



USAID
FROM THE AMERICAN PEOPLE

STATUS OF PRESIDENTIAL INITIATIVES FY 2004



Bureau for Policy and Program Coordination
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Cover image: Tractors and grinding mills provided by USAID and managed by Samaritan's Purse have enabled thousands of acres to be cultivated in the Nuba Mountains of Sudan, leading to resettlement by families and communities that had been displaced by years of fighting. Credit: Samaritan's Purse

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ABBREVIATIONS AND ACRONYMS

AEI	Africa Education Initiative
AGOA	African Growth and Opportunity Act
CAFTA	Central American Free Trade Agreement
CARPE	Central African Regional Program for the Environment
CBFP	Congo Basin Forest Partnership
CEI	Clean Energy Initiative: Powering Sustainable Development from the Village to Metropolis
CETT	Centers for Excellence in Teacher Training
CFBCI	Center for Faith-Based and Community Initiatives
DFI	Digital Freedom Initiative
FY	Fiscal Year (October 1–September 30)
IEHA	Initiative to End Hunger in Africa
MCA	Millennium Challenge Account
MCC	Millennium Challenge Corporation
MEPI	Middle East Partnership Initiative
PIAIL	President's Initiative Against Illegal Logging
TCP	Threshold Country Program (Millennium Challenge Corporation)
TRADE	Trade for African Development and Enterprise
VfP	Volunteers for Prosperity

EXECUTIVE SUMMARY

The *National Security Strategy of the United States of America* places international development in line with defense and diplomacy as the third pillar of U.S. national security. In recognition of this significant responsibility, President George W. Bush has announced several international development initiatives that are implemented, in whole or in part, by USAID.

Of the 19 initiatives announced since 2001, results from 12 were consolidated by USAID to produce a status report at the end of FY 2003. For FY 2004, 13 presidential initiatives reported results to a consolidated reporting system managed by USAID, five tracked and reported their results using other monitoring systems, and one was in the startup phase and has no data to report.

USAID's consolidated reporting system, launched in March 2003, collects qualitative and quantitative program and budget data twice a year to highlight achievements as well as identify potential problems.

The presidential initiative report for FY 2004

- presents a snapshot of all 19 initiatives
- includes a table showing the countries where 10 of the 13 reporting initiatives work (three initiatives—Faith-Based and Community Initiatives, the Global Fund to Fight AIDS, Tuberculosis,

and Malaria, and Volunteers for Prosperity—operate globally)

- expands on the FY 2003 status report by including a “Success Story” and “Lessons Learned” section for each initiative

Funding

Obligations in FY 2004 for the 11 initiatives that receive program funds and report to USAID totaled \$1,727,328,000 (includes \$44,323,000 appropriated in FY 2003 and \$1,683,005,000 appropriated in FY 2004). Two initiatives, Faith-Based and Community Initiatives and Volunteers for Prosperity, report to USAID but do not receive program funds.

Results

Each initiative achieved many programmatic successes in FY 2004. This report presents only selected achievements, including the following from the 13 initiatives reporting to USAID:

- The Kabul-Kandahar highway has been open to traffic since late 2003. As a result of the **Afghanistan Road Initiative**, travel between Kabul and Kandahar now takes 5–6 hours—a year ago, it took 9–16 hours depending on the mode of transportation. People living near the highway enjoy better access to markets, healthcare, schools, and jobs. At the national level, the highway has already begun to contribute to

Afghanistan's economic growth, security, and national unity.

- Under the **Africa Education Initiative**, over 925,000 African primary school children have improved learning environments.
- Under the **Centers for Excellence in Teacher Training** initiative, nearly 5,000 teachers have been trained in effective reading instruction methodologies, helping over 225,000 children in Latin America and the Caribbean learn to read and, more importantly, understand what they read.
- Under the **Central American Free Trade Agreement** initiative, nearly 48,000 farmers, microentrepreneurs, and small and medium-sized businesses received training that helped make their products and services more competitive in local, regional, and global markets.
- Under a **Clean Energy Initiative** program targeted at reducing energy use in municipal water systems, a Brazilian utility saved enough to connect 85,000 new customers to water and sanitation services; Mogale City, South Africa, realized an annual cost savings of \$800,000; and the water system in Veracruz, Mexico, saw a 22 percent energy efficiency improvement due to improved pressure management and reduced water loss.
- Central African Regional Program for the Environment/**Congo Basin Forest Partnership** partners

EXECUTIVE SUMMARY CONTINUED

working in Equatorial Guinea and the Democratic Republic of the Congo are helping local organizations develop programs to ensure that the next generation of African conservationists has access to high-quality academic and technical information to reduce dependence on external sources of technical expertise.

