Council for International Health, Peace Corps, Centers for Disease Control and Prevention.

<u>Major Results Indicators:</u>	<u>Baseline (1996)</u>	<u>Target (2000)</u>
Number of professional and volunteer front-line workers trained in STI/HIV/AIDS prevention	31,161	50,000

## ACTIVITY DATA SHEET

**PROGRAM:** Central Program

**TITLE AND NUMBER:** Increased use of improved, effective, and sustainable responses to reduce HIV transmission and to mitigate the impact of the HIV/AIDS pandemic. (Strengthen and expand private sector organizations' responses in delivering HIV/AIDS information and services), 936-SS04.4 (PHN)

**STATUS:** Continuing

**PROPOSED OBLIGATIONS AND FUNDING SOURCE:** FY 1999: \$3,458,000 CSD

**INITIAL OBLIGATION:** FY 1997; **ESTIMATED COMPLETION DATE:** Continuing

Purpose: To strengthen and expand private sector organizational responses in delivering HIV/AIDS information and services.

USAID Role and Achievements to Date: USAID continues to support the development of local capacity to respond to the HIV/AIDS epidemic. Since 1987, USAID has provided technical and financial support to more than 600 private voluntary organizations (PVOs) and nongovernmental organizations (NGOs) to implement HIV prevention programs and has trained more than 186,000 professional and volunteer front-line workers in sexually transmitted infections (STI) and HIV/AIDS prevention. USAID has supported an international alliance to establish linking organizations at national and regional levels to channel funds to community-based organizations and other NGOs. USAID works through the private sector to encourage corporate support for HIV/AIDS prevention programs in workplace settings, as well as corporate sponsorship of mass media and other communication programs to raise awareness and change risk behaviors.

Description: USAID is undertaking the following activities to address this result: (1) integrate HIV/AIDS prevention into policies and programs of key U.S. PVOs working in the health sector, mobilize key U.S. and host country commercial organizations to advocate and support HIV/AIDS prevention and care policies and programs; (2) expand and strengthen the capacity of key indigenous NGOs, religious organizations and social sector institutions to deliver HIV/AIDS information and services, design, test, evaluate and disseminate community-led approaches to designing and implementing effective responses to HIV/AIDS; and (3) support and develop effective international, regional and national NGO networks and coalitions to respond to the epidemic.

Host Country and Other Donors: Host country commercial sector, NGOs, including the informal sector, and other international donors and organizations, as well as Joint United Nations Program on HIV/AIDS.

Beneficiaries: Men, women and youth who are vulnerable to, infected with, or otherwise affected by HIV.

Principal Contractors, Grantees or Agencies: International HIV-AIDS Alliance, National Council for International Health, U.S. Peace Corps, Family Health International, and Population Services International.

<u>Major Results Indicators:</u>	<u>Baseline (1996)</u>	<u>Target (2000)</u>
Percent of emphasis countries with 10% increase per year in the number of HIV/AIDS information and service delivery points operated by NGOs	< 10%	35%

## ACTIVITY DATA SHEET

**PROGRAM:** Central Programs

**TITLE AND NUMBER:** Increased use of improved, effective, and sustainable responses to reduce HIV transmission and to mitigate the impact of the HIV/AIDS pandemic. (Improve availability of, and capacity to generate and use, data to monitor and evaluate HIV/AIDS and sexually transmitted infection prevalence, trends, and program impacts), 936-SSO4.5 (PHN)

**STATUS:** Continuing

**PROPOSED OBLIGATION AND FUNDING SOURCE:** FY 1999: \$2,062,000 CSD

**INITIAL OBLIGATION:** FY 1997; **ESTIMATED COMPLETION DATE:** Continuing

Purpose: To improve availability of data to monitor and evaluate HIV/AIDS and sexually transmitted infection (STI) prevalence, trends, and program impacts.

USAID Role and Achievements to Date: USAID is committed to credible surveillance, and monitoring for the purpose of evaluating the effectiveness of programs, and to be able to communicate effectively the results of USAID's investments in HIV/STI interventions. Through the USAID participating agency service agreement with the U.S. Bureau of Census, the International HIV/AIDS Database is continually updated with the latest country data and distributed with selected special analyses to over 620 researchers, policy makers, and donors. As a result of the combined USAID-Joint United Nations Program on HIV/AIDS (UNAIDS) conference on sentinel HIV surveillance, guidelines for minimum surveillance packages for developing countries have been drafted and distributed. These guidelines are now being reviewed by key stakeholders around the world.

Description: Through agreements with the Centers for Disease Control and Prevention (CDC), the U.S. Bureau of Census, and UNAIDS, consensus guidelines will be finalized on minimum surveillance packages for developing countries based on the phase of the epidemic. Technical assistance to USAID field missions and host governments will be provided to establish and maintain credible surveillance systems. Operations research will develop and refine methodologies to estimate HIV and risk behavior incidence.

Host Country and Other Donors: UNAIDS has assisted in establishing international consensus for surveillance methodologies; other multilateral and bilateral donors will participate in support for country data collection and regional and global analyses. Host countries, especially ministries of health, will be major implementers of country surveillance activities.

Beneficiaries: Host country governments, in particular management staff of national AIDS control programs, host country implementing organizations, and the international donor community.

Principal Contractors, Grantees or Agencies: U.S. Bureau of Census, CDC, UNAIDS, Population Council.

<u>Major Results Indicators:</u>	<u>Baseline (1996)</u>	<u>Target (1999)</u>
Percent of selected countries with operational HIV/STI surveillance systems	< 7%	20%

## ACTIVITY DATA SHEET

**PROGRAM:** Central Programs

**TITLE AND NUMBER:** Increased use of improved, effective, and sustainable responses to reduce HIV transmission and to mitigate the impact of the HIV/AIDS pandemic. (Provide quality and timely assistance to partners to ensure effective implementation of HIV/AIDS programs ), 936-SSO4.6 (PHN)

**STATUS:** Continuing

**PROPOSED OBLIGATION AND FUNDING SOURCE:** FY 1999: \$3,458,000 CSD

**INITIAL OBLIGATION:** FY 1997; **ESTIMATED COMPLETION DATE:** Continuing

Purpose: To provide quality and timely assistance to partners to ensure effective implementation of HIV/AIDS programs.

USAID Role and Achievements to Date: USAID is the world's leading contributor to HIV prevention globally. Assistance has been provided to 44 countries around the world, and other activities have resulted in the development and dissemination of innovative HIV prevention technologies and methodologies. Coordination and collaboration with the Joint United Nations Program on HIV/AIDS and numerous donors has been essential in keeping the donor community abreast of important developments in HIV/AIDS. The sharing of lessons learned in other activities, countries and regions within USAID and with donors, host country counterparts and implementors has created a well-informed global response.

Description: USAID expects to achieve the following results in the next two years: (1) establish mechanisms for USAID field missions and offices to implement HIV/AIDS activities; and (2) ensure that field implementation and the HIV/AIDS research agenda are mutually reinforcing. This will be implemented through the design, monitoring, evaluation, lessons learned and dissemination procurement to be awarded in June 1998.

Host Country and Other Donors: The public and private sector are actively involved in HIV/AIDS programs where USAID conducts programming. The application of findings throughout the world by donors, governments, private-for-profit sector, nongovernmental organizations and communities takes place on a worldwide scale.

Beneficiaries: Citizens of all countries where the population is at risk of HIV infection.

Principal Contractors, Grantees or Agencies: Family Health International, Population Services International, Population Council, Program for Appropriate Technologies for Health, Management Sciences for Health, University of North Carolina, International Planned Parenthood Federation, Centers for Disease Control and Prevention, U.S. Bureau of Census, Futures Group, and the International HIV/AIDS Alliance.

Major Results Indicators:

Baseline (1998)

Target (2000)

Note: Indicators are under development for this new intermediate result under the redesigned HIV/AIDS strategic support objective.

The first survey to determine baseline will be performed in 1998.

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## ACTIVITY DATA SHEET

**PROGRAM:** Central Programs

**TITLE AND NUMBER:** Increased use of proven interventions to reduce the threat of infectious diseases of major public health importance, 936-SS05 (PHN)

**STATUS:** Continuing

**PROPOSED OBLIGATION AND FUNDING SOURCE:** FY 1999: \$8,000,000 CSD

**INITIAL OBLIGATION:** FY 1998; **ESTIMATED COMPLETION DATE:** Continuing

Purpose: Increased use of proven interventions to strengthen disease surveillance and response and to reduce the threat of malaria, tuberculosis, and anti-microbial resistance.

USAID Role and Achievements to Date: USAID is undertaking a new initiative to help increase the international effort to combat infectious diseases. To this effort, USAID brings a focus on diseases which have a major public health impact in the developing world (concentrating on those diseases that are the sources of significant mortality) and building the capacity of developing countries to prevent, treat and minimize the spread of infectious diseases. USAID will also continue its pre-existing work to reduce mortality due to infectious diseases that threaten the survival of children, the reproductive health of women and the life expectancy of young adults through diseases such as HIV/AIDS.

Description: Activities focus on four areas that contribute to the achievement of the purpose: (1) USAID will combat anti-microbial resistance in as integrated manner as possible but with special attention on several priority diseases. Institutional capacity for program implementation and applied research will be strengthened. (2) USAID, in collaboration with other partners [Centers for Disease Control and Prevention (CDC) and World Health Organization (WHO)], will address both programmatic and bio-medical aspects of tuberculosis prevention and control. (3) USAID will work with WHO, CDC and other public and private sector partners to target malaria for special attention with emphasis on expanding the application of proven interventions including a more rational use of anti-malarial drugs; malaria vaccine development and the development of new technologies for prevention and control of malaria. (4) USAID's activity in surveillance and response will optimize the response to infectious disease outbreaks through improved communication, coordination, strengthened health system capacity and sharing of expertise and other resources.

Host Country and Other Donors: Selected host country and donors will be identified.

Beneficiaries: Citizens of developing countries are the major beneficiaries. However, given the potential for infectious diseases to spread quickly around the world and the threat from increased anti-microbial resistance, this assistance will contribute to reducing the risk of the spread of infectious disease to the United States.

Principal Contractors, Grantees or Agencies: USAID will work closely with the National Institutes of Health, CDC, WHO, United Nations Children's Fund, and U.S. private voluntary organizations. The U.S. private sector will also be involved in program implementation.

Major Results Indicators:

Indicators are under development for this new strategic support objective.

Baseline

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Target

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## ACTIVITY DATA SHEET

**PROGRAM:** Central Programs

**TITLE AND NUMBER:** Improved protection and more sustainable use of natural resources, principally forests, biodiversity, and coastal and freshwater ecosystems, 936-SSO1(ENV)

**STATUS:** Continuing

**PROPOSED OBLIGATION AND FUNDING SOURCE:** FY 1999, \$10,000,000 DA

**INITIAL OBLIGATION:** FY 1980; **ESTIMATED COMPLETION DATE:** Continuing

Purpose: Improved protection and more sustainable use of natural resources, principally forests, biodiversity, and coastal and freshwater ecosystems.

USAID Role and Achievements to Date: USAID supported biodiversity and natural resources conservation in more than 60 countries over the last eight years. USAID has made contributions to maintaining the environment by supporting conservation of biologically important areas, sustainable forestry, integrated coastal resource management, and environmental awareness and education. We have strengthened public and private organizations' management ability, fostered innovative public-private partnerships, and established mechanisms for long-term conservation financing.

Description: This strategic support objective includes four intermediate results: effective biodiversity conservation and management; improved management of natural forests and tree systems; environmental education and communications strategies; and increased conservation and sustainable use of coastal and freshwater resources.

Host Country and Other Donors: USAID is improving host country capacity for sustainable natural resources management and is working in partnership with multilateral and bilateral donors to develop national environmental action plans. USAID leverages increased investments in sustainable natural resources management from countries, donors and the private sector.

Beneficiaries: Local communities benefit by becoming more effective managers of their natural resources. Institutional strengthening and small grants to nongovernmental organizations (NGOs) improves their capacity and effectiveness in implementing conservation programs. Governments benefit as USAID strengthens their capacity to formulate and implement effective natural resource policies and programs. Both developed and developing countries benefit as biodiversity is conserved, forests and coasts are more sustainably managed, and the threat of global climate change is reduced.

Principal Contractors, Grantees or Agencies: U.S. and host country NGOs, universities, for-profit companies, and other U.S. Government agencies (principally Peace Corps, Department of the Interior, and U.S. Department of Commerce-National Oceanic Atmospheric Administration, the Forest Service and other U.S. Department of Agriculture agencies).

<u>Major Results Indicators</u>	<u>Baseline</u>	<u>Target (FY 1999)</u>
Area of natural forest, tree systems, coastlines and other biologically important habitat brought under improved management	(FY 1996) 10,914,700 hectares	12,809,600 ha.
Area of natural forest, tree systems, coastlines and other biologically important habitat brought under effective management	(FY 1997) 724,270 hectares	928,000 ha.
Number of policy successes	(FY 1997) 12 policies	61 policies

## ACTIVITY DATA SHEET

**PROGRAM:** Central Programs

**TITLE AND NUMBER:** Improved management of urbanization in targeted areas, 936-SS02 (ENV)

**STATUS:** Continuing

**PROPOSED OBLIGATION AND FUNDING SOURCE:** FY 1999, \$7,000,000 DA

**INITIAL OBLIGATION:** FY 1988; **ESTIMATED COMPLETION DATE:** Continuing

Purpose: Improve the living conditions of the urban poor by expanding the equitable delivery of urban environmental services and shelter, making municipal governments more effective, and reducing urban pollution.

USAID Role and Achievements to Date: USAID provides technical assistance, training, and exchange of information (often in conjunction with credit facilities) that enables host countries to improve their ability to successfully manage the urbanization process. Over six million low-income, urban families enjoy an improved quality of life as a direct result of USAID urban programs.

Description: Urban program activities will be conducted in more than 20 countries to emphasize sustainable urbanization and prevention of pollution. Assistance will be provided to increase the number of households (especially poor households) receiving basic urban services in seven countries. Linkages will be established between seven pairs of U.S. and overseas cities with the objective of improving urban and environmental management practices. Partnerships between five USAID-assisted municipalities and industries within these cities will be created to improve their overall environmental management systems.

Host Country and Other Donors: USAID works with municipal officials, national water and sewer authorities, nongovernmental organizations (NGOs) and the private sector to implement its activities. Within the donor community, USAID works closely with lending institutions (World Bank, regional development banks, and private commercial banks) to improve access to long-term financing as well as with international organizations on research and information dissemination.

Beneficiaries: Residents of low-income urban neighborhoods, especially children whose chance of survival is enhanced through access to clean water and sanitation.

Principal Contractors, Grantees or Agencies: Host country-based NGOs and municipal-level government institutions, and private U.S. organizations.

<u>Major Results Indicators</u>	<u>Baseline (FY 1997)</u>	<u>Target (FY 1999)</u>
Number of households benefiting from improved urban environmental infrastructure and shelter solutions	6,330,000 households	7,525,000 households
Number of targeted areas reporting environmental management system	0	5

## ACTIVITY DATA SHEET

**PROGRAM:** Central Programs

**TITLE AND NUMBER:** Increased, environmentally sustainable energy production and use, 936-SSO3 (ENV)

**STATUS:** Continuing

**PROPOSED OBLIGATION AND FUNDING SOURCE:** FY 1999, \$18,000,000 DA

**INITIAL OBLIGATION:** FY 1982; **ESTIMATED COMPLETION DATE:** Continuing

Purpose: Increase environmentally sustainable energy production and use in USAID-assisted countries, encompassing energy efficiency, renewable energy, cleaner production technologies, and improved policies and markets for private investment.

USAID Role and Achievements to Date: USAID assists developing countries with energy development planning to the dual objectives of sustainable economic growth and reduction of environmental damage, especially from greenhouse gas emissions. USAID helps countries establish free market policies and strengthens energy and environmental institutions that enable more efficient power production, energy conservation, and private sector participation in the energy sector. USAID has been instrumental in increasing private participation in the power sector of developing countries, opening a \$50 billion industry to U.S. investment.

Description: USAID has increased the financing for and helped commercialize clean, efficient and renewable energy technologies, and trained thousands of developing country energy professionals in demand-side management, integrated resource planning, and other vital tools and techniques.

Host country and other donors: Multilateral development banks contribute funding for traditional power generation projects, while bilateral assistance programs provide support for renewable energy and energy efficiency projects. Opportunities exist for U.S. and host country private sector investment in small-scale, high-return projects that promote environmentally sound energy generation and use.

Beneficiaries: USAID-supported programs benefit all segments of society. Environmentally sustainable energy generation is critical to economic development, poverty alleviation, and human health in urban and rural areas. Rural electrification brings electricity to the rural poor; urban populations benefit from decreased pollution; and workers benefit from increased economic growth, job creation, and improved industrial infrastructure. A global environmental benefit is accrued from a decrease in the rate of growth in net greenhouse gas emissions.

Principal contractors, grantees or agencies: USAID implements energy programs through private organizations, U.S. and host country nongovernmental organizations, host country government agencies, and U.S. trade associations. USAID collaborates with other U.S. government agencies (principally the Department of Energy, the Environmental Protection Agency, and the Department of Commerce).

<u>Major Results Indicators:</u>	<u>Baseline</u>	<u>Target (FY 1999)</u>
Greenhouse gas emissions avoided	1996: 2.3 millions of tons of carbon equivalent	2.94 millions of tons of carbon equivalent
Value of private and public investment leveraged	1996: \$114,600,000	\$160,000,000
Number of public policies adopted and implemented to promote environmentally sustainable production and use	1996: 5 policies	9 policies

## ACTIVITY DATA SHEET

**PROGRAM:** Central Programs

**TITLE AND NUMBER:** Reduced threat to sustainable development from global climate change, 936-SpO1 (ENV)

**STATUS:** Continuing

**PROPOSED OBLIGATION AND FUNDING SOURCE:** FY 1999: \$2,138,000 DA

**INITIAL OBLIGATION:** FY 1997: **ESTIMATED COMPLETION DATE:** Continuing

Purpose: Reduce the threat to sustainable development from global climate change through assistance to USAID-assisted countries encompassing efforts to decrease the rate of growth in net greenhouse gas emission, increase developing country participation in the United Nations Framework Convention on Climate Change (UNFCCC), and reduce developing country vulnerability to climate change.

USAID Role and Achievements to Date: USAID programs help developing nations meet the requirements of the UNFCCC, and decrease net emissions through energy, urban, transportation, biodiversity and forestry sector programs. USAID programs have increased the availability of clean, efficient, and renewable energy technologies, and helped nations protect and sustainably use their natural resources. USAID activities have also helped developing nations with climate change action planning and participation in international climate change negotiations.

Description: Programs are improving energy efficiency and increasing the use of renewable energy sources to reduce greenhouse gas emissions, and to protect forest resources and implement natural resource management techniques that preserve carbon stores.

Host country and other donors: Maintaining a close working relationship with the World Bank is critically important to the success of USAID's efforts. USAID will seek additional opportunities for project work with international finance institutions, the United Nations and other international organizations that have mandates that include climate change. USAID will use its network of in-country field missions and regional bureaus in Washington to implement activities that commercialize environmental technologies.

Beneficiaries: All sectors of the global economy, all realms of the natural environment and all countries of the world will be affected by global climate change. The greatest costs, however, will be felt by developing and transition countries -- the countries least able to cope with crisis and adapt to change - and the people and environment in these countries will receive the greatest benefit.

Principal contractors, grantees or agencies: USAID implements global climate change programs through private organizations, U.S. and host country nongovernmental organizations, host country government agencies, and U.S. trade associations. USAID collaborates with other U.S. government agencies (principally the Department of Energy, the Environmental Protection Agency, and the Department of State).

Major Results Indicators:

Baseline

Target

Indicators and associated baselines and targets will be established in the spring of 1998

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## ACTIVITY DATA SHEET

**PROGRAM:** Central Programs  
**TITLE AND NUMBER:** Improved access to financial and non-financial services for microenterprises of the poor, 936-SS01 (EGAD)  
**STATUS:** Continuing  
**PROPOSED OBLIGATION AND FUNDING SOURCE:** FY 1999: [\$25,000,000] DA\*  
**INITIAL OBLIGATION:** FY 1994; **ESTIMATED COMPLETION DATE:** FY 2005

Purpose: To promote the expansion and effectiveness of microenterprise services in facilitating the entrepreneurial activities of the poor, especially women.

USAID Role and Achievements to Date: Central programs have a leading role in implementing USAID's Microenterprise Initiative and many of the small business programs. The majority of the funding for this initiative has been through U.S. private voluntary organizations (PVOs). Under the Implementation Grant Program, 24 PVOs received \$35 million for microfinance work with their local partners in more than 22 countries. The Program for Innovation in Microenterprise fund, a mission co-financing fund, approved \$20.4 million for 23 USAID missions to benefit more than 44 local organizations. MicroServe, a field support mechanism, provided technical leadership to six USAID missions, while the Assessing the Impact of Microenterprise Services program initiated applied research work in three countries to measure the impact of USAID's microenterprise efforts. The Microenterprise Best Practice program has produced four concept papers and initiated 12 others as part of its mandate to expand the knowledge base of the microenterprise field.

Description: There is a three-part strategy for achieving this program: (1) provide direct funding of local lending institutions seeking to be self-sustaining; (2) provide strategic (field) support with funding, training and technical services to ensure USAID microenterprise and small business programs apply the best practices; and (3) ensure technical leadership to both increase our ability to measure the impact of microenterprise services and conduct research and development.

Host Country and Other Donors: Other donors include ACCION International and the World Council of Credit Unions.

Beneficiaries: Microentrepreneurs gain greater access to financial services and technical assistance through the expansion and strengthening of local institutional capacity.

Principal Contractors, Grantees or Agencies: USAID implements the activity's components through private non-profit organizations, contractors, U.S. universities and host country nongovernmental organizations.

