

Southern Africa Regional Trade and Investment Strategic Framework Study

Final Report

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Acronyms

| | |
|-------|----------------------------------------------|
| CBNRM | community-based natural resources management |
| DG | democratic governance |
| FDI | foreign direct investment |
| FTAs | free trade agreements |
| FP | family planning |
| HD | historically disadvantaged |
| IDPs | internally displaced persons |
| IR | Intermediate Result |
| MCH | maternal child health |
| NRM | natural resources management |
| NTBs | non-tariff barriers |
| RNFE | rural non-farm enterprise |
| SO | Strategic Objective |
| SSA | Sub-Saharan Africa |
| T&I | trade and investment |
| WTO | World Trade Organization |

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- Annex A Overview of all Missions' and Centers' Strategic Objectives and Intermediate Results
- Annex B Classification of Missions' and Centers' Activities into T&I Clusters (*in alphabetical order*)

Executive Summary

Study Purpose

The Regional Trade and Investment Strategic Framework Study was prepared by The Services Group (TSG) and Coopers & Lybrand for USAID's Regional Center for Southern Africa (RCSA) under the PEDS Contract. The purpose of the study was to

- Inventory all USAID activities affecting trade and investment (T&I) planned or underway under the programs managed by RCSA, REDSO/ESA, AFR/SD, Global/EM, and the bilateral missions in Angola, Malawi, Mozambique, Namibia, South Africa, Tanzania, Zambia, and Zimbabwe
- Use this inventory to develop a trade and investment results framework showing how these activities were linked to increased T&I,
- Assess the compatibility of this "revealed" T&I strategy with President Clinton's Partnership for Economic Growth and Opportunity Initiative, and,
- Identify possible areas of synergy and gaps that need to be addressed by USAID

Inventory and Analysis of USAID T&I Activities

Study Methodology

The most recent Country Strategic Plans (CSPs) and Results Review and Resource Requests (R4s) were used as information sources for compiling an inventory of all T&I-related activities conducted by each USAID mission/office. The following criteria were used for compiling the inventories:

- Activities that contributed to T&I directly (such as eliminating constraints on trade) or indirectly (such as making capital available to entrepreneurs) were included
- Activities were included even if T&I was not cited as an activity's purpose as indicated by its Strategic Objective (SO) or

Intermediate Result (IR)

- Although the focus of the study was on *regional* T&I, activities were included even if their impact on T&I was not explicitly regional. By contributing to economic growth in the short-term, many interventions will provide the basis for increased regional T&I in the longer-term.
- Natural resource management (NRM) and agriculture activities were included because many of these activities improve local incomes – and therefore the purchasing power needed to fuel T&I (e.g., community based natural resource management – CBNRM) – or lead to increases in tradable goods.
- Finally, family planning, maternal child health, HIV prevention, and democratic governance activities were not included, given that they are not primary contributors to T&I and their effect is largely indirect in terms of negative impact on T&I if these are not pursued.

Each draft inventory was sent to the relevant mission/center for review to ensure accuracy and to add information on any T&I-related activities – particularly short-term technical assistance – that were not captured in the CSPs and R4s¹.

Study Findings

Each activity in the inventories was categorized in terms of its likely impact on T&I, and activities with similar impacts were “clustered” together. Activities serving multiple goals (e.g., an NRM activity may entail both capacity building and policy elements) were included in all relevant clusters. This clustering identified 19 separate sets of activities contributing to T&I, which were classified into 4 overarching components:

- Activities to improve the macro policy environment,
- Activities to improve economic infrastructure,
- Activities to eliminate constraints on T&I, and,
- Activities to raise output and income at the firm and farm level.

¹ It should be noted that not all missions/centers responded to the request to review the inventory or reviewed the activities under a single SO only. This report’s assessments must be viewed as tentative therefore, until confirmed by the collection of further data.

The contribution of each cluster to increased T&I, and the USAID entities that are active in each cluster, are summarized below

Macroeconomic and political stability This is clearly a prerequisite of economic growth and T&I, as measured by a lack of significant economic distortions and an absence of political or military violence. Most countries in the region have achieved this, and only USAID/Angola undertakes activities in this cluster, in the form of resettling internally displaced persons as a precondition of further economic growth.

Improved economic policy framework Improved economic policies² create the conditions necessary for economic growth, and many bilateral missions are pursuing ongoing economic policy dialogue and related activities. In addition, AFR/SD, Global/EM, and RCSA have activities in this area.

Economic capacity building This cluster includes activities to strengthen the economic policy-making capabilities of government officials, and in some cases, private sector think tanks and NGOs, to improve their contribution to national economic policy making and raise the quality of national debate. These activities are concentrated in South Africa and Namibia. AFR/SD is supporting governmental, national, and regional African research and policy institutions, while RCSA is undertaking capacity building for NGOs and private sector entities such as customs. FEDSO is currently evaluating whether to undertake WTO training activities.

Improved NRM framework Sustainable natural resource management contributes to T&I by preserving what is essentially an economic factor of production that supports a large proportion of the region's population, provides an important source of revenue, and is a significant source of exports and tradable goods. Activities to address the NRM policy framework are found bilaterally in Namibia, Mozambique, Malawi, and Tanzania, and RCSA manages a Botswana NRM component. AFR/SD focuses on lessons learned regarding the impact of CBNRM on biodiversity, while REDSO's activities are related to its Regional

² For this report this includes agricultural policy given the importance of this sector in the regional economy and the impact of national economic reforms such as market liberalizations on the sector.

Coastal Zone Demonstration Activity

NRM capacity building These activities train national, district, and local officials and communities in NRM techniques, thereby improving NRM management. Bilaterally, they take place in Namibia, Mozambique, Malawi, and Tanzania. AFR/SD focuses on training to improve regional capacity to conduct environmental assessments, while RCSA focuses on lessons learned from CBNRM. REDSO's activities are related to its Regional Coastal Zone Demonstration Activity.

Improved delivery of economic infrastructure This cluster is an active area of USAID's portfolio, especially by RCSA. The bulk of infrastructure activities have focused on the region's railroads, while road transport has largely been left to other donors, with the exception of bilateral mission activities in Tanzania and Mozambique. Telecommunications improvements have been addressed through RCSA's Regional Telecommunications Restructuring Project, which includes bilateral components in Zambia and Tanzania, and assisting the adoption of model telecommunications legislation in the region. AFR/SD is also pursuing telecommunications policy liberalizations and the provision of internet-related hardware in the context of the Leland Initiative.

Services-related activities include support to the privatization of Luanda's water system, RCSA's examination of regionally focused energy infrastructure activities, and RCSA support to the adoption of the SADC Protocol on Transport, Communications, and Meteorology.

Reducing constraints to T&I Reducing constraints takes two forms: *intra-country* reforms, addressing national policies and practices and *inter-country* reforms reducing barriers to cross-border trade. Most activities in this cluster occur at a bilateral level and focus on intra-country reforms, although such activities are not part of mission portfolios in South Africa, Namibia, and Zimbabwe. Zambia is the only mission pursuing activities aimed at improving cross-border trade. Global/EM, AFR/SD, and REDSO/ESA all provide assistance for intra-country reforms such as improved investment environments and privatization. Inter-country reforms are addressed by Global (focusing on improving countries' international competitiveness) and REDSO and RCSA.

(focusing on regional barriers to trade)

Strengthened business associations This cluster strengthens business associations and regional business networks to improve their capability to lobby governments for trade-enhancing reforms. RCSA, REDSO, and AFR/SD primarily carry out these activities. USAID/Tanzania's support to the Tanzanian Chamber of Commerce is the only example of bilateral activity.

Regional trade/integration advocacy These activities seek to increase the effectiveness of regional advocacy groups to advocate for regional trade reforms. They are exclusively carried out by RCSA (through STRENGTH and RAPID) and REDSO (through its Regional Trade Activities, Horn of Africa Support Project, and support to regional private sector organizations and NGOs).

Sustainable agricultural output This cluster contributes to T&I by producing surpluses for trade and raising disposable rural incomes and purchasing power, in addition, they encourage private investment in the marketing and transport of such surpluses. All bilateral missions (except Namibia and South Africa) are active through support for policy reforms, market liberalizations, etc. Global/EM has no activities, while REDSO/ESA's activities occur only in the context of famine relief and the GHAI Initiative. AFR/SD focuses on the development and dissemination of environmentally sound agricultural methods.

Expanded local incomes These rural-based activities raise local incomes through CBNRM and rural non-farm enterprise (RNFE) projects. They occur entirely on a bilateral basis, with the exception of RCSA's Botswana CBNRM component.

Enterprise skills building Improving the capacity of enterprises to manage and operate their business is a clear prerequisite for increased T&I by these firms. This is a predominate form of activity, via hands-on TA (e.g., by NGOs or IESC), assistance to MSMEs to improve the quality of their applications for finance, and some firm-level capacity building. These activities take place almost predominantly on a bilateral basis (in Mozambique, Namibia, South Africa, Tanzania, and Zambia). Many, but not all, activities take place in the context of financial sector reforms and improving access to finance. RCSA's SAEDF is the primary

regional mechanism Global/EM, AFR/SD, and REDSO have no activities in this area

Improved access to finance There is a clear linkage between improved access to financing for MSMEs and expanded output, although the contribution to T&I is probably long-term in nature. This is a bilateral activity, concentrated in South Africa and Tanzania (which have multiple activities), but also occurring in Malawi, Mozambique, and Zambia. The only regional component is by RCSA through SAEDF. Global/EM has no role, while AFR/SD focuses on disseminating strategies to improve resource mobilization.

Improved access to information These activities are undertaken by AFR/SD (multiple activities to implement the Leland Initiative), REDSO (which is considering activities to increase the dissemination of information on regional investment, trade, and commodity markets), and RCSA (which is examining the establishment of an umbrella electronic networking activity).

Access to technology These activities are limited to the agricultural sector (e.g., provision of extension services or new seed varieties). They are implemented on a bilateral mission level, with regional research support provided by REDSO and RCSA. Global/EM has no role, while AFR/SD focuses on improving technology transfer strategies between African research organizations.

Strengthened private sector role Nearly all USAID activities include a private sector element, so this cluster includes only those activities where private sector strengthening is a predominate outcome. On a bilateral basis, these activities include privatization (South Africa, Angola, Zambia), an increased private sector role in telecommunications, housing, and roads (Zambia, Zimbabwe, and Tanzania), and increasing the private sector's role in marketing (Malawi, Mozambique, Zambia). Global/EM provides privatization assistance and REDSO provides support to missions, governments, and regional business organizations under its Private Sector Expertise Support project. AFR/SD's focus is twofold: negotiations with governments to allow private Internet providers and mission assistance to identify opportunities for an increased private sector role in agricultural marketing.

Expanded business links The creation of linkages between larger and firms and smaller suppliers increases the capability of smaller companies to engage in T&I. This cluster has only a few activities which are limited bilaterally to South Africa, Zimbabwe, and Zambia. AFR/SD is responsible for achieving linkages between U.S. and African firms, and REDSO will be undertaking a similar activity.

More competitive input/markets While this is predominantly an outcome of policy efforts to liberalize markets or reduce regulatory constraints on T&I, rather than an explicit objective, these activities contribute to T&I by improving economic efficiency. More competitive markets result from mission activities to introduce market liberalizations and regulatory reforms, through RCSA and REDSO support to regional and intra-country reforms, and by Global/EM's support for economic, regulatory, and international trade reforms. AFR/SD also supports the identification of private sector marketing opportunities, and the adoption of trade reforms.

Broadened ownership Expanded employee ownership through the use of ESOPs and other mechanisms can indirectly contribute to T&I by increasing productivity, improving management, and raising the attractiveness of investment. On a bilateral basis, this activity is found in Zimbabwe and South Africa, and regionally, through SAEDF.

Implicit Division of Labor

While there is much overlap on many T&I-related activities, some observations about the implicit division of labor for the above clusters can be made. They are:

- Global/EM has the tightest focus in its activities, which are limited to the following clusters: improved economic policy framework, reducing constraints to T&I, strengthening the role of the private sector (primarily through privatization support), and more competitive input/output markets (through assistance to trade reform policies and market deregulation).
- Access to information is primarily the responsibility of AFR/SD (through implementation of the Leland Initiative) with similar electronic network activities underway by RCSA and REDSO.

- Regional trade advocacy activities are only undertaken by REDSO and RCSA, and strengthening business associations is largely confined to these two entities, in addition, AFR/SD is responsible for fostering linkages between U S and African businesses
- Bilateral missions have primary responsibility for activities that raise output and income at the firm and farm level (e g , access to technology or capital, creating business links)

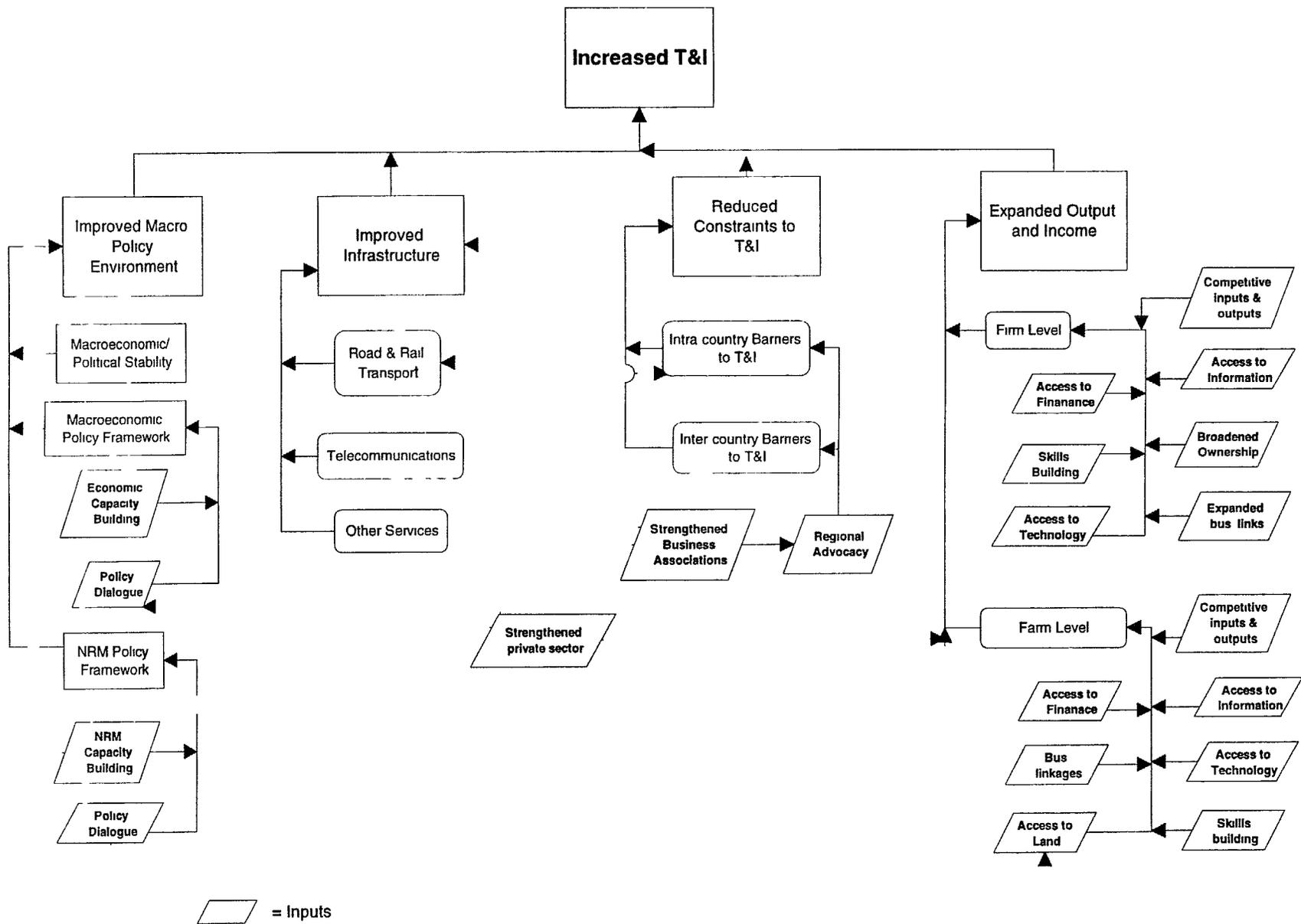
*Trade and Investment
Results Framework
Graphic*

The T&I clusters were incorporated into a results framework graphic illustrating the causal relationship between USAID's T&I activities and increased T&I (see *Figure 1*) Two development hypotheses underlie the graphic one, all types of economic activity have the potential to fuel regional T&I in the long-run, and two, domestic (or intra-country) T&I is an important and necessary contributor to sustainable regional T&I

As shown in the graphic, increased T&I rests on 4 key components an improved macro policy environment, improved infrastructure, reduced constraints to T&I, and expanded output and income An *improved macro policy environment* consists of 3 key elements macro-economic and political stability, an improved economic policy framework, and an improved NRM policy framework Capacity building and policy dialogue are inputs into both an improved economic policy framework and an improved NRM policy framework *Improved infrastructure* consists of activities affecting road and rail transport, telecommunications, and services

Reduced regulatory constraints consists of activities to reduce both intra-country and inter-country barriers to T&I Strengthened business associations and regional advocacy contribute to both of these Finally, *expanded output and income* rests on interventions at both the firm and farm level, such as improved access to finance, skills building, access to technology, etc

Figure 1 Expanded Trade and Investment Results Framework Graphic



Partnership for Economic Growth and Opportunity

Key Elements

The Administration's Partnership for Economic Growth and Opportunity is a multi-faceted approach designed to reinforce and build upon the significant economic reforms made by many African countries in recent years. It is based on the premise that U.S. interests are best served if African countries are viewed as partners in trade rather than simply recipients of aid.

Recognizing that countries are at different stages in the reform process, the Partnership is structured so that countries can participate at three different levels. The potential benefits available at each level increase, thereby providing additional incentives for reform.

Level I is the most basic level and is designed to help countries begin the economic reform process. Opportunities available under Level I include

- **Enhanced market access** Duty-free access to U.S. markets will continue to be available under the Generalized System of Preferences (GSP) program. This will provide market access to African LDCs in 4,600 tariff lines, least developed beneficiary developing countries (LDBDC)³ qualify for access in an additional 1,783 tariff lines.
- **OPIC Investment Support** OPIC is establishing funds with a total capitalization of \$500 million, including the issuance of guarantees for a \$150 million private equity investment fund for the region to support commercial and natural resource projects. This will be supplemented by one or more private equity funds providing partial guarantees to infrastructure projects in the telecommunications, power, transportation, and financial services sectors.
- **Regional Integration Support** Regional integration will be fostered through support for regional private sector and trade-

³ LDBDC countries have a per capita income of \$725 or less. Twenty nine of the 37 countries designated as LDBDC are in Sub-Saharan Africa.

related activities, including such areas as investment policy harmonization, fostering regional business ties, and facilitating cooperation between regional institutions and the private sector

- Increased Support for U S -African Business Linkages Up to \$1 million will be allocated annually to catalyze relationships between U S and African firms

In support of these, the USTR has appointed an Assistant U S Trade Representative for Africa and established an Office of African Affairs to address all relevant economic issues under the Partnership such as WTO accession, discriminatory trade practices, and measures needed to open African markets to U S goods

Level II is aimed at countries following aggressive, growth-oriented reform programs. Countries introducing significant reforms in such areas as T&I liberalization, investment in human resources, and improved policy management and governance will qualify for

- Expanded Market Access Preferential access under the GSP program will be expanded to include import-sensitive products such as textiles that are currently excluded by law or available only to LDBDC countries
- Debt Reduction The Administration will seek the extinction of concessional bilateral debt for the poorest countries, and will continue to urge further IMF and World Bank debt relief under the Heavily Indebted Poor Countries (HIPC) Initiative
- Annual Economic Cooperation Forum This forum, to be held at the Cabinet Minister level, will be used to improve dialogue between the U S and Africa's strongest performers
- Bilateral TA TA will be provided by USAID in support of trade liberalization and export promotion, and to improve the investment climate through regulatory, financial, and fiscal reforms. In addition, USDA will provide TA to promote agri-business linkages

- Agricultural Market Liberalization Support Under the Africa Food Security Initiative, USAID will support agricultural market liberalization, export development, and agri-business investment in the processing and transport of agricultural commodities
- Commodity Assistance Reprogramming PI-480 Title I assistance will be focused more on growth-oriented countries to offset budget shortfalls incurred while undertaking growth-oriented reforms, and to encourage more effective spending on agricultural policy reform and human resource development
- Economic Policy Reform Assistance Increased TA and program support funds will be provided by USAID to support growth-oriented programs
- Targeted Multilateral Assistance The Administration will actively support multilateral financial assistance targeted in support of accelerated private sector support and accelerated trade liberalization

Level III opportunities include the possible negotiation of free trade agreements (FTAs) between the United States and the continent's strong-performing, growth-oriented countries

The only aspects of the Partnership that require congressional authorization are the elements to expand the GSP program for Level II participants and to facilitate the negotiation of FTAs for Level III countries using "fast track" procedures

USAID Responsibilities Under the Partnership

The Partnership entails a wide variety of activities by a significant number of USG agencies, including the Departments of Commerce, Treasury, Labor, Transportation, and Agriculture, as well as OPIC, USIA, USTR, and Ex-Im Bank USAID's responsibilities under the Partnership include

- Regional integration support,
- Bilateral, short-term TA to support trade liberalization and export promotion,
- Support for agricultural market liberalization, export

- development, and agribusiness investment,
 - Economic policy reform support, and,
 - Catalyzing American-African business relations
-

*Compatibilities with
USAID T&I Activities*

USAID's revealed T&I strategy is clearly congruous in many ways with the Partnership. In particular, the following USAID interventions closely support the Partnership's objectives

- Improved policy environments USAID policy, regulatory, and economic capacity-building activities support the Partnership's objective of accelerating and strengthening the adoption of economic reforms and market liberalizations
- Privatization and telecommunications reforms USAID's activities encouraging privatization in general, and telecommunications reforms in particular, are highly compatible with the Partnership's focus on opening African economies to potential investment by U.S. firms
- Improved investment enabling environments Activities to reduce constraints on T&I by simplifying the business establishment and operating environment are clearly compatible
- Trade policy reforms Actions which focus on the adoption of trade policy reforms such as the reduction of non-tariff barriers (NTBs) and lowering tariffs, are highly compatible
- Increased output and income Interventions to strengthen farmers and rural/urban enterprises will enable them to take advantage of the policy liberalizations and reforms encouraged by the Partnership

Nonetheless, there are areas of difference – primarily in emphasis – between USAID activities and the Partnership. One, a clear and persistent focus of the Partnership is strengthening opportunities for U.S. investors and exporters. By contrast, USAID activities primarily focus on fostering economic growth, increased U.S. T&I may be an implicit outcome of these activities, but it is not an explicit goal.

A second, but potential, difference is that the Partnership is emphatically based on the principle of market integration, that is, reductions in tariffs and NTBs to enable greater access by U S (and other) firms to African markets. Accordingly, particular importance is placed on whether countries have reduced their tariffs and bound them in the WTO, eliminated NTBs, etc.⁴ As a result, any USAID activities to support regional trade reforms that are not WTO-consistent and multilateral in focus – that is, which do not extend tariff and other reforms equally to all trading partners, not just regional ones – would be at odds with the Partnership.

Implications for Future USAID T&I Activities

Proposed T&I Strategy

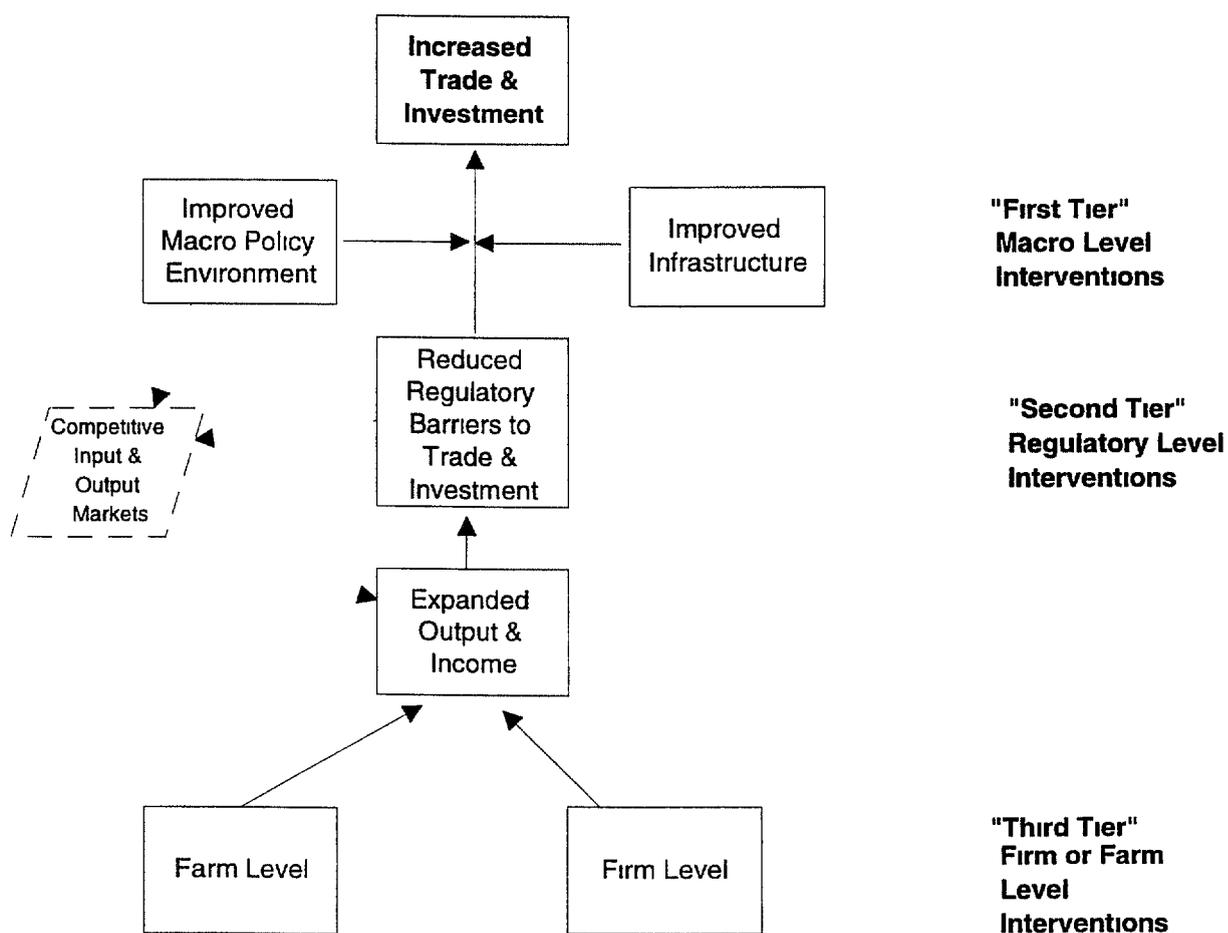
USAID as a whole is undertaking a wide variety of activities that contribute to regional economic growth and T&I. Many of these are not pursued uniformly within the region, however, indicating that on a mission-by-mission basis, a greater focus on T&I activities may be necessary. Moreover, while it is analytically correct and conceptually useful to categorize all these activities as contributing to T&I, it is not strategically valuable in terms of focusing USAID resources and providing a prioritization of key activities.

To maximize the impact of USAID activities and create the greatest synergies with existing programs, USAID's T&I strategy should focus primarily on core T&I issue areas: facilitating trade (exports, imports, and domestic trade) and encouraging investment (domestic, intra-regional, and foreign direct investment). The key emphasis of this strategy should be on both eliminating administrative, regulatory, institutional, and other constraints to T&I, and adopting "best practices" standards in all governmental procedures and practices affecting T&I.

The importance of eliminating constraints is illustrated in Figure 2. While the standard results framework format shown above illustrates the causal linkage between the T&I clusters within the

⁴ Progress in these areas is also linked to economic benefits under the companion legislation to the Partnership, H.R. 1432, the African Growth and Opportunity Act.

Figure 2 Linear Overview of the T&I Strategic Framework



individual components, that format indicates that all four components (i.e., improved macro policies, improved infrastructure, elimination of constraints, and expanded output and income) equally contribute to expanded T&I. This interpretation is misleading, because it understates the importance of reducing constraints in fostering expanded T&I within the region.

Accordingly, these components have been rearranged in a linear fashion in Figure 2. This illustrates that T&I flows are first and foremost the result of “first tier” interventions creating an improved macro policy environment and improved infrastructure, of these, an improved economic policy environment is the most important. While first tier interventions are necessary, however, they are insufficient to engender substantive increases in T&I. “Second tier” interventions at the regulatory level are also required so that “third tier” interventions to expand output and income at the firm and farm level can translate into expanded T&I.

Arranging these components in this linear fashion demonstrates that the reduction of regulatory and other barriers to T&I is a critical decision point in any strategy to encourage trade and investment. One, such barriers inhibit market entry, particularly by small- and medium-sized firms, and fuel the growth of informal activity. Two, they raise the transactions costs for firms of all sizes, thereby deterring T&I. Three, these constraints act as bottlenecks, preventing the full benefits of a liberalized policy environment and improved infrastructure from being realized at the farm and firm level, for example, improved roads are of limited benefit to farmers if the expansion of private truck transport is impeded by onerous licensing requirements. Similarly, such constraints undermine the impact of farm/firm-level interventions, for example, activities to strengthen rural non-farm enterprises will not translate into increased regional T&I if complex licensing systems compel these firms to remain in the informal sector.

Four, a complex and difficult regulatory and operating environment can deter FDI flows, because these foreign firms can go elsewhere to invest. This harms T&I not only because foreign investors can be significant contributors to regional T&I, but also because these firms exert an important demonstration effect that encourages domestic firms to begin exporting. Finally, a complex business establishment and operating environment creates opportunities for corruption, which acts as a disincentive to

investors, particularly foreign ones

As a result, addressing constraints has the greatest potential for creating synergies and maximizing the impact of other USAID interventions. It is a neutral policy in that it will equally encourage investment by small, medium, and large firms and by domestic and foreign investors, and will equally encourage exports to the region as well as to developed country markets abroad. Moreover, it is a focus that is highly compatible with the Partnership's objective of increasing Africa's economic growth through regulatory reforms, investment liberalization, and openness to trade.

Eliminating constraints to T&I is a broad agenda and needs to be addressed in a systematic fashion. The key areas to be addressed are

Eliminate barriers to business establishment and operation

These affect firms of all sizes, as well as foreign and domestic investors. Typical areas to be addressed include company registration and licensing, labor policies, land access, reporting requirements, investment approval procedures, and dispute resolution. In addition to adopting new procedures, government regulatory agencies need to be reoriented from controlling business to facilitating it.

Improve the export policy framework Trade within the region is essentially one country exporting to another, and an improved policy framework will benefit regional trade as well as improve the capacity of individual countries to export abroad. Although the favorable impact of export-oriented strategies on economic growth has been well established, very few USAID activities in the region appear to be aimed at the export sector and this is a critical gap in USAID activities that needs to be addressed. The typical areas to be examined will be export incentives, export procedures, export-related infrastructure, and the adequacy of export finance.

Improve investment promotion policies and institutions

Foreign investment (whether from the region or from abroad) is an important source of economic growth, technology transfer, jobs, managerial and marketing expertise, and a country's ability to export. Improved investment promotion entails more than simply revising investment code incentives, rather it requires a complete

reorientation of national institutions to pro-actively target, attract, and retain potential investment

Strengthen the capacity of regional firms to engage in T&I

Regional T&I is constrained by the weak capabilities of local firms to engage in T&I, either domestically, regionally, or internationally

While firm-level assistance is provided under many USAID activities, much of this is aimed at increasing firms' access to capital. To engage in regional T&I, however, firms also need managerial and marketing expertise. In addition, USAID should also assist regional firms to undertake joint ventures and other forms of collaboration with foreign firms, such collaborations have been shown to be critical in enabling African firms to enter non-traditional export markets. These collaborations can be established through greater use of T&I missions, electronic networks, regional meetings which enable firm-level contacts, etc

Adopt a systematic and focused approach to T&I Many of these areas are currently addressed by USAID activities, but they are frequently done on an *ad hoc* basis or through interventions addressing a single issue area. To maximize the synergies between these approaches and increase their effectiveness, however, they need to be adopted in an integrated and focused fashion. Improving investment targeting capabilities, for example, will be of limited use if investment approval requirements remain complex. Similarly, technical assistance to exporters will be ineffective if export policies and procedures do not facilitate exports

Additional Areas for USAID to Address

To maximize regional T&I growth, USAID should also consider the following interventions

Capitalize on South Africa's regional economic strength

South Africa's relative economic strength is a regional asset because it offers prospective markets and sources of investment. USAID interventions should enable countries to target, attract, and absorb South African investment. Similarly, activities should be designed which facilitate the creation of collaborative arrangements between South African and other firms in the region, giving these companies access to needed marketing, managerial, and other skills. While this strategy may be politically difficult, it is a sound and pragmatic approach from the

perspective of using well established and successful methods of generating T&I

Introduce a greater focus on multilateral trade liberalization

A stronger focus on multilateral trade reforms has three important benefits for T&I. One, it is good economics. It has been firmly established a country's "openness" – that is, the extent to which its economy is open or closed to foreign trade and investment -- is an important determinant of economic growth, but most African countries have very restrictive trade policies characterized by significant anti-export bias and NTBs⁵. Two, multilateral trade liberalizations are compatible with regional economic integration efforts. Finally, such liberalizations are highly compatible with the Partnership and activities in this area will help USAID partners to qualify for benefits under the Partnership.

Expand capacity-building activities In the long-term, capacity building is key to generating sustainable economic growth and T&I in Africa. USAID undertakes many forms of capacity building in the region, but should adopt additional activities with an explicit T&I focus. At least two key areas should be addressed. One, specialized training for regional government officials in trade policy should be introduced. Current capabilities to analyze and implement trade policy and WTO reforms are weak, thereby reducing local ownership of such reforms and weakening their long-term sustainability. Less specialized courses should be considered for the region's journalists and academics in order to improve the quality of the regional debate over trade policy. Two, agri-business related skills are weak in most countries. Although this is a sector with strong economic potential in the region, the lack of management and marketing skills currently limit this sector's future contribution to expanded T&I.

*Division of Responsibility
Under the Strategy*

All USAID entities have a role to play in introducing this proposed T&I strategy. Currently, few bilateral missions have IRs related to T&I, and bilateral T&I activities often appear to occur on an ad hoc

⁵ According to World Bank data, import tariffs in Sub-Saharan Africa average 27 percent, versus 9 percent in the world's fastest growing developing country exporters. African countries also impose NTBs over one third of their imports, a ratio that is almost 9 times higher than the average for fast growing developing country exporters.

basis. This new focus will require a greater emphasis by the missions on incorporating T&I activities into their portfolios, identifying and targeting needed areas of intervention, and ensuring that a coordinated T&I strategy is adopted at the mission level. Bilateral missions have a key role to play because increased intra-country T&I will be an important contributor to increased regional T&I. The core elements of a T&I strategy will vary from country to country, and bilateral missions are best placed to incorporate these country-specific factors, T&I trends, and activities by other donors into a realistic agenda.

AID/W has a key role to play in ensuring that bilateral missions both understand the importance of an integrated approach to expanding T&I, and give greater prominence to T&I activities. Once bilateral mission T&I action plans are established, AID/W is best suited for the provision of the discrete and specialized TA that may be needed to implement some aspects of a bilateral T&I strategy (e.g., the design of best practice customs arrangements, or assistance to strengthen investment promotion agencies).

RCSA's role is twofold: one, assisting missions to identify needed areas of T&I-related intervention, and two, continuing to lead efforts to eliminate regional barriers to trade and investment. While missions have the best grasp on the local constraints that must be addressed, RCSA can provide crucial guidance by assisting missions to develop an integrated T&I action plan, identifying what types of activities may need to be included in such a plan, identifying what types of mechanisms or TA may be appropriate for addressing specific areas of constraint, assisting in tightening the linkage between current SOs/IRs and trade and investment activities, and assisting in the redefinition of some activities to better support T&I (e.g., selected DG activities). Moreover, as seen above, effective economic and infrastructure frameworks are necessary to support an increase in T&I, and RCSA may have a role to play in assisting missions to identify and address weaknesses in this framework.

RCSA also has an oversight role. This could include monitoring the impact of bilateral action plans on key T&I benchmarks and notifying missions of possible synergies or areas of cooperation in neighboring countries (e.g., activities in border areas). Finally, RCSA is also the logical repository of the lessons learned from the implementation of T&I initiatives by bilateral missions, and should

share this information throughout the region

RCSA's current role as coordinator for activities to eliminate regional barriers to T&I, as well as coordinating other regional, transboundary, and bilateral issues is compatible with the proposed T&I strategy. RCSA should also be the lead actor in coordinating the design of regional capacity-building efforts in trade policy or other areas as outlined above. Other areas where RCSA has an important role to play in encouraging regional T&I include

Evaluate the need for a regional investment promotion strategy Such a strategy would focus on targeting and attracting investment to the region as a whole and serving as a repository of investment-related information on individual countries. This activity would serve as a gateway to the region, to attract potential investors to the region's possibilities and to achieve some economies of scale in investment promotion. Once interested, potential investors would then approach individual countries, as warranted by the investor's specific requirements (e.g., infrastructure needs, labor costs requirements) and that country's particular comparative and competitive advantages.

Monitor "beggar-thy-neighbor" practices Progress towards a more integrated regional economy requires interventions to prevent backsliding. RCSA is well positioned to monitor the development of destructive beggar-thy-neighbor policies that would distort the regional environment for T&I (e.g., subsidies, excessive investment incentives), and to work with bilateral missions to head off such developments.

Develop regional trade dispute mechanisms Freer regional trade will create winners and losers, and the region will require legal and institutional mechanisms to ensure that resulting disputes can be resolved quickly without derailing progress towards increased regional trade.

Serve as an information-clearing house on T&I trends in the region RCSA is best placed to serve as an information clearing house on T&I issues that have the potential to affect the whole region (e.g., the proposed South Africa-EU free trade agreement).

Serve as an “honest broker” in the region RCSA can assist individual countries in the region by ensuring that region-wide developments – such as implementation of the SADC protocols on water and electricity – treat smaller countries equitably

Develop discrete bilateral, sub-regional, or single-issue level approaches to enhanced T&I Region-wide initiatives to improve T&I can easily become bogged down by the inattention or lack of cooperation by a single government. By contrast, bilateral, sub-regional, or single issue T&I efforts can achieve pragmatic and incremental progress towards greater T&I, while helping to build grass-roots support for continued momentum towards for greater regional integration

1. Introduction

1.1 Project Background

This study has been prepared by The Services Group (TSG) and Coopers & Lybrand for USAID's Regional Center for Southern Africa (RCSA) under PEDS Contract No PCE-0026-Q-00-3031-00

The purpose of this study is to develop an analytical framework summarizing those programs and activities – both on-going and planned – by USAID that support increased trade and investment in Southern Africa. This framework will include activities under management by the following

- The Regional Center for Southern Africa (RCSA),
- The Regional Economic Development Support Office/Eastern and Southern Africa (REDSO/ESA),
- The Africa Bureau's Office of Sustainable Development (AFR/SD),
- The Global Bureau's Office of Emerging Markets,
- USAID's bilateral missions in Angola, Malawi, Mozambique, Namibia, South Africa, Tanzania, Zambia, and Zimbabwe

The objectives of this report are to

- describe the ongoing and planned activities of various USAID missions and offices and their expected results,
- construct a results framework showing how these various activities contribute to increased trade and investment,
- assess the synergies, actual and potential, between these activities, and identify any "gaps," or missing elements, in this revealed strategy, and,

- define how these activities and results contribute to President Clinton's *Partnership for Economic Growth and Opportunity in Africa* Initiative

The impetus for this study was RCSA's recent completion of its 5-year Strategic Plan. In its review of the plan, the Africa Bureau placed a high priority on Strategic Objective 2, "A More Integrated Regional Market," which will assist the Southern African region with its market integration efforts. By providing RCSA with a complete overview of all on-going and planned regional activities that support trade, investment, and market integration, this framework will enable RCSA to better coordinate and focus these activities and to plan future actions that supplement these ongoing efforts.

1.2 Report Structure

The remainder of this report is structured as follows:

Chapter 2 This chapter inventories USAID activities in Southern Africa that contribute to increased trade and investment. These activities are listed on a mission-by-mission basis, including the expected outcome of each activity, the relevant strategic objectives (SOs) and Intermediate Results (IRs) for each activity, and, when available, the funding and timeframe for each activity. Finally, the potential impact of each activity on trade and investment – even if such impact was not an original goal of the activity as indicated by its SO or IR – is assessed. Throughout the discussion, the methodological or other assumptions guiding the classification are identified.

Chapter 3 Using the inventories compiled in Chapter 2, Chapter 3 classifies these activities into groupings with similar or common results. These "clusters" of activities are then used as "building blocks" in the development of a results framework showing the key elements of an assistance strategy designed to promote increased trade and investment in Southern Africa. This graphic framework shows the causal chain of intermediate effects by

which individual USAID activities affect trade and investment. The implicit division of labor between the bilateral missions and other USAID entities, as revealed by the results of the clustering and framework analysis, is also discussed.

Chapter 4 The compatibility of USAID's revealed assistance strategy with the President's *Partnership for Economic Growth and Opportunity in Africa* Initiative is evaluated.

Chapter 5 In this final chapter, the implications of the above analyses for USAID's T&I strategy are evaluated, and recommendations for tightening the focus of USAID's T&I activities are presented. Additional areas which should be included in USAID's inventory of T&I activities are also identified, and a proposed division of responsibility among USAID entities for these core T&I areas is delineated.

2. Inventory of USAID Activities Affecting Trade & Investment

2.1 Overview

This chapter inventories and lists all USAID activities contributing to increased trade and investment in Southern Africa. This inventory provides the basic informational “building blocks” needed to develop the trade and investment results framework compiled in Chapter 3. Similarly, it provides the basis for the subsequent assessment in Chapter 4 of the compatibility of USAID’s “revealed” trade and investment strategy with President Clinton’s *Partnership for Economic Growth and Opportunity Initiative*.

The methodology used to inventory these activities, and the inventory itself, is discussed below.

2.2 Methodology

The following inventory of USAID activities affecting trade and investment in Southern Africa includes those activities underway or planned under the following programs:

- The Regional Center for Southern Africa (RCSA),
 - The Regional Economic Development Support Office/Eastern and Southern Africa (REDSO/ESA),
 - The Africa Bureau’s Office of Sustainable Development (AFR/SD),
 - The Global Bureau’s Office of Emerging Markets,
 - USAID’s bilateral missions in Angola, Malawi, Mozambique, Namibia, South Africa, Tanzania, Zambia, and Zimbabwe
-

Information Sources

As directed in this study’s terms of reference (TOR), the information sources used to compile this inventory were the Country Strategic

Plans (CSPs) and Results Review and Resource Requests (R4s) for each mission/office. While these documents provided an overview of each mission/office's planned activities at the time of writing,¹ they often did not capture activities that were under consideration at the time of the R4 submission, or that have been subsequently added. Accordingly, the draft inventories were sent for review by each mission/center to ensure the accuracy of the information contained in the inventory, to add information on the funding and time frame of each activity, and, most importantly, to add any relevant activities that were not captured in the inventory.

It should be noted, however, that a number of missions did not respond to the request to review the draft inventory, or only reviewed the activities under a single SO. As a result, the inventories, the results framework, and – most importantly – the concluding assessments regarding the gaps and required focus of USAID's trade and investment strategy must be reviewed as tentative until a more complete picture of USAID's activities can be compiled.

Definition of Trade & Investment

Before discussing the criteria used to select those activities judged to be contributing to trade and investment (T&I), it is important to first define what is meant by trade and investment. For the purposes of this study, trade and investment have both domestic and cross-border components. Trade refers to the exchange of goods both within a country, across regional borders, and globally. Increased trade and investment simply refers to an increase in the total dollar value of all inward and outward exchanges of goods and services which sustain wealth and contribute to job creation. In the final analysis, the creation of wealth and productive employment is the key objective of increased T&I, and enhanced T&I is the most economically efficient and effective way to create jobs.

¹ Spring 1997 for the R4s. April 1995 to December 1997 for the CSPs, depending on the particular country/office. Global/EM has no Strategic Plan, so the R4 was the basic source of information, supplemented by additional information on

While economic growth is not synonymous with trade and investment, it is a necessary component of trade and investment, that is, in the absence of economic growth, sustainable trade and investment will not occur. From the perspective of contributing to T&I, economic growth can be measured in terms of contributing to the growth of local incomes – only if income is growing will there be agricultural or other surpluses to market, purchasing power to engage in trade, and financial resources available to invest. On a national level, economic growth and investment are inextricably linked, and the elimination of obstacles to trade and investment will not generate T&I in the absence of the necessary incentive environment to support economic growth. Similarly, foreign investment typically will not enter a moribund economy, (save for exceptional high-return investments such as mining or petroleum extraction)

Selection of Activities

Using this definition of T&I, the R4s and CSPs were reviewed to select those activities assessed to be contributing to T&I. In examining this vast universe of activities undertaken by the individual missions/centers, the following criteria were used to select those activities assessed to be contributing to T&I:

For the purpose of this draft report, “activities” were primarily defined and selected as those ongoing, sustained efforts, initiatives, or programs identified in the CSPs and R4s. In addition, missions/centers were asked to include short-term technical assistance or other activities they felt were relevant to promoting T&I, but which many not have been captured in these reference documents. As noted above, some missions did not provide this information, suggesting that the resultant inventories probably understate actual T&I-related activities occurring as ad hoc initiatives or discrete forms of TA.

While the focus of this study is to identify those activities that support increased regional T&I in Southern Africa, activities were

relevant short-term technical assistance provided by that office

categorized as contributing to T&I even if their impact on T&I is not explicitly regional in nature As discussed in Chapter 1, the impetus for this study was the adoption of RCESA's SO2 "A More Integrated Regional Market" Many of the activities included here will have no immediate-term impact on regional T&I flows Nonetheless, many of these activities will contribute to economic growth in their respective countries, which will in turn, provide the basis for increased T&I within the region in the medium- to long-term

Activities that contributed either directly or indirectly to T&I were included Increasing trade and investment in the region will require increases in the basic "inputs" of T&I – whether it be in the form of tradable agricultural surpluses or the availability of investment capital – as well as the elimination of constraints to T&I – whether they be infrastructural, economic, financial, regulatory, or legal in nature Activities addressing either of these areas were included

Activities that were judged as contributing to enhanced T&I were included, even if T&I was not cited as an activity's purpose as indicated by their higher-level Strategic Objectives (SOs) or Immediate Results (IRs) Many activities have been designed to advance specific results and objectives that have no explicit link to T&I Nonetheless, these activities may well contribute to T&I, even if only in the medium- to longer-term A key example of such activities are those supporting the development of micro-, small, and medium enterprises (MSMEs) While the focus of such efforts may be to increase these enterprises' access to finance or to strengthen their business skills, if such efforts are successful, a number of those enterprises may well engage in T&I in the future

Most natural resource management (NRM) and agriculture-related activities were defined as contributing to trade and investment Given the importance of both agriculture and natural resource-related activities in the regional economy, most NRM and agriculture activities were included in the inventory Activities were included if they contributed to either improvements in local

incomes and therefore purchasing power to fuel trade and investment (e.g., community based natural resource management - CBNRM), or contributed directly to expanded outputs of tradable agricultural or other natural resource-based goods (e.g., some types of CBNRM activities or the adoption of higher-yielding crop varieties)

Environmental or NRM activities which contributed to or reinforced the adoption of sustainable agricultural techniques were also included in the inventory. While their contribution to T&I is indirect – in that the failure to adopt such methods will lead in the long-run to environmental degradation, thereby reducing agricultural output and therefore incomes and tradable surpluses – their contribution is real if a significant constraint on future T&I is to be avoided.

In addition, NRM activities relating to the wildlife sector were also included. Examples include such activities as CBNRM anti-poaching efforts or activities that will maintain/expand eco-tourism ventures. Given the importance of the wildlife/tourism industry in much of the region,² these activities clearly have an impact on T&I in terms of preserving a revenue-producing asset, encouraging tourism and tourism-related investment, and enhancing local incomes.

Some NRM or agriculture-related activities were excluded from the inventory. Those activities whose impact on T&I was judged to be very indirect were excluded from the inventory, for example, support for improved management techniques for NRM research institutions. While these may improve the environment for the adoption of sustainable NRM methods, it is several steps away from actually contributing to an increase in T&I.

Family planning (FP), maternal and child health (MCH), AIDS/HIV prevention education, and democratic governance (DG) activities

² The inclusion of these activities is driven in large part by the nature of Southern African economies. Arguably in West Africa – where wildlife populations are far less diversified and extensive and accordingly contribute far less to national and local revenues – such NRM activities (while not unimportant in themselves) would not be judged as contributing to enhanced T&I.

were not included A strong argument can be made that such activities contribute, if only indirectly, to enhanced T&I³ Certainly, a substantial amount of empirical evidence exists to demonstrate the negative economic impact incurred as a result of excessive population growth, HIV transmission, inadequate primary education for girls, etc Nonetheless, these activities were not included in this analysis for two reasons one, they are not primary contributors to increased T&I and their impact is largely indirect, that is, it is primarily felt in terms of the negative effect on growth that will be incurred if these activities are not pursued, rather than contributing to T&I *per se*

Two, while it can be argued that all USAID actions enhance in one way or another economic growth – and therefore T&I – an analytical framework that assumes that all Agency activities contribute to T&I does not have much analytical rigor or practical use Consequently, FP, MCH, HIV prevention, education, and DG activities have not been included in this inventory

Finally, factors indigenous to each country lead to some variances in the inventories of T&I-related activities While the factors and conditions that contribute to enhanced T&I are largely consistent across all countries, levels of economic development vary throughout the region, and consequently each mission's/center's portfolio of T&I-related activities differs markedly This is due to the different needs and weaknesses of each country, the differing capabilities or comparative advantages of missions/centers, and the types of activities being undertaken by other donors in each country

As a result, some activities have been included as contributing to T&I that are clearly unique to the circumstances of that particular mission/center For example, the resettlement of internally displaced persons in Angola is clearly a *sine qua non* of expanded economic growth and sustained T&I in that nation Similarly, a program to expand the affordability of low-income housing in Zimbabwe has provided an investment opportunity for U S firms

³ This issue is addressed in more detail in Chapter 3

to enter the low-income housing market in that country and has provided a basis for possible expansion to other low-income markets in the region. These examples are country-specific and their inclusion in the inventory does not affect the overall framework presented in Chapter 3. Nonetheless, they serve as a reminder that all policies and programs to promote T&I have a country- or context-specific aspect that must be incorporated if they are to be successful.

2.3 Inventory of Activities Using the above criteria, the following inventory of trade and investment-related activities was compiled. The tables below list these activities for each individual mission/center, summarize the intended result of each activity, and list the individual SOs and IRs to which each activity is designed to contribute.⁴ Finally, the impact of each activity on T&I is listed, thereby showing the rationale for the activity's inclusion in the inventory. Although not requested in the TOR, this impact is also classified as either "indirect" or "direct" in nature in order to lend some insight into the relative importance and causal impact of various activities in contributing to enhanced T&I.

The individual inventories for each mission's/center's activities begin on the following page, each mission/center is listed in alphabetical order. Chapter 3 commences on page 56.

⁴ For reference, a complete listing of all the SOs and IRs of each mission/center included in this study, whether or not related to T&I, is included in Annex A.