- The **Digital Freedom Initiative (DFI)** reports that in Indonesia, through increased awareness, small and medium-sized enterprises now understand the need for cybersecurity. In addition, the Government of Indonesia is drafting improved legislation and is considering ratification of the Convention on Cyber-crime. DFI/Senegal identified and developed a variety of ICT-enabled training materials, which have been used to help improve cybercafe operations, business management, and market access for dozens of Senegalese small and medium-sized enterprises. DFI/Senegal is now working to leverage its investment in these materials to have them used country-wide.
- To provide technical assistance regarding opportunities at USAID, the Agency's Center for **Faith-Based and Community Initiatives** meets regularly with faith-based and community organizations and has developed an email list of approximately 1,200 members.
- Because of the **Global Fund to Fight AIDS, Tuberculosis, and Malaria**, in Morocco, 3,400 people are receiving HIV voluntary counseling and testing, and 583 men and women are receiving antiretroviral therapy (ART).
- Under the **Initiative to End Hunger in Africa**, 157 public and private partnerships have been formed, facilitating improved access to knowledge, markets, and better technologies for member organizations, as well as improved consultation needed to strengthen strategic planning and management.
- Under the **Trade for African Development and Enterprise** initiative, the East and Central Africa Global Trade Competitiveness Hub (based in Nairobi, Kenya) organized three trade missions to the United States for handicrafts and gifts and textile and apparel manufacturers. Twenty-three companies from the region participated, resulting in exports of \$3.5 million to the United States.
- USAID's **Volunteers for Prosperity** Office recruited nearly 200 nonprofit and for-profit organizations, representing a pool of at least 34,000 skilled U.S. professionals. These organizations report that nearly 7,000 volunteers have been deployed, and that nearly 4,000 volunteer opportunities are currently available.
- Under the **Water for the Poor Initiative**, over 9,585,000 people in developing countries, in addition to more than 1,759,000 in Iraq, have received improved access to clean water supply. Over 11,441,000 people, in addition to more than 9,613,000 in Iraq, have received improved access to adequate sanitation since the onset of the initiative.

COUNTRIES BENEFITING FROM PRESIDENTIAL INITIATIVES

The list below does not list individual countries for initiatives that support work throughout the world: Faith-Based and Community Initiatives, the Global Fund to Fight AIDS, Tuberculosis, and Malaria, and Volunteers for Prosperity.

COUNTRY	INITIATIVE NAMES									
	AFGHANISTAN ROAD	AEI	CETT	CAFTA	CEI	CBFP	DFI	IEHA*	TRADE	WATER FOR THE POOR
Angola									■	■
Benin		■			■				■	■
Botswana									■	
Burkina Faso									■	
Burundi									■	■
Cameroon						■			■	
Cape Verde									■	
Central African Republic						■			■	
Chad									■	
Comoros									■	
Côte d'Ivoire									■	■
Djibouti		■							■	■
DR Congo		■				■			■	■
Equatorial Guinea						■			■	
Eritrea									■	■
Ethiopia		■							■	■
Gabon						■			■	
Gambia									■	
Ghana		■						■	■	■
Guinea		■							■	■
Guinea-Bissau									■	
Kenya		■						■	■	■
Lesotho									■	
Liberia									■	■
Madagascar		■							■	■
Malawi		■							■	■
Mali		■			■			■	■	■
Mauritania									■	
Mauritius									■	
Mozambique					■			■	■	■
Namibia		■							■	
Niger									■	■
Nigeria		■						■	■	■
Republic of Congo						■			■	■
Rwanda		■							■	■
São Tomé and Príncipe									■	
Senegal		■					■		■	■
Seychelles									■	
Sierra Leone									■	
Somalia									■	■
South Africa		■			■			■	■	■
Sudan		■							■	■
Swaziland									■	
Tanzania									■	■
Togo									■	
Uganda		■						■	■	■
Zambia		■			■			■	■	■
Zimbabwe									■	■
Asia and the Near East Region										
Afghanistan	■									■
Bangladesh					■					■
Egypt					■					■

* Due to regional (multicountry) platform and mission support, additional African countries not included below also benefit from, contribute to, and achieve significant results under this initiative. A central pillar of this initiative is to create regional (multicountry) dynamics to increase and sustain agricultural growth.

COUNTRIES BENEFITING FROM PRESIDENTIAL INITIATIVES

COUNTRY	INITIATIVE NAMES									
	AFGHANISTAN ROAD	AEI	CETT	CAFTA	CEI	CBFP	DFI	IEHA	TRADE	WATER FOR THE POOR
Asia and the Near East Region cont.										
India					■					■
Indonesia					■		■			■
Iraq										■
Jordan							■			■
Lebanon										■
Morocco										■
Nepal					■					■
Pakistan										■
Philippines					■					■
Sri Lanka					■					■
Thailand										■
Vietnam										■
West Bank/Gaza										■
Yemen										■
Eastern Europe Region										
Albania					■					■
Armenia					■					■
Azerbaijan										■
Bulgaria					■					■
Croatia										■
Cyprus										■
Georgia					■					■
Kazakhstan					■					■
Kosovo										■
Kyrgyzstan					■					■
Macedonia										■
Moldova										■
Montenegro					■					■
Romania					■					■
Russian Federation					■					■
Serbia					■					■
Tajikistan					■					■
Turkmenistan					■					■
Ukraine										■
Uzbekistan					■					■
Latin America and the Caribbean Region										
Belize			■							■
Bolivia			■		■					■
Brazil					■					■
Colombia										■
Costa Rica				■						■
Dominican Republic			■		■					■
Ecuador			■							■
El Salvador			■	■						■
Guatemala			■	■	■					■
Guyana			■							■
Haiti					■					■
Honduras			■	■						■
Jamaica			■		■					■
Mexico					■					■
Nicaragua			■	■						■
Panama										■
Paraguay										■
Peru			■		■		■			■
St. Lucia			■							■
St. Vincent/Grenadines			■							■

FY 2004 STATUS REPORT ON 13 PRESIDENTIAL INITIATIVES REPORTING DIRECTLY TO USAID'S CONSOLIDATED REPORTING SYSTEM

The *National Security Strategy of the United States of America* places international development in line with defense and diplomacy as the third pillar of U.S. national security. In recognition of this significant responsibility, President George W. Bush has announced several international development initiatives that are implemented, in whole or in part, by USAID.

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This section presents results, success stories, and lessons learned for the 13 initiatives that reported to USAID's consolidated reporting system in FY 2004.

AFGHANISTAN ROAD INITIATIVE

The Afghanistan Road Initiative, announced by President Bush in September 2002, seeks to reconstruct Afghanistan's major and rural roads, and improve economic growth, security, and political integration along the corridor linking three of Afghanistan's largest cities—Kabul, Kandahar, and Herat.