Major Results Indicators:

	<u>Baseline</u>	<u>Target</u>
Number of microloans	80,000 (FY 1996)	300,000 (FY 1998) 375,000 (FY 1999) 450,000 (FY 2000)
Increased capacity of USAID and its development partners to undertake development programs	35 institutions (FY 1995)	50 institutions (FY 1998) 57 institutions (FY 1999) 65 institutions (FY 2000)

\* Funds for this activity are transferred to central programs from USAID regional bureaus.

## ACTIVITY DATA SHEET

**PROGRAM:** Central Programs

**TITLE AND NUMBER:** Improved food availability, economic growth and conservation of natural resources through agricultural development, 936-SS02 (EGAD)

**STATUS:** Continuing

**PROPOSED OBLIGATION AND FUNDING SOURCE:** FY 1999: \$42,250,000 DA

**INITIAL OBLIGATION:** FY 1968; **ESTIMATED COMPLETION DATE:** FY 2005

**Purpose:** To foster and promote scientific, economic and agribusiness linkages between U.S. and lesser-developed country institutions and private enterprise for improved worldwide food security.

**USAID Role and Achievements to Date:** USAID supports bilateral programs, International Agricultural Research Centers (IARCs), and Collaborative Research Support Programs. New technologies and higher-yielding, disease-resistant crop varieties (e.g., cassava, beans, millet) have been developed which are used by poorer farmers in developing countries to increase incomes, while nutrition and food availability to low-income families has been improved. These advances are also important to U.S. agriculture. Currently, two-thirds of the wheat and one-quarter of the rice acreage in the United States use wheat and rice varieties developed by the IARCs. USAID assistance facilitates policy interventions which protect the groups most vulnerable to drought or other instability (such as early warning systems to monitor food insecurity). USAID supports research and technology dissemination which is generating alternative technologies to alleviate tropical deforestation, desertification and biodiversity loss. Major advances are also occurring in the management of soil fertility and water resources through integrated use of improved crops, livestock and multi-purpose trees.

**Description:** This USAID program will focus on three major activities: (1) developing productivity-increasing technologies; (2) facilitating policy reforms and commercial enterprises; and (3) encouraging agricultural practices which enhance long-term conservation of natural resources.

**Host Country and Other Donors:** U.S. universities (25% matching), the U.S. Department of Agriculture, the World Bank, host countries and, for the IARCs, other donor countries such as Japan, Switzerland, and Australia.

**Beneficiaries:** The 1.1 billion people who live in absolute poverty and the 700 million people who are undernourished. Additional beneficiaries of this program are U.S. agricultural producers, manufacturers, marketers and transporters.

**Principal Contractors, Grantees or Agencies:** USAID implements these activities through U.S. universities, the U.S. Department of Agriculture, private voluntary organizations, private enterprises and the World Bank.

### Major Results Indicators:

	<u>Baseline (1995)</u>	<u>Target (2005)</u>
Percent of undernourished individuals in world declines	13%	11.5%
Percent of individuals in absolute poverty (less than \$1 day) declines	20%	18.5%
Natural resources conserved -- biodiversity collections increased 1% annually	206,000	227,000

## ACTIVITY DATA SHEET

**PROGRAM:** Central Programs

**TITLE AND NUMBER:** Support appropriate and functioning economic policies, market reforms and institutions in selected emerging markets and priority countries, 936-SS03 (EG)

**STATUS:** Continuing

**PROPOSED OBLIGATION AND FUNDING SOURCE:** FY 1999: \$1,000,000 DA

**INITIAL OBLIGATION:** FY 1995; **ESTIMATED COMPLETION DATE:** FY 2006

**Purpose:** To support broad-based, sustainable economic growth by providing intellectual leadership and access to technical resources to address the broad range of economic policy and institutional constraints at the macro, sectoral and activity levels.

**USAID Role and Achievements to Date:** Most USAID programs have been relatively modest in funding levels compared with investments by developing countries themselves and by multilateral development banks. Nonetheless, USAID can take some of the credit for progress in countries where economic growth has been a major element of its strategy. For example, the reform of policies and institutions in Central America helped reverse sharp economic declines in the 1980s. In Africa, decontrol of prices, relaxation of trade controls and elimination of monopolies resulted in increased efficiency. In Russia and the Europe and New Independent States regions, redesigning and implementing privatization programs has resulted in increased investment and employment. During FY 1997, important steps were taken in developing countries to strengthen the foundations for further privatization initiatives. In the Southern Africa region, for example, regionalization of capital markets has facilitated intercountry trade. USAID privatization initiatives in the transition economies included developments in social sector reforms, such as increasing the role of the private sector in managing and financing the state pension in Poland.

**Description:** This activity is the sole source of centralized research and field support for economic and institutional reform. In order to achieve these strategic priorities, programs are concentrated in five areas: (1) economic policy reform, (2) privatization, (3) legal and institutional reform, (4) financial sector development, and (5) general business, trade and investment.

**Host Country and Other Donors:** Host countries, U. S. Department of Labor, and the Securities and Exchange Commission.

**Beneficiaries:** All citizens in USAID-assisted countries benefit from increased opportunity and access as economies reform.

**Principal Contractors, Grantees or Agencies:** Coopers and Lybrand, KPMG/ Barents Group, University of Maryland, International Center for Economic Growth, Harvard Institute for International Development.

**Major Results Indicators:**

	<u>Baseline (FY 1995)</u>	<u>Target (FY 2000)</u>
Subsidies paid by 15 USAID-assisted governments to state-owned enterprises as % of government spending	6.6%	3.3%
Money supply (M2) as % of GDP for 15 USAID-assisted countries	41.7%	45%

Trade openness (exports + imports) as percent of GDP for 15 USAID-assisted countries

53%

55%

## ACTIVITY DATA SHEET

**PROGRAM:** Central Programs

**TITLE AND NUMBER:** Enhance the ability of indigenous businesses to become viable within emerging markets, 936-SpO2 (EGAD)

**STATUS:** Continuing

**PROPOSED OBLIGATION AND FUNDING SOURCE:** FY 1999: \$5,500,000 DA

**INITIAL OBLIGATION:** FY 1964 (IESC); FY 1978 (ATI)

**ESTIMATED COMPLETION DATE:** FY 2005 (IESC); FY 2004 (ATI)

**Purpose:** To promote the transfer of technology to small and medium-sized enterprises (SMEs) through the International Executive Service Corps (IESC); and to graduate microenterprises to small businesses through Appropriate Technology International (ATI). The work is primarily done in USAID-recipient nations.

**USAID Role and Achievements to Date:** IESC's voluntary executive network is active throughout the world. The 1,200 annual executive assignments generate more than \$370 million in monetary benefits. ATI delivers technical expertise in seven specific microenterprise production modalities. This program has generated benefits for over 250,000 participants and distributed monetary benefits exceeding \$11 million annually.

**Description:** USAID supports the core costs for IESC and delivers business development services through the IESC technical network. ATI has resident contract employees who deliver technical and business expertise in seven production modalities in Asia, Latin America and Africa.

**Host Country and Other Donors:** IESC works closely with other voluntary networks to deliver technical expertise. All consultancies are co-financed and hosted by a private sector firm in the recipient country. ATI has agreements with other bilateral donors as well as international organizations, non-governmental organizations, and private sector entities to deliver services.

**Beneficiaries:** The primary beneficiaries are SMEs in USAID-recipient countries for IESC; and micro entrepreneurs for ATI.

**Principal Contractors, Grantees or Agencies:** IESC and ATI.

**Major Results Indicators:**

	<u>Baseline (1996)</u>	<u>Target (2004)</u>
<b>IESC:</b>		
Increased annual monetary benefits (e.g., total sales, new financing received)	\$370 million	\$400 million
Annual employment	25,000 jobs	25,000 jobs
<b>ATI:</b>		
Increased annual monetary benefits of participants	\$7.3 million	\$11.5 million
Number of economic participants benefitting	205,000	250,000

## ACTIVITY DATA SHEET

**PROGRAM:** Central Programs

**TITLE AND NUMBER:** Expand technology transfer by U.S. business, 936-SPO3 (EGAD)

**STATUS:** Continuing

**PROPOSED OBLIGATION AND FUNDING SOURCE:** FY 1999: \$893,000 DA

**INITIAL OBLIGATION:** FY 1994; **ESTIMATED COMPLETION DATE:** FY 2005

**Purpose:** To promote the growth and competitive ability of small and medium-sized enterprises (SMEs) working in USAID-recipient countries.

**USAID Role and Achievements to Date:** USAID's Office of Business Development disseminates all of the trade leads from the United States-Asian Environmental Partnership (USAEP). Trade and partnership-promotion networks have been initiated in Latin America and Africa.

**Description:** USAID supports trade representatives in the field. These representatives relay trade leads from foreign businesses into the Global Technology Network (GTN) for distribution to U.S. private sector interests. The leads are confined to USAID areas of technical interest. In FY 1998, the network will expand to Eastern Europe and the Near East.

**Host Country and Other Donors:** USAID-funded contractors work closely with host country officials, private sector business leaders, and representatives from U.S. Embassy staffs and the Department of Commerce.

**Beneficiaries:** The primary beneficiaries are SMEs in the United States and recipient countries, who in turn provide employment and increased income opportunities for their clients.

**Principal Contractors, Grantees or Agencies:** Academy for Educational Development; DevTech Systems, Inc.; United Nation Development Program; Asia-Pacific Economic Cooperation.

**Major Results Indicators:**

	<u>Baseline (FY 1994)</u>	<u>Target (FY 2005)</u>
Value of transactions completed annually	\$0	\$20 million
Number of trade leads annually	600	5,000
Number of field-based trade representatives	16	60

## ACTIVITY DATA SHEET

**PROGRAM:** Central Programs

**TITLE AND NUMBER:** Increased science and technology cooperation among Middle Eastern and developing countries, and utilization of U.S. and Israeli technical expertise by developing countries, 936-SpO4 (EGAD)

**STATUS:** Continuing

**PROPOSED OBLIGATION AND FUNDING SOURCE:** FY 1999: \$5,500,000 DA, \$7,000,000 ESF\*

**INITIAL OBLIGATION:** FY 1979; **ESTIMATED COMPLETION DATE:** Continuing

Purpose: To foster collaboration between Israel and other Middle Eastern countries in the application of science and technology to address shared development goals in the Middle East, the New Independent States, Africa, Latin America, and Asia.

USAID Role and Achievements to Date: USAID funding catalyzes cooperation that would otherwise not occur due to lack of hard currency. United States involvement makes possible Israeli collaboration in countries otherwise closed to Israel. The political goal of support to the peace process is exhibited by the increase in direct communication, travel, and information exchange between researchers in the Middle East. There have been many research results to date, including results in saline agriculture, improved agricultural water management technology, improved biopesticides, and added understanding of tropical diseases and threats to the unique aquatic environment of that region.

Description: The U.S.-Israel Cooperative Development Program (CDP) funds training in Israel and lesser developed countries (LDCs), and technical assistance in agricultural production in LDCs. The U.S.-Israel Cooperative Development and Research Program funds cooperative Israeli-LDC research proposals of up to five years in length and of \$200,000 or less. The proposals can be initiated by either LDC or Israeli scientific institutions. The Middle East Regional Cooperation Program awards proposals for collaborative research between Israel and at least one other Middle Eastern partner. The funding ceiling is \$3,000,000 over three years.

Host Country and Other Donors: Israeli and collaborating Arab and LDC institutions; University of Michigan; Texas A & M University; and National Institutes of Health.

Beneficiaries: The ultimate beneficiaries are the Middle Eastern people and LDCs whose living standards are improved.

Principal Contractors, Grantees or Agencies: Grants are made to Israeli and U.S. institutions, which, in turn, make subgrants to their collaborating institutions. The U.S. National Academy of Sciences assists in peer review of proposals.

Major Results Indicators:

	<u>Baseline (FY 1979)</u>	<u>Target (FY 2000)</u>
Publications in science and technology journals and conferences	None	One per \$25,000
Major contributions to development of the Middle East peace process (e.g., agreement of water data monitoring between the parties)	None	One per 25 grants
Improved farm level agricultural production technologies	None	10% of participating farmers adopt new technologies

Increased crop and dairy output  
among farmers participating in  
CDP training

None

10% increase in dairy and  
crop production among  
participating farmers

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\*Transferred from Asia and Near East Regional Bureau.

## ACTIVITY DATA SHEET

**PROGRAM:** Central Programs

**TITLE AND NUMBER:** Rule of Law -- Strengthened rule of law and respect for human rights, 936-SS01 (DG)

**STATUS:** Continuing

**PROPOSED OBLIGATION AND FUNDING SOURCE:** FY 1999: \$3,000,000 DA

**INITIAL OBLIGATION:** FY 1995; **ESTIMATED COMPLETION DATE:** FY 2002

**Purpose:** Legal systems operate more effectively to embody democratic principles and protect human rights.

**USAID Role and Achievements to Date:** USAID was the first principal donor to engage in the area of the rule of law, and is the leading major donor addressing human rights. Achievements include judicial reforms in Latin America and foundation building for market-oriented legal systems in the former Soviet Union and Eastern Europe. USAID support for reforms in judicial independence, the protection of human rights, criminal, civil and commercial law and procedure, constitutional development, access to justice, and the professionalization of lawyers, judges, prosecutors and police is producing results. As USAID consolidates gains, lessons learned are being shared to advance the state of the art and to increasingly leverage other donor investment.

**Description:** Over the next three years programs will consolidate efforts across four main foci: (1) legal reform, (2) administration of justice (AOJ), (3) access to justice, and (4) human rights.

**Host Country and Other Donors:** World Bank, Inter-American Development Bank, Asian Development Bank, European Bank for Reconstruction and Development, European Union, the United Nations Development Program, and other bilateral donors.

**Beneficiaries:** Citizens in targeted countries where USAID missions apply central program guidance and who benefit from a more effective and responsive justice system.

**Principal Contractors, Grantees or Agencies:** Amex International, Chemonics International, Conflict Management Group, International Development Law Institute, National Center for State Courts, U.S. Department of Justice and U.S. Federal Judiciary.

<u>Major Results Indicators:</u>	<u>Baseline</u>	<u>Target</u>
Countries improve administration of their courts	19 countries currently assisted	El Salvador, Haiti, Indonesia, Mongolia, Russia, Uganda
Countries expand access to legal systems	18 countries currently assisted	Cambodia, El Salvador, Haiti, Indonesia, Uganda

## ACTIVITY DATA SHEET

**PROGRAM:** Central Programs

**TITLE AND NUMBER:** Elections and Political Processes -- More genuine and competitive political processes, 936-SS02 (DG)

**STATUS:** Continuing

**PROPOSED OBLIGATION AND FUNDING SOURCE:** FY 1999: \$1,000,000 DA

**INITIAL OBLIGATION:** FY 1996; **ESTIMATED COMPLETION DATE:** FY 2002

**Purpose:** Political processes, including elections, are competitive and reflect the will of an informed citizenry.

**USAID Role and Achievements to Date:** USAID efforts have helped to increase citizen participation in electoral processes, improve the administration of elections and ensure that electoral results are respected.

**Description:** USAID assists efforts to administer elections in an impartial and professional manner. USAID trains local organizations to monitor elections and educate voters about their rights and responsibilities, provides assistance to increase effectiveness and representation of political parties, and trains newly elected legislators. The focus of USAID efforts is increasingly on the long-term institutionalization and sustainability of political procedures.

**Host Country and Other Donors:** Other bilateral donors provide technical assistance and commodities and deploy election observers. The United Nations and other multilateral organizations tend to provide large-scale electoral assistance on a selective basis. USAID targets electoral support to complement United Nations or other donor efforts. The National Endowment for Democracy and its core grantees complement long-term USAID programs by working on grassroots civic education, political party training and legislative strengthening.

**Beneficiaries:** Citizens in targeted countries who acquire the ability to choose their leaders, influence political decision-making and participate freely in civic associations.

**Principal Contractors, Grantees or Agencies:** A cooperative agreement with the Consortium for Elections and Political Process Strengthening [members are: the International Republican Institute, the National Democratic Institute and the International Foundation for Election Systems] and a grant to the Asia Foundation.

<u>Major Results Indicators:</u>	<u>Baseline</u>	<u>Target</u>
Countries develop effective and independent electoral commissions	7 countries currently assisted	Bosnia, Liberia
Countries hold open and contested elections	25 typically assisted with an electoral event annually	Congo, Bosnia, Mexico

## ACTIVITY DATA SHEET

**PROGRAM:** Central Programs

**TITLE AND NUMBER:** Civil Society -- Increased development of a politically active civil society, 936-SS03 (DG)

**STATUS:** Continuing

**PROPOSED OBLIGATION AND FUNDING SOURCE:** FY 1999: \$7,353,000 DA

**INITIAL OBLIGATION:** FY 1996; **ESTIMATED COMPLETION DATE:** FY 2002

Purpose: Informed citizens' groups effectively contribute to more responsive government.

USAID Role and Achievements to Date: USAID directs resources to the media, labor and civil society advocacy groups to enhance their ability to mobilize citizen support for political and economic reform. This includes the skills for engaging government authorities, political leaders and the media in constructive dialogue on national reform; pressuring for the passage of constitutional, legal and institutional reforms; and expressing demands for government compliance with the rule of law.

Description: Labor movements in 50 countries in the developing world will be assisted in their advocacy for democratic reform and worker rights. More broadly, institutional capacity building, sectoral support and networking services are provided to support indigenous civil society groups identified by USAID missions abroad as key players in country reform movements. Capacity building includes organizational planning and management, policy formulation, and participatory approaches and methodology.

Host Country and Other Donors: Many donors support civil society activities, including major foundations such as the Ford Foundation and The Asia Foundation. The German Frederick Ebert Stiftung supports labor union development.

Beneficiaries: The ultimate beneficiaries are the citizens and workers in targeted countries who benefit from a more responsive and democratic government and who are given the opportunity to participate in a meaningful way in the formulation and implementation of those policies which affect them.

Principal Contractors, Grantees or Agencies: The American Center for International Labor Solidarity is the labor program grantee. Management Systems International and World Learning, a nongovernmental organization (NGO), are partners in developing NGO program design, assessment of best practices and replication.

Major Results Indicators:

Labor unions become more democratic and effective advocates

Baseline

30 countries currently assisted

Target

Benin, Bulgaria, Caucuses, Dominican Republic, Ecuador, El Salvador, Kenya, Paraguay, Philippines, Russia, Slovakia, Yugoslavia

Civil society groups become more representative and more effective advocates

25 countries currently assisted

Bangladesh, Bulgaria, Dominican Republic, Indonesia, Kenya, Philippines, Russia, South Africa

Media operates more freely and is more financially independent

20 countries currently assisted

Albania, Hungary, Romania, Tanzania, Zambia

## ACTIVITY DATA SHEET

**PROGRAM:** Central Programs

**TITLE AND NUMBER:** Governance -- More transparent and accountable government institutions, 936-SS04 (DG)

**STATUS:** Continuing

**PROPOSED OBLIGATION AND FUNDING SOURCE:** FY 1999: \$3,500,000 DA

**INITIAL OBLIGATION:** FY 1996; **ESTIMATED COMPLETION DATE:** FY 2002

Purpose: National and local government institutions more openly and effectively perform their public responsibilities.

USAID Role and Achievements to Date: USAID assists countries to develop systems which are more open and accountable. Assistance enables national and local government to reform their policies regarding the delivery of services and in regard to tax reform, privatization, investment codes and capitalization regulations. Representatives from 12 countries participated in an international conference on legislative modernization; and with funding from USAID, Transparency International, an international NGO, has played the key role in the formulation of an international Corruption Perception Index.

Description: USAID provides models and technical assistance to facilitate reform in governmental institutions and policies related to: transparency and accountability; decentralization and devolution; the role and effectiveness of public officials; the role of the military; and managing policy and change.

Host Country and Other Donors: The World Bank and other international donors including Canada, the United Kingdom and the European Union.

Beneficiaries: Citizens in targeted countries where USAID missions apply central program guidance and who benefit from more effective and responsive government.

Principal Contractors, Grantees or Agencies: Transparency International, SUNY/Albany, Research Triangle Institute, Casals and Associates, Associates in Rural Development, Development Alternatives and Management Services International

Major Results Indicators:

	<u>Baseline</u>	<u>Target</u>
Governments articulate and sponsor anti-corruption measures	15 countries currently are developing strategies	Benin, Bulgaria, Colombia, Dominican Republic, Ghana, Mozambique, Philippines, Ukraine
Local-level governments improve democratic processes	28 countries currently being assisted	Bangladesh, Bulgaria, Guatemala, Paraguay, Senegal, Uganda
Legislative bodies improve their effectiveness and accountability	20 countries currently being assisted	Nicaragua, Romania, Senegal, Uganda, Ukraine

## ACTIVITY DATA SHEET

**PROGRAM:** Central Programs

**TITLE AND NUMBER:** Improved and expanded basic education and learning systems, 936-SS01 (HCD)

**STATUS:** Continuing

**PROPOSED OBLIGATION AND FUNDING SOURCE:** FY 1999: \$4,595,000 CSD

**INITIAL OBLIGATION:** FY 1995; **ESTIMATED COMPLETION DATE:** FY 2004

Purpose: Improve and expand basic education and learning systems to increase access of children and adults to high-quality basic education.

USAID Role and Achievements to Date: USAID draws on over 30 years of successful experience in basic education. Initiatives include computer-based instruction; distance education by radio and electronic systems; cost-effective teacher training; high-impact curriculum materials; innovative adult and nonformal education programs; education systems analysis supporting administrative and policy reforms; special strategies to reach girls, rural and poor children; donor collaboration in early childhood, family and community education; rapid educational planning and support services in crisis and transition nations; and a commitment to public communication, civic education and social marketing to achieve, through cross-sectoral collaboration in education, the attainment of development objectives in sectors such as public health and the environment.