AFR/SD

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Timeframe | Funding | Impact on T&I |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|------------------|----------------|-----------------------------------------------------------------------------------------------|
| Short-term TA to enable countries to implement trade & tax reforms become WTO members create private sector enabling environments through deregulation and investment code changes develop financial markets & support privatization ¹ | Increased participation by African economies in global and regional T&I | SO2 Adoption of Improved Strategies, Programs and Activities for Accelerated Sustainable and Equitable Economic Growth | IR 2 1 Improved strategies policies and activities to accelerate sustainable and equitable growth | Not available | Not available | Direct Eliminates constraints on global and regional T&I |
| Investigations into and development of effective strategies for improving domestic resource mobilization | Identification of effective new private sector mechanisms for financial intermediation | SO2 Adoption of Improved Strategies Programs and Activities for Accelerated Sustainable and Equitable Economic Growth | IR 2 1 Improved strategies policies and activities to accelerate sustainable and equitable growth | Not available | Not available | Indirect Improved strategies will help increase financing to support entrepreneurship and T&I |
| Support for privatization programs deregulation and establishment of a legal regulatory and judicial private sector enabling environment | Improved strategies and activities to liberalize key markets and expand private enterprise | SO2 Adoption of Improved Strategies Programs and Activities for Accelerated Sustainable and Equitable Economic Growth | IR 2 1 Improved strategies policies and activities to accelerate sustainable and equitable growth | Not available | Not available | Direct Reduction in regulatory constraints and expanded private sector growth will aid T&I |

¹ This short-term TA is provided as part of the African T&I Initiative

AFR/SD, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Timeframe | Funding | Impact on T&I |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|------------------|----------------|---------------------------------------------------------------------------------------------------------------------------------------|
| Support to strengthen governmental national & regional African training research and policy institutions (e.g African Economic Research Consortium) | Improved African technical capacity and sustainable institutions to enable African management of their own development process | SO2 Adoption of Improved Strategies Programs and Activities for Accelerated Sustainable and Equitable Economic Growth | IR 2.1 Improved strategies, policies and activities to accelerate sustainable and equitable growth | Not available | Not available | Indirect Improved capacity for economic policy analysis and development management will aid the adoption of policies conducive to T&I |
| Catalytic support to regional business networks | Strengthened business capacity to engage in policy dialogue Strengthened venues for deal making and information sharing | SO2 Adoption of Improved Strategies Programs and Activities for Accelerated Sustainable and Equitable Economic Growth | IR 2.1 Improved strategies policies and activities to accelerate sustainable and equitable growth | Not available | Not available | Indirect Strengthened business input into policy dialogue will help improve T&I enabling environment |
| Support to strengthen partnerships between African and American businesses and business associations ² | Strengthened partnerships based on the principles of the New Partnership Initiative | SO2 Adoption of Improved Strategies Programs, and Activities for Accelerated Sustainable and Equitable Economic Growth | IR 2.1 Improved strategies policies and activities to accelerate sustainable and equitable growth | Not available | Not available | Direct Increased opportunities for U S investment and trade |

² To be carried out as part of the Trade and Investment Initiative

AFR/SD, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Timeframe | Funding | Impact on T&I |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|------------------|----------------|--------------------------------------------------------------------------------------------------------------------------------|
| Assist field missions and regional programs to identify effective opportunities to increase private sector participation in agricultural marketing and services | Policy constraints limiting intensification of input supply & use eliminated options for overcoming constraints to output marketing identified private sector role in provision of seed fertilizer agricultural processing & rural financial services increased Effective design & monitoring of long-term Food Security Initiative | SO3 Improved Agricultural Policies Programs and Strategies | IR 3 1 Improved agricultural programs policies and strategies promoted | Not available | Not available | Direct Increased private sector role in marketing will facilitate T&I |
| TA to help African governments to improve the investment climate & attract U S agricultural T&I | U S & African firms establish business partnerships for agricultural T&I (41) | SO3 Improved Agricultural Policies Programs and Strategies | IR 3 1 Improved agricultural programs policies and strategies promoted | Not available | Not available | Direct Opportunities created for US T&I improved investment climate contributes to regional T&I |
| Activities to improve the tools mechanisms and capacity for agricultural technology development & transfer | Improved technology transfer strategies among African regional & national technology organizations coalitions built on where to focus technical resources and support services improved technical programs to focus on constraints in the commodity system | SO3 Improved Agricultural Policies Programs and Strategies | IR 3 2 Increased capacity of African institutions to design manage and evaluate agricultural programs policies and strategies | Not available | Not available | Indirect Identification & adoption of improved technology transfer mechanisms will accelerate expansion of agricultural output |

AFR/SD, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Timeframe | Funding | Impact on T&I |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| Activities to increase ability of African agribusiness associations governments trade groups and regional organizations to identify & implement new strategies for agricultural marketing & rural services | Development of a better environment for input supply, marketing of farm and agribusiness products and efficient private sector delivery of rural agribusiness services | SO3 Improved Agricultural Policies, Programs and Strategies | IR 3 2 Increased capacity of African institutions to design manage and evaluate agricultural programs policies and strategies | Not available | Not available | Indirect Identification & adoption of more efficient rural agribusiness services will accelerate growth of agricultural growth and encourage T&I |
| Negotiation of telecommunications policy reforms that substitute cost-based affordable tariffs allow open Internet access & allow private sector Internet providers ³ | Creation of a policy environment conducive to greater flows of affordable information | SO4 Develop & Implement More Affordable & More Effective Mechanisms for Producing, Sharing & Using Development Information ⁴ | IR 4 1 Increased use by development policy makers and practitioners of improved information & communication technology to promote sustainable development | Not available | Not available | Direct Policy reforms will open opportunities for investment lower Internet access costs increase access to information to support T&I |

³ AFR/SD will work with the State Department and USAID Missions to develop memorandum of understanding with target countries to create this policy environment

⁴ The Leland Initiative forms the core of SO5

AFR/SD, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Timeframe | Funding | Impact on T&I |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|------------------|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Provision of hardware to expand Internet access potential service providers trained in technical & managerial aspects of Internet service provision support for provision of infrastructure allowing internet access beyond capital cities | Widespread availability of Internet services through establishment of cost-effective & well-run national internet gateways rational internet nodes in secondary cities & customer-oriented community information centers in rural areas | SO4 Develop & Implement More Affordable & More Effective Mechanisms for Producing Sharing & Using Development Information | IR 4 1 Establish a sustainable supply of Internet and other Global Information Infrastructure (GII) information and communication services | Not available | Not available | Indirect Expanded use of information technology will enhance availability of information on trade & business opportunities |
| Support to USAID Missions to help them help their customers & partners gain Internet access & develop the capacity to effectively utilize information available on the world-wide web | Development & dissemination of assessment tools & training approaches to build a dynamic Internet user base | SO4 Develop & Implement More Affordable & More Effective Mechanisms for Producing Sharing, & Using Development Information | IR 4 1 Establish a sustainable supply of Internet and other Global Information Infrastructure (GII) information and communication services | Not available | Not available | Indirect Increased access to information can foster T&I |
| Development of new Internet applications in basic communications human resources development data sharing and policy networking | Adaptation and institutional strengthening to enable expanded use of Internet communications technology for sustainable development | SO4 Develop & Implement More Affordable & More Effective Mechanisms for Producing Sharing & Using Development Information | IR 4 1 Establish a sustainable supply of Internet and other Global Information Infrastructure (GII) information and communication services | Not available | Not available | Indirect Identification & adoption of new Internet applications will expand access to information & encourage information-sharing conducive to expanded T&I |

AFR/SD, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Timeframe | Funding | Impact on T&I |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------|---------------|--------------------------------------------------------------------------------------------------------------------------------------|
| Grants & assistance to strengthen Africa-wide electronic networks & help their financial sustainability | Improved information sharing on best practices strengthened links among organizations & institutions to support joint solutions to shared problems & strengthened lobbying mechanism to improve government policies | SO4 Develop & Implement More Affordable & More Effective Mechanisms for Producing Sharing, & Using Development Information | IR 4 2 Expand networking by development organizations in Africa | Not available | Not available | Indirect Improved information sharing and more effective lobbying can improve policy environment for T&I |
| Work with GB s Biodiversity Support Program World Resource Institute s Policy Consultative Group and missions to draw lessons learned in CBNRM regarding biodiversity | Effectiveness of CBNRM in addressing Agency & Bureau objectives evaluated and lessons learned transferred | SO5 Progress Accelerated in the Spread of Strategically Viable & Environmentally Sound Environment Management Systems | IR 5 1 Develop improve and promote cost-effective approaches | Not available | Not available | Direct Identification & adoption of lessons learned will improve effectiveness of CBNRM activities and aid expansion of local income |
| Continued support to efforts to expand NRM programs to include environmentally sustainable agriculture (e g through expanded NEXUS effort) | Increased focus on environmentally sustainable agriculture | SO5 Progress Accelerated in the Spread of Strategically Viable & Environmentally Sound Environment Management Systems | IR 5 1 Develop improve and promote cost-effective approaches | Not available | Not available | Direct Expansion of environmentally sustainable agriculture will protect economic base needed for expanded T&I |
| Support for environmental capacity building training programs strengthening of Network on the Environment & Sustainable Development in Africa (NESDA) | Strengthened regional capacity to carry out regional assessments planning and analysis | SO5 Progress Accelerated in the Spread of Strategically Viable & Environmentally Sound Environment Management Systems | IR 5 2 Enabling conditions identified and put in place to stimulate approach adoption | Not available | Not available | Indirect Improved incorporation of sustainable environmental approaches will preserve economic basis for T&I |

USAID/Angola

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Timeframe | Funding | Impact on T&I |
|-----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Resettlement of underage demobilized soldiers | Enhanced peace process and re-building of civil society | SO1 Increased Resettlement Rehabilitation and Food Self-Reliance of War-Affected Angolan Communities | IR 3 Rehabilitation of war victims and other vulnerable groups | Not available | Not available | Indirect Achievement of peace and stability is necessary precondition to economic growth & T&I |
| Resettlement of internally displaced persons | IDP resettlement will further the peace process reduce urban refugee populations and lay basis for expanded agricultural output needed to displace food aid | SO1 Increased Resettlement Rehabilitation and Food Self-Reliance of War-Affected Angolan Communities | IR 3 Rehabilitation of war victims and other vulnerable groups | Not available | Not available | Indirect Resettlement of IDRs is necessary precondition for expanded economic output & T&I Direct Resettlement will lead to increased agricultural output |
| Seeds of Freedom | Increased agricultural productivity by raising quality of seeds given to resettled farmers | SO1 Increased Resettlement Rehabilitation and Food Self-Reliance of War-Affected Angolan Communities | IR1 1 Increased levels of food security in communities where there are significant populations of resettled | Not available | Not available | Direct Agriculture sector is the only sector that has the capacity for large-scale productive growth & employment at this time |
| Support for economic reform | Improved macroeconomic indicators | SpO1 Facilitate Angola's Preparation and Implementation of Economic Structural Adjustment and Macroeconomic Programs | IR 1 Commitment to economic reform forged | SpO1 currently suspended owing to lack of GRA cooperation | | Direct Economic stabilization and structural reforms are needed to foster economic growth and to provide the necessary enabling environment for T&I |

USAID/Angola, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Timeframe | Funding | Impact on T&I |
|----------------------------------------------|----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|-------------------------------------------|-------------------------------|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| Revision of the Investment Code | More competitive laws governing foreign and domestic investment | SpO1 Facilitate Angola's Preparation and Implementation of Economic Structural Adjustment and Macroeconomic Programs | IR 1 Commitment to economic reform forged | Probable end is December 1998 | Not available | Direct Competitive legal environment for investment is necessary to attract investment particularly foreign investment |
| Privatization of Luanda's urban water system | More efficient provision of water reduced governmental role in the economy | SpO1 Facilitate Angola's Preparation and Implementation of Economic Structural Adjustment and Macroeconomic Programs | IR 1 Commitment to economic reform forged | Not available | Not available | Direct offers investment opportunities to potential investors Indirect signals government's commitment to enhanced private sector role in the economy |

Global Bureau/Office of Emerging Markets

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Timeframe | Funding | Impact on T&I |
|----------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| Support for Economic and Institutional Reform (SEGIR) | Multi tasking umbrella mechanism gives Missions & Regional Bureaus access to assistance | SSO3 Support Appropriate and Functioning Economic Policies Market Reforms in Emerging Markets and Priority Countries | IR 3 1 Increased host country privatization & improvements in competitive market environments IR 3 2 Increasingly liquid transparent & rationalized financial markets IR 3 3 Increased economic stability & structural reforms IR 3 4 Increased application of legal institutional & regulatory reforms for competitive markets IR 3 5 Increased trade investment & general business environment | Through 9/2006 | \$400 m authorized core and unlimited buy ins | Direct Reforms provide necessary enabling environment for entrepreneurship economic growth and T&I |
| TA to host governments for policy reforms increasing the efficiency and reducing losses of SOEs before privatization | Reforms enable countries to get bigger outputs from existing resources reduce government deficits and satisfy public demands for satisfactory returns from public assets | SSO3 Support Appropriate and Functioning Economic Policies Market Reforms in Emerging Markets and Priority Countries | IR 3 1 Increased host country privatization & improvements in competitive market environments | Through 9/2006 | Funded under SEGUIR | Direct Increases role of private sector in economy enabling T&I improves public support for privatization and other reforms |
| Assistance to Missions in the maintenance and extension of economic stabilization reforms | Prevent backsliding in economic reforms extend and elaborate existing reforms | SSO3 Support Appropriate and Functioning Economic Policies Market Reforms in Emerging Markets and Priority Countries | IR 3 3 Increased economic stability & stabilization reforms | Through 9/2006 | Funded under SEGUIR | Direct Continued economic stability is essential part of enabling environment for T&I |

Global Bureau/Office of Emerging Markets, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Timeframe | Funding | Impact on T&I |
|-------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------------|-------------------------------------------------------------------------------------|
| Strategy & other assistance to Bureaus & Missions | EM direct hire staff help in in policy analyses activity designs sector interventions and strategy determinations | SSO3 Support Appropriate and Functioning Economic Policies Market Reforms in Emerging Markets and Priority Countries | IR 3 1 Increased host country privatization & improvements in competitive market environments IR 3 2 Increasingly liquid transparent & rationalized financial markets IR 3 3 Increased economic stability & structural reforms IR 3 4 Increased application of legal institutional & regulatory reforms for competitive markets IR 3 5 Increased trade investment & general business environment | Through 9/2006 | Funded under SEGUIR | Indirect EM assists Missions in the design of interventions which may encourage T&I |
| Assistance to Missions in support of policy reforms enabling countries to keep and improve international competitive position | Continued effort is needed to reduce remaining barriers to productive efficiency & private job creation | SSO3 Support Appropriate and Functioning Economic Policies Market Reforms in Emerging Markets and Priority Countries | IR 3 4 Increased application of legal institutional & regulatory reforms for competitive markets | Through 9/2006 | Funded under SEGUIR | Direct Continued streamlining of business environment will encourage T&I |
| Assistance to Missions in reforms conducive to expanded foreign & domestic investment | More attractive and competitive investment climate will attract investment | SSO3 Support Appropriate and Functioning Economic Policies Market Reforms in Emerging Markets and Priority Countries | IR 3 5 Increased trade investment and generally enhanced business environment | Through 9/2006 | Funded under SEGUIR | Direct Additional foreign and domestic investment will further T&I |

Global Bureau/Office of Emerging Markets, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Timeframe | Funding | Impact on T&I |
|---------------------------------------------------------------------------------------------|------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|----------------|-----------|-------------------------------------------------------------------------------------------------|
| Short-term TA¹ | | | | | | |
| Strategy Assistance Export Promotion Strategy (for South Africa) | Development of export promotion strategy | SSO3 Support Appropriate and Functioning Economic Policies Market Reforms in Emerging Markets and Priority Countries | IR 3 1 Increased host country privatization efforts and competitive market environments | Completed 1/98 | \$236 027 | Direct Export Strategy will facilitate exports & trade attract export oriented investment |
| Assessment Services Regional T&I Strategic Framework (for RCSA) | Improved USAID T&I strategy | SSO3 Support Appropriate and Functioning Economic Policies Market Reforms in Emerging Markets and Priority Countries | IR 3 5 Increased trade investment & general business environment | Complete 6/98 | \$52 098 | Indirect Input into USAID T&I Strategy |
| Advisory Services Privatization of Luandan Water Supply and Sanitation (Angola) | Strategic advice to implement privatization | SSO3 Support Appropriate and Functioning Economic Policies Market Reforms in Emerging Markets and Priority Countries | IR 3 1 Increased host country privatization efforts and competitive market environments | Complete 6/98 | \$750 070 | Possibly direct if leads to privatization of water supply |
| Assessment Information Campaign to Streamline SME Approval (Tanzania) | Improved SME approval processes | SSO3 Support Appropriate and Functioning Economic Policies Market Reforms in Emerging Markets and Priority Countries | IR 3 5 Increased trade investment & general business environment | Complete 6/98 | \$191 789 | Possibly direct if leads to reforms of SME approvals system |
| Assessment RCSA Trade Facilitation Management System | Improved facilitation of regional trade | SSO3 Support Appropriate and Functioning Economic Policies Market Reforms in Emerging Markets and Priority Countries | IR 3 5 Increased trade investment & general business environment | Completed 5/98 | \$126 243 | Indirect Input into USAID T&I Strategy |

¹Includes current (1998) activities only information on planned activities was not released

Global Bureau/Office of Emerging Markets, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Timeframe | Funding | Impact on T&I |
|---------------------------------------------------------------|------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|------------------|----------------|-------------------------------------------------------------------------------------|
| Seminar SADC Customs & Trade Documents Workshop (Botswana) | Improved & harmonized customs procedures | SSO3 Support Appropriate and Functioning Economic Policies Market Reforms in Emerging Markets and Priority Countries | IR 3 5 Increased trade investment & general business environment | Complete 6/98 | \$111 690 | Possibly direct if lead to streamlined customs procedures |
| Advisory Services Long term privatization assistance (Malawi) | Improved privatization process | SSO3 Support Appropriate and Functioning Economic Policies Market Reforms in Emerging Markets and Priority Countries | IR 3 1 Increased host country privatization efforts and competitive market environments | 10/96 to 9/98 | \$654 052 | Direct Creates investment opportunities & expands role of private sector in economy |
| Project Zimbabwe Enterprise Development (ZED) Phase II | Widen distribution of ownership of productive assets through growth enhancing mechanisms | SSO3 Support Appropriate and Functioning Economic Policies Market Reforms in Emerging Markets and Priority Countries | IR 3 5 Increased trade investment & general business environment | 10/97 to 9/98 | \$1 922 408 | Direct Creates an enhanced enabling environment for investment |

USAID/MALAWI

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Timeframe | Funding | Impact on T&I |
|----------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| Agricultural Sector Assistance Program (ASAP) Phase II | Policy dialogue encourages continued market liberalization and institutional reforms enabling farmers to take advantage of new crop and market opportunities increased smallholder access to agricultural inputs output markets cash crop alternatives and labor market information | SO1 Increased Agricultural Incomes on Per Capita Basis | IR 11 Farmer adoption of improved crop production/storage technologies increased IR 12 Competitive market environment established IR 13 Private sector agribusiness & transport activities expanded | Not available | Not available | Direct Increased smallholder production and expanded rural trade and role of private traders |
| Support for accelerated formation and expansion of small farmer organizations cooperatives and business enterprises ¹ | Enhanced food security improved market power and influence for smallholder families | SO1 Increased Agricultural Incomes on Per Capita Basis | IR 13 Private sector agribusiness & transport activities expanded | Not available | Not available | Direct Increased rural incomes contributes to T&I |
| Support for the development & distribution of drought-resistant rootcrops (SARRNET) | Enhanced food security and improved rural incomes | SO1 Increased Agricultural Incomes on Per Capita Basis | IR 11 Farmer adoption of improved crop production/storage technologies increased | Not available | Regionally funded but obligated and managed by USAID/Malawi | Direct Improved agricultural yields raise rural incomes create tradable surpluses |
| Support for establishment of rural savings and loan cooperatives ² | Credit provision to agricultural clubs | SO1 Increased Agricultural Incomes on Per Capita Basis | IR 13 Private sector agribusiness & transport activities expanded | Not available | Not available | Direct Improved access to credit improves |

¹ This activity to take place as part of the proposed FY 1998 Food Security Initiative

² Not mentioned in R4 – part of another activity?

USAID/Malawi, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Timeframe | Funding | Impact on T&I |
|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|------------------|--------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| Malawi Railways Restructuring Program (MRRP) | Reduced surface transport costs on smallholder inputs & export crops through increased railway efficiency & reliability and resulting intermodal transport competitiveness | SO1 Increased Agricultural Incomes on Per Capita Basis | IR 1 3 Private sector agribusiness & transport activities expanded | Not available | Regionally funded but obligated and managed by USAID/ Malawi | Direct Lower prices lead to increased volume of goods for regional trade and export |
| Support for a broad policy legislative & institutional reform agenda to improve NRM | Improved inter-agency coordination on NRM legislation adopted for harmonizing implementation of environmental policy reforms review towards reform of land tenure policies is facilitated | SO2 Increased Sustainable Use Conservation and Management of Natural Resources | IR 2 1 Comprehensive policy & legislative framework established IR 2 2 Capacity of NRM institutions strengthened | Not available | Not available | Direct Improved NRM policies and practices preserve environmental and natural resource base needed for expanded T&I |
| Agroforestry & soil conservation technologies tested & adapted at farm level | Environmentally sustainable technologies are adapted at greater rate aiding NRM | SO2 Increased Sustainable Use Conservation and Management of Natural Resources | IR 2 3 Service programs improved | Not available | Not available | Direct Environmentally sustainable technologies preserve natural resource base essential to agricultural output trade, & investment |
| Establishment of national NRM endowment fund | Sustainable financing of NRM activities | SO2 Increased Sustainable Use Conservation and Management of Natural Resources | IR 2 2 Capacity of national NRM institutions strengthened | Not available | Not available | Direct Sustainable financing ensures expansion of NRM activities thereby aiding T&I |
| Community-based natural resource management (CBNRM) | Community-driven approaches lead to more successful management of natural resources | SO2 Increased Sustainable Use Conservation and Management of Natural Resources | IR 2 4 Capacity of communities to manage natural resources improved | FY 1997-2000 | Not available | Direct Successful adoption of CBNRM raises local incomes thereby aiding T&I |

USAID/Mozambique

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Timeframe | Funding | Impact on T&I |
|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|--------------------|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Rural Access Project (RAP) | Road rehabilitation and post-rehabilitation maintenance lead to reduced transport costs all-weather link between focus area producers and markets | SO1 Increased Rural Household Income in Targeted Areas SO2 Government & Civil Society are Effective Partners in Democratic Governance at National & Local Levels SO3 Increased Use of Essential Maternal & Child Health & Family Planning Services in Focus Areas | IR 1 1 Market access IR 1 2 Expanded enterprises IR 1 3 Sustainable agricultural output | FY 1997- FY2002 | Not available | Direct Link to markets enables increased trade resulting in increased rural incomes and purchasing power marketable agricultural surpluses encourages investment in transport sector improved market access encourages agricultural export growth |
| Economic policy reform | Reduced cost of doing business through streamlined licensing procedures and new contract enforcement mechanisms improved micro-finance regulations revised land tenure law and an end to governmental intervention in cereals marketing | SO1 Increased Rural Household Income in Targeted Areas SO2 Government & Civil Society are Effective Partners in Democratic Governance at National & Local Levels | IR 1 2 Expanded enterprises IR 1 3 Sustainable agricultural output | Not available | Not available | Direct Financial reforms support sustainable development of micro- and small enterprises land tenure reforms increase income by encouraging long-term investment and sustainable management simplified regulatory environment & liberalized cereals marketing encourages entrepreneurship T&I and exports |

USAID/Mozambique, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Timeframe | Funding | Impact on T&I |
|------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|---------------------------------------------------------------------------|------------------|----------------|-----------------------------------------------------------------------------------------------------------------------|
| Activities to support increased sustainable agricultural output of cashews and other crops | Agricultural output is increased through improved farming techniques and sustainable farming practices Continued cashew extension services provided through endowment fund establishment | SO1 Increased Rural Household Income in Targeted Areas | IR 1 2 Expanded enterprises IR 1 3 Sustainable agricultural output | FY 1997-99 | Not available | Direct Improved local cash income boosts purchasing power thereby aiding trade Expanded output raises export earnings |
| Support for extension of management & business advisory services to rural group of enterprises in targeted areas | Improved marketing of agricultural commodities | SO1 Increased Rural Household Income in Targeted Areas | IR 1 2 Expanded enterprises IR 1 3 Sustainable agricultural output | FY 1998-99 | Not available | Direct Improved local cash income boosts purchasing power thereby aiding trade |
| Environment Strategy | Environmental policy & institutional reforms adopted CBNRM introduced sustainable resource use strengthened | SO1 Increased Rural Household Income in Targeted Areas | IR 1 3 Sustainable agricultural output | Not available | Not available | Direct Sustainable resource use raises local incomes |
| SADC Transport Efficiency Project (STEP) ¹ | Relieve constraints to regional trade expansion | SO1 Increased Rural Household Income in Targeted Areas | IR 1 1 Market access | Not available | Not available | Direct Improved transportation services remove a constraint to T&I |
| Private Sector Initiative (to be developed?) | Streamlined business & investment regulations and rewritten commercial code | SO1 Increased Rural Household Income in Targeted Areas | IR 1 2 Expanded enterprises | FY97? - ? | Not available | Direct T&I is encouraged through elimination of obstacles to doing business |

¹ Regional project managed by USAID/Mozambique Only a policy support element currently remains

USAID/Namibia

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Timeframe | Funding | Impact on T&I |
|-----------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| NGO capacity building | Increased capability of NGOs in service delivery to clients augmented skills in public sector given crossover from NGOs to public sector | SO1 Enhanced Roles for Historically Disadvantaged Namibians in Key Public Sector NGOs and Private Sector Organizations | IR 1 1 Increased number of HDNs acquiring enhanced managerial & technical skills and knowledge IR 1 2 Improved access for trained HDNs in technical managerial & leadership positions | FY96 FY98 | \$9 800 | Indirect In long term will increase supply of HDN leadership in all sectors including government and private sector thereby reducing key current constraint on economic growth and therefore on T&I Direct NGOs play critical role in training in microenterprise skills |
| Public sector skills training through ATLAS HRDA and other mechanisms | Increased managerial and technical skills by individuals in key public sector positions | SO1 Enhanced Roles for Historically Disadvantaged Namibians in Key Public Sector NGOs and Private Sector Organizations | IR 1 1 Increased number of HDNs acquiring enhanced managerial & technical skills and knowledge IR 1 2 Improved access for trained HDNs in technical managerial & leadership positions | ATLAS FY96 FY01 HRDA FY96 FY98 SO Agreement tranche to begin FY97/98 depending on funding | \$7 300 \$4 100 | Direct Improved public sector management and policy development contributes to positive enabling environment for T&I |
| Private sector management training | Provision of first rate managerial training to HDNs will catalyze their hiring & advancement of HDNs in managerial & professional positions | SO1 Enhanced Roles for Historically Disadvantaged Namibians in Key Public Sector NGOs and Private Sector Organizations | IR 1 1 Increased number of HDNs acquiring enhanced managerial & technical skills and knowledge IR 1 2 Improved access for trained HDNs in technical managerial & leadership positions | FY96 FY05 | Not available | Direct Reduces key current constraint on economic growth and therefore on T&I Development of a growing cadre of skilled HDNs in public private and NGO sectors necessary to create an enabling environment for entrepreneurship & enhanced T&I |

USAID/Namibia (cont)

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Timeframe | Funding | Impact on T&I |
|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| On going policy dialogue with GRN | Improved regulatory legal and policy environment for conservation land use and CBNRM tourism activities | SO3 Increased Benefits to Historically Disadvantaged Namibians from Sustainable Local Management of Natural Resources | IR 3 1 Improved policy & legislative environment for local content of natural resource management | FY1996 FY99 | Not applicable | Direct Improved regulatory and policy environment for CBNRM contributes to sustainable NRM land use and community based tourism activities |
| Living in a Finite Environment (LIFE) | Establishment of replicable CBNRM models & wildlife conservancies in pilot communal areas | SO3 Increased Benefits to Historically Disadvantaged Namibians from Sustainable Local Management of Natural Resources | IR 3 2 Strengthened community based natural resource management activities in target communities | FY96 FY99 | \$15 000 from regional funds | Direct Increased household income from CBNRM activities leads to greater purchasing power encourages micro enterprise development in sustainable activities encourages tourism & provides opportunities in tourism based investment |
| Environmental Education | National program of environmental education for policy makers and key population groups will strengthen support for conservation & CBNRM efforts | SO3 Increased Benefits to Historically Disadvantaged Namibians from Sustainable Local Management of Natural Resources | IR 3 1 Improved policy & legislative environment for local content of natural resource management IR 3 2 Strengthened community based natural resource management activities in target communities | FY96 FY99 | \$1 500 million | Indirect Creates enabling environment conducive to policy and other reforms in support of NRM |

Notes

* HRDA includes private and public sector funding total is \$4 200 for FY96 FY98 The SO Agreement signed within FY97 includes several RPs such as READ ATLAS HRDA (private and public) Increased opportunities for HDNs (FY97 FY03) funding is \$4 000

* Life I Follow on (LIFE II) will be introduced on national basis from FY99 FY05 with total funding of \$10 000

USAID/RCSA

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Timeframe | Funding | Impact on T&I |
|------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Southern Africa Enterprise Development Fund (SAEDF) | Creation & expansion of commercially viable enterprises increased indigenous business ownership | SO2 A More Integrated Regional Market | IR 1 Reduced barriers to broadened participation in the regional market | FY1995 1999 (grant extension beyond 1999 is likely) | Self sustaining after 2002 (at earliest) | Direct nationally Increased access to financial services will help entrepreneurs to expand their regional business activities Indirect (long term potential) regionally |
| Regional Activity to Promote Integration Through Dialogue and Improved Policy Implementation (RAPID) | <p>Elimination of barriers to T&I by policy analysis assistance to draft regulations/protocols implementation assistance & building advocacy among business groups Illustrative SO2 activities include</p> <ul style="list-style-type: none"> ■ Support for SADC workshop to simplify and harmonize customs declarations ■ Assistance to SADC Investment & Trade Coordinating Unit in implementing SADC Trade Protocol ■ Support to COMESA to improve implementation of Rules of Origin and Yellow Card Insurance Scheme ■ Assistance to national private sectors to develop a national position on the SADC Trade Protocol | <p>SO2 A More Integrated Regional Market¹</p> <p>SO3 Accelerated Regional Adoption of Sustainable Agriculture & NRM Approaches</p> <p>SO1 Increased Regional Capacity to Influence Democratic Performance</p> | <p>IR 1 Reduced barriers to broadened participation in the regional market</p> <p>IR 2 Improved telecommunications transport and energy infrastructure</p> <p>IR 1 Sustained advocacy for regional integration</p> <p>IR 2 Improved infrastructure to move goods & people</p> <p>IR 1 Increased information sharing within the region</p> <p>IR 2 Increased advocacy & other cooperation bringing regional experience to bear at the national level</p> <p>IR 3 Regional norms further defined by Southern Africans</p> | | | Direct Supports activities that remove or reduce barriers to T&I |

¹ As a "toolbox" this program supports several SOs and IRs

USAID/RCSA, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Timeframe | Funding | Impact on T&I |
|-----------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Botswana Component of CBNRM Project | NRM practices adapted and institutionalized on a local basis | SO3 Accelerated Regional Adoption of Sustainable Agriculture and NRM Approaches | IR 1 Functioning systems in place for transferring Ag/NRM technologies and best practices across the region IR 2 An enabling environment which promotes increased incentives for smallholders and communities to adopt sustainable Ag/NRM technologies/ approaches | | | Direct CBNRM raises local purchasing power and creates investment opportunities |
| Network and Capacity Building Program (with IUCN's regional office for Southern Africa) | Coordination & implementation of networks to promote sustainable resource management & biodiversity conservation | SO3 Accelerated Regional Adoption of Sustainable Agriculture and NRM Approaches | IR 1 Functioning systems in place for transferring Ag/NRM technologies and best practices across the region | | | Direct Improved NRM capabilities and information sharing especially among regional NGOs will improve sustainability and augment local incomes and production |
| Natural Resources Management Program (NRMP) ² | Increased rural incomes and local commitment to sustainable NRM methods Regional sharing of lessons learned and NRM capacity building in key institutes and NGOs | SO3 Accelerated Regional Adoption of Sustainable Agriculture and NRM Approaches | IR 1 Functioning systems in place for transferring Ag/NRM technologies and best practices across the region IR 2 An enabling environment which promotes increased incentives for smallholders and communities to adopt sustainable Ag/NRM technologies/ approaches | FY95-99? | | Direct Increased local purchasing power encourages trade NRM creates investment opportunities especially in tourism related activities |

² The Namibia, Zambia, and Zimbabwe components of NRMP are managed by their respective bilateral missions, and RCSA manages the Botswana and regional coordination components.

USAID/RCSA, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Timeframe | Funding | Impact on T&I |
|-------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Strengthening Regional Economies through NGOs (STRENGTH) | Strengthened regional & national NGOs can better address regional issues that impact on the indigenous business sector | SO2 A More Integrated Regional Market ³ SO1 Increased Regional Capacity to Influence Democratic Performance SO3 Accelerated Regional Adoption of Sustainable Agriculture and NRM Approaches | IR 3 Sustained advocacy for regional integration | | | Indirect Greater understanding of opportunities offered by regional market will engender support for needed reforms |
| Africalink support to the Southern Centre for Coordination of Agriculture & Natural Resources Research (SACCAR) & other research networks | Enables rapid electronic dissemination of regional research data accelerating technology transfer (R4 18) | SO3 Accelerated Regional Adoption of Sustainable Agriculture and NRM Approaches | IR 1 Functioning systems in place for transferring Ag/NRM technologies and best practices | | | Indirect Accelerates adoption of improved varieties that lead to increased rural incomes with greater demand for tradable goods and greater surpluses for trade/export |
| Support to SADC Technical Coordination Unit for Wildlife | Facilitates sharing of information & lessons learned from CBNRM programs | SO3 Accelerated Regional Adoption of Sustainable Agriculture and NRM Approaches | IR 1 Functioning systems in place for transferring Ag/NRM technologies and best practices | FY95 99? | | Indirect Facilitates adoption of CBNRM with subsequent effects on local purchasing power and investment opportunities |
| Support for establishment of regional transport related trade associations | Enhanced mechanism for private sector dialogue with governments on transport | SO2 A More Integrated Regional Market | IR 1 Reduced barriers to broadened participation in the regional market IR 3 Sustained advocacy for regional integration | | | Indirect Improved dialogue facilitates more rapid elimination of impediments to regional transport |
| Support to expand CBNRM practices in region | Increased involvement in CBNRM by other donors bilateral missions and NGOs | SO3 Accelerated Regional Adoption of Sustainable Agriculture and NRM Approaches | IR 2 An enabling environment which promotes increased incentives for smallholders and communities to adopt sustainable Ag/NRM technologies/ approaches | FY1997 2003 | | Indirect Increased involvement in CBNRM can accelerate adoption of new Ag/NRM approaches |

³ As a toolbox this program supports several SOs and IRs

USAID/RCSA cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Timeframe | Funding | Impact on T&I |
|---------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|-------------------|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| Regional Research Coordination Program | Continued management of regional programs increased focus on commercialization of new technologies and development of new financial and institutional arrangements to get Ag/NRM technologies to smallholders | SO3 Accelerated Regional Adoption of Sustainable Agriculture and NRM Approaches | IR 1 Functioning systems in place for transferring Ag/NRM technologies and best practices | | | Direct Development commercialization & dissemination of new technologies will increase agricultural output |
| Support for policy analysis and broadened public private sector dialogue on Ag/NRM policy & regulatory issues | Improved regional and national policies to facilitate cross border trade of technologies goods information and people | SO3 Accelerated Regional Adoption of Sustainable Agriculture and NRM Approaches SO2 A More Integrated Regional Market | IR 1 Functioning systems in place for transferring Ag/NRM technologies and best practices | FY1997 2003 | | Direct Accelerated transfer of technologies for sustainable Ag/NRM practices will increase incomes and yields |
| Agricultural Research Management Training program and specific research programs (e.g SMIP) | Development testing & dissemination of new varieties Scientists and managers trained in research methods | SO3 Accelerated Regional Adoption of Sustainable Agriculture and NRM Approaches | IR 1 Functioning systems in place for transferring Ag/NRM technologies and best practices | FY95 99? | | Direct Improved varieties lead to expanded output increased rural incomes Indirect Capacity building strengthens future capability to undertake research |
| SADC Transport Efficiency Project (STEP) | Enhanced efficiency & competitiveness of surface transportation in SADC region | SO2 A More Integrated Regional Market | IR 2 Improved telecommunications transport & energy infrastructure | FY95 2001 | | Direct Increase cost competitiveness of regional exports improve market access within region lower transport costs for regional businesses |
| Policy Analysis Assistance to SADC (PAAS) ⁴ | Enhanced efficiency & competitiveness of surface transportation in SADC region | SO2 A More Integrated Regional Market | IR 2 Improved telecommunications transport & energy infrastructure | | Funded through STEP | Direct Increase cost competitiveness of regional exports improve market access within region lower transport costs for regional businesses |
| Rolling Stock Information System (RSIS) | Enhanced efficiency & competitiveness of surface transportation in SADC region through real time information on regional train movements | SO2 A More Integrated Regional Market | IR 2 Improved telecommunications transport & energy infrastructure | Completed by 1999 | Funded through STEP | Direct Increase cost competitiveness of regional exports improve market access within region lower transport costs for regional businesses |

⁴ STEP/PAAS is managed by USAID/Mozambique

USAID/RCSA, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Timeframe | Funding | Impact on T&I |
|----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|---------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|--------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Regional Telecommunications Restructuring Project (RTRP) | Enhanced telecommunications services through increased private sector participation | SO2 A More Integrated Regional Market | IR 2 Improved telecommunications transport & energy infrastructure | | | Direct Lower cost higher quality telecommunications costs facilitate regional trade improve access to market and other information improve efficiency of operations |
| Malawi Railways Restructuring Program (MRRP) (Part of the Southern Africa Regional Program – SARP) | Reduced surface transportation costs through increased rail efficiency | SO2 A More Integrated Regional Market | IR 2 Improved telecommunications transport & energy infrastructure | | | Direct Increase cost competitiveness of regional exports improve market access within region lower transport costs for regional businesses |
| Regional Roads Management System | Improved regional roads management | SO2 A More Integrated Regional Market | IR 1 Reduced barriers to broadened participation in the regional market IR 2 Improved telecommunications transport and energy infrastructure | None Project feasibility is still being assessed | None Project feasibility is still being assessed | Potentially direct Improved roads management lowers transport costs and shipping times improving cost competitiveness and market access within the region |
| Regional Energy Sector Activities | Improved regional energy infrastructure | SO2 A More Integrated Regional Market | IR 2 Improved telecommunications transport and energy infrastructure | None Project feasibility is still being assessed | None Project feasibility is still being assessed | Potentially direct Improved energy infrastructure can lower input costs and raise cost competitiveness |
| Establishment of an umbrella electronic network | Improved access by business associations and others to information critical to achieving a more integrated regional market | SO2 A More Integrated Regional Market | IR 1 Reduced barriers to broadened participation in the regional market IR 2 Improved telecommunications transport and energy infrastructure | None Project feasibility is still being assessed | None Project feasibility is still being assessed | |
| Trade Facilitation Management System | Adoption of measures to facilitate trade | SO2 A More Integrated Regional Market | IR 1 Reduced barriers to broadened participation in the regional market | None Project feasibility is still being assessed | None Project feasibility is still being assessed | Potentially direct Elimination of obstacles to regional trade |

REDSO/ESA

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Timeframe | Funding | Impact on T&I |
|-------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|-----------------------------------------------------|---------------------------------------------------------------------------------------------|-----------------------------------------------|-----------------------------------------------|------------------------------------------------------------------------------------------------|
| Capacity building of regional organizations such as establishing appropriate internal financial and information systems | More effective regional organizations (e.g. COMESA ESABO AABA) | SO1 A More Open and Market Driven Regional Economy* | IR 1 1 Capacity of Partner Organizations that Support Regional Integration Enhanced | Not available SO and activities are not final | Not available SO and activities are not final | Indirect Strengthened regional organizations can better lobby regional governments for reforms |
| Regional exchange of investment information | Not clear from information available | SO1 A More Open and Market Driven Regional Economy | IR 1 2 Enabling Environment for Private Sector Led Growth and Food Security Improved | Ditto | Ditto | Uncertain given limited information |
| COMESA ESABO& AABA advocacy groups lobbying for supportive private sector policies | Improved regulatory and business operating environment | SO1 A More Open and Market Driven Regional Economy | IR 1 2 Enabling Environment for Private Sector Led Growth and Food Security Improved | Ditto | Ditto | Direct Greater advocacy for reforms favorable to increased T&I |
| COMESA and ESABO advocacy groups lobbying for a reduction in tariff and non tariff barriers | Regional governments lower tariff & NTBs | SO1 A More Open and Market Driven Regional Economy | IR 1 2 Enabling Environment for Private Sector Led Growth and Food Security Improved | Ditto | Ditto | Direct Reduced tariff barriers will increase trade |
| WTO training activities | Increased understanding of free trade and WTO requirements | SO1 A More Open and Market Driven Regional Economy | IR 1 2 Enabling Environment for Private Sector Led Growth and Food Security Improved | Ditto | Ditto | Direct Will increase prospects for multilateral trade reforms |
| Business linkages between U S firms and African firms through Africa America Business Partnership (AABP) Activity | Joint ventures and other collaborative arrangements created U S Africa trade facilitated | SO1 A More Open and Market Driven Regional Economy | IR 1 3 Transnational Trade and Business Linkages for the Region Encouraged and Strengthened | Ditto | Ditto | Direct Firm to firm collaborations are critical to increased exports and investment |
| Increased dissemination of trade information for the region | Increased knowledge of trade flows and requirements (unclear because of limited information available) | SO1 A More Open and Market Driven Regional Economy | IR 1 3 Transnational Trade and Business Linkages for the Region Encouraged and Strengthened | Ditto | Ditto | Unclear because nature of activity is uncertain |
| Regional commodity market information increased | Greater availability of information on commodity markets and flows (?) | SO1 A More Open and Market Driven Regional Economy | IR 1 3 Transnational Trade and Business Linkages for the Region Encouraged and Strengthened | Ditto | Ditto | Direct? Increased knowledge of commodity prices and availability will encourage T&I? |

SO1 and its IRs and activities under SO1 are not yet final

REDSO/ESA, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Timeframe | Funding | Impact on T&I |
|---------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Regional Investors Roadmap | Identification of regional barriers to T&I | SO1 A More Open and Market-Driven Regional Economy | IR 1 3 Transnational Trade and Business Linkages for the Region Encouraged and Strengthened | Ditto | Ditto | Direct Will identify regional barriers to T&I |
| Private Sector Expertise Support | Aid ESA government agencies & regional business organizations that promote regional trade integration establish trade information liberalize bank & financial transactions across the region and enhance private sector role in increasing food security | SSO1 Effective Technical & Program Support to ESA Missions | IR 1 1 Improved management of REDSO/ESA services to ESA missions | Not available | Not available | Direct Regional approach to facilitate increased cross border T&I |
| Support to regional private sector organizations & NGOs | Enhanced ability of institutions such as All Africa Businesswomen s Association (AABA) and East and Southern Africa Business Organization (ESABO) to work on regional trade issues (34) | SO3 Establish a Strong Basis for Implementation of the Greater Horn of Africa Initiative | IR 3 3 Greater regional collaboration for sustainable economic growth | Not available | Not available | Indirect Private sector entities inform & catalyze governmental policy making and facilitate exchange of business & trade information |
| Regional Coastal Zone Demonstration Activity | Models developed & personnel trained in techniques necessary for sustainable management of coastal zone resources | SO2 Increased Utilization of Critical Information by USAID & Other Decision Makers in the Region | IR 2 3 Environment & Natural Resources Enhanced dissemination of critical regional development information IR 2 4 Environment & Natural Resources Increased regional collaboration in addressing critical regional development issues | FY96 97 | Not available | Indirect Development of models and personnel training will enable the introduction of sustainable coastal NRM conferences and workshops raise the issue s prominence encourage regional commitment to CZM |

REDSO/ESA, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Timeframe | Funding | Impact on T&I |
|--------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Regional Trade Activities (RTA) addressing ESA intra regional transportation costs cross border trade policy & comparative advantage | Strengthened markets improved policies laws & regulations governing markets & transport strengthened GHAI food security expanded analytical capacity of African institutions such as All Africa Businesswomen s Association (AABA) establishment of new regional bodies to work on regional trade issues (e.g East African Transportation Initiative) | SO2 Increased Utilization of Critical Information by USAID & Other Decision Makers in the Region SO3 Establish a Strong Basis for Implementation of the Greater Horn of Africa Initiative | IR 2 2 Improved models & technologies for use in priority development areas IR 2 4 Increased regional collaboration in addressing critical regional development issues IR 2 5 Strengthened human & institutional capacity to generate analyze & use critical regional development information IR 3 3 Greater regional collaboration for sustainable economic growth | End FY93 – | Not available | Direct Dissemination implementation & utilization of policy reforms related to transportation costs & cross border trade lead to lower transport & other costs of cross border trade New regional bodies work to eliminate obstacles to regional trade |
| Horn of Africa Support Project (HASP) ¹ | Revitalize/strengthen regional institutions such as Intergovernmental Committee on Development (IGAD) to establish regional development priorities | SO3 Establish a Strong Basis for Implementation of the Greater Horn of Africa Initiative | IR 3 3 Greater regional collaboration for sustainable economic growth | Not available | Not available | Indirect Strengthened regional institutions and necessary to address persistent regional conflict and food crises that deter T&I |
| Support for regional activities to strengthen food security | Crisis prevention through development of market information database food security inventory strengthened private sector role in regional food security & improved management of food shortfalls | SO3 Establish a Strong Basis for Implementation of the Greater Horn of Africa Initiative | IR 3 1 Strengthened Support for Food Security in the region IR 3 3 Greater regional collaboration for sustainable economic growth | Not available | Not available | Indirect Improved food security removes impediment to expanded T&I |

¹ HASP is SO3 s primary vehicle for operationalizing the GHAI

REDSO/ESA, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Timeframe | Funding | Impact on T&I |
|------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Support for activities linking relief and development (e.g. Seeds for Hope II Somalia Integrated Strategic Plan) | Rapid replenishment of food supply and agricultural output following disasters | SO3 Establish a Strong Basis for Implementation of the Greater Horn of Africa Initiative SO4 Effective Delivery of USAID's Humanitarian Assistance | IR 3.4 Strategies developed for transition from crises to sustainable development | Not available | Not available | Indirect Reducing economic disruption resulting from food & other crises reduces interruption of T&I |
| Support to National Agricultural Research Systems ² | Improved regional agricultural research and collaboration | SO2 Increased Utilization of Critical Information by Other Decision Makers in the Region SO3 Establish a Strong Basis for Implementation of the Greater Horn of Africa Initiative | IR 2.2 Economic growth & support to GHAI – Improved models and technologies for use in priority development areas IR 2.4 Economic growth & support to GHAI – Increased regional collaboration in addressing critical regional development issues IR 3.3 Greater regional collaboration for sustainable economic growth | Not available | Not available | Indirect Mechanisms identified for improving agricultural output through identifying and addressing production constraints strengthening technology transfer |
| Agricultural Research Commodity Networks | Improved regional agricultural research and collaboration | SO2 Increased Utilization of Critical Information by Other Decision Makers in the Region SO3 Establish a Strong Basis for Implementation of the Greater Horn of Africa Initiative | IR 3.3 Greater regional collaboration for sustainable economic growth | Not available | Not available | Indirect Mechanisms identified for improving agricultural output and therefore rural incomes and T&I |

² Tentatively planned activity

USAID/South Africa

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Timeframe | Funding | Impact on T&I |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|-----------------------|-------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| Support for Economic Growth & Analysis/Mandela Economic Scholars Program (SEGA/MESP) ¹ | U S training for selected individuals will build strengthened economic analysis skills in key government institutions | SO4 Improved Capacity of Key Government & Non Government Entities to Formulate Evaluate & Implement Economic Policies ² | IR 4 1 Strengthened human resources in economics and policy analysis for key government entities | Sept 1996 – Sept 1999 | Not available | Indirect Strengthened government capacity in the formulation evaluation and implementation of growth and equity promoting economic policies |
| Assistance and training to RSA economic policy departments | Strengthened departmental work units where Mandela scholars will apply their training | SO4 Improved Capacity of Key Government & Non Government Entities to Formulate Evaluate & Implement Economic Policies ³ | IR 4 2 Strengthened government departments that deal with economic policy matters | Not available | Funded under SEGA | Indirect Strengthened government capacity in the formulation evaluation and implementation of growth and equity promoting economic policies |
| Support to local think tanks (e g African Institute for Policy Analysis & Economic Integration (AIPA) & National Institute for Economic Policy (NIEP) ⁴ | Selected think tanks are established as credible & sustainable contributors to national economic policy | SO4 Improved Capacity of Key Government & Non Government Entities to Formulate Evaluate & Implement Economic Policies | IR 4 3 Strengthened think tanks to formulate & evaluate economic policy options of all economic policy makers | FY94-? | Not available | Indirect Development of a critical mass of skilled policy analysts to influence the country in making tough economic & policy choice |
| Tertiary Education Linkages Project (TELP) | Capacity strengthening in selected disciplines (including economics) at historically disadvantaged tertiary education institutions | SO4 Improved Capacity of Key Government & Non Government Entities to Formulate Evaluate & Implement Economic Policies SO2 Transformed Education System Based on Equity of Access and Quality | IR 4 4 Strengthened centers of economics training especially within the historically disadvantaged institutions | Not available | Not available | Indirect Development of a critical mass of skilled policy analysts to guide the country in making tough economic & policy choice |

¹ This RP is the principal vehicle for the implementation of SO4

² This activity provides training to economists for all areas of government and therefore also serves other strategic objectives such as those related to education and health

³ This activity provides training to economists for all areas of government and therefore also serves other strategic objectives such as those related to education and health

⁴ Note As of R4 preparation additional activities were in process of initiation serving additional IRs under this SO

USAID/South Africa, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Timeframe | Funding | Impact on T&I |
|--------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|---------------|---------------------------------------------------------------------------------------------------------------------|
| Microenterprise Support Project (MSP) | Policy component addresses policy regulatory & administrative constraints facing microentrepreneurs support to NGOs will design replicable methods providing finance access to microentrepreneurs | SO5 Increased Access to Financial Markets for the Historically Disadvantaged Population | IR 5 1 Improved policy environment to facilitate access to capital for historically disadvantaged (HD) micro enterprises IR 5 2 Improved capacity of the financial sector to service HD microenterprises | September 1996 | Not available | Direct Improved policy enabling environment for micro lending activities creates opportunities for entrepreneurship |
| VITA Microenterprise Support Project (under MSP) | Retail loan program for growth oriented enterprises and interactive radio soap opera on entrepreneurship issues | SO5 Increased Access to Financial Markets for the Historically Disadvantaged Population | IR 5 1 Improved policy environment to facilitate access to capital for historically disadvantaged (HD) micro enterprises IR 5 2 Improved capacity of the financial sector to service HD microenterprises IR 5 3 Improved capacity of microentrepreneurs to respond to financial market requirements | Sept 1996 – Sept 1999 | \$3 1 m | Direct Increases availability of credit to microenterprises |

USAID/South Africa, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Timeframe | Funding | Impact on T&I |
|-------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|---------------|--------------------------------------------------------------------------------------------------------------------|
| Ntinga Microenterprise Support Project (under MSP) | Project works with microenterprise service providers both financial & non financial to improve quality and quantity of services provided to entrepreneurs | SO5 Increased Access to Financial Markets for the Historically Disadvantaged Population | IR 5 1 Improved policy environment to facilitate access to capital for historically disadvantaged (HD) micro-enterprises IR 5 2 Improved capacity of the financial sector to service HD microenterprises IR 5 3 Improved capacity of microentrepreneurs to respond to financial market requirements | Sept 1996 – Sept 1999 | Not available | Indirect Improves capability of microenterprise service providers to improve the skills of their clients |
| Business Linkages for Underutilized Enterprises (BLUE) | Establishment of commercially viable long relationships between corporations & small & medium sized firms where the historically disadvantaged have a majority equity interest Expanded business skill training for supplier firms increases ability to contract business | SO5 Increased Access to Financial Markets for the Historically Disadvantaged Population | IR 5 4 Improved policy environment to facilitate access to capital for HD small medium & large enterprises IR 5 6 Improved capacity of small medium & large HD enterprises to respond to financial market requirements | Sept 1995 – Sept 1998 | \$2 5 m | Direct Expansion of business skills and contracts for supplier firms increases their ability to participate in T&I |
| Bilateral Agreement with the Ministry of Public Enterprises (MPE) | MPE is assisted with restructuring of State assets and potential privatization of public enterprises | SO5 Increased Access to Financial Markets for the Historically Disadvantaged Population | IR 5 4 Improved policy environment to facilitate access to capital for HD small medium & large enterprises IR 5 5 Improved capacity of the financial sector to service HD small medium & large enterprises | Sept 1996 – Sept 2000 | \$3 0 m | Direct Privatization creates investment opportunities and expands private sector role in economy |

USAID/South Africa, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Timeframe | Funding | Impact on T&I |
|--------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|---------|-----------------------------------------------------------------------------------------------------------------------|
| Grant to Get Ahead Foundation | Support to group lending program for microentrepreneurs | SO5 Increased Access to Financial Markets for the Historically Disadvantaged Population | IR 5 2 Improved capacity of the financial sector to service HD microenterprises | Sept 1994 – March 1998 | \$2 1 m | Direct Access to finance creates opportunities for entrepreneurship |
| DTI Technical Support Facility | Restructuring of Department of Trade and Investment (DTI) institutions improves T&I decision making & policy formulation and supports implementation of SMME program | SO5 Increased Access to Financial Markets for the Historically Disadvantaged Population | IR 5 1 Improved policy environment to facilitate access to capital for HD micro enterprises IR 5 2 Improved capacity of the financial sector to service HD microenterprises IR 5 3 Improved capacity of microentrepreneurs to respond to financial market requirements IR 5 4 Improved policy environment to facilitate access to capital for HD small medium & large enterprises IR 5 5 Improved capacity of the financial sector to service HD small medium & large enterprises IR 5 6 Improved capacity of small medium and large HD enterprises to respond to financial market requirements | Sept 1995 – Sept 1999 | \$2 5 m | Direct Improved policy environment improves micro finance availability and creates opportunities for entrepreneurship |