The Louis Berger Group, Inc.

Afghan men observing the paving of the Kabul-Kandahar highway.

WHO BENEFITED



Kabul-Kandahar highway

- The Kabul-Kandahar highway has been open to traffic since late 2003. Travel between Kabul and Kandahar now takes 5–6 hours—a year ago, it took 9–16 hours depending on the mode of transportation. People living near the highway enjoy better access to markets, healthcare, schools, and jobs. At the national level, the highway has already begun to contribute to Afghanistan's economic growth, security, and national unity.
- All bridge construction and rehabilitation on the Kabul-Kandahar highway is complete. Special attention was paid to these critical sections of the highway, and their completion is a significant milestone. To elaborate on the benefits previously mentioned, the new highway directly facilitates trade between Afghanistan and its neighbors. Stronger economic ties will lead to better political cooperation in the region and help encourage foreign investment.
- More than 2,000 Afghan truckers and construction personnel worked on the highway, a factor critical to the success and sustainability of this initiative.

AFGHANISTAN ROAD INITIATIVE

SUCCESS STORY

Linking International Humanitarianism and the War on Terror

Reconstruction of the Afghanistan highway illustrates a successful union between two bodies of theory and practice that are rarely linked analytically: international humanitarianism and the global war on terror. At the humanitarian level, the Kabul-Kandahar highway was a generous development contribution by the governments of the United States, Japan, and Saudi Arabia to one of the

world's most desperately poor places. The newly paved roadway will enable impoverished farmers to access new markets, spare sick children and pregnant women from an hours-long trip to health clinics, and facilitate school construction in isolated regions. On the counterterrorism level, the highway was a sizeable force in the war on terror. The terrorist enemies of President Karzai's post-Taliban government found the roads threatening, as evidenced by their repeated attempts to disrupt its construc-

tion. As a counterterrorism weapon, the highway was carefully targeted to cut directly through the former Taliban strongholds in southeastern Afghanistan, and bolster the central government's ability to link the nation's two largest cities and extend services to ethnic Pashtun regions. The success of the road initiative in linking international humanitarianism and the global war on terror provides a tangible framework for these theories to act in unison in future reconstruction efforts.

LESSONS LEARNED

- The process of creating infrastructure in any wartorn country must view security as the highest priority—almost every other development objective is negatively affected by poor security. Several innovative techniques were developed to facilitate work in high-risk environments—working with military colleagues, civilian partners, and the Afghans themselves—to help reach significant milestones in highway reconstruction.
- Incorporation of the Afghan people in the road reconstruction process is critical to the success of the program. The Afghan people are empowered in helping to renew transportation infrastructure and in turn, strengthening Afghanistan's economy. Also, the reconstruction effort created financial gains for individuals by providing thousands of jobs for Afghans.
- The most powerful engine for economic development in Afghanistan as a whole is regional trade.
- The reconstruction process must incorporate the capabilities of other governments and international organizations that can play an important leadership role, especially in countries like Afghanistan. For example, the Japanese government is funding 116 km of the Kandahar-Herat highway, and the Saudi government is expected to fund another 115 km.



Newly completed overpass on the Kabul-Kandahar highway.

The Louis Berger Group, Inc.

AFRICA EDUCATION INITIATIVE

The Africa Education Initiative (AEI), announced by President Bush in June 2002, increases access to quality basic educational opportunities in Africa. AEI activities help improve primary education by providing teacher training, textbooks and other learning materials, support for community involvement, and scholarships to girls. AEI also seeks to address the impact of HIV/AIDS on schooling and the education system.



Exegesis Consulting

Class at the Mpingu Primary School in Lilongwe, Malawi.

WHO BENEFITED



Exegesis Consulting

Students at the Kabwabwa Primary School in Lilongwe, Malawi.

- Nearly 17,500 scholarships have been awarded to girls in seven countries (and the program is currently being expanded to 33 more countries).
- Over 130,000 new and existing teachers in 12 countries acquired new skills.
- Primary school children in Senegal and Guinea have received 770,000 new textbooks.
- Over 925,000 African primary school children have improved learning environments.

AFRICA EDUCATION INITIATIVE

SUCCESS STORY

AEI Offers Multifaceted Solutions to Malawi's Teaching Crisis

The Government of Malawi's 1994 Free Education for All policy led to a dramatic expansion in primary school enrollment, which jumped from 1.9 million to 2.8 million pupils. This aggravated Malawi's existing shortage of trained and qualified teachers, as well as the widespread lack of learning materials, classroom space, and classroom furniture. Very few primary school teachers have had formal education in primary school teaching methods; only 14 percent of Malawi's 46,000 teachers have a bachelor's degree in education. Currently, Malawi does not have the institutional capacity to provide the degree

training associated with primary school teaching. Malawi thus needs a practical way to train new primary school teachers, as well as to further the professional development of experienced primary school teachers.

In response, AEI created a "smart classroom" at Mzuzu University to enable it to become a hub for distance teacher education. The "smart classroom" will also allow the university's educational research programs to become sustainable. Stronger research programs (which the "smart classroom" will facilitate) should lead to an ethic of education program evaluation and build continuous policy assessment and program improvement into Malawi's

public education system. AEI has also developed new social studies materials for grades 5–8 that will target 16,000 teachers. The materials include an activity-based teachers' orientation manual, created at an expert panel workshop, that focuses on issues such as HIV/AIDS awareness, democracy and human rights, gender rights, and drug and substance abuse. Moreover, the manual discusses participatory methods of teaching, lists teaching and learning resources, and describes assessment procedures. In this way, AEI is improving teaching methodologies and curriculum by developing and helping to implement hands-on, interactive approaches to teaching critical contemporary issues.