Description: Central programs provide research, technical leadership and field support to USAID missions worldwide while drawing upon America's finest sources of technical education expertise. Current specific activities improve policy analysis and monitor program results; expand and improve girls' and women's education; improve classroom practices and raise achievement; integrate learning services for young children; use cost-efficient communications and learning technologies; and respond to complex education needs in countries emerging from civil conflict.

Host Country and Other Donors: Central program activities complement and support USAID missions, host country programs, nongovernmental organization partners and other donors. Donors include the World Bank; United Nations Educational, Scientific and Cultural Organization; United Nations Children Fund, bilateral donors and U.S. federal agencies, such as USIA and the Department of Education.

Beneficiaries: Primary beneficiaries are children, youth and adults receiving more and improved learning opportunities. Special emphasis is given to disadvantaged populations including communities living in poverty, ethnic groups, girls and women, and children with disabilities.

Principal Contractor, Grantees or Agencies: Academy for Educational Development, Creative Associates, Education Development Center, Florida State University, University of Pittsburgh, Harvard Institute for International Development, American Institutes for Research, and Research Triangle Institute.

<u>Major Results Indicators:</u>	<u>Baseline (1996)</u>	<u>Target (yearly)</u>
Primary school access (gross enrollment ratio)	84.5%	Increase of 1%
Gender equity (girl's gross primary enrollment ratio)	84.3%	Increase of 1.5%
Primary school achievement (5th grade completion rate)	64.2%	Increase of 1.5%

## ACTIVITY DATA SHEET

**PROGRAM:** Central Programs

**TITLE AND NUMBER:** Expanded higher education and workforce development partnerships, 936-SS02 (HCD)

**STATUS:** Continuing

**PROPOSED OBLIGATION AND FUNDING SOURCE:** FY 1999: \$1,800,000 DA

**INITIAL OBLIGATION:** FY 1995; **ESTIMATED COMPLETION DATE:** FY 2004

**Purpose:** To establish partnerships between U.S. institutions of higher education and counterpart institutions overseas to strengthen institutions and address unemployment and other immediate development problems.

**USAID Role and Achievements to Date:** USAID's higher education partnerships program establishes mutually beneficial and self-sustaining relations between overseas institutions of higher education and sister institutions in the United States. These strengthen research, teaching and faculty development, improve workforce development, and provide leadership training, often with private sector support. The program has established 42 partnerships in 29 countries, involving 58 American colleges and universities and 54 developing country institutions. In addition, three regional higher education networks have been established which involve 37 developing world institutions and 27 American institutions in 12 countries. To complement this institution-to-institution approach, two other programs have been established: (1) leadership training for hundreds of high achieving professionals from developing nations, and (2) fellowship programs to involve the best of America's young scientists and professionals in overseas development. Dozens of fellows work alongside USAID officers on development programs in Washington and overseas.

**Description:** USAID's higher education partnerships program builds on the strengths of the most innovative of America's colleges and universities. The institutions in developing nations benefit through strengthened teaching, research and faculty and student exchanges, and American institutions benefit through enhanced and diversified international relationships. USAID funds are used as seed grants to establish the partnerships with additional resources from the private sector or foundation support. USAID funds are leveraged at least 1:1, often 3:1, and for networks, up to 14:1.

**Host Country and Other Donors:** Other donor agencies include the Ford Foundation, the World Bank, the Inter-American Development Bank, the Asian Development Bank, the Commonwealth, and many bilateral donor agencies.

**Beneficiaries:** Direct beneficiaries are students, faculty, professionals and job-seekers overseas who receive better and more relevant training and program support. Indirect beneficiaries include American and overseas colleges and universities, and development fellows, who receive institutional strengthening, professional development and broad international contacts.

**Principal Contractors, Grantees or Agencies:** USAID implements this program through dozens of U.S. institutions of higher education, and several representative higher education associations (e.g., American Council on Education, and the American Association of Community Colleges).

<u>Major Results Indicators:</u>	<u>Baseline</u>	<u>Target</u>
Higher education partnerships established	42 partnerships (1997)	7-10 new partnerships per year
Target countries using higher education partnerships	29 (1996)	2 - 3 new countries per year

Average ratio of nongovernmental funds leveraged through partnerships

3:1 (1997)

4:1 (1999)

## ACTIVITY DATA SHEET

**PROGRAM:** Central Programs

**TITLE AND NUMBER:** Improved performance and effectiveness of targeted host country organizations, 936-SS03 (HCD)

**STATUS:** Continuing

**PROPOSED OBLIGATION AND FUNDING SOURCE:** FY 1999: \$775,000 DA

**INITIAL OBLIGATION:** FY 1995; **ESTIMATED COMPLETION DATE:** FY 2004

**Purpose:** To provide technical and policy leadership and assistance in training, for use by field missions and central bureaus to achieve USAID strategic objectives.

**USAID Role and Achievements to Date:** One of USAID's largest investments in sustainable development is training. USAID training programs increase the skills of individuals and the effectiveness of their home organizations, at the same time as the agency supports America's leadership in international education. Over USAID's 30-year history, this sustained investment in human capital has been a hallmark of the agency's programs, respected and valued by beneficiaries and outside observers alike. Training activities continue to be a superior means of bringing America's technical and professional expertise to bear on priority problems in the developing world. Responding to changing needs, USAID has shifted away from long-term academic training in favor of short-term technical training, and has also moved from stateside training to favor less expensive on-site training. These trends are expected to continue.

**Description:** Central programs provide technical leadership for USAID's training activities, including promulgation of worldwide directives and guidance, technical and financial "best practices" to increase the cost-effectiveness of USAID training dollars; and specific support activities including managing an Agency-wide database on U.S.-based trainees, the USAID training visa program and a central health and accident insurance system for trainees in the United States.

**Host Country and Other Donors:** Other donors include the World Bank, Inter-American Development Bank, the Asian Development Bank, USIA and other U.S. federal agencies participating in the Inter-Agency Working Group on International Exchanges and Training.

**Beneficiaries:** Host country individuals receive training to increase their work-related skills and knowledge; host country organizations improve their performance effectiveness; and U.S. higher education, training institutions and training contractors build stronger international programs. In FY 1996, over 7,000 people were trained in the U.S.

**Principal Contractors, Grantees or Agencies:** USAID implements training activities through hundreds of U.S. institutions of higher education, technical training centers, private and non-profit companies, and host country institutions. U.S. contractors include: African American Institute; AMEX International; Aguirre International; Academy for Educational Development; Institute for International Education; Creative Associates, Inc.; Development Associates, Inc.; World Learning, Inc.; and Pragma Corporation.

<u>Major Results Indicators:</u>	<u>Baseline (1996)</u>	<u>Target</u>
Cost of trainee health and accident insurance	\$200/person-month	\$80/person-month
Number of field missions using improved trainee management software	None	25 new field missions per year

Number of field missions receiving technical assistance in training "best practices"

20 field missions

30 field missions per year

## ACTIVITY DATA SHEET

**PROGRAM:** Central Programs

**TITLE AND NUMBER:** Expanded access to and application of information and telecommunications services, 936-SS04 (HCD)

**STATUS:** Continuing

**PROPOSED OBLIGATION AND FUNDING SOURCE:** FY 1999: \$700,000 DA

**INITIAL OBLIGATION:** FY 1997; **ESTIMATED COMPLETION DATE:** FY 2004

**Purpose:** To provide policy and technical leadership to expand access to and make more affordable state-of-the-art information technology and telecommunications services and applications.

**USAID Role and Achievements to Date:** This objective builds on a longstanding partnership between USAID and the U.S. telecommunications industry in supporting the U.S. Telecommunications Training Institute (USTTI). In this partnership, industry provides technical and policy training, while USAID meets travel and other costs for participants from USAID-assisted countries. Over 15 years, 4,920 communications professionals have been trained. Central programs have set up a framework for joint Federal action by establishing an agreement with the State Department to collaborate with key Federal agencies such as the Federal Communications Commission, the Office of the U.S. Trade Representative, and the Department of Commerce. This partnership allows for joint coordinated action on telecommunications development issues of importance to the U.S. Government as a whole.

**Description:** Planned activities include policy dialogue in emerging markets to facilitate telecommunications liberalization, broad-based training to strengthen institutional capability and encourage innovative responses to the changing global marketplace in information and technology, and pilot programs to demonstrate high-impact and cost-effective applications of state-of-the-art information technology.

**Host Country and Other Donors:** USAID works closely with the World Bank and several complementary Federal agencies, including the Federal Communications Commission, Department of State, Department of Commerce, and the Office of the U.S. Trade Representative.

**Beneficiaries:** Host country individuals receive training to increase their skills and knowledge; host country organizations improve their effectiveness; cheaper and broader flows of information speed national development, encouraging human capacity development and economic growth as well as democratic institutions; and the U.S. telecommunications industry builds stronger international relationships. In 1997 participants from 23 countries, including Ghana, Tanzania, Romania, Honduras, Jamaica and the Philippines received training through the USTTI program.

**Principal Contractors, Grantees or Agencies:** USAID will implement programs and activities through other Federal agencies, through direct technical assistance to host country organizations, through training support for the U.S. Telecommunications Training Institute, and through U.S. based contractors, including the Academy for Educational Development and others to be determined.

<u>Major Results Indicators:</u>	<u>Baseline (1996)</u>	<u>Target (yearly)</u>
Telecommunications skills increased	400 trainees in telecommunications	400
Countries adopt information policy reforms	None	2 - 3 countries
Institutions adopt innovative technology applications	3	3 - 4 institutions

## ACTIVITY DATA SHEET

**PROGRAM:** Central Programs

**TITLE AND NUMBER:** Enhance the economic status of women throughout the developing world, 930-SSO1 (WID)

**STATUS:** Continuing

**PROPOSED OBLIGATION AND FUNDING SOURCE:** FY 1999: \$2,440,000 DA

**INITIAL OBLIGATION:** FY 1995; **ESTIMATED COMPLETION DATE:** FY 2003

**Purpose:** To increase the employment and income opportunities for women throughout the developing world.

**USAID Role and Achievements to Date:** Through its field missions, regional bureaus, and global centers, USAID is addressing the economic status of women as a key factor in economic growth programming. Women have been the principal beneficiaries of activities to strengthen microentrepreneurship worldwide, resulting in new sources of income and job creation. Taking account of the role of women in agriculture in Uganda and Egypt has resulted in more equitable participation of women in agricultural projects in these countries. In Nepal, making women's economic status an explicit component of the program has resulted in closer attention to correlations between empowerment of women and income generation. USAID-supported nongovernmental organizations (NGOs) in eight African countries are influencing national agricultural policies to benefit women farmers. USAID also supports activities increasing the impact of economic programs for women through applied research, training, and pilot activities to improve understanding of women's economic roles and to build this knowledge into program design. Studies are underway in five countries to identify the intrahousehold allocation processes for economic assets and for participation in development activities. Three post-doctoral fellows and two Women in Development (WID) fellows are being trained in gender analysis in the economic growth sector.

**Description:** USAID focuses on five WID activity areas: (1) support to develop NGO capacity to address women's economic issues; (2) support for high-quality research on gender-based constraints to economic growth; (3) dissemination of information about women's economic roles; (4) development of professional expertise on women's economic issues; and (5) technical assistance to USAID missions to more effectively incorporate gender into economic growth strategies. During FY 1998, USAID will develop a centrally funded pilot activity to increase employment opportunities for women in the formal sector.

**Host Country and Other Donors:** USAID collaborates with other donors, including the Development Assistance Committee of the Organization for Economic Cooperation and Development and other coordinating bodies.

**Beneficiaries:** Women in developing countries who improve their economic status as a result of USAID's programs.

**Principal Contractors, Grantees or Agencies:** Private, for-profit and nonprofit companies, and U.S. and host country nongovernmental organizations.

<u>Major Results Indicators:</u>	<u>Baseline (FY 1995)</u>	<u>Target (FY 2003)</u>
Women's employment	Current employment rates	10% increase in 15 target areas
Women's income	Current incomes	10% increase in 15 target areas

## ACTIVITY DATA SHEET

**PROGRAM:** Central Programs

**TITLE AND NUMBER:** Expand educational opportunities for girls, 930-SS02 (WID)

**STATUS:** Continuing

**PROPOSED OBLIGATION AND FUNDING SOURCE:** FY 1999: \$2,340,000 CSD

**INITIAL OBLIGATION:** FY 1995; **ESTIMATED COMPLETION DATE:** FY 2003

Purpose: To improve the educational opportunities for girls in the regions of Africa, Asia and the Near East, and Latin America.

USAID Role and Achievements to Date: Over half of all USAID missions in Africa, Asia and the Near East, and Latin America, regional bureaus, and global centers are engaged in innovative efforts to improve girls' educational opportunities. Since the First Lady launched the USAID Girls' and Women's Education Initiative at the United Nations Social Summit in Copenhagen, USAID has worked to mobilize host-country commitment and resources for girls' education in six emphasis countries: Egypt, Mali, Morocco, Guatemala, Guinea, and Peru. Also, in India, USAID is focused on increasing girls' formal primary school attendance, retention, and completion through the development of a teacher training program in selected districts of Uttar Pradesh. Analytic studies in Bolivia, Honduras, and Nepal are assessing the impact of women's literacy training on the countries' social and economic development, critical information needed by decision makers who are making resource and programmatic decisions. Analytic studies in Peru are assessing the impact of the onset of puberty on girls' school dropout and its implications for educational policy to increase girls' school retention. USAID is developing a girls' education training program for education personnel in eight countries which will increase girls' school completion. USAID is also developing a system to identify, monitor, and report on the sustainability of girls' education initiatives. USAID is leading a multi-donor activity to carry out an international conference on girls' education which is convening senior decision makers from business, religion, government, media, and nongovernmental organizations (NGOs) from USAID and other donor-assisted countries to form partnerships to increase girls' school participation worldwide. Progress continues to be made in achieving the target of 20% increase in girls' primary school completion in six targeted areas during this period.

Description: USAID focuses on four women-in-development activity areas: (1) Strengthened capacity of public and private sector institutions to promote girls' education, (2) Improved knowledge to implement policies, strategies, and programs for girls' education, (3) Mobilized leadership to promote girls' education, and (4) Broadened local community participation to promote girls' education.

Host Country and Other Donors: USAID collaborates with other donors, including the World Bank, the Inter-American Development Bank, the European Commission, United Nations Children's Fund, and the Lewis T. Preston Education Program for Girls.

Beneficiaries: Girls in Africa, Asia and the Near East, and Latin America.

Principal Contractors, Grantees or Agencies: Private, for-profit and nonprofit companies, and U.S. and host country nongovernmental organizations.

<u>Major Results Indicators:</u>	<u>Baseline (FY 1995)</u>	<u>Target (FY 2003)</u>
Girls' primary and secondary enrollment rates	Current enrollment rates	20% increase in 6 target areas
Girls' primary and secondary completion rates	Current completion rates	20% increase in 6 target areas

## ACTIVITY DATA SHEET

**PROGRAM:** Central Programs

**TITLE AND NUMBER:** Improve women's legal and property rights and Increase their participation in governance and civil society, 930-SS03 (WID)

**STATUS:** Continuing

**PROPOSED OBLIGATION AND FUNDING SOURCE:** FY 1999: \$2,520,000 DA

**INITIAL OBLIGATION:** FY 1995; **ESTIMATED COMPLETION DATE:** FY 2003

**Purpose:** To protect women's legal rights with an emphasis on property rights and economic participation, and to increase participation in governance and civil society in all regions.

**USAID Role and Achievements to Date:** A leader among donors with regard to women's legal rights, USAID has launched a Women's Legal Rights Initiative that was announced at the United Nations Fourth World Conference on Women in Beijing. Recognizing that women's property and inheritance rights are often ignored, USAID focuses on advancing women's rights to full economic participation. Projects in Bangladesh, Cambodia, Sri Lanka, and Nepal are helping to ensure that women achieve economic parity with men. In South Africa, the national system of land distribution has been changed from being based on the household to accounting for the individual, thereby ensuring gender equity in land ownership and tenure. Legal assistance and education for women in Malawi and Kenya is strengthening women's participation in the democratic processes in their countries. USAID partnership with local women in their campaign against female genital mutilation (FGM) has contributed importantly to a close re-examination of FGM policy and practice in countries as diverse as Kenya, Ghana, Egypt, Mali, and Guinea. In India, USAID focus on domestic violence through partnerships with nongovernmental organizations (NGOs) and research organizations has highlighted the issue and underlined its severe economic, health, and education consequences. USAID-supported rule of law programs have led to constitutional reform in Guatemala, judicial training in El Salvador, prison reform in Haiti, human rights protection in former conflict zones in Nicaragua, and legal clinics for women in Peru. Worldwide, the capacity of more than 150 NGOs to work on advocacy issues has been strengthened.

**Description:** USAID focuses on five women-in-development activity areas: (1) support to develop NGO capacity to focus on the role of girls and women in their programs, (2) support for high-quality applied research on girls' and women's roles and status, (3) communications and information dissemination focused on girls' and women's roles, (4) development of professional expertise on girls' and women's roles, and (5) support for a variety of technical assistance activities designed to improve the extent to which USAID programs address gender considerations.

**Host Country and Other Donors:** USAID collaborates with other donors, including the Development Assistance Committee of the Organization for Economic Cooperation and Development and other coordinating bodies.

**Beneficiaries:** Women in developing and transitional countries worldwide.

**Principal Contractors, Grantees or Agencies:** Private, for-profit and nonprofit companies, and U.S. and host country nongovernmental organizations.

<u>Major Results Indicators:</u>	<u>Baseline (FY 1995)</u>	<u>Target (FY 2003)</u>
Knowledge of existing legal rights	Current knowledge	20% increase in 15 target areas
Participation in governance and civil society	Current participation	20% increase in 15 target areas

## ACTIVITY DATA SHEET

**PROGRAM:** Central Programs

**TITLE AND NUMBER:** Integrate gender issues through USAID regional and country programs, 930-SS04 (WID)

**STATUS:** Continuing

**PROPOSED OBLIGATION AND FUNDING SOURCE:** FY 1999: \$2,700,000 DA

**INITIAL OBLIGATION:** FY 1995; **ESTIMATED COMPLETION DATE:** FY 2003

Purpose: To support integration of gender issues through USAID regional and country programs.

USAID Role and Achievements to Date: Through its field missions, regional bureaus, and global centers, USAID is supporting efforts to address gender considerations throughout all its programs. Technical support has been provided to at least five missions per region over the past year. In Kenya, Uganda, Peru, Brazil, India, and the Ukraine, technical assistance has resulted in integrating gender in USAID missions' strategies and activities such as a new agribusiness development project in Uganda. India is focusing on the culturally sensitive issue of domestic violence. Assistance has achieved further significant impact in South Africa, Angola, Tanzania, Guatemala, Bolivia, Haiti, Russia, Albania, Egypt, Jordan, Morocco, Philippines, and Nepal. Gender is now among the criteria utilized to determine resource allocation in USAID missions. During the past year in the Asia and Near East region alone, two-thirds of the missions' strategic or special objectives were noted for their effort to reduce gender disparities; three missions were cited as models of gender integration; and two for their gender-led strategies. In the region of Africa, seven missions demonstrated significant awareness of gender-based disparities. USAID's effort to integrate gender extends to Washington-based bureaus, centers, and offices, and to other donors. Results include a Gender Action Plan with over 15 distinct actions to build commitment to consideration of gender issues as key development issues; newsletters and fact sheets disseminated not only to USAID but to over 2,000 individuals and companies; seminars; and the training and placement of 11 Women in Development (WID) fellows in field missions and Washington regional bureaus.

Description: To achieve the agency objective of gender integration in all program activities and to continue influencing the behavior of other donors, USAID's WID program provides expert technical assistance to field missions worldwide to improve the extent to which USAID programs address gender considerations, and it continues to support the development of nongovernmental organization (NGO) capacity to focus on the role of women in their programs. This is complemented by high-quality applied research on women's roles and status; communications and information dissemination focused on women's roles; and the development of professional expertise on women's roles through a WID Fellows program.

Host Country and Other Donors: In each country that receives USAID technical input, USAID collaborates with the host country and with donors dealing with the particular sector of focus. This includes the World Bank, United Nations organizations, and the European Commission, and with donor coordinating bodies such as the Development Assistance Committee of the Organization for Economic Cooperation and Development.

Beneficiaries: Women in developing and transitional countries worldwide whose status and roles are improved as a result of strengthened USAID mission programs.

Principal Contractors, Grantees or Agencies: Private, for-profit and nonprofit companies, and U.S. and host country nongovernment organizations.

<u>Major Results Indicators:</u>	<u>Baseline (FY 1995)</u>	<u>Target (FY 2003)</u>
Demand for and quality of technical support to missions in all regions	5-6 missions per region annually	5-6 missions per region annually

## ACTIVITY DATA SHEET

**PROGRAM:** Central Programs

**TITLE AND NUMBER:** Increased private voluntary organization capacity to achieve sustainable service delivery, 938-S001.1 (BHR/PVC)

**STATUS:** Continuing

**PROPOSED OBLIGATION AND FUNDING SOURCE:** FY 1999: \$24,796,000 DA, \$22,631,000 CSD

**INITIAL OBLIGATION:** Varies by activity; see statistical annex.

Purpose: USAID, through the Office of Private and Voluntary Cooperation (PVC), provides support to U.S. private voluntary organizations (PVOs) and cooperatives to strengthen their capabilities and those of their local non governmental organization (NGO) partners to achieve sustainable results through participatory, grassroots development activities in USAID priority sectors.