USAID/South Africa, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Timeframe | Funding | Impact on T&I |
|----------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|---------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Micro and Small Enterprise Development (MSED) Loan Guarantee Program | Risk sharing arrangement with private sector financial resources increases commercial access to credit by micro and small enterprises | SO5 Increased Access to Financial Markets for the Historically Disadvantaged Population | IR 5 2 Improved capacity of the financial sector to service HD microenterprises IR 5 5 Improved capacity of the financial sector to service HD small medium & large enterprises | Various dates beginning in 1992 for 5 years (8 different banks and dates) | Guaranty of \$13 5 m covers \$27 m in small loans | Direct Funds available for lending to micro enterprises are increased LPG also increases NGO & micro enterprise – access to commercial financing Long term sustainability of micro lending is strengthened |
| Equity Access System (EASY) | Improved access to long term risk capital for disadvantaged enterprises | SO5 Increased Access to Financial Markets for the Historically Disadvantaged Population | IR 5 5 Improved capacity of the financial sector to service HD small medium & large enterprises IR 5 6 Improved capacity of small medium & large HD enterprises to respond to financial market requirements | Sept 1996 – Sept 1999 | \$7 0 m | Direct Access to finance creates opportunities for entrepreneurship and expanded T&I |
| Southern Africa Enterprise Development Fund (SAEDF) | Promising small medium and large business ventures gain access to equity capital | SO5 Increased Access to Financial Markets for the Historically Disadvantaged Population | IR 5 5 Improved capacity of the financial sector to service HD small medium & large enterprises | Not available | \$50 m for South Africa | Direct Access to finance creates opportunities for entrepreneurship and expanded T&I |
| Growth Equity and Redistribution Privatization Project (GEAR PP) | Assistance to potential bidders on privatization transactions | SO5 Increased Access to Financial Markets for the Historically Disadvantaged Population | IR 5 6 Improved capacity of small medium large historically disadvantaged enterprises to respond to financial market requirements | Sept 1997 – Sept 1999 | Not available | Direct Assistance in structuring privatization bids improves likelihood of successful privatization and post privatization performance |

USAID/South Africa, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Timeframe | Funding | Impact on T&I |
|-------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------|---------------------------------------------------------------------|
| South Africa Business Linkages (SAIBL) | Assist HD SMEs by promoting commercially viable business relationships that result in increased T&I flows as well as technology transfer between the U S and South Africa | SO5 Increased Access to Financial Markets for the Historically Disadvantaged Population | IR 5 5 Improved capacity of the financial sector to service HD small medium & large enterprises IR 5 6 Improved capacity of small medium & large HD enterprises to respond to financial market requirements | Sept 1998 – Sept 2001 | \$3 0 m | Direct Stimulation of trade and investment flows |
| Increased Microenterprise Access to Liquidity (IMALI) | Create a new sustainable provider of microfinance in South Africa | SO5 Increased Access to Financial Markets for the Historically Disadvantaged Population | IR 5 2 Improved capacity of the financial sector to service HD microenterprises | Sept 1998 – Sept 2001 | \$3 6 m | Direct Access to finance creates opportunities for entrepreneurship |

USAID/TANZANIA

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Timeframe | Funding | Impact on T&I |
|--------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Ongoing policy dialogue with GOT ¹ including TA & capacity building | Establishment of modern policy enabling environment for natural resources management technical and institutional capacity for analysis upgraded improved institutional coordination on NRM issues | SO2 Foundation Established for Adoption of Environmentally Sustainable Natural Resource Management Practices in Tanzania | IR 2 1 Policy framework for sustainable NRM established IR 2 2 Institutional & technical capacity for analysis built | FY97-99 | Not available | Direct Strengthened policy framework supports sustainable NRM needed to improved rural incomes reduced environmental degradation and improved agricultural yields suitable for trade preservation of agricultural base and enhanced opportunities for tourism and related investment |
| Kagera Resources Management Program (KRM) | Participatory process identifies local NRM needs and appropriate solutions local ownership of process leads to greater sustainability local NRM institutionalized selected approaches and technologies replicated | SO2 Foundation Established for Adoption of Environmentally Sustainable Natural Resource Management Practices in Tanzania | IR 2 2 Institutional & technical capacity for analysis built IR 2 3 Appropriate NRM approaches and technologies identified field-tested and implemented in pilot areas | FY97-99 | Not available | Direct Sustainable NRM leads to improved rural incomes reduced environmental degradation and improved yields suitable for trade preservation of agricultural base and enhanced opportunities for tourism and related investment |
| Economic Growth & Improved Human Welfare | Micro & small enterprises are developed which reduces poverty and enables even the smallest entrepreneur to access modern business & finance techniques | SO4 Increased Micro and Small Enterprise Participation in the Economy | IR 4 1 Provision of sustainable financing to micro and small enterprises | 1998 –2003 | Not available | Direct Strengthened micro and small enterprises are better able to successfully undertake T&I |
| Risk Management/Profit Sharing Fund | Quasi equity small and medium enterprise fund for clients of Finance & Enterprise Development Associates (FEDA) (\$3K to \$100K in size) | SO4 Increased Micro and Small Enterprise Participation in the Economy | IR 4 1 Provision of sustainable financing to micro and small enterprises | Expired end April 1998 | \$2 m in local currency equivalent | Direct Venture capital assists entrepreneurs to undertake T&I |

¹ On-going policy dialogue builds on work undertaken previously through the Planning and Assessment for Wildlife Management (PAWM) activity

USAID/Tanzania, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Timeframe | Funding | Impact on T&I |
|---------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|---------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|-------------------------------------|--------------------------------------------------------------------------------------------------------------------|
| Social Action Trust Fund (SATF) | Lending equity and underwriting in medium- & large-scale private sector projects | SO4 Increased Micro and Small Enterprise Participation in the Economy | IR 4 1 Provision of sustainable financing to micro and small enterprises | Not available | \$10 m in local currency equivalent | Direct Access to capital enables entrepreneurship |
| Center for Micro Finance (in preliminary planning stage) | Provide capacity building for Tanzania MFIs with perhaps a grant-making facility included (under consideration) | SO4 Increased Micro and Small Enterprise Participation in the Economy | IR 4 1 Provision of sustainable financing to micro and small enterprises | Programmed for FY 1999 | Not available | Direct Strengthened micro and small enterprises are better able to successfully undertake T&I |
| Business Centre promotion of policy dialogue with GOT Investor Roadmap exercise and EAGER studies | Increased GOT awareness of problems facing businesses in start-up and/or continuing operations with appropriate process and legislative changes | SO4 Increased Micro and Small Enterprise Participation in the Economy | IR 4 2 Legal and regulatory reform to support new and existing businesses | Not available | Not available | Direct Leads to identification and elimination of constraints to business establishment & operation that deter T&I |
| The Business Center | Fee-based services for Tanzanian licensed businesses and other consultancy advisory activities TBC s Business Management Skills Workshops are expected to train an additional 1 500 micro and small entrepreneurs in CY 98 bringing project total to almost 5 000 participants | SO4 Increased Micro and Small Enterprise Participation in the Economy | IR 4 3 Enhance micro and small business management | To be replaced by a new for-profit institution Enterprise Development Centre (EDC) since TBC project expires 12/30/98 | Not available | Direct Strengthened enterprises are more capable of successfully undertaking T&I |

USAID/Tanzania, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Timeframe | Funding | Impact on T&I |
|--------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------------------------------------------------|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| SMARTS program (Services Membership and Revenue for TCCIA Sustainability) by The Business Centre | Strengthened business associations (e.g. Tanzania Chamber of Commerce, Industry & Agriculture – TCCIA) to provide an important private sector voice to influence government on effecting changes in policies and procedures as they affect businesses. Increase in dues-paying members. development of a strategic plan and formation of selected committees will result in a more member-oriented and service-provider association that will have a more respected and broader-based voice in policy changes. | SO4 Increased Micro and Small Enterprise Participation in the Economy | IR 4.4 Strengthen business associations | Depends on result of TCCIA pilot projects in Songea Iringa Dar and Mbeya. Could end FY 98. | Not available | Direct. Leads to identification and elimination of constraints to business operations that deter T&I and improved policy enabling environment. |
| Agricultural Transport Assistance Program (ATAP) ² | Rehabilitation & maintenance of selected agricultural feed roads in highly productive regions and bridge works nationwide. Improvements made at policy, institutional and industrial level. | SO5 Selected Infrastructure Improved | IR 5.1 Rural and district roads improved | Not available | \$50 m | Direct. Inadequate roads curtail production & marketing opportunities & raise business opportunity costs. Improved roads in agriculturally productive regions contributes to GHAI regional trade expansion objectives. |
| Support to the Tanzania-Zambia Railway Authority (TAZARA) to strengthen regional rail network | Railway operation on a commercial basis and expanded freight and passenger service capacity. | SO5 Selected Infrastructure Improved | IR 5.2 TAZARA operates on commercial principles | Not available | RCSA-funded \$45 m | Direct. Improved railway efficiency lowers costs. |

² ATAP is principal activity in the rural roads program

USAID/Tanzania, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Timeframe | Funding | Impact on T&I |
|-------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------------|---------------------------------------------------------------------------------------------------------------------------------|
| Rural Telecommunications in Tanzania (RTT) | Support for expansion of telecommunications service availability in selected rural areas | SO5 Selected Infrastructure Improved | IR 5.3 Rural telecommunications provided | Not available | RCSA funded \$1.5 m | Direct Improved efficiency and effectiveness of businesses will assist T&I expansion |
| Tuskegee University/Sokoine University of Agriculture Linkages (TU/SUA) | Institution-building at SUA strengthens field-based research capability proven technologies provided to farmers in Morogoro Region capacity-building for extension agents | SO2 Foundation Established for Adoption of Environmentally Sustainable Natural Resource Management Practices in Tanzania | IR 2.2 Institutional and technical capacity for analysis built IR 2.3 Appropriate NRM methodologies identified field-tested and implemented in pilot areas | Not available | Not available | Direct Improved technologies increase farm output and tradable goods |
| Participatory Environmental Resource Management (PERM) | Enhanced policy review and planning capability in various GOT entities lobbying capacity of NGOs strengthened rural producers adopt new technologies and approaches for resource management in selected districts NRM field activities field tested | SO2 Foundation Established for Adoption of Environmentally Sustainable Natural Resource Management Practices in Tanzania | IR 2.1 Policy framework for sustainable NRM established IR 2.2 Institutional and technical capacity for analysis built IR 2.3 Appropriate NRM methodologies identified field-tested and implemented in pilot areas | Not available | Not available | Direct NRM enabling environment strengthened NRM techniques tested and introduced capacity building improves NRM sustainability |

USAID/Tanzania, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Timeframe | Funding | Impact on T&I |
|-------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|------------------|----------------|-------------------------------------------------------------------------------------------------------------------|
| Support for collaboration between African Wildlife Foundation and World Wildlife Fund with Department of Wildlife | Upgrade planning and policy capacity of Department of Wildlife | SO2 Foundation Established for Adoption of Environmentally Sustainable Natural Resource Management Practices in Tanzania | IR 2 1 Policy framework for sustainable NRM established | Not available | Not available | Direct Improved policy framework creates enabling environment for sustainable NRM needed to support growth in T&I |

USAID/Zambia

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Timeframe | Funding | Impact on T&I |
|---------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|-----------|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Ongoing activities begun under the previous CSP¹</i> | | | | | | |
| Privatization Support Project (PSP) | Reduced governmental role in economy through TA to the Zambia Privatization Agency in the SOE Divestiture process | SO1 Reduce the State's Role in the Provision of Goods and Services | IR 1.1 Divestiture of SOEs | 1992-98 | Not available | Direct Reduced governmental role in the economy creates opportunities for domestic and foreign investment Increased economic efficiency in service provision reduces cost for business aiding T&I Private sector management improves company output |
| Regional Telecommunications Restructuring Project (RTRP) | Improved and lower cost telecommunications services through privatization of Zambia Telecommunications Company and assistance to regulatory authority | SO1 Reduce the State's Role in the Provision of Goods and Services | IR 1.1 Divestiture of SOEs IR 1.2 Management of privatized SOEs improved through business training and entrepreneurial support | FY1997-99 | Not available | Direct Reduced governmental role in the economy creates investment opportunities for private sector improved services reduces cost for business aiding T&I |
| Private Enterprise Support | Hands-on TA by IESC improves SME operational efficiency | SO1 Reduce the State's Role in the Provision of Goods and Services | IR 1.2 Management of privatized SOEs improved through business training and entrepreneurial support | FY97-FY99 | Not available | Direct Improved productivity of SME firms enables expanded output of higher quality goods |

¹ These activities list the associated SOs and IRs from the previous CSP. A new CSP issued in December 1997 contains new activities and modified SOs and IRs. According to the CSP, activities for 1998-2002 will build upon and develop further the activities carried out in the previous 5-year CSP but which activities are to be developed further are not fully specified, thus the table is divided into two parts, showing activities derived from both documents (and their representative SOs and IRs). Many of the activities cited in the R4 are still on-going and are consistent with the timeframe used for activities by other missions.

USAID/Zambia, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Timeframe | Funding | Impact on T&I |
|----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|-------------------------|---------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Ongoing activities begun under the previous CSP, cont</i> | | | | | | |
| Human Resources Development Activity (HRDA) (through Zambia Assoc of Chambers of Commerce & Industry (ZACCI)) | SME management and business skills strengthened | SO1 Reduce the State's Role in the Provision of Goods and Services | IR 1 2 Management of privatized SOEs improved through business training and entrepreneurial support | 1996-end September 1998 | Not available | Direct Improved productivity of SME firms enables expanded output of higher quality goods |
| African Training for Leadership and Advanced Skills (ATLAS) | University degree training strengthens internal management of selected companies | SO1 Reduce the State's Role in the Provision of Goods and Services | IR 1 2 Management of privatized SOEs improved through business training and entrepreneurial support | Not available | Not available | Direct Improved entrepreneurial and managerial skills enables improved efficiency increased output greater capability to participate in expanded T&I |
| Zambian Management Assistance Program (ZMAP) | Mobilize indigenous expertise to provide TA to SME firms | SO1 Reduce the State's Role in the Provision of Goods and Services | IR 1 2 Management of privatized SOEs improved through business training and entrepreneurial support | Not available | Not available | Direct Improved entrepreneurial and managerial skills enables improved efficiency increased output greater capability to participate in expanded T&I |
| Applied research in participatory rural development & role of non-farm rural enterprises in increasing rural incomes | Lessons learned will be applied to agricultural production and NRM interventions | SO2 Increase the Productive Participation of Rural Enterprises and Communities in the National Economy | IR 2 2 Productive economic participation increases rural investment | Not available | Not available | Indirect Adoption of research results will raise incomes of non-farm enterprises |

USAID/Zambia, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Timeframe | Funding | Impact on T&I |
|---------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Ongoing activities begun under the previous CSP, cont</i> | | | | | | |
| Administrative Design for Game Management Areas (ADMADE) | CBRNM activity generates revenue sharing with rural communities encourages wildlife conservation and increases rural investment | SO2 Increase the Productive Participation of Rural Enterprises and Communities in the National Economy | IR 2 2 Productive economic participation increases rural investment | FY97-FY99 | Not available | Direct Wildlife protection encourages tourism and investment |
| Agricultural Sector Liberalization Project (ASLP) | Eliminate distortions in agricultural markets through enhanced agricultural marketing systems for inputs and produce promotion of cash crops & export crops small enterprise agricultural processing increased agricultural production food crop diversification | SO2 Increase the Productive Participation of Rural Enterprises and Communities in the National Economy | IR 2 1 Efficient product marketing systems exist IR 2 2 Productive economic participation increases rural investment IR 2 3 Diversified & productive farm enterprise management practices | FY97-FY99 | Not available | Direct Improved food production raises rural incomes and purchasing power and creates surpluses available for trade Reduction of government role in agricultural sector increases efficiency and output |
| Agribusiness Technical Assistance Center ² | Develop agribusiness-small holder business linkages | SO2 Increase the Productive Participation of Rural Enterprises and Communities in the National Economy | IR 2 1 Efficient product marketing systems exist IR 2 3 Diversified & productive farm enterprise management practices | Not available | Not available | Direct Increased output and rural incomes encourages T&I increased Zambian agribusiness penetration of regional and international markets |

² To be developed?

USAID/Zambia, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Timeframe | Funding | Impact on T&I |
|----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|-----------------------------------------------------------------------------|-----------------------------|---------------|--------------------------------------------------------------------------------------------------------|
| Activities to be introduced under the 1998-2002 CSP | | | | | | |
| Facilitate emergence of NRM-based rural enterprises | Adoption of sustainable forestry & agricultural production rural enterprise participation in safari hunting industry | SO1 Increases Sustained Rural Incomes | IR 1 1 Increased sustainable agricultural and NR based production | Not available | Not available | Direct Sustainable NRM practices increase local income preserve agricultural base |
| TA to promote adoption of sustainable Ag/NRM practices | Increased adoption of sustainable agro-forestry water resource forest product harvesting crop rotation and integrated animal and crop production systems | SO1 Increases Sustained Rural Incomes | IR 1 1 Increased sustainable agricultural and NR based production | Not available | Not available | Direct Increase local incomes and output will contribute to T&I |
| Rural savings and credit schemes | Facilitated access to credit by rural small & medium entrepreneurs financial management RNFEs | SO1 Increases Sustained Rural Incomes | IR 1 2 Increased productivity of rural non-farm enterprises (RNFEs) | Possible initiation in FY98 | Not available | Direct Access to credit enables MSMEs to expand production adopt new technology and participate in T&I |
| TA to create surplus production of low-rainfall crops in drought-prone areas | Improved outputs through community-base seed multiplication & distribution institutional capacity building and farmer-to-farmer extension | SO1 Increased Sustainable Rural Incomes | IR 1 1 Sustained increases in agricultural and natural resources production | 1998-2002 | Not available | Direct Improved yields create surpluses for trade and raises local income |
| Formation development & skills training for business associations and rural group businesses | Strengthened business capabilities of RNFEs | SO1 Increased Sustainable Rural Incomes | IR 1 2 Increased Productivity of Rural Non-Farm Enterprises | Not available | Not available | Direct Strengthened and more competitive RNFEs can contribute to increased T&I |

USAID/Zambia, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Timeframe | Funding | Impact on T&I |
|---------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|-----------------------------------------------------|---------------|---------------|----------------------------------------------------------------------------------------------------------------------|
| <i>Activities to be introduced under the 1998-2002 CSP, cont</i> | | | | | | |
| Support for an improved business contract culture | Reduced cost of commercial contract conformity will reduce need to resort to court system to resolve disputes | SO1 Increased Sustainable Rural Incomes SO4 A More Sustainable Multi-Party Democracy Built | IR 1 3 Reduced constraints to private sector growth | Not available | Not available | Indirect Improved business operating environment will be more encouraging to local and foreign investors |
| Activities to promote policies to improve cross-border trade and diversify export mix | Increased competitiveness in regional markets through training for policy makers improved trade legislation & assistance in lowering production costs | SO1 Increased Sustainable Rural Incomes | IR 1 3 Reduced constraints to private sector growth | Not available | Not available | Direct Increased competitiveness of Zambian companies and improved policy environment will enable cross-border trade |

USAID/Zimbabwe

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Timeframe | Funding | Impact on T&I |
|------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Private Sector Housing Program (PSHP) | Increased affordability of low-income housing | SO2 Broadened Ownership in a Growing Economy | IR 1 Broadened Low-Income Home Ownership | FY1997-FY2000 | Not available | Direct US firms have entered low-income market & are negotiating expansion to other low-income markets in region |
| Zimbabwe Enterprise Development Project (ZED) | Widen distribution of ownership of productive assets through growth-enhancing mechanisms | SO2 Broadened Ownership in a Growing Economy | IR2 Broadened Ownership of Existing Businesses IR 3 Accelerated Creation/Expansion of MSMEs | June 1995-September 2000 | \$6 million | Direct Creates an enhanced political/economic enabling environment for investment |
| Horticulture Promotion Council (HPC) | Expand & improve contract farming arrangements between large-scale fruit & vegetable exporters & small-scale indigenous growers | SO2 Broadened Ownership in a Growing Economy | IR 3 Accelerated Creation/Expansion of MSMEs | End September 2000 | Funded under ZED Project | Direct Increased supply of high quality fruits and vegetables will enable large exporters to expand exports |
| Expand employee ownership | Facilitate development of employee ownership through ESOPs & other mechanisms | SO2 Broadened Ownership in a Growing Economy | IR 2 Broadened Ownership of Existing Businesses IR 3 Accelerated Creation/Expansion of Sustainable MSMEs | End September 2000 | Funded under ZED Project | Indirect Expanded ownership will lead to productivity increases thereby raising the attractiveness of investment Also enabling foreign-owned locally registered companies to have employee trusts as the local partner will add attractive flexibility to foreign investment decisions |
| Communal Areas Management Programme for Indigenous Resources (CAMPFIRE) Support Services | Local capacity built for sustainable CBNRM | SO1 NRM Strengthened for Sustainable Rural Development in CAMPFIRE Communities | IR 1 1 Sustainable NRM practices IR 1 2 Sound community decision-making processes established | FY2000 | Not available | Direct CBNRM raises local purchasing power and creates investment opportunities |

USAID/Zimbabwe, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Timeframe | Funding | Impact on T&I |
|-------------------------------------------------|-------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|------------------|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| CAMPFIRE Development Fund | Community-based sustainable management of wildlife resources in natural regions IV and V | SO1 NRM Strengthened for Sustainable Rural Development in CAMPFIRE Communities | IR 1 1 Sustainable NRM practices IR 1 2 Sound community decision-making processes established | Ends FY2000 | Not available | Direct CBNRM raises local purchasing power and creates investment opportunities |
| Zimbabwe American Development Foundation (ZADF) | Strategic partnerships will increase private sector development and the growth of political pluralism | SpO1 Increased Opportunities for Participation in the Private Sector & Political Processes | IR 1 1 Increased economic opportunities IR 1 2 Increased development of politically active civil society | FY97-2003 | \$2 5 m grant funds | Direct Focus on MSME credit SME access to technology increased business linkages & strengthened women s business associations will aid T&I |

3. Strategic Analysis of USAID Trade & Investment Activities

3.1 Introduction

Using the inventory of T&I-related activities compiled in Chapter 2, this Chapter categorizes or “clusters” those activities that share common or similar results. These clusters are then used as building blocks to develop a graphic results framework. This framework will show the key elements of an assistance strategy designed to promote increased T&I in Southern Africa.

3.2 Methodology & Classification Criteria

In order to compile the clusters of activities that comprise the basis for the analysis conducted in this chapter, each of the individual activities identified as contributing to increased T&I in the country tables in Chapter 2 was categorized in terms of its end result or impact on T&I. (*The classification of these activities, on a Mission-by-Mission or Office-by-Office basis, is contained in Annex B*) Those activities with similar results were then “clustered,” or combined, into a new set of tables showing the basic elements of USAID’s current T&I strategy.

Reflecting the criteria discussed in Chapter 2, in some cases an activity’s designated SO or IR does not directly reflect this clustered impact on T&I. In addition, many activities contribute to increased T&I in more than one way. For example, a NRM activity may entail, *inter alia*, improvement in the NRM policy environment, expanded local incomes, and NRM capacity building. In such cases, activities were included in more than one category.

3.3 Categorization of USAID Activities

Classifying each USAID activity by its end result yielded the following clusters:

- Macroeconomic/political stability

- Improved economic policy framework,
- Economic capacity building,
- Improved NRM policy framework,
- NRM capacity building,
- Improved infrastructure,
- Reduced constraints to T&I,
- Strengthened business associations
- Regional trade/integration advocacy,
- Sustainable agricultural output,
- Expanded local income,
- Enterprise skills building,
- Improved access to finance,
- Access to technology,
- Improved access to information,
- Strengthened private sector role,
- Expanded business linkages,
- More competitive input/output markets, and,
- Broadened ownership

These clusters of activities can be classified into four overarching classifications. These core classifications, or components, of a strategy to increase trade and investment are

- Activities to improve macro policy frameworks,
- Activities that improve the delivery of economic infrastructure,
- Activities that reduce barriers to trade and investment,
- Activities that lead to expanded output and income

These four components of T&I and the clusters contributing to each component, are shown in Table 3.1 below. The contribution of each of these clusters to T&I, and the types of activities included in

Table 3 1 Components of a T&I Strategy

| Improved Macro Environment | Improved Delivery of Economic Infrastructure | Reduced Barriers to Trade & Investment | Expanded Output & Income |
|---------------------------------------|----------------------------------------------|----------------------------------------|---------------------------------------|
| Macroeconomic and political stability | Road & rail transport | Reduced regulatory constraints | Sustainable agricultural output |
| Improved economic policy framework | Telecommunications | Strengthened business associations | Expanded local income |
| Improved NRM policy framework | Other services | Regional trade/integration advocacy | Enterprise skills building |
| Economic capacity building | | | Improved access to finance |
| NRM capacity building | | | Access to technology |
| | | | Improved access to information |
| | | | Strengthened private sector role |
| | | | Expanded business linkages |
| | | | More competitive input/output markets |
| | | | Broadened ownership |

each cluster, are also discussed in detail below, accompanied by tables containing all identified activities

Macro-Policy Activities

This first group of activities is aimed at improving the larger policy environment needed to support enhanced T&I

- Macroeconomic and political stability This is clearly a basic prerequisite of economic growth and trade and investment, as measured by the elimination of significant economic distortions and the absence of substantive political or military violence. Nearly all the Southern African countries covered in this study have achieved this basic criterion, and consequently, there is little USAID activity in this area. The clear exception is Angola, where the resettlement of internally displaced persons (IDPs) is a necessary precondition of further economic growth, and therefore, an expansion of T&I (see Table 3 2)
- Improved economic policy framework On-going policy dialogue and other activities focusing on national economic policy are a

Table 3 2 Clustered T&I Activities

| Activity/Program | Mission/Center | Mission/Center SO | Mission/Center IR |
|------------------------------------------------------------------|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Macroeconomic/Political Stability | | | |
| Resettlement of underage demobilized soldiers | Angola | SO1 Increased Resettlement Rehabilitation and Food Self Reliance of War Affected Angolan Communities | IR 3 Rehabilitation of war victims and other vulnerable groups |
| Resettlement of internally displaced persons | Angola | SO1 Increased Resettlement Rehabilitation, and Food Self Reliance of War Affected Angolan Communities | IR 3 Rehabilitation of war victims and other vulnerable groups |
| Improved Economic Policy Framework | | | |
| Microenterprise Support Project (MSP) | South Africa | SO5 Increased Access to Financial Markets for the Historically Disadvantaged Population | IR 5 1 Improved policy environment to facilitate access to capital for historically disadvantaged micro enterprises IR 5 2 Improved capacity of the financial sector to service historically disadvantaged micro enterprises |
| DTI Technical Support Facility | South Africa | SO5 Increased Access to Financial Markets for the Historically Disadvantaged Population | IR 5 1 Improved policy environment to facilitate access to capital for historically disadvantaged micro enterprises IR 5 4 Improved policy environment to facilitate access to capital for historically disadvantaged small medium & large enterprises |
| Economic policy reform | Mozambique | SO1 Increased Rural Household Income in Targeted Areas SO2 Government & Civil Society are Effective Partners in Democratic Governance at National & Local Levels | IR 1 2 Expanded enterprises IR 1 3 Sustainable agricultural output |
| Agricultural Sector Assistance Program (ASAP) Phase II | Malawi | SO1 Increased Agricultural Incomes on Per Capita Basis | IR 1 1 Farmer adoption of improved crop production/storage technologies increased IR 1 2 Competitive market environment established IR 1 3 Private sector agribusiness & transport activities expanded |
| Seeds of Freedom | Angola | SO1 Increased Resettlement Rehabilitation and Food Self Reliance of War Affected Angolan Communities | IR1 1 Increased levels of food security in communities where there are significant populations of resettled |
| Strategy Assistance Export Promotion Strategy (for South Africa) | Global/EM | SSO3 Support Appropriate and Functioning Economic Policies Market Reforms in Emerging Markets and Priority Countries | IR 3 1 Increased host country privatization efforts and competitive market environments |
| Support for Economic and Institutional Reform (SEGIR) | Global/EM | SSO3 Support Appropriate and Functioning Economic Policies Market Reforms in Emerging Markets and Priority Countries | IR 3 1 Increased host country privatization & improvements in competitive market environments IR 3 2 Increasingly liquid transparent & rationalized financial markets IR 3 3 Increased economic stability & structural reforms IR 3 4 Increased application of legal institutional & regulatory reforms for competitive markets IR 3 5 Increased trade investment & general business environment |

Table 3 2 Clustered T&I Activities, cont

| Activity/Program | Mission/Center | Mission/Center SO | Mission/Center IR |
|-------------------------------------------------------------------------------------------------------------------------------|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Improved Economic Policy Framework, cont | | | |
| Strategy & other assistance to Bureaus & Missions | Global/EM | SSO3 Support Appropriate and Functioning Economic Policies Market Reforms in Emerging Markets and Priority Countries | IR 3 1 Increased host country privatization & improvements in competitive market environments IR 3 2 Increasingly liquid transparent & rationalized financial markets IR 3 3 Increased economic stability & structural reforms IR 3 4 Increased application of legal institutional & regulatory reforms for competitive markets IR 3 5 Increased trade investment & general business environment |
| Assistance to Missions in the maintenance and extension of economic stabilization reforms | Global/EM | SSO3 Support Appropriate and Functioning Economic Policies Market Reforms in Emerging Markets and Priority Countries | IR 3 3 Increased economic stability & stabilization reforms |
| Assistance to Missions in support of policy reforms enabling countries to keep and improve international competitive position | Global/EM | SSO3 Support Appropriate and Functioning Economic Policies Market Reforms in Emerging Markets and Priority Countries | IR 3 4 Increased application of legal institutional & regulatory reforms for competitive markets |
| Assistance to Missions in reforms conducive to expanded foreign & domestic investment | Global/EM | SSO3 Support Appropriate and Functioning Economic Policies Market Reforms in Emerging Markets and Priority Countries | IR 3 5 Increased trade investment and generally enhanced business environment |
| Regional Activity to Promote Integration Through Dialogue and Improved Policy Implementation (RAPID) | RCSA | SO2 A More Integrated Regional Market SO3 Accelerated Regional Adoption of Sustainable Agriculture & NRM Approaches SO1 Increased Regional Capacity to Influence Democratic Performance | IR 1 Reduced barriers to broadened participation in the regional market IR 2 Improved telecommunications transport and energy infrastructure IR 1 Sustained advocacy for regional integration IR 2 Improved infrastructure to move goods & people IR 1 Increased information sharing within the region IR 2 Increased advocacy & other cooperation bringing regional experience to bear at the national level IR 3 Regional norms further defined by Southern Africans |
| Activities to promote policies to improve cross border trade and diversify export mix | Zambia | SO1 Increased Sustainable Rural Incomes | IR 1 3 Reduced constraints to private sector growth |

key element of many bilateral mission programs, as well as AFR/SD, Global/EM, and RCSA under its Regional Activity to Promote Integration through Dialogue and Improved Policy Implementation (RAPID) (see Table 3 2) While nearly all the countries covered in this study have achieved basic macroeconomic and political stability, continued improvement in national economic policy, at both the macro and micro level, is still required and is an important component of the conditions needed to support expanded T&I

For the purposes of this study, improved economic policy is assumed to include policies towards the agricultural sector, given the importance of this sector in the region's economies, and the impact on this sector of national economic reforms such as reducing the government's role in the economy, privatizing parastatals, and liberalizing markets

- Economic capacity building Improvements in national economic policy – as well as a continued commitment to a market and private sector-oriented economy – rest in large part on the skills and economic capabilities of national government officials Consequently, some missions have adopted programs designed to strengthen this policy-making capacity (see Table 3 3) In addition, these capacity-building efforts are also extended to private sector think tanks and other NGOs in order to improve their capability to contribute to the national economic debate

Economic capacity building activities are primarily concentrated in South Africa and Namibia, but AFR/SD and RCSA are also carrying out such activities AFR/SD is providing support to strengthen governmental, regional, and national training, research, and policy institutions (e g , the African Economic Research Consortium) RCSA – under its RAPID Project (Regional Activity to Promote Integration Through Dialogue and Improved Policy Implementation) – is building the capacity of NGOs and other private sector entities, as well as government officials (including customs officials) to analyze private sector issues that are critical to achieving a more integrated regional market In addition to their capacity-building impact, these activities are also undertaken as a step towards achieving more

Table 3 3 Clustered T&I Activities

| Activity/Program | Mission/Center | Mission/Center SO | Mission/Center IR |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Economic Capacity Building</i> | | | |
| Support for Economic Growth & Analysis/Mandela Economic Scholars Program | South Africa | SO4 Improved Capacity of Key Government & Non Government Entities to Formulate Evaluate & Implement Economic Policies | IR 4 1 Strengthened human resources in economics and policy analysis for key government entities |
| Assistance and training to RSA economic policy departments | South Africa | SO4 Improved Capacity of Key Government & Non Government Entities to Formulate Evaluate & Implement Economic Policies ¹ | IR 4 2 Strengthened government departments that deal with economic policy matters |
| Support to local think tanks (e.g African Institute for Policy Analysis & Economic Integration) | South Africa | SO4 Improved Capacity of Key Government & Non Government Entities to Formulate Evaluate & Implement Economic Policies | IR 4 3 Strengthened think tanks to formulate & evaluate economic policy options of all economic policy makers |
| Tertiary Education Linkages Project (TELP) | South Africa | SO4 Improved Capacity of Key Government & Non Government Entities to Formulate Evaluate & Implement Economic Policies SO2 Transformed Education System Based on Equity of Access and Quality | IR 4 4 Strengthened centers of economics training especially within the historically disadvantaged institutions |
| WTO training activities | REDSO/ESA | SO1 A More Open & Market Driven Regional Economy ² | IR 1 2 Enabling Environment for Private Sector Led Growth and Food Security Improved |
| Support to strengthen governmental national & regional African training research and policy institutions (e.g African Economic Research Consortium) | AFR/SD | SO2 Adoption of Improved Strategies Programs and Activities for Accelerated Sustainable and Equitable Economic Growth | IR 2 1 Improved strategies policies and activities to accelerate sustainable and equitable growth |
| Regional Activity to Promote Integration Through Dialogue and Improved Policy Implementation (RAPID) | RCSA | SO2 A More Integrated Regional Market SO3 Accelerated Regional Adoption of Sustainable Agriculture & NRM Approaches SO1 Increased Regional Capacity to Influence Democratic Performance | IR 1 Reduced barriers to broadened participation in the regional market IR 2 Improved telecommunications transport and energy infrastructure IR 1 Sustained advocacy for regional integration IR 2 Improved infrastructure to move goods & people IR 1 Increased information sharing within the region IR 2 Increased advocacy & other cooperation bringing regional experience to bear at the national level IR 3 Regional norms further defined by Southern Africans |
| Public sector skills training through ATLAS HRDA and other mechanisms | Namibia | SO1 Enhanced Roles for Historically Disadvantaged Namibians in Key Public Sector NGOs and Private Sector Organizations | IR 1 1 Increased number of HDNs acquiring enhanced managerial & technical skills and knowledge IR 1 2 Improved access for trained HDNs in technical managerial & leadership positions |
| NGO capacity building | Namibia | SO1 Enhanced Roles for Historically Disadvantaged Namibians in Key Public Sector, NGOs and Private Sector Organizations | IR 1 1 Increased number of HDNs acquiring enhanced managerial & technical skills and knowledge IR 1 2 Improved access for trained HDNs in technical managerial & leadership positions |

¹ This activity provides training to economists for all areas of government and therefore also serves other strategic objectives such as those related to education and health

² SO1 and its IRs are still not final

effective advocacy for regional integration. In addition, RCSA is also strengthening the policy-making capacity of regional institutions such as SADC. Finally, REDSO is evaluating whether to undertake WTO training activities (under its new SO1)

- Improved NRM policy framework While the sustainable management of natural resources is not typically included as part of a T&I investment strategy, it is an important component in maintaining or preserving what is essentially an economic factor of production – the natural resource, fishery, and wildlife base that supports a large proportion of the region’s population, provides an important source of revenue and investment (e.g., through tourism-related activities), and is a significant source of exports and tradable goods

Efforts to manage this resource in a sustainable manner, through the adoption of new land management techniques, the adoption of CBNRM activities, and other actions, will maintain and enhance both the local purchasing power needed to fuel trade, and the production of agricultural surpluses that will comprise trade and exports.¹ Sustainable management will also encourage natural resources-related investment, be it in the tourism, processing, transport, or other sectors. An improved and supportive NRM policy environment is clearly a necessary ingredient to ensure the adoption and institutionalization of sustainable NRM practices.

To date, activities to improve the NRM policy framework are found on a mission-level in Namibia, Mozambique, Malawi, and Tanzania, supported by RCSA. RCSA also manages a Botswana-specific CBNRM component which is similar to those activities undertaken by the bilateral missions elsewhere in the region (see Table 3.4). AFR/SD’s actions in this area focus on analysis and review, focusing primarily on compiling and disseminating the “lessons learned” regarding the impact of CBNRM activities on biodiversity. REDSO/ESA’s activities in this

¹ As noted previously, agricultural policy activities are grouped with activities supporting an improved economic policy framework owing to the significant impact of national economic reforms (e.g., market and pricing liberalization) on the agricultural sector. Nonetheless, there is clearly an overlap between NRM policy and agricultural policy activities.

Table 3 4 Clustered T&I Activities

| Activity/Program | Mission/Center | Mission/Center SO | Mission/Center IR |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|--------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Improved NRM Policy Framework | | | |
| On going policy dialogue with GRN | Namibia | SO3 Increased Benefits to Historically Disadvantaged Namibians from Sustainable Local Management of Natural Resources | IR 3 1 Improved policy & legislative environment for local content of natural resource management |
| Environmental Education | Namibia | SO3 Increased Benefits to Historically Disadvantaged Namibians from Sustainable Local Management of Natural Resources | IR 3 1 Improved policy & legislative environment for local content of natural resource management IR 3 2 Strengthened community based natural resource management activities in target communities |
| Environment Strategy | Mozambique | SO1 Increased Rural Household Income in Targeted Areas | IR 1 3 Sustainable agricultural output |
| Agricultural Sector Assistance Program (ASAP) Phase II | Malawi | SO1 Increased Agricultural Incomes on Per Capita Basis | IR 1 1 Farmer adoption of improved crop production/storage technologies increased IR 1 2 Competitive market environment established IR 1 3 Private sector agribusiness & transport activities expanded |
| Support for a broad policy legislative & institutional reform agenda to improve NRM | Malawi | SO2 Increased Sustainable Use Conservation and Management of Natural Resources | IR 2 1 Comprehensive policy & legislative framework established IR 2 2 Capacity of NRM institutions strengthened |
| Support in the development of environmentally sound ENRM systems and practices | AFR/SD | SO3 Improved Policies Programs And Strategies In Protecting The Environment In A Sustainable Way | IR 1 Transfer of lessons increased IR 2 Information used more effectively IR 3 Enabling conditions strengthened IR 4 National strategic planning strengthened |
| Regional Coastal Zone Demonstration Activity | REDSO/ESA | SO2 Increased Utilization of Critical Information by USAID & Other Decision Makers in the Region | IR 2 3 Environment & Natural Resources Enhanced dissemination of critical regional development information IR 2 4 Environment & Natural Resources Increased regional collaboration in addressing critical regional development issues |
| Work with GB s Biodiversity Support Program World Resource Institute s Policy Consultative Group and missions to draw lessons learned in CBNRM regarding biodiversity | AFR/SD | SO5 Progress Accelerated in the Spread of Strategically Viable & Environmentally Sound Environment Management Systems | IR 5 1 Develop improve and promote cost effective approaches |
| Ongoing policy dialogue with GOT including TA & capacity building | Tanzania | SO2 Foundation Established for Adoption of Environmentally Sustainable Natural Resource Management Practices in Tanzania | IR 2 1 Policy framework for sustainable NRM established IR 2 2 Institutional & technical capacity for analysis built |
| Support for policy analysis and broadened public private sector dialogue on Ag/NRM policy & regulatory issues | RCSA | SO3 Accelerated Regional Adoption of Sustainable Agriculture and NRM Approaches SO2 A More Integrated Regional Market | IR 1 Functioning systems in place for transferring Ag/NRM technologies and best practices |

area are related to the Regional Coastal Zone Demonstration Activity and its related actions

- **NRM capacity building** Because the protection and sustainable management of natural resources is clearly a new element in the policy agenda of many Southern African nations, capacity building is necessary at the national, district/provincial, and local levels, as governments, local communities, and organizations are trained in the necessary techniques and NRM practices become institutionalized²

NRM capacity-building activities are being undertaken on a bilateral mission basis in Tanzania, Zimbabwe, Mozambique, Zambia, and Malawi (see Table 3.5). In addition, RCSA has a Botswana component of the CBNRM Project, in addition to its regional NRM activities discussed below. REDSO/ESA's capacity-building is related to the Regional Coastal Zone Demonstration Activity, while AFR/SD focuses on training programs aimed at improving African regional capacity to carry out environment assessments, planning, and analysis, these capacity building efforts focus on helping PVOs and NGOs to include environmental issues in their activities, and on strengthening the Network on the Environment and Sustainable Development in Africa (NESDA)³. RCSA's NRM capacity-building activities emphasize sharing the lessons learned from CBNRM and the improved regional management of research findings and implementation.

Improved Infrastructure

The second general category of activities needed to support increased T&I are those actions designed to improve the delivery of economic infrastructure. The contribution made by efficient, low-cost

² Although many of these activities actually take place at a local or community level rather than at the macro level, the institutionalization of NRM practices is an essential part of creating an enabling environment for sustainable NRM in the region and they are grouped accordingly in the macro policy category. In fact, many of these activities also include income-generating elements and thus are also grouped below with those activities classified as expanding output and income.

³ AFR/SD'S activities also include support to missions in implementing environmental SOs through assistance with reengineering principles. Strategic Plan (FY 1998-2003) p. 52.

Table 3 5 Clustered T&I Activities

| Activity/Program | Mission/Center | Mission/Center SO | Mission/Center IR |
|-------------------------------------------------------------------------------------------------------------------|----------------|--------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>NRM Capacity Building</i> | | | |
| Ongoing policy dialogue with GOT including TA & capacity building | Tanzania | SO2 Foundation Established for Adoption of Environmentally Sustainable Natural Resource Management Practices in Tanzania | IR 2 1 Policy framework for sustainable NRM established IR 2 2 Institutional & technical capacity for analysis built |
| Support for collaboration between African Wildlife Foundation and World Wildlife Fund with Department of Wildlife | Tanzania | SO2 Foundation Established for Adoption of Environmentally Sustainable Natural Resource Management Practices in Tanzania | IR 2 1 Policy framework for sustainable NRM established IR 2 2 Institutional & technical capacity for analysis built |
| Participatory Environmental Resource Management (PERM) | Tanzania | SO2 Foundation Established for Adoption of Environmentally Sustainable Natural Resource Management Practices in Tanzania | IR 2 1 Policy framework for sustainable NRM established IR 2 2 Institutional and technical capacity for analysis built IR 2 3 Appropriate NRM methodologies identified field tested and implemented in pilot areas |
| Tuskegee University/Sokoine University of Agriculture Linkages (TU/SUA) | Tanzania | SO2 Foundation Established for Adoption of Environmentally Sustainable Natural Resource Management Practices in Tanzania | IR 2 2 Institutional and technical capacity for analysis built IR 2 3 Appropriate NRM methodologies identified field tested and implemented in pilot areas |
| Kagera Resources Management Program (KRM) | Tanzania | SO2 Foundation Established for Adoption of Environmentally Sustainable Natural Resource Management Practices in Tanzania | IR 2 2 Institutional & technical capacity for analysis built IR 2 3 Appropriate NRM approaches and technologies identified field tested and implemented in pilot areas |
| Communal Areas Management Programme for Indigenous Resources (CAMPFIRE) Support Services | Zimbabwe | SO1 NRM Strengthened for Sustainable Rural Development in CAMPFIRE Communities | IR 1 1 Sustainable NRM practices IR 1 2 Sound community decision making processes established |
| CAMPFIRE Development Fund | Zimbabwe | SO1 NRM Strengthened for Sustainable Rural Development in CAMPFIRE Communities | IR 1 1 Sustainable NRM practices IR 1 2 Sound community decision making processes established |
| Environment Strategy | Mozambique | SO1 Increased Rural Household Income in Targeted Areas | IR 1 3 Sustainable agricultural output |
| Establishment of national NRM endowment fund | Malawi | SO2 Increased Sustainable Use Conservation and Management of Natural Resources | IR 2 2 Capacity of national NRM institutions strengthened |
| Community based natural resource management (CBNRM) | Malawi | SO2 Increased Sustainable Use Conservation and Management of Natural Resources | IR 2 4 Capacity of communities to manage natural resources improved |
| Regional Coastal Zone Demonstration Activity | REDSO/ESA | SO2 Increased Utilization of Critical Information by USAID & Other Decision Makers in the Region | IR 2 3 Environment & Natural Resources Enhanced dissemination of critical regional development information IR 2 4 Environment & Natural Resources Increased regional collaboration in addressing critical regional development issues |

Table 3 5 Clustered T&I Activities, cont

| Activity/Program | Mission/Center | Mission/Center SO | Mission/Center IR |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>NRM Capacity Building, cont.</i> | | | |
| Network and Capacity Building Program (with IUCN's regional office for Southern Africa) | RCSA | SO3 Key Regional Conditions Established that Support Sustainable Increases in Productivity of Agriculture & Natural Resources by Shareholders | IR 3 1 Growing capacity of southern African institutions to lead efforts to address regional problems dynamic networks & other mechanisms for regional sharing of information & technology established |
| Natural Resources Management Program (NRMP) ¹ | RCSA | SO3 Accelerated Regional Adoption of Sustainable Agriculture and NRM Approaches | IR 1 Functioning systems in place for transferring Ag/NRM technologies and best practices across the region IR 2 An enabling environment which promotes increased incentives for smallholders and communities to adopt sustainable Ag/NRM technologies/ approaches |
| Support to SADC Technical Coordination Unit for Wildlife | RCSA | SO3 Accelerated Regional Adoption of Sustainable Agriculture and NRM Approaches | IR 1 Functioning systems in place for transferring Ag/NRM technologies and best practices |
| Botswana Component of CBNRM Project | RCSA | SO3 Accelerated Regional Adoption of Sustainable Agriculture and NRM Approaches | IR 1 Functioning systems in place for transferring Ag/NRM technologies and best practices across the region IR 2 An enabling environment which promotes increased incentives for smallholders and communities to adopt sustainable Ag/NRM technologies/ approaches |
| Agricultural Research Management Training program and specific research programs (e.g. SMIP) | RCSA | SO3 Accelerated Regional Adoption of Sustainable Agriculture and NRM Approaches | IR 1 Functioning systems in place for transferring Ag/NRM technologies and best practices |
| Support for environmental capacity building training programs strengthening of Network on the Environment & Sustainable Development in Africa (NESDA) | AFR/SD | SO5 Progress Accelerated in the Spread of Strategically Viable & Environmentally Sound Environment Management Systems | IR 5 2 Enabling conditions identified and put in place to stimulate approach adoption |
| Facilitate emergence of NRM based rural enterprises | Zambia | SO1 Increases Sustained Rural Incomes | IR 1 1 Increased sustainable agricultural and NR based production |

¹ The Namibia, Zambia, and Zimbabwe components of NRMP are managed by their respective bilateral missions, and RCSA manages the Botswana and regional coordination components

infrastructure services and transport to enhanced T&I is self-evident. Higher quality and lower cost infrastructure ensures better access to goods and services, improves production and marketing opportunities, and reduces opportunity costs for producers and consumers. Moreover, within Southern Africa, the increased efficiency of transport infrastructure has both substantial national and regional implications for T&I. Finally, infrastructure improvements – particularly if brought about through privatization or increased private sector competition, provide significant investment opportunities.

The improved delivery of infrastructure can be broken down into three sub-components – improved reliability, reduced cost, and improved access – but in fact most infrastructure activities address more than one of these goals. As a result, it is difficult to categorize individual activities as serving one or another of these closely inter-related goals. Consequently, infrastructure-related activities are grouped according to whether they focus on rail or road transport, telecommunications, or other service improvements.

The bulk of infrastructure-related activities are focused on improving the efficiency of the region's railroads (see *Table 3.6*). USAID has largely chosen to date not to engage in road transport activities and has left these to other donors. The exceptions are bilateral mission activities in Tanzania and Mozambique, where RCSA consultants are currently assessing the desirability and feasibility of undertaking activities aimed at improving road management through the introduction of a Regional Roads Management System. In Tanzania and Mozambique, improvements to the road system were undertaken as critical elements in improving agricultural performance and creating linkages between key agricultural areas and markets.

The majority of infrastructure improvements have been focused on the road and rail transport sector rather than on the service sector. Regional telecommunications improvements, however, are being addressed through RCSA's Regional Telecommunications Restructuring Project (RTRP). Through RTRP two missions have focused on improving the provision of telecommunications services – either through telecommunications privatization (Zambia), or through efforts to extend telecommunications services to rural areas (Tanzania).

Table 3 6 Clustered T&I Activities

| Activity/Program | Mission/Center | Mission/Center SO | Mission/Center IR |
|----------------------------------------------------------------------------------------------------|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| Improved Infrastructure | | | |
| Railroad | | | |
| Malawi Railways Restructuring Program (MRRP) | Malawi | SO1 Increased Agricultural Incomes on Per Capita Basis | IR 1 3 Private sector agribusiness & transport activities expanded |
| SADC Transport Efficiency Project (STEP) | Mozambique | SO1 Increased Rural Household Income in Targeted Areas | IR 1 1 Market access |
| Support to the Tanzania Zambia Railway Authority (TAZARA) to strengthen regional rail network | Tanzania | SO5 Selected Infrastructure Improved | IR 5 2 TAZARA operates on commercial principles |
| SADC Transport Efficiency Project (STEP) | RCSA | SO2 A More Integrated Regional Market | IR 2 Improved telecommunications transport & energy infrastructure |
| Policy Analysis Assistance to SADC (PAAS) | RCSA | SO2 A More Integrated Regional Market | IR 2 Improved telecommunications transport & energy infrastructure |
| Rolling Stock Information System (RSIS) | RCSA | SO2 A More Integrated Regional Market | IR 2 Improved telecommunications transport & energy infrastructure |
| Malawi Railways Restructuring Program (MRRP) (Part of the Southern Africa Regional Program – SARP) | RCSA | SO2 A More Integrated Regional Market | IR 2 Improved telecommunications transport & energy infrastructure |
| Road | | | |
| Rural Access Project (RAP) | Mozambique | SO1 Increased Rural Household Income in Targeted Areas SO2 Government & Civil Society are Effective Partners in Democratic Governance at National & Local Levels SO3 Increased Use of Essential Maternal & Child Health & Family Planning Services in Focus Areas | IR 1 1 Market access IR 1 2 Expanded enterprises IR 1 3 Sustainable agricultural output |
| Regional Roads Management System | RCSA | SO2 A More Integrated Regional Market | IR 1 Reduced barriers to broadened participation in the regional market IR 2 Improved telecommunications transport and energy infrastructure |
| Agricultural Transport Assistance Program (ATAP) | Tanzania | SO5 Selected Infrastructure Improved | IR 5 1 Rural and district roads improved |
| Telecommunications | | | |
| Rural Telecommunications in Tanzania (RTT) | Tanzania | SO5 Selected Infrastructure Improved | IR 5 3 Rural telecommunications provided |
| Regional Telecommunications Restructuring Project (RTRP) | RCSA | SO2 A More Integrated Regional Market | IR 2 Improved telecommunications transport & energy infrastructure |
| Regional Telecommunications Restructuring Project (RTRP) | Zambia | SO1 Reduce the State's Role in the Provision of Goods and Services | IR 1 1 Divestiture of SOEs IR 1 2 Management of privatized SOEs improved through business training and entrepreneurial support |

Table 3 6 Clustered T&I Activities, cont

| Activity/Program | Mission/Center | Mission/Center SO | Mission/Center IR |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| Improved Infrastructure, cont | | | |
| Telecommunications, cont. | | | |
| Negotiation of telecommunications policy reforms that substitute cost based affordable tariffs allow open Internet access & allow private sector Internet providers | AFR/SD | SO4 Develop & Implement More Affordable & More Effective Mechanisms for Producing Sharing & Using Development Information ¹ | IR 4 1 Increased use by development policy makers and practitioners of improved information & communication technology to promote sustainable development |
| Provision of hardware to expand Internet access potential service providers trained in technical & managerial aspects of Internet service provision support for provision of infrastructure allowing internet access beyond capital cities | AFR/SD | SO4 Develop & Implement More Affordable & More Effective Mechanisms for Producing Sharing & Using Development Information | IR 4 1 Establish a sustainable supply of Internet and other Global Information Infrastructure (GII) information and communication services |
| Other services | | | |
| Regional Energy Sector Activities | RCSA | SO2 A More Integrated Regional Market | IR 2 Improved telecommunications transport and energy infrastructure |
| Privatization of Luanda s urban water system | Angola | SpO1 Facilitate Angola s Preparation and Implementation of Economic Structural Adjustment and Macroeconomic Programs | IR 1 Commitment to economic reform forged |

¹ The Leland Initiative forms the core of SO5

In addition, RCSA has also been assisting governments within the region to develop and adopt model telecommunications legislation. These activities are pursued in the context of RCSA's larger emphasis on improving/harmonizing infrastructure regulations and policies in the region. AFR/SD is similarly pursuing a number of telecommunications-related activities -- ranging from policy liberalization to the provision of internet-related hardware -- but these are all occurring in the context of implementation of the Leland Initiative, rather than in terms of improving the overall cost or quality of telecommunications services.