LESSONS LEARNED

- Although announced in June 2002, initiative activities are still in the implementation phase; lessons learned have not yet been evaluated.



Students at Kamenga Community Centre in Lusaka, Zambia.

Ergeist Consulting

CENTERS FOR EXCELLENCE IN TEACHER TRAINING

The Centers for Excellence in Teacher Training (CETT), announced by President Bush in April 2001, work in the Latin America and Caribbean region to improve the quality of classroom reading instruction in grades 1–3, with emphasis on poorer countries and disadvantaged communities. Activities are implemented through three regional centers based in Jamaica (Caribbean Regional), Honduras (Central America Regional), and Peru (Andean Regional).



Rosa Della Coronado, Central American and Dominican Republic CETT

Guatemalan students develop new reading and writing skills in small groups.

WHO BENEFITED



Grafix Design S.L.

Bolivian boy practices reading.

- Teachers receiving CETT training throughout the region are working hard to learn and use the new strategies for teaching reading and writing. Teachers report that their students now read with understanding and are more expressive and creative.
- Teachers and principals report that, for the first time, children are interested and enthusiastic about reading. In the Caribbean, libraries are provided to CETT classrooms through a partnership with Scholastic Books. Teachers now read more frequently to children, and children have daily opportunities to enjoy books.
- Bolivian teachers are enrolling in a CETT on-line distance education course. Teachers learn computer skills, receive instruction on how to teach reading, and have opportunities to meet in groups and work personally with CETT trainers. As the distance education component expands from pilot to full implementation, training will be available to more teachers, ultimately benefiting more children.
- Nearly 5,000 teachers have been trained in effective reading instruction methodologies, helping over 225,000 children in Latin America and the Caribbean learn to read and, more importantly, understand what they read.

CENTERS FOR EXCELLENCE IN TEACHER TRAINING

SUCCESS STORY

Transforming Reading Instruction in the Classroom

Teachers in less advantaged communities in Latin America and the Caribbean typically lack the training or education to teach reading effectively.

Sonia, a 44-year-old teacher in a large urban school serving working class poor in Quito, is typical of teachers in the CETT program. In her 22 years of teaching, she has always worked with children in first or second grade. “I was against the CETT

project at first. It was a lot of work, and using sounds [phonemic awareness] was different than working with syllables, as I had done before. However, the director encouraged me to stay in the program, and the trainer came to the school and showed us practical things, such as how to make materials and how to work with the children. By staying with the program, I came to appreciate how the new skills let me really know my students. I have changed my entire

approach to teaching from my participation in the project. I exhibit the children’s work on the wall, which I had never even thought of before, and I’m more accepting of differences in children. I am going to stay in this grade next year and continue to apply what I have learned, even if there is no followup by the project.”

LESSONS LEARNED

- The change process is slow, and classroom followup is essential. Teachers and principals in all three CETTs have commented that the training was excellent, and the followup visits by trainers to their schools and classrooms have made a critical difference in teachers’ ability to implement new learning.
- Sustainability of CETT requires involvement of key education stakeholders beyond teachers, including principals and Ministry of Education advisors and supervisors. For example, in Nicaragua, Ministry of Education teacher supervisors provide classroom followup support to CETT teachers.
- Private sector partnerships in education contribute more than monetary value. Partnerships can provide high quality resources that may motivate parents and communities to support their schools. In addition to improving the quality of education locally, community engagement often contributes to greater understanding of school needs and greater demand for educational quality.



Learning to read in St. Vincent.

Caribbean CETT Staff

CENTRAL AMERICAN FREE TRADE AGREEMENT

The Central American Free Trade Agreement (CAFTA) initiative, announced by President Bush in January 2002, improves the ability of Central American countries to compete in the modern global economy. Working in tandem with the Office of the U.S. Trade Representative, USAID is assisting in Central America's transition to free trade by building capacity with governments and the private sector through technical assistance and training.



Testing coffee in Honduras.

Ricardo Pinech, CDA/Fintrac

WHO BENEFITED



Jan Howard, USAID/Nicaragua

Plantain sorting facility in Nicaragua.

- Nearly 48,000 farmers, micro-entrepreneurs, and small and medium-sized businesses received training that helped make their products and services more competitive in local, regional, and global markets.
- Five Central American countries received over \$53 million in training and technical assistance. This assistance has helped their governments to better facilitate trade flows, enabling their private sectors to compete more effectively in the global marketplace.
- The USAID Regional Quality Coffee Program facilitated the export of nearly 1,200 tons of quality coffee, which commanded premium prices in global markets. Over 40 percent of this coffee was purchased from third-party-certified environmentally, socially, and economically responsible producers.

CENTRAL AMERICAN FREE TRADE AGREEMENT

SUCCESS STORY

Better Coffee Beans Mean Better Prices

Fifty-two-year-old Doña Paula Antonia Ortíz owns a small coffee farm in the Cordillera del Cacahuatique region of eastern El Salvador. She produces several types of coffee beans, including the coveted Bourbon and Arabica varieties. Her coffee trees are on steep slopes common to the area and are well shaded by native tree species.

Her family conducts all production activities. Doña Paula oversees the entire harvesting procedure, paying particular attention to the quality of the beans to be washed and dried. The family learned to produce quality coffee in USAID-funded workshops conducted by the Ciudad Barrios Cooperative of Coffee Pro-

ducers, of which they are members. Doña Paula is regularly congratulated for consistently supplying superb beans. Consequently, she is paid a higher price for her coffee, as coffee buyers are willing to pay a premium for the quality she produces.