USAID Role and Achievements to Date: USAID supports activities that: (1) improve operational and technical capacity of U.S. PVOs; (2) strengthen partnerships between USAID and U.S. PVOs; (3) strengthen partnerships between U.S. PVOs and their local NGO partners; (4) improve mobilization of resources by PVO partners; and (5) increase public awareness of international development activities. Over the past 15 years, USAID has seen evidence of success in capacity-building as PVOs and NGOs become more capable development partners, as is increasingly recognized by USAID offices, other donors, and host countries. For example, through the efforts of the Matching Grants Program, eight PVOs have created microenterprise units that are sustaining vastly increased numbers of small loans. Twenty-five PVOs now have qualified health professionals in place and have developed technically rigorous child survival programs. In addition, Child Survival and Cooperative Development Program grantees have formed consortia to act as a forum for the exchanges of successes and "best practices" among PVOs. Regarding resource mobilization, the Matching Grants program leverages PVO funding which is more than 100% of USAID support for the program's 43 active grants. Both the Development Education and Cooperative Development program partners leverage resources from new domestic sources not traditionally involved in international development issues or in development education. The Global Excellence in Management project has helped to build local NGO capacity through PVO-NGO partnering and training workshops, strengthening NGO national and regional associations and MBA-related certificate programs. The Biden-Pell Development Education program instituted a partnership strategy that required grantees to partner with a national trade or membership organization. The partnership strategy has proven to be an effective means of leveraging resources through a one-to-one match and of reaching larger, non-traditional audiences with development education messages.

Description: USAID administers five competitive grant programs that foster PVO capacity building and system development and strengthening, and leverage private resources for development as a result of their cost-sharing requirements. The Matching Grants Program supports U.S. PVOs in their efforts to implement programs through structured partnerships with local organizations. The capacity of PVOs to design and administer sectoral programs is enhanced, and support is given to integrate cost-recovery mechanisms into all programs. The Child Survival Grant Program continues to increase U.S. PVO technical competence and expand their coverage of basic child survival interventions, thus directly contributing to increased immunization rates and reduced incidence of diarrheal and other life-threatening diseases. This program increasingly supports the transfer of preventive health care technologies to local entities, both NGOs and ministries of health. The Cooperative Development Program will continue to enable U.S. cooperative development organizations to create or strengthen cooperative movements in developing countries and new democracies. The Ocean Freight Reimbursement Program continues to meet some of the costs of shipping supplies to developing countries in support of development and humanitarian activities. This program enables more than 50 PVOs each year to meet costs of shipping supplies. Recipients of Ocean Freight funds generally have a strong link to grassroots recipient organizations with which they work and are able to leverage cost-shared resources that are many times greater than the funds USAID administers. For example, for

every USAID grant dollar up to \$68 in private resources are leveraged. The Ocean Freight program has become a starting point for newly registered PVOs as they learn to administer overseas programs. The Development Education Program will continue to foster new partnerships and expanded networks to create opportunities for the U.S. public to understand international development. This program, which includes Biden-Pell grants to institutions working on development education, provides Americans with opportunities to learn about developing countries, the U.S. foreign assistance program, and the work of PVOs and cooperatives abroad.

Host Country and Other Donors: The United States is a leader among donors in support to PVOs and NGOs. Other donors include the World Bank and other multilateral development banks, the multilateral agencies (such as UNDP), the European Community and Japan. USAID works with other donors through the Advisory Committee on Voluntary Foreign Aid and by cooperating with the NGO Liaison Units of the multilateral development banks. The U.S. private sector also contributes substantially through individual, corporate, and foundation donations to PVOs. Increasing emphasis is being placed on cost-recovery mechanisms at the local level.

Beneficiaries: The beneficiaries are people and organizations in host country communities, particularly in remote and underserved areas, who are affected by the USAID programs of the 127 PVOs in the PVC office portfolio.

Principal Contractors, Grantees, or Agencies: The activities are implemented through U.S. private voluntary organizations and cooperative development organizations selected through a competitive grant process.

Major Results Indicators: The indicators used to measure progress toward the strategic objective include measures at the level of capacity-building, service delivery, and sustainability:

1. Capacity Building Indicator

Change in the average score of PVC-supported PVOs on an organizational capacity self-assessment instrument. Results: In 1997, 13 PVC grantees were assessed in six different capacity categories. The results from this assessment tool will form the baseline for future year assessments and allow for the replication of this assessment to a larger sample.

2. Service Delivery Indicators

Changes in extent and quality of service delivery in key sectors where USAID has invested through PVOs, e.g., change in percent of children immunized, or volume of credit provided to microenterprises. Results: Under the Child Survival Program, tetanus toxoid immunizations increased from a baseline of 47% to 73% in 1996. Through the Cooperative Development Program, support from USAID to the World Council of Credit Unions in Guatemala has permitted loan volume to microenterprises to increase by approximately 85% to a current level of \$46 million. With support from the Matching Grant Program, Opportunity International has created and coordinates 46 microenterprise partner agencies in more than 100 urban centers in 21 countries. Opportunity's partner in Zimbabwe, Zambuko Trust, has increased the number of loans sixfold and provided underserved groups with access to credit.

3. Sustainability Indicators

Percentage of PVC-supported PVO programs and activities that are sustained by other sources after USAID funding ends. (Premature to measure results).

Percentage of PVO programs in which there is cost recovery at the local level.

## ACTIVITY DATA SHEET

**PROGRAM:** Central Programs

**TITLE AND NUMBER:** Increased capacity of private voluntary and cooperative development organizations to enhance their Title II planning, implementation and evaluation capacities.

938-S001.2 (BHR/FFP)

**STATUS:** Continuing

**PROPOSED OBLIGATION AND FUNDING SOURCE:** FY 1999: \$6,000,000 DA

**INITIAL OBLIGATION:** FY 1998 **ESTIMATED COMPLETION DATE:** FY 2003

**Purpose:** The Institutional Support Assistance (ISA) program supports sustained improvement in household and agricultural productivity for vulnerable groups served by USAID food aid programs implemented by USAID's Food for Peace Office (FFP). It does so through increasing USAID's FFP partners' effectiveness in carrying out Title II development activities with measurable results related to food security and meeting critical food needs in emergencies. As a result of these activities, private voluntary organizations (PVOs) and cooperative development organizations (CDOs) benefit from an increased capacity for Title II planning, implementation and evaluation.

**Description:** Institutional Support Assistance helps PVOs and CDOs design and implement P.L. 480 Title II programs aimed at fostering food security. ISA grants provide support to PVOs and CDOs to: (1) better target food aid activities; (2) refine the concept of country (national) food security through better definition of purpose, key elements, trends, data quality and discrepancies, and local government commitment; (3) continue forward momentum on common, generic food aid performance indicators and mutually acceptable methodologies that cooperating sponsors and USAID can use in measuring the impact of food aid; and (4) establish sound monitoring and evaluation systems. In the FY 1992-1997 period, over \$24 million in ISAs were awarded to 13 PVOs and CDOs.

**USAID Role and Achievements:** Reviews of this support indicate that these awards are yielding good results. Strengthening of monitoring and evaluation (M&E) systems of PVOs and CDOs and the development of common indicators that link PVO and CDO results to USAID goals and objectives are important uses of these funds. PVOs and CDOs have strengthened both their headquarters and in-country staff through technical exchanges, training workshops, and involvement in monitoring and evaluation activities.

Examples of achievements include:

- Linking child survival activities in Nicaragua and Honduras. Through the ISA program, Save the Children Federation, the Adventist Development and Relief Agency and CARE successfully integrated child survival activities into their Title II programs. An operational research study will document the expected positive effects of linking supplementary feeding and child survival programs.
- Supporting the Greater Horn of Africa Initiative regional approach. ISA supported five PVOs in identifying the most food-insecure populations and formulating and implementing more effective development food aid strategies in both high and low potential areas in Eritrea, Ethiopia, Kenya, and Uganda.
- Mitigating disaster. In famine mitigation and emergency response in Angola, Mozambique, and Haiti, several PVOs have addressed the root causes of disaster vulnerabilities and implemented new activities aimed at facilitating the transition from relief to development.
- Improving performance indicators for Cape Verde. An ISA grant to Agricultural Cooperative Development International (ACDI) supported technical assistance that defined measurable performance indicators and developed a better monitoring and evaluation plan.

- Verifying results. Through ISA grants, PRISMA and CARE in Peru, CARE in Bangladesh, and multiple PVOs in Ethiopia have improved their performance monitoring systems so they can more clearly demonstrate the achievement of results and document the percentage of predefined development targets achieved.

Host Country and Other Donors: 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 World Bank provides technical assistance to field programs in maternal and child health services. Local governments enhance the flow and effectiveness of investments in Title II-supported programs.

Beneficiaries: The main beneficiaries of Title II programs are pregnant and lactating women, children under five years of age, those in extreme poverty, and nutritionally vulnerable school children from 6 to 12 years of age.

Principal Contractors, Grantees or Agencies: USAID implements activities through U.S. PVOs and other institutional support contractors on a competitive basis.

Major Results Indicators: Progress has been made and will continue to be made in improving food aid programs. In order of their completion during 1995-1997, the following are indications of progress:

- (1) A comprehensive Food Aid and Food Security Policy issued.
- (2) FFP food security strategic objectives redefined and more precisely focused.
- (3) Food aid performance core indicators developed to better assess the impact of food aid.
- (4) Guidelines issued on food aid monetization and internal transport, storage and handling (ITSH) of Title II emergency commodities; and procedures for close-out countries refined.
- (5) Impact indicators defined and impact monitoring and evaluation systems established.
- (6) Collaboration by cooperating sponsors and USAID Missions to plan, design and implement Title II activities increased.

## ACTIVITY DATA SHEET

**PROGRAM:** Central Programs

**TITLE AND NUMBER:** Strengthen Overseas Institutions which Demonstrate American Ideas and Practices, 938-SOO2 (BHR)

**STATUS:** Continuing

**PROPOSED OBLIGATION AND FUNDING SOURCE:** FY 1999: \$15,000,000 DA

**INITIAL OBLIGATION:** FY 1957; **ESTIMATED COMPLETION DATE:** Continuing

Purpose: To enable universities and secondary schools, libraries, and medical centers abroad to more effectively: a) provide foreign nationals the benefits of American ideas and practices in education and medicine; b) serve as demonstration and study centers which foster interchange, mutual understanding and favorable relations with the United States; and c) promote civil society.

USAID Role and Achievements to Date: ASHA has provided \$782.9 million in grants to institutions in 58 countries, facilitating the development and sustainability of many excellent libraries, schools, and medical centers. The program currently manages a portfolio of 64 grants and continues to help about 25 new grant recipients each year. The ASHA-supported institutions contribute directly to development of a country or region by providing education and professional experiences in areas where the need is overwhelming and U.S. approaches and organizations are recognized as the world standard. The institutions promote democracy, private initiative, free inquiry and innovative approaches to problem-solving. They reach a student population drawn from across the economic and social strata of the country.

Description: With ASHA assistance, beneficiary institutions are able to construct and equip facilities thereby improving access to and quality of educational and medical services. Funding also helps local institutions develop and implement programs which otherwise would not have been possible, and to take advantage of opportunities which contribute to the growth of the institutions and benefit the local community. These institutions include: 1) secondary schools which provide academic and vocational training; 2) undergraduate institutions with programs in liberal arts, medicine, nursing, agriculture and the sciences; 3) graduate institutions which provide specialized training to potential national and international leaders in health sciences, physical sciences and other professional areas; 4) libraries which open access to information and encourage its use in decision making; and 5) medical centers which prepare leaders in the professions, influence standards and provide facility and community based health care, training and research.

Host Country and Other Donors: ASHA grants supplement predominantly private and other contributions which these institutions receive from both local and U.S. sources.

Beneficiaries: Around one million people benefit from educational and health training research and services at ASHA-assisted institutions each year. These include full and part-time students, bed patients, and out-patients. ASHA grants are contributing to improved professional skills, standards, and services as well as leadership development in public service and private firms.

Principal Contractors, Grantees or Agencies: USAID makes grants to U.S. non-profit founding or sponsoring organizations for the benefit of the overseas institutions.

Major results indicators:

- (1) Expanded and upgraded overseas institutions;
- (2) Improved linkages between overseas and U.S. institutions in education and medicine;
- (3) Increased availability of quality services for overseas institutions' customers;
- (4) Improved management systems at the institutions; and
- (5) Increased access to technical information and communication technologies.

## ACTIVITY DATA SHEET

**PROGRAM:** Central Program

**TITLE AND NUMBER:** Learning from Experience , 930-SO01 (PPC)

**STATUS:** Continuing

**PROPOSED OBLIGATION AND FUNDING SOURCE:** FY 1999: \$5,528,000 DA; \$478,000 CSD

**INITIAL OBLIGATION:** FY 1976; **ESTIMATED COMPLETION DATE:** Continuing

**Purpose :** Leading USAID and development partners in learning from development experience to improve development results and inform agency policy.

**USAID Role and Achievements to Date:** The Bureau for Policy and Program Coordination (PPC) supports improving USAID's capabilities to plan, measure and evaluate its programs and to use development information in decision-making and policy formulation. PPC leads Agency Strategic and Annual Performance Planning teams. It carries out evaluation and performance measurement initiatives and provides USAID managers and partners with easy access to a broad range of needed development experience information.

**Description :** PPC develops policy and technical guidelines for achieving results and for program monitoring and evaluation, assists and trains staff in strategic planning and evaluation, prepares the Agency Performance Report and ensures that it meets USAID needs and the requirements of Government Performance and Results Act. PPC evaluates key USAID programs and topics. It coordinates with other donors, international financial institutions, the United Nations and other international agencies, and private non-profit organizations in sharing evaluation and analyses of development topics. PPC also archives and disseminates over 100,000 development documents in paper and electronic format annually; responds to more than 40,000 annual requests for analysis and synthesis of development experience; provides on-line access to these documents through USAID's intranet as well as the World Wide Web; and assists USAID staff and partners in the use of information to achieve strategic objectives.

**Host Country and Other Donors :** PPC represents USAID in various Development Assistance Committee (DAC) fora, including the DAC Experts group on evaluation, and works in collaboration with donors on various monitoring and evaluation efforts, such as recent evaluations of elections in war-torn countries. PPC collaborates with its development partners to strengthen development information and evaluation capabilities and share development experience.

**Beneficiaries :** PPC directly and indirectly influences all USAID's beneficiaries by creating, marshalling, and disseminating development experience information that is used to increase the impact of all USAID development efforts. PPC's direct customers include international research and training institutions, government technicians and decision-makers, private voluntary organizations, nongovernmental organizations, international donors and other development partners.

**Principal Contractors, Grantees, or Agencies :** Checchi and Company Consulting, Inc.; International Science and Technology Institute, Inc.; Management Systems International; TvT Associates, Inc.; LTS Corporation; DevTech, Inc.; CONWAL, Inc.; and the Academy for Educational Development.

<u>Major Results Indicators :</u>	<u>Baseline (FY 1997)</u>	<u>Target</u>
Country strategic plans and monitoring systems in field missions	60%	100% (FY 2000)
Annual number of evaluations informing decision-making	6	6 (FY 1999)
Annual number of completed inquiries for development experience information	40,000	40,000 (FY 1999)

## ACTIVITY DATA SHEET

**PROGRAM:** Central Programs

**TITLE AND NUMBER:** Peace Corps Small Project Assistance, 936-1421

**STATUS:** Continuing

**PROPOSED OBLIGATION AND FUNDING SOURCE:** FY 1999: \$1,500,000 DA

**INITIAL OBLIGATION:** FY 1985; **ESTIMATED COMPLETION DATE:** Continuing

Purpose: To support the identification, design, and implementation of small-scale, community-level, self-help, sustainable development activities by Peace Corps volunteers (PCVs) in areas of priority to USAID.

USAID Role and Achievements to Date: Priority areas of USAID support include: improving human health, protecting the environment, and economic growth. These activities increase participation at the local level and help lay the foundation for transition to democratic societies. An estimated 6,200 indigenous community groups have enhanced their capacity to address self-identified community needs by increasing economic and educational opportunities and improving health conditions for over 2.7 million community members.

Description: The Small Project Assistance (SPA) program facilitates local grassroots efforts by combining PCV knowledge of local conditions with USAID technical and financial resources. The intent of the SPA program is to provide an efficient mechanism that can respond quickly and flexibly to small-scale project requirements which have an immediate impact at the community level. This activity has two primary components. First, SPA grants provide funding to small sustainable development activities developed by PCVs in conjunction with local community organizations. These funds support development activities in such areas as health, environment, forestry, food production, education, small enterprise development, and technology transfer. A single grant cannot exceed \$10,000. In FY 1997, each grant averaged about \$2,600. Second, technical assistance supports the participation of host country nationals in training activities that enhance activity design and management.

Host Country and Other Donors: Local community organizations make in-kind contributions of land, labor, and materials. The host country government sponsoring agency and the Peace Corps provide oversight and fiscal accountability for all USAID-supported activity.

Beneficiaries: Direct beneficiaries will be village-level organizations and their community members in at least 65 countries who will receive technical assistance and grant funds to implement small-scale, grassroots activities.

Principal Contractors, Grantees or Agencies: USAID makes funds available through a participating agency service agreement to the Peace Corps which, in turn, provides funds and technical assistance to local community organizations. Most grant recipients provide almost 40% of total project costs.

<u>Major Results Indicators:</u>	<u>Baseline (1997)</u>	<u>Target (1999)</u>
Number of projects developed	596	625
Number of beneficiaries	313,969	350,000
Number of host country nationals trained	1,632	2,158
Local dollar equivalents leveraged	1,414,580	1,500,000
Number of organizations strengthened	1,877	2,158

## CREDIT PROGRAMS

Credit is often the best means to leverage private funds for development purposes. It enables USAID to make more rational choices among loans, guarantees, grants (or combinations of these) to address market imperfections in developing countries; and, under the right conditions, it will allow USAID to achieve greater development results. To enhance its capacity to use credit as a financing tool, the Agency has made significant progress in strengthening its credit and loan management operations. This includes a decision to outsource a number of USAID's loan management functions; the hiring of additional staff responsible for credit matters; a review of USAID's entire loan portfolio; the development of financial performance indicators; and the establishment of the Agency Credit Review Board to oversee all Agency credit activities.

### Micro and Small Enterprise Development Program

Micro and Small Enterprise Development Program	FY 1997 Actual	FY 1998 Estimate	FY 1999 Request
Guaranty Subsidy	\$1,500,000	\$1,500,000	\$1,500,000
Administrative Expenses	\$ 500,000	\$ 500,000	\$ 500,000

Established by Congress in 1983, the Micro and Small Enterprise Development (MSED) program and its predecessor programs work with financial institutions to correct "market imperfections" inhibiting the flow of credit to small businesses in developing nations worldwide. In 1993, a microenterprise focus was added to reflect the Agency's renewed commitment to support microenterprise development activities. To date, the programs have helped mobilize in excess of \$220 million in private sector loans, substantially to support small businesses and, increasingly, microenterprises. Under the MSED program as of the end of FY 1997, USAID has 46 credit facilities in 20 developing countries and maintains an active portfolio of over \$75 million in loans and guarantees. In FY 1998, USAID expects to support up to \$50 million in new loan guarantees under this program, with an increased focus on Russia and the Latin America and Caribbean region.

USAID, through the MSED program, strives to build sustainable linkages between financial institutions and small and microenterprises lacking full access to formal financial markets. Its primary tool is the Loan Portfolio Guaranty (LPG) program, which provides loan guarantees covering up to 50% of the principal loss on a portfolio of small business loans, and up to 70% for micro-loans, made by financial institutions. The MSED program also uses direct loans and guarantees to provide capital for private voluntary organizations (PVOs) and nongovernmental organizations (NGOs) engaged in microenterprise lending activities and to create sustainable relationships between those PVOs and NGOs and formal financial institutions. Guarantees are combined with training and technical assistance to improve the capacity of banks to assess small and micro business credits, and to assist borrowers in presenting bankable proposals to lending institutions. In the last two years (1996 and 1997), the MSED program has trained more than 450 bankers and borrowers.

The MSED program's performance is measured by the following: (1) the degree to which participating financial institutions increase their lending to micro and small businesses; (2) its success in strengthening the capacity of indigenous financial institutions to engage in micro and small business lending; and (3) the ability of the program to assist sustainable PVOs and NGOs to access formal sector financing for on-lending to microenterprises. Data collected on the LPG program for the period FY 1989 through FY 1996 indicates that participant banks are making significant progress in reaching new, smaller-sized borrowers. Performance indicators gauge performance by individual guarantee facility. Each guarantee is measured relative to its previous year's performance to determine if there has been a change in the bank's lending practices. Examples of successful performance indicators are: a decrease in collateral requirements, an increase in banks' lending to smaller-sized borrowers, and increased micro borrower access to formal financial markets.

### Urban and Environmental Credit Program

Urban and Environmental Credit	FY 1997 Actual	FY 1998 Estimate	FY 1999 Request
<b>Guaranty Subsidy</b>	\$3,500,000	\$3,000,000	\$6,000,000
<b>Administrative Expenses</b>	\$6,000,000	\$6,053,000	\$6,053,000

Adequate provision of water, sewer, sanitation, and housing for the urban poor is critical to the environment and child survival in the world's cities. USAID's urban assistance work has succeeded in improving the living conditions of the urban poor by strengthening the capacity of local governments to manage resources effectively and in supporting decentralization and democratization initiatives worldwide.

The Urban and Environmental (UE) Credit Program builds on 35 years of successes by linking long-term financing, technical assistance and training to support urban and environmental development projects. In FY 1999, the UE Credit Program will utilize \$6 million of budget subsidy authority to leverage approximately \$68 million of private U.S. investment. The loans provided through these projects are upgrading conditions in the slums of India and Indonesia, financing affordable housing development for low-income families in Morocco and Zimbabwe, and helping municipalities in South Africa and the Czech Republic serve the needs of their citizens with critical basic services.