Other on-going infrastructure-related activities in the region include efforts to privatize Luanda's urban water system, and RCSA's support to the implementation of the SADC Protocol on Transport, Communications and Meteorology. RCSA is also currently evaluating the feasibility of undertaking regionally focused infrastructure activities in the energy sector.

*Reduced Barriers
to T&I*

The third category of activities needed to create enhanced T&I are those that eliminate obstacles to an expansion of trade and investment within the region or which actively encourage the expansion of regional T&I. These activity clusters are

- Reduced constraints to T&I. While macroeconomic and other policy forms are essential prerequisites of expanded trade and investment, these macro-level policy changes – while necessary – are insufficient to enable an increase of the expanded private sector activity needed to fuel expanded trade and investment. Equally important are regulatory and other reforms that reduce the barriers to business establishment and operation, and subsequently, to trade and growth. Such legal, regulatory, institutional, and administrative reforms can be divided into two categories: *intra-country* reforms that remove the constraints on trade and on domestic and foreign investment, and *inter-country* reforms that reduce barriers to cross-border trade (both within the region and with countries outside the region) and investment flows.

Intra-country reforms include such changes such as simplified

and transparent business establishment procedures, accelerated investment approvals, liberalized input/output markets, simplified daily business transactions such as import and export clearance, improved regulatory transparency, reductions or elimination of government monopolies, and the introduction of simplified and competitive investment regimes. It should be noted that many of these reforms are of importance not only to large- and medium-sized domestic and foreign investors, but are also equally or more important in encouraging the growth of MSME firms, most of whom do not have the resources or capabilities to negotiate a complex regulatory or business operating environment.

Measures to reduce inter-country constraints to trade and investment include such reforms as improved cross-border procedures, reductions in tariff levels and non-tariff barriers, harmonization of T&I regulations, liberalized foreign exchange procedures, and improvements in market information. Such reforms not only will facilitate cross-border trade, but they can also facilitate international trade and investment flows.

A significant number of USAID activities are devoted to reducing regulatory constraints to T&I (see Table 3.7). Much of this is at a bilateral mission level (although this is not a focus of the mission portfolios in South Africa, Zimbabwe, and Namibia), and is focused on intra-country regulatory constraints. The exception is USAID/Zambia, which is pursuing activities aimed at improving cross-border trade. Global/EM, AFR/SD, and REDSO/ESA Offices all provide mission assistance in the areas of intra-country regulatory reform, improved business/ investment environments, privatization, and related reforms.

The reduction of inter-country barriers is addressed in varying ways by Global/EM, AFR/SD, RCSA, and REDSO/ESA. Both Global/EM and AFR/SD provide assistance aimed at improving countries' international competitiveness. REDSO and RCSA both address regional trade barriers. REDSO, through its Regional Trade Activities, focuses on cross-border trade policy, intra-regional transport, and related issues. REDSO is also considering conducting a Regional Investors Roadmap, as well as providing

Table 3 7 Clustered T&I Activities

| Activity/Program | Mission/Center | Mission/Center SO | Mission/Center IR |
|---------------------------------------------------------------------------------------------------|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reduced Constraints | | | |
| Economic policy reform | Mozambique | SO1 Increased Rural Household Income in Targeted Areas SO2 Government & Civil Society are Effective Partners in Democratic Governance at National & Local Levels | IR 1 2 Expanded enterprises IR 1 3 Sustainable agricultural output |
| Private Sector Initiative (to be developed?) | Mozambique | SO1 Increased Rural Household Income in Targeted Areas | IR 1 2 Expanded enterprises |
| SMARTS program (Services Membership and Revenue for TCCIA Sustainability) by The Business Centre | Tanzania | SO4 Increased Micro and Small Enterprise Participation in the Economy | IR 4 4 Strengthen business associations |
| Business Centre promotion of policy dialogue with GOT Investor Roadmap exercise and EAGER studies | Tanzania | SO4 Increased Micro and Small Enterprise Participation in the Economy | IR 4 2 Legal and regulatory reform to support new and existing businesses |
| Revision of the Investment Code | Angola | SpO1 Facilitate Angola s Preparation and Implementation of Economic Structural Adjustment and Macroeconomic Programs | IR 1 Commitment to economic reform forged |
| Support for an improved business contract culture | Zambia | SO1 Increased Sustainable Rural Incomes SO4 A More Sustainable Multi Party Democracy Built | IR 1 3 Reduced constraints to private sector growth |
| Activities to promote policies to improve cross border trade and diversify export mix | Zambia | SO1 Increased Sustainable Rural Incomes | IR 1 3 Reduced constraints to private sector growth |
| Agricultural Sector Assistance Program (ASAP) Phase II | Malawi | SO1 Increased Agricultural Incomes on Per Capita Basis | IR 1 1 Farmer adoption of improved crop production/storage technologies increased IR 1 2 Competitive market environment established IR 1 3 Private sector agribusiness & transport activities expanded |
| Support for Economic and Institutional Reform (SEGIR) | Global/EM | SSO3 Support Appropriate and Functioning Economic Policies Market Reforms in Emerging Markets and Priority Countries | IR 3 1 Increased host country privatization & improvements in competitive market environments IR 3 2 Increasingly liquid transparent & rationalized financial markets IR 3 3 Increased economic stability & structural reforms IR 3 4 Increased application of legal institutional & regulatory reforms for competitive markets IR 3 5 Increased trade investment & general business environment |
| Strategy & other assistance to Bureaus & Missions | Global/EM | SSO3 Support Appropriate and Functioning Economic Policies Market Reforms in Emerging Markets and Priority Countries | IR 3 1 Increased host country privatization & improvements in competitive market environments IR 3 2 Increasingly liquid transparent & rationalized financial markets IR 3 3 Increased economic stability & structural reforms IR 3 4 Increased application of legal institutional & regulatory reforms for competitive markets IR 3 5 Increased trade investment & general business environment |

Table 3 7 Clustered T&I Activities, cont

| Activity/Program | Mission/Center | Mission/Center SO | Mission/Center IR |
|--------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reduced Constraints, cont | | | |
| Assessment Information Campaign to Streamline SME Approval (Tanzania) | Global/EM | SSO3 Support Appropriate and Functioning Economic Policies Market Reforms in Emerging Markets and Priority Countries | IR 3 5 Increased trade investment & general business environment |
| Strategy Assistance Export Promotion Strategy (for South Africa) | Global/EM | SSO3 Support Appropriate and Functioning Economic Policies Market Reforms in Emerging Markets and Priority Countries | IR 3 1 Increased host country privatization efforts and competitive market environments |
| Seminar SADC Customs & Trade Documents Workshops (Botswana) | Global/EM | SSO3 Support Appropriate and Functioning Economic Policies Market Reforms in Emerging Markets and Priority Countries | IR 3 5 Increased trade investment & general business environment |
| Assessment RCSA Trade Facilitation Management System | Global/EM | SSO3 Support Appropriate and Functioning Economic Policies Market Reforms in Emerging Markets and Priority Countries | IR 3 5 Increased trade investment & general business environment |
| Assistance to Missions in support of policy reforms enabling countries to keep and improve international competitive position | Global/EM | SSO3 Support Appropriate and Functioning Economic Policies Market Reforms in Emerging Markets and Priority Countries | IR 3 4 Increased application of legal institutional & regulatory reforms for competitive markets |
| Assistance to Missions in reforms conducive to expanded foreign & domestic investment | Global/EM | SSO3 Support Appropriate and Functioning Economic Policies Market Reforms in Emerging Markets and Priority Countries | IR 3 5 Increased trade investment and generally enhanced business environment |
| Private Sector Expertise Support | REDSO/ESA | SSO1 Effective Technical & Program Support to ESA Missions | IR 1 1 Improved management of REDSO/ESA services to ESA missions |
| COMESA ESAO & AABA advocacy groups lobbying for supportive private sector policies | REDSO/ESA | SO1 A More Open and Market Driven Regional Economy* | IR 1 2 Enabling Environment for Private Sector Led Growth and Food Security Improved |
| Regional Investors Roadmap | REDSO/ESA | SO1 A More Open and Market Driven Regional Economy | IR 1 3 Transnational Trade and Business Linkages for the Region Encouraged and Strengthened |
| COMESA and ESABO advocacy groups lobbying for a reduction in tariff and non tariff barriers | REDSO/ESA | SO1 A More Open and Market Driven Regional Economy* | IR 1 2 Enabling Environment for Private Sector Led Growth and Food Security Improved |
| Regional Trade Activities (RTA) addressing ESA intra regional transportation costs cross border trade policy & comparative advantage | REDSO/ESA | SO2 Increased Utilization of Critical Information by USAID & Other Decision Makers in the Region SO3 Establish a Strong Basis for Implementation of the Greater Horn of Africa Initiative | IR 2 2 Improved models & technologies for use in priority development areas IR 2 4 Increased regional collaboration in addressing critical regional development issues IR 2 5 Strengthened human & institutional capacity to generate analyze & use critical regional development information IR 3 3 Greater regional collaboration for sustainable economic growth |

Table 3 7 Clustered T&I Activities, cont

| Activity/Program | Mission/Center | Mission/Center SO | Mission/Center IR |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reduced Constraints, cont: | | | |
| Strengthening Regional Economies through NGOs (STRENGTH) | RCSA | SO2 A More Integrated Regional Market SO1 Increased Regional Capacity to Influence Democratic Performance SO3 Accelerated Regional Adoption of Sustainable Agriculture and NRM Approaches | IR 3 Sustained advocacy for regional integration |
| Trade Facilitation Management System | RCSA | SO2 A More Integrated Regional Market | IR 1 Reduced barriers to broadened participation in the regional market |
| Regional Activity to Promote Integration Through Dialogue and Improved Policy Implementation (RAPID) | RCSA | SO2 A More Integrated Regional Market SO3 Accelerated Regional Adoption of Sustainable Agriculture & NRM Approaches SO1 Increased Regional Capacity to Influence Democratic Performance | IR 1 Reduced barriers to broadened participation in the regional market IR 2 Improved telecommunications transport and energy infrastructure IR 1 Sustained advocacy for regional integration IR 2 Improved infrastructure to move goods & people IR 1 Increased information sharing within the region IR 2 Increased advocacy & other cooperation bringing regional experience to bear at the national level IR 3 Regional norms further defined by Southern Africans |
| Short term TA to enable countries to implement trade & tax reforms become WTO members create private sector enabling environments through deregulation and investment code changes develop financial markets & support privatization ¹ | AFR/SD | SO2 Adoption of Improved Strategies Programs and Activities for Accelerated Sustainable and Equitable Economic Growth | IR 2 1 Improved strategies policies and activities to accelerate sustainable and equitable growth |
| Support for privatization programs deregulation and establishment of a legal regulatory and judicial private sector enabling environment | AFR/SD | SO2 Adoption of Improved Strategies Programs and Activities for Accelerated Sustainable and Equitable Economic Growth | IR 2 1 Improved strategies policies and activities to accelerate sustainable and equitable growth |
| TA to help African governments to improve the investment climate & attract U S agricultural T&I | AFR/SD | SO3 Improved Agricultural Policies Programs and Strategies | IR 3 1 Improved agricultural programs policies and strategies promoted |

¹ This short term TA is provided as part of the African T&I Initiative

support to groups such as COMESA and ESABO to lobby for a reduction in tariff and non-tariff barriers, and other private sector support policies ⁴

RCSA addresses constraints to cross-border T&I through a variety of activities, primarily under RAPID. Key examples of these include policy interventions, working with private sector groups to assist them in addressing practical constraints to T&I, assistance to national private sectors to develop a national position in the SADC Trade Protocol, support to COMESA to improve implementation of the Rules of Origin and Yellow Card Integration Scheme, support for a SADC workshop to simplify and harmonize customs declarations, and assistance to SADC's Investment and Trade Coordinating Unit to implement the SADC Protocol. RCSA is also working on reducing regulatory constraints to T&I, particularly as they pertain to cross-border T&I and infrastructure, and is examining possible interventions in the area of trade facilitation.

- Strengthened business associations A few activities focus on strengthening regional business networks and associations and associations engaging in issues related to regional integration (see Table 3.8). Such activities aid T&I by strengthening the capabilities of such associations to lobby governments more effectively for trade-enhancing reforms.

Tanzania is the only bilateral mission to undertake this activity, through its support to the Tanzanian Chamber of Commerce. Otherwise, these activities are carried out by RCSA, REDSO, and AFR/SD. While regional in focus, RCSA support is not limited to regional associations (since these are few in number) but is also available to national business associations (or clusters of such associations) to the extent that they are engaged in issues related to promoting regional integration. REDSO's activities are concentrated on support to regional private sector associations (such as the All-Africa Businesswomen's Association – AABA) and NGOs, while AFR/SD has a unique mandate under the Trade

⁴ Under its SO1 which is not yet final

Table 3 8 Clustered T&I Activities

| Activity/Program | Mission/Center | Mission/Center SO | Mission/Center IR |
|-------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| <i>Strengthened Business Associations</i> | | | |
| Strengthening Regional Economies through NGOs (STRENGTH) | RCSA | SO2 A More Integrated Regional Market | IR 3 Sustained advocacy for regional integration |
| Support for establishment of regional transport related trade associations | RCSA | SO2 A More Integrated Regional Market | IR 1 Reduced barriers to broadened participation in the regional market IR 3 Sustained advocacy for regional integration |
| SMARTS program (Services Membership and Revenue for TCCIA Sustainability) by The Business Centre | Tanzania | SO4 Increased Micro and Small Enterprise Participation in the Economy | IR 4 4 Strengthen business associations |
| Capacity building of regional organizations such as establishing appropriate internal financial and information systems | REDSO | SO1 A More Open and Market Driven Regional Economy* | IR 1 1 Capacity of Partner Organizations that Support Regional Integration Enhanced |
| Support to regional private sector organizations & NGOs | REDSO | SO3 Establish a Strong Basis for Implementation of the Greater Horn of Africa Initiative | IR 3 3 Greater regional collaboration for sustainable economic growth |
| Catalytic support to regional business networks | AFR/SD | SO2 Adoption of Improved Strategies Programs and Activities for Accelerated Sustainable and Equitable Economic Growth | IR 2 1 Improved strategies policies and activities to accelerate sustainable and equitable growth |
| <i>Regional Trade/Integration Advocacy</i> | | | |
| Regional Activity to Promote Integration Through Dialogue and Improved Policy Implementation (RAPID) | RCSA | SO2 A More Integrated Regional Market | IR 3 Sustained advocacy for regional integration |
| Support for establishment of regional transport related trade associations | RCSA | SO2 A More Integrated Regional Market | IR 1 Reduced barriers to broadened participation in the regional market IR 3 Sustained advocacy for regional integration |
| Strengthening Regional Economies through NGOs (STRENGTH) | RCSA | SO2 A More Integrated Regional Market | IR 3 Sustained advocacy for regional integration |

Table 3 8 Clustered T&I Activities, cont

| Activity/Program | Mission/Center | Mission/Center SO | Mission/Center IR |
|--------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Regional Trade/Integration Advocacy, cont | | | |
| Policy Analysis Assistance to SADC (PAAS) ¹ | RCSA | SO2 A More Integrated Regional Market | IR 2 Improved telecommunications transport & energy infrastructure |
| Support to regional private sector organizations & NGOs | REDSO/ESA | SO3 Establish a Strong Basis for Implementation of the Greater Horn of Africa Initiative | IR 3 3 Greater regional collaboration for sustainable economic growth |
| Private Sector Expertise Support | REDSO/ESA | SSO1 Effective Technical & Program Support to ESA Missions | IR 1 1 Improved management of REDSO/ESA services to ESA missions |
| Regional Trade Activities (RTA) addressing ESA intra regional transportation costs cross border trade policy & comparative advantage | REDSO/ESA | SO2 Increased Utilization of Critical Information by USAID & Other Decision Makers in the Region SO3 Establish a Strong Basis for Implementation of the Greater Horn of Africa Initiative | IR 2 2 Improved models & technologies for uses in priority development areas IR 2 4 Increased regional collaboration in addressing critical regional development issues IR 2 5 Strengthened human & institutional capacity to generate analyze & use critical regional development information IR 3 3 Greater regional collaboration for sustainable economic growth |
| Horn of Africa Support Project (HASP) ² | REDSO/ESA | SO3 Establish a Strong Basis for Implementation of the Greater Horn of Africa Initiative | IR 3 3 Greater regional collaboration for sustainable economic growth |

¹ STEP/PAAS is managed by USAID/Mozambique

² HASP is SO3 s primary vehicle for operationalizing the GHAI

and Investment Initiative to foster partnerships between African and American businesses and business associations

- Regional trade/integration advocacy An important contributor to the reduction or elimination of barriers to regional or inter-country T&I is an increase in the effectiveness of regional advocacy groups in stimulating policy or regulatory changes. Accordingly, a small number of activities focus on strengthening or creating advocacy groups focused on reducing barriers to regional trade. Not surprisingly, given the regional and “hands-on” focus of these activities, they are managed by either RCSA (through its activities under RAPID, as discussed above, and to strengthen regional and national NGOs, via STRENGTH) or REDSO/ESA (through its Regional Trade Activities, Horn of Africa Support Project, and support to regional private sector organizations and NGOs) (see Table 3.8)

Expanded Output and Income

Finally, a number of activities are focused on expanding output and income at the firm or farm level. Increased output and income at the firm or farm level is a necessary contributor to expanding T&I. This category includes the broadest variety of activities, including those improving access to finance, information, or technology, expanding agricultural or natural resource outputs, and enterprise skills building, among others. The clusters of activities that support this objective include the following:

- Sustainable agricultural output Sustainable agricultural output not only produces surpluses for trading, but also raises disposable rural incomes and purchasing power. It also has the ancillary benefit of encouraging private investment in marketing and transport of such surpluses. In most of the countries covered in this study, the agricultural sector will be the engine of economic growth in the short- to medium-term. Activities to improve sustainable agricultural output will not only lead to increased trade and investment by farmers, but also by rural non-farm enterprises (RNFEs), as well as leading to expanded agro-processing operations.

With the exception of Namibia and South Africa, all bilateral missions have activities contributing to expanded agricultural output (*see Table 3.9*). The types of activities underway range from policy reforms to liberalize agricultural markets and marketing systems for inputs, to strengthening systems of extension agents, and to improving rural road networks (in Mozambique). Global/EM has no activities in this area, while AFR/SD focuses on the development and dissemination of environmentally sound sustainable agricultural methods. REDSO/ESA's activities occur in the context of regional famine relief and the GHAI initiative, focusing on methods to better replenish the food supply and agricultural output following famines and other disasters (in addition to its agricultural research activities, discussed below under improved access to technology).

- Expanded local income While closely related to the above cluster of activities – given that expanded income is also the result of expanding agricultural output – this cluster primarily includes those rural-focused activities that raise local incomes by means other than improved agricultural output (*see Table 3.9*). These activities predominantly include a number of CBNRM activities (many of which also include a NRM capacity building element) and activities aimed at non-farm rural enterprises. As with the cluster of NRM capacity building activities, most of the activities raising local income are operated on a bilateral basis or through RCSA.
- Enterprise skills building These activities take place almost predominantly on a bilateral basis, but are limited to Tanzania, South Africa, Namibia, Zambia, and Mozambique only. Improving the capacity of enterprises to successfully manage and operate their businesses is a clear prerequisite for expanded trade and investment by these firms.

USAID's enterprise skills building activities in the region take several forms: direct, hands-on technical assistance to firms (e.g., through IESC, NGO, or other intermediaries to assist firms in their management and financial capabilities), assistance to

Table 3 9 Clustered T&I Activities

| Activity/Program | Mission/Center | Mission/Center SO | Mission/Center IR |
|---------------------------------------------------------------------------------------------------------------------------------------------|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Sustainable Agricultural Output | | | |
| Horticulture Promotion Council (HPC) | Zimbabwe | SO2 Broadened Ownership in a Growing Economy | IR 3 Accelerated Creation/Expansion of MSMEs |
| Activities to support increased sustainable agricultural output of cashews and other crops | Mozambique | SO1 Increased Rural Household Income in Targeted Areas | IR 1 2 Expanded enterprises IR 1 3 Sustainable agricultural output |
| Rural Access Project (RAP) | Mozambique | SO1 Increased Rural Household Income in Targeted Areas SO2 Government & Civil Society are Effective Partners in Democratic Governance at National & Local Levels SO3 Increased Use of Essential Maternal & Child Health & Family Planning Services in Focus Areas | IR 1 1 Market access IR 1 2 Expanded enterprises IR 1 3 Sustainable agricultural output |
| Agricultural Sector Assistance Program (ASAP) Phase II | Malawi | SO1 Increased Agricultural Incomes on Per Capita Basis | IR 1 1 Farmer adoption of improved crop production/storage technologies increased IR 1 2 Competitive market environment established IR 1 3 Private sector agribusiness & transport activities expanded |
| Seeds of Freedom | Angola | SO1 Increased Resettlement Rehabilitation and Food Self Reliance of War Affected Angolan Communities | IR1 1 Increased levels of food security in communities where there are significant populations of resettled |
| Support for activities linking relief and development (e.g. Seeds for Hope II Somalia Integrated Strategic Plan) | REDSO/ESA | SO3 Establish a Strong Basis for Implementation of the Greater Horn of Africa Initiative SO4 Effective Delivery of USAID's Humanitarian Assistance | IR 3 4 Strategies developed for transition from crises to sustainable development |
| Agricultural Sector Liberalization Project (ASLP) | Zambia | SO2 Increase the Productive Participation of Rural Enterprises and Communities in the National Economy | IR 2 1 Efficient product marketing systems exist IR 2 2 Productive economic participation increases rural investment IR 2 3 Diversified & productive farm enterprise management practices |
| Continued support to efforts to expand NRM programs to include environmentally sustainable agriculture (e.g. through expanded NEXUS effort) | AFR/SD | SO5 Progress Accelerated in the Spread of Strategically Viable & Environmentally Sound Environment Management Systems | IR 5 1 Develop improve and promote cost effective approaches |
| Regional Research Coordination Program | RCSA | SO3 Accelerated Regional Adoption of Sustainable Agriculture and NRM Approaches | IR 1 Functioning systems in place for transferring Ag/NRM technologies and best practices |

Table 3 9 Clustered T&i Activities, cont

| Activity/Program | Mission/Center | Mission/Center SO | Mission/Center IR |
|----------------------------------------------------------------------------------------------------------------------|----------------|--------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Expanded Local Income | | | |
| Natural Resources Management Program (NRMP) ¹ | RCSA | SO3 Accelerated Regional Adoption of Sustainable Agriculture and NRM Approaches | IR 1 Functioning systems in place for transferring Ag/NRM technologies and best practices across the region IR 2 An enabling environment which promotes increased incentives for smallholders and communities to adopt sustainable Ag/NRM technologies/ approaches |
| Botswana Component of CBNRM Project | RCSA | SO3 Accelerated Regional Adoption of Sustainable Agriculture and NRM Approaches | IR 1 Functioning systems in place for transferring Ag/NRM technologies and best practices across the region IR 2 An enabling environment which promotes increased incentives for smallholders and communities to adopt sustainable Ag/NRM technologies/ approaches |
| Support to expand CBNRM practices in region | RCSA | SO3 Accelerated Regional Adoption of Sustainable Agriculture and NRM Approaches | IR 2 An enabling environment which promotes increased incentives for smallholders and communities to adopt sustainable Ag/NRM technologies/ approaches |
| Applied research in participatory rural development & role of non farm rural enterprises in increasing rural incomes | Zambia | SO2 Increase the Productive Participation of Rural Enterprises and Communities in the National Economy | IR 2 2 Productive economic participation increases rural investment |
| Administrative Design for Game Management Areas (ADMADE) | Zambia | SO2 Increase the Productive Participation of Rural Enterprises and Communities in the National Economy | IR 2 2 Productive economic participation increases rural investment |
| Facilitate emergence of NRM based rural enterprises | Zambia | SO1 Increases Sustained Rural Incomes | IR 1 1 Increased sustainable agricultural and NR based production |
| TA to promote adoption of sustainable Ag/NRM practices | Zambia | SO1 Increases Sustained Rural Incomes | IR 1 1 Increased sustainable agricultural and NR based production |
| Support for accelerated formation and expansion of small farmer organizations cooperatives and business enterprises | Malawi | SO1 Increased Agricultural Incomes on Per Capita Basis | IR 1 3 Private sector agribusiness & transport activities expanded |

¹ The Namibia Zambia and Zimbabwe components of NRMP are managed by their respective bilateral missions and RCSA manages the Botswana and regional coordination components

Table 3 9 Clustered T&I Activities, cont

| Activity/Program | Mission/Center | Mission/Center SO | Mission/Center IR |
|------------------------------------------------------------------------------------------|-----------------------|--------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Expanded Local Income, cont | | | |
| Community based natural resource management (CBNRM) | Malawi | SO2 Increased Sustainable Use Conservation and Management of Natural Resources | IR 2 4 Capacity of communities to manage natural resources improved |
| Support for the development & distribution of drought resistant rootcrops (SARRNET) | Malawi | SO1 Increased Agricultural Incomes on Per Capita Basis | IR 1 1 Farmer adoption of improved crop production/storage technologies increased |
| Communal Areas Management Programme for Indigenous Resources (CAMPFIRE) Support Services | Zimbabwe | SO1 NRM Strengthened for Sustainable Rural Development in CAMPFIRE Communities | IR 1 1 Sustainable NRM practices IR 1 2 Sound community decision making processes established |
| CAMPFIRE Development Fund | Zimbabwe | SO1 NRM Strengthened for Sustainable Rural Development in CAMPFIRE Communities | IR 1 1 Sustainable NRM practices IR 1 2 Sound community decision making processes established |
| Kagera Resources Management Program (KRM) | Tanzania | SO2 Foundation Established for Adoption of Environmentally Sustainable Natural Resource Management Practices in Tanzania | IR 2 2 Institutional & technical capacity for analysis built IR 2 3 Appropriate NRM approaches and technologies identified field tested and implemented in pilot areas |
| Living in a Finite Environment (LIFE) | Namibia | SO3 Increased Benefits to Historically Disadvantaged Namibians from Sustainable Local Management of Natural Resources | IR 3 1 Improved policy & legislative environment for local content of natural resource management IR 3 2 Strengthened community based natural resource management activities in target communities |

MSMEs to improve the quality of their applications for financing, and some firm-level capacity building (see Table 3 10) Many of these activities, but not all, take place in the context of financial sector reforms and improving MSME access to finance Some of this skills building is provided via ATLAS and HRDA funds RCSA's Southern Africa Enterprise Fund (SAEDF) is the only regional mechanism for such assistance Global/EM, AFR/SD, and REDSO have no activities in this area

- Improved access to finance The linkage between improved access to financing for MSMEs and expanded output – and potentially T&I – is clear, although the contribution of such activities to T&I is probably long-term in nature Increased access to finance will enable firms to expand their output, adopt capital improvements, and enter new markets

Bilateral activity in this area is concentrated in South Africa and Tanzania, where both missions have multiple activities aimed at increasing access to finance (see Table 3 11) Other bilateral missions participating include Malawi, Mozambique, and Zambia On a regional basis, RCSA is the only USAID entity active in this area, through the SAEDF program Global/EM apparently has no activities in this area, while AFR/SD's are focused on the broader issues of developing and disseminating new and innovative strategies for improving domestic resource mobilization, rather than hands-on actions to improve access to finance by firms

- Access to technology This cluster of activities is almost entirely focused on either agricultural or agricultural processing entities This cluster includes, for example, efforts to introduce new oil seed presses, research into the development and distribution of new seed varieties, strengthening of extension services, and the use of new sustainable agricultural techniques (see Table 3 12) Actual introduction and implementation of new technologies takes place on a bilateral level, while regional research coordination and support for research networks is shared between REDSO and RCSA Global/EM has no role in this area, while AFR/SD's is focused not on research per se but on improving technology transfer strategies among African, regional, and national technology organizations and improving the capacity of African

Table 3 10 Clustered T&I Activities

| Activity/Program | Mission/Center | Mission/Center SO | Mission/Center IR |
|------------------------------------------------------------------------------------------------------------------|----------------|------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Enterprise Skills Building | | | |
| Economic Growth & Improved Human Welfare | Tanzania | SO4 Increased Micro and Small Enterprise Participation in the Economy | IR 4 1 Provision of sustainable financing to micro and small enterprises |
| The Business Center | Tanzania | SO4 Increased Micro and Small Enterprise Participation in the Economy | IR 4 3 Enhance micro and small business management |
| Center for Micro Finance (in preliminary planning stage) | Tanzania | SO4 Increased Micro and Small Enterprise Participation in the Economy | IR 4 1 Provision of sustainable financing to micro and small enterprises |
| Ntinga Microenterprise Support Project (under MSP) | South Africa | SO5 Increased Access to Financial Markets for the Historically Disadvantaged Population | IR 5 1 Improved policy environment to facilitate access to capital for historically disadvantaged (HD) micro enterprises IR 5 2 Improved capacity of the financial sector to service HD microenterprises IR 5 3 Improved capacity of microentrepreneurs to respond to financial market requirements |
| Business Linkages for Underutilized Enterprises (BLUE) | South Africa | SO5 Increased Access to Financial Markets for the Historically Disadvantaged Population | IR 5 4 Improved policy environment to facilitate access to capital for historically disadvantaged small medium & large enterprises IR 5 6 Improved capacity of small medium & large historically disadvantaged enterprises to respond to financial market requirements |
| NGO capacity building | Namibia | SO1 Enhanced Roles for Historically Disadvantaged Namibians in Key Public Sector NGOs and Private Sector Organizations | IR 1 1 Increased number of HDNs acquiring enhanced managerial & technical skills and knowledge IR 1 2 Improved access for trained HDNs in technical managerial & leadership positions |
| Private sector management training | Namibia | SO1 Enhanced Roles for Historically Disadvantaged Namibians in Key Public Sector NGOs and Private Sector Organizations | IR 1 1 Increased number of HDNs acquiring enhanced managerial & technical skills and knowledge IR 1 2 Improved access for trained HDNs in technical managerial & leadership positions |
| Southern Africa Enterprise Development Fund ¹ (SAEDF) | RCSA | SO2 A More Integrated Regional Market | IR 1 Reduced barriers to broadened participation in the regional market |
| Support for extension of management & business advisory services to rural group of enterprises in targeted areas | Mozambique | SO1 Increased Rural Household Income in Targeted Areas | IR 1 2 Expanded enterprises IR 1 3 Sustainable agricultural output |
| African Training for Leadership and Advanced Skills (ATLAS) | Zambia | SO1 Reduce the State's Role in the Provision of Goods and Services | IR 1 2 Management of privatized SOEs improved through business training and entrepreneurial support |
| Zambian Management Assistance Program (ZMAP) | Zambia | SO1 Reduce the State's Role in the Provision of Goods and Services | IR 1 2 Management of privatized SOEs improved through business training and entrepreneurial support |
| Rural savings and credit schemes | Zambia | SO1 Increases Sustained Rural Incomes | IR 1 2 Increased productivity of rural non farm enterprises (RNFEs) |
| Private Enterprise Support | Zambia | SO1 Reduce the State's Role in the Provision of Goods and Services | IR 1 2 Management of privatized SOEs improved through business training and entrepreneurial support |

¹ This is the most visible activity under this IR

Table 3 10 Clustered T&I Activities, cont

| Activity/Program | Mission/Center | Mission/Center SO | Mission/Center IR |
|---------------------------------------------------------------------------------------------------------------|----------------|--------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| Enterprise Skills Building, cont | | | |
| Human Resources Development Activity (HRDA) (through Zambia Assoc of Chambers of Commerce & Industry (ZACCI)) | Zambia | SO1 Reduce the State s Role in the Provision of Goods and Services | IR 1 2 Management of privatized SOEs improved through business training and entrepreneurial support |
| Formation development & skills training for business associations and rural group businesses | Zambia | SO1 Increased Sustainable Rural Incomes | IR 1 2 Increased Productivity of Rural Non Farm Enterprises |
| Activities to promote policies to improve cross border trade and diversify export mix | Zambia | SO1 Increased Sustainable Rural Incomes | IR 1 3 Reduced constraints to private sector growth |

Table 3 11 Clustered T&I Activities

| Activity/Program | Mission/Center | Mission/Center SO | Mission/Center IR |
|----------------------------------------------------------------------|----------------|-----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Improved Access to Finance | | | |
| Risk Management/Profit Sharing Fund | Tanzania | SO4 Increased Micro and Small Enterprise Participation in the Economy | IR 4 1 Provision of sustainable financing to micro and small enterprises |
| Social Action Trust Fund (SATF) | Tanzania | SO4 Increased Micro and Small Enterprise Participation in the Economy | IR 4 1 Provision of sustainable financing to micro and small enterprises |
| Center for Micro Finance (in preliminary planning stage) | Tanzania | SO4 Increased Micro and Small Enterprise Participation in the Economy | IR 4 1 Provision of sustainable financing to micro and small enterprises |
| Economic Growth & Improved Human Welfare | Tanzania | SO4 Increased Micro and Small Enterprise Participation in the Economy | IR 4 1 Provision of sustainable financing to micro and small enterprises |
| Microenterprise Support Project (MSP) | South Africa | SO5 Increased Access to Financial Markets for the Historically Disadvantaged Population | IR 5 1 Improved policy environment to facilitate access to capital for historically disadvantaged micro enterprises IR 5 2 Improved capacity of the financial sector to service historically disadvantaged micro enterprises |
| Increased Microenterprise Access to Liquidity (IMALI) | South Africa | SO5 Increased Access to Financial Markets for the Historically Disadvantaged Population | IR 5 2 Improved capacity of the financial sector to service HD microenterprises |
| Ntinga Microenterprise Support Project (under MSP) | South Africa | SO5 Increased Access to Financial Markets for the Historically Disadvantaged Population | IR 5 1 Improved policy environment to facilitate access to capital for historically disadvantaged (HD) micro enterprises IR 5 2 Improved capacity of the financial sector to service HD microenterprises IR 5 3 Improved capacity of microentrepreneurs to respond to financial market requirements |
| VITA Microenterprise Support Project (under MSP) | South Africa | SO5 Increased Access to Financial Markets for the Historically Disadvantaged Population | IR 5 1 Improved policy environment to facilitate access to capital for historically disadvantaged (HD) micro enterprises IR 5 2 Improved capacity of the financial sector to service HD microenterprises IR 5 3 Improved capacity of microentrepreneurs to respond to financial market requirements |
| DTI Technical Support Facility | South Africa | SO5 Increased Access to Financial Markets for the Historically Disadvantaged Population | IR 5 1 Improved policy environment to facilitate access to capital for historically disadvantaged micro enterprises IR 5 4 Improved policy environment to facilitate access to capital for historically disadvantaged small medium & large enterprises |
| Micro and Small Enterprise Development (MSED) Loan Guarantee Program | South Africa | SO5 Increased Access to Financial Markets for the Historically Disadvantaged Population | IR 5 2 Improved capacity of the financial sector to service historically disadvantaged micro enterprises IR 5 5 Improved capacity of the financial sector to service historically disadvantaged small medium & large enterprises |
| Equity Access System (EASY) | South Africa | SO5 Increased Access to Financial Markets for the Historically Disadvantaged Population | IR 5 6 Improved capacity of small medium & large historically disadvantaged enterprises to respond to financial market requirements |
| Southern Africa Enterprise Development Fund (SAEDF) | South Africa | SO5 Increased Access to Financial Markets for the Historically Disadvantaged Population | IR 5 5 Improved capacity of the financial sector to service historically disadvantaged small medium & large enterprises |
| Grant to Get Ahead Foundation | South Africa | SO5 Increased Access to Financial Markets for the Historically Disadvantaged Population | IR 5 2 Improved capacity of the financial sector to service historically disadvantaged micro enterprises |

Table 3 11 Clustered T&I Activities

| Activity/Program | Mission/Center | Mission/Center SO | Mission/Center IR |
|----------------------------------------------------------------------------------------------------------|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|
| <i>Improved Access to Finance, cont</i> | | | |
| Support for establishment of rural savings and loan cooperatives | Malawi | SO1 Increased Agricultural Incomes on Per Capita Basis | IR 1 3 Private sector agribusiness & transport activities expanded |
| Economic policy reform | Mozambique | SO1 Increased Rural Household Income in Targeted Areas SO2 Government & Civil Society are Effective Partners in Democratic Governance at National & Local Levels | IR 1 2 Expanded enterprises IR 1 3 Sustainable agricultural output |
| Rural savings and credit schemes | Zambia | SO1 Increases Sustained Rural Incomes | IR 1 2 Increased productivity of rural non farm enterprises (RNFES) |
| Southern Africa Enterprise Development Fund (SAEDF) | RCSA | SO2 A More Integrated Regional Market | IR 1 Reduced barriers to broadened participation in the regional market |
| Investigations into and development of effective strategies for improving domestic resource mobilization | RCSA | SO2 Adoption of Improved Strategies Programs and Activities for Accelerated Sustainable and Equitable Economic Growth | IR 2 1 Improved strategies policies and activities to accelerate sustainable and equitable growth |

Table 3 12 Clustered T&I Activities

| Activity/Program | Mission/Center | Mission/Center SO | Mission/Center IR |
|-------------------------------------------------------------------------------------------------------------------------------------------|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Access to Technology | | | |
| Activities to support increased sustainable agricultural output of cashews and other crops | Mozambique | SO1 Increased Rural Household Income in Targeted Areas | IR 1 2 Expanded enterprises IR 1 3 Sustainable agricultural output |
| Support for the development & distribution of drought resistant rootcrops (SARRNET) | Malawi | SO1 Increased Agricultural Incomes on Per Capita Basis | IR 1 1 Farmer adoption of improved crop production/storage technologies increased |
| Agroforestry & soil conservation technologies tested & adapted at farm level (28) | Malawi | SO2 Increased Sustainable Use Conservation and Management of Natural Resources | IR 2 3 Service programs improved |
| Tuskegee University/Sokoine University of Agriculture Linkages (TU/SUA) | Tanzania | SO2 Foundation Established for Adoption of Environmentally Sustainable Natural Resource Management Practices in Tanzania | IR 2 2 Institutional and technical capacity for analysis built IR 2 3 Appropriate NRM methodologies identified field tested and implemented in pilot areas |
| Participatory Environmental Resource Management (PERM) | Tanzania | SO2 Foundation Established for Adoption of Environmentally Sustainable Natural Resource Management Practices in Tanzania | IR 2 1 Policy framework for sustainable NRM established IR 2 2 Institutional and technical capacity for analysis built IR 2 3 Appropriate NRM methodologies identified field tested and implemented in pilot areas |
| Support for policy analysis and broadened public private sector dialogue on Ag/NRM policy & regulatory issues | RCSA | SO3 Accelerated Regional Adoption of Sustainable Agriculture and NRM Approaches SO2 A More Integrated Regional Market | IR 1 Functioning systems in place for transferring Ag/NRM technologies and best practices |
| Africalink support to the Southern Centre for Coordination of Agriculture & Natural Resources Research (SACCAR) & other research networks | RCSA | SO3 Accelerated Regional Adoption of Sustainable Agriculture and NRM Approaches | IR 1 Functioning systems in place for transferring Ag/NRM technologies and best practices |
| Regional Research Coordination Program | RCSA | SO3 Accelerated Regional Adoption of Sustainable Agriculture and NRM Approaches | IR 1 Functioning systems in place for transferring Ag/NRM technologies and best practices |
| Network and Capacity Building Program (with IUCN's regional office for Southern Africa) | RCSA | SO3 Key Regional Conditions Established that Support Sustainable Increases in Productivity of Agriculture & Natural Resources by Shareholders | IR 3 1 Growing capacity of southern African institutions to lead efforts to address regional problems dynamic networks & other mechanisms for regional sharing of information & technology established |

Table 3 12 Clustered T&I Activities, cont

| Activity/Program | Mission/Center | Mission/Center SO | Mission/Center IR |
|------------------------------------------------------------------------------------------------------------|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Access to Technology, cont. | | | |
| Agricultural Research Management Training program and specific research programs (e.g. SMIP) | RCSA | SO3 Accelerated Regional Adoption of Sustainable Agriculture and NRM Approaches | IR 1 Functioning systems in place for transferring Ag/NRM technologies and best practices |
| Activities to improve the tools mechanisms and capacity for agricultural technology development & transfer | AFR/SD | SO3 Improved Agricultural Policies Programs and Strategies | IR 3 2 Increased capacity of African institutions to design manage and evaluate agricultural programs policies and strategies |
| Agricultural Sector Liberalization Project (ASLP) | Zambia | SO2 Increase the Productive Participation of Rural Enterprises and Communities in the National Economy | IR 2 1 Efficient product marketing systems exist IR 2 2 Productive economic participation increases rural investment IR 2 3 Diversified & productive farm enterprise management practices |
| TA to create surplus production of low rainfall crops in drought prone areas | Zambia | SO1 Increased Sustainable Rural Incomes | IR 1 1 Sustained increases in agricultural and natural resources production |
| Support to National Agricultural Research Systems ¹ | REDSO/ESA | SO2 Increased Utilization of Critical Information by Other Decision Makers in the Region SO3 Establish a Strong Basis for Implementation of the Greater Horn of Africa Initiative | IR 2 2 Economic growth & support to GHAI – Improved models and technologies for use in priority development areas IR 2 4 Economic growth & support to GHAI –Increased regional collaboration in addressing critical regional development issues IR 3 3 Greater regional collaboration for sustainable economic growth |
| Support for Agricultural Research Commodity Networks ² | REDSO/ESA | SO2 Increased Utilization of Critical Information by Other Decision Makers in the Region SO3 Establish a Strong Basis for Implementation of the Greater Horn of Africa Initiative | IR 3 3 Greater regional collaboration for sustainable economic growth |

¹ Tentatively planned activity

² Tentatively proposed to be transferred to REDSO/ESA in FY97

institutions to design and manage agricultural technology transfer

- Improved access to information This cluster of activities is dominated by AFR/SD's activities to implement the Leland Initiative, although improved access to information is an implicit objective of many other activities such as strengthening markets and strengthening business associations (*see Table 3 13*) REDSO is considering undertaking several activities to increase the dissemination of information on investment, trade, and commodity markets in the region

RCSA's current activities in this cluster focus on information-sharing in the agriculture and NRM areas RCSA is also exploring the establishment of an umbrella electronic networking activity to improve the access of business associations and others to information critical to achieving a more regional integrated market Tanzania is the only bilateral mission with an activity in this cluster, through its rural telecommunications project which has an explicit goal of improving the flow of information to rural populations in order to reduce constraints on commerce and trade, and to lower costs for individuals, households, and enterprises

- Strengthened private sector role A strengthened role for the private sector is clearly an element of almost all USAID activities While such a widespread objective may not appear to warrant a specific cluster, for some USAID activities this is a primary objective Accordingly, activities were clustered in this category only if strengthening the private sector's role is a predominant outcome of the activity, for example, privatization

On a bilateral basis, many of the activities in this cluster focus on privatization of national infrastructure, primarily in the telecommunications sector (supported by RCSA's Regional Telecommunications Restructuring Project), but also in the transport (road construction and maintenance in Tanzania), and water sectors (Angola) Privatization assistance is provided to potential bidders under the South African Growth, Equity, and Redistribution Privatization Project (GEAP-PP) Increasing the private sector's role in agricultural marketing is also an important

Table 3 13 Clustered Activities

| Activity/Program | Mission/Center | Mission/Center SO | Mission/Center IR |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Access to Information | | | |
| Rural Telecommunications in Tanzania (RTT) | Tanzania | SO5 Selected Infrastructure Improved | IR 5 3 Rural telecommunications provided |
| Natural Resources Management Program (NRMP) ¹ | RCSA | SO3 Accelerated Regional Adoption of Sustainable Agriculture and NRM Approaches | IR 1 Functioning systems in place for transferring Ag/NRM technologies and best practices across the region IR 2 An enabling environment which promotes increased incentives for smallholders and communities to adopt sustainable Ag/NRM technologies/ approaches |
| Africalink support to the Southern Centre for Coordination of Agriculture & Natural Resources Research (SACCAR) & other research networks | RCSA | SO3 Accelerated Regional Adoption of Sustainable Agriculture and NRM Approaches | IR 1 Functioning systems in place for transferring Ag/NRM technologies and best practices |
| Support to SADC Technical Coordination Unit for Wildlife | RCSA | SO3 Accelerated Regional Adoption of Sustainable Agriculture and NRM Approaches | IR 1 Functioning systems in place for transferring Ag/NRM technologies and best practices |
| Establishment of an umbrella electronic network | RCSA | SO2 A More Integrated Regional Market | IR 1 Reduced barriers to broadened participation in the regional market IR 2 Improved telecommunications transport and energy infrastructure |
| Support for policy analysis and broadened public private sector dialogue on Ag/NRM policy & regulatory issues | RCSA | SO3 Accelerated Regional Adoption of Sustainable Agriculture and NRM Approaches SO2 A More Integrated Regional Market | IR 1 Functioning systems in place for transferring Ag/NRM technologies and best practices |
| Development of mechanisms to demonstrate the use of information technology | AFR/SD | SO1 Improved policies programs and strategies in the area of economic growth in a sustainable way | Ag IR 2 Improved policy and program options for expanded and efficient private sector agricultural marketing and service delivery |
| Development of assessment tools and training approaches to build an Internet user base | AFR/SD | SO1 Improved policies programs and strategies in the area of economic growth in a sustainable way | Info 2 Development of a user base capable of using the tools of the Internet to the challenges of sustainable development |
| Negotiation of telecommunications policy reforms that substitute cost based affordable tariffs allow open Internet access & allow private sector Internet providers | AFR/SD | SO4 Develop & Implement More Affordable & More Effective Mechanisms for Producing Sharing & Using Development Information ² | IR 4 1 Increased use by development policy makers and practitioners of improved information & communication technology to promote sustainable development |

¹ The Namibia Zambia and Zimbabwe components of NRMP are managed by their respective bilateral missions and RCSA manages the Botswana and regional coordination components

² The Leland Initiative forms the core of SO5

Table 3 13 Clustered Activities, cont

| Activity/Program | Mission/Center | Mission/Center SO | Mission/Center IR |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| Access to Information, cont. | | | |
| Provision of hardware to expand Internet access potential service providers trained in technical & managerial aspects of Internet service provision support for provision of infrastructure allowing internet access beyond capital cities | AFR/SD | SO4 Develop & Implement More Affordable & More Effective Mechanisms for Producing Sharing & Using Development Information | IR 4 1 Establish a sustainable supply of Internet and other Global Information Infrastructure (GII) information and communication services |
| Development of new Internet applications in basic communications human resources development data sharing and policy networking | AFR/SD | SO4 Develop & Implement More Affordable & More Effective Mechanisms for Producing Sharing & Using Development Information | IR 4 1 Establish a sustainable supply of Internet and other Global Information Infrastructure (GII) information and communication services |
| Grants & assistance to strengthen Africa wide electronic networks & help their financial sustainability | AFR/SD | SO4 Develop & Implement More Affordable & More Effective Mechanisms for Producing Sharing & Using Development Information | IR 4 2 Expand networking by development organizations in Africa |
| Support to USAID Missions to help them help their customers & partners gain Internet access & develop the capacity to effectively utilize information available on the world wide web | AFR/SD | SO4 Develop & Implement More Affordable & More Effective Mechanisms for Producing Sharing & Using Development Information | IR 4 1 Establish a sustainable supply of Internet and other Global Information Infrastructure (GII) information and communication services |
| Regional exchange of investment information | REDSO | SO1 A More Open and Market Driven Regional Economy* | IR 1 1 Capacity of Partner Organizations that Support Regional Integration Enhanced |
| Increased dissemination of trade information for the region | REDSO | SO1 A More Open and Market Driven Regional Economy* | IR 1 3 Transnational Trade and Business Linkages for the Region Encouraged and Strengthened |
| Regional commodity market information increased | REDSO | SO1 A More Open and Market Driven Regional Economy* | IR 1 3 Transnational Trade and Business Linkages for the Region Encouraged and Strengthened |

*REDSO s SO1 and its IRs are not yet final

element of bilateral mission activities in Malawi, Zambia, and Mozambique (see Table 3 14)

Global/EM's role in this area is focused on privatization assistance, both through strategy assistance to missions and direct assistance to governments in the preparation of SOEs for privatization. AFR/SD's focus is twofold: policy negotiations with governments to allow private sector Internet providers, and assistance to field missions and regional programs to identify opportunities for an increased private sector role in agricultural marketing and services. REDSO's regional food security activities have a strong private sector focus, and support is provided to missions, ESA government agencies and regional business organizations under its Private Sector Expertise Support.

- Expanded business linkages These activities focus on creating and expanding linkages between larger firms and smaller suppliers. They are few in number and are limited on a bilateral mission basis to South Africa, Zimbabwe, and Zambia. The objective of such linkages are to provide smaller producers or suppliers with firm markets for their output, to enable smaller firms to access export markets, via contacts with larger companies, and, in the South African context, to institutionalize business contacts between historically disadvantaged firms and large corporations (see Table 3 15). On a non-bilateral basis, REDSO will be undertaking business links between U.S. firms through its Africa-America Business Partnership Activity (AABP), and AFR/SD will provide support to strengthen partnerships between U.S. and African business associations and businesses.