In 2004, Doña Paula's family participated in the Cooperative's coffee competition sponsored by the Cooperative and USAID. Her coffee was awarded fifth place among the more than 100 coffees entered. Indeed, her coffees are now considered to be among the highest quality produced in the Cacahuatique region. The Ortíz family is able to obtain a sustainable income through the cultivation and processing of the coffee on their farm. Now, Doña Paula dreams of having a cell phone so she can



USAID/FrontLines

The USAID Regional Quality Coffee Program facilitated the export of nearly 1,200 tons of quality coffee in FY 2004.

check prices daily and be in better communication with the cooperative.

LESSONS LEARNED

- Trade negotiations have been a major impetus in promoting reforms in environment, labor, efficiency, food safety, customs, and transparency in Central America.
- Small producers and farmers can successfully diversify production and compete internationally when provided with assistance to adopt improved production technologies, market linkages, and access to financing to start

their operations. For example, production practices, such as planting at intervals and crop rotation, can substantially increase producers' incomes and improve cash flow throughout the year.

- To stimulate trade, it is crucial to provide in-depth, practical knowledge about market demands and trends. Central American businesses are able to expand more rapidly if they improve the

design and packaging of their products; form more permanent business relationships with U.S. companies; shift from low-value products to higher quality, higher value exports; and improve their business management skills.

CLEAN ENERGY INITIATIVE

The Clean Energy Initiative: Powering Sustainable Development from the Village to Metropolis (CEI), announced in August 2002 at the World Summit on Sustainable Development, works to 1) increase access to modern and affordable energy services in underserved areas; 2) delay the need for new generating capacity by improving the productivity, efficiency, and reliability of current operating systems; and 3) promote cleaner transportation fuels and indoor cooking and heating practices to reduce the estimated 3 million deaths that result from poor air quality each year.



A home in Veracruz, Mexico, obtains solar power as a result of decade-long collaboration on energy projects between USAID and the U.S. Department of Energy's Sandia National Laboratory.

Michael Ross, Sandia National Laboratory

WHO BENEFITED

- A CEI program targeted at reducing energy use in municipal water systems resulted in 1) cost savings that allowed a Brazilian utility to connect 85,000 new customers to water and sanitation services; 2) an annual cost savings of \$800,000 in Mogale City, South Africa; and 3) a 22 percent energy efficiency improvement in the water system in Veracruz, Mexico, resulting from improved pressure management and reduction in water loss. The Veracruz project resulted in a greater quantity of water going to the end-user and reduced public complaints against the utility from over 100 a month to near zero.
- USAID supported the development of national Global Village Energy Partnership (GVEP) action plans in Sri Lanka, Zambia, Brazil, Guatemala, and Mexico. These action plans provide a framework for implementing programs that will increase access to modern and affordable energy services in underserved areas. For instance, Mexico recently approved a \$100 million plan to provide electricity to 50,000 households by 2008.
- In Manila, Philippines, USAID is supporting a Clean Fuels Program that promotes the development and use of alternative clean fuels such as coco methyl ester, compressed natural gas, liquefied petroleum gas, and fuel ethanol. This work has led to a requirement that a 1 percent coco methyl ester-diesel blend be used for all executive and judicial branch vehicles and spurred an order for 100 public utility buses, fueled by compressed natural gas, in Metro Manila.

CLEAN ENERGY INITIATIVE

SUCCESS STORY

Providing Power Key to Improving Medical Services in Remote Areas

The lack of electricity in remote areas of Peru complicates the provision of modern healthcare services. Through CEI, USAID has provided funding for solar-powered communication and modern medical equipment to 450 Peruvian healthcare facilities. Radio communication equipment, refrigerators for vaccines, and medical

equipment needed for surgery and prenatal and infant care improved medical services to over 225,000 people. As a result of this initiative, children from the remote jungle district of Napo received full immunization in 2004—100 percent are vaccinated against diphtheria, tetanus, and whooping cough, and 81 percent against measles, mumps, and rubella. This substan-

tial increase in vaccination rates has ranked the Napo rural health network as the best in the region in childhood vaccination coverage.

LESSONS LEARNED

- A primary challenge to accurately characterizing achievements involves the amount of time that transpires between obligation of funds and demonstration of results. If sufficient results cannot be demonstrated after a given amount of time has expired, modifications to implementation schedules are sometimes required. In this particular situation, despite a significant increase in GVEP obligations in FY 2004, the number of beneficiaries did not increase proportionally in a relatively short period of time. Thus, a more realistic implementation schedule was required.



The REVA electric car gets a test drive in New Delhi.

CONGO BASIN FOREST PARTNERSHIP

The Congo Basin Forest Partnership (CBFP), announced by President Bush in August 2002, addresses deforestation and biodiversity loss in 11 key landscapes in Africa's Congo Basin. Nongovernmental and U.S. Government partners implement activities that address the root causes of tropical forest and biodiversity loss through protected area management, large-scale landscape management, promotion of economic development and poverty alleviation, and improvement of natural resources governance.



Pirogue with fishing traps on the Ubangi River of Central Africa.