The overall fiscal management reforms underway at the Agency will help to assure the UE program's continued financial soundness. The Agency has contracted with a private commercial bank for key loan servicing and financial management services for the UE accounts. Three new credit management positions have been established in the Environment Center to strengthen the UE portfolio oversight, and new manuals on UE loan collection and credit procedures are being developed.

The UE Credit Program's performance measurement system has been modified from 1997 so that it now measures how well the program achieves its targets related to expanding the equitable delivery of urban environmental services and shelter. The Wall Street Journal of November 26 1997 reported that the program in India has been instrumental in launching the first municipal bond offering in South Asia. This will enable the City of Ahmedabad to finance sewer and water projects designed to sustain the city's economic growth, give slum-dwellers access to essential services, and improve the lives of Ahmedabad's more than three million residents.

In FY 1999, the UE Credit Program will continue to focus on the urban poor. The funding requested will generate loans directly benefiting approximately 1,900,000 low-income people in the Czech Republic (\$8.5 million), India (\$10 million), Indonesia (\$15 million), Morocco (\$9 million), South Africa (\$20 million), and Zimbabwe (\$5 million).

### Development Credit Authority

Development Credit Authority	FY 1997 Actual	FY 1998 Estimate	FY 1999 Request
<b>Guaranty Subsidy</b> (permissive transfer authority)	\$0	\$7,500,000	\$15,000,000
<b>Administrative Expenses</b> (permissive transfer authority within the above amount)	\$0	\$ 500,000	\$ 2,000,000

In the FY 1998 Foreign Operations Appropriations Act, Congress gave USAID authority to transfer up to \$7.5 million from other accounts to credit subsidy for loans or loan guarantees issued under a Development Credit Authority (DCA), targeting any of the development purposes specified under the Foreign Assistance Act of 1961, as amended. This credit authority can be used only after the Director of the Office of Management and Budget certifies to the Appropriations Committees that USAID has established a credit management system capable of effectively managing programs funded under DCA authority. Together with USAID's Micro and Small Enterprise Development Program and Urban and Environmental Credit Program, DCA will provide USAID with an alternative financing mechanism that is critical in order to implement more market-based approaches to sustainable development. DCA is intended to expand the use of market rate loans and loan guarantees to support USAID's development agenda. The increased use of credit through the DCA will allow USAID to choose the appropriate funding tool, i.e., loans, guarantees, or grants, for financing its development activities.

All DCA projects will be consistent with existing USAID strategic objectives, among them, the objectives of the President's Global Climate Change initiative. One of the key advantages of the DCA is that USAID can provide assistance more efficiently through the use of market rate loans and guarantees to finance sovereign and non-sovereign development projects that are both developmentally sound and creditworthy. To assure the financial viability and creditworthiness of each DCA-funded project, USAID has improved its capacity to provide accurate credit-risk assessments and subsidy calculations, and its ability to manage the financial aspects of DCA activities.

DCA will be used only where (i) development assistance goals can be met using credit authority, and (ii) the credit subsidy cost of the activity can be estimated with a reasonably high degree of confidence. Borrowers can be sovereign nations, private enterprises or joint public-private ventures. USAID anticipates, however, that a majority of the activities will be non-sovereign (e.g., loan guarantees to provide medium-to-long-term financing for indigenous private entrepreneurs, bond guarantees to support waste water facilities, and credit facilities for private, environmentally sound energy co-generation projects). Most of these non-sovereign projects are likely to involve a partial guarantee on loans extended by local intermediate financial institutions to targeted sectors. Moreover, the use of DCA will require a commitment to financial discipline by the host country participant that will lead to prudent and efficient use of U.S. assistance funds.

In addition to the development-based indicators which must be established for all mission projects, depending on project goals, there are three indicators by which all DCA projects will be measured: (1) repayment rates on direct loans, (2) claims against guaranteed loans, and (3) satisfactory economic and financial rates of return. In using DCA, USAID will utilize prudent risk management methods to assess project risk and calculate credit subsidy, and will use Interagency Country Risk Assessment System (ICRAS) risk ratings to determine the country risk associated with each DCA credit.

## INTERNATIONAL DISASTER ASSISTANCE

	FY 1997 Actual	FY 1998 Estimate	FY 1999 Request
<b>International Disaster Assistance</b>	\$190,000,000	\$190,298,000 <sup>1</sup>	\$205,000,000

The International Disaster Assistance program provides relief, rehabilitation and reconstruction assistance to victims of natural and man-made disasters through the Office of U.S. Foreign Disaster Assistance (OFDA). The International Disaster Assistance account also funds activities of the Office of Transition Initiatives (OTI), which focuses on the special needs of countries emerging from crises caused by political and ethnic conflict. The FY 1999 funding request of \$205 million is an increase of \$15 million over the \$190 million level in FY 1997 and FY 1998. This request includes approximately \$45 million for innovative, post-crisis transition initiatives. The OTI program is being expanded from the FY 1998 level of \$30 million and the FY 1997 level of \$25 million. The first priority in utilizing International Disaster Assistance resources will be given to life-saving, emergency assistance.

### Disaster Assistance

USAID's Disaster Assistance program objectives are to: (1) meet the critical needs of targeted vulnerable groups in emergency situations; (2) increase adoption of mitigation measures in countries at risk of natural disasters; and (3) enhance development prospects in priority, post-conflict countries. To accomplish these objectives USAID has a well-established management structure and disaster relief experts who can draw on public and private sector resources to respond within 24 to 72 hours after a disaster. USAID fields assessment teams to identify needs and provides disaster assistance response teams (DARTs) to facilitate communication and organize a response. USAID also provides communication support equipment, search and rescue groups, medical assistance, shelter, food and potable water.

Effective humanitarian assistance requires that the USAID relief, mitigation, transition and development programs support each other, as described below. In addition, USAID collaborates closely with other assistance providers in the international community. This is particularly important both to coordinate programs and to share the burden of relief costs. U.S. private voluntary organizations (PVOs) are critically important partners and play an essential role in raising resources, providing assistance, and implementing programs. USAID's partnerships with U.S. PVOs and nongovernmental organizations include support for mechanisms to facilitate the exchange of information among international partners and to prevent duplication of effort.

Pursuant to section 493 of the Foreign Assistance Act of 1961, as amended, the President has designated the USAID administrator as his Special Coordinator for Disaster Assistance. USAID works closely with the Departments of State and Defense to coordinate American relief efforts. For urgent disaster situations, 24-hour coverage is provided by staff to ensure the transmission of accurate information across different agencies, and between the disaster area and important response centers. Satellite communication equipment augments USAID's ability to carefully target emergency assistance and to coordinate with donors and other U.S. Government and nongovernmental agencies.

In 1997, USAID responded to 15 floods, 3 epidemics, 3 cyclones, 2 earthquakes, 3 droughts, a fire and 6 other declared disasters around the globe. In addition, USAID responded to 13 complex

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<sup>1</sup> Include \$298,000 of International Cooperative Administrative Support Services funds.

emergencies such as those in Sudan, Northern Iraq, Democratic Republic of the Congo (formerly Zaire), Rwanda and Bosnia. In the 28 countries where data is available for FY 1996, USAID's emergency assistance reached more than 60% of the affected population of 15.6 million. These 28 countries accounted for 76% of all natural disasters declared in FY 1996.

Complex emergencies -- those involving civil conflict often complicated by natural disasters -- account for an increasing share of the International Disaster Assistance budget. Over 70% of assistance to complex emergencies goes to African countries. Although these conflicts fluctuate in intensity, their resolution is very difficult, and relief assistance may be necessary to meet emergency needs of civilian populations for long periods. USAID is placing increased emphasis on applying preparedness and mitigation lessons learned from natural disasters to complex disasters and supporting relief programs which encourage local participation and promote self-sufficiency.

Rapid population growth, coupled with inadequate infrastructure support systems in many developing countries, has increased the number of people vulnerable to natural hazards such as earthquakes, hurricanes, tornadoes, and volcanoes. Urban areas are expanding, with unsafe habitation in many shanty areas and slums. Population pressures also force people to move onto marginally viable and unsafe lands where natural hazards, such as hurricanes, earthquakes and volcanoes, and their side effects, such as flooding and mudslides, have disastrous impact. USAID's prevention efforts focus mainly on strengthening local preparedness and response capacities. Disaster preparedness requires careful examination of relief and recovery planning. USAID's field missions play an important role in helping government, municipal, and community leaders to prepare for disasters and to design development projects that fully reflect the risk from disasters. The results of prevention and mitigation efforts have been very encouraging. Of the 66 disaster-prone countries targeted for disaster prevention, preparedness and mitigation assistance, activities have been carried out in 36 of them. One of the most successful activities has been systematic preparedness training of national and local government officials and community groups in Latin America and the Caribbean. As a result, of these efforts, five of the thirteen targeted at-risk Latin American countries no longer require external assistance for emergencies, except in extraordinary catastrophic situations.

In addition to the continued challenge of responding to the growing needs of complex and natural disasters, USAID has a new responsibility of coordinating the U.S. Government response to incidents involving nuclear, biological and chemical disasters overseas. As a result, USAID is developing a new response capability and incident command system in this field of emerging threats.

### **Transition Initiatives**

Countries experiencing a significant political transition or civil conflict have unique needs which are not addressed by the traditional disaster response. Timely, effective assistance to countries emerging from crises can make the difference between a successful or failed transition. The Office of Transition Initiatives, which was created in 1994, bridges the gap between emergency humanitarian assistance and long-term development assistance. USAID, through OTI, provides the U.S. Government with a fast, direct and flexible response mechanism to address the basic causes of armed conflict and fundamental post-conflict needs. In doing so, OTI uses such mechanisms as support for demobilization and reintroduction of ex-combatants into civilian society, and landmine awareness. OTI has also introduced innovative new activities such as community self-help projects that reduce tensions and promote democratic processes and conflict resolution. Programs are closely coordinated with other offices of USAID and the U.S. Government.

USAID has developed a methodology and a trained cadre of personnel whose speed, flexibility and political focus permit them to deal effectively with the basic causes of civil conflict. Management and program processes are engineered for speed and flexibility (e.g., quick needs assessments, communications support) so that decision-making can be decentralized to the field.

Experience in countries where transition programs have been undertaken, including Bosnia, Haiti, Liberia, Congo and Angola, has shown that failure to deal with the basic causes of armed conflict can have far-reaching consequences for the stability of other countries and entire regions. The demands and opportunities for peaceful transitions from crises are increasing. The Administration, including the National Security Council, the Departments of State and Defense, and USAID, increasingly views transition initiatives as high priority assistance to conflict-prone countries. Experience has clearly shown that these approaches are cost-effective ways for the U.S. Government to help deal with complex crises and to advance U.S. interests.

## FOOD FOR PEACE

	FY 1997 Actual	FY 1998 Estimate	FY 1999 Request
P.L. 480 Title II	\$837,000,000	\$837,000,000	\$837,000,000
P.L. 480 Title III	\$ 29,500,000	\$ 30,000,000	\$ 30,000,000

U.S. 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, re-asserts U.S. policy of using our agricultural productivity to enhance food security in the developing world. On a global level, more than 800 million people today are chronically undernourished and more than 180 million children are underweight. For the United States, addressing global hunger is both a humanitarian concern and a strategic goal; we give of our resources to help those in need and in crisis, as we seek to eliminate the food insecurity that fuels political instability and environmental degradation. P.L. 480 Food for Peace is a people-to-people program, from the United States to people who do not have access to sufficient food to meet the needs for a healthy and productive life.

The World Food Summit, held in Rome in November 1996, encouraged donors to sharpen the focus of their food aid to the most chronically food insecure countries and regions, provide an appropriate volume of food aid on the basis of need, establish incentives to encourage the best use of food aid, and strive to ensure that food assistance reaches those who have the most responsibility for household food security, especially women.

### Title II Emergency and Private Voluntary Organizations Assistance Programs

The P.L. 480 Title II program is the U.S. Government's largest food assistance program. U.S. private voluntary organizations (PVOs) are major partners in delivering food for emergency relief and development programs. In FY 1997, Title II moved a total of 1.66 million tons, valued at \$808 million and assisting a total of 43 million beneficiaries in 53 countries. FY 1997 Title II funding also included \$10.9 million to the Farmer-to-Farmer program, which provides technical assistance by U.S. volunteers to developing countries and emerging democracies in the area of agriculture and agribusiness. Title II resources are used for both development and emergency activities.

Title II is a full grant program. The U.S. Government pays the cost of commodities and transportation to the recipient country. In the case of emergencies, in-country distribution costs are also covered. Moreover, to assist eligible organizations in carrying out Title II food aid programs, up to \$28 million may be used annually to help establish new programs and administer programs in foreign countries.

USAID has two strategic objectives for Title II operations that are linked to agency goals:

1. **Meeting the critical food needs of targeted groups.** In particular, USAID aims to reduce the malnutrition rate of populations affected by emergencies to pre-emergency levels through a variety of interventions. These are implemented primarily by the United Nations World Food Program (WFP), U.S. private voluntary organizations (PVOs) and other nongovernmental organizations (NGOs).

In 1997, the number of countries facing food emergencies increased to 31 from 25 in 1996. A study by the U.S. Department of Agriculture (October 1995) estimates an increase in emergency food aid needs from 4.8 million metric tons in 1996 to between 5.7-6.2 million metric tons by 2005. Related U.S. food aid instruments, such as section 416(b) surplus commodities, which were used extensively in the past to meet emergency needs, are no longer available.

In 1997, Title II emergency food aid reached approximately 20 million beneficiaries in 21 countries. The following accomplishments are illustrative:

- In Sierra Leone, an estimated 239,000 internally displaced people were assisted through a consortium including the World Food Program, Office of the United Nations High Commissioner for Refugees, several U.S. PVOs and other donors. Mass distribution was replaced by targeted feeding in previously inaccessible areas; guidelines were adopted for standard ration size and frequency of distribution and criteria for categorizing beneficiaries.
- In Angola, food aid helped reduce the malnutrition rate to 8.7% (end of 1996), compared with 15.2% in 1994. In 1997, through better targeting and resettlement assistance, only the most needy 400,000 received food assistance. The program, which demonstrates excellent multi-donor coordination, is administered through the WFP and a number of U.S. PVOs. WFP functions throughout Angola, while the PVOs serve specific geographic regions.
- In Rwanda and Burundi, Title II resources supported the combined efforts of the WFP and U.S. PVOs to meet the needs of an estimated 2.5 million affected persons. The beneficiaries included Rwanda and Burundian refugees, internally displaced persons, returnees and other food-insecure populations throughout Africa's Great Lakes region. A joint review by the United States and the European Commission determined that feeding programs for malnourished children, pregnant and lactating mothers and others at risk were crucial to avoiding increased malnutrition.
- U.S. food aid to North Korea (through the World Food Program) led the world's response to the famine experienced in that Stalinist state. U.S. food aid allowed feeding of the most vulnerable people -- primarily children under six years of age. The U.S. Centers for Disease Control and Prevention verified that the nutritional status of children improved after U.S. food arrived.

**2. Increasing the effectiveness of USAID's partners in carrying out Title II development activities.** This leads to measurable improvements related to food security with a primary focus on household nutrition and agricultural productivity.

In recent years, Title II requirements for project design, monitoring and evaluations have intensified. USAID, through Development Assistance-funded institutional support assistance and the 1996 P.L. 480 expanded 202(e) authority (which permits assistance to implementing organizations for administrative, internal transport, and distribution costs), has been supporting its partner organizations to ensure a high level of accountability and competence in the administration of Title II activities and reporting on results.

In 1997, 53 PVO- and WFP-implemented development activities, valued at \$403.9 million, operated in 24 countries. The following are illustrative of Title II development results:

- In Peru, Title II activities of U.S. and local NGOs play an integral and integrated role in contributing to USAID's strategic objective of increasing incomes of the poor. For example, one local NGO, Asociación Benéfica Prisma, reported that more than 55% of families in the maternal and child health program, within six months, met graduation criteria of (a) no child suffering from acute malnutrition during the previous three months, (b) all children having complete vaccination schedules, (c) pregnant women receiving regular ante-natal care and (d) all mothers receiving family planning counseling. They also reported a 95% repayment rate for their microenterprise development loans and that agricultural production in participating villages increased by more than 1,000 metric tons. CARE's Title II programs also produced good results. Seventy five percent of targeted children suffering from acute malnutrition were rehabilitated. Eighty percent of targeted children were immunized by 12 months of age, and improved natural resource practices were adopted on over 7,000 hectares of farm land.

- In Ethiopia, CARE reported that the introduction of improved agronomic packages resulted in yields 2 to 3 times higher for participating farmers. Catholic Relief Services reported an increase of 10% to 20% in income as a direct result of their credit and savings project.

### **Title III Food for Development**

P.L. 480 Title III is USAID's major food assistance instrument for enhancing food security in least developed countries. As a government-to-government program, it provides USAID with an opportunity to address critical policy constraints within the context of national governments' food security and overall development objectives. Since 1995, programs have been centered on: (1) allocation to countries most in need of food, which under current world conditions, are primarily in Africa; and (2) priority to programs with direct linkages to increased agricultural production and consumption. Title III programs totaled \$40.4 million (including Title II transfers) in FY 1997 and assisted five least developed countries that have demonstrated a substantive need for food assistance, the capacity to use the assistance effectively, and a commitment to policies to promote food security. Title III accomplishments include the following:

- Ethiopia has used Title III wheat to capitalize an emergency grain reserve. This helps to stabilize grain markets and provides a cushion against drought and the food aid needs of vulnerable populations. Significant impacts from the program's policy reform agenda are: (1) new legislation allows for the establishment of private rural banking operations; (2) the bulk of retail fertilizer sales now are through private sector retailers or farmer cooperatives; (3) government deregulation of fertilizer retail prices, including pan-territorial pricing, is encouraging delivery to more remote areas; and (4) Ethiopia continues to increase its budget allocations to rural road rehabilitation and construction.
- Mozambique's Title III program generates local currency for the Commerce and Agriculture Ministries to improve service delivery to farmers and business people. Key policy agenda items are agricultural pricing and market liberalization, commercial law reform, and land tenure security.
- Honduras is using Title III resources to reduce the country's cereal deficit, help consolidate growth-promoting structural reforms and improve social services programs targeted to the poor. The Title III-supported policy reform agenda focuses on free trade, elimination of price controls, land titling and investments in basic food production.
- Haiti's Title III program is having an important impact on the reduction of poverty and food insecurity. The conditionalities included in the program have three primary objectives: (1) to reduce the price of food to food insecure people; (2) to increase jobs through increased public and private sector investments, particularly outside of Port-au-Prince; and (3) to decrease the high population growth rate.

In FY 1998, Title III programs are planned for Haiti, Ethiopia, Eritrea and Mozambique; and in FY 1999, Title III resources are planned for Haiti and Nicaragua.

### **Farmer-to-Farmer Program**

Title II funds are also used to support the Farmer-to-Farmer Program (FTF) which provides voluntary technical assistance to farmers, farm groups and agribusinesses to enhance the potential for substantial increases in food production, processing and marketing. The program relies on volunteers from U.S. farms, land grant universities, cooperatives, private agribusinesses, and non-profit farm organizations. Volunteers have been recruited from 49 of the 50 states. In general, they are not overseas development professionals, but rather individuals who have domestic careers, farms and agribusinesses

or are retired and want to participate in development efforts. They spend about a month in the host country on a typical assignment.

In 1991, a special initiative of the FTF Program was authorized as one of the first U.S. assistance programs for the New Independent States (NIS) of the former Soviet Union, and it continues to operate in 12 of the NIS countries. In the worldwide FTF program, over 1,400 volunteer assignments have been completed since 1991 in more than 70 countries, while in the NIS program, more than 2,700 assignments have been completed since 1992.

The FTF Program has increased the development and technical capacity of six U.S. PVOs by using agricultural volunteers. The training and technical assistance that FTF implementors provide to host country organizations strengthens U.S. PVO and NGO partnerships. Many times, partnerships develop between host country organizations and U.S. organizations, some of which are formalized by written agreement. For example, the American Farm Bureau Federation, at the state level, has formed partnerships with many private farmers' organizations in the NIS. As a result, many of these local partnerships mobilize additional financial and material resources in support of sustainable agricultural development. The FTF Program is also having a positive impact on the United States by raising public awareness about foreign assistance, correcting misperceptions of life and attitudes in developing countries and helping inform U.S. businesses of the environment and opportunities overseas.

## OPERATING EXPENSES

	FY 1997 Actual	FY 1998 Estimate	FY 1999 Request
Operating Expenses	\$488,250,000 <sup>1</sup>	\$478,858,000 <sup>2</sup>	\$483,858,000 <sup>3</sup>

For FY 1999, USAID is requesting \$483,858,000 in Operating Expenses (OE). These funds, combined with other funding sources, such as local currency trust funds, will provide a total of \$541,832,000 to cover operating costs of the agency for FY 1999, compared to \$557,136,000 in FY 1998. These levels for FY 1998 and FY 1999 include \$9 million and \$0.5 million, respectively, for one-time costs associated with real property overseas. Adjusting for these one-time costs, the requested agency operating budget for FY 1999 represents a reduction of \$6.8 million from FY 1998.

At the FY 1999 OE request level, USAID anticipates an on-board U.S. direct-hire (OE funded) staffing level of 2,232, which is 15 below the estimated FY 1998 level of 2,247, notwithstanding planned increases in program funding. Total OE-funded workforce levels, including foreign national employees and U.S. personal service contractors, will drop from a level of 5,792 in FY 1998 to 5,549 in FY 1999. These personnel are responsible for managing a USAID-administered program (Development Assistance, P.L. 480 Food for Peace, Economic Support Fund, Support for Eastern European Democracies, FREEDOM Support Act programs in the New Independent States, and other accounts) of about \$5.6 billion, excluding the cash grant to Israel. As the OE budget of the agency is, in effect, the agency's overhead, this translates to an overhead rate of only 8.7%. A breakout of staffing by organizational unit, headquarters and overseas, will be provided separately.