These types of activities clearly have a direct impact on T&I. By providing smaller firms with marketing opportunities, their production and quality control skills are strengthened, they become experienced at producing at export quality levels without having to directly endure the cost and difficulty of entering export markets, and by lowering risk, they are encouraged to expand their output. The establishment of such linkages between large exporters and smaller domestic firms has been a key factor in

Table 3 14 Clustered T&I Activities

| Activity/Program | Mission/Center | Mission/Center SO | Mission/Center IR |
|----------------------------------------------------------------------------------|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Strengthened Private Sector Role | | | |
| Private Sector Housing Program (PSHP) | Zimbabwe | SO2 Broadened Ownership in a Growing Economy | IR 1 Broadened Low Income Home Ownership |
| Zimbabwe American Development Foundation (ZADF) | Zimbabwe | SpO1 Increased Opportunities for Participation in the Private Sector & Political Processes | IR 1 1 Increased economic opportunities IR 1 2 Increased development of politically active civil society |
| Growth Equity and Redistribution Privatization Project (GEAR PP) | South Africa | SO5 Increased Access to Financial Markets for the Historically Disadvantaged Population | IR 5 6 Improved capacity of small medium large historically disadvantaged enterprises to respond to financial market requirements |
| Bilateral Agreement with the Ministry of Public Enterprises (MPE) | South Africa | SO5 Increased Access to Financial Markets for the Historically Disadvantaged Population | IR 5 4 Improved policy environment to facilitate access to capital for historically disadvantaged small medium & large enterprises |
| Economic policy reform | Mozambique | SO1 Increased Rural Household Income in Targeted Areas SO2 Government & Civil Society are Effective Partners in Democratic Governance at National & Local Levels | IR 1 2 Expanded enterprises IR 1 3 Sustainable agricultural output |
| Privatization of Luanda's urban water system | Angola | SpO1 Facilitate Angola's Preparation and Implementation of Economic Structural Adjustment and Macroeconomic Programs | IR 1 Commitment to economic reform forged |
| Advisory Services Privatization of Luanda's Water Supply and Sanitation (Angola) | Global/EM | SSO3 Support Appropriate and Functioning Economic Policies Market Reforms in Emerging Markets and Priority Countries | IR 3 1 Increased host country privatization efforts and competitive market environments |
| Advisory Services Long term privatization assistance (Malawi) | Global/EM | SSO3 Support Appropriate and Functioning Economic Policies Market Reforms in Emerging Markets and Priority Countries | IR 3 1 Increased host country privatization efforts and competitive market environments |
| Agricultural Sector Assistance Program (ASAP) Phase II | Malawi | SO1 Increased Agricultural Incomes on Per Capita Basis | IR 1 1 Farmer adoption of improved crop production/storage technologies increased IR 1 2 Competitive market environment established IR 1 3 Private sector agribusiness & transport activities expanded |
| Rural Telecommunications in Tanzania (RTT) | Tanzania | SO5 Selected Infrastructure Improved | IR 5 3 Rural telecommunications provided |
| Agricultural Transport Assistance Program (ATAP) | Tanzania | SO5 Selected Infrastructure Improved | IR 5 1 Rural and district roads improved |
| Regional Telecommunications Restructuring Project (RTRP) | RCSA | SO2 A More Integrated Regional Market | IR 2 Improved telecommunications transport & energy infrastructure |
| Support for Economic and Institutional Reform (SEGIR) | Global/EM | SSO3 Support Appropriate and Functioning Economic Policies Market Reforms in Emerging Markets and Priority Countries | IR 3 1 Increased host country privatization & improvements in competitive market environments IR 3 2 Increasingly liquid transparent & rationalized financial markets IR 3 3 Increased economic stability & structural reforms IR 3 4 Increased application of legal institutional & regulatory reforms for competitive markets IR 3 5 Increased trade investment & general business environment |

Table 3 14 Clustered T&I Activities, cont

| Activity/Program | Mission/Center | Mission/Center SO | Mission/Center IR |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Strengthened Private Sector Role, cont | | | |
| Strategy & other assistance to Bureaus & Missions | Global/EM | SSO3 Support Appropriate and Functioning Economic Policies Market Reforms in Emerging Markets and Priority Countries | IR 3 1 Increased host country privatization & improvements in competitive market environments IR 3 2 Increasingly liquid transparent & rationalized financial markets IR 3 3 Increased economic stability & structural reforms IR 3 4 Increased application of legal institutional & regulatory reforms for competitive markets IR 3 5 Increased trade investment & general business environment |
| TA to host governments for policy reforms increasing the efficiency and reducing losses of SOEs before privatization | Global/EM | SSO3 Support Appropriate and Functioning Economic Policies Market Reforms in Emerging Markets and Priority Countries | IR 3 1 Increased host country privatization & improvements in competitive market environments |
| Private Sector Expertise Support | REDSO/ESA | SSO1 Effective Technical & Program Support to ESA Missions | IR 1 1 Improved management of REDSO/ESA services to ESA missions |
| Support for regional activities to strengthen food security | REDSO/ESA | SO3 Establish a Strong Basis for Implementation of the Greater Horn of Africa Initiative | IR 3 1 Strengthened support for food security in the region IR 3 3 Greater regional collaboration for sustainable economic growth |
| Support for privatization programs deregulation & establishment of a legal regulatory & judicial enabling environment | AFR/SD | SO2 Adoption of Improved Strategies Programs and Activities for Accelerated Sustainable and Equitable Economic Growth | IR 2 1 Improved strategies policies and activities to accelerate sustainable and equitable growth |
| Assist field missions and regional programs to identify effective opportunities to increase private sector participation in agricultural marketing and services | AFR/SD | SO3 Improved Agricultural Policies Programs and Strategies | IR 3 1 Improved agricultural programs policies and strategies promoted |
| Negotiation of telecommunications policy reforms that substitute cost based affordable tariffs allow open Internet access & allow private sector Internet providers | AFR/SD | SO4 Develop & Implement More Affordable & More Effective Mechanisms for Producing Sharing & Using Development Information ¹ | IR 4 1 Increased use by development policy makers and practitioners of improved information & communication technology to promote sustainable development |
| Privatization Support Project (PSP) | Zambia | SO1 Reduce the State s Role in the Provision of Goods and Services | IR 1 1 Divestiture of SOEs |
| Agricultural Sector Liberalization Project (ASLP) | Zambia | SO2 Increase the Productive Participation of Rural Enterprises and Communities in the National Economy | IR 2 1 Efficient product marketing systems exist IR 2 2 Productive economic participation increases rural investment IR 2 3 Diversified & productive farm enterprise management practices |
| Regional Telecommunications Restructuring Project (RTRP) | Zambia | SO1 Reduce the State s Role in the Provision of Goods and Services | IR 1 1 Divestiture of SOEs IR 1 2 Management of privatized SOEs improved through business training and entrepreneurial support |

¹ The Leland Initiative forms the core of SO5

Table 3 15 Clustered T&I Activities

| Activity/Program | Mission/Center | Mission/Center SO | Mission/Center IR |
|-------------------------------------------------------------------------------------------------------------------------------|----------------|-----------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Expanded Business Linkages | | | |
| Horticulture Promotion Council (HPC) | Zimbabwe | SO2 Broadened Ownership in a Growing Economy | IR 3 Accelerated Creation/Expansion of MSMEs |
| Zambian Management Assistance Program (ZMAP) | Zambia | SO1 Reduce the State s Role in the Provision of Goods and Services | IR 1 2 Management of privatized SOEs improved through business training and entrepreneurial support |
| Agribusiness Technical Assistance Center | Zambia | SO2 Increase the Productive Participation of Rural Enterprises and Communities in the National Economy | IR 2 1 Efficient product marketing systems exist IR 2 3 Diversified & productive farm enterprise management practices |
| Support to strengthen partnerships between African and American businesses and business associations ¹ | AFR/SD | SO2 Adoption of Improved Strategies Programs and Activities for Accelerated Sustainable and Equitable Economic Growth | IR 2 1 Improved strategies policies and activities to accelerate sustainable and equitable growth |
| Business linkages between U S firms and African firms through Africa America Business Partnership (AABP) Activity | REDSO/ESA | SO1 A More Open and Market Driven Regional Economy ² | IR 1 3 Transnational Trade and Business Linkages for the Region Encouraged and Strengthened |
| South Africa Business Linkages (SAIBL) | South Africa | SO5 Increased Access to Financial Markets for the Historically Disadvantaged Population | IR 5 5 Improved capacity of the financial sector to service HD small medium & large enterprises IR 5 6 Improved capacity of small medium & large HD enterprises to respond to financial market requirements |
| Business Linkages for Underutilized Enterprises (BLUE) | South Africa | SO5 Increased Access to Financial Markets for the Historically Disadvantaged Population | IR 5 4 Improved policy environment to facilitate access to capital for historically disadvantaged small medium & large enterprises IR 5 6 Improved capacity of small medium & large historically disadvantaged enterprises to respond to financial market requirements |
| More Competitive Input/Output Markets | | | |
| Support for Economic and Institutional Reform (SEGIR) | Global/EM | SSO3 Support Appropriate and Functioning Economic Policies Market Reforms in Emerging Markets and Priority Countries | IR 3 1 Increased host country privatization & improvements in competitive market environments IR 3 2 Increasingly liquid transparent & rationalized financial markets IR 3 3 Increased economic stability & structural reforms IR 3 4 Increased application of legal institutional & regulatory reforms for competitive markets IR 3 5 Increased trade investment & general business environment |
| Assistance to Missions in support of policy reforms enabling countries to keep and improve international competitive position | Global/EM | SSO3 Support Appropriate and Functioning Economic Policies Market Reforms in Emerging Markets and Priority Countries | IR 3 4 Increased application of legal institutional & regulatory reforms for competitive markets |

¹ To be carried out as part of the Trade and Investment Initiative

² REDSO s SO1 and its IRs are still not final

Table 3 15 Clustered T&I Activities, cont

| Activity/Program | Mission/Center | Mission/Center SO | Mission/Center IR |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| More Competitive Input/Output Markets, cont | | | |
| Regional Trade Activities (RTA) addressing ESA intra regional transportation costs cross border trade policy & comparative advantage | REDSO/ESA | SO2 Increased Utilization of Critical Information by USAID & Other Decision Makers in the Region SO3 Establish a Strong Basis for Implementation of the Greater Horn of Africa Initiative | IR 2 2 Improved models & technologies for uses in priority development areas IR 2 4 Increased regional collaboration in addressing critical regional development issues IR 2 5 Strengthened human & institutional capacity to generate analyze & use critical regional development information IR 3 3 Greater regional collaboration for sustainable economic growth |
| Private Sector Expertise Support | REDSO/ESA | SSO1 Effective Technical & Program Support to ESA Missions | IR 1 1 Improved management of REDSO/ESA services to ESA missions |
| Short term TA to enable countries to implement trade & tax reforms become WTO members create private sector enabling environments through deregulation and investment code changes develop financial markets & support privatization ³ | AFR/SD | SO2 Adoption of Improved Strategies Programs and Activities for Accelerated Sustainable and Equitable Economic Growth | IR 2 1 Improved strategies policies and activities to accelerate sustainable and equitable growth |
| Activities to increase ability of African agribusiness associations governments trade groups and regional organizations to identify & implement new strategies for agricultural marketing & rural services | AFR/SD | SO3 Improved Agricultural Policies Programs and Strategies | IR 3 2 Increased capacity of African institutions to design manage and evaluate agricultural programs policies and strategies |
| Assist field missions and regional programs to identify effective opportunities to increase private sector participation in agricultural marketing and services | AFR/SD | SO3 Improved Agricultural Policies Programs and Strategies | IR 3 1 Improved agricultural programs policies and strategies promoted |
| Agricultural Sector Liberalization Project (ASLP) | Zambia | SO2 Increase the Productive Participation of Rural Enterprises and Communities in the National Economy | IR 2 1 Efficient product marketing systems exist IR 2 2 Productive economic participation increases rural investment IR 2 3 Diversified & productive farm enterprise management practices |
| Activities to promote policies to improve cross border trade and diversify export mix | Zambia | SO1 Increased Sustainable Rural Incomes | IR 1 3 Reduced constraints to private sector growth |
| Privatization Support Project (PSP) | Zambia | SO1 Reduce the State s Role in the Provision of Goods and Services | IR 1 1 Divestiture of SOEs |

³ This short term TA is provided as part of the African T&I Initiative

Table 3 15 Clustered T&I Activities, cont

| Activity/Program | Mission/Center | Mission/Center SO | Mission/Center IR |
|------------------------------------------------------------------|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| More Competitive Input/Output Markets, cont. | | | |
| Economic policy reform | Zambia | SO1 Increased Rural Household Income in Targeted Areas SO2 Government & Civil Society are Effective Partners in Democratic Governance at National & Local Levels | IR 1 2 Expanded enterprises IR 1 3 Sustainable agricultural output |
| Agricultural Sector Assistance Program (ASAP) Phase II | Malawi | SO1 Increased Agricultural Incomes on Per Capita Basis | IR 1 1 Farmer adoption of improved crop production/storage technologies increased IR 1 2 Competitive market environment established IR 1 3 Private sector agribusiness & transport activities expanded |
| Broadened Ownership | | | |
| Expand employee ownership | Zimbabwe | SO2 Broadened Ownership in a Growing Economy | IR 2 Broadened Ownership of Existing Businesses IR 3 Accelerated Creation/Expansion of Sustainable MSMEs |
| Zimbabwe Enterprise Development Project (ZED) | Zimbabwe | SO2 Broadened Ownership in a Growing Economy | IR2 Broadened Ownership of Existing Businesses IR 3 Accelerated Creation/Expansion of MSMEs |
| Project Zimbabwe Enterprise Development (ZED) Phase II | Global/EM | SSO3 Support Appropriate and Functioning Economic Policies Market Reforms in Emerging Markets and Priority Countries | IR 3 5 Increased trade investment & general business environment |
| Southern Africa Enterprise Development Fund (SAEDF) | RCSA | SO2 A More Integrated Regional Market | IR 1 Reduced barriers to broadened participation in the regional market |
| Growth Equity and Redistribution Privatization Project (GEAR PP) | South Africa | SO5 Increased Access to Financial Markets for the Historically Disadvantaged Population | IR 5 6 Improved capacity of small medium large historically disadvantaged enterprises to respond to financial market requirements |

the growth of many smaller firms in East Asia and has led to their eventual entry into export markets

- More competitive input and output markets While this is often not an explicit objective of many activities, it is commonly an outcome of policy reform efforts to reduce or eliminate governments' role in marketing and distribution (see Table 3 15)⁵ It is a key part of bilateral mission programs to liberalize agricultural markets and marketing, and is also a probable outcome of many activities to reduce regulatory and other constraints on trade and investment Increased competitiveness in input/output markets contributes to expanded T&I largely by improving economic efficiency, which encourages T&I growth

It should be noted that more competitive input/output markets can be achieved at several levels one, through intra-country market liberalizations and regulatory reforms, two, through regional market liberalizations and regulatory reforms (which give producers access to inputs from, and markets in, neighboring countries), and three, through international trade-related reforms (which give producers and consumers access to inputs at world market prices and give them access to those markets)

Accordingly, this cluster of activities includes programs by bilateral missions, which focus primarily on intra-country reforms,⁶ and activities by REDSO and RCSA, which focus on both intra-country and regional trade reforms It also includes activities by AFR/SD focusing on both intra-country reforms (assistance to missions, governments, and organizations in the identification of improved private sector agricultural marketing and services), as well as international trade-related reforms (assistance in the implementation of trade reforms and WTO-related activities) Global/EM is also involved by providing support for general economic, institutional, and regulatory reforms

⁵ Although infrastructure activities are not included here the infrastructure related activities discussed above also contribute to more competitive input output markets

⁶ The exception is USAID/Zambia which is pursuing policies to improve cross border trade

- **Broadened ownership** Finally, this category refers to activities to expand employee ownership through the use of employee stock ownership plans (ESOPs) and other mechanisms. The linkage to T&I is largely indirect. Expanded employee ownership will lead to productivity increases, thereby raising the attractiveness of investment. In addition, enabling foreign-owned locally registered companies to have employee trusts as the “social partner” will add attractive flexibility to foreign investment decisions.⁷ Among missions, this category is found in the Zimbabwe Mission’s program of activities⁸ and is characteristic of the Growth, Equity, and Redistribution Privatization Project in South Africa. On a regional basis, ESOPs and other mechanisms to broaden indigenous ownership are also characteristic of SAEDF (see Table 3.15).

The relationship between these various clusters of activities and expanded trade and investment is discussed below.

3.4 Implicit Division of Labor

There is an implicit division of labor between the bilateral missions AFR/SD, Global/EM, REDSO/ESA, and RCSA in carrying out these various T&I-related activities. This division of responsibility is

- RCSA and AFR/SD have the most extensive portfolios. AFR is addressing all the areas outlined above, in some form or another, except for improved economic policy frameworks, regional trade advocacy, expanded local income, enterprise skills building. These are largely “hands-on” activities not appropriate to AFR’s Washington presence and lack of a

⁷ According to USAID/Zimbabwe, Broadened ownership is also the strategic objective of the Mission’s Private Sector Housing Program. While increasing the affordability of low income housing is not typically correlated with enhanced T&I, in this case it has led to the entry of U.S. firms to the low income housing market.

⁸ Both Hong Kong and Singapore have successfully targeted investments in low income housing as a way to decrease inequality and minimize social unrest, thereby providing the long term stability that is attractive to investors. World Bank, *The East Asian Miracle: Economic Growth and Public Policy*, 1994, p. 163.

technical assistance budget RCSA has activities in all areas, with the exception of expanded business linkages

- When viewed as a whole, the bilateral missions are undertaking activities in all areas except three strengthened business associations, regional trade advocacy, and access to information (with the exception of Tanzania, where increased access to information is an explicit goal of its rural telecommunications project)
- Bilateral missions are also responsible for firm and farm level activities
- Global/EM has the narrowest portfolio, with activities concentrated in the following four areas strengthened economic policy framework, reduction of T&I constraints, strengthened private sector role (primarily through its privatization activities), and more competitive input/output markets (Global's single activity in the area of broadened ownership is in support of the Zimbabwe Enterprise Development II program)

This division of labor is shown in Table 3 16 below

3 5 T&I Strategic Framework
"Revealed" Strategy

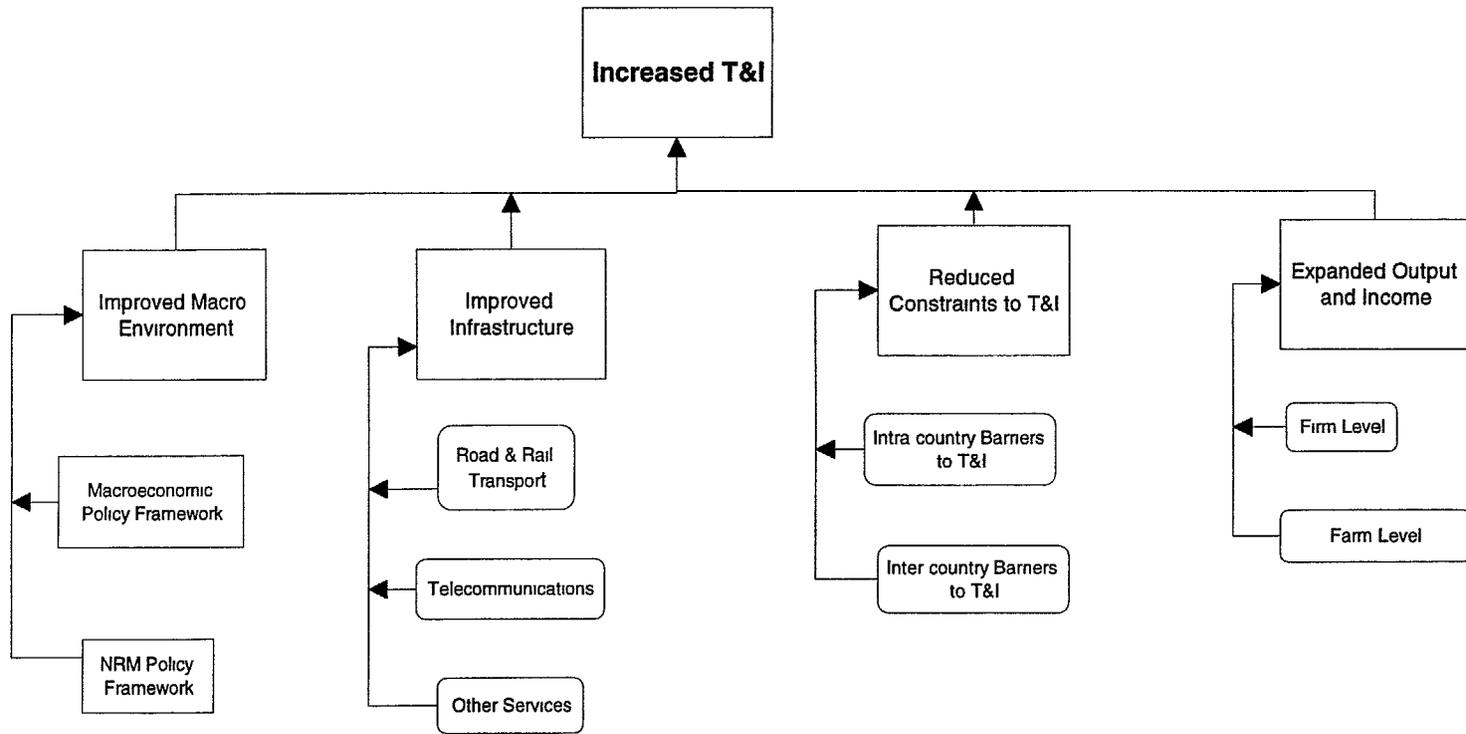
Having compiled these various clusters of ongoing and planned activities, how do they add up to a T&I strategy? That is, what is the causal relationship between these various clusters – all of which contribute individually to increased T&I – that actually leads to an increase in trade and investment both domestically and throughout the region?

The results framework graphic in Figure 3 1 shows the basic sequence of results that contribute to the achievement of the objective of increased regional T&I Two development hypothesis underlie this graphic one, all types of economic activity and

Table 3 16 Implicit Division of Labor for T&I Activities

| T&I Cluster | Angola | Malawi | Mozambique | Namibia | South Africa | Tanzania | Zambia | Zimbabwe | AFR/SD | Global/EM | REDSO | RCSA |
|---------------------------------------|--------|--------|------------|---------|--------------|----------|--------|----------|-----------------|-----------|------------------|----------------|
| Macroeconomic/Political Stability | X | | | | | | | | | | | |
| Improved Economic Policy Framework | X | X | X | | X | | X | | | X | X | X |
| Economic Capacity Building | | | | X | X | | | | X | | X | X |
| Improved NRM Policy Framework | | X | X | X | | X | | | X | | X | X |
| NRM Capacity Building | | X | X | | | X | | X | X | | X (Coastal only) | X |
| Improved Infrastructure | X | X | X | | | X | X | | X (Leland only) | | | X |
| Reduced Constraints to T&I | X | X | X | | | X | X | | X | X | X | X |
| Strengthened Business Associations | | | | | | X | | | X | | X | X |
| Regional Trade Advocacy | | | | | | | | | | | X | X |
| Sustainable Agricultural Output | X | X | X | | | | X | X | X | | X (Relief only) | X |
| Expanded Local Income | | X | X | X | | X | X | X | | | | X |
| Enterprise Skills Building | | | X | X | X | X | X | | | | | X (thru SAEDF) |
| Improved Access to Finance | | X | X | | X | X | X | | X | | | X |
| Access to Technology | | X | X | | | | X | | X | | X | X |
| Improved Access to Information | | | | | | X | | | X | | X | X |
| Strengthened Private Sector Role | X | X | X | | X | X | X | X | X | X | X | X |
| Expanded Business Linkages | | | | | X | | X | X | X | | X | |
| More Competitive Input/Output Markets | | X | X | | | | X | | X | X | X | |
| Broadened Ownership | | | | | X | | | X | | X | | X |

Figure 3 1 Trade and Investment Results Framework Graphic



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sources of economic growth, no matter how small, have the potential to fuel increased T&I in the long-run, and two, domestic or intra-country T&I is an important and necessary contributor to sustainable regional T&I. In other words, significant levels of regional T&I will not occur in the absence of broad-based national economic growth in Southern Africa.

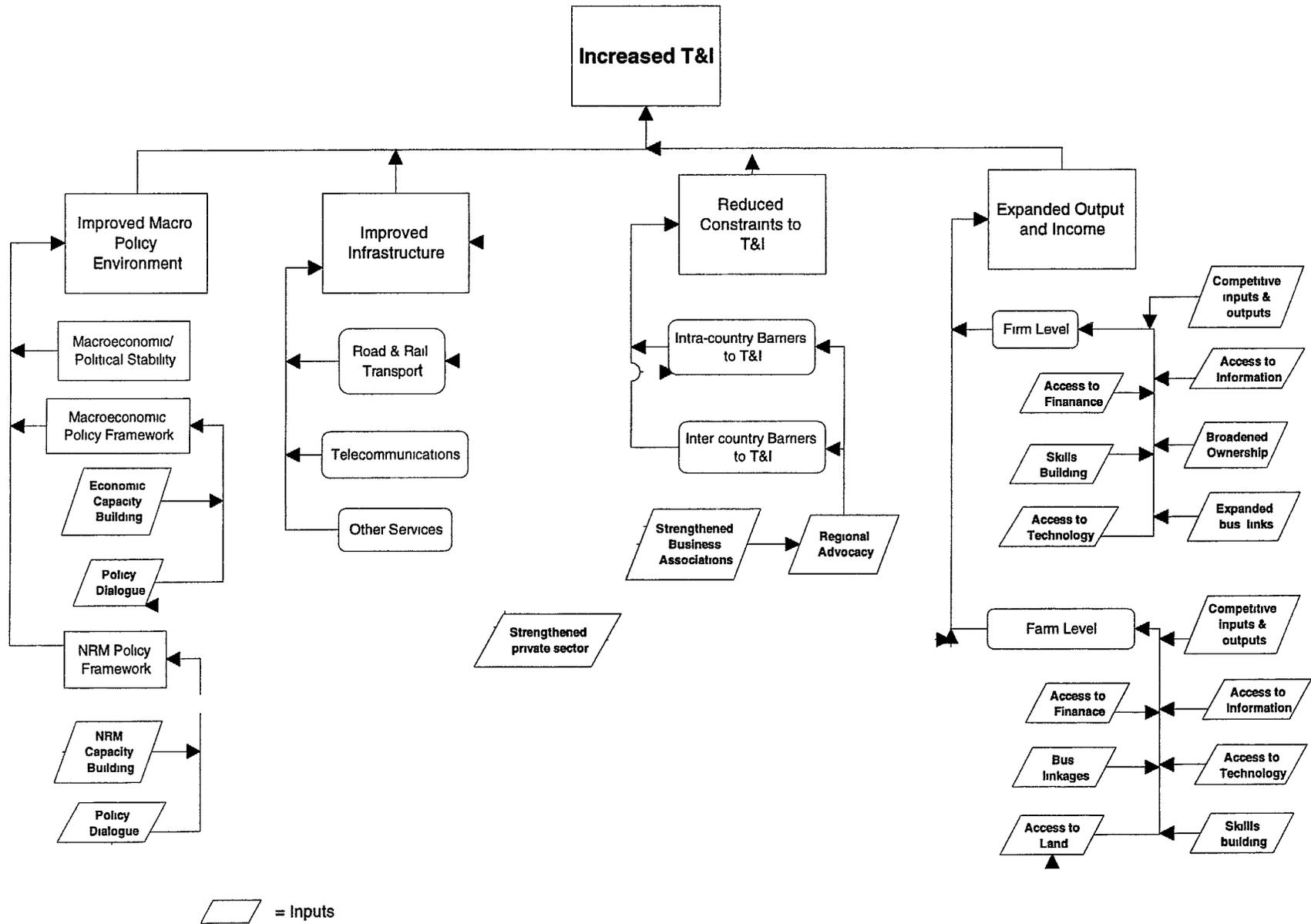
As shown in the graphic, increased regional T&I rests on four key components as identified in Table 3.1 at the beginning of this chapter: an improved macro policy environment, consisting of both macroeconomic and sustainable natural resource policies, improved regional infrastructure, reduced barriers to intra-country and inter-country T&I, and an expansion in output and income at both the firm (rural and urban) and farm level. This results framework is shown in greater detail in Figure 3.2, which includes all the clusters identified above and shows the sequence of results that contribute to the goal of increased regional T&I.

As seen in Figure 3.2, an improved macro environment consists of three key elements: macroeconomic and political stability, an improved economic policy framework, and an improved NRM policy framework. Capacity building and policy dialogue are both inputs into the improved economic and NRM policy frameworks. With the exception of macroeconomic and political stability, USAID missions and other entities are active across all these elements.

The core elements of improved economic infrastructure are road & rail transport, telecommunications, and other services. USAID is active in addressing rail transport, and to a lesser extent, telecommunications. Road transport is not an area of primary USAID focus (with the exception of Tanzania and Mozambique), but it is being actively addressed by other donors.

As noted previously, reduced constraints to T&I have two key elements: the reduction of inter-country barriers and intra-country barriers. Strengthened business associations and regional advocacy efforts are inputs into both of these elements.

Figure 3 2 Expanded Trade and Investment Results Framework Graphic



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The final component in increased T&I is an expansion of output and income at the firm and farm level. As shown in Figure 3.2, a variety of interventions are being undertaken by USAID to increase the propensity of farms and firms to engage in T&I. These include interventions to increase access to finance, technology, and information, expand business linkages, build enterprise skills, etc.

Some clusters of activities are cross-cutting in nature. These include access to land, NRM capacity building, and a strengthened private sector. While no cluster of USAID activities focuses exclusively on land access, such access is clearly an important input into increased agricultural output in a number of countries in the region. It is typically addressed through interventions at the macro policy level to improve land tenure arrangements (as shown by the dotted connecting line in Figure 3.2). Similarly, NRM capacity building activities will improve both the NRM policy framework and output and income, while a strengthened private sector will lead to both improved infrastructure and an expansion in output and income.

Bottlenecks to the T&I Strategy

While Figures 3.1 and 3.2 conform to the standard results framework format, this horizontal representation of the components of increased T&I accurately shows only the sequential and causal relationship of elements within each component. It does not accurately reveal, however, the sequential relationship of the four components to one another. By suggesting that all four components equally contribute to T&I, the results framework shown in Figures 3.1 and 3.2 understates the relative importance of reducing constraints in fostering an expansion of trade and investment in the region.

Accordingly, it is useful to re-organize the basic T&I components into a linear representation or flow chart of the actual processes by which these clusters of activities translate into an expansion in regional trade and investment. This linear representation also better demonstrates both the potential levels of USAID intervention.

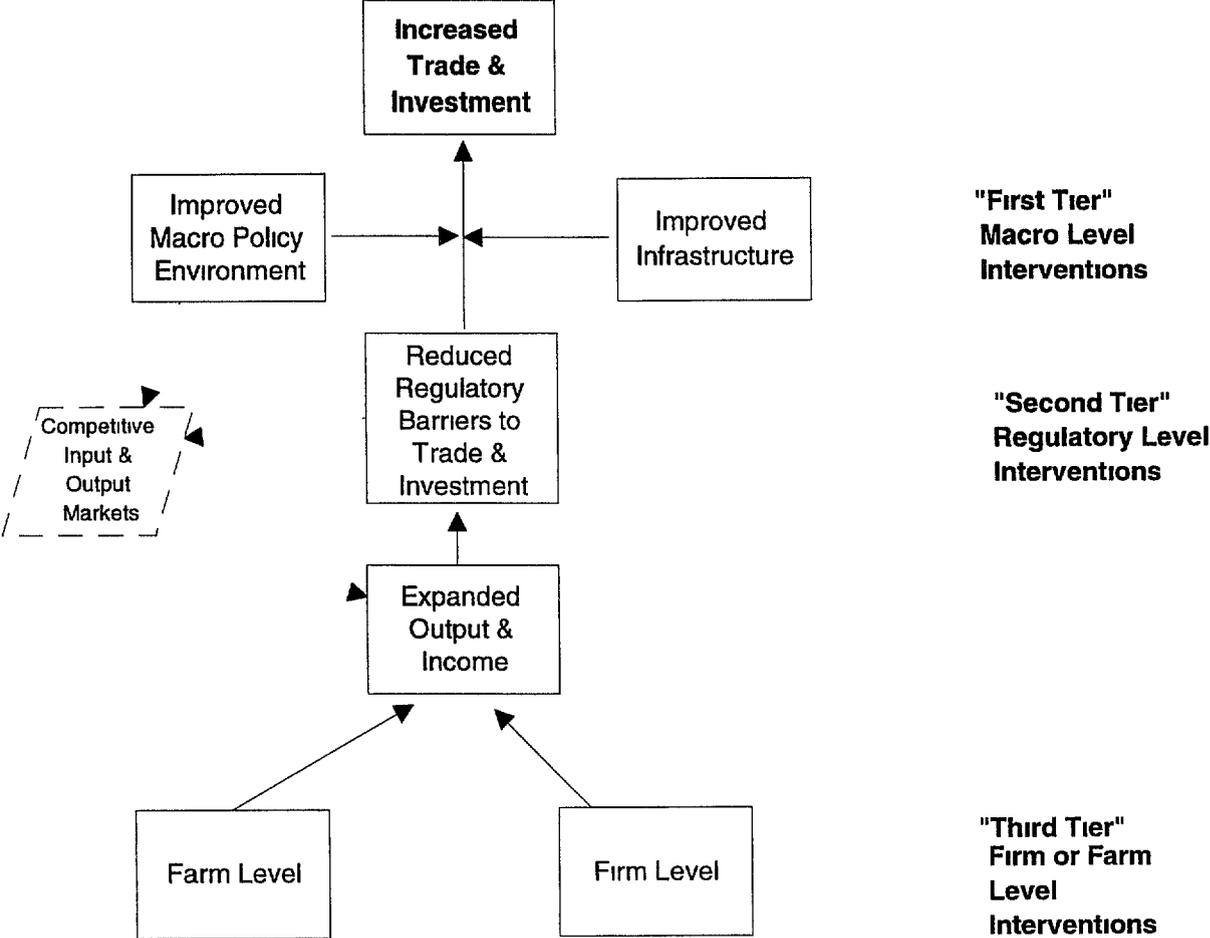
Arranged in this fashion, the essential components of a T&I strategy are shown again in Figure 3.3. As seen in the figure, enhanced trade and investment flows are the result foremost of “first tier” reforms creating an improved macro-policy environment and improved economic infrastructure. These are the minimum necessary conditions for an expansion in economic growth and T&I to occur. Of these two, an improved economic policy environment is the single most important requirement. World Bank and other research has shown that the economic returns to infrastructure investment decline when economic policy conditions are poor, and that infrastructure spending cannot compensate for a weak climate for economic activity.⁹

While macro policy and infrastructure improvements are necessary conditions, they are not sufficient to engender substantive growth in T&I. The second category of interventions needed for T&I are “second tier” reforms that reduce or eliminate barriers – including legal, institutional, regulatory, and administrative barriers – to trade and investment by both foreign and domestic firms. Finally, in order for economic “actors” – farmers, non-farm rural enterprises, MSMEs, and large firms -- to take advantage of these policy and regulatory improvements, “third tier” interventions are necessary to expand output and income at the farm and enterprise level.

This linear representation also better shows the importance of competitive input and output markets to T&I. Competitive input and output markets – which contribute to an increase in output and income – are an outcome of improvements at both the macro and regulatory level. At the macro level, they result from a reduction in barriers to imports and exports as achieved through trade reforms. They also result from reforms reducing government’s role in the market place, eliminating controls on the price and distribution of crops, and removing barriers to entry for traders, transporters, and others. The resulting improved access to inputs and outputs at

⁹ World Bank World Development Report 1994 – Infrastructure for Development. Washington DC pp 16-17

Figure 3 3 Linear Overview of the T&I Strategic Framework



competitive market prices then feeds into an expansion of output and income at the farm and firm level ¹⁰

Arranging the components in this linear fashion demonstrates that the reduction of regulatory and other barriers to trade and investment is a critical decision point in any strategy to encourage T&I. Such barriers can inhibit market entry, fuel the growth of informal activity, and raise transactions costs for firms of all sizes and in all sectors. Regulatory barriers prevent the full benefits of a liberalized policy environment and improved infrastructure from being realized at the farm and firm level and impede the substantial expansion in the output and income needed to fuel T&I. For example, improved roads will be of limited benefit to farmers if the expansion of private truck transport is impeded by onerous licensing or other requirements.

Similarly, regulatory and other constraints prevent the impact of firm and farm level interventions from being fully realized. For example, the contribution of strengthened RNFEs on regional T&I will be marginal in the medium- to long-run if complex business establishment or other procedures compel these firms to remain in the informal sector. Likewise, the potential impact on regional T&I resulting from increased agricultural output will be lessened if complex licensing systems deter the entry of private traders into agricultural markets.

Excessive regulation or other constraints can also deter FDI inflows. While foreign investors are often more capable of navigating complex regulatory or procedural business environments than are smaller firms, they also have alternative sites in which to invest and accordingly may choose to forgo investment entirely. A complex investment or business operating environment which deters FDI will negatively impact on an expansion in T&I not only because foreign investors in themselves can be significant contributors to T&I, but

¹⁰ Trade reforms not only lead to more competitive input/output markets but they also improve the returns on infrastructure investment. Returns on infrastructure investment are lower by 50 percent or more in countries with restrictive trade policies than in countries where conditions are more favorable based on analyses of the economic returns to World Bank projects. World Bank World Development Report 1994 p. 16

also because such firms can be highly influential in encouraging domestic firms to engage in expanded T&I ¹¹

Finally, increased simplification and transparency in government procedures and regulations regarding trade, investment, business establishment and operation can have a substantial impact on T&I. Not only does such increased simplification reduce the transactions costs that deter investment and lower the profitability of investment, but it also reduces the opportunities for corruption, which is cited by many investors as not only increasing transaction costs but also acting as a deterrent to investment in its own right ¹²

The detailed graphic in Figure 3.4 shows in greater detail the causal relationships underlying increased regional T&I using this linear flowchart representation

Time needed to Realize an Impact on T&I

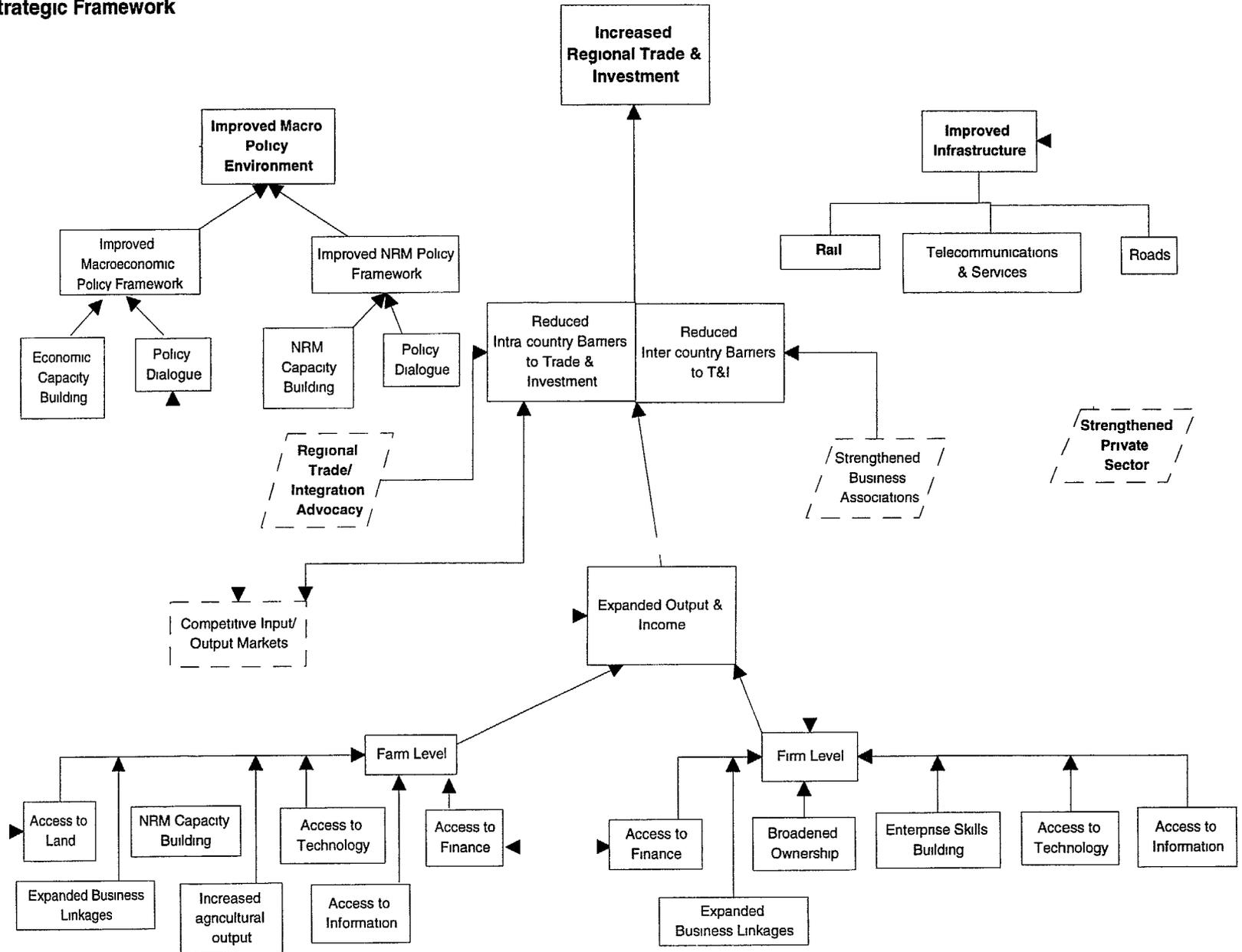
It is difficult to estimate the time needed for each of these clusters of activities to have an impact on T&I levels, particularly regional trade and investment levels. Clearly, for those areas where national government action is required, the strength of government commitment to implementing reforms – whether it be to liberalize fertilizer distribution or to allow private internet providers to operate – will play a key role in determining how quickly these affect T&I.

Moreover, while many current USAID activities may have a significant impact in the immediate term (e.g., raising household

¹¹ While a large portion of countries' investment generally comes from local investors, FDI can play an important role in stimulating this domestic investment. FDI is not only a source of capital and new technology, but also brings intangibles to a country such as organizational and managerial skills and marketing networks. FDI can also stimulate competition, innovation, savings, and capital formation, and through these, job creation and economic growth. Empirical evidence from south east Asia and Mexico strongly suggests that foreign firms have spillover effects on the propensity of local firms to export. Moreover, most empirical studies of FDI provide evidence that FDI exerts an efficiency-enhancing effect on locally owned firms, thereby increasing their capability to engage in regional T&I. WTO Secretariat, *Trade and Foreign Direct Investment*, October 6, 1996, pp. 13-17.

¹² According to a survey of commercial banks, investment banks, and mutual fund managers, Bhattacharya, Amar, et al., "How Can Sub-Saharan Africa Attract More Private Capital Inflows?" *Finance and Development*, June 1997, p. 6.

Figure 3 4 Expanded Overview of the T&I Strategic Framework



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incomes through CBNRM activities), many of these are being introduced only on a pilot basis, while there may be an immediate potential impact on T&I by those program participants, impact on a broader scale will take longer as these programs are introduced nationally and throughout the region. Similarly, while the provision of firm-level technical assistance to improve business and other skills may have an immediate impact on T&I, such assistance can realistically target only a small number of firms relative to the national economy, and the long-term catalytic or spillover effects of such assistance on T&I may not be felt for the medium- or long-term.

It is also difficult to generalize impacts across a diverse group of economic actors – while access to finance may enable an exceptional SME entrepreneur to rapidly expand a business in a very short amount of time to the point where it has an impact on T&I, most SME firms will take much longer, and a good number will never have any significant impact on T&I.¹³ Finally, while some activities may directly focus on increasing regional T&I, these activities can sometimes be the most difficult to implement because they require the cooperation of one or more governments. Thus, support for regional trade initiatives may have only a medium- to long-term impact on regional trade, despite the activity's explicit and direct link to regional T&I.

Notwithstanding these difficulties, the estimated time needed for each cluster of activities to have an impact on regional T&I is estimated in Table 3.17. It should be noted that these estimated impacts assume ideal implementation conditions – for example, a firm government commitment to policy reform, a lack of severe drought (or excessive rain) impeding farmers from adopting new seed varieties or agricultural practices, etc. Accordingly, these estimates represent best-case scenarios for a sustained impact on T&I.

¹³ The ultimate impact on regional T&I may also vary owing to a firm's geographic location. Those enterprises located in border areas – particularly border areas adjoining similar ethnic or tribal groups – may contribute to increased regional T&I more rapidly than those located more centrally within a country.

Table 3 17 Estimated Timeframe for Clusters to Impact on T&I Levels

| Component | Cluster | Nature of Impact (time)* |
|----------------------------------------------|----------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| Improved Macro Policy Environment | Improved economic policy framework | Immediate |
| | Improved NRM policy framework | Immediate |
| | Economic capacity building | Medium to long term |
| | NRM capacity building | Immediate to medium term |
| Reduced Barriers to Trade and Investment | Reduction of constraints to T&I | Immediate to medium term (intra country) Intermediate to long term (inter country) |
| | Strengthened regional business associations | Immediate |
| | Regional trade/integration advocacy | Immediate to long term |
| Improved Delivery of Economic Infrastructure | Improved reliability reduced cost and improved access of transport telecommunications and other services | Immediate |
| Expanded Output and Income | Improved access to finance | Immediate (medium to large enterprises) to long term (micro and small enterprises) |
| | Sustainable agricultural output | Immediate to medium term |
| | Strengthened private sector role | Immediate to medium term depending on the activity |
| | Broadened ownership | Immediate to medium term |
| | Enterprise skills building | Immediate |
| | Access to technology | Immediate |
| | More competitive input & output markets | Immediate to medium term |
| | Expanded business linkages | Immediate to medium term |
| | Improved access to information | Immediate to medium term |
| | Expanded local income | Immediate |

- Immediate 1 3 years Medium term 4 6 years Long term 7 10 years

3 6 Other Elements of a T&I Strategy

Although the elements of the T&I strategy identified above are clearly the major, and most commonly identified, contributors to enhanced T&I, other factors also play an important role. There is currently widespread consensus in the international development community including USAID, the World Bank, the International Monetary Fund, and many bilateral donors, that activities to promote both democracy and governance and health and education are profoundly important to fostering economic growth, and therefore trade and investment in the medium- to long-term.

The economic benefits of such programs can be substantial

Improved health Programs to improve health contribute to both short-term and long-term economic growth in a number of ways. In the short-term, production losses due to worker illness are reduced, and productivity is raised, in the medium- to long-term, workers have greater opportunities to obtain better-paying jobs and have longer working lives. Another long-term impact of health programs is that they raise the enrollment of children in school and makes them better able to learn. Finally, such programs free scarce resources for other uses that would otherwise be spent on treating illnesses.¹⁴

HIV Prevention Similar to programs to improve health, HIV prevention programs can have a substantial impact on economic growth. High levels of AIDS reduce both savings and productivity, which are both critical contributors to long-term economic growth. World Bank simulations estimate that per capita income growth in the ten worst-affected countries in Sub-Saharan Africa is slowed by 0.6 percent per annum due to AIDS. Economic growth is reduced in the short- to medium-term by the cost of treating the disease, which diverts resources from more productive investments, and by the loss and replacement costs of productive, skilled adults. Long-term economic growth is also weakened as children are withdrawn from school to help at home.¹⁵

Family planning While many countries in the region are now registering respectable rates of national economic growth, the rates of growth in real per capita terms are substantially lower once the population growth rate is taken into account. Moreover, lessening the burden of childbearing on female smallholders will raise rural output and income.

Education Education investment affect both the quality and quantity of productive factors available to the enterprises (be they large or small, urban or rural) that will be participating in expanded T&I. There is unequivocal evidence that education promotes economic growth and encourages entrepreneurship, moreover, the education of

¹⁴ World Bank, Investing in Health World Development Report 1993 pp 17-18

¹⁵ World Bank Investing in Health World Development Report 1993 p 20

women has important benefits in terms of reduced infant mortality and smaller family size, contributing to increased rural output and income

Democratic governance The relationship between democratic governance and economic growth and T&I is complex, but there appears to be a strong empirical relationship between good governance and economic growth. In particular, many recent studies have found that widespread corruption lowers economic growth rates and repels foreign investment¹⁶. Within the arena of activities categorized as promoting democratic governance, those with the greatest effect on investment and growth are those focusing on strengthening the rule of law, creating an independent judiciary, increasing transparency and reducing corruption, and strengthening the independence of the bureaucracy¹⁷.

As noted in Chapter 2, a trade and investment strategy which assumes that all USAID activities contribute to T&I lacks analytical rigor and is of limited practical use in designing a targeted T&I promotion strategy. Nonetheless, it should be acknowledged that the above listed activities do contribute, however indirectly or long-term in impact, to T&I, while important synergies exist, however, they are not primary contributors to T&I. Broadly speaking, DG and health/education/population activities contribute to T&I by improving the overarching political and economic climate – particularly the legal climate -- within a country (DG), and by improving productivity and output at the firm/farm level (MCH, FP, education, AIDS prevention)¹⁸.

¹⁶ Sachs Jeffrey. Competitiveness: The Year in Review. in The Global Competitiveness Report. World Economic Forum 1997 (Geneva) p 14

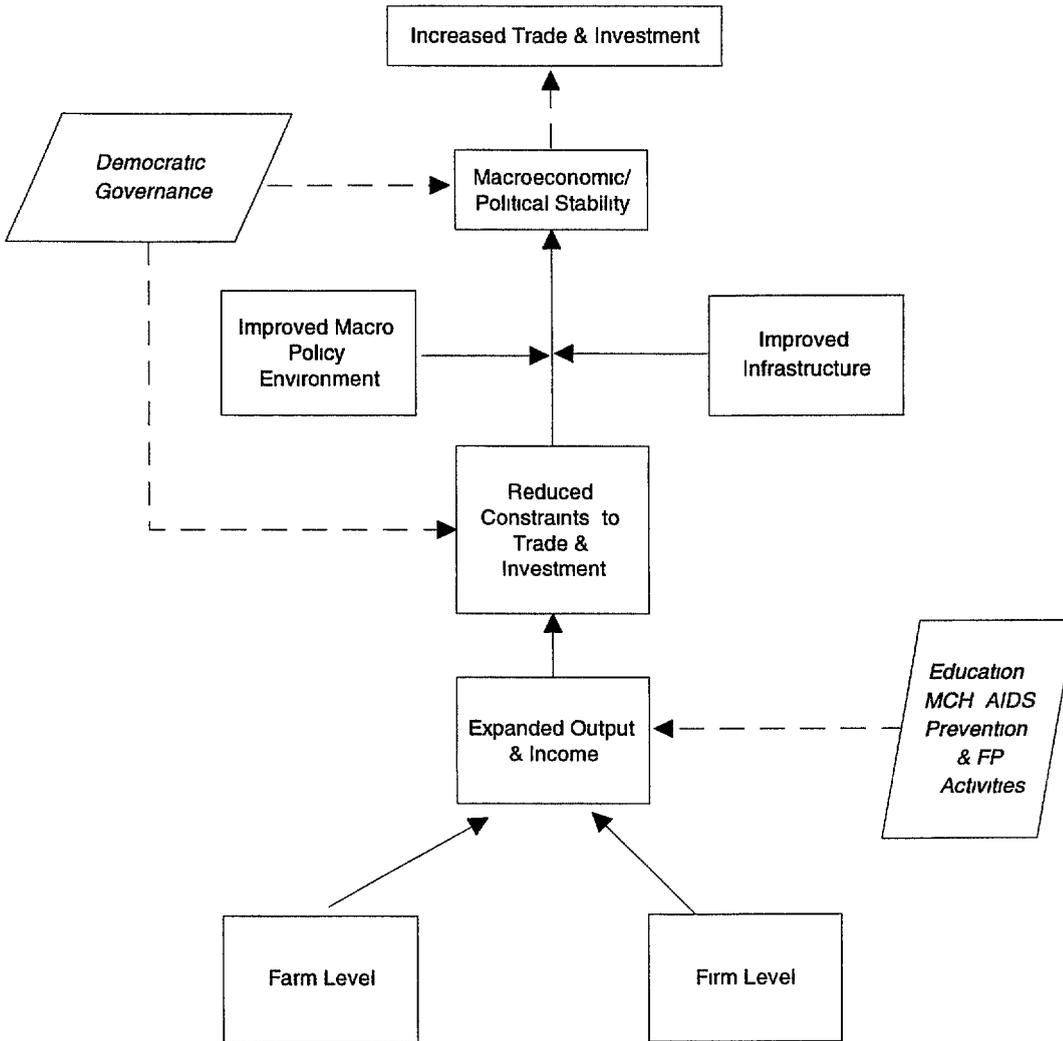
¹⁷ The positive impact of these activities on T&I is supported by a recent World Bank study assessing the impact of the 'credibility' of a country's laws, regulations, and policies on private sector investment (measured in terms of the predictability of laws and policies, the reliability of judiciary enforcement, the subjective evaluation of political instability, the security of property and persons, and uncertainty stemming from corruption and bureaucratic discretion). Using a survey of nearly 3,000 firms in 58 countries, the study found a particularly strong correlation between domestic and foreign investment levels and firms' perceptions of judiciary reliability, lack of corruption and bureaucratic discretion, and perceived political instability. In addition, economic growth (but not investment) was strongly correlated to the security of property rights. Aymo Brunetti, Gregory Kisunko, and Beatrice Weder. Credibility of Rules and Economic Growth: Evidence from a Worldwide Survey of the Private Sector. World Bank Policy Research Working Paper No 1760, 1997.

¹⁸ Conversely, many T&I related activities reinforce USAID's strategic objectives in these areas: for example, increases in rural income weaken the rationale for keeping girls out of school; the expanded number and size of rural non-farm enterprises creates

These inputs into the T&I framework are shown schematically in Figure 3.5

a need for literate and numerate individuals (including women and girls) to help run them¹⁸. Similarly, increased agricultural growth raises rural disposable incomes and makes health care more affordable.

Figure 3 5 Relationship of DG and Other USAID Activities to the T&I Investment Framework



4. USAID's T&I Assistance Strategy and the Partnership for Growth and Opportunity and Africa

4.1 Overview

RCSA presented its six-year strategy to USAID/W for review last year at the same time as President Clinton presented his Partnership for Growth and Opportunity in Africa to the Group of Eight Summit in Denver. The apparent compatibility between this strategy -- particularly SO2, which focuses on a more integrated regional market -- and the President's Initiative was a key factor motivating this current study. This chapter first reviews the key elements and actors in the Partnership, and then assesses how the revealed assistance strategy shown in Chapter 3 contributes to the Initiative's overall objectives.

4.2 Key Objectives of the Partnership

The Partnership for Growth and Opportunity in Africa, announced by President Clinton on June 17, 1997, is a multi-faceted approach designed to reinforce and build upon the significant economic reform efforts made by a large number of African nations in recent years. Recognizing that these reforms have provided the basis for increased economic growth, the objective of the Initiative is to provide special support to those reforming countries in order to help strengthen and accelerate this growth.

The Initiative has five key components. They are

- Increased access to U.S. markets for African exports from the least developed African countries. In addition, additional trade access will be granted to those countries undertaking significant reform. Existing U.S. programs related to trade and investment promotion, development aid, and commodity assistance will be enhanced to increase U.S.-African trade and investment flows.