Bruce Marcot, USDA Forest Service

WHO BENEFITED

- A zoning process that takes into account traditional agricultural communities and hunters has been initiated in the Ituri Forest, one of the Central African Regional Program for the Environment (CARPE)/CBFP landscapes in the Democratic Republic of the Congo. This process, sanctioned by local and government authorities, will revise a zoning system established by colonists in 1937 and 1949 that supported national interests and disregarded local interests. This activity supports natural resource governance and contributes to long-term sustainability by taking into account traditional rights, demographic realities, and national reunification. This activity responds to an increase in pressure on the region's natural resources due to recent immigration: over a six month period the region's administrative center grew from 1,570 to 2,265 inhabitants.
- A memorandum of understanding has been negotiated with at least six gold-mining communities in the southeastern region of Gabon, adjacent to Minkebe National Park. The agreement identifies sites where gold miners can hunt unprotected wildlife species for subsistence in areas surrounding their immediate camps. The agreement is in the process of being signed by the provincial government, the National Park Council, and the ministries in charge of forests and mines. This agreement should lead to a decline in illegal hunting incursions in the national park by the mining community. The agreement should also provide an incentive for local communities to informally guard against outsider poaching in the national park that would threaten the status of their legal agreement.
- CARPE/CBFP partners working in Equatorial Guinea and the Democratic Republic of the Congo are helping local organizations develop programs to ensure the next generation of African conservationists has access to high quality academic and technical information to reduce dependency on external sources of technical expertise. In each country, recently established local centers for biodiversity conservation are training local faculty, developing specialized curricula, and establishing research programs for their African students to support the conservation work in CARPE/CBFP landscapes.

CONGO BASIN FOREST PARTNERSHIP

SUCCESS STORY

Promoting Sound Management of Protected Areas to Save Forests and Wildlife

Significant progress has been made with the implementation of CARPE/CBFP activities in many of the program countries. In the Republic of the Congo, an agreement between the government and a CARPE/CBFP implementing partner resulted in a commitment from the government to create new protected areas and work with CARPE partners toward

creation of the Congo Wildlife Service (CWS). The CWS should have a parastatal-type structure and be responsible for management of the national protected area network. Creation of the CWS will, among other things, strengthen the government's ability to manage and respond to the threats that confront the Republic of the Congo's national parks, evaluate the protected area network, and develop a strategic plan to address gaps and weaknesses and expand the scope

of activities, such as antipoaching and ecotourism, in the national parks.

LESSONS LEARNED

- Building partnerships and linking local to international partners is a complex process that, while building long-term sustainability, can slow down implementation and the achievement of short-term targets.
- Conservation programs can be successful in the midst of violent conflict if partners are committed to political and diplomatic processes that complement technical approaches.
- A program, distributed widely over a large geographic area, six countries, and a dozen large landscapes, necessarily requires strategic and focused tools and effective strategic planning and monitoring systems to frame a consistent and complementary approach.



Botwali villagers in the Democratic Republic of the Congo.

Bruce Maroon, USDA Forest Service

DIGITAL FREEDOM INITIATIVE

As described on its website (www.dfi.gov), the Digital Freedom Initiative (DFI) was announced at the White House on March 4, 2003. DFI is part of the Volunteers for Prosperity initiative (www.vfp.gov). The goal of DFI is to promote economic growth by transferring the benefits of information and communication technology to entrepreneurs and small

businesses in the developing world. The approach is bold and innovative, leveraging the leadership of the U.S. Government, the creativity and resources of America's leading companies, and the vision and energy of entrepreneurs throughout the developing world. DFI was piloted in Senegal in 2003. Peru, Indonesia, and Jordan are the newest DFI partner countries.



USAID

Senegalese youth connect to the internet at a cybercafe.

WHO BENEFITED

- In Indonesia, volunteers from companies and NGOs stepped forward to become part of an informal alliance to work toward improved legislation combating cybercrime and a better, more transparent operating environment. While these companies and NGOs had their own interests at stake, it showed that cybercrime affects all of Indonesian society and is truly a global problem.
- In Indonesia, increased awareness has now brought small and medium-sized enterprises to understand the need for cybersecurity. In addition, the Government of Indonesia is drafting improved legislation and considering ratification of the Convention on Cyber-crime.



Case Foundation

Jordanian women gain basic computer and internet skills.

- DFI/Senegal identified and developed a variety of information and communication technology-enabled training materials, which have been used to help improve cybercafe operations, business

management, and market access for dozens of Senegalese small and medium-sized enterprises. DFI/Senegal is now working to leverage its investment in these materials to have them used country-wide.

DIGITAL FREEDOM INITIATIVE

SUCCESS STORY

Combating Cybercrime and Helping Small Businesses

Indonesia has one of the highest rates of cybercrime in the world. This puts a drain on the economy. For example, businesses cannot conduct e-commerce for fear of cybercrime. Major international credit card companies add a surcharge on transactions in Indonesia because of the high rate of pirated card numbers. Under the DFI/Indonesia program, USAID, the U.S. departments of State and Justice, and the Association of South East Asian Nations (ASEAN) Secretariat supported the hiring of a cybersecurity czar in Jakarta for one year to assist the Government of Indonesia, the private sector, and NGOs to enhance their skills in the area of safe business and sound legislative practices.

Partnering with a local merchant association and using equipment partially donated by the government, DFI/Senegal sponsored the creation of the “Cyber Louma,” an Internet access center in Dakar’s Sandaga Market, to pilot uses of information and communication technology with small and medium-sized enterprises to improve their market access and upgrade business skills. DFI volunteers provide help with business strategy and training content. The Cyber Louma has already helped over a dozen small merchants.

- Souhaibou Diop, a small merchant, usually buys his goods from suppliers in Dubai. One day he heard about the Cyber Louma, so he dropped in to see what it was all about. After being

trained and setting up an e-mail account, he began searching for new suppliers and soon established an electronic relationship with Magna Fabrics of New Jersey. He now buys his fabrics through this relationship, deepening Senegal’s trade with the United States.

- Gor Mbaye is a small wholesaler in Sandaga Market. He owns a store and does business with many suppliers in Dakar. He used to write his bills by hand and never knew much about computers. Following training at the Cyber Louma, Gor Mbaye does all his bills and accounting with a computer. He e-mails suppliers, receives offers, and negotiates prices. Now he is taking more advanced accounting courses at the Cyber Louma.