Since FY 1993, the beginning of the Clinton Administration, through the end of FY 1997, USAID closed 28 missions, producing cumulative OE savings through FY 1999 estimated at \$218 million. Absent these closings, the agency's OE requirements for FY 1999 alone would be about \$151 million higher than is currently being requested. Other past and future actions to reduce costs and improve efficiency are discussed in the management overview section of this document.

**Year 2000 Program.** USAID is aggressively pursuing a Year 2000 program which has as its objective preparing all corporate mission-critical information systems for the millennium change. The 1997

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<sup>1</sup> Includes \$470,750,000 of New Budget Authority and \$17,500,000 transferred from the Development Assistance Account. Excludes \$42,784,700 in local currency trust funds, \$39,935,600 carried forward from prior year funds, \$5,675,200 in reimbursements, and \$150,000 in program funds used for travel related to the environmental activities.

<sup>2</sup> Includes \$473,000,000 in New Budget Authority and \$5,858,000 transferred from the Department of State for costs associated with administrative support provided via International Cooperative Administrative Support Services (ICASS). Excludes \$48,270,800 in local currency trust funds, \$31,551,500 carried forward from prior year funds, \$5,500,000 in estimated reimbursements, and \$75,000 in program funds to be used for travel associated with environmental activities.

<sup>3</sup> Includes \$483,858,000 in New Budget Authority. Excludes \$17,119,300 carried forward from prior year funds, \$35,693,000 in local currency trust funds, \$4,500,000 in estimated reimbursements, and \$75,000 in program funds to be used for travel associated with environmental activities.

assessment of USAID's information systems assets revealed that virtually all corporate "legacy" systems which support key administrative operations (information systems which have been in operation for decades in some cases) require modifications in order to operate properly after the change in century. In addition, the assessment revealed that the new management system requires some modifications to accommodate next-century dates. Like many Federal agencies, USAID's computer systems hardware and telecommunications infrastructure also require upgrades in order for these components to be year 2000-compliant. USAID is giving top priority to repair of its technical infrastructure and to those mission-critical systems upon which continued operation of the agency depends, with all other year 2000 activities receiving second priority. Mission-critical systems receiving first priority are those which process agency payroll, essential human resources-related systems which provide control of personnel resources, funds management systems which track expenditures and allow payment of invoices and systems which control loans and grants originating with USAID.

USAID plans to cancel or delay competing activities in order to provide sufficient resources to the year 2000 effort. Considering the short time-frame within which year 2000 repairs must be made, it is possible that not all agency systems will be repaired in time. USAID intends to eliminate or replace old systems where possible and prepare contingency plans in the event that year 2000 changes are not completed on time.

USAID intends to comply with the guidelines published by the Office of Management and Budget regarding the schedule to complete renovation, testing and implementation of renovated systems. Decisions regarding the future course of the new management system will impact upon USAID's ability to meet this target schedule. Should projected schedules exceed the OMB guidance, additional attention will be focused upon production and implementation of contingency plans to accommodate the increased level of risk.

**Projected Year 2000 Expenditures by Category (\$000):**

Year	Hardware and Telecommunications	Software
1998	8,651.3	7,700.0
1999	9,501.4	1,900.0

**New Management System.** In November 1997, USAID contracted with the General Services Administration for an independent review of the new management system (NMS). Of special concern in this review is determining the lowest risk, lowest cost approach among several alternatives to correct identified problems with the NMS that can be implemented within the time remaining before the year 2000. The reviewed approaches include modifying existing NMS software, replacing some or all the existing software with commercial off-the-shelf (COTS) modules and cross-servicing arrangements involving the provision of financial support services by another organization on a reimbursable basis. USAID is in the process of evaluating the recommended alternatives to determine which approach to use.

The approach finally accepted by USAID will satisfy the following requirements:

- It will be within planned FY 1998 and FY 1999 information technology budget levels.
- It will be within the organizational and skill capacity of USAID to successfully implement.
- It will be year 2000 compliant.

- It will be phased in and substantially completed before March 1999, with full implementation no later than October 1, 1999.
- It will achieve the highest degree of technical stability.
- It will be compliant with federal regulations and guidelines for internal controls, security and financial management.

Once the approach has been validated, USAID will prepare an investment plan, and share it with the Congressional oversight committees.

USAID will be realigning its information technology budget to assure critical operations without interruption through the year 2000. Due to the timing of deliverables under the current ongoing independent review of NMS, data provided on NMS costs are best estimates and are subject to change after staff analysis of the report is complete.

USAID suspended development in the NMS in October 1997 and has focused its efforts on correcting NMS deficiencies and addressing vulnerabilities. USAID has implemented substantial reductions in existing contractor workforce levels working on the NMS in order to conserve funds needed to implement improvements to the system. USAID is providing the following budget estimates for the NMS based on previously planned funding levels that will be updated and communicated to Congressional committees on Appropriations in March 1998.

**New Management System Estimated Funding Levels (\$000):**

	FY 1998	FY 1999
AID Worldwide Accounting and Control System (AWACS)	8,886.7	4,463.0
Acquisition and Assistance	762.0	240.0
Operation	1,082.0	840.0
Budget	762.0	750.0
Property	451.0	850.0
NMS Infrastructure and Support	8,118.8	6,577.3
Total	20,062.5	13,720.3

In an effort to provide improved cost control and accountability, USAID has consolidated all NMS budget components within its Information Resources Management office. Prior to this being done, USAID reported budget estimates to Congress early in FY 1998 for the NMS that were understated by \$5.4 million in FY 1998 and \$2.16 million in FY 1999. The figures reported above reflect consolidated budget estimates pending the outcome of the independent review process.

**Sources of Funding for Operating Expense Costs.** The operating costs of USAID are financed through several sources, including new budget authority, local currency trust funds, reimbursements for services provided to other accounts, recoveries of prior year obligations, and unobligated balances carried forward from prior year availabilities. A chart showing the sources of funds for operating expense costs for FY 1997 through FY 1999 is provided on the following page.

Funding Sources for Operating Expenses  
(\$000)

<u>Category</u>	<u>FY 1997</u> <u>Actual</u>	<u>FY 1998</u> <u>Estimate</u>	<u>FY 1999</u> <u>Request</u>
Appropriated Operating Expenses	488,250 <sup>1</sup>	478,858 <sup>2</sup>	483,858
Program Funds Used for OE	150	75	75
End of Year Balance - Expired Funds	<u>- 519</u>	<u>0</u>	<u>0</u>
Obligations from New Budget Authority	487,571	478,933	483,933
Local Currency Trust Funds (Recurring)	36,361	39,267	35,221
Local Currency Trust Funds (Real Property)	6,120	9,004	472
Reimbursements	5,675	5,500	4,500
Unobligated Balance, Start of Year	39,935	32,138	18,906
Recovery of Prior Year Obligations (Sec. 509)	12,044	10,000	10,000
Unobligated Balance, End of Year	<u>- 32,138</u>	<u>- 18,906</u>	<u>- 10,000</u>
Obligations from Other Funding Sources	67,998	77,003	59,099
 Total Obligations	 <u>555,868</u>	 <u>557,936</u>	 <u>543,032</u>

**Uses of the OE Budget.** The major OE cost components, required to support planned staffing levels, are as follows:

- Of \$541.8 million planned for operating costs in FY 1999, \$302.7 million, or 56%, is for employee salaries and benefits (object class codes 11.1 through 12.1) -- U.S. direct hire, U.S. personal service contractors, and foreign national employees. The FY 1999 cost is \$10.3 million higher than FY 1998, in spite of lower workforce levels, reflecting the impact of Federal pay raises, pay raises for foreign national employees, and the impact of those pay raises on benefits such as the agency share of retirement costs and hardship differential.
- Travel and transportation costs (object class codes 21.0 and 22.0) will be about the same in FY 1999 as in FY 1998. These costs, \$35.1 million in FY 1999, or 6.5% of the total operating costs of the Agency, include mandatory and statutory requirements, (\$17.2 million of the \$35.1 million) such as costs associated with post assignment, home leave, rest and recuperation, and educational travel, as well as operational and training-related travel and transportation costs.
- Rents, communications, and utilities will cost \$71.9 million in FY 1999 (13.3% of the total budget) - an increase of \$1.6 million over FY 1998. Included in this category are residential and office rental and utility costs worldwide as well as communications costs worldwide. The increase from FY 1998 to FY 1999 is primarily related to rental charges levied by the General Services Administration for office space in the Ronald Reagan Building.
- Other services, at \$55 million in FY 1999 (10% of the total budget), reflect a reduction of about \$9.2 million from FY 1998. The majority of these costs, and the area in which costs

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<sup>1</sup> Includes \$17,500,000 transferred from the Development Assistance Account to Operating Expenses.

<sup>2</sup> Includes \$5,858,000 transferred from the Department of State for costs associated with administrative support provided via International Cooperative Administrative Support Services (ICASS).

will decline, is related to automation, and reflects the fact that while work under the various contracts will continue into FY 1999, most obligations for work associated with year 2000 and the NMS will have been recorded in FY 1998.

- Purchase of goods and services from other government accounts, primarily for overseas administrative support provided through the International Cooperative Administrative Support Service (ICASS) program, will cost \$26.4 million in FY 1999 (5% of the total budget), about the same as in FY 1998. Costs will increase slightly in some categories of services due to inflation, to be offset by the fact that funding for Defense Contracting Audit Agency (DCAA) audits, previously funded from the OE budget, will be funded from the appropriation for Operating Expenses of the Inspector General beginning in FY 1999.
- Operation and maintenance of facilities and equipment and storage of goods (object class 25.4 and 25.7) will cost about \$21.4 million in FY 1999, about the same as in FY 1998. These object classes include costs for the operation and maintenance of telephone systems, the mainframe computer, storage of household goods of U.S. direct-hire staff located overseas, and maintenance of office and residential furniture and equipment.
- Equipment purchases, including office and residential furniture and equipment as well as automation hardware and software, will cost about \$16.7 million in FY 1999, a reduction of \$3.8 million from FY 1998 levels. Most of the reduction is in the area of automation hardware and software, reflecting plans to begin replacing hardware and software in FY 1998 in preparation for year 2000.
- Land and structures, funds used for the purchase or construction of real property overseas as well as renovations and alterations to real property, both overseas and in Washington, will require about \$2.1 million in FY 1999, a reduction of \$9.8 million from FY 1998. The reduction is primarily related to the new office building in Cairo, Egypt, for which most funding will be in place by the end of FY 1998.

A chart showing OE and trust fund allocations, as well as workforce levels by organizational unit, will be provided separately.

A chart showing preliminary plans for the use of funds by object class, split between costs associated with headquarters operations and those associated with overseas operations, is provided on the following pages.

**OPERATING EXPENSE FUNDS (\$000)**

Object Class	Description	FY 97 Actual			FY 98 Estimate			FY 99 Request		
		Hq.	Overseas	Total	Hq.	Overseas	Total	Hq.	Overseas	Total
11.1	Compensation, full-time permanent									
	U.S. direct hire	100,328	56,666	156,994	102,916	55,669	158,585	106,840	56,921	163,761
	Foreign National Direct Hire		7,777	7,777		7,883	7,883		8,192	8,192
	Subtotal	100,328	64,443	164,771	102,916	63,552	166,468	106,840	65,113	171,953
11.3	Compensation, other than full-time permanent									
	U.S. direct hire	3,380	931	4,311	3,346	874	4,220	3,352	901	4,253
	Foreign National Direct Hire		6	6		30	30		32	32
	Subtotal	3,380	937	4,317	3,346	904	4,250	3,352	933	4,285
11.5	Other personnel compensation									
	U.S. direct hire	2,237	7,446	9,683	2,644	7,139	9,783	2,738	7,439	10,177
	Foreign National Direct Hire		921	921		523	523		541	541
	Subtotal	2,237	8,367	10,604	2,644	7,662	10,306	2,738	7,980	10,718
11.8	Special personal services payments									
	US PSCs		10,236	10,236		9,901	9,901		9,281	9,281
	FSN PSCs		44,730	44,730		45,903	45,903		47,631	47,631
	Other personnel	56	27	83			0			0
	Subtotal	56	54,993	55,049	0	55,804	55,804	0	56,912	56,912
12.1	Personnel benefits									
	U.S. direct hire									
	Retirement costs	16,423	13,352	29,775	16,186	12,798	28,984	16,818	12,883	29,701
	Health and life insurance	3,781	2,268	6,049	4,855	2,693	7,548	5,094	2,800	7,894
	Education allowances		6,170	6,170		6,957	6,957		7,623	7,623
	Quarters allowances		478	478		606	606		508	508
	Employee compensation claims *	2,150	1,210	3,360	1,861	1,149	3,010	1,948	1,187	3,135
	Other benefits	484	1,567	2,051	540	1,519	2,059	545	1,650	2,195

**OPERATING EXPENSE FUNDS (\$000)**

Object Class	Description	FY 97 Actual			FY 98 Estimate			FY 99 Request		
		Hq.	Overseas	Total	Hq.	Overseas	Total	Hq.	Overseas	Total
	FSN direct hire		1,593	1,593		1,614	1,614		1,678	1,678
	U.S. PSCs		645	645		621	621		592	592
	FSN PSCs		2,953	2,953		3,034	3,034		3,148	3,148
	Other personnel	14		14			0			0
	Payments to FSN Separation Fund		1,022	1,022		1,144	1,144		1,188	1,188
	Subtotal	22,852	31,258	54,110	23,442	32,135	55,577	24,405	33,257	57,662
13.0	Benefits for former personnel									
	U.S. direct hire	815	518	1,333			0			0
	FSN direct hire		638	638		156	156		374	374
	FSN PSCs		1,693	1,693		989	989		755	755
	Subtotal	815	2,849	3,664	0	1,145	1,145	0	1,129	1,129
	<b>TOTAL PERSONNEL COMPENSATION</b>	129,668	162,847	292,515	132,348	161,202	293,550	137,335	165,324	302,659
21.0	Travel and transportation of persone									
	Mandatory/Statutory Travel									
	Post assignment travel	9	942	951		1,148	1,148		1,307	1,307
	Home leave travel		1,739	1,739		1,479	1,479		2,016	2,016
	Rest and recuperation travel		1,269	1,269		1,905	1,905		1,648	1,648
	Other mandatory/statutory travel	289	1,438	1,727	1,284	2,172	3,456	1,059	2,155	3,214
	Operational travel	5,964	8,622	14,586	5,512	9,398	14,910	5,254	8,935	14,189
	Training travel	640	2,032	2,672	307	2,972	3,279	307	2,933	3,240
	Subtotal	6,902	16,042	22,944	7,103	19,074	26,177	6,620	18,994	25,614
22.0	Transportation of things									
	Post assignment freight	46	4,499	4,545		4,460	4,460		4,877	4,877
	Home leave freight		1,571	1,571		1,778	1,778		2,110	2,110
	Shipment of furniture and equipment	99	2,376	2,475		2,331	2,331		1,980	1,980
	Other transportation of things	516	444	960	20	375	395	20	467	487
	Subtotal	661	8,890	9,551	20	8,944	8,964	20	9,434	9,454
	<b>TOTAL TRAVEL AND TRANSPORTATION</b>	7,563	24,932	32,495	7,123	28,018	35,141	6,640	28,428	35,068

**OPERATING EXPENSE FUNDS (\$000)**

Object Class	Description	FY 97 Actual			FY 98 Estimate			FY 99 Request		
		Hq.	Overseas	Total	Hq.	Overseas	Total	Hq.	Overseas	Total
23.1	Rental payments to GSA	10,855		10,855	24,939		24,939	26,406		26,406
23.2	Rental payments to others									
	Office rent	11,215	11,751	22,966	183	12,957	13,140	189	12,619	12,808
	Residential rent		15,889	15,889		15,900	15,900		15,679	15,679
	Subtotal	11,215	27,640	38,855	183	28,857	29,040	189	28,298	28,487
23.3	Communications, utilities, and misc. charges									
	Office utilities	1	2,937	2,938	163	3,572	3,735	163	3,573	3,736
	Residential utilities		3,263	3,263		3,739	3,739		3,706	3,706
	Telephone costs	4,704	3,649	8,353	3,021	4,461	7,482	3,673	4,414	8,087
	Other communications, utilities, and misc.	828	327	1,155	860	485	1,345	938	524	1,462
	Subtotal	5,533	10,176	15,709	4,044	12,257	16,301	4,774	12,217	16,991
	<b>TOTAL RENT, COMMUNICATIONS, UTILITIES</b>	<b>27,603</b>	<b>37,816</b>	<b>65,419</b>	<b>29,166</b>	<b>41,114</b>	<b>70,280</b>	<b>31,369</b>	<b>40,515</b>	<b>71,884</b>
24.0	<b>PRINTING AND REPRODUCTION</b>	798	478	1,276	780	111	891	784	111	895
25.1	<b>Advisory and Assistance Services</b>	4,151	1,089	5,240	1,811	1,691	3,502	2,267	843	3,110
25.2	Other Services									
	Training related costs	3,221	2,098	5,319	5,705	1,186	6,891	5,548	1,123	6,671
	Office security guards		2,658	2,658		3,003	3,003		3,177	3,177
	Residential security guards		3,491	3,491		3,705	3,705		3,678	3,678
	ADP systems design/analysis/maintenance	7,597		7,597	11,923		11,923	7,243		7,243
	Other ADP support costs	17,748	133	17,881	20,571	283	20,854	18,730	146	18,876
	Official residence expenses		75	75		75	75		75	75
	Representation allowances		90	90		95	95		95	95
	Entertainment	3		3	5		5	5		5
	Other miscellaneous costs	5,787	5,186	10,973	12,630	5,012	17,642	9,876	5,311	15,187
	Subtotal	34,356	13,731	48,087	50,834	13,359	64,193	41,402	13,605	55,007

**OPERATING EXPENSE FUNDS (\$000)**

Object Class	Description	FY 97 Actual			FY 98 Estimate			FY 99 Request		
		Hq.	Overseas	Total	Hq.	Overseas	Total	Hq.	Overseas	Total
25.3	Purchase of goods/services from other Gov't. accounts									
	FAAS and ICASS		16,450	16,450		20,150	20,150		20,755	20,755
	DCAA audits	1,428		1,428	1,600		1,600			0
	U.S. Dispatch Agent fees		900	900		900	900		900	900
	APO mail		1,154	1,154		1,188	1,188		1,027	1,027
	Other services	14,347	236	14,583	2,427	402	2,829	3,355	404	3,759
	Subtotal	15,775	18,740	34,515	4,027	22,640	26,667	3,355	23,086	26,441
25.4	Operation and maintenance of facilities	820	3,746	4,566	1,603	4,010	5,613	1,599	3,908	5,507
25.6	Medical care		353	353		175	175		186	186
25.7	Operations & maintenance of equipment and storage									
	ADP and telephone systems	7,625		7,625	10,620	616	11,236	10,738	634	11,372
	Office furniture and equipment	1,021		1,021	1,179	1,129	2,308	1,183	1,028	2,211
	Residential furniture and equipment	1		1		596	596		580	580
	Storage of household goods	641		641		852	852		878	878
	Other operations & maintenance costs	1	4,083	4,084		865	865		842	842
	Subtotal	9,289	4,083	13,372	11,799	4,058	15,857	11,921	3,962	15,883
25.8	Subsistence and support of persons		1	1		295	295		499	499
	<b>TOTAL CONTRACTUAL SERVICES</b>	64,391	41,743	106,134	70,074	46,228	116,302	60,544	46,089	106,633
26.0	Supplies and materials	801	7,954	8,755	1,179	5,660	6,839	1,303	5,294	6,597
31.0	Equipment									
	Office furniture and equipment	17,143	4,961	22,104		3,070	3,070		2,009	2,009
	Residential furniture and equipment		2,892	2,892		2,987	2,987		2,275	2,275
	ADP hardware and software	3,568	6,651	10,219	4,707	7,611	12,318	1,972	8,454	10,426
	Other purchases		2,286	2,286		2,110	2,110		1,971	1,971
	Subtotal	20,711	16,790	37,501	4,707	15,778	20,485	1,972	14,709	16,681

**OPERATING EXPENSE FUNDS (\$000)**

Object Class	Description	FY 97 Actual			FY 98 Estimate			FY 99 Request		
		Hq.	Overseas	Total	Hq.	Overseas	Total	Hq.	Overseas	Total
32.0	Lands and structures									
	Purchase and construction	470	7,670	8,140		9,780	9,780		474	474
	Renovations and alterations		743	743	600	1,515	2,115	1,200	388	1,588
	Subtotal	470	8,413	8,883	600	11,295	11,895	1,200	862	2,062
41.0	Grants, subsidies and contributions	760	1,451	2,211	50		50	50		50
42.0	Claims and indemnities *	448	231	679	309	194	503	311	192	503
	<b>TOTAL OPERATING COSTS</b>	<b>253,213</b>	<b>302,655</b>	<b>555,868</b>	<b>246,336</b>	<b>309,600</b>	<b>555,936</b>	<b>241,508</b>	<b>301,524</b>	<b>543,032</b>

\* These costs are allocated between Washington and the field based on workforce levels.

## OPERATING EXPENSES OF THE INSPECTOR GENERAL

	FY 1997 Actual	FY 1998 Estimate	FY 1999 Request
<b>Inspector General Operating Expenses</b>	<b>\$30,000,000<sup>1</sup></b>	<b>\$29,047,000<sup>2</sup></b>	<b>\$33,000,000<sup>3</sup></b>

The FY 1999 budget request of \$33,000,000 for the operating expenses of the Inspector General, when combined with \$3.0 million in Section 517 (511) recovered funds, provides the resources to finance audits and investigations legislated under the Inspector General Act, to detect fraud and abuse in USAID programs and to administer the USAID security program. The Office of Inspector General's (OIG) request for operations includes funding to maintain its presence in overseas offices in Budapest, Cairo, Dakar, Pretoria, San Salvador and Manila, providing audit and investigative coverage in all major regions of the world. To accomplish all of the legislatively mandated responsibilities and provide security services worldwide, the Inspector General will operate using an authorized staffing level of 229 full-time equivalency (FTE).