- Increased technical assistance to African countries to enable them to take the fullest advantage of these new programs
- Financing and debt relief
- Continued U S leadership in multilateral fora to encourage the development and implementation of new initiatives in support of private sector development, trade development, and institutional capacity building
- Finally, enhanced dialogue with African countries through annual economic meetings at the cabinet/ministerial level with all reforming nations to help maintain the momentum introduced by this initiative

The Partnership is based on the idea that U S interests are best served if African countries are viewed as partners in trade, rather than simply recipients of aid As summarized by Secretary of the Treasury Robert Rubin, the Initiative's "goal is to help countries that help themselves"¹

4 3 Country Participation

The Partnership recognizes that African nations are in different stages in their transition to liberalized economies, and accordingly the Initiative is structured so that countries may participate at three different levels The potential benefits available to participating countries increase at each level, thereby providing additional incentives for adopting further economic and trade reforms These three levels of participation are discussed below ²

Level I Participation

This is the most basic level of participation, and is structured to help countries begin the process of economic growth

¹ Press Briefing by National Security Advisor Sandy Berger Assistant to the President for International Economics Dan Tarullo and Secretary of Treasury Robert Rubin, White House Press Release June 16 1997

² Unless otherwise noted, this discussion is drawn from "A Comprehensive Trade and Development Policy for the Countries of Africa, Report Submitted by the President of the United States to Congress December 1997

Opportunities available to these participants include

Enhanced market access Preferential market access will continue to be available to African countries participating in the current General System of Preferences (GSP) program. This program provides duty-free access to exports from less-developed countries in about 4,600 tariff lines. The least-developed beneficiary developed countries (LDBDCs, or those with a 1994 GDP per capita of US\$725 or less)³ qualify for enhanced access on products in an additional 1,783 tariff lines.⁴

Investment support OPIC will issue guarantees for a proposed US\$150 million private equity investment fund for the region. This fund, which was formally announced December 4, 1997, will support commercial and natural resource projects in Sub-Saharan Africa. This fund will be supplemented by one or more additional private equity funds providing partial guarantees to infrastructure projects in the telecommunications, power, transportation, and financial services sectors. These funds will have a total capitalization of up to US\$500 million.⁵

Regional integration support Regional integration will be fostered through support for regional private sector and trade-related activities, including such areas as regional business ties,

³ Twenty nine of the thirty seven countries that are designated as LDBDCs are in Sub Saharan Africa

⁴ According to the International Monetary Fund little or no trade U S -Africa trade occurs for the majority of these items (with the exception of crude petroleum products for which the average U S tariff is less than one percent). Moreover potentially import-sensitive products such as leather, textiles and some agricultural products are excluded (although Level II Participants, as discussed below may be eligible for increased market access in these import sensitive areas). As a result concludes the IMF the provision providing enhanced market access is 'not likely to lead to any significant increase in trade flows, at least in the short run. IMF Partnership for Economic Growth and Opportunity in Africa Internal Memorandum September 12 1997 p 1

⁵ These funds are in addition to OPIC's New Africa Opportunity Fund for Southern Africa. The New Africa Opportunity Fund is a US\$120 million fund capitalized with private equity and OPIC guaranteed debt that will operate in Angola Botswana Lesotho Malawi Mauritius Mozambique Namibia South Africa, Swaziland Zambia and Zimbabwe. It will focus on developing businesses to be owned or managed by the region's majority population.

investment policy harmonization, privatization, financial sector development, and facilitation of cooperation between regional institutions and the private sector. Funding of up to US\$25 million annually will be provided through USAID's Initiative for Southern Africa.

Support for American-African Business Relations Up to US\$1 million will be allocated annually by USAID to catalyze relationships between U.S. and African firms using a variety of business networks and associations.

Designation of an Assistant U.S. Trade Representative (AUSTR) for Africa, and a senior advisor on Africa to the U.S. Export-Import Bank To better direct and coordinate interagency activities on U.S.-Africa trade policy and investment matters, the Office of the U.S. Trade Representative has established and filled a AUSTR position. The USTR has also established an Office of African Affairs (OAA) to address all economic issues relevant to the Partnership, including such trade-related issues such as WTO accession, discriminatory trade practices, and trade/investment disputes. This Office will also use bilateral, regional, and multilateral initiatives to promote the opening of new markets for U.S. exporters.⁶

In support of these Level I measures, the Administration also intends to work with the IMF, World Bank Group, and African Development Bank Group to develop and implement multilateral initiatives in the areas of private sector investment, trade development, and capacity building.

Level II Participation

Level II is aimed at those countries that are following aggressive, growth-oriented reform programs. Countries introducing significant reforms in areas such as trade and investment liberalization, investment in human resources, and improved policy management and governance are eligible for the following opportunities, subject to the President's discretion. These are

⁶ Foreign Service Officer and former international business consultant Rosa Whitaker was appointed as AUSTR in early March 1998.

Further enhanced market access Preferential market access under the GSP programs will be expanded by including some import-sensitive product groups such as textiles that are currently excluded by law, or for which only LDBDC countries have preferential access. Addition of such product groups would be granted by the President, upon the advice of the U.S. International Trade Commission. This enhanced market access for Level II participants would benefit 14 Sub-Saharan countries that currently are not eligible because they are no longer classified as least developed. This provision is the only major part of the Partnership which requires congressional authorization.⁷

Debt reduction This component has two parts: one, the Administration will seek an extinction of concessional bilateral debt for the poorest countries undertaking strong reform programs; two, the Administration will continue to urge the IMF and World Bank Boards to provide deep relief under the Heavily Indebted Poor Countries (HIPC) initiative.

U.S.-Africa Economic Cooperation Forum An annual forum, to be held at the cabinet minister level, will be convened to improve the dialogue between the United States and the continent's strongest performers. The precise organization of the Forum, and the role of USG agencies involved in the Partnership, is still being determined.

Bilateral technical assistance to promote reforms Up to US\$5 million in short-term technical assistance will be provided annually through USAID in support of trade liberalization and export promotion, and to improve the investment environment through regulatory, financial, and fiscal reforms. In addition, the

Department of Agriculture will provide technical assistance to promote agribusiness linkages.

⁷ Such authorization would be provided under the proposed Africa Growth and Opportunity Act, the companion legislation to the Partnership currently before the U.S. Congress.

Agricultural market liberalization support To support agricultural market liberalization, export development, and agribusiness investment in the processing and transport of agricultural commodities, up to US\$15 million will be allocated annually by USAID under the multi-year Africa Food Security Initiative. In FY98, the first year of implementation, this Initiative will provide assistance to five countries, including one southern African country, Malawi, as well provide support to International Agricultural Resource Centers (IARC) and U S university technology development and policy reform efforts.

Trade Promotion The number of reverse trade missions focusing on growth-oriented African countries will be increased by the Trade Development Agency (TDA).

Commodity assistance reprogramming The Administration will focus PL-480 Title I assistance more on growth-oriented countries in Sub-Saharan Africa, as allowed by funding availability, and will explore the possibility of increased funding for Title III assistance from within PL-480. This reorientation is designed to support countries experiencing budget shortfalls while undertaking growth-oriented reform programs, as well as to encourage more effective spending on human resource development and agricultural policy reform.

Economic policy reform support In FY98, USAID will provide increased support for growth-oriented programs with both technical assistance and program support funds.

Targeted multilateral assistance The Administration will actively support multilateral financial assistance targeted at growth-oriented African countries, in particular financing to support accelerated private sector investment and accelerated trade liberalization in Africa.

Level III Participation

As envisioned in the *Partnership*, Level III participation will be made available in the future to those strong-performing, growth-

oriented African countries. As appropriate, the United States will “be open to” pursuing free trade agreements (FTAs) with these individual countries. By expressing its willingness to enter into FTAs, the “Administration hopes to encourage investment, increase trade, and bolster the ability of African nations to continue market-opening reforms.”

Legislative Requirements

The Administration can implement most aspects of the Partnership on its own authority within FY98 and prior appropriations. Congressional action is required, however, to expand the GSP program for Level II participants, as well as to facilitate the negotiation of free trade agreements for under Level III via “fast track” procedures. These are being undertaken through H.R. 1432, the African Growth and Opportunity Act currently before the U.S. Congress.

4.4 Implementation of the Partnership

A wide variety of activities are being undertaken by a significant number of USG agencies in support of the *Partnership*, including the Departments of Transportation, Treasury, Commerce, Labor, and Agriculture, as well as USAID, OPIC, Ex-Im Bank, USTR, and USIA. These activities include those which will directly implement the Initiative, as well as those programs or activities which are highly complementary with the *Partnership*. These are summarized in Box 4.1.

As discussed above, USAID had been assigned a number of key responsibilities under the Initiative. In summary, these are

- Responsibility for catalyzing American-African business relations via a variety of business networks and associations (for Level I countries),

Box 4 1 Complementary USG Activities Associated with the Partnership

Various USG agencies and Departments are pursuing activities or programs that are part of, or which complement, the Partnership. These include:

Transportation Initiative The Department of Transportation's Transportation Initiative has been designed as an important complement to the Partnership. This Initiative includes a number of existing and planned programs, including the Federal Highway Administration's technology sharing facility in Pretoria, and plans to open a second such center in Dar Es Salaam, the African Aviation Initiative, in which civil aviation and aviation safety/security experts teamed with African public officials to share information on safety and security issues and the Administration's perspective on open aviation markets. Other DOT programs include efforts to improve road safety, marine capabilities, and to reduce the spread of HIV/AIDS through information programs for seafarers.

USIA In addition to its ongoing programs, USIA has proposed the development of two-week, university-level Economic Growth and Opportunity workshops. These workshops would be targeted at selected emerging economy countries and would be staffed by visiting U.S. academic and government specialists, offering intensive macro-economic and development project-specific instruction.

In a follow-up to its Cotonu and Johannesburg regional intellectual property rights (IPR) workshops, USIA is continuing activities to ensure that support within the region is maintained for IPR legislation as a component of effective national governance. The feasibility of an East and Horn of Africa workshop is being investigated.

Export-Import Bank Programs In 1997, Ex-Im Bank met with the commercial attaches from each African Embassy to explain its programs and to develop potential transactions, and is working with the Commerce and State Departments to facilitate local access to Ex-Im Bank programs in Africa.

U.S. Trade and Development Agency TDA performed a number of feasibility studies and reverse trade missions to encourage U.S. trade and investment in the region.

Department of Labor The Labor Department has provided advice and TA on labor law reform and labor market mobility to South Africa. Similar TA may be available to other African countries, depending on the availability of funding and country requests for assistance.

continued

Box 4 1 Complementary USG Activities Associated with the Partnership, cont

Treasury Department TA has been provided to the government of South Africa, and a budget policy and management advisor has been assigned to the South African Department of Finance. Discussions with SADC have begun regarding the provision of similar services to other countries in the region.

USDA USDA is studying the appointment of an Agricultural Trade Officer for a 3-year posting to Sub-Saharan Africa (SSA) to develop agribusiness opportunities in the region. USDA is also considering establishment of a supplier credit guarantee program to enable South African imports of U.S. wheat, and has also established its first Facility Credit Guarantee Program (FCGP). Under the FCGP, USDA's Commodity Credit Corporation will guarantee financing for the import of U.S. - manufactured goods and services or for the establishment of agriculture-related facilities in markets where U.S. agricultural exports will be the main beneficiary. USDA is also exploring ways to increase Title I programming in the continent, and to expand Food for Progress Program grant programming to SSA in FY98 and FY99.

Commerce Commerce is seeking to further its activities in support of its MOU with SADC for commercial promotion, and to cooperate with USAID on regional economic integration. This may include additional seminars with SADC to focus on specific issues to increase trade between the SADC member countries. Commerce is also working with the Corporate Council on Africa to arrange a U.S. tour for several U.S. Ambassadors to coincide with the Commerce-State Conference on U.S. Trade and Investment in Africa, to be held in April.

In the area of trade promotion, Commerce has revitalized the Africa Working Group of the Trade Promotion Coordination Committee to improve the coordination of all the U.S. agencies involved in commercial promotion in Africa. The Africa team of trade specialists from the Export Assistance Center network and overseas posts has also been reestablished to better provide business support and trade promotion for U.S. investors on the continent, and to raise U.S. firms' awareness of African T&I opportunities. Commerce is also continuing to coordinate the work of the Trade & Investment Committee (TIC) of the U.S. South-Africa Binational Commission.

Other Agencies Underscoring the Administration's commitment to increasing African trade, the Administration has undertaken extensive informal and formal extensive consultations with the WTO during the course of the development of the Partnership Initiative.

Source: *A Comprehensive Trade and Development Policy for the Countries of Africa*, December 1997

- Support for regional integration support, through private sector and trade-related activities such as regional business ties, investment policy harmonization, privatization, financial sector development, and the facilitation of cooperation between regional institutions and the private sector (for Level I countries),
- Bilateral short-term TA to promote trade liberalization and export promotion, and to improve investment environments through regulatory, financial, and fiscal reforms (for Level II countries),
- Support for agricultural market liberalization, export development, and agribusiness investment under the Africa Food Security Initiative (for Level II countries), and,
- Support for economic policy reforms (for Level II countries)

**4.5 Compatibility of
USAID Activities with
the Partnership**
General principles

USAID's trade and investment-related activities are highly compatible with both the overall focus and intent of the Partnership. For one, the principles underlying the development of the Partnership bear a close resemblance to the objectives guiding USAID's current development strategy and programs. These principles are:

- A sound policy framework in African countries that opens economies to private sector trade and investment offers the greatest potential for growth and poverty alleviation.⁸

⁸ "A Comprehensive Trade and Development Policy for the Countries of Africa," pp. 1-2

- Investment in people, emphasizing education and health, is necessary to raise productivity
- Consistent, transparent, “rules of the economic game,” fairly applied, are essential for the private sector to flourish
- Development assistance remains important and should be maintained, but it cannot itself be the engine of growth Assistance works best in an environment of good policies and good leadership Foreign assistance can make a critical difference for those countries doing the most to promote their own growth by opening their economies, investing in people, and improving economic policy management and governance
- Sustained, rapid growth for countries in Sub-Saharan Africa is achievable Success can breed success and provide a powerful example for all the countries of Africa to emulate

“First tier” and “second tier” reforms

On a substantive policy level, there is a clear compatibility between USAID’s “first tier” (macro policy) and “second tier” (elimination of T&I constraints) activities, as discussed in the previous chapter, and the policy liberalization agenda focus of the Partnership Moreover, many of the types of activities proposed under the Partnership have long been part of USAID’s agenda in the region These include support for agricultural market liberalization and economic policy reform, support for regulatory, financial, and fiscal reforms to improve the investment environment, and the use of policy dialogue between economic reformers and the U S to encourage and strengthen the economic reform process

Compatibility with RCSA’s SO2

While the Partnership is primarily focused on an expansion of trade between the United States and African countries (as will be discussed in further detail below), it also supports increased trade between nations in the Southern Africa region As Dan Tarullo, Special Assistant to the President for National Economic Policy,

explained at the Denver Summit “ we want trade liberalization as part of an overall market-oriented reform package We’re just as interested in the African countries trading with one another [as with the United States] ” Accordingly, regional integration support is made available to Level I participants in the Partnership for regional private sector and trade-related activities This is highly compatible with RCSA’s focus in SO2 on creating a more integrated regional market through reduced barriers to entry, improved telecommunications, transport, and energy infrastructure, and sustained advocacy for regional integration

**4.6 Differences
Between the Partnership
and USAID Activities**

There are a number of differences between current USAID activities and the Partnership, although these are largely a matter of emphasis These differences are the Partnership’s clear focus on expanding African economic development as a way to foster U S trade, rather than a desirable goal in and of itself, the Partnership’s clear emphasis on promoting market integration, rather than simply regional integration, and the Partnership’s bilateral, rather than regional, view of the importance of economic liberalization Finally, the Partnership does not stress firm and farm-level interventions, which comprise a large proportion of USAID’s regional T&I activities These are discussed in turn

Focus on U S trade

A clear and explicit element of the Partnership is its focus on strengthening opportunities for U S exporters and investors As stated in the Administration’s 1997 Comprehensive Trade and Development Policy for Africa, “strengthening U S trade relations with Africa is a key element of the Partnership ” Similarly, the Administration makes clear that the prospect of negotiating FTAs with Level III African countries offers “significant commercial benefit[s]” to U S exporters, particularly in terms of offsetting the current preferential trade negotiations between South Africa and the European Union⁹ This emphasis on expanding U S

⁹ The proposed EU South Africa FTA would give European firms duty free access to South African markets while U S exporters would face a 5-35 percent tariff wall

business opportunities is also the central focus of many of the other USG activities viewed by the Administration as complementary with the Partnership for Growth and Opportunity¹⁰

By contrast, USAID's activities in the region have a key focus – in keeping with the Agency's overall objectives – on fostering economic growth. This is clearly not contradictory to the Partnership's focus on expanding U.S. exports and investment, given that such growth is needed to provide markets for U.S. goods, rather such trade is simply an implicit and anticipated outcome of USAID programs, rather than an explicit goal.

Country vs regional focus

SO2 by its very nature focuses on the regional Southern African economy, and the real economic benefits (e.g., avoiding unnecessary duplication in industries, gaining the benefits of economies of scale) to be gained from greater economic integration. By contrast, the Partnership – owing to its focus on economic changes within individual countries, and the direct linkage between such economic liberalization and increased and preferential access to U.S. markets – is less concerned by changes or reforms that occur regionally. Although the Partnership does recognize regional integration as something to be encouraged, there are no incentives or benefits linked to achievement of this goal, rather, assistance in regional integration is provided to countries undertaking significant economic reforms. Again, this does not represent a contradiction between SO2 and the Partnership, but is simply a difference in focus and emphasis.

Regional integration vs market integration

A potentially more important distinction between USAID T&I activities and the Partnership is in the area of trade promotion. The Partnership is most emphatically based on the principle of

¹⁰ These include *inter alia* a new Ex-Im Bank strategy for marketing the agency's programs in Africa; the Commerce Department's revitalization of the Africa Working Group of the Trade Promotion Coordination Committee to better coordinate the work of U.S. agencies involved in commercial promotion in Africa; Commerce's reconstitution of its Africa Team of specialists from the Export Assistance Center network and overseas posts to improve its trade promotion and business support for U.S. investors in Africa; and a USDA feasibility assessment of placing an Agricultural Trade Officer in Africa to support agribusiness development opportunities for U.S. industry in the region.

market integration, that is, a reduction in tariff and non-tariff barriers by African countries so as to enable greater access by U S firms (among others) to African markets. The “core premise” of the Partnership is that those countries that “pursue the most aggressive growth-oriented economic policies – *principally by opening their economies to the world marketplace* (emphasis added) – are the ones most likely to be the engines of growth on the continent.”¹¹

This emphasis on the importance of African countries adopting external market liberalizations is seen throughout the Partnership agenda, especially in the extent to which the Administration places “particular importance” on whether or not countries have made substantial progress in achieving the following

- making substantial progress toward reducing tariff levels,
- binding their tariffs in the WTO,
- eliminating non-tariff barriers (NTBs),
- assuming meaningful binding obligations in the WTO,
- actively pursuing membership in the WTO, and
- making commitments in the WTO financial services negotiations.¹²

While the Partnership also emphasizes the importance of economic reforms such as privatization and improved economic policy management, the above-listed trade reforms are cited as the key areas of emphasis in the area of trade and investment.¹³

By contrast, the Partnership places less stress on inter-African, or regional integration, although as noted above it is generally supportive of expanded regional trade. Regional integration *per*

¹¹ Testimony of Ambassador Jeffrey Lang, Deputy USTR, before the Subcommittees on Africa and on International Economic Policy and Trade of the House Committee on International Relations, May 21, 1997, p. 2.

¹² H.R. 1432, the companion legislation to the Partnership, which is strongly supported by the Administration, also strongly links eligibility for benefits under the Act to a country's progress in adopting these trade-related reforms.

¹³ Lang Testimony, p. 3.

se, of course, does not necessarily preclude market integration, as long as reforms, tariff reductions, or other changes aimed at expanding trade and investment are extended equally to all trading partners, rather than simply to other African or SADC countries, in conformance with WTO rules. As such, the focus of SO2 on regional integration does not necessarily contradict the Partnership, as long as USAID-supported efforts to expand regional trade do not come at the expense of WTO-consistent, external market liberalizations.¹⁴ Moreover, to the extent that USAID activities encourage the opening of markets -- such as those activities encouraging the liberalization and opening of Southern African telecommunications markets to foreign competition -- they are highly compatible with the Partnership's focus on fostering U S trade and investment.

*Macro vs firm
level interventions*

Finally, a major difference between the Partnership and USAID's T&I activities is the Partnership's lack of focus on "third tier" interventions, that is, interventions occurring at the firm or farm level that strengthen these entities to participate in expanded T&I. Owing to its primary emphasis on expanding U S investment in Africa and ensuring that African economies benefit from greater participation in the world economy, the Administration's Initiative does not address these types of interventions.

While this difference is notable given that a large proportion of USAID's activities within Southern African are third tier interventions, it does not indicate a significant incompatibility between the two programs. For one, an expansion of output and income at the farm/firm level is necessary to create markets for U S exporters. Two, long-term economic growth in most countries is fuelled by domestic savings and investment. While FDI -- by the U S or any other country -- will have an important contribution to make, the achievement of the significant economic growth that is the overall objective of the Partnership will be directly supported by USAID third tier activities. In this sense,

¹⁴ To date, SADC has not committed itself to external liberalization, while the Cross Border Initiative in Eastern and Southern Africa, for example, has

USAID's T&I strategy is highly complementary with the Partnership's goals

4.7 Implications & Conclusions

USAID's revealed trade and assistance strategy clearly is congruous in many ways with the Partnership for Economic Growth and Opportunity in Africa, although this compatibility can be strengthened in certain areas. In particular, USAID's revealed T&I strategy in Southern Africa makes the following contributions to the Partnership:

Improved policy environments for economic growth The Partnership seeks to accelerate and strengthen the adoption of economic reform and market liberalizations throughout the continent. USAID contributes directly to these liberalizations through its policy and regulatory reform and economic capacity building activities.

Expanded privatization and telecommunications reforms USAID's activities encouraging privatization generally, and telecommunications reforms in particular, are highly compatible with the Partnership's focus on opening African economies to potential investment by U.S. firms. Moreover -- in contrast to improvements in economic policies, which can take longer to implement and which only improve the enabling environment for investment -- privatizations and telecommunications reforms are focused contributions by USAID that help to create concrete investment opportunities in the short-term.

To date, however, South Africa is the only country within the region that is a signatory to the WTO Basic Telecommunications Services Agreement.¹⁵ Within the context of current USAID telecommunications restructuring activities, any future USAID efforts to encourage liberalizations that are consistent with WTO

committed to both internal liberalization and low harmonized external tariffs

¹⁵ The other countries in SSA are Cote d'Ivoire, Ghana, Senegal, and Mauritius.

requirements would be highly compatible with both the Partnership and with USAID efforts to encourage T&I

Improved enabling environment for investment USAID activities to reduce constraints on T&I by simplifying the investment and business establishment/operating climate clearly contribute to the Partnership's objectives. In light of the Partnership's focus on opening African economies to U.S. trade and investment, USAID activities which lead to improved national investment policies characterized by transparency, stability, and fairness, and which offer investment protection and guarantees, would be particularly compatible.

Improved democratic governance While improved democratic governance was not classified here as part of USAID's revealed T&I strategy, many aspects of DG activities contribute to an improved enabling environment for T&I, as discussed in the previous chapter. USAID activities in support of strengthened judicial systems and increased contract enforceability will contribute to the Partnership's objective of increased U.S. trade and investment with Africa by creating a less risky legal environment for business. Similarly, the Partnership acknowledges the importance of investing in human resources, and has established such investment as one of the criteria for Level II participation in the Partnership. Although not part of USAID's T&I-related work, USAID's extensive activities in this area will contribute to the Partnership's objectives.

Trade policy reforms Activities which focus on trade policy reforms such as the reduction of NTBs, lowering tariffs, GATT accession, and other related reforms clearly contribute to the Partnership's objective of increasing the openness of African economies to trade.

Increased output and income Finally, as discussed previously, USAID's third-tier interventions lay the basis for long-term economic growth at the firm and farm level. Increasing the capability of farmers and rural and urban enterprises to engage in

sustainable economic growth is key to enabling these entities to take advantage of the national-level policy liberalizations and other reforms encouraged by the Partnership

5. Implications for USAID's Trade and Investment Strategy

5.1 Overview

Drawing upon the analysis of current and planned USAID T&I activities in Chapter 3, this chapter identifies and recommends a core focus for USAID's trade and investment strategies. The chapter then recommends additional activities which should be included in USAID's current inventory of actions, and proposes a delineation in responsibilities between AID/Washington, the bilateral missions, and RCSA for T&I programs and activities.

5.2 Proposed Core Focus

Through its collection of activities overall, USAID has captured the most important elements of a successful T&I strategy. This raises the question as to whether there are missing interventions which should be incorporated into this strategy to make it more successful, or to expand the synergies that exist between many of these elements. As shown in Figures 3.2 and 3.4 in Chapter 3, there is an explicit and logical rationale by which this inventory of activities can be linked in a causal sequence to increased T&I.

While these activities in total contribute to increased T&I, however, not all these activities are being pursued uniformly throughout the region, indicating that on a mission-by-mission basis, changes in focus or additional activities are needed to better encourage T&I (these will be discussed in greater detail below).

Equally importantly, while it is analytically correct and conceptually useful to categorize all these various types of activities as contributing to increased T&I, it is not strategically valuable in terms of focusing USAID resources and programs. Such a categorization neither provides a prioritization of key activities, nor does it provide a temporal focus in terms of short-term, medium-term, and long-term expectations for performance criteria or

results While it is important to acknowledge and realize that economic growth-inducing activities are an important element in increased regional T&I, this impact is often felt in only the medium- to long-term (see Table 3.16 in Chapter 3 estimating the impact of these various activities on T&I)

From a strategic perspective, therefore, it is important to identify the core elements of a T&I-promotion strategy in order to better focus USAID resources In particular, this strategy should be focused on those areas which have the greatest potential for producing benefits in the short-term in order to create the greatest synergies with other USAID interventions, thereby maximizing their potential impact

To this end, *USAID should focus its T&I strategy primarily on core T&I issue areas, principally facilitating trade (exports, imports, and domestic trade), and encouraging investment (domestic, intra-regional, and FDI)* This focus should include both measures to identify and eliminate regulatory and other barriers as well as activities to facilitate or promote T&I In all areas, the focus should be on adopting world “best practices” standards, whether it be in investment regulation and approval processes, custom practices, business registration, investor targeting, etc

The key ways to achieve this include the elimination of barriers to all forms of trade and investment, the development of more effective export and investment promotion policies and institutions, and the provision of direct assistance to help companies conduct importing, exporting, and domestic trade more capably

This approach does not have a regional emphasis per se – although it will benefit regional T&I -- but focuses primarily on enhancing all types of trade (domestic, intra-regional, and extra-regional) and investment (domestic, regional, FDI) This rationale for this focus is that it will remove barriers to all types of T&I, letting the private sector decide what types and areas of investment or trade make sense Neither USAID nor any regional grouping can create economic integration or T&I flows – these flows will assume

a regional format if foreign and domestic firms feel that it is profitable to do so. Eliminating or reducing barriers to all forms of T&I flows is a neutral policy in that it will equally encourage exports to the region and to developed country markets abroad. It will also equally encourage investment from domestic, regional, and foreign sources, and will benefit all types of companies – small, medium, and large, as well as foreign and domestic ones.

The reduction of regulatory and other barriers to trade and investment should be the primary area of USAID attention. This is a critical area because, as discussed in Chapter 3, such constraints can prevent first tier economic liberalization and infrastructure reforms from achieving their impact at the firm and farm level. Similarly, interventions at the third tier firm and farm level can be undermined by second tier regulatory impediments. Finally, such barriers create opportunities for corruption, and can also cause potential FDI to pursue opportunities elsewhere.

It is for these reasons that an increased focus on the elimination of constraints to T&I needs to be the centerpiece of USAID's activities to improve regional T&I. Unless these second-tier barriers are addressed on both a national (and sub-national) and regional level, basic development gains in USAID's other economic-growth inducing activities will be undermined. In this sense, a focus on the elimination of such constraints can create real synergies with USAID's other activities in the region.

Eliminating constraints is, of course, a broad agenda, and one which touches on all spheres of economic and business activity. Addressing these economic bottlenecks needs to be done in a systematic fashion, and will require both a systemic and a proactive approach. Specific areas to be addressed include:

Elimination of barriers to business establishment and operation

Constraints to investment and business establishment and operation affect both domestic and foreign investors, as well as small, medium, and large entities, and accordingly can deter T&I. Typical areas which need to be addressed include: company

registration and licensing requirements, labor policies and work permits, land access procedures, investment incentives and investment approval procedures, restrictions on the import/export of goods, etc

Addressing these areas will require more than the adoption of new or streamlined procedures. The simplification of policy, regulatory, or procedural requirements has often proven to be insufficient to produce a real improvement in the efficiency of government operations. Rather than just simplifying government procedures, these procedures frequently must be reconstructed so that government agencies can transform themselves into customer-focused, highly responsive service providers. This is particularly true in terms of the investor entry, business establishment, and business operation processes, but is highly applicable to other areas of government as well. This aspect of governance is critical to improving institutional effectiveness, and is essential to enable government agencies in the transition from controlling business establishment and operation to facilitating it.

This focus on re-engineering may seem obscure or irrelevant given that the public sector's capacity in some countries is undermined by governments' failure to pay civil servants a living wage. In these cases, where there exists such a substantive and basic constraint to civil service effectiveness, a focus on procedural re-engineering is clearly not a near-term USAID priority. Nonetheless, in order to encourage T&I in the medium- to long-term – and assuming such constraints are addressed -- it is important to bear in mind the institutional components of increased T&I.

Improved export policy framework Trade within the region is essentially the process of one country exporting to another, and measures to improve the export framework of each nation will necessarily have a positive impact on regional trade. An improved export policy framework is also equally beneficial to a country's capability to export internationally, and the economic impact of an export-oriented strategy has been well established. Currently,

however, USAID is undertaking very little activity in this area,¹ making this a serious gap in USAID's T&I inventory that needs to be addressed

Improving each country's capability to export will require an integrated focus on the policies, programs, and institutions governing exports within each nation, including examining current export incentives, simplifying export procedures, and undertaking infrastructure improvements to reduce transactions costs. In some countries, it may require the expansion of export finance facilities or improved access to those facilities.

Improved investment promotion policies and institutions Attracting foreign investment (including investment from both the region and from abroad) has been shown to be an important contributor to economic growth, job creation, technology and skills transfer, and a country's ability to export. Successful investment promotion will require investment laws and incentives to be brought into accordance with best practices to create an attractive and competitive investment climate. Improving investment promotion institutions requires capacity-building measures to enable the effective targeting, attraction, and retention of investment based on the country's comparative and competitive advantages.

Strengthen the capability of firms to engage in trade and investment An important way to facilitate T&I is by enhancing the capabilities of local firms to better engage in domestic trade and exporting and importing. This can be achieved in two ways: assistance to individual firms, and assistance in the creation of linkages between firms.

A number of projects within the region focus on skills building at the firm level (as shown in Table 3.10 in Chapter 3), but many of these focus exclusively on improving entrepreneurs' ability to access

¹ Export related activities appear to be limited to Global/EM's strategy assistance support to a South African Export Promotion Strategy, but as noted previously such assessments need to be treated cautiously in light of the fact that a number of missions did not review the activities tables which provide the basis for such assessments.

finance, and capital is only one element in a firm's ability to undertake T&I. A good example of a skill-building activity is the Tanzanian Business Center Project (TBC) which assists private enterprises through the provision of training and business consultant services, as well as providing access to capital for small and micro –entrepreneurs through a related project (the Risk Management and Profit Sharing Fund -- RMPS). These types of programs are invaluable because they directly enhance the business capabilities of firms, making them more qualified to successfully engage in trade and investment.

A substantial contribution to T&I can also be made by assisting firms to establish linkages with potential regional and foreign collaborators in order to expand their exports. Such collaboration can take the form of joint ventures, FDI, technical/marketing/management agreements, sub-contracting arrangements, foreign companies' loan guarantees, etc. These forms of collaboration are critical in enabling African companies to enter export markets.² Such collaborations are important because foreign collaborators contribute the (i) technical, marketing, and managerial know-how critical for undertaking manufactured exports, (ii) access to world market networks, (iii) a capacity to successfully put together these first two elements with local and external capital and local labor and entrepreneurial resources, and (iv) investment financing and working capital.

USAID should actively explore ways to facilitate such collaborations, including establishment of a regional network of businessmen (the West African businessman's forum has been highly successful in sponsoring collaborations in that region), trade

² A survey by the World Bank and USAID of 121 manufacturing (and potential) exporters and 56 primary resource based (non-traditional) exporters in 16 SSA countries (including the Southern African countries of Botswana, Malawi, Mozambique, Tanzania, Zambia, and Zimbabwe) found that "almost all the manufacturing firms that did not engage in any type of foreign collaboration were unable to export their products [confirming that] some sort of foreign collaboration is a necessary condition for manufactured exports." World Bank Building a Competitive Edge in Sub-Saharan African Countries: The Catalytic Role of Foreign and Domestic Enterprise Collaboration in Export Activities, April 1992, p. 1.

and investment missions, both from within and from outside of the region, electronic data banks of firms seeking joint venture partners, arranging firm-level contacts between businessmen in similar fields) etc AFR/SD and RCSA are currently working on establishing electronic networks in the region The focus and design of these activities should be examined to ensure that they will constructively encourage firm-level contacts and potential collaboration and will provide the types of factual information that businessmen need They should also be examined to ensure that potential synergies between the two efforts are maximized, and any duplication minimized

Fostering such collaborations between African and U S businesses are also an explicit goal of the President's "Partnership for Growth and Opportunity" (discussed in detail in Chapter 4), and avenues for exploiting potential programs under the Partnership should also be explored In particular, USAID should examine ways to increase such collaborations between South African firms and local firms elsewhere in the region (discussed below) All these types contacts can be benchmarked to measure performance over a multi-year period in terms of contacts made, trade and investment missions generated, variety of sectors represented, etc

Adoption of an integrated and focused approach to addressing these issues Finally, trade and investment promotion needs to be addressed systematically through multiple, but highly integrated, activities None of these proposed areas of activity represent new interventions for USAID, but they mostly taking place within the region as ad hoc or discrete examples of technical assistance To maximize the potential synergies between these activities and increase their effectiveness, they need to be adopted in an integrated and focused fashion Improved investment targeting capabilities, for example, will be of limited use if investment approval requirements remain complex Similarly, technical assistance to exporters will be ineffective if export policies and procedures do not facilitate exports

For example, current activities to improve the cashew sector in

Mozambique include the following elements

- Deregulation of the cashew industry to expand exports,
- Improvements to trade-related infrastructure such as feeder roads,
- Use of a FIAS Roadmap to identify needed investment procedural and policy changes,
- Institutional strengthening to improve the capacity of the export board,
- Technical assistance activities to improve the vibrancy and competitiveness of domestic entrepreneurs, and
- Institutional strengthening to improve the capabilities of the investment promotion agency to better attract investment into the industry

A similar, integrated approach to addressing all aspects of the T&I environment needs to be adopted by each mission. Such an approach needs to incorporate a focus on export and import regulations, export policies, programs and institutions, investment laws and regulations, and investment approval and promotion agencies. Not all the activities carried out under this approach need to be USAID's responsibility, but actions by other donors, or planned by other donors, should be incorporated into the planning of such an approach to ensure that all necessary areas are being addressed.

Tightening AID's focus on T&I-related activities may require the development of an action plan for each mission. Currently, few bilateral missions have IRs explicitly linked to increasing trade and investment (Zambia and Tanzania are notable exceptions), although RCSA is addressing such regional constraints to T&I in the context of its SO2 on creating an integrated regional market. The adoption of a tightly integrated focus on T&I may in some cases require a full re-engineering of current agendas, while in others it may require some re-designing of existing SO/IRs to tighten their focus, for example, to more explicitly link DG activities to support T&I. As with other aspects of USAID re-engineering, USAID should consider adding quantitative benchmarks or other

performance criteria by which to monitor progress in enhancing T&I performance

Additional Areas of Focus

To maximize regional trade and T&I growth, USAID should consider introducing the following interventions to reinforce the T&I strategy outlined above

Exploit potential T&I linkages between South Africa and the rest of the region South Africa's position within the region as an comparative economic powerhouse – while a disadvantage in one sense because it complicates negotiation of any type of free trade agreement – is an advantage in terms of providing both markets and a source of investment within the region USAID should assist countries in the region to capitalize on this local source of investment and technological and managerial know-how This assistance should help countries to target, attract, and absorb South African investment It should also establish fora and other arrangements whereby joint ventures and other forms of collaborative linkages could be established between South Africa and regional firms While this strategy may be politically difficult, it is a sound and pragmatic approach from the perspective of using well established and successful methods of generating T&I

Introduce a greater multilateral trade liberalization component to USAID activities to eliminate barriers to trade Studies of countries' international competitiveness have conclusively established that openness – that is, the degree to which a country's economy is open or closed to foreign trade and investment – is an important determinant of economic growth Most African countries, however, have very restrictive trade policies characterized by significant anti-export bias and non-tariff barriers³ Actions to address these restrictions on trade will

³ Import tariffs in Sub Saharan Africa average 26.8 percent versus 8.7 percent in the world's fastest growing developing country exporters African countries also impose non tariff barriers (NTBs) over one third of all their imports a ratio that is almost nine times higher than the corresponding average for fast growing exporters World Bank data cited by Deputy USTR Jeffrey Lang in testimony

produce real gains in economic efficiency and national competitiveness

Moreover, such actions are important to prevent Southern African economies from being further marginalized in the world economy. Since the conclusion of the Uruguay Round establishing the WTO, the pace of trade reform worldwide is accelerating, and those countries that open their economies will participate in the economic benefits and growth that will result from the increasing integration of the global economy. Furthermore, the WTO agenda is continually evolving to include new issue areas. Countries that fail to adopt such measures will see a decline in their national living standards relative to more open economies, and their relative competitiveness in attracting investment will be eroded.

While all the countries included in this study have acceded to the WTO agreement, there are a number of areas where trade-related reforms are needed. The principle ones are:

- Pursue trade liberalization in the form of reduced maximum and average tariffs and bind these in the WTO to prevent policy reversals⁴
- Lower or eliminate non-tariff barriers
- Eliminate discretionary and administrative trade-related tax and tariff exemptions. (The elimination of such discretionary exemptions is also fully consistent with USAID's efforts in

before the Subcommittees on Africa and International Economic Policy and Trade of the House Committee on International Relations, May 21, 1997, p. 2.

⁴ While "binding" negotiated tariff concessions improves the predictability of market access in world trade, it should be noted that "WTO commitments and rules are limitations on the maximum amount of protection, not optimal levels from the point of view of individual countries' economic efficiency." WTO rules also contain various exceptions, allow for long and variable transition periods – which can slow the process of trade liberalization – and do not address fully a number of significant trade policy issues with important economic implications such as export taxes, import tariff exemptions, state trading monopolies, etc. Thus, while WTO compatibility is often cited as the standard to which developing countries should aspire, this is not necessarily ideal from an economic efficiency standpoint, or in terms of accelerating trade in Southern Africa. International Monetary Fund, *Trade Liberalization in IMF Supported Programs*, Washington DC (February 1998), p. 1.

support of better governance and greater transparency and accountability in the public sector)

- Open telecommunications sectors to competition and implement the necessary regulatory reforms to enable market access by foreign-affiliated suppliers (USAID is already addressing this issue in several countries in the region through its telecommunications restructuring activities)

It is important to note that tariff and other reforms should be adopted on a multilateral basis, not a regional basis. Regional tariff reforms will run the serious risk of “trade diversion” – that is, forcing Southern African countries to replace low-cost, efficiently produced imports with high cost, less efficiently produced imports from a regional partner such as Kenya or South Africa. Multilateral trade efforts need not supplant regional efforts, but regional trade reforms should not be a substitute for multilateral trade reforms.

Actions by USAID to address these issues, which can be taken in the context of current macro policy reform activities, can make an important contribution to T&I levels in the region. Not only will such activities be highly compatible with the focus of the President’s Partnership, thereby increasing the synergies between USAID programs and this initiative, but such activities will assist AID partners to qualify for benefits under the Partnership.

In connection with this greater multilateral trade emphasis, expand capacity-building activities to include a free trade focus. Currently, a number of USAID Missions are undertaking capacity-building activities to improve the economic analysis and policy-making capabilities of government officials and national think-tanks. These capacity-building activities should be expanded to provide training for government officials in trade policy analysis. The current capacity of most countries to implement substantive trade reforms, or to analyze the consequences of those reforms, is weak and new changes in international trade policy are occurring rapidly. This lack of analytical capacity weakens local ownership of trade policy reforms, thereby lessening their long-term sustainability.

The use of short-term trade policy training sessions will strengthen government's capabilities to implement both multilateral and regional trade reforms that are WTO consistent. Moreover, if each training session consists of participants from several countries in the region, the common experience of the participants will facilitate subsequent inter-governmental cooperation at the working level that will contribute to the negotiation of regional trade arrangements (as well as the resolution of disputes arising under those arrangements)

Similar, although less specialized, courses or sessions could be held for regional journalists and academics to expose them to the economic rationale for free trade, current world trade trends, etc. Such sessions would improve the quality of debate within the region on free trade, and contribute to the establishment of broad-based support for such arrangements.

Design other capacity-building activities that have an explicit T&I focus. The long-term sustainability of economic growth rests on human capital development. Not only is there a direct link between education and overall economic growth as discussed in Chapter 3, but a key factor in East Asia's economic success has been the strength of its human capital. Similarly, the successful generation of long-term economic growth in Southern Africa will rest on human capital strengthening. In the long-run, this can be achieved through the establishment of sound, basic systems of education, but in the short-term, there are areas that need additional and specific interventions in order to eliminate skills-based constraints to expanded T&I.

For example, expanded agribusinesses (both large and small) have an important role to play in the region's economic development, but the expansion of agribusiness activity is currently impeded by weak skills in marketing and management, market research, promotion, pricing strategies, marketing channel management, etc.⁵ Similarly, specific skills in sectors such as

⁵ World Bank "Promoting Private Agribusiness Activity in Sub-Saharan Africa"

telecommunications and information technology that are critical to the modern economy may also be in short supply

Increased collaboration between African and foreign firms (including South African firms) can be an important source of human resource development in the areas relevant to increased T&I. USAID should investigate additional ways to improve management and related skills in targeted areas judged to be key sectors in the future growth of regional trade and investment such as agribusiness. Measures to improve skills in these areas include university-industry linkages, greater use of other USG programs (such as USDA's Cochran Fellowship Program for agriculturists),⁶ the development of regional university-based training programs (thereby also adding to regional cooperation), etc.

Focus on regional cooperation, in addition to regional integration

While Southern African countries may well view themselves collectively as a natural social and economic unit, the path to actual economic integration is a difficult to negotiate and is bound to be contentious.⁷ One way to build broad-based support for the concept of economic integration will be to increase the level of cross-border cooperation and linkages across a variety of groups such as academics, air transport officials, chambers of commerce, etc.

Findings, Africa Region No. 50, October 1995, p. 3. Similarly, USAID/Zambia has noted that "non farm rural entrepreneurs who are the logical candidates in the interface between markets and rural households, are constrained by lack of managerial and market knowledge, lack of experience, and lack of business skills." CSP 1998/2002, December 1997, p. 11.

⁶ The USDA Cochran Fellowship Program provides training opportunities for public and private sector senior and mid level specialists concerned with agricultural trade, agribusiness development, policy, marketing, and management. Training programs range from two weeks to three months and take place in conjunction with universities, federal agencies, commodity/marketing groups and associations, and agribusinesses. Cochran Programs are currently operating in South Africa, Namibia, and Kenya, and are being expanded to include Uganda, Tanzania, and Senegal.

⁷ Such contentiousness is characteristic of any form of economic integration or measures to establish free trade areas, as witnessed, for example, in the debates in the United States over NAFTA.

While USAID (principally through RCSA) is working with groups directly interested in promoting regional integration, these other types of groups have no direct economic stake in advancing economic integration (unlike financial institutions, freight forwarders, etc) By increasing levels of cross-border cooperation, USAID can open what has been termed a “back door to integration,”⁸ and can build linkages that will help to ease the tensions that are bound to occur as economies become more integrated in the region Equally important, such groups – because they have no direct economic stake in the pace, extent, or forms of economic integration that are adopted -- they are also less likely to oppose any future attempts to expand or modify regional economic arrangements⁹

5.3 Division of Responsibility Among USAID Entities

What is the role for the respective USAID entities – bilateral missions, RCSA, and Washington-based offices – in fostering T&I in Southern Africa? An illustrative division of labor for the core T&I activities outlined above is discussed below and is summarized in Table 5.1

Bilateral Missions

Currently, few bilateral missions have IRs related to T&I, and bilateral T&I activities often appear to take place on an ad hoc basis This new focus will require a greater emphasis by bilateral missions on incorporating T&I activities into their portfolios, identifying and targeting needed areas of intervention, and ensuring that a coordinated T&I strategy is adopted at the mission level Bilateral missions should also have primary responsibility for the implementation and oversight of those “third-tier” types of

⁸ Elliot Berg and Soamiely Andriamananjara, “The Cross Border Initiative in Eastern and Southern Africa History and Value-added,” Paper Prepared for the International Trade Division, International Economics Department, World Bank, March 1997 p 32

⁹ Sector specific lobbies can be a danger in the context of regional economic agreements because they tend to oppose a move to economic multilateralism – “in the presence of lobbies trade diversion is good politics even if it is bad economics ” “Regionalism versus Multilateralism ” World Bank Working Paper No 1687 November 1996 p 1

activities which contribute to T&I primarily in the medium- to long-term

Bilateral missions will have a key role in developing a T&I strategy for their respective countries for the following reasons

The key elements of a T&I strategy will vary from country to country Varying levels of economic and institutional development in the region mean that the key requirements for increased T&I to occur will vary from country to country. These country-specific factors – in addition to the activities by other donors and USAID’s own comparative advantages and weaknesses – are best understood on a bilateral mission level and will shape each Mission’s specific T&I agenda accordingly

Improving the environment for T&I is a dynamic, not a static, process Improving the environment for T&I – in reflection of the competitive market forces that engender trade and investment flows – is by nature a dynamic process. Activities contributing to enhanced trade and investment will vary not only from country to country, as discussed above, but over time within a specific country. Once a policy or regulatory change is introduced, new areas of focus or impediments that need to be removed will assume added importance. In this dynamic paradigm, T&I promotion is a “moving target,” where further reforms are always needed, whether they be in terms of improved infrastructure or changes in the regulatory climate to keep up with the best practices found world-wide. Again, bilateral missions are best placed to introduce modifications into their T&I agendas, with assistance from AID/Washington on current trends and best practices

USAID/Washington

Once national T&I strategies are established, AID/W is best suited for the provision of the discrete and specialized TA that may be needed to implement some aspects of a bilateral T&I strategy (e.g., assistance with WTO accession, implementation of duty-

Table 5 1 Illustrative USAID Division of Labor for T&I Core Activities

| T&I Area | Objective | Who Responsible |
|------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Development of T&I Action Plan | Design an integrated and tightly focused approach to eliminating constraints to T&I | Bilateral Missions, with assistance From RCSA |
| Identification of barriers to business establishment & operation | Elimination of constraints to business establishment, investment, & trade Governments adopt a business facilitating, rather than controlling approach | Mission level focus on country level constraints with specific assistance from Global (e.g. Road Map type mechanisms) and AFR (best practices) |
| Improved Export Policy Framework | Enhanced export incentives, programs export promotion institutions evaluation of export finance facilities | Primarily mission focus, with AFR/SD and Global assistance on specific issues (e.g. duty drawback procedures) |
| Improved Investment Promotion Policies & Institutions | Improved institutional capability to target attract and retain foreign investment | Global |
| Entrepreneurial capacity building | Strengthened business capabilities of entrepreneurs Increased collaborative arrangements | Mission level focus through TBC type operations use of ATLAS/HRDA type mechanisms RCSA focus on regional business networks, firm to-firm contacts, collaborative arrangements with South African firms AFR for linkages with US firms |
| Multilateral trade reforms | Eliminate restrictive tariffs and NTBs | Global |
| Regional trade reforms (inter country) | Harmonization of regional trade standards and practices | RCSA |
| Trade policy capacity building | Improved government analytical capability on trade policy issues | RCSA/Global, possible coordination with World Bank |
| T&I related capacity building | Strengthened skills in key areas such as agri business | AFR/Global with inputs by RCSA Cooperation with key USG agencies such as USDA |

drawback schemes, investment promotion agency development, the design of “best practices” Customs arrangements, etc)
These types of technical assistance are in highly specialized areas that are unlikely to be found on a mission or regional level, or which do not have a regional aspect making them suitable for interventions by RCSA or REDSO

RCSA

RCSA’s role is twofold one, assisting missions to identify needed areas of T&I-related intervention, and two, continuing to lead efforts to eliminate regional barriers to trade and investment While missions have the best grasp on the local constraints that must be addressed by a bilateral T&I strategy, RCSA can provide crucial guidance by

- assisting missions to develop an integrated T&I action plan,
- identifying what types of activities may need to be included in such a plan,
- identifying what types of mechanisms or TA may be appropriate for addressing specific areas of constraint,
- assisting in tightening the linkage between current SOs/IRs and trade and investment activities, and ,
- assisting in the redefinition of some activities to better support T&I (e g , selected DG activities)

In addition, effective economic and infrastructure frameworks are necessary to support an increase in T&I, as discussed in Chapter 3, and RCSA may have a role to play in assisting missions to identify and address weaknesses in this framework

RCSA has an oversight role This could include monitoring the impact of bilateral action plans on key T&I benchmarks and notifying missions of possible synergies or areas of cooperation in neighboring countries (e g , activities in border areas) Finally, RCSA is also the logical repository of the lessons learned from the implementation of T&I initiatives by bilateral missions, and should share this information throughout the region

RCSA also has a unique role within the region as coordinator for activities to eliminate regional barriers to T&I, as well as coordinating other regional, transboundary, and bilateral issues

Many RCSA activities are already aimed at facilitating regional trade by harmonizing cross-border customs regulations, assisting in the implementation of the SADC Protocols, etc. RCSA should also be the lead actor in coordinating the design of regional capacity-building efforts in trade policy or other areas as outlined above. Other areas where RCSA has an important role to play in encouraging regional T&I include

Evaluate development of a regional investment promotion strategy Such a strategy would focus on targeting and attracting investment to the region as a whole and serving as a repository of investment-related information on individual countries, once these countries T&I strategies were effectively implemented. This activity would serve as a gateway to the region, to attract potential investors to the region's possibilities and to achieve some economies of scale in investment promotion. Once interested, potential investors would then approach individual countries, as warranted by the investor's specific requirements (e.g., infrastructure needs, labor costs requirements) and that country's particular comparative and competitive advantages.

Monitoring "beggar-thy-neighbor" practices Progress towards a more integrated regional economy requires interventions to prevent backsliding. RCSA is well positioned to monitor the development of destructive beggar-thy-neighbor policies that would distort the regional environment for T&I (e.g., subsidies, excessive investment incentives), and to work with bilateral missions to head off such developments.

Development of regional trade dispute mechanisms As recognized in RCSA's six-year strategy, an increase in regional trade will produce "winners and losers." In Zambia, the free trade policies implemented by the government have not led to fair trade as Zambians have difficulty selling in regional markets and preventing neighboring countries from dumping subsidized products in Zambia.¹⁰ This type of difficulty, and the disputes it will engender, will increase as cross-border T&I grows, and will

¹⁰ USAID/Zambia, CSP 1998-2002. December 1997. p. 11

require new legal, administrative, and institutional mechanisms to address such trade-related problems. As a local institution, RCSA should oversee the development of appropriate formal and rapid dispute mechanisms in order to ensure that such disputes do not derail progress towards increased regional T&I, and to reassure potential investors that they will be able to use investment in one country as an export platform to the region.

Serve as an information-clearing house on T&I trends in the region
RCSA should serve as an information clearing house on such T&I issues that have the potential to affect countries in the region, for example, monitoring the implications of the proposed South Africa-EU free trade agreement, reporting on new trade or investment developments (e.g., Namibia's proposed offshore financial services legislation which will allow South African companies to hold board meetings in Namibia instead of Europe), and, possibly, tracking key trends in regional trade and investment flows (depending on the availability and quality of such information from regional banks or other private sector institutions). RCSA is also the logical repository for information on best practices and lessons learned from the implementation of T&I initiatives by the bilateral missions.

Serve as an "honest broker" for the region
RCSA can offer invaluable assistance to individual countries within the region by supporting countries with technical or other assistance in bilateral trade negotiations, by reviewing the SADC Protocols on water, electricity, etc. to ensure that smaller countries are treated fairly, etc.

Develop discrete bilateral, sub-regional, or single issue level approaches to enhanced T&I
In East Asia, there has been substantial success in addressing on a bilateral, sub-regional, or single issue level the constraints impeding regional T&I. Such efforts have been tightly focused on eliminating specific constraints to trade – such as ensuring the customs borders posts all have the same hours of operation, or regional truckers can use the same permits, etc. – and harmonizing and coordinating policies. These activities have often been pursued between just

two or three countries, rather than on a larger regional basis. In addition, innovative trade- and investment-inducing mechanisms such as “growth triangles” have also been adopted – again, just between several countries or just in border areas of adjoining countries.

Such approaches have been based on an incrementalist approach to trade development, requiring only pragmatic policy modifications, and utilizing existing institutions whenever possible. By focusing liberalization efforts on specific projects and on tightly defined areas, rather than on across-the-board actions, finite and pragmatic improvements in the policies and practices constraining regional T&I have been made in a relatively short period of time.

RCSA appears to be utilizing this pragmatic single issue approach in some of its regional activities (e.g., support to COMESA to implement the Yellow Card Insurance Scheme). This approach might also be applied to assisting individual countries with their bilateral trade arrangements. RCSA’s involvement could be influential not only in facilitating liberalized trade within the region (albeit in an incrementalist fashion), but also in ensuring that such arrangements do not contain provisions that might later impede broader moves to regional economic trade or integration.