LESSONS LEARNED

- Investing in top U.S. expertise in the field of cybersecurity increased the willingness of Indonesian businesses and government agencies to
 - learn together about cybersecurity
 - jointly develop solutions that fit Indonesia
 - see the value of international cooperation in dealing with this global problem
- It is especially useful for programs such as DFI to engage global and U.S. businesses already present in the country to provide volunteer support, as well as tap local business training institutes, where students benefit from participating in DFI on a volunteer basis. (DFI/Peru)
- Information and communication technology-enabled applications developed in one DFI country can be adapted for use in other countries. (DFI/Senegal)
- As DFI/Senegal’s program matures, the team is becoming more effective at working with local volunteers to apply their knowledge of the local business environment, while helping U.S. volunteers better apply their American business expertise.

FAITH-BASED AND COMMUNITY INITIATIVES

President Bush created the Center for Faith-Based and Community Initiatives (CFBCI) at USAID in December 2002. USAID's Center seeks to create a level playing field for faith-based and community groups to compete for USAID programs.

The initiative also reaches out to faith-based and other community organizations to increase their access to and knowledge of U.S. Government funding sources. Finally, CFBCI addresses legal and policy issues and educates USAID staff about the initiative.



WHO BENEFITED



Samaritan's Purse

Women harvest sorghum from one of the fields established by Samaritan's Purse in the Nuba Mountains of Sudan in the aftermath of the 2002 ceasefire in the region. Nuba became a model for the peace agreement, signed January 9, 2005, that ended 21 years of civil war in southern Sudan.

- CFBCI highlights demonstration projects that showcase the effectiveness of USAID's faith-based and community partners.
- CFBCI meets regularly with faith-based and community organizations and has developed an email list of approximately 1,200 members.

FAITH-BASED AND COMMUNITY INITIATIVES

SUCCESS STORY

Bringing Mechanized Farming to the Nuba Mountains

In the Nuba Mountains of Sudan, individual farmers were not able to produce enough food to feed their families. In 2003, the tribal elders approached Samaritan's Purse (www.samaritanpurse.org), a faith-based organization, and asked for help to create a large community farm.

Samaritan's Purse partnered with USAID's Office of U.S. Foreign Disaster Assistance (USAID/OFDA) to develop a program of mechanized

farming. Within three months, 70 families cleared and prepared 140 acres of fertile land in their valley. They removed all of the scrub brush and rocks to create an area that was conducive to mechanized farming.

Samaritan's Purse used OFDA funds to purchase six tractors and the necessary equipment to operate on large fields. The harvest was large enough not only to ensure the food security of families but also to enable some of them to sell sorghum on the local market. Because of the harsh

growing conditions, this was the only surplus grain produced in the region.

The continued support of the mechanized farming project is helping to substantially improve the poor farming techniques of the Nuba people by showing them how much more can be produced with different methods. It is also creating food security for many families that could not support themselves without some outside assistance.

LESSONS LEARNED



Samaritan's Purse

Tractors provided by USAID and managed by Samaritan's Purse make it possible to cultivate thousands of acres in Sudan's Nuba Mountains, leading to resettlement by families and communities displaced by years of fighting.

- Educating USAID/Washington and field staff about the role faith-based and community organizations can play in meeting development objectives is critical.
- Providing technical assistance for new and potential partners is important for a level playing field.
- Communicating regularly with faith-based and community groups about conferences, funding opportunities, and regulations regarding provision of U.S. Government assistance is essential.

GLOBAL FUND TO FIGHT AIDS, TUBERCULOSIS, AND MALARIA

The Global Fund to Fight AIDS, Tuberculosis, and Malaria, established in January 2002, is an international public-private partnership that includes donors, recipients, affected people, and other stakeholders. The Global Fund was created to dramatically increase available resources and complement existing efforts to fight three of the world's most devastating diseases. It intends to rapidly direct those resources to effective prevention, care, and treatment programs in developing countries. It approves proposals submitted by country partnerships based on technical recommendations of a panel of international experts in public health and development,



The Kenya Network of Women with HIV/AIDS (KENWA) runs six drop-in centers and offers counseling, home-based care, and psychosocial support in deprived areas of Nairobi.

Global Fund to Fight AIDS, Tuberculosis, and Malaria

and it disburses money over time based on progress in achieving

agreed upon targets. The U.S. is the Fund's largest single country donor.

WHO BENEFITED



Gary Hampton, The Global Fund, August 2004

Dr Siddiqui (center), DOTS provider and General Physician outside his clinic in Sahaspur Village, India.

MONGOLIA

- 175 urban and 110 rural volunteers were trained on Directly Observed Therapy–Short-course (DOTS) for tuberculosis.
- 1,703 (more than the target of 1,631) urban and 877 (more than the target of 805) rural patients were treated with DOTS by trained volunteers.

MOROCCO

- 3,400 (more than the target of 3,200) people are receiving HIV voluntary counseling and testing (VCT).
- 583 people are receiving anti-retroviral (ARV) therapy.

GLOBAL FUND TO FIGHT AIDS, TUBERCULOSIS, AND MALARIA

SUCCESS STORY

Reaching Out to Women with HIV/AIDS in the Nairobi Slums

The Kenya Network of Women with HIV/AIDS (KENWA) is a community-based organization formed and run by women living with HIV/AIDS. KENWA is currently reaching about 470,000 people through its country-wide membership of 2,430 women. With a \$220,875 share of the \$137 million two-year grant approved by the Global Fund to finance HIV/AIDS activities in Kenya, KENWA offers counseling, home-based care, and psychosocial support in some of the most deprived slum areas of Nairobi. KENWA runs six drop-in centers



A "push cart" ambulance enables debilitated members of the Kenya Network of Women with HIV/AIDS (KENWA) to access services at drop-in centers.