The security activities provided for USAID are legislated in the Inspector General Act of 1978, as amended (5 USC App. 3, 8A), and are accomplished in accordance with the Omnibus Diplomatic Security and Antiterrorism Act of 1986 (Public Law 99-399). This request addresses all programmed requirements in the Overseas and Domestic Physical Security Programs. Equipment and services associated with these programs include security hardware and electronic systems, communication equipment, armored vehicles, locking and alarm hardware and services, and guard services. Other overseas physical security activities include six facility hardening projects and the provision of security equipment and systems in a new USAID office building in Cairo, Egypt and in USAID-occupied facilities overseas. FY 1999 will be the first full year for IG Security operational and funding responsibility for the security of the Ronald Reagan Building (RRB). This request also includes \$1.7 million for RRB guard costs, which is a substantial increase over previous estimates. Also included in this request are funds to manage the Personnel Background Investigative Program and Information Security Program, as required by Executive Order 12968.

The goal of the Office of Audit is to help USAID implement its strategies for sustainable development and provide USAID managers with information and recommendations that improve program and operational performance. A preponderance of OIG work is directly tied to legislative requirements applicable to USAID. Audit activity, therefore, will be focused on USAID's efforts to implement the requirements of: (1) the Federal Managers Financial Integrity Act of 1982; (2) the Government Performance and Results Act of 1993; (3) the Government Management Reform Act of 1994; (4) the Single Audit Act as amended in 1996; (5) the Clinger-Cohen Act of 1996; and (6) the Federal Financial Management Improvement Act of 1996. Also in FY 1999, the OIG assumes responsibility for funding and oversight of audits performed under the Defense Contract Audit Agency (DCAA) program. Therefore, this request includes \$1.3 million to manage the DCAA program.

IG Investigation's principal goal is to work with USAID to protect and maintain the integrity of USAID and its programs. This will be accomplished by investigating allegations of Federal criminal, civil, and serious administrative violations involving USAID programs and personnel. Results of OIG inquiries, including criminal and civil violations are provided to the Department of Justice. Administrative matters are referred to USAID decision-makers. Proactive initiatives will be developed to focus on areas of weak controls and programs vulnerable to fraud.

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1. Actual obligations - \$29,966,539.
  2. Est obligations - \$34,634,019; OE funds - \$29,047,000, \$5,587,019 multi and no-year funds.
  3. Est obligations - \$36,037,377; OE request - \$33,000,000 and \$3,037,377 no-year funds.

Office of Inspector General

	FY 1997	FY 1998	FY 1999
Appropriated Operating Expenses	30,000	29,047	33,000
Two -Year OE funds Carried-over from prior year	1,478		
No-Year OE funds Carried-over from prior year	7,727	9,639	4,052
No-Year Funds Recovered **	456		
Unobligated funds Available - Lapsing	(55)		
<b>Total Available Funds</b>	<b>39,606</b>	<b>38,686</b>	<b>37,052</b>
Obligations - OE funds	(28,544)	(29,047)	(33,000)
Obligations - Two-year funds	(1,423)		
Obligations - No-year/multi-year funds	0	(5,587)	(3,037)
<b>Total Obligations</b>	<b>(29,967)</b>	<b>(34,634)</b>	<b>(36,037)</b>
<b>End-of-year Carry Forward</b>	<b>9,639</b>	<b>4,052</b>	<b>1,015</b>

\*\* No-Year funds are also used for upward adjustments to prior year obligations.

Office of Inspector General

Organization	FY 1997 Actual					FY 1998 Estimate					FY 1999 Planned				
	U.S. Direct Hire	U.S. PSCs	Foreign National Direct Hire	Foreign National PSCs	Total Staffing FTEs	U.S. Direct Hire	U.S. PSCs	Foreign National Direct Hire	Foreign National PSCs	Total Staffing FTEs	U.S. Direct Hire	U.S. PSCs	Foreign National Direct Hire	Foreign National PSCs	Total Staffing FTEs
Washington															
Inspector General	5				5	6				6	6				6
Office of Resource Management	25				25	32				32	32				32
Office Of Audit	66				66	78				78	78				78
Office of Investigations	20				20	22				22	22				22
Office of Security	31				31	35				35	35				35
<b>Total Washington Workforce</b>	<b>147</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>147</b>	<b>173</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>173</b>	<b>173</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>173</b>
Overseas															
Africa	18			15	33	18			10	28	18			10	28
Asia/Near East	15			4	19	18	1		9	28	18	1		9	28
Europe/NIS	8			2	10	11			2	13	11			3	14
Latin American & Caribbean	9			3	12	9			3	12	9			3	12
<b>Total Overseas</b>	<b>50</b>	<b>0</b>	<b>0</b>	<b>24</b>	<b>74</b>	<b>56</b>	<b>1</b>	<b>0</b>	<b>24</b>	<b>81</b>	<b>56</b>	<b>1</b>	<b>0</b>	<b>25</b>	<b>82</b>
<b>Total Worldwide</b>	<b>197</b>	<b>0</b>	<b>0</b>	<b>24</b>	<b>221</b>	<b>229</b>	<b>1</b>	<b>0</b>	<b>24</b>	<b>254</b>	<b>229</b>	<b>1</b>	<b>0</b>	<b>25</b>	<b>255</b>

**Office of Inspector General**

OCC	Category	FY 1997 Actual			FY 1998 Estimate			FY 1999 Request		
		Hq.	Field	Total	Hq.	Field	Total	Hq.	Field	Total
11.1	Compensation, full-time permanent U.S. Direct Hire	9,705	3,485	13,190	10,336	3,747	14,083	10,498	3,805	14,303
11.3	Compensation, other than full-time permanent U.S. Direct Hire	95	0	95	97	0	97	99	0	99
11.5	Other personnel compensation U.S. Direct Hire	366	279	645	224	171	395	284	216	500
11.8	Special personal services payments FSN PSCs	0	629	629	0	730	730	0	762	762
12.1	Personnel benefits U.S. Direct Hire:									
	Retirement Costs	1,706	883	2,589	1,760	912	2,672	1,760	911	2,671
	Health and Life Insurance	368	140	508	380	144	524	380	144	524
	Education Allowances	0	241	241	0	272	272	0	304	304
	Other Benefits	47	184	231	48	166	214	37	146	183
	Sub-Total	2,121	1,448	3,569	2,188	1,494	3,682	2,177	1,505	3,682
	<b>Total Personnel Compensation</b>	<b>12,287</b>	<b>5,841</b>	<b>18,128</b>	<b>12,845</b>	<b>6,142</b>	<b>18,987</b>	<b>13,058</b>	<b>6,288</b>	<b>19,346</b>
21.0	Travel and Transportation of Persons:									
	Operational Travel	605	1,042	1,647	762	985	1,747	812	903	1,715
	Training Travel	61	54	115	65	60	125	57	55	112
	Sub-Total	666	1,096	1,762	827	1,045	1,872	869	958	1,827
22.0	Transportation of Things									
	Post Assignment/Home Leave Freight	0	642	642	0	403	403	0	305	305
	Shipment of Furniture and Equipment	108	60	168	0	333	333	0	0	0
	Sub-Total	108	702	810	0	736	736	0	305	305

Dollars in Thousands

Office of Inspector General

OCC	Category	FY 1997 Actual			FY 1998 Estimate			FY 1999 Request		
		Hq.	Field	Total	Hq.	Field	Total	Hq.	Field	Total
	<b>Total Travel and Transportation</b>	<b>774</b>	<b>1,798</b>	<b>2,572</b>	<b>827</b>	<b>1,781</b>	<b>2,608</b>	<b>869</b>	<b>1,263</b>	<b>2,132</b>
23.1	Rental Payments to GSA	1,015	0	1,015	2,124	0	2,124	2,169	0	2,169
23.2	Rental Payments to Others	46	1,254	1,300	0	1,423	1,423	0	1,442	1,442
	Sub-Total Rental Payments	1,061	1,254	2,315	2,124	1,423	3,547	2,169	1,442	3,611
23.3	Communications, Utilities, and Misc. Charges									
	Office and Residential Utilities	1	364	365	0	250	250	0	254	254
	Telephone Costs	57	0	57	67	92	159	67	102	169
	Sub-Total	58	364	422	67	342	409	67	356	423
	<b>Total Rent, Communications, and Utilities</b>	<b>1,119</b>	<b>1,618</b>	<b>2,737</b>	<b>2,191</b>	<b>1,765</b>	<b>3,956</b>	<b>2,236</b>	<b>1,798</b>	<b>4,034</b>
24.0	Printing and Reproduction	31	9	40	14	5	19	15	4	19
25.1	Advisory and Assistance Services:	40	14	54	11	31	42	11	31	42
25.2	Other Services									
	Office and Residential Security Guards	0	103	103	1,653	164	1,817	2,011	41	2,052
	Staff Training	247	5	252	209	0	209	276	0	276
	ADP Systems Design/Analysis	0	0	0	344	0	344	303	0	303
	ADP Systems Maintenance	2	118	120	0	116	116	0	112	112
	Other	625	462	1,087	1,061	701	1,762	605	200	805
	Sub-Total	874	688	1,562	3,267	981	4,248	3,195	353	3,548
25.3	Purchase of Goods and Services from Gov't. Accts.									
	International Cooperative Admin. Supp. Services	656	0	656	685	0	685	688	0	688
	DCAA Audits	135	0	135	0	0	0	1,300	0	1,300
	Other Services	1,391	0	1,391	1,298	0	1,298	1,298	0	1,298
	Sub-Total	2,182	0	2,182	1,983	0	1,983	3,286	0	3,286

Dollars in Thousands

Office of Inspector General

OCC	Category	FY 1997 Actual			FY 1998 Estimate			FY 1999 Request		
		Hq.	Field	Total	Hq.	Field	Total	Hq.	Field	Total
25.4	Operations and Maintenance of Facilities	0	28	28	0	0	0	0	0	0
25.6	Medical Care	0	12	12	0	0	0	0	0	0
25.7	Operation/Maintenance of Equipment & Storage									
	ADP and Telephone Systems	58	14	72	70	0	70	93	0	93
	Office & Residential Furniture and Equipment	26	0	26	0	0	0	0	0	0
	Other Operations/Maintenance Costs	270	7	277	0	0	0	0	0	0
	Sub-Total	354	21	375	70	0	70	93	0	93
	<b>Total Contractual Services</b>	<b>3,450</b>	<b>763</b>	<b>4,213</b>	<b>5,331</b>	<b>1,012</b>	<b>6,343</b>	<b>6,585</b>	<b>384</b>	<b>6,969</b>
26.0	Supplies and Materials	254	93	347	198	56	254	205	50	255
31.0	Purchase of Equipment									
	ADP Hardware/Software	270	96	366	277	225	502	303	210	513
	Other Ofc/Residential Furniture/Equip.	632	158	790	432	452	884	557	132	689
	Sub-Total	902	254	1,156	709	677	1,386	860	342	1,202
32.0	Lands and Structures	766	8	774	1,070	11	1,081	2,059	21	2,080
	<b>Total Acquisition of Assets</b>	<b>1,668</b>	<b>262</b>	<b>1,930</b>	<b>1,779</b>	<b>688</b>	<b>2,467</b>	<b>2,919</b>	<b>363</b>	<b>3,282</b>
	<b>Total Costs</b>	<b>19,583</b>	<b>10,384</b>	<b>29,967</b>	<b>23,185</b>	<b>11,449</b>	<b>34,634 /1</b>	<b>25,887</b>	<b>10,150</b>	<b>36,037 /2</b>

\* Hq./Overseas distribution allocated on basis of USDH full-time compensation.

/1 This distribution includes an estimated \$5.587 million in multi-year and no-year funds to be used in FY 1998.

/2 This distribution includes an estimated \$3.037 million in multi-year and no-year funds to be used in FY 1999, as stated in the Congressional Presentation narrative.

Dollars in Thousands

**FOREIGN SERVICE RETIREMENT AND DISABILITY FUND <sup>1</sup>**

	<b>FY 1997 Actual</b>	<b>FY 1998 Estimate</b>	<b>FY 1999 Request</b>
<b>Foreign Service Retirement and Disability Fund</b>	<b>\$43,826,000</b>	<b>\$44,508,000</b>	<b>\$44,552,000</b>

In FY 1974, amendments to the Foreign Assistance Act of 1961, as amended, permitted USAID career foreign service employees to become participants in the Foreign Service Retirement and Disability Fund.

The extension of coverage to USAID employees created an unfunded liability in the system. An actuarial determination by the Department of the Treasury shows that in FY 1999, \$44,552,000 will be required to amortize this liability and the unfunded liability created by pay raises and benefit changes since FY 1974. For FY 1999, USAID is requesting an appropriation of this amount.

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<sup>1</sup> Authorized by Chapter 8 of the Foreign Service Act of 1980.

## GLOSSARY OF TERMS

The glossary defines legislative, administrative, programming and budget terms referred to in this presentation. Underscored terms in the definitions are defined elsewhere in the glossary. Frequently used abbreviations are included.

Activity: Project or task required to carry out a program. The word "activity" is used for any activity or unified group of activities, programs, projects, types of material assistance or other operations. Refers to both project and non-project assistance.

Actual Year: Last completed fiscal year; in this case, FY 1997.

Appropriation: An act of Congress permitting Federal agencies to incur obligations for specified purposes, e.g., Foreign Assistance and Related Programs Appropriation Act, 1997.

Appropriation Accounts: The separate accounts for which specific dollar amounts are authorized and appropriated.

Authorization: Substantive legislation which establishes legal operation of a Federal program, either indefinitely or for a specific period, and sanctions particular program funding levels, e.g., the Foreign Assistance Act of 1961, as amended (FAA).

Bilateral Assistance: Economic assistance provided by the United States directly to a country or through regional programs to benefit one or more countries indirectly. (USAID Development Assistance, Economic Support Fund, Assistance for Eastern Europe and the Baltic States, Assistance for New Independent States, and most P.L. 480 food aid are among the U.S. bilateral programs. Others include Peace Corps and International Narcotics Control.)

Budget Authority: Authority provided to the U.S. Government by law to enter into obligations which result in outlays or government funds.

Budget Year: Year of budget consideration; in this case, FY 1999.

Consortium Grant: A grant to consortia of private and voluntary organizations (PVO) to enable a group of PVOs with similar interests to exchange information and program experiences and to collaborate in programs, thereby avoiding duplication.

Continuing Resolution: A joint resolution passed to provide stop-gap funding for agencies or departments whose regular appropriations bills have not been passed by the Congress by the beginning of the fiscal year.

Cooperative Development Organization (CDO): A business voluntarily owned and controlled by its users and operated for their benefit.

Deobligation: Unexpended funds obligated for a specific activity which are subsequently withdrawn, following a determination that they are not required for that activity.

Development Assistance: Assistance under Chapters I and 10 of the Foreign Assistance Act primarily designed to promote economic growth and equitable distribution of its benefits.

Development Assistance Committee (DAC): A specialized committee of the Organization for Economic Cooperation and Development (OECD). The purpose of the DAC is to increase total resources made

available to developing countries. Member countries jointly review the amount and nature of their contributions to bilateral and multilateral aid programs in the developing countries. DAC members are Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Italy, Japan, the Netherlands, New Zealand, Norway, Sweden, Switzerland, the United Kingdom, the United States and the Commission of the European Economic Communities.

Development Fund for Africa (DFA): The Development Fund for Africa (Chapter 10 of the Foreign Assistance Act), relating to the authorization of long-term development assistance for Sub-Saharan Africa, was added to the FAA by the Foreign Operations, Export Financing, and Related Programs Appropriations Act of 1991 (P.L. 101-513).

Development Loan: Development Assistance which must be repaid, usually a long-term, low-interest loan repayable in U.S. dollars.

Development Program Grant (DPG): A grants to assist a private and voluntary organization to strengthen its ability to be an effective development agency.

Economic Assistance: Bilateral and multilateral foreign assistance designed primarily to benefit the recipient country's economy. Military assistance, Export-Import Bank activities, Overseas Private Investment Corporation programs and Commodity Credit Corporation short-term credit sales, which have primary purposes other than economic development, are not included in this category.

Economic Support Fund: An appropriation account for funding economic assistance to countries based on considerations of special economic, political or security needs and U.S. interests. It took the place of Security Supporting Assistance, as provided in Section 10(b)(6) of the International Security Assistance Act of 1978 (92 STAT 735).

Expenditure: As reported in this document, represents the total value of goods and services received, disbursement for which may not have been made. A disbursement, also referred to as an actual expenditure or outlay, represents funds paid from the U.S. Treasury.

Fiscal Year: Yearly accounting period, without regard to its relationship to a calendar year. (The fiscal year for the U.S. Government begins October 1 and ends September 30.)

Foreign Assistance Act (FAA): The Foreign Assistance Act of 1961, as amended (USAID's present authorizing legislation).

Foreign Assistance and Related Programs Appropriation Act: The Appropriation Act for a particular year for economic (except P.L. 480 food aid) and military assistance and Export-Import Bank.

FREEDOM Support Act (FSA): The Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act of 1992 (FREEDOM Support Act) (P.L. 102-511) authorizes assistance to the New Independent States (NIS) of the former Soviet Union

Functional Assistance: Development Assistance funded from the Development Assistance, Child Survival and Disease Program, and Credit Programs appropriation accounts and authorized from one of the following eight authorization accounts: (1) Agriculture, Rural Development and Nutrition; (2) Population Planning; (3) Health; (4) Child Survival; (5) AIDS Prevention and Control; (6) Education and Human Resources Development; (7) Private Sector, Environment and Energy; and (8) Science and Technology.

Government Performance and Results Act (GPRA): The Government Performance and Results Act of 1993 (P.L. 103-62) provides for the establishment of strategic planning and performance management in the Federal Government.

**Grant:** Assistance to an organization to carry out its activities as opposed to the acquisition of services for USAID or a host country which need not be repaid. (Term also describes a funding instrument for programs of an institution or organizations, e.g., International Executive Service Corps or an international agricultural research center.)

**Gross Domestic Product (GDP):** Measures the market value of total output of final goods and services produced within a country's territory, regardless of the ownership of the factors of production involved, i.e., local or foreign, during a given time period, usually a year. Earnings from capital invested abroad (mostly interest and dividend receipts) are not counted, while earnings on capital owned by foreigners but located in the country in question are included. The GDP differs from the GNP in that the former excludes net factor income from abroad.

**Gross National Product (GNP):** Measures the market value of total output of final goods and services produced by a nation's factors of production, regardless of location of those factors, i.e., in the country or abroad, during a given time period, usually a year. Earnings from capital owned by nationals but located abroad (mostly interest and dividend receipts) are included, while earnings in the country by factors owned by foreigners are excluded.

**International Financial Institution (IFI):** Currently known as a multilateral development bank (MDB), a multilateral lending institution which provides resources for development. These institutions, or banks, include the following; Asian Development Bank (ADB) and Fund (ADF), African Development Bank (AFDB) and Fund (AfDF), European Bank for Reconstruction and Development (EBRD), Inter-American Development Bank (IADB), International Bank for Reconstruction and Development (IBRD, or the "World Bank"), International Finance Corporation (IFC), International Development Association (IDA), Middle East Development Bank (MEDB), and North American Development Bank (NADB).

**Loan:** Assistance which must be repaid. Repayment terms for development loans under Development Assistance and the Economic Support Fund are established by USAID in accordance with the Foreign Assistance Act of 1961, as amended (FAA), and the current Foreign Assistance and Related Programs Appropriation Act.

**Management Services Grant:** A grant to a private and voluntary organization (PVO) which in turn provides management or program support services (e.g., clearinghouse, accounting assistance, evaluation) to other PVOs.

**Multilateral Assistance:** Assistance which the United States provides to less or least developed countries (LDC) through multilateral development banks, the United Nations agencies, and other international organizations with development purposes.

**Multilateral Development Bank (MDB):** See international financial institutions.

**New Directions:** Legislation enacted in 1973 requiring USAID to focus more of its efforts on helping the poor majority in developing countries.

**Nongovernmental Organization (NGO):** An organization, organized either formally or informally, that is independent of government.

**Non-Project Assistance:** Program or commodity loans or grants which provide budget or balance-of-payments support to another country. Such assistance is usually funded under the Economic Support Fund or Development Fund for Africa.

**Obligation:** Legal commitment of funds through such mechanisms as signed agreements between the U.S. Government and host governments, contracts and grants to organizations and purchase orders.

Ocean Freight Reimbursement: Reimburses private and voluntary organizations (PVO) for up to one-half of their cost in shipping equipment and commodities overseas in support of their development programs.

Official Development Assistance (ODA): Assistance on concessional terms (with a grant element of at least 25%), provided by member countries of the Development Assistance Committee to promote economic development in developing countries.

Operating Expenses: Those appropriated funds used to pay salaries, benefits, travel, and all support costs of direct-hire personnel. The "cost of doing business."

Operational Year: Fiscal year in progress (current year), presently FY 1998.

Operational Program Grant (OPG): A grant to private and voluntary organizations to carry out specific programs.

Organization for Economic Cooperation and Development (OECD): Organization of donor countries which promotes policies designed to stimulate economic growth and development of less developed countries. OECD member countries are Australia, Austria, Belgium, Canada, Denmark, Finland, France, the Federal Republic of Germany, Greece, Iceland, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States.

Outlay: Cash disbursement from the Treasury.

Participant: USAID-sponsored less developed country (LDC) national being trained outside his or her own country.

Peacekeeping Operations: The program authorized and appropriated for a special type of economic assistance for peacekeeping operations and other programs carried out in furtherance of the national interests of the United States.