It should be noted that the adoption of such narrowly focused approaches does not supplant broader, region-wide initiatives such as those by SADC, but can supplement such initiatives. These incremental efforts can lead to short-term, concrete policy and procedural improvements that can be an important contributor to the momentum of these larger initiatives. Equally important, the success of such incremental improvements can also help to build grass-roots support for such broader initiatives.

5.4 Compatibility of the Proposed Strategy with the Partnership

The proposed strategy has a number of important compatibilities with the Partnership on Economic Growth and Opportunity. One, it provides a plan of intervention which is designed to enable Southern

African countries to trade and invest their way into a higher level of development. This is highly consistent with the Partnership's objective that trade and investment, not aid, offer the greatest potential for economic growth and poverty alleviation.

Two, it focuses on opening African economies to external trade and investment. This will not only contribute to regional T&I, but will also facilitate increased exports and investment by U.S. firms as envisioned in the Partnership. Finally, by encouraging and assisting its partners to eliminate barriers to T&I, USAID will be assisting these countries to take advantage of the various benefits under the Partnership.

Annex A Overview of All Missions' and Centers' Strategic
Objectives and Intermediate Results

Annex A Overview of all SO & IRs, By Mission and Office

| COUNTRY/MISSION | SO | IR | SO/IR TITLE | |
|-----------------|-----|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|
| USAID/Zimbabwe | SO1 | | <i>Natural Resources Management Strengthened for Sustainable Rural Development for Communal Areas Management Programme for Indigenous Resources (CAMPFIRE) Communities</i> | |
| | | IR 1 1 | Sustainable NRM practices adopted | |
| | | | IR 1 2 | Sound community decision making processes established |
| | SO2 | | | <i>Broadened Ownership in a Growing Economy</i> |
| | | | IR 2 1 | Broadened low income home ownership |
| | | | IR 2 1 1 | Increased access by low income households to mortgage financing |
| | | | IR 2 1 2 | Increased affordability of low cost housing |
| | | | IR 2 3 | Accelerated creation and expansion of sustainable micro small and medium sized enterprises |
| | SO3 | | | <i>Reduced Fertility and Increased Use of HIV/AIDS Preventive Methods</i> |
| | | | IR 3 1 | Increased contraceptive use |
| | | | IR 3 2 | Increased availability and knowledge of proven HIV/AIDS preventive services and increased contraceptive use |
| | SpO | | | <i>Increased Opportunities for Participation in the Private Sector and Political Processes</i> |
| | | | IR 1 1 | Increased economic opportunities |
| | | | IR 1 2 | Increased development of politically active civil society |
| USAID/Zambia | SO1 | | <i>Increased Sustainable Rural Incomes</i> | |
| | | | IR 1 1 | Sustained increases in agricultural and NR based production |
| | | | IR 1 2 | Increased productivity of rural non farm enterprises |
| | | | IR 1 3 | Reduced constraints to private sector growth |
| | SO2 | | | <i>More equitable access to quality basic education and learning especially for girls</i> |
| | | | IR 2 1 | Increased girls access to quality basic education and school health programs |
| | | | IR 2 2 | Successful implementation of private sector programs supporting quality girls basic education |
| | | | IR 2 3 | Improved policy and planning capacity at the Ministry of Education |
| | SO3 | | | <i>Increased Use of Integrated Child and Reproductive Health and HIV/AIDS Interventions</i> |
| | | | IR 3 1 | Increased demand for PHN interventions among target groups |
| | | | IR 3 2 | Increased delivery of PHN interventions at the community level |
| | | | IR 3 3 | Increased delivery of PHN interventions by the private sector |
| | | | IR 3 4 | Improved health worker performance in the delivery of PHN interventions |
| | | | IR 3 5 | Improved policies planning and support systems for the delivery of PHN interventions |
| | SO4 | | | <i>A More Sustainable Multi Party Democracy Built</i> |
| | | | IR 4 1 | <i>Expanded Opportunity for Effective Participation in Democratic Governance</i> |
| | | IR 4 2 | Strengthened rule of law and respect for human rights | |
| | | IR 4 2 | More competitive political process | |
| | | IR 4 3 | More transparent and accountable government institutions | |
| USAID/Angola | SO1 | | <i>Increased Resettlement Rehabilitation and Food Self Reliance of War Affected Communities</i> | |
| | | | IR 1 | Increased levels of food security in communities where there are significant populations of resettled |
| | | | IR 2 | Improved health status in areas covered by PVO partner programs and other donor programs |
| | | | IR 3 | Rehabilitation of war victims and other vulnerable groups |
| | SO2 | | | <i>Increased National Reconciliation through Strengthened Civil Society and Political Institutions</i> |
| | | | IR 1 | Reconciliation opportunities among diverse groups of Angolans emerge |
| | | | IR 2 | Citizens exercise their democratic rights and responsibilities |
| | | | IR 3 | Facilitate accountable governance within parliament and three key provincial administrations |
| | | IR 4 | Strengthen the foundations for citizens and political parties to participate in free fair and peaceful parliamentary elections | |

Annex A Overview of all SO & IRs, By Mission and Office, cont

| COUNTRY/MISSION | SO | IR | SO/IR TITLE |
|--------------------|------------------|-------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| USAID/Angola, cont | SP01 | | <i>Facilitate Angola's Preparation and Implementation of Economic Structural Adjustment and Macroeconomic Programs</i> |
| | | IR 1 | Commitment to economic reform forged |
| USAID/Tanzania | SO1 | | <i>Increased Use of Family Planning (FP) and Maternal and Child Health (MCH) and HIV/AIDS Preventive Measures</i> |
| | | IR 1 1 | Increased knowledge of and access to FP/MCH services |
| | | IR 1 2 | Increased knowledge and access to HIV/AIDS Information & Services |
| | SO2 | | <i>Foundation Established for Adoption of Environmentally Sustainable Natural Resource Management Practices in Tanzania</i> |
| | | IR 2 1 | Policy Framework for sustainable NRM established |
| | | IR 2 2 | Institutional and technical capacity for analysis built |
| | | IR 2 3 | Appropriate NRM Methodologies identified field tested and implemented in pilot areas |
| | SO3 | | <i>Strong Foundation for the Transition to Democratic Governance Established</i> |
| | | IR 3 1 | Access to justice is improved |
| | | IR 3 2 | GOT accountability and transparency is improved |
| | | IR 3 3 | Citizens understand and apply principles of democratic governance |
| | | IR 3 4 | Media become more responsive and responsible |
| | | IR 3 5 | Selected representative institutions perform better |
| | SO4 | | <i>Increased Micro and Small Enterprise Participation in the Economy</i> |
| | | IR 4 1 | Provision of sustainable financing to micro and small enterprises |
| | | IR 4 2 | Legal and regulatory reforms to support new and existing businesses |
| | | IR 4 3 | Enhance micro and small business management |
| | | IR 4 4 | Strengthen business associations |
| | SO5 | | <i>Selected Infrastructure Improved</i> |
| | | IR 5 1 | Rural and district roads improved |
| IR 5 2 | | TAZARA operates on commercial principles | |
| IR 5 3 | | Rural telecommunications improved | |
| IR 5 4 | | Improved rail trunk roads harbor power and housing services | |
| | Special Activity | <i>Regional Cooperation and Conflict Mitigation</i> | |
| USAID/Mozambique | SO1 | | <i>Increased Rural Household Income in Targeted Areas</i> |
| | | IR 1 1 | Market access |
| | | IR 1 2 | Expanded enterprises |
| | | IR 1 3 | Sustainable agricultural output |
| | SO2 | | <i>Government and Civil Society Are Effective Partners in Democratic Governance at National and Local Levels</i> |
| | SO3 | | <i>Increased Use of Essential Maternal and Child Health and Family Planning Services in Focus Areas</i> |
| REDSO/ESA | SSO1 | | <i>Effective Program and Technical Support to all ESA Missions</i> |
| | | IR 1 1 | Improved management of REDSO/ESA services to ESA Missions |
| | | IR 1 2 | High level of REDSO/ESA staff skills maintained |
| | | IR 1 3 | REDSO/ESA staff has improved knowledge and practice of reengineering and other agency priorities |
| | SO1 | | <i>A More Open and Market Driven Regional Economy</i> |
| | | IR 1 | Capacity of partner organizations that support regional integration enhanced |
| | | IR 2 | Enabling environment for private sector led growth and food security improved |
| | | IR 3 | Transnational trade and business linkages for the region encouraged and strengthened |
| | | | SO2 |
| | | IR 2 2 | Population and Health Improved models and technologies for use in priority development areas |
| | IR 2 4 | Population and Health Increased regional collaboration in addressing critical regional development issues | |
| | IR 2 5 | Population and Health Strengthened human and institutional capacity to generate analyze and use critical regional development information | |

* IR for which USAID is not responsible

** SO and IRS are not yet final

Annex A Overview of all SO & IRs, By Mission and Office, cont

| COUNTRY/MISSION | SO | IR | SO/IR TITLE |
|-----------------|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| REDSO/ESA, cont | | IR 2 2 | Economic Growth and Support to GHAI Improved models and technologies for use in priority development areas |
| | | IR 2 4 | Economic Growth and Support to GHAI Increased regional collaboration in addressing critical regional development issues |
| | | IR 2 5 | Economic Growth and Support to GHAI Strengthened human and institutional capacity to generate analyze and use critical regional development information |
| | | IR 2 3 | Environment and Natural Resources Enhanced dissemination of critical regional development information |
| | | IR 2 4 | Environment and Natural Resources Increased regional collaboration in addressing critical regional development issues |
| | | SO3 | <i>Establish a Strong Basis for Implementation of the Greater Horn of Africa Initiative</i> |
| | | IR 3 1 | Strengthened support for food security in the region |
| | | IR 3 3 | Greater regional collaboration for sustainable economic growth |
| | | IR 3 4 | Strategies developed for transition from crises to sustainable development |
| | | SO4 | <i>Effective Delivery of USAID's Humanitarian Assistance</i> |
| | | IR 4 1 | Improved preparedness in the ESA region for effective responses to crises |
| | | IR 4 2 | More effective responses to crises as they arise |
| | | IR 4 3 | Enhanced target population capacity to reestablish their livelihoods following a crisis |
| | USAID/South Africa | SO1 | |
| IR 1 1 | | | Expanded access to justice by the majority population |
| IR 1 2 | | | Knowledge and protection of rights and their practice strengthened |
| IR 1 3 | | | Capacity to prevent manage and resolve democracy threatening conflicts strengthened |
| | | IR 1 4 | Civil society and public participation increased in public policy formulation in selected areas |
| SO2 | | | <i>Transformed Education System Based on Equity of Access and Quality</i> |
| | | IR 2 1 | Policies for transformation developed disseminated and enacted in the areas of ABET further and higher education |
| | | IR 2 2 | Transformation of key targeted systems in basic further and higher education |
| | | IR 2 3 | Strengthened human and organizational capacity in Departments of Education education institutions and selected individuals |
| | | SO3 | <i>More Equitable Unified and Sustained System for Delivering Integrated PHC Services to All South Africans</i> |
| | | SO4 | <i>Improved Capacity of Key Government and Non Government Entities to Formulate Evaluate and Implement Economic Policies</i> |
| | | IR 4 1 | Strengthened human resources in economics and policy analysis for key government entities |
| | | IR 4 2 | Strengthened government departments that deal with economic policy matters |
| | | IR 4 3 | Strengthened think tanks to formulate and evaluate economic policy options of all economic policy makers |
| | | IR 4 4 | Strengthened centers of economics training especially within the historically disadvantaged institutions |
| | | SO5 | <i>Increased Access to Financial Markets for the Historically Disadvantaged Population</i> |
| | | IR 5 1 | Improved policy environment to facilitate access to capital for historically disadvantaged micro enterprises |
| | | IR 5 2 | Improved capacity of the financial sector to service historically disadvantaged micro enterprises |
| | | IR 5 3 | Improved capacity of microentrepreneurs to respond to financial market requirements |
| | | IR 5 4 | Improved policy environment to facilitate access to capital for historically disadvantaged small medium and large enterprises |
| | IR 5 5 | Improved capacity of the financial sector to service historically disadvantaged small medium and large enterprises | |
| | IR 5 6 | Improved capacity of small medium and large historically disadvantaged enterprises to respond to financial market requirements | |
| | SO6 | <i>Increased Access to Environmentally Sustainable Housing and Urban Services for the Historically Disadvantaged Population</i> | |
| | IR 6 1 | Improved environment for the development and implementation of a policy agenda for increasing access to housing and urban services for the HDP | |
| | IR 6 2 | Previously ineligible households developers builders and municipal service providers obtain access to credit for housing and urban services | |

Annex A Overview of all SO & IRs, By Mission and Office, cont

| COUNTRY/MISSION | SO | IR | SO/IR TITLE | |
|-----------------|-----|--------|----------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|
| USAID/Malawi | SO1 | | <i>Increased Agricultural Incomes on a Per Capita Basis</i> | |
| | | IR 1 1 | Farmer adoption of improved crop production/storage technologies increased | |
| | | IR 1 2 | Competitive market environment established | |
| | | | IR 1 3 | Private sector agribusiness and transport activities expanded |
| | SO2 | | | <i>Increased Sustainable Use Conservation and Management of Natural Resources</i> |
| | | | IR 2 1 | Comprehensive policy and legislative framework established |
| | | | IR 2 2 | Capacity of national NRM institutions strengthened |
| | | | IR 2 3 | Service programs improved |
| | | | IR 2 4 | Capacity of communities to manage natural resources improved |
| | SO3 | | | <i>Increased Adoption of Measures that Reduce Fertility and Risk of HIV Transmission Including Improved Child Health Practices</i> |
| | | | IR 3 1 | Condoms and other health supplies sold at retail outlets |
| | | | IR 3 2 | Quality family planning STD/HIV and child health services accessible and provided to Malawi s citizens |
| | | | IR 3 3 | Improved knowledge of family planning HIV transmission and prevention and child health practices |
| | SO4 | | | <i>Increased Access to and Quality and Efficiency of Basic Education Especially for Girls</i> |
| | | | IR 4 1 | Budget allocations for education sector and primary education increased |
| | | | IR 4 2 | Availability of resources (e g classrooms teachers learning materials) increased |
| | | | IR 4 3 | Classroom teaching improved |
| | | | IR 4 4 | Social Mobilization Campaign (SMC) undertaken nationwide |
| | SO5 | | | <i>Institutional Base for Democratic Participation Strengthened and Broadened</i> |
| | | | IR 5 1 | Increased participation of civil society organizations in the economic and political development process |
| | | IR 5 2 | Parliament s capacity to function as an independent and representative body strengthened | |
| | | IR 5 3 | Capacity of Electoral Commission to conduct free and fair elections strengthened | |
| | | IR 5 4 | Rule of law strengthened | |
| | | IR 5 5 | Process for formulating and implementing GOM economic policies and programs promotes greater transparency and participation | |
| USAID/Namibia | SO1 | | <i>Enhanced Roles for Historically Disadvantaged Namibians (HDNs) in Key Public Sector NGOs and Private Sector Organizations</i> | |
| | | IR 1 1 | Increased number of historically disadvantaged Namibians acquiring enhanced managerial and technical skills and knowledge | |
| | | | IR 1 2 | Number of sustainable NGOs contributing toward HDNs professional development |
| | SO2 | | | <i>Improved Delivery of Quality Primary Education to Namibian Learners in Grades 1 4 in the most Disadvantaged Schools</i> |
| | | | IR 2 1 | Improved quality of primary school teachers in the target and selected classrooms |
| | | | IR 2 2 | New improved lower primary school curriculum developed |
| | | | IR 2A | New M&E system in place and operational |
| | SO3 | | | <i>Increased Benefits to Historically Disadvantaged Namibians from Sustainable Local Management of Natural Resources</i> |
| | | | IR 3 1 | Improved policy and legislative environment for local control of natural resource management |
| | | | IR 3 2 | Strengthened community based natural resource management activities in target communities |
| | SO4 | | | <i>Increased Accountability of Parliament to all Namibian Citizens</i> |
| | | | IR 4 1 | Increased opportunities for citizen participation in the legislative process |
| | | | IR 4 2 | Increased use by parliamentarians of enhanced skills as legislators and representatives of citizens |
| | | IR 4 3 | Increased public advocacy by NGOs and civic groups in national and/or media fora | |

Annex A Overview of all SO & IRs, By Mission and Office, cont

| COUNTRY/MISSION | SO | IR | SO/IR TITLE |
|-----------------|--------|----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| USAID/RCSA | SO1 | | <i>Increased Regional Capacity to Influence Democratic Performance</i> |
| | | IR 1 | Increased information sharing within the region |
| | | IR 2 | Increased advocacy and other cooperation bringing regional experience to bear at the national level |
| | | IR 3 | Regional norms further defined by Southern Africans |
| | | IR 4 | Continued support and strengthening at national level of civil society and governmental democracy advocates* |
| | SO2 | | <i>A More Integrated Regional Market</i> |
| | | IR 1 | Reduced barriers to broadened participation in the regional market |
| | | IR 2 | Improved telecommunications transport and energy infrastructure |
| | | IR 3 | Sustained advocacy for regional integration |
| | SO3 | | <i>Accelerated Regional Adoption of Sustainable Agriculture and Natural Resource Management Approaches</i> |
| | | IR 1 | Functioning systems in place for transferring Ag/NRM technologies and best practices across the region |
| | | IR 2 | An enabling environment which promotes increased incentives for smallholders and communities to adopt sustainable Ag/NRM technologies/approaches |
| | | IR 3 | Improved infrastructure to move goods and people* |
| | SpOA | | <i>Increased Regional Capacity to Manage Transboundary Natural Resources*</i> |
| | | IR 1 | Regional institutions strengthened |
| | IR 2 | National capacity to address TBNR management issues increased | |
| | IR 3 | Models for improved transboundary natural resource management developed | |
| | SpOB | | <i>Impact Assessment Monitoring and Evaluation*</i> |
| AFR/SD | SO1 | | <i>Strengthen Cross Sectoral Synergies Between Democracy and Governance and Africa Bureau Programs in Key Areas</i> |
| | | IR 1 1 | Develop improved policies programs and strategies for increasing local control through strengthening community level civil society and decentralizing public authority |
| | | IR 1 2 | Increase capacity to develop and implement improved policies programs and strategies in democratic and economic governance |
| | SO2 | | <i>Adoption of Improved Strategies Programs and Activities for Accelerated Sustainable and Equitable Economic Growth</i> |
| | | IR 2 1 | Improved strategies policies and activities to accelerate sustainable and equitable growth |
| | | IR 2 2 | Strengthen African training research policy and management institutions |
| | SO3 | | <i>Improved Agricultural Policies Programs and Strategies</i> |
| | | IR 3 1 | Improved agricultural programs policies and strategies promoted |
| | | IR 3 2 | Increase the capacity of African institutions to design manage and evaluate sustainable agriculture programs policies and strategies |
| | SO4 | | <i>Develop and Implement More Affordable and More Effective Mechanisms for Producing Sharing and Using Development Information</i> |
| | | IR 4 1 | Increased use by development policy makers and practitioners of improved information and communication technology to promote sustainable development |
| | SO5 | | <i>Progress Accelerated in the Spread of Strategically Viable and Environmentally Sound Environmental Management Systems</i> |
| IR 5 1 | | Develop improve and promote cost effective approaches | |
| | IR 5 2 | Enabling conditions identified and put in place to stimulate adoption of improved approaches | |

Multi responsibility for these IRs rests with RCSA other donors and other bilateral missions

Annex A Overview of all SO & IRs, By Mission and Office, cont

| COUNTRY/MISSION | SO | IR | SO/IR TITLE | |
|-----------------|--------|--------|----------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|
| USAID/Malawi | SO1 | | <i>Increased Agricultural Incomes on a Per Capita Basis</i> | |
| | | IR 1 1 | Farmer adoption of improved crop production/storage technologies increased | |
| | | IR 1 2 | Competitive market environment established | |
| | | | IR 1 3 | Private sector agribusiness and transport activities expanded |
| | | SO2 | | <i>Increased Sustainable Use Conservation and Management of Natural Resources</i> |
| | | | IR 2 1 | Comprehensive policy and legislative framework established |
| | | | IR 2 2 | Capacity of national NRM institutions strengthened |
| | | | IR 2 3 | Service programs improved |
| | | | IR 2 4 | Capacity of communities to manage natural resources improved |
| | | | | |
| | | SO3 | | <i>Increased Adoption of Measures that Reduce Fertility and Risk of HIV Transmission Including Improved Child Health Practices</i> |
| | | | IR 3 1 | Condoms and other health supplies sold at retail outlets |
| | | | IR 3 2 | Quality family planning STD/HIV and child health services accessible and provided to Malawi s citizens |
| | | | IR 3 3 | Improved knowledge of family planning HIV transmission and prevention and child health practices |
| | | SO4 | | <i>Increased Access to and Quality and Efficiency of Basic Education Especially for Girls</i> |
| | | | IR 4 1 | Budget allocations for education sector and primary education increased |
| | | | IR 4 2 | Availability of resources (e g classrooms teachers learning materials) increased |
| | | | IR 4 3 | Classroom teaching improved |
| | | | IR 4 4 | Social Mobilization Campaign (SMC) undertaken nationwide |
| | | SO5 | | <i>Institutional Base for Democratic Participation Strengthened and Broadened</i> |
| | IR 5 1 | | Increased participation of civil society organizations in the economic and political development process | |
| | IR 5 2 | | Parliament s capacity to function as an independent and representative body strengthened | |
| | IR 5 3 | | Capacity of Electoral Commission to conduct free and fair elections strengthened | |
| | IR 5 4 | | Rule of law strengthened | |
| | | IR 5 5 | Process for formulating and implementing GOM economic policies and programs promotes greater transparency and participation | |
| | | | | |
| USAID/Namibia | SO1 | | <i>Enhanced Roles for Historically Disadvantaged Namibians (HDNs) in Key Public Sector NGOs and Private Sector Organizations</i> | |
| | | IR 1 1 | Increased number of historically disadvantaged Namibians acquiring enhanced managerial and technical skills and knowledge | |
| | | | IR 1 2 | Number of sustainable NGOs contributing toward HDNs professional development |
| | | SO2 | | <i>Improved Delivery of Quality Primary Education to Namibian Learners in Grades 1 4 in the most Disadvantaged Schools</i> |
| | | | IR 2 1 | Improved quality of primary school teachers in the target and selected classrooms |
| | | | IR 2 2 | New improved lower primary school curriculum developed |
| | | | IR 2A | New M&E system in place and operational |
| | | SO3 | | <i>Increased Benefits to Historically Disadvantaged Namibians from Sustainable Local Management of Natural Resources</i> |
| | | | IR 3 1 | Improved policy and legislative environment for local control of natural resource management |
| | | | IR 3 2 | Strengthened community based natural resource management activities in target communities |
| | | SO4 | | <i>Increased Accountability of Parliament to all Namibian Citizens</i> |
| | | | IR 4 1 | Increased opportunities for citizen participation in the legislative process |
| | | | IR 4 2 | Increased use by parliamentarians of enhanced skills as legislators and representatives of citizens |
| | | IR 4 3 | Increased public advocacy by NGOs and civic groups in national and/or media fora | |

Annex A Overview of all SO & IRs, By Mission and Office, cont

| COUNTRY/MISSION | SO | IR | SO/IR TITLE |
|-------------------|------|--------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| USAID/RCSA | SO1 | | <i>Increased Regional Capacity to Influence Democratic Performance</i> |
| | | IR 1 | Increased information sharing within the region |
| | | IR 2 | Increased advocacy and other cooperation bringing regional experience to bear at the national level |
| | | IR 3 | Regional norms further defined by Southern Africans |
| | | IR 4 | Continued support and strengthening at national level of civil society and governmental democracy advocates* |
| | SO2 | | <i>A More Integrated Regional Market</i> |
| | | IR 1 | Reduced barriers to broadened participation in the regional market |
| | | IR 2 | Improved telecommunications transport and energy infrastructure |
| | | IR 3 | Sustained advocacy for regional integration |
| | SO3 | | <i>Accelerated Regional Adoption of Sustainable Agriculture and Natural Resource Management Approaches</i> |
| | | IR 1 | Functioning systems in place for transferring Ag/NRM technologies and best practices across the region |
| | | IR 2 | An enabling environment which promotes increased incentives for smallholders and communities to adopt sustainable Ag/NRM technologies/approaches |
| | | IR 3 | Improved infrastructure to move goods and people* |
| | SpOA | | <i>Increased Regional Capacity to Manage Transboundary Natural Resources*</i> |
| | | IR 1 | Regional institutions strengthened |
| | | IR 2 | National capacity to address TBNR management issues increased |
| | | IR 3 | Models for improved transboundary natural resource management developed |
| | SpOB | | <i>Impact Assessment Monitoring and Evaluation*</i> |
| AFR/SD | SO1 | | <i>Strengthen Cross Sectoral Synergies Between Democracy and Governance and Africa Bureau Programs in Key Areas</i> |
| | | IR 1 1 | Develop improved policies programs and strategies for increasing local control through strengthening community level civil society and decentralizing public authority |
| | | IR 1 2 | Increase capacity to develop and implement improved policies programs and strategies in democratic and economic governance |
| | SO2 | | <i>Adoption of Improved Strategies Programs and Activities for Accelerated Sustainable and Equitable Economic Growth</i> |
| | | IR 2 1 | Improved strategies policies and activities to accelerate sustainable and equitable growth |
| | | IR 2 2 | Strengthen African training research policy and management institutions |
| | SO3 | | <i>Improved Agricultural Policies Programs and Strategies</i> |
| | | IR 3 1 | Improved agricultural programs policies and strategies promoted |
| | | IR 3 2 | Increase the capacity of African institutions to design manage and evaluate sustainable agriculture programs policies and strategies |
| | SO4 | | <i>Develop and Implement More Affordable and More Effective Mechanisms for Producing Sharing and Using Development Information</i> |
| | | IR 4 1 | Increased use by development policy makers and practitioners of improved information and communication technology to promote sustainable development |
| | SO5 | | <i>Progress Accelerated in the Spread of Strategically Viable and Environmentally Sound Environmental Management Systems</i> |
| | | IR 5 1 | Develop improve and promote cost effective approaches |
| | | IR 5 2 | Enabling conditions identified and put in place to stimulate adoption of improved approaches |

* Multi responsibility for these IRs rests with RCSA other donors and other bilateral missions

Annex A Overview of all SO & IRs, By Mission and Office, cont

| | | | |
|----------------------------|-----------------------------|---------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | SO6 | | <i>Adoption of Policies Strategies Approaches and Methods for Increased Sustainability Efficiency and Equity in the Provision of Basic Education Services</i> |
| | | IR 6 1 | Disseminate and promote knowledge and guidance on policies strategies approaches methods and tools for increased sustainability efficiency and equity in the provision of basic education services |
| | | IR 6 2 | Extend and strengthen enabling environment to promote improved education sector policies programs and strategies |
| | SO7 | | <i>Adoption of Policies and Strategies for Increased Sustainability Quality Efficiency and Equity of Health Services</i> |
| | | IR 7 1 | Promote improved policies and strategies for innovative health financing and organizational reform |
| | | IR 7 2 | Promote improved policies strategies and approaches for child survival and maternal health |
| | | IR 7 3 | Improve enabling environment to design manage and evaluate programs |
| | SO8 | | <i>Adoption of Policies and Strategies for Increased Sustainability and Quality of Family Planning Programs</i> |
| | | IR 8 1 | Promote improved policies and strategies to expand family planning programs |
| | | IR 8 2 | Improve enabling environment to design implement and evaluate family planning programs |
| | SO9 | | <i>Adoption of Cost Effective Strategies to Prevent and Mitigate the Impact of HIV/AIDS</i> |
| | | IR 9 1 | Develop improve and promote cost effective HIV/AIDS strategies |
| | | IR 9 2 | Improve enabling environment to design manage and evaluate HIV/AIDS programs |
| | SO10 | | <i>Policies Strategies and Programs Improved for Preventing Mitigating and Transitioning out of Crisis</i> |
| | | IR 10 1 | Develop and disseminate state of the art knowledge on the ways that development programs can help prevent or mitigate crisis |
| | | IR 10 2 | Promote country and sub regional approaches for epidemic preparedness and response |
| | | IR 10 3 | Disseminate state of the art knowledge on the issues that promote rapid transition from crisis to sustainable development |
| | | IR 10 4 | Disseminate and promote assessment and evaluation approaches for application in crises and transitional situations |
| | Strategic Support Objective | | <i>Tools Methods and Approaches are Adopted and Effective in Improving Application of Environmental Procedures and Strategies in Missions and Africans Programs</i> |
| | | IR 1 | Analytic Processes lead to improved environmental soundness of humanitarian and development programming |
| | | IR 2 | Capacity built to improve environmental review planning & management leading to implementation of environmentally sound activities by USAID missions Africans and other collaborators and partners |
| | | IR 3 | USAID environmental procedures are integrated into results planning achieving and monitoring and applied by SO Teams |
| | | IR 4 | Environmental frameworks in place that lead to incorporation of monitoring assessment and mitigation into development programs |
| | SpO1 | | <i>Polio Eradicated in Selected Countries in a Manner that Builds Sustainable Immunization Programs</i> |
| | | IR 1 | Strengthen partnerships to support the implementation of polio eradication and immunization/disease control programs |
| | | IR 2 | Strengthen selected immunization support systems in the public and private sectors to achieve polio eradication |
| | | IR 3 | Improve planning and implementation for supplemental polio immunization activities (including National Immunization Days) |
| | | IR 4 | Improve and integrate acute flaccid paralysis surveillance with surveillance for other infectious diseases |
| | | IR 5 | Promote use of information for continuously improving the quality of polio eradication activities |
| | | | |
| GB/Emerging Markets | SSO3 | | <i>Support Appropriate and Functioning Economic Policies Market Reforms and Institutions in Selected Emerging Markets and Priority Countries</i> |
| | | IR 3 1 | Increased host country privatization efforts and competitive market environments |
| | | IR 3 2 | Increasingly liquid transparent and rationalized financial markets |

Annex A Overview of all SO & IRs, By Mission and Office

| COUNTRY/MISSION | SO | IR | SO/IR TITLE |
|----------------------------------|----|--------|---------------------------------------------------------------------------------------------|
| GB/Emerging Markets, cont | | | |
| | | IR 3 3 | Increased economic stability and structural reforms |
| | | IR 3 4 | Increased application of legal institutional and regulatory reforms for competitive markets |
| | | IR 3 5 | Increased trade investment and general business environment |
| | | | |

Annex B Classification of Missions' and Centers' Activities
into T&I Clusters

AFR/SD

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Activity Cluster | Impact on T&I |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| Short-term TA to enable countries to implement trade & tax reforms become WTO members create private sector enabling environments through deregulation and investment code changes develop financial markets & support privatization ¹ | Increased participation by African economies in global and regional T&I | SO2 Adoption of Improved Strategies Programs and Activities for Accelerated Sustainable and Equitable Economic Growth | IR 2 1 Improved strategies policies and activities to accelerate sustainable and equitable growth | 1 Reduced constraints to T&I 2 More competitive input/output markets | Direct Eliminates constraints on global and regional T&I |
| Investigations into and development of effective strategies for improving domestic resource mobilization | Identification of effective new private sector mechanisms for financial intermediation | SO2 Adoption of Improved Strategies Programs and Activities for Accelerated Sustainable and Equitable Economic Growth | IR 2 1 Improved strategies policies and activities to accelerate sustainable and equitable growth | 1 Improved access to finance | Indirect Improved strategies will help increase financing to support entrepreneurship and T&I |
| Support for privatization programs deregulation, and establishment of a legal regulatory, and judicial private sector enabling environment | Improved strategies and activities to liberalize key markets and expand private enterprise | SO2 Adoption of Improved Strategies Programs and Activities for Accelerated, Sustainable and Equitable Economic Growth | IR 2 1 Improved strategies policies, and activities to accelerate sustainable and equitable growth | 1 Reduced constraints to T&I 2 Strengthened private sector role | Direct Reduction in regulatory constraints and expanded private sector growth will aid T&I |

¹ This short-term TA is provided as part of the African T&I Initiative

AFR/SD, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Activity Cluster | Impact on T&I |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|--------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| Support to strengthen governmental national & regional African training research and policy institutions (e.g African Economic Research Consortium) | Improved African technical capacity and sustainable institutions to enable African management of their own development process | SO2 Adoption of Improved Strategies Programs and Activities for Accelerated Sustainable and Equitable Economic Growth | IR 2 1 Improved strategies policies and activities to accelerate sustainable and equitable growth | 1 Economic capacity building | Indirect Improved capacity for economic policy analysis and development management will aide the adoption of policies conducive to T&I |
| Catalytic support to regional business networks | Strengthened business capacity to engage in policy dialogue Strengthened venues for deal making and information sharing | SO2 Adoption of Improved Strategies Programs and Activities for Accelerated Sustainable and Equitable Economic Growth | IR 2 1 Improved strategies policies and activities to accelerate sustainable and equitable growth | 1 Strengthened business associations | Indirect Strengthened business input into policy dialogue will help improve T&I enabling environment |
| Support to strengthen partnerships between African and American businesses and business associations ² | Strengthened partnerships based on the principles of the New Partnership Initiative | SO2 Adoption of Improved Strategies Programs and Activities for Accelerated Sustainable and Equitable Economic Growth | IR 2 1 Improved strategies policies, and activities to accelerate sustainable and equitable growth | 1 Expanded business linkages | Direct Increased opportunities for U S investment and trade |

² To be carried out as part of the Trade and Investment Initiative

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AFR/SD, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Activity Cluster | Impact on T&I |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|
| Assist field missions and regional programs to identify effective opportunities to increase private sector participation in agricultural marketing and services | Policy constraints limiting intensification of input supply & use eliminated options for overcoming constraints to output marketing identified private sector role in provision of seed fertilizer agricultural processing & rural financial services increased Effective design & monitoring of long-term Food Security Initiative | SO3 Improved Agricultural Policies Programs and Strategies | IR 3 1 Improved agricultural programs policies and strategies promoted | 1 Strengthened private sector role 2 More competitive input/output markets | Direct Increased private sector role in marketing will facilitate T&I |
| TA to help African governments to improve the investment climate & attract U S agricultural T&I | U S & African firms establish business partnerships for agricultural T&I | SO3 Improved Agricultural Policies Programs and Strategies | IR 3 1 Improved agricultural programs, policies and strategies promoted | 1 Reduced constraints to T&I | Direct Opportunities created for US T&I improved investment climate contributes to regional T&I |
| Activities to improve the tools mechanisms and capacity for agricultural technology development & transfer | Improved technology transfer strategies among African regional & national technology organizations coalitions built on where to focus technical resources and support services improved technical programs to focus on constraints in the commodity system | SO3 Improved Agricultural Policies Programs and Strategies | IR 3 2 Increased capacity of African institutions to design manage and evaluate agricultural programs policies and strategies | 1 Access to technology | Indirect Identification & adoption of improved technology transfer mechanisms will accelerate expansion of agricultural output |

AFR/SD, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Activity Cluster | Impact on T&I |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| Activities to increase ability of African agribusiness associations governments trade groups and regional organizations to identify & implement new strategies for agricultural marketing & rural services | Development of a better environment for input supply marketing of farm and agribusiness products and efficient private sector delivery of rural agribusiness services | SO3 Improved Agricultural Policies Programs, and Strategies | IR 3 2 Increased capacity of African institutions to design manage and evaluate agricultural programs policies and strategies | 1 More competitive input/output markets | Indirect Identification & adoption of more efficient rural agribusiness services will accelerate growth of agricultural growth and encourage T&I |
| Negotiation of telecommunications policy reforms that substitute cost-based affordable tariffs allow open Internet access & allow private sector Internet providers ³ | Creation of a policy environment conducive to greater flows of affordable information | SO4 Develop & Implement More Affordable & More Effective Mechanisms for Producing Sharing & Using Development Information ⁴ | IR 4 1 Increased use by development policy makers and practitioners of improved information & communication technology to promote sustainable development | 1 Access to information 2 Strengthened private sector role 3 Improved infrastructure | Direct Policy reforms will open opportunities for investment lower Internet access costs increase access to information to support T&I |

³ AFR/SD will work with the State Department and USAID Missions to develop memorandum of understanding with target countries to create this policy environment

⁴ The Leland Initiative forms the core of SO5

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AFR/SD, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Activity Cluster | Impact on T&I |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Provision of hardware to expand Internet access potential service providers trained in technical & managerial aspects of Internet service provision support for provision of infrastructure allowing internet access beyond capital cities | Widespread availability of Internet services through establishment of cost-effective & well-run national internet gateways rational internet nodes in secondary cities & customer-oriented community information centers in rural areas | SO4 Develop & Implement More Affordable & More Effective Mechanisms for Producing Sharing & Using Development Information | IR 4 1 Establish a sustainable supply of Internet and other Global Information Infrastructure (GII) information and communication services | 1 Access to information 2 Improved infrastructure | Indirect Expanded use of information technology will enhance availability of information on trade & business opportunities |
| Support to USAID Missions to help them help their customers & partners gain Internet access & develop the capacity to effectively utilize information available on the world-wide web | Development & dissemination of assessment tools & training approaches to build a dynamic Internet user base | SO4 Develop & Implement More Affordable & More Effective Mechanisms for Producing Sharing & Using Development Information | IR 4 1 Establish a sustainable supply of Internet and other Global Information Infrastructure (GII) information and communication services | 1 Access to information | Indirect Increased access to information can foster T&I |
| Development of new Internet applications in basic communications, human resources development data sharing and policy networking | Adaptation and institutional strengthening to enable expanded use of Internet communications technology for sustainable development | SO4 Develop & Implement More Affordable & More Effective Mechanisms for Producing Sharing & Using Development Information | IR 4 1 Establish a sustainable supply of Internet and other Global Information Infrastructure (GII) information and communication services | 1 Access to information | Indirect Identification & adoption of new Internet applications will expand access to information & encourage information-sharing conducive to expanded T&I |

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AFR/SD, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Activity Cluster | Impact on T&I |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|
| Grants & assistance to strengthen Africa-wide electronic networks & help their financial sustainability | Improved information sharing on best practices strengthened links among organizations & institutions to support joint solutions to shared problems & strengthened lobbying mechanism to improve government policies | SO4 Develop & Implement More Affordable & More Effective Mechanisms for Producing Sharing & Using Development Information | IR 4 2 Expand networking by development organizations in Africa | 1 Access to information | Indirect Improved information sharing and more effective lobbying can improve policy environment for T&I |
| Work with GB s Biodiversity Support Program World Resource Institute s Policy Consultative Group and missions to draw lessons learned in CBNRM regarding biodiversity | Effectiveness of CBNRM in addressing Agency & Bureau objectives evaluated and lessons learned transferred | SO5 Progress Accelerated in the Spread of Strategically Viable & Environmentally Sound Environment Management Systems | IR 5 1 Develop improve and promote cost-effective approaches | 1 Improved NRM policy framework | Direct Identification & adoption of lessons learned will improve effectiveness of CBNRM activities and aid expansion of local income |
| Support for environmental capacity building training programs strengthening of Network on the Environment & Sustainable Development in Africa (NESDA) | Strengthened regional capacity to carry out regional assessments planning and analysis | SO5 Progress Accelerated in the Spread of Strategically Viable & Environmentally Sound Environment Management Systems | IR 5 2 Enabling conditions identified and put in place to stimulate approach adoption | 1 NRM capacity building | Indirect Improved incorporation of sustainable environmental approaches will preserve economic basis for T&I |

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AFR/SD, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Activity Cluster | Impact on T&I |
|---------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|-----------------------------------|----------------------------------------------------------------------------------------------------------------|
| Continued support to efforts to expand NRM programs to include environmentally sustainable agriculture (e.g. through expanded NEXUS effort) | Increased focus on environmentally sustainable agriculture | SO5 Progress Accelerated in the Spread of Strategically Viable & Environmentally Sound Environment Management Systems | IR 5.1 Develop improve and promote cost-effective approaches | 1 Sustainable agricultural output | Direct Expansion of environmentally sustainable agriculture will protect economic base needed for expanded T&I |

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USAID/Angola

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Activity Cluster | Impact on T&I |
|-----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Resettlement of underage demobilized soldiers | Enhanced peace process and re-building of civil society | SO1 Increased Resettlement Rehabilitation and Food Self-Reliance of War-Affected Angolan Communities | IR 3 Rehabilitation of war victims and other vulnerable groups | 1 Macroeconomic/political stability | Indirect Achievement of peace and stability is necessary precondition to economic growth & T&I |
| Resettlement of internally displaced persons | IDP resettlement will further the peace process reduce urban refugee populations and lay basis for expanded agricultural output needed to displace food aid | SO1 Increased Resettlement Rehabilitation and Food Self-Reliance of War-Affected Angolan Communities | IR 3 Rehabilitation of war victims and other vulnerable groups | 1 Macroeconomic/political stability | Indirect Resettlement of IDRs is necessary precondition for expanded economic output & T&I Direct Resettlement will lead to increased agricultural output |
| Seeds of Freedom ¹ | Increased agricultural productivity by raising quality of seeds given to resettled farmers | SO1 Increased Resettlement Rehabilitation and Food Self-Reliance of War-Affected Angolan Communities | IR1 1 Increased levels of food security in communities where there are significant populations of resettled | 1 Sustainable agricultural output | Direct Agriculture sector is the only sector that has the capacity for large-scale productive growth & employment at this time |
| Support for economic reform | Improved macroeconomic indicators | SpO1 Facilitate Angola's Preparation and Implementation of Economic Structural Adjustment and Macroeconomic Programs | IR 1 Commitment to economic reform forged | 1 Improved economic policy framework | Direct Economic stabilization and structural reforms are needed to foster economic growth and to provide the necessary enabling environment for T&I |

¹ Note Assumption here is that T&I is dependent upon a resettlement of refugees and soldiers and a resumption of normal economic activity

USAID/Angola, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Activity Cluster | Impact on T&I |
|----------------------------------------------|---------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|-------------------------------------------|-----------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| Revision of the Investment Code | More competitive laws governing foreign and domestic investment (38) | SpO1 Facilitate Angola's Preparation and Implementation of Economic Structural Adjustment and Macroeconomic Programs | IR 1 Commitment to economic reform forged | 1 Reduced constraints to T&I | Direct Competitive legal environment for investment is necessary to attract investment particularly foreign investment |
| Privatization of Luanda's urban water system | More efficient provision of water reduced governmental role in the economy (38) | SpO1 Facilitate Angola's Preparation and Implementation of Economic Structural Adjustment and Macroeconomic Programs | IR 1 Commitment to economic reform forged | 1 Strengthened private sector role 2 Improved infrastructure | Direct offers investment opportunities to potential investors Indirect signals government's commitment to enhanced private sector role in the economy |

Global Bureau/Office of Emerging Markets

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Activity Cluster | Impact on T&I |
|----------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| Support for Economic and Institutional Reform (SEGIR) | Multi-tasking umbrella mechanism gives Missions & Regional Bureaus access to assistance | SSO3 Support Appropriate and Functioning Economic Policies Market Reforms in Emerging Markets and Priority Countries | IR 3 1 Increased host country privatization & improvements in competitive market environments IR 3 2 Increasingly liquid transparent & rationalized financial markets IR 3 3 Increased economic stability & structural reforms IR 3 4 Increased application of legal institutional & regulatory reforms for competitive markets IR 3 5 Increased trade investment & general business environment | 1 Strengthened private sector role 2 Reduced constraints to T&I 3 Improved economic policy framework 4 More competitive input/output markets | Direct Reforms provide necessary enabling environment for entrepreneurship economic growth and T&I |
| TA to host governments for policy reforms increasing the efficiency and reducing losses of SOEs before privatization | Reforms enable countries to get bigger outputs from existing resources reduce government deficits and satisfy public demands for satisfactory returns from public assets | SSO3 Support Appropriate and Functioning Economic Policies Market Reforms in Emerging Markets and Priority Countries | IR 3 1 Increased host country privatization & improvements in competitive market environments | 1 Strengthened private sector role | Direct Increases role of private sector in economy enabling T&I improves public support for privatization and other reforms |
| Assistance to Missions in the maintenance and extension of economic stabilization reforms | Prevent backsliding in economic reforms extend and elaborate existing reforms | SSO3 Support Appropriate and Functioning Economic Policies Market Reforms in Emerging Markets and Priority Countries | IR 3 3 Increased economic stability & stabilization reforms | 1 Improved economic policy framework | Direct Continued economic stability is essential part of enabling environment for T&I |

Global Bureau/Office of Emerging Markets, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Activity Cluster | Impact on T&I |
|-------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| Strategy & other assistance to Bureaus & Missions | EM direct hire staff help in policy analyses activity designs sector interventions and strategy determinations | SSO3 Support Appropriate and Functioning Economic Policies Market Reforms in Emerging Markets and Priority Countries | IR 3 1 Increased host country privatization & improvements in competitive market environments IR 3 2 Increasingly liquid transparent & rationalized financial markets IR 3 3 Increased economic stability & structural reforms IR 3 4 Increased application of legal institutional & regulatory reforms for competitive markets IR 3 5 Increased trade investment & general business environment | 1 Strengthened private sector role 2 Reduced constraints to T&I 3 Improved economic policy framework | Indirect EM assists Missions in the design of interventions which may encourage T&I |
| Assistance to Missions in reforms conducive to expanded foreign & domestic investment | More attractive and competitive investment climate will attract investment | SSO3 Support Appropriate and Functioning Economic Policies Market Reforms in Emerging Markets and Priority Countries | IR 3 5 Increased trade investment and generally enhanced business environment | 1 Improved economic policy framework 2 Reduced regulatory constraints | Direct Additional foreign and domestic investment will further T&I |
| Assistance to Missions in support of policy reforms enabling countries to keep and improve international competitive position | Continued effort is needed to reduce remaining barriers to productive efficiency & private job creation | SSO3 Support Appropriate and Functioning Economic Policies Market Reforms in Emerging Markets and Priority Countries | IR 3 4 Increased application of legal institutional & regulatory reforms for competitive markets | 1 Improved economic policy framework 2 Reduced constraints to T&I 3 More competitive input/output markets | Direct Continued streamlining of business environment will encourage T&I |

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Global Bureau/Office of Emerging Markets, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Activity Cluster | Impact on T&I |
|---------------------------------------------------------------------------------|---------------------------------------------|----------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|-----------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| Short-term TA¹ | | | | | |
| Strategy Assistance Export Promotion Strategy (for South Africa) | Development of export promotion strategy | SSO3 Support Appropriate and Functioning Economic Policies Market Reforms in Emerging Markets and Priority Countries | IR 3 1 Increased host country privatization efforts and competitive market environments | 1 Economic policy framework 2 Reduced regulatory constraints | Direct Export Strategy will facilitate exports & trade attract export oriented investment |
| Assessment Regional T&I Strategic Framework (for RCSA) | Improved USAID T&I strategy | SSO3 Support Appropriate and Functioning Economic Policies Market Reforms in Emerging Markets and Priority Countries | IR 3 5 Increased trade investment & general business environment | No cluster is applicable | Indirect Input into USAID T&I Strategy |
| Assessment RCSA Trade Facilitation Management System | Improved facilitation of regional trade | SSO3 Support Appropriate and Functioning Economic Policies Market Reforms in Emerging Markets and Priority Countries | IR 3 5 Increased trade investment & general business environment | 1 Reduced regulatory constraints ² | Indirect Input into USAID T&I strategy |
| Advisory Services Privatization of Luandan Water Supply and Sanitation (Angola) | Strategic advice to implement privatization | SSO3 Support Appropriate and Functioning Economic Policies Market Reforms in Emerging Markets and Priority Countries | IR 3 1 Increased host country privatization efforts and competitive market environments | 1 Increased private sector role | Possibly direct if it leads to privatization of the water supply |
| Assessment Information Campaign to Streamline SME Approval (Tanzania) | Improved SME approval processes | SSO3 Support Appropriate and Functioning Economic Policies Market Reforms in Emerging Markets and Priority Countries | IR 3 5 Increased trade investment & general business environment | 1 Reduced regulatory constraints | Possibly direct if leads to reforms of SME approvals system |

¹ For 1998 only

² This is a tentative classification due to insufficient information on this activity

Global Bureau/Office of Emerging Markets, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Activity Cluster | Impact on T&I |
|---------------------------------------------------------------|------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|------------------------------------|-------------------------------------------------------------------------------------|
| <i>Short-term TA, cont</i> | | | | | |
| Seminar SADC Customs & Trade Documents Workshops (Botswana) | Improved & harmonized customs procedures | SSO3 Support Appropriate and Functioning Economic Policies Market Reforms in Emerging Markets and Priority Countries | IR 3 5 Increased trade investment & general business environment | 1 Reduced regulatory constraints | Possibly direct if lead to streamlined customs procedures |
| Advisory Services Long term privatization assistance (Malawi) | Improved privatization process | SSO3 Support Appropriate and Functioning Economic Policies Market Reforms in Emerging Markets and Priority Countries | IR 3 1 Increased host country privatization efforts and competitive market environments | 1 Strengthened private sector role | Direct Creates investment opportunities & expands role of private sector in economy |
| Project Zimbabwe Enterprise Development (ZED) Phase II | Widen distribution of ownership of productive assets through growth enhancing mechanisms | SSO3 Support Appropriate and Functioning Economic Policies Market Reforms in Emerging Markets and Priority Countries | IR 3 5 Increased trade investment & general business environment | 1 Broadened ownership | Direct Creates an enhanced enabling environment for investment |

USAID/MALAWI

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Activity Cluster | Impact on T&I |
|----------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| Agricultural Sector Assistance Program (ASAP) Phase II | Policy dialogue encourages continued market liberalization and institutional reforms enabling farmers to take advantage of new crop and market opportunities increased smallholder access to agricultural inputs output markets cash crop alternatives and labor market information | SO1 Increased Agricultural Incomes on Per Capita Basis | IR 1 1 Farmer adoption of improved crop production/storage technologies increased IR 1 2 Competitive market environment established IR 1 3 Private sector agribusiness & transport activities expanded | 1 Strengthened private sector role 2 Sustainable agriculture 3 Improved economic policy framework 4 Reduced constraints to T&I 5 More competitive input/output markets | Direct Increased smallholder production and expanded rural trade and role of private traders |
| Support for accelerated formation and expansion of small farmer organizations cooperatives and business enterprises ¹ | Enhanced food security improved market power and influence for smallholder families | SO1 Increased Agricultural Incomes on Per Capita Basis | IR 1 3 Private sector agribusiness & transport activities expanded | 1 Expanded local income | Direct Increased rural incomes contributes to T&I |
| Support for the development & distribution of drought-resistant rootcrops (SARRNET) | Enhanced food security and improved rural incomes | SO1 Increased Agricultural Incomes on Per Capita Basis | IR 1 1 Farmer adoption of improved crop production/storage technologies increased | 1 Access to new technology 2 Expanded local income | Direct Improved agricultural yields raise rural incomes create tradable surpluses |
| Support for establishment of rural savings and loan cooperatives ² | Credit provision to agricultural clubs | SO1 Increased Agricultural Incomes on Per Capita Basis | IR 1 3 Private sector agribusiness & transport activities expanded | 1 Improved access to finance | Direct Improved access to credit gives access to needed inputs for increased production |

¹ This activity to take place as part of the proposed FY 1998 Food Security Initiative

² Not mentioned in R4 – may not have been introduced as an activity

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USAID/Malawi, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Activity Cluster | Impact on T&I |
|--------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|
| Malawi Railways Restructuring Program (MRRP) | Reduced surface transport costs on smallholder inputs & export crops through increased railway efficiency & reliability and resulting intermodal transport competitiveness | SO1 Increased Agricultural Incomes on Per Capita Basis | IR 1 3 Private sector agribusiness & transport activities expanded | 1 Improved infrastructure | Direct Lower prices lead to increased volume of goods for regional trade and export |
| Support for a broad policy legislative, & institutional reform agenda to improve NRM | Improved inter-agency coordination on NRM legislation adopted for harmonizing implementation of environmental policy reforms review towards reform of land tenure policies is facilitated | SO2 Increased Sustainable Use Conservation and Management of Natural Resources | IR 2 1 Comprehensive policy & legislative framework established IR 2 2 Capacity of NRM institutions strengthened | 1 Improved NRM policy environment | Direct Improved NRM policies and practices preserve environmental and natural resource base needed for expanded T&I |
| Agroforestry & soil conservation technologies tested & adapted at farm level | Environmentally sustainable technologies are adapted at greater rate aiding NRM | SO2 Increased Sustainable Use, Conservation and Management of Natural Resources | IR 2 3 Service programs improved | 1 Access to technology | Direct Environmentally sustainable technologies preserve natural resource base essential to agricultural output trade & investment |
| Establishment of national NRM endowment fund | Sustainable financing of NRM activities | SO2 Increased Sustainable Use Conservation and Management of Natural Resources | IR 2 2 Capacity of national NRM institutions strengthened | 1 NRM capacity building | Direct Sustainable financing ensures expansion of NRM activities thereby aiding T&I |
| Community-based natural resource management (CBNRM) | Community-driven approaches lead to more successful management of natural resources | SO2 Increased Sustainable Use Conservation and Management of Natural Resources | IR 2 4 Capacity of communities to manage natural resources improved | 1 Expanded local income 2 NRM capacity building | Direct Successful adoption of CBNRM raises local incomes thereby aiding T&I |

USAID/Mozambique

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Activity Cluster | Impact on T&I |
|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Rural Access Project (RAP) | Road rehabilitation and post-rehabilitation maintenance lead to reduced transport costs all-weather link between focus area producers and markets | SO1 Increased Rural Household Income in Targeted Areas SO2 Government & Civil Society are Effective Partners in Democratic Governance at National & Local Levels SO3 Increased Use of Essential Maternal & Child Health & Family Planning Services in Focus Areas | IR 1 1 Market access IR 1 2 Expanded enterprises IR 1 3 Sustainable agricultural output | 1 Improved infrastructure 2 Expanded local income | Direct Link to markets enables increased trade resulting in increased rural incomes and purchasing power marketable agricultural surpluses encourage investment in transport sector improved market access encourages agricultural export growth |
| Economic policy reform | Reduced cost of doing business through streamlined licensing procedures and new contract enforcement mechanisms improved micro-finance regulations revised land tenure law and an end to governmental intervention in cereals marketing | SO1 Increased Rural Household Income in Targeted Areas SO2 Government & Civil Society are Effective Partners in Democratic Governance at National & Local Levels | IR 1 2 Expanded enterprises IR 1 3 Sustainable agricultural output | 1 Improved economic policy framework 2 Reduced constraints to T&I 3 Improved access to finance 4 Strengthened private sector role 5 More competitive input/output markets | Direct Financial reforms support sustainable development of micro- and small enterprises land tenure reforms increase income by encouraging long-term investment and sustainable management simplified regulatory environment & liberalized cereals marketing encourages entrepreneurship T&I and exports |

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USAID/Mozambique, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Activity cluster | Impact on T&I |
|------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|---------------------------------------------------------------------------|-------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| Activities to support increased sustainable agricultural output of cashews and other crops | Agricultural output is increased through improved farming techniques and sustainable farming practices Continued cashew extension services provided through endowment fund establishment | SO1 Increased Rural Household Income in Targeted Areas | IR 1 2 Expanded enterprises IR 1 3 Sustainable agricultural output | 1 Sustainable agricultural output 2 Access to technology | Direct Improved local cash income boosts purchasing power thereby aiding trade Expanded output raises export earnings |
| Support for extension of management & business advisory services to rural group of enterprises in targeted areas | Improved marketing of agricultural commodities | SO1 Increased Rural Household Income in Targeted Areas | IR 1 2 Expanded enterprises IR 1 3 Sustainable agricultural output | 1 Enterprise skills building | Direct Improved management will raise output and income thereby aiding trade |
| Environment Strategy | Environmental policy & institutional reforms adopted CBNRM introduced sustainable resource use strengthened | SO1 Increased Rural Household Income in Targeted Areas | IR 1 3 Sustainable agricultural output | 1 Improved NRM policy framework 2 NRM capacity building | Direct Raises household income and expands output of tradable goods |
| SADC Transport Efficiency Project (STEP) ¹ | Relieve constraints to regional trade expansion | SO1 Increased Rural Household Income in Targeted Areas | IR 1 1 Market access | 1 Improved infrastructure | Direct Improved infrastructure eliminates constraint to T&I lowers costs |
| Private Sector Initiative (to be developed?) | Streamlined business & investment regulations and rewritten commercial code | SO1 Increased Rural Household Income in Targeted Areas | IR 1 2 Expanded enterprises | 1 Reduction of constraints to T&I | Direct T&I is encouraged through elimination of obstacles to doing business |

¹ Regional project managed by USAID/Mozambique Only a policy support element remains

USAID/Namibia

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Activity Cluster | Impact on T&I |
|------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| NGO capacity building | Increased capability of NGOs in service delivery to clients, augmented skills in public sector given crossover from NGOs to public sector | SO1 Enhanced Roles for Historically Disadvantaged Namibians in Key Public Sector, NGOs, and Private Sector Organizations | IR 1 1 Increased number of HDNs acquiring enhanced managerial & technical skills and knowledge IR 1 2 Improved access for trained HDNs in technical, managerial & leadership positions | 1 Economic capacity building 2 Enterprise skills building | Indirect In long term will increase "supply" of HDN leadership in all sectors, including government and private sector thereby reducing key current constraint on economic growth, and therefore on T&I Direct NGOs play critical role in training in microenterprise skills |
| Public sector skills training through ATLAS HRDA, and other mechanisms | Increased managerial and technical skills by individuals in key public sector positions | SO1 Enhanced Roles for Historically Disadvantaged Namibians in Key Public Sector NGOs and Private Sector Organizations | IR 1 1 Increased number of HDNs acquiring enhanced managerial & technical skills and knowledge IR 1 2 Improved access for trained HDNs in technical, managerial & leadership positions | 1 Economic capacity building | Direct Improved public sector management and policy develop contributes to positive enabling environment for T&I |
| Private sector management training | Provision of first rate managerial training to HDNs will catalyze their hiring & advancement of HDNs in managerial & professional positions | SO1 Enhanced Roles for Historically Disadvantaged Namibians in Key Public Sector, NGOs, and Private Sector Organizations | IR 1 1 Increased number of HDNs acquiring enhanced managerial & technical skills and knowledge IR 1 2 Improved access for trained HDNs in technical managerial & leadership positions | 1 Enterprise skills building | Direct Reduces key current constraint on economic growth and therefore on T&I (5 6) Development of a growing cadre of skilled HDNs in public, private and NGO sectors necessary to create an enabling environment for entrepreneurship & enhanced T&I |

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USAID/Nambia (cont)

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Activity Cluster | Impact on T&I |
|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| On going policy dialogue with GRN | Improved regulatory, legal, and policy environment for conservation land use and CBNRM, tourism activities | SO3 Increased Benefits to Historically Disadvantaged Namibians from Sustainable Local Management of Natural Resources | IR 3 1 Improved policy & legislative environment for local content of natural resource management | 1 Improved NRM policy environment | Direct Improved regulatory and policy environment for CBNRM contributes to sustainable NRM, land use, and community based tourism activities |
| Living in a Finite Environment (LIFE) | Establishment of replicable CBNRM models & wildlife conservancies in pilot communal areas | SO3 Increased Benefits to Historically Disadvantaged Namibians from Sustainable Local Management of Natural Resources | IR 3 1 Improved policy & legislative environment for local content of natural resource management IR 3 2 Strengthened community based natural resource management activities in target communities | 1 Expanded local income | Direct Increased household income from CBNRM activities leads to greater purchasing power encourages micro enterprise development in sustainable activities encourages tourism & provides opportunities in tourism based investment |
| Environmental Education | National program of environmental education for policy makers and key population groups will strengthen support for conservation & CBNRM efforts | SO3 Increased Benefits to Historically Disadvantaged Namibians from Sustainable Local Management of Natural Resources | IR 3 1 Improved policy & legislative environment for local content of natural resource management IR 3 2 Strengthened community based natural resource management activities in target communities | 1 Improved NRM policy framework | Indirect Creates enabling environment conducive to policy and other reforms in support of NRM |

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USAID/RCSEA

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Activity Cluster | Impact on T&I |
|------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Southern Africa Enterprise Development Fund (SAEDF) | Creation & expansion of commercially viable enterprises increased indigenous business ownership | SO2 A More Integrated Regional Market | IR 1 Reduced barriers to broadened participation in the regional market | <ol style="list-style-type: none"> 1 Improved access to finance 2 Enterprise skills building 3 Broadened ownership | <p>Direct nationally Increased access to financial services will help entrepreneurs to expand their regional business activities</p> <p>Indirect (long term potential) regionally</p> |
| Regional Activity to Promote Integration Through Dialogue and Improved Policy Implementation (RAPID) | <p>Elimination of barriers to T&I by policy analysis assistance to draft regulations/protocols implementation assistance & building advocacy among business groups Illustrative SO2 activities include</p> <ul style="list-style-type: none"> ■ Support for SADC workshop to simplify and harmonize customs declarations ■ Assistance to SADC Investment & Trade Coordinating Unit in implementing SADC Trade Protocol ■ Support to COMESA to improve implementation of Rules of Origin and Yellow Card Insurance Scheme ■ Assistance to national private sectors to develop a national position on the SADC Trade Protocol | <p>SO2 A More Integrated Regional Market¹</p> <p>SO3 Accelerated Regional Adoption of Sustainable Agriculture & NRM Approaches</p> <p>SO1 Increased Regional Capacity to Influence Democratic Performance</p> | <p>IR 1 Reduced barriers to broadened participation in the regional market</p> <p>IR 2 Improved telecommunications transport and energy infrastructure</p> <p>IR 1 Sustained advocacy for regional integration</p> <p>IR 2 Improved infrastructure to move goods & people</p> <p>IR 1 Increased information sharing within the region</p> <p>IR 2 Increased advocacy & other cooperation bringing regional experience to bear at the national level</p> <p>IR 3 Regional norms further defined by Southern Africans</p> | <ol style="list-style-type: none"> 1 Regional trade/integration advocacy 2 Economic capacity building 3 Reduced regulatory constraints 4 Improved economic policy framework | <p>Direct Supports activities that remove or reduce barriers to T&I</p> |

¹ As a toolbox this program supports several SOs and IRs

USAID/RCSA, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Activity Cluster | Impact on T&I |
|-----------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Botswana Component of CBNRM Project | NRM practices adapted and institutionalized on a local basis | SO3 Accelerated Regional Adoption of Sustainable Agriculture and NRM Approaches | IR 1 Functioning systems in place for transferring Ag/NRM technologies and best practices across the region IR 2 An enabling environment which promotes increased incentives for smallholders and communities to adopt sustainable Ag/NRM technologies/ approaches | 1 NRM capacity building 2 Expanded local income | Direct CBNRM raises local purchasing power and creates investment opportunities |
| Network and Capacity Building Program (with IUCN's regional office for Southern Africa) | Coordination & implementation of networks to promote sustainable resource management & biodiversity conservation | SO3 Accelerated Regional Adoption of Sustainable Agriculture and NRM Approaches | IR 1 Functioning systems in place for transferring Ag/NRM technologies and best practices across the region | 1 NRM capacity building 2 Access to technology | Direct Improved NRM capabilities and information sharing especially among regional NGOs will improve sustainability and augment local incomes and production |
| Natural Resources Management Program (NRMP) ² | Increased rural incomes and local commitment to sustainable NRM methods Regional sharing of lessons learned and NRM capacity building in key institutes and NGOs | SO3 Accelerated Regional Adoption of Sustainable Agriculture and NRM Approaches | IR 1 Functioning systems in place for transferring Ag/NRM technologies and best practices across the region IR 2 An enabling environment which promotes increased incentives for smallholders and communities to adopt sustainable Ag/NRM technologies/ approaches | 1 NRM capacity building 2 Expanded local income 3 Improved access to information | Direct Increased local purchasing power encourages trade NRM creates investment opportunities especially in tourism related activities |

² The Namibia Zambia and Zimbabwe components of NRMP are managed by their respective bilateral missions and RCSA manages the Botswana and regional coordination components

USAID/RCSA, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Activity Cluster | Impact on T&I |
|-------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Strengthening Regional Economies through NGOs (STRENGTH) | Strengthened regional & national NGOs can better address regional issues that impact on the indigenous business sector | SO2 A More Integrated Regional Market ³ SO1 Increased Regional Capacity to Influence Democratic Performance SO3 Accelerated Regional Adoption of Sustainable Agriculture and NRM Approaches | IR 3 Sustained advocacy for regional integration | 1 Regional trade/integration advocacy 2 Strengthened business associations 3 Reduced regulatory constraints | Indirect Greater understanding of opportunities offered by regional market will engender support for needed reforms |
| Africalink support to the Southern Centre for Coordination of Agriculture & Natural Resources Research (SACCAR) & other research networks | Enables rapid electronic dissemination of regional research data accelerating technology transfer (R4 18) | SO3 Accelerated Regional Adoption of Sustainable Agriculture and NRM Approaches | IR 1 Functioning systems in place for transferring Ag/NRM technologies and best practices | 1 Improved access to information 2 Access to technology | Indirect Accelerates adoption of improved varieties that lead to increased rural incomes with greater demand for tradable goods and greater surpluses for trade/export |
| Support to SADC Technical Coordination Unit for Wildlife | Facilitates sharing of information & lessons learned from CBNRM programs | SO3 Accelerated Regional Adoption of Sustainable Agriculture and NRM Approaches | IR 1 Functioning systems in place for transferring Ag/NRM technologies and best practices | 1 Improved access to information 2 NRM capacity building | Indirect Facilitates adoption of CBNRM with subsequent effects on local purchasing power and investment opportunities |
| Support for establishment of regional transport related trade associations | Enhanced mechanism for private sector dialogue with governments on transport | SO2 A More Integrated Regional Market | IR 1 Reduced barriers to broadened participation in the regional market IR 3 Sustained advocacy for regional integration | 1 Regional trade/integration advocacy 2 Strengthened business associations | Indirect Improved dialogue facilitates more rapid elimination of impediments to regional transport |
| Support to expand CBNRM practices in region | Increased involvement in CBNRM by other donors bilateral missions and NGOs | SO3 Accelerated Regional Adoption of Sustainable Agriculture and NRM Approaches | IR 2 An enabling environment which promotes increased incentives for smallholders and communities to adopt sustainable Ag/NRM technologies/ approaches | 1 Improved local incomes | Indirect Increased involvement in CBNRM can accelerate adoption of new Ag/NRM approaches |

³ As a toolbox this program supports several SOs and IRs

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USAID/RCSA cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Activity Cluster | Impact on T&I |
|---------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| Regional Research Coordination Program | Continued management of regional programs increased focus on commercialization of new technologies and development of new financial and institutional arrangements to get Ag/NRM technologies to smallholders | SO3 Accelerated Regional Adoption of Sustainable Agriculture and NRM Approaches | IR 1 Functioning systems in place for transferring Ag/NRM technologies and best practices | 1 Access to technology | Direct Development commercialization & dissemination of new technologies will increase agricultural output |
| Support for policy analysis and broadened public private sector dialogue on Ag/NRM policy & regulatory issues | Improved regional and national policies to facilitate cross border trade of technologies goods information and people | SO3 Accelerated Regional Adoption of Sustainable Agriculture and NRM Approaches SO2 A More Integrated Regional Market | IR 1 Functioning systems in place for transferring Ag/NRM technologies and best practices | 1 Improved NRM policy framework 2 Access to technology 3 Access to information | Direct Accelerated transfer of technologies for sustainable Ag/NRM practices will increase incomes and yields |
| Agricultural Research Management Training program and specific research programs (e.g. SMIP) | Development testing & dissemination of new varieties Scientists and managers trained in research methods | SO3 Accelerated Regional Adoption of Sustainable Agriculture and NRM Approaches | IR 1 Functioning systems in place for transferring Ag/NRM technologies and best practices | 1 Access to technology 2 NRM capacity building | Direct Improved varieties lead to expanded output increased rural incomes Indirect Capacity building strengthens future capability to undertake research |
| SADC Transport Efficiency Project (STEP) | Enhanced efficiency & competitiveness of surface transportation in SADC region | SO2 A More Integrated Regional Market | IR 2 Improved telecommunications transport & energy infrastructure | 1 Improved infrastructure | Direct Increase cost competitiveness of regional exports improve market access within region lower transport costs for regional businesses |
| Policy Analysis Assistance to SADC (PAAS) ⁴ | Enhanced efficiency & competitiveness of surface transportation in SADC region | SO2 A More Integrated Regional Market | IR 2 Improved telecommunications transport & energy infrastructure | 1 Improved infrastructure 2 Regional trade/advocacy | Direct Increase cost competitiveness of regional exports improve market access within region lower transport costs for regional businesses |
| Rolling Stock Information System (RSIS) | Enhanced efficiency & competitiveness of surface transportation in SADC region through real time information on regional train movements | SO2 A More Integrated Regional Market | IR 2 Improved telecommunications transport & energy infrastructure | 1 Improved infrastructure | Direct Increase cost competitiveness of regional exports improve market access within region lower transport costs for regional businesses |

⁴ STEP/PAAS is managed by USAID/Mozambique

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USAID/RCSA, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Activity Cluster | Impact on T&I |
|----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|---------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Regional Telecommunications Restructuring Project (RTRP) | Enhanced telecommunications services through increased private sector participation | SO2 A More Integrated Regional Market | IR 2 Improved telecommunications transport & energy infrastructure | 1 Improved infrastructure 2 Strengthened private sector role | Direct Lower cost higher quality telecommunications costs facilitate regional trade improve access to market and other information improve efficiency of operations |
| Malawi Railways Restructuring Program (MRRP) (Part of the Southern Africa Regional Program – SARP) | Reduced surface transportation costs through increased rail efficiency | SO2 A More Integrated Regional Market | IR 2 Improved telecommunications transport & energy infrastructure | 1 Improved infrastructure | Direct Increase cost competitiveness of regional exports improve market access within region lower transport costs for regional businesses |
| Regional Roads Management System | Improved regional roads management | SO2 A More Integrated Regional Market | IR 1 Reduced barriers to broadened participation in the regional market IR 2 Improved telecommunications transport and energy infrastructure | 1 Improved infrastructure | Potentially direct Improved roads management lowers transport costs and shipping times improving cost competitiveness and market access within the region |
| Regional Energy Sector Activities | Improved regional energy infrastructure | SO2 A More Integrated Regional Market | IR 2 Improved telecommunications transport and energy infrastructure | 1 Improved infrastructure | Potentially direct Improved energy infrastructure can lower input costs and raise cost competitiveness |
| Establishment of an umbrella electronic network | Improved access by business associations and others to information critical to achieving a more integrated regional market | SO2 A More Integrated Regional Market | IR 1 Reduced barriers to broadened participation in the regional market IR 2 Improved telecommunications transport and energy infrastructure | 1 Improved access to information | |
| Trade Facilitation Management System | Adoption of measures to facilitate trade | SO2 A More Integrated Regional Market | IR 1 Reduced barriers to broadened participation in the regional market | 1 Reduced regulatory constraints | Potentially direct Elimination of obstacles to regional trade |

REDSO/ESA

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Activity Cluster | Impact on T&I |
|-------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|---------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| Capacity building of regional organizations such as establishing appropriate internal financial and information systems | More effective regional organizations (e.g. COMESA ESABO AABA) | SO1 A More Open and Market Driven Regional Economy ¹ | IR 1 1 Capacity of Partner Organizations that Support Regional Integration Enhanced | 1 Strengthened business associations | Indirect Strengthened regional organizations can better lobby regional governments for reforms |
| Regional exchange of investment information | Not clear from information available | SO1 A More Open and Market Driven Regional Economy | IR 1 2 Enabling Environment for Private Sector Led Growth and Food Security Improved | 1 Improved access to information | Uncertain given limited information |
| COMESA ESABO& AABA advocacy groups lobbying for supportive private sector policies | Improved regulatory and business operating environment | SO1 A More Open and Market Driven Regional Economy | IR 1 2 Enabling Environment for Private Sector Led Growth and Food Security Improved | 1 Reduced regulatory constraints | Direct Greater advocacy for reforms favorable to increased T&I |
| COMESA and ESABO advocacy groups lobbying for a reduction in tariff and non tariff barriers | Regional governments lower tariff & NTBs | SO1 A More Open and Market Driven Regional Economy | IR 1 2 Enabling Environment for Private Sector Led Growth and Food Security Improved | 1 Reduced regulatory constraints 2 Improved economic policy framework | Direct Reduced tariff barriers will increase trade |
| WTO training activities | Increased understanding of free trade and WTO requirements | SO1 A More Open and Market-Driven Regional Economy | IR 1 2 Enabling Environment for Private Sector Led Growth and Food Security Improved | 1 Economic capacity building | Direct Will increase prospects for multilateral trade reforms |
| Business linkages between U S firms and African firms through Africa America Business Partnership (AABP) Activity | Joint ventures and other collaborative arrangements created U S Africa trade facilitated | SO1 A More Open and Market Driven Regional Economy | IR 1 3 Transnational Trade and Business Linkages for the Region Encouraged and Strengthened | 1 Expanded business linkages | Direct Firm to firm collaborations are critical to increased exports and investment |
| Increased dissemination of trade information for the region | Increased knowledge of trade flows and requirements (unclear because of limited information available) | SO1 A More Open and Market Driven Regional Economy | IR 1 3 Transnational Trade and Business Linkages for the Region Encouraged and Strengthened | 1 Access to information | Unclear because nature of activity is uncertain |

¹ SO1 and its IRs are not yet final

REDSO/ESA, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Activity Cluster | Impact on T&I |
|-------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Regional commodity market information increased | Greater availability of information on commodity markets and flows (unclear because of limited information available) | SO1 A More Open and Market Driven Regional Economy | IR 1 3 Transnational Trade and Business Linkages for the Region Encouraged and Strengthened | 1 Access to Information | Direct? Increased knowledge of commodity prices and availability will encourage T&I? |
| Regional Investors Roadmap | Identification of regional barriers to T&I | SO1 A More Open and Market Driven Regional Economy | IR 1 3 Transnational Trade and Business Linkages for the Region Encouraged and Strengthened | 1 Reduced regulatory constraints | Direct Addresses constraints inhibiting T&I |
| Private Sector Expertise Support | Aid ESA government agencies & regional business organizations that promote regional trade integration establish trade information liberalize bank & financial transactions across the region and enhance private sector role in increasing food security | SSO1 Effective Technical & Program Support to ESA Missions | IR 1 1 Improved management of REDSO/ESA services to ESA missions | 1 Regional trade/integration advocacy 2 Reduced constraints to T&I 3 Strengthened private sector role | Direct Regional approach to facilitate increased cross border T&I |
| Regional Coastal Zone Demonstration Activity | Models developed & personnel trained in techniques necessary for sustainable management of coastal zone resources | SO2 Increased Utilization of Critical Information by USAID & Other Decision Makers in the Region | IR 2 3 Environment & Natural Resources Enhanced dissemination of critical regional development information IR 2 4 Environment & Natural Resources Increased regional collaboration in addressing critical regional development issues | 1 NRM capacity building 2 Improved NRM policy framework | Indirect Development of models and personnel training will enable the introduction of sustainable coastal NRM conferences and workshops raise the issue s prominence encourage regional commitment to CZM |

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REDSO/ESA, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Activity Cluster | Impact on T&I |
|--------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Support to regional private sector organizations & NGOs | Enhanced ability of institutions such as All Africa Businesswomen s Association (AABA) and East and Southern Africa Business Organization (ESABO) to work on regional trade issues (34) | SO3 Establish a Strong Basis for Implementation of the Greater Horn of Africa Initiative | IR 3 3 Greater regional collaboration for sustainable economic growth | 1 Regional trade/integration advocacy 2 Strengthened business associations | Indirect Private sector entities inform & catalyze governmental policy making and facilitate exchange of business & trade information |
| Regional Trade Activities (RTA) addressing ESA intra regional transportation costs cross border trade policy & comparative advantage | Strengthened markets improved policies laws & regulations governing markets & transport strengthened GHAI food security expanded analytical capacity of African institutions such as All Africa Businesswomen s Association (AABA) establishment of new regional bodies to work on regional trade issues (e g East African Transportation Initiative) | SO2 Increased Utilization of Critical Information by USAID & Other Decision Makers in the Region SO3 Establish a Strong Basis for Implementation of the Greater Horn of Africa Initiative | IR 2 2 Improved models & technologies for use in priority development areas IR 2 4 Increased regional collaboration in addressing critical regional development issues IR 2 5 Strengthened human & institutional capacity to generate analyze & use critical regional development information IR 3 3 Greater regional collaboration for sustainable economic growth | 1 Reduced constraints to T&I 2 Regional trade/integration advocacy 3 More competitive input/output markets | Direct Dissemination implementation & utilization of policy reforms related to transportation costs & cross border trade lead to lower transport & other costs of cross border trade New regional bodies work to eliminate obstacles to regional trade |
| Horn of Africa Support Project (HASP) ² | Revitalize/strengthen regional institutions such as Intergovernmental Committee on Development (IGAD) to establish regional development priorities | SO3 Establish a Strong Basis for Implementation of the Greater Horn of Africa Initiative | IR 3 3 Greater regional collaboration for sustainable economic growth | 1 Regional trade/integration advocacy 2 Strengthened business associations | Indirect Strengthened regional institutions and necessary to address persistent regional conflict and food crises that deter T&I |

HASP is SO3 s primary vehicle for operationalizing the GHAI

REDSO/ESA, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Activity Cluster | Impact on T&I |
|------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|
| Support for regional activities to strengthen food security | Crisis prevention through development of market information database food security inventory strengthened private sector role in regional food security & improved management of food shortfalls | SO3 Establish a Strong Basis for Implementation of the Greater Horn of Africa Initiative | IR 3 1 Strengthened Support for Food Security in the region IR 3 3 Greater regional collaboration for sustainable economic growth | 1 Strengthened private sector role 2 More competitive input/output markets | Indirect Improved food security removes impediment to expanded T&I |
| Support for Agricultural Research Commodity Networks ³ | Improved regional agricultural research and collaboration | SO2 Increased Utilization of Critical Information by Other Decision Makers in the Region SO3 Establish a Strong Basis for Implementation of the Greater Horn of Africa Initiative | IR 3 3 Greater regional collaboration for sustainable economic growth | 1 Access to technology | Indirect Mechanisms identified for improving agricultural output and therefore rural incomes and T&I |
| Support for activities linking relief and development (e.g. Seeds for Hope II Somalia Integrated Strategic Plan) | Rapid replenishment of food supply and agricultural output following disasters | SO3 Establish a Strong Basis for Implementation of the Greater Horn of Africa Initiative SO4 Effective Delivery of USAID's Humanitarian Assistance | IR 3 4 Strategies developed for transition from crises to sustainable development | 1 Sustainable agricultural output | Indirect Reducing economic disruption resulting from food & other crises reduces interruption of T&I |

³ Tentatively proposed to be transferred to REDSO/ESA in FY97

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REDSO/ESA, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Activity Cluster | Impact on T&I |
|----------------------------------------------------------------|-----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Support to National Agricultural Research Systems ⁴ | Improved regional agricultural research and collaboration | SO2 Increased Utilization of Critical Information by Other Decision Makers in the Region SO3 Establish a Strong Basis for Implementation of the Greater Horn of Africa Initiative | IR 2 2 Economic growth & support to GHAI – Improved models and technologies for use in priority development areas IR 2 4 Economic growth & support to GHAI –Increased regional collaboration in addressing critical regional development issues IR 3 3 Greater regional collaboration for sustainable economic growth | 1 Access to technology | Indirect Mechanisms identified for improving agricultural output through identifying and addressing production constraints strengthening technology transfer |

⁴ Tentatively planned activity

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USAID/South Africa

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Activity Cluster | Impact on T&I |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| Support for Economic Growth & Analysis/Mandela Economic Scholars Program (SEGA/MESP) | U S training for selected individuals will build strengthened economic analysis skills in key government institutions | SO4 Improved Capacity of Key Government & Non Government Entities to Formulate Evaluate & Implement Economic Policies | IR 4 1 Strengthened human resources in economics and policy analysis for key government entities | 1 Economic capacity building | Indirect Strengthened government capacity in the formulation evaluation and implementation of growth and equity promoting economic policies |
| Assistance and training to RSA economic policy departments | Strengthened departmental work units where Mandela scholars will apply their training | SO4 Improved Capacity of Key Government & Non Government Entities to Formulate Evaluate & Implement Economic Policies | IR 4 2 Strengthened government departments that deal with economic policy matters | 1 Economic capacity building | Indirect Strengthened government capacity in the formulation evaluation and implementation of growth and equity promoting economic policies |
| Support to local think tanks (e g African Institute for Policy Analysis & Economic Integration (AIPA) & National Institute for Economic Policy (NIEP)) | Selected think tanks are established as credible & sustainable contributors to national economic policy | SO4 Improved Capacity of Key Government & Non Government Entities to Formulate Evaluate & Implement Economic Policies | IR 4 3 Strengthened think tanks to formulate & evaluate economic policy options of all economic policy makers | 1 Economic capacity building | Indirect Development of a critical mass of skilled policy analysts to influence the country in making difficult economic and policy choices |
| Tertiary Education Linkages Project (TELP) | Capacity strengthening in selected disciplines (including economics) at historically disadvantaged tertiary education institutions | SO4 Improved Capacity of Key Government & Non Government Entities to Formulate Evaluate & Implement Economic Policies SO2 Transformed Education System Based on Equity of Access and Quality | IR 4 4 Strengthened centers of economics training especially within the historically disadvantaged institutions | 1 Economic capacity building | 1 Economic capacity building |

USAID/South Africa, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Activity Cluster | Impact on T&I |
|--------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|
| Microenterprise Support Project (MSP) | Policy component addresses policy regulatory & administrative constraints facing microentrepreneurs support to NGOs will design replicable methods providing finance access to microentrepreneurs | SO5 Increased Access to Financial Markets for the Historically Disadvantaged Population | IR 5 1 Improved policy environment to facilitate access to capital for historically disadvantaged (HD) microenterprises IR 5 2 Improved capacity of the financial sector to service HD microenterprises | 1 Improved economic policy framework 2 Improved access to finance | Direct Improved policy enabling environment for micro lending activities creates opportunities for entrepreneurship |
| VITA Microenterprise Support Project (under MSP) | Retail loan program for growth oriented enterprises and interactive radio soap opera on entrepreneurship issues | SO5 Increased Access to Financial Markets for the Historically Disadvantaged Population | IR 5 1 Improved policy environment to facilitate access to capital for historically disadvantaged (HD) micro enterprises IR 5 2 Improved capacity of the financial sector to service HD microenterprises IR 5 3 Improved capacity of microentrepreneurs to respond to financial market requirements | 1 Improved access to finance | Direct Increases availability of credit to microenterprises |

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USAID/South Africa, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Activity Cluster | Impact on T&I |
|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
| Ntinga Microenterprise Support Project (under MSP) | Project works with microenterprise service providers both financial & non financial to improve quality and quantity of services provided to entrepreneurs | SO5 Increased Access to Financial Markets for the Historically Disadvantaged Population | IR 5 1 Improved policy environment to facilitate access to capital for historically disadvantaged (HD) micro enterprises IR 5 2 Improved capacity of the financial sector to service HD microenterprises IR 5 3 Improved capacity of microentrepreneurs to respond to financial market requirements | 1 Improved access to finance 2 Enterprise skills building | Indirect Improves capability of microenterprise service providers to improve the skills of their clients |
| Bilateral Agreement with the Ministry of Public Enterprises (MPE) | MPE is assisted with restructuring of State assets and potential privatization of public enterprises | SO5 Increased Access to Financial Markets for the Historically Disadvantaged Population | IR 5 4 Improved policy environment to facilitate access to capital for HD small medium & large enterprises | 1 Strengthened private sector role | Direct Privatization creates investment opportunities and expands private sector role in economy |

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USAID/South Africa, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Activity Cluster | Impact on T&I |
|--------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| DTI Technical Support Facility | Restructuring of Department of Trade and Investment (DTI) institutions improves T&I decision making & policy formulation and supports implementation of SMME program | SO5 Increased Access to Financial Markets for the Historically Disadvantaged Population | IR 5 1 Improved policy environment to facilitate access to capital for HD micro enterprises IR 5 2 Improved capacity of the financial sector to service HD microenterprises IR 5 3 Improved capacity of microentrepreneurs to respond to financial market requirements IR 5 4 Improved policy environment to facilitate access to capital for HD small medium & large enterprises IR 5 5 Improved capacity of the financial sector to service HD small medium & large enterprises IR 5 6 Improved capacity of small medium and large HD enterprises to respond to financial market requirements | 1 Improved economic policy framework 2 Improved access to finance | Direct Improved policy environment improves micro-finance availability and creates opportunities for entrepreneurship |

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USAID/South Africa, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Activity Cluster | Impact on T&I |
|----------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Business Linkages for Underutilized Enterprises (BLUE) | Establishment of commercially viable long relationships between corporations & small- & medium sized firms where the historically disadvantaged have a majority equity interest Expanded business skill training for supplier firms increases ability to contract business | SO5 Increased Access to Financial Markets for the Historically Disadvantaged Population | IR 5 4 Improved policy environment to facilitate access to capital for HD small medium & large enterprises IR 5 6 Improved capacity of HD small medium & large enterprises to respond to financial market requirements | 1 Enterprise skills building 2 Expanded business linkages | Direct Expansion of business skills and contracts for supplier firms increases their ability to participate in T&I |
| Micro and Small Enterprise Development (MSED) Loan Guarantee Program | Risk sharing arrangement with private sector financial resources increases commercial access to credit by micro and small enterprises | SO5 Increased Access to Financial Markets for the Historically Disadvantaged Population | IR 5 2 Improved capacity of the financial sector to service HD microenterprises IR 5 5 Improved capacity of the financial sector to service HD small medium & large enterprises | 1 Improved access to finance | Direct Funds available for lending to micro enterprises are increased LPG also increases NGO & micro enterprise – access to commercial financing Long term sustainability of micro lending is strengthened |
| Equity Access System (EASY) | Improved access to long term risk capital for disadvantaged enterprises | SO5 Increased Access to Financial Markets for the Historically Disadvantaged Population | IR 5 6 Improved capacity of small medium & large HD enterprises to respond to financial market requirements | 1 Improved access to finance | Direct Access to finance creates opportunities for entrepreneurship and expanded T&I |
| Southern Africa Enterprise Development Fund (SAEDF) | Promising small medium and large business ventures gain access to equity capital | SO5 Increased Access to Financial Markets for the Historically Disadvantaged Population | IR 5 5 Improved capacity of the financial sector to service HD small medium & large enterprises | 1 Improved access to finance | Direct Access to finance creates opportunities for entrepreneurship and expanded T&I |
| Grant to Get Ahead Foundation | Support to group lending program for microentrepreneurs | SO5 Increased Access to Financial Markets for the Historically Disadvantaged Population | IR 5 2 Improved capacity of the financial sector to service HD micro enterprises | 1 Improved access to finance | Direct Access to finance creates opportunities for entrepreneurship |

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USAID/South Africa, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Activity Cluster | Impact on T&I |
|------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| Growth Equity and Redistribution Privatization Project (GEAR PP) | Assistance to potential bidders on privatization transactions | SO5 Increased Access to Financial Markets for the Historically Disadvantaged Population | SO5 Increased Access to Financial Markets for the Historically Disadvantaged Population | 1 Broadened ownership 2 Strengthened private sector role | Direct Assistance in structuring privatization bids improves likelihood of successful privatization and post privatization performance |
| South Africa Business Linkages (SAIBL) | Assist HD SMEs by promoting commercially viable business relationships that result in increased T&I flows as well as technology transfer between the U S and South Africa | SO5 Increased Access to Financial Markets for the Historically Disadvantaged Population | IR 5 5 Improved capacity of the financial sector to service HD small medium & large enterprises IR 5 6 Improved capacity of small medium & large HD enterprises to respond to financial market requirements | 1 Expanded business linkages | Direct Stimulation of trade and investment flows |
| Increased Microenterprise Access to Liquidity (IMALI) | Create a new sustainable provider of microfinance in South Africa | SO5 Increased Access to Financial Markets for the Historically Disadvantaged Population | IR 5 2 Improved capacity of the financial sector to service HD microenterprises | 1 Improved access to finance | Direct Access to finance creates opportunities for entrepreneurship |

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USAID/Tanzania

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Activity Cluster | Impact on T&I |
|--------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Ongoing policy dialogue with GOT ¹ including TA & capacity building | Establishment of modern policy enabling environment for natural resources management technical and institutional capacity for analysis upgraded improved institutional coordination on NRM issues | SO2 Foundation Established for Adoption of Environmentally Sustainable Natural Resource Management Practices in Tanzania | IR 2 1 Policy framework for sustainable NRM established IR 2 2 Institutional & technical capacity for analysis built | 1 Improved NRM policy framework 2 NRM capacity building | Direct Strengthened policy framework supports sustainable NRM needed to improved rural incomes reduced environmental degradation and improved agricultural yields suitable for trade preservation of agricultural base and enhanced opportunities for tourism and related investment |
| Kagera Resources Management Program (KRM) | Participatory process identifies local NRM needs and appropriate solutions local ownership of process leads to greater sustainability local NRM institutionalized selected approaches and technologies replicated | SO2 Foundation Established for Adoption of Environmentally Sustainable Natural Resource Management Practices in Tanzania | IR 2 2 Institutional & technical capacity for analysis built IR 2 3 Appropriate NRM approaches and technologies identified field-tested and implemented in pilot areas | 1 NRM capacity building 2 Expanded local income | Direct Sustainable NRM leads to improved rural incomes reduced environmental degradation and improved yields suitable for trade preservation of agricultural base and enhanced opportunities for tourism and related investment |
| Economic Growth & Improved Human Welfare | Micro & small enterprises are developed which reduces poverty and enables even the smallest entrepreneur to access modern business & finance techniques | SO4 Increased Micro and Small Enterprise Participation in the Economy | IR 4 1 Provision of sustainable financing to micro and small enterprises | 1 Improved access to finance 2 Enterprise skills building | Direct Strengthened micro and small enterprises are better able to successfully undertake T&I |
| Risk Management/Profit Sharing Fund | Quasi-equity small and medium enterprise fund for clients of Finance & Enterprise Development Associates (FEDA) (\$3K to \$100K in size) | SO4 Increased Micro and Small Enterprise Participation in the Economy | IR 4 1 Provision of sustainable financing to micro and small enterprises | 1 Improved access to finance | Direct Venture capital assists entrepreneurs to undertake T&I |

¹ On-going policy dialogue builds on work undertaken previously through the Planning and Assessment for Wildlife Management (PAWM) activity

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USAID/Tanzania, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Activity Cluster | Impact on T&I |
|---------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|---------------------------------------------------------------------------|--------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|
| Social Action Trust Fund (SATF) | Lending equity and underwriting in medium- & large-scale private sector projects | SO4 Increased Micro and Small Enterprise Participation in the Economy | IR 4 1 Provision of sustainable financing to micro and small enterprises | 1 Improved access to finance | Direct Access to capital enables entrepreneurship |
| Center for Micro Finance (in preliminary planning stage) | Provide capacity building for Tanzania MFIs with perhaps a grant-making facility included (under consideration) | SO4 Increased Micro and Small Enterprise Participation in the Economy | IR 4 1 Provision of sustainable financing to micro and small enterprises | 1 Improved access to finance 2 Enterprise skills building | Direct Strengthened micro and small enterprises are better able to successfully undertake T&I |
| Business Centre promotion of policy dialogue with GOT Investor Roadmap exercise and EAGER studies | Increased GOT awareness of problems facing businesses in start-up and/or continuing operations with appropriate process and legislative changes | SO4 increased Micro and Small Enterprise Participation in the Economy | IR 4 2 Legal and regulatory reform to support new and existing businesses | 1 Reduced regulatory constraints | Direct Leads to identification and elimination of constraints to business establishment & operation that deter T&I |
| The Business Center | Fee based services for Tanzanian licensed businesses and other consultancy advisory activities TBC s Business Management Skills Workshops are expected to train an additional 1 500 micro and small entrepreneurs in CY 98, bringing project total to almost 5 000 participants | SO4 Increased Micro and Small Enterprise Participation in the Economy | IR 4 3 Enhance micro and small business management | 1 Enterprise skills building | Direct Strengthened enterprises are more capable of successfully undertaking T&I |

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USAID/Tanzania, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Activity Cluster | Impact on T&I |
|--------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| SMARTS program (Services Membership and Revenue for TCCIA Sustainability) by The Business Centre | Strengthened business associations (e.g. Tanzania Chamber of Commerce Industry & Agriculture – TCCIA) to provide an important private sector voice to influence government on effecting changes in policies and procedures as they affect businesses. Increase in dues-paying members. development of a strategic plan and formation of selected committees will result in a more member-oriented and service-provider association that will have a more respected and broader-based voice in policy changes. | SO4 Increased Micro and Small Enterprise Participation in the Economy | IR 4.4 Strengthen business associations | 1 Strengthened business associations 2 Reduced regulatory constraints | Direct Leads to identification and elimination of constraints to business operations than deter T&I and improved policy enabling environment |
| Agricultural Transport Assistance Program (ATAP) ² | Rehabilitation & maintenance of selected agricultural feed roads in highly productive regions and bridge works nationwide. improvements made at policy institutional and industrial level | SO5 Selected Infrastructure Improved | IR 5.1 Rural and district roads improved | 1 Strengthened private sector role 2 Improved infrastructure | Direct Inadequate roads curtail production & marketing opportunities & raise business opportunity costs. Improved roads in agriculturally productive regions contribute to GHAI regional trade expansion objectives |
| Support to the Tanzania-Zambia Railway Authority (TAZARA) to strengthen regional rail network | Railway operation on a commercial basis and expanded freight and passenger service capacity | SO5 Selected Infrastructure Improved | IR 5.2 TAZARA operates on commercial principles | 1 Improved infrastructure | Direct Improved railway lowers costs to shippers |

² ATAP is principal activity in the rural roads program

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USAID/Tanzania, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Activity Cluster | Impact on T&I |
|-------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|
| Rural Telecommunications in Tanzania (RTT) | Support for expansion of telecommunications service availability in selected rural areas | SO5 Selected Infrastructure Improved | IR 5 3 Rural telecommunications provided | 1 Increased access to information 2 Increased private sector role | Direct Improved efficiency and effectiveness of businesses will assist T&I expansion |
| Tuskegee University/Sokoine University of Agriculture Linkages (TU/SUA) | Institution-building at SUA strengthens field-based research capability proven technologies provided to farmers in Morogoro Region capacity building for extension agents | SO2 Foundation Established for Adoption of Environmentally Sustainable Natural Resource Management Practices in Tanzania | IR 2 2 Institutional and technical capacity for analysis built IR 2 3 Appropriate NRM methodologies identified field-tested and implemented in pilot areas | 1 NRM capacity building 2 Access to technology | Direct Improved technology increases output and tradable goods |
| Support for collaboration between African Wildlife Foundation and World Wildlife Fund with Department of Wildlife | Upgrade planning and policy capacity of Department of Wildlife | SO2 Foundation Established for Adoption of Environmentally Sustainable Natural Resource Management Practices in Tanzania | IR 2 1 Policy framework for sustainable NRM established | 1 NRM capacity building | Direct Improved policy framework creates enabling environment for sustainable NRM needed to support growth in T&I |

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USAID/Zambia

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Activity Cluster | Impact on T&I |
|--------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Ongoing activities begun under the previous CSP¹</i> | | | | | |
| Privatization Support Project (PSP) | Reduced governmental role in economy through TA to the Zambia Privatization Agency in the SOE Divestiture process | SO1 Reduce the State's Role in the Provision of Goods and Services | IR 1 1 Divestiture of SOEs | 1 Strengthened private sector role 2 More competitive input/output markets | Direct Reduced governmental role in the economy creates opportunities for domestic and foreign investment Increased economic efficiency in service provision reduces cost for business aiding T&I Private sector management improves company output |
| Regional Telecommunications Restructuring Project (RTRP) | Improved and lower cost telecommunications services through privatization of Zambia Telecommunications Company and assistance to regulatory authority | SO1 Reduce the State's Role in the Provision of Goods and Services | IR 1 1 Divestiture of SOEs IR 1 2 Management of privatized SOEs improved through business training and entrepreneurial support | 1 Strengthened private sector role 2 Improved infrastructure | Direct Reduced governmental role in the economy creates investment opportunities for private sector Improved services reduces cost for business aiding T&I |
| Private Enterprise Support | Hands-on TA by IESC improves SME operational efficiency | SO1 Reduce the State's Role in the Provision of Goods and Services | IR 1 2 Management of privatized SOEs improved through business training and entrepreneurial support | 1 Enterprise skills building | Direct Improved productivity of SME firms enables expanded output of higher quality goods |

¹ These activities list the associated SOs and IRs from the previous CSP. A new CSP issued in December 1997 contains new activities and modified SOs and IRs. According to the CSP, activities for 1998-2002 will build upon and develop further the activities carried out in the previous 5-year CSP but which activities are to be developed further are not fully specified, thus the table is divided into two parts, showing activities derived from both documents (and their representative SOs and IRs). Many of the activities cited in the R4 are still on-going and are consistent with the timeframe used for activities by other missions.

USAID/Zambia, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Activity Cluster | Impact on T&I |
|----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|--------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Ongoing activities begun under the previous CSP, cont</i> | | | | | |
| Human Resources Development Activity (HRDA) (through Zambia Assoc of Chambers of Commerce & Industry (ZACCI)) | SME management and business skills strengthened | SO1 Reduce the State's Role in the Provision of Goods and Services | IR 1 2 Management of privatized SOEs improved through business training and entrepreneurial support | 1 Enterprise skills building | Direct Improved productivity of SME firms enables expanded output of higher quality goods |
| African Training for Leadership and Advanced Skills (ATLAS) | University degree training strengthens internal management of selected companies | SO1 Reduce the State's Role in the Provision of Goods and Services | IR 1 2 Management of privatized SOEs improved through business training and entrepreneurial support | 1 Enterprise skills building | Direct Improved entrepreneurial and managerial skills enables improved efficiency increased output greater capability to participate in expanded T&I |
| Zambian Management Assistance Program (ZMAP) | Mobilize indigenous expertise to provide TA to SME firms | SO1 Reduce the State's Role in the Provision of Goods and Services | IR 1 2 Management of privatized SOEs improved through business training and entrepreneurial support | 1 Enterprise skills building 2 Expanded business linkages | Direct Improved entrepreneurial and managerial skills enables improved efficiency increased output greater capability to participate in expanded T&I |
| Applied research in participatory rural development & role of non-farm rural enterprises in increasing rural incomes | Lessons learned will be applied to agricultural production and NRM interventions | SO2 Increase the Productive Participation of Rural Enterprises and Communities in the National Economy | IR 2 2 Productive economic participation increases rural investment | 1 Expanded local income | Indirect Adoption of research results will raise incomes of non-farm enterprises |

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USAID/Zambia, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Activity Cluster | Impact on T&I |
|--------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Ongoing activities begun under the previous CSP, cont</i> | | | | | |
| Administrative Design for Game Management Areas (ADMADE) | CBRNM activity generates revenue sharing with rural communities encourages wildlife conservation and increases rural investment | SO2 Increase the Productive Participation of Rural Enterprises and Communities in the National Economy | IR 2 2 Productive economic participation increases rural investment | 1 Expanded local income | Direct Wildlife protection encourages tourism and investment |
| Agricultural Sector Liberalization Project (ASLP) | Eliminate distortions in agricultural markets through enhanced agricultural marketing systems for inputs and produce promotion of cash crops & export crops small enterprise agricultural processing increased agricultural production food crop diversification | SO2 Increase the Productive Participation of Rural Enterprises and Communities in the National Economy | IR 2 1 Efficient product marketing systems exist IR 2 2 Productive economic participation increases rural investment IR 2 3 Diversified & productive farm enterprise management practices | 1 Sustainable agricultural output 2 Access to technology 3 Strengthened private sector role 4 More competitive input/output markets | Direct Improved food production raises rural incomes and purchasing power and creates surpluses available for trade Reduction of government role in agricultural sector increases efficiency and output |
| Agribusiness Technical Assistance Center | Develop agribusiness-small holder business linkages | SO2 Increase the Productive Participation of Rural Enterprises and Communities in the National Economy | IR 2 1 Efficient product marketing systems exist IR 2 3 Diversified & productive farm enterprise management practices | 1 Enterprise skills building 2 Improved business linkages | Direct Increased output and rural incomes encourages T&I increased Zambian agribusiness penetration of regional and international markets |

USAID/Zambia, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Activity Cluster | Impact on T&I |
|----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|
| Activities to be introduced under the 1998-2002 CSP | | | | | |
| Facilitate emergence of NRM-based rural enterprises | Adoption of sustainable forestry & agricultural production rural enterprise participation in safari hunting industry | SO1 Increases Sustained Rural Incomes | IR 11 Increased sustainable agricultural and NR based production | 1 Expanded local income 2 NRM capacity building | Direct Sustainable NRM practices increase local income preserve agricultural base |
| TA to promote adoption of sustainable Ag/NRM practices | Increased adoption of sustainable agro-forestry water resource forest product harvesting crop rotation and integrated animal and crop production systems | SO1 Increases Sustained Rural Incomes | IR 11 Increased sustainable agricultural and NR based production | 1 Expanded local income | Direct Increase local incomes and output will contribute to T&I |
| Rural savings and credit schemes | Facilitated access to credit by rural small & medium entrepreneurs financial management training for RNFES | SO1 Increases Sustained Rural Incomes | IR 12 Increased productivity of rural non-farm enterprises (RNFES) | 1 Improved access to finance 2 Enterprise skills building | Direct Access to credit enables MSMEs to expand production adopt new technology and participate in T&I |
| TA to create surplus production of low-rainfall crops in drought-prone areas | Improved outputs through community-base seed multiplication & distribution institutional capacity building and farmer-to-farmer extension | SO1 Increased Sustainable Rural Incomes | IR 11 Sustained increases in agricultural and natural resources production | 1 Access to technology | Direct Improved yields create surpluses for trade and raises local income |
| Formation development & skills training for business associations and rural group businesses | Strengthened business capabilities of RNFES | SO1 Increased Sustainable Rural Incomes | IR 12 Increased Productivity of Rural Non-Farm Enterprises | 1 Enterprise skills building | Direct Strengthened and more competitive RNFES can contribute to increased T&I |

USAID/Zambia, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Activity Cluster | Impact on T&I |
|---------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|-----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|
| <i>Activities to be introduced under the 1998-2002 CSP, cont</i> | | | | | |
| Support for an improved business contract culture | Reduced cost of commercial contract conformity will reduce need to resort to court system to resolve disputes | SO1 Increased Sustainable Rural Incomes SO4 A More Sustainable Multi-Party Democracy Built | IR 1 3 Reduced constraints to private sector growth | 1 Reduced constraints to T&I | Indirect Improved business operating environment will be more encouraging to local and foreign investors |
| Activities to promote policies to improve cross-border trade and diversify export mix | Increased competitiveness in regional markets through training for policy makers improved trade legislation & assistance in lowering production costs | SO1 Increased Sustainable Rural Incomes | IR 1 3 Reduced constraints to private sector growth | 1 Reduced constraints to T&I 2 Improved economic policy framework 3 Enterprise skills building 4 More competitive input/output markets | Direct Increased competitiveness of Zambian companies and improved policy environment will enable cross-border trade |

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USAID/Zimbabwe

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Activity Cluster | Impact on T&I |
|------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Private Sector Housing Program (PSHP) | Increased affordability of low-income housing | SO2 Broadened Ownership in a Growing Economy | IR 1 Broadened Low-Income Home Ownership | 1 Strengthened private sector role | Direct US firms have entered low-income market & are negotiating expansion to other low-income markets in region |
| Zimbabwe Enterprise Development Project (ZED) | Widen distribution of ownership of productive assets through growth-enhancing mechanisms | SO2 Broadened Ownership in a Growing Economy | IR2 Broadened Ownership of Existing Businesses IR 3 Accelerated Creation/Expansion of MSMEs | 1 Broadened ownership | Direct Creates an enhanced political/economic enabling environment for investment |
| Horticulture Promotion Council (HPC) | Expand & improve contract farming arrangements between large-scale fruit & vegetable exporters & small-scale indigenous growers | SO2 Broadened Ownership in a Growing Economy | IR 3 Accelerated Creation/Expansion of MSMEs | 1 Sustainable agricultural output 2 Improved business linkages | Direct Increased supply of high quality fruits and vegetables will enable large exporters to expand exports |
| Expand employee ownership | Facilitate development of employee ownership through ESOPs & other mechanisms | SO2 Broadened Ownership in a Growing Economy | IR 2 Broadened Ownership of Existing Businesses IR 3 Accelerated Creation/Expansion of Sustainable MSMEs | 1 Broadened ownership | Indirect Expanded ownership will lead to productivity increases thereby raising the attractiveness of investment Also by enabling foreign-owned locally registered companies to have employee trusts as the local partner will add attractive flexibility to foreign investment decisions |
| Communal Areas Management Programme for Indigenous Resources (CAMPFIRE) Support Services | Local capacity built for sustainable CBNRM | SO1 NRM Strengthened for Sustainable Rural Development in CAMPFIRE Communities | IR 1 1 Sustainable NRM practices IR 1 2 Sound community decision-making processes established | 1 Expanded local income 2 NRM capacity building | Direct CBNRM increases local purchasing power creates investment opportunities |

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USAID/Zimbabwe, cont

| Activity/Program | Expected Results | Mission/Center SO | Mission/Center IR | Activity Cluster | Impact on T&I |
|-------------------------------------------------|-------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|----------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| CAMPFIRE Development Fund | Community-based sustainable management of wildlife resources in natural regions IV and V | SO1 NRM Strengthened for Sustainable Rural Development in CAMPFIRE Communities | IR 1 1 Sustainable NRM practices IR 1 2 Sound community decision-making processes established | 1 Expanded local income 2 NRM capacity building | Direct CBNRM raises local purchasing power and creates investment opportunities |
| Zimbabwe American Development Foundation (ZADF) | Strategic partnerships will increase private sector development and the growth of political pluralism | SpO1 Increased Opportunities for Participation in the Private Sector & Political Processes | IR 1 1 Increased economic opportunities IR 1 2 Increased development of politically active civil society | 1 Strengthened private sector role | Direct Focus on MSME credit SME access to technology increased business linkages, & strengthened women s business associations will aid T&I |

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