Performance Indicator: A particular characteristic or dimension used to measure intended changes defined by an organizational unit's results framework. Performance indicators are used to observe progress and to measure actual results compared to expected results. The indicators are usually expressed in quantifiable terms, and should be objective and measurable (numeric values, percentages, scores and indices).

Performance Plan: The performance plan identifies annual performance benchmarks of the operating unit. Meeting benchmarks, or the planned levels of achievement for a given year, are considered important steps toward ultimately achieving the ten-year performance goals identified in the Strategic Plan.

Performance Target: The specific and intended result to be achieved within an explicit timeframe and against which actual results are compared and assessed. In addition to final targets, interim targets also may be defined.

Pipeline: The difference between obligations and expenditures.

P.L. 480: The Agricultural Trade Development and Assistance Act of 1954, as amended, which governs administration of the U.S. Food for Peace program. (Term is often used to describe food aid.)

President's Budget: Budget for a particular fiscal year transmitted to Congress by the President in accordance with the Budget and Accounting Act of 1921, as amended.

**Private and Voluntary Organization (PVO):** A non-profit, tax-exempt and nongovernmental organization established and governed by a group of private citizens whose purpose is to engage in voluntary charitable and development assistance operations overseas.

**Program:** A coordinated set of USAID-financed activities directed toward specific goals. For example, maternal and child health, nutrition, education and family planning activities designed to promote the spacing of children may comprise a program to reduce infant deaths.

**Project:** A single activity designed to generate specific results. For example, a maternal and child health project may be designed to extend basic health services to 60% of children under five years of age in a poor, rural district of the recipient country. A project is USAID's basic unit of management.

**Reimbursement:** Collection of funds for services provided to recipients outside the Agency.

**Reobligation:** Obligation of an amount which had been obligated and deobligated in prior transactions.

**Result:** A change in the condition of a customer or a change in the host country condition which has a relationship to the customer. A result is brought about by the intervention of USAID in concert with its development partners. Strategic objectives are the highest level result for which an operating unit is held accountable; intermediate results are those results which contribute to the achievement of a strategic objective.

**Results Framework:** The results framework represents the development hypothesis, including those results necessary to achieve a strategic objective and their causal relationships and underlying assumptions. The framework also establishes an organizing basis for measuring, analyzing, and reporting results of the operating unit.

**Results Package:** A results package consists of people, funding, authorities, activities and associated documentation required to achieve a specified result (s) within an established time frame. The purpose of a results package is to deliver a given result or set of results contributing to the achievement of the strategic objective.

**Results Review and Resource Request (R4):** The document which is reviewed internally and submitted to USAID headquarters by the field or Washington operating unit on an annual basis. The R4 contains two components: the results review and the resource request. Judgment of progress will be based on a combination of data and analysis and will be used to inform budget decision making.

**Special Objective:** The result of an activity or activities which do not qualify as a strategic objective, but support other U.S. Government assistance objectives.

**Stakeholder:** An individual or group who has an interest in and influences USAID activities, programs and objectives.

**Strategic Objective:** The result (intended measurable change) that a USAID operational unit, along with its partners, can materially affect. The timeframe of a strategic objective is typically 5-8 years for sustainable development programs, but may be shorter for programs operating under short-term transitional circumstances or under conditions of uncertainty.

**Strategic Plan:** The framework which an operating unit uses to articulate the organization's priorities, to manage for results, and to tie the organization's results to the customer and beneficiary. The strategic plan is a comprehensive plan which includes the strategic objectives and a description of how it plans to deploy resources to accomplish them.

Strategic Support Objective: Strategic support objectives are regional or global development objectives which support other USAID operating unit objectives. The key differentiation from a strategic objective, is that there is a recognition that the achievement of the objective is accomplished and measured, in part, through the activities and results at the field mission level.

Support for East European Democracy (SEED) Act: The Support for East European Democracy Act of 1989 (P.L. 101-179) authorizes assistance to the Eastern Europe.

Sustainable Development: Economic and social growth that does not exhaust a country 's resources; that does not damage the economic, cultural or natural environment; that creates incomes and enterprises; and that builds indigenous institutions.

Target: See Performance Target.

### **CONGRESSIONAL PRESENTATION (CP) TERMS**

All Spigots Table: Table which shows U.S. economic and military assistance levels from all International Affairs (Function 150) sources, broken out by program, region and country.

Green Book: This publication is entitled U.S. Overseas Loans and Grants and Assistance from International Organizations. This data, which is grouped by country and geographic region, includes assistance from USAID, military assistance, P.L. 480, Export-Import Bank, etc. from 1945 to the last completed fiscal year, in this case FY 1997. This publication is released at the time or shortly after the Congressional Presentation is distributed.

Program Summary Table: The table found at the end of each region, country and central program narrative contained in this Congressional Presentation document. This table summarizes proposed year budget levels for USAID's strategic goals by type of assistance (Development Assistance, Child Survival and Disease Program Fund, assistance for Eastern Europe and the Baltic States, assistance to New Independent States, Economic Support Fund, P.L. 480 and other).

Statistical Annex: The summary of active and proposed projects, by country and central program, submitted as an annex to this Congressional Presentation document, following enactment of the appropriation legislation for the fiscal year, in this case, FY 1999.

## ABBREVIATIONS AND ACRONYMS

A&A	-	Acquisitions and Accounts
AAEF	-	Albanian-American Enterprise Fund
AAFLI	-	Asian-American Free Labor Institute
AALC	-	African-American Labor Center
ABA	-	American Bar Association
ABEUSA	-	U.S. Participant Training Alumni Association
ACVFA	-	Advisory Committee on Voluntary Foreign Aid
ACOR	-	American Center for Oriental Research
ADB	-	Asian Development Bank
ADC	-	Andean Development Corporation
ADP	-	Automated Data Processing
ADRA	-	Adventist Development and Relief Agency
ADS	-	Automated Directives System
AED	-	Academy for Educational Development
AFDB	-	African Development Bank
AIDS	-	Acquired Immunodeficiency Syndrome
AIDSCAP	-	Acquired Immunodeficiency Syndrome Control and Prevention Project
AIFLD	-	American Institute for Free Labor Development
AIHA	-	American International Health Alliance
AIMI	-	African Integrated Malaria Initiative
ANE	-	Asia and Near East
AOJ	-	Administration of Justice
APEC	-	Asia-Pacific Economic Cooperation
APENN	-	Association of Producers and Exporters of Nontraditional Products
APO	-	Army Post Office
APR	-	Agency Performance Plan
ARDC	-	Area Reintegration and Development Center
ARENTO	-	Arab Republic of Egypt National Telecommunication
ARI	-	Acute Respiratory Infection
	-	Inter-Oceanic Authority
ASEAN	-	Association of Southeast Asian Nations
ASHA	-	American Schools and Hospital Abroad
ASSET	-	Agriculturally Sustainable System and Environmental Transformation
ATI	-	Appropriate Technology International
AUB	-	American University of Beirut
AWACS	-	AID Worldwide Accounting and Control System
BAA	-	Business Area Analysis
BCN	-	Biodiversity Conservation Network
BIPRA	-	Bilateral Intellectual Property Rights Agreement
BIT	-	Bilateral Investment Treaty
BOT	-	Build, Operate and Transfer
CAPEL	-	Center for the Promotion of Electoral Assistance
CARD	-	Council on Agricultural and Rural Development
CARE	-	Cooperative for Assistance and Relief Everywhere, Inc.
CASS	-	Cooperative Association of States for Scholarships
CDC	-	Centers for Disease Control and Prevention
CDIE	-	Center for Development Information and Evaluation
CDO	-	Cooperative Development Organization
CDP	-	Cooperative Development Program (U.S.-Israel)

CDR	-	Cooperative Development and Research Program (U.S.-Israel)
CEAL	-	Center for Studies and Legislative Assistance
CEDRO	-	Center for Drug Education and Information
CEE	-	Central and Eastern Europe
CEELI	-	Central and East European Law Institute
CEL	-	Country Experimental Laboratory
CFC	-	Chlorofluorocarbon
CFA	-	African Financial Community
CFL	-	Compact Florescent Lamps
CFO	-	Chief Financial Officer
	-	Chief Financial Officers Act
CG	-	Consultative Group
CGIAR	-	Consultative Group for International Agricultural Research
CIAV	-	Commission of Support for Verification
CIDA	-	Canadian International Development Agency
CIFOR	-	Center for International Forestry Research
CIMS	-	Contract Information Management System
CINGO	-	Citizen Initiated Nongovernmental Organization
CLD	-	Consortium for Legislative Development
CLUSA	-	Cooperative League of the United States of America
CMA	-	Crescent Medical Aid
CNG	-	Compressed Natural Gas
CNV	-	Culture and Nature Visitor
CO <sub>2</sub>	-	Carbon Dioxide
CONAM	-	National Environmental Council
CONCAUSA	-	Central America-USA Alliance
COTS	-	Commercial off the Shelf
CP	-	Congressional Presentation
CPP	-	Comprehensive Post Partum
CPR	-	Contraceptive Prevalence Rate
CRS	-	Catholic Relief Services
CRSP	-	Collaborative Research Support Program
CS	-	Child Survival
CSD	-	Child Survival and Disease
CSE	-	Supreme Electoral Council
CSO	-	Civil Service Organization
CSM	-	Contraceptive Social Marketing
CYP	-	Couple Year's Protection
DA	-	Development Assistance
DAC	-	Development Assistance Committee
DAF	-	Development Assistance Fund
DART	-	Disaster Assistance Response Team
DCA	-	Development Credit Authority
DCAA	-	Defense Contracting Audit Agency
DEG	-	Developing Economies Group
DFA	-	Development Fund for Africa
DG	-	Democracy and Governance
DHS	-	Demographic Health Survey
DIMS	-	Democratic Indicators Monitoring System
DNPW	-	Directorship of National Parks and Wildlife
DPT	-	Diphtheria, Pertussis and Tetanus
DOE	-	Department of Energy
DOP	-	Declaration of Principles on Interim Self-Governing Arrangements

DWG	-	Democracy Working Group
EAI	-	Enterprises for the Americas Initiative
EBRD	-	European Bank for Reconstruction and Development
EC	-	European Community
	-	European Commission
ECA	-	Enhanced Credit Authority
ECLA	-	Economic Commission for Latin America
ECS	-	Electronic Certifying System
EEP	-	Employee Evaluation Program
EFT	-	Electronic Fund Transfer
EGAD	-	Economic Growth and Agriculture Development
EIA	-	Environmental Initiative for the Americas
EIP	-	Environmental Impact Assessment
EMS	-	Environmental Management System
ENI	-	Europe and New Independent States (of Former Soviet Union)
ENR	-	Environment and Natural Resources
ENV	-	Environment
EOC	-	Emergency Obstetric Care
EPA	-	Environmental Protection Agency
EPI	-	Expanded Program of Immunization
EPL	-	Environmental Pollution Licensing
EPRA	-	Economic Policy Resource Center
ERP	-	Economic Recovery Program
ESAF	-	Extended Structural Adjustment Facility (International Monetary Fund)
ESF	-	Economic Support Fund
EU	-	European Union
FAH	-	Armed Forces of Haiti
FAAS	-	Foreign Affairs Administrative Services
FAO	-	Food and Agriculture Organization
FAS	-	Foreign Agriculture Service (U.S. Dept. of Agriculture)
FCCC	-	Framework Convention on Climate Changes
FDA	-	Food and Drug Administration
FDI	-	Foreign Direct Investment
FFP	-	Food for Peace
FGM	-	Female Genital Mutilation
FISE	-	Emergency Social Investment Fund
FMAA	-	Federal Managers Financial Integrity Act of 1982
FMLN	-	Farabundo Marti National Liberation Front
FP	-	Family Planning
FREEDOM	-	Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act of 1992 (FREEDOM Support Act)
FSA	-	FREEDOM Support Act
FSN	-	Foreign Service National
FSRDF	-	Foreign Service Retirement and Disability Fund
FTAA	-	Free Trade Area of the Americas
FTB	-	First Time Borrower
FTE	-	Full-time Equivalency
FTF	-	Farmer to Farmer Program
G-7	-	Group of Seven (leading industrialized nations consisting of Canada, France, Germany, Italy, Japan, United Kingdom, and United States)
GATT	-	General Agreement on Tariffs and Trade

GCA	-	Global Coalition for Africa
GCC	-	Global Climate Change
GDP	-	Gross Domestic Product
GEF	-	Global Environmental Facility
GEM	-	Global Excellence in Management
GHAJ	-	Greater Horn of Africa Initiative
GHG	-	Green House Gas
GIS	-	Geographic Information System
GNP	-	Gross National Product
GMRA	-	Government Management Reform Act
GPRA	-	Government Performance Review Act (P.L. 103-62)
GSA	-	General Services Administration
GSP	-	General System of Preference
GTN	-	Global Technology Network
GTZ	-	Guatemala Trade Zone
HA	-	Hectare
HCD	-	Human Capacity Development
HG	-	Housing Guaranty
HiB	-	Hemophilus Influenza Type B
HIV	-	Human Immunodeficiency Virus
HMO	-	Health Maintenance Organization
HFTE	-	Hemispheric Free Trade Expansion
HQ	-	Headquarters
IACCC	-	Inter-Agency Climate Change Committee
IARC	-	International Agricultural Research Center
IBRD	-	International Bank for Reconstruction and Development (World Bank)
ICASS	-	International Cooperative Administrative Support Services
ICITAP	-	International Criminal Investigation and Training Assistance Program
ICORC	-	International Committee for the Reconstruction of Cambodia
ICRAS	-	Interagency Country Risk Assessment System
ICRISAT	-	International Crop Research Institute for the Semi-Arid Tropics
IDA	-	International Development Association
IDB	-	Inter-American Development Bank
IDP	-	Internally Displaced People
IEC	-	Information, Education and Communication
IESC	-	International Executive Service Corps
IFES	-	International Foundation for Electoral Systems
IFRC	-	International Federation of the Red Cross
IFI	-	International Financial Institute
IFOR	-	Implementation Force (NATO)
IG	-	Inspector General
IIDH	-	Inter-American Institute for Human Rights
IIRR	-	International Institute for Rural Reconstruction
ILO	-	International Labor Organization
IMF	-	International Monetary Fund
IMR	-	Infant Mortality Rate
INADE	-	National Development Institute
INC	-	International Narcotics Control
INDIX	-	International Network for Development Information Exchange
INIFOM	-	Institute for the Promotion of Municipalities
INRENARE	-	Institute for the Management of Renewable Natural Resources
INS	-	Immigration and Naturalization Service

IPM	-	Integrated Pest Management
IPR	-	Intellectual Property Right
IPRF	-	International Planned Parenthood Federation
IQ	-	Intelligence Quotient
IR	-	Intermediate Result
IREX	-	International Research and Exchanges Board
IRI	-	International Republican Institute
IRRI	-	International Rice Research Institute
ISA	-	Institutional Support Assistance
ISG	-	Institutional Support Grant
IT	-	Information Technology
ITSH	-	Internal Transport, Storage and Handling
JSE	-	Jakarta Stock Exchange
JUST	-	Justice Sector Support
KG	-	Kilogram
LAC	-	Latin America and the Caribbean
LAU	-	Lebanese American University
LDC	-	Less (or Least) Developed Country
LGD	-	Local Government Development
LGU	-	Local Government Union
LMI	-	Lower Middle Income
LPG	-	Loan Portfolio Guarantee
LWOB	-	Lessons Without Borders
MAI	-	Multilateral Assistance Initiative
MCH	-	Maternal and Child Health
MDB	-	Multilateral Development Bank
MED	-	Ministry of Education
MENA	-	Middle East and North Africa
MEPU	-	Ministry of Pre-University Education
MFM	-	Municipal Finance and Management
MGP	-	Matching Grants Program
MINSA	-	Ministry of Health
MIS	-	Management Information System
MMR	-	Maternal Mortality Ratio
MOF	-	Minister of Finance
MOH	-	Ministry of Health
MOPH	-	Ministry of Public Health
MSED	-	Micro and Small Enterprise Development
MSH	-	Management Sciences for Health
MT	-	Metric Ton
MW	-	Megawatt
MWDR	-	Mid-Western Development Region
MWI	-	Ministry of Water and Irrigation
NACP	-	National AIDS Control Program
NAFTA	-	North American Free Trade Agreement
NAPA	-	National Association of the Partners of the Americas
NAPCP	-	National AIDS Prevention and Control Program
NATO	-	North Atlantic Treaty Organization

NCBA	-	National Cooperative Business Association
NDI	-	National Democratic Institute
NEA	-	National Electrification Administration
NEAP	-	National Environmental Action Plan
NED	-	National Endowment for Democracy
NGO	-	Nongovernmental Organization
NIC	-	Newly Industrialized Country
NIH	-	National Institute of Health
NIS	-	New Independent States of the former Soviet Union
NMS	-	New Management System
NPI	-	New Partnership Initiative
NPR	-	National Performance Review
NRM	-	Natural Resource Management
NTA	-	New Transatlantic Agenda
NTE	-	Non-Traditional Exports
OAS	-	Organization of American States
OB	-	Obstetric
OC	-	Oral Contraceptive
OCC	-	Object Class Code
ODA	-	Official Development Assistance
	-	Overseas Development Administration
OE	-	Operating Expense
OECD	-	Organization for Economic Cooperation and Development
OECF	-	Overseas Economic Cooperation Fund
OFDA	-	Office of Foreign Disaster Assistance
OFHEO	-	Office of Federal Housing Enterprise Oversight
OFR	-	Ocean Freight Reimbursement
OIC	-	Organization of Islamic Conference
OIG	-	Office of the Inspector General
OMB	-	Office of Management and Budget
OPDAT	-	Office of Professional Development and Training
OR	-	Operational Research
ORS	-	Oral Rehydration Salts
OTI	-	Office of Transition Initiative
PA	-	Palestinian Authority
PADCO	-	Pan American Development Corporation
PAHO	-	Pan American Health Organization
PAR	-	Policy and Administrative Reform
PARDEM	-	Participatory Democracy
PASA	-	Participating Agency Service Agreement
PCA	-	Panama Canal Authority
PCTC	-	Panama Canal Transition Commission
PCV	-	Peace Corps Volunteer
PHC	-	Primary Health Care
PHN	-	Population, Health and Nutrition
PIP	-	Parks in Peril
PLO	-	Palestinian Liberation Organization
PM&E	-	Performance Measurement and Evaluation
PNFPP	-	Philippines National Family Planning Program
PPC	-	Policy and Program Coordination Bureau (USAID)
PRET	-	Program for the Recovery of the Economy in Transition
PRIME	-	Program for Innovation in Microenterprise

PSC	-	Personal Service Contract
PVC	-	Private Voluntary Cooperation (USAID Office)
PVO	-	Private Voluntary Organization
R-4	-	Results Review and Resource Requirement
RDA	-	Regional Development Account
REFORM	-	Reengineering Effort for Organization and Management
REGO	-	Reinventing Government
RH	-	Reproductive Health
RHUDO	-	Regional Housing and Urban Development Office
RIF	-	Reduction in Force
RIG	-	Regional Inspector General
ROL	-	Rule of Law
RRB	-	Ronald Reagan Building
RSM/EA	-	Regional Support Mission for East Asia
SADC	-	Southern Africa Development Community
SAI	-	Special Assistance Initiative
SAP	-	Structural Adjustment Program
SDC	-	Society for Democratic Culture
SEB	-	Small and Emerging Business
SEBI	-	Securities and Exchange Board of India
SEC	-	Securities and Exchange Commission
SEED	-	Support for East European Democracy
SET	-	Supreme Electoral Tribunal
SIECA	-	Permanent Secretariat of General Treaty of Central America Economic Integration
SME	-	Small and Medium-sized Enterprise
SO	-	Strategic Objective
SO <sub>2</sub>	-	Sulfur Dioxide
SOE	-	State-Owned Enterprise
SPA	-	Special Program of Assistance for Africa
	-	Small Program Assistance
SPRP	-	Sector Policy Reform Program
SPU	-	Strategic Planning Unit
STD	-	Sexually Transmitted Disease
STI	-	Sexually Transmitted Infection
STRI	-	Smithsonian Tropical Research Institute
TAF	-	The Asia Foundation
TF	-	Trust Fund
TFR	-	Total Fertility Rate
TNC	-	The Nature Conservancy
TR&D	-	Tropical Research and Development
U5MR	-	Under 5 Mortality Rate
UE	-	Urban and Environment Credit Program (formerly Housing Guaranty Program)
UN	-	United Nations
UNAG	-	National Union of Farmers and Cattle Owners
UNAIDS	-	United Nations Program on HIV/AIDS
UNAVEM	-	United Nations Verification Mission for Angola
UNDP	-	United Nation Development Program
UE	-	Urban Environment
UNESCO	-	United Nations Educational, Scientific and Cultural Organization

UNFCCC	-	United Nations Framework Convention and Climate Control
UNFPA	-	United Nations Population Fund
UNICEF	-	United Nations Children's Fund
UNMIH	-	United Nations Mission in Haiti
UNRWA	-	United Nations Relief Works Agency
UPANIC	-	Nicaraguan Union of Agricultural Producers
USAEP	-	United States-Asia Environmental Partnership Initiative
USAID	-	U.S. Agency for International Development
USDA	-	United States Department of Agriculture
USDH	-	United States Direct Hire
USFDA	-	U.S. Food and Drug Administration
USIS	-	United States Information Service
USTTI	-	United States Telecommunications Training Institute
VE	-	Voluntary Executive
VII	-	Vaccine Independence Initiative
VOA	-	Voice of America
VVM	-	Vaccine Vial Monitor
WFP	-	World Food Program
WHO	-	World Health Organization
WID	-	Women in Development
WIP	-	Women in Politics
WTO	-	World Trade Organization
Y2K	-	Year 2000