Global Fund to Fight AIDS, Tuberculosis, and Malaria

that serve as information, dissemination, and counseling centers for the general public. These centers cater

mainly to HIV-infected women and orphaned and vulnerable children.

LESSONS LEARNED

- The Global Fund promotes local ownership and participatory decisionmaking through proposal development and implementation oversight by coordinating mechanisms at the country level. These country coordinating mechanisms include governments, NGOs, bilateral agencies, multilateral organizations, academic institutions, private businesses, and people living with HIV/AIDS, malaria, and tuberculosis. Progress toward lessening governmental dominance of these coordinating mechanisms and increasing the input and participation of all partners has been slow, but there have been success stories, such as in Haiti.
- The Global Fund stresses transparency, efficiency, and accountability. Flexibility is also important. The Global Fund has demonstrated willingness to change the Principal Recipient (PR), such as in Ukraine, if the PR is not handling resources effectively or achieving agreed-upon results.
- Because the Global Fund operates as a financial instrument and not an implementing entity, the roles of bilateral agencies and multilateral development and technical organizations in providing technical assistance in support of Global Fund programs are crucial to success on the ground.
- Programs initially approved in 2002 are now completing their second year of implementation. The Board will examine and approve continued funding for the next phase, based on results achieved against targets, and the effectiveness and inclusiveness of country partnerships in overseeing implementation. The next year will determine whether this promising new model of results-based disbursement can be effectively implemented. Successful implementation of this Phase Two renewal process is one of the most important issues into the next year and beyond.

INITIATIVE TO END HUNGER IN AFRICA

The Initiative to End Hunger in Africa (IEHA), announced by President Bush in August 2002, seeks to reduce hunger in Africa by half by 2015, in keeping with the UN Development Goals of the Millennium Declaration. IEHA's key principles include building regional dynamism, synergies, and spillovers; building alliances and broad-based political and financial commitment among public and private development partners in Africa and elsewhere; and focusing investments on core activities designed to eliminate hunger in Africa. IEHA's investments

are concentrated in 1) science and technology, 2) agricultural trade and marketing systems, 3) human and institutional capacity, 4) producer organizations, 5) protecting the vulnerable, and 6) environmental management. In FY 2004, IEHA supported efforts in six countries and from three regional platforms. With the FY 2004 expansion of the program to three additional countries, IEHA's reach was extended to cover Ghana, Kenya, Mali, Mozambique, Uganda, and Zambia, as well as the three regional missions that support multicountry efforts in east, west, and southern Africa.



Curt Grimm, USAID

USAID funds research that improves crops and makes them more resistant to disease and drought.

WHO BENEFITED

- 116,353 men and 98,422 women (more than twice the number targeted) have received training over a broad range of topics, including biosafety, market analyses and development, record keeping, crop quality control, postharvest handling, product grading, and aggregation of commodities.
- 157 public and private partnerships have been formed, facilitating improved access to knowledge, markets, and better technologies for member organizations, as well as improved consultation needed to improve strategic planning and management.
- 231,701 vulnerable households (three times the number targeted) have benefited from IEHA-funded interventions, including households of HIV/AIDS sufferers and those affected by drought and conflict.

INITIATIVE TO END HUNGER IN AFRICA

SUCCESS STORY

Interventions Help Farmers and Protect the Environment

In Mali, interventions in the Niger Upper Valley zone contributed to a near doubling in the production of onions, green beans, and sesame over the past four years. Part of this increase can be attributed to increased sales of treadle pumps to smallholders. USAID support has also established 220 gardens, benefiting approximately 9,000 producers,

of whom 82 percent are women. In addition, the number of farmers in the Niger Upper Valley zone adopting improved natural resource management practices has expanded, leading to higher agricultural production and protection of the natural resource base. Enterprise Works Worldwide's (EWW) program to increase the use of efficient, wood-burning stoves expanded in 2002 and 2003 by 14,000 units. EWW esti-

mates that the sale of 73,500 stoves during the life of the project has saved 24,000 hectares of forest and reduced carbon dioxide emissions.

LESSONS LEARNED

- Where a USAID mission already has an integrated strategy that contributes to IEHA goals and objectives, implementation can quickly begin and performance results are more easily measured. For others, preparing action plans, establishing IEHA activities that complement mission priorities, and developing partnerships take time and considerably slow progress toward IEHA goals.
- Due to the long-term nature of biotechnology research, impacts are not measurable in annual increments.
- It is critically important to focus on building the capacity of regional institutions because these partnerships are essential to the sustainability of the initiative as well as to program buy-in and ownership.
- It is essential to maintain a realistic sense of the existing capacity of local associations, including what they can accomplish in the short term. It is important to realize that it may be some time before local institutions develop the capacity to function as businesses.



Ana Antonio holds a basket with squash leaves that she will dry for later use. These leaves add protein and vitamins, especially vitamin A, to her children's porridge.

S. Poland (Mozambique)

TRADE FOR AFRICAN DEVELOPMENT AND ENTERPRISE

The Trade for African Development and Enterprise (TRADE) initiative, announced by President Bush in October 2001, strengthens the ability of African companies and businesses to expand regional and international trade, improves the enabling environment for business and trade, and helps countries mainstream trade into their development agendas.

TRADE enables African countries to take advantage of increased trade opportunities with the United States provided by the African Growth and Opportunity Act (AGOA) and the recently passed AGOA Acceleration Act of 2004. TRADE works with host-country governments and



Members of Oodi Weavers, a women's cooperative in Botswana, are taking advantage of USAID's programs to expand economic opportunities.

Barbara Zadina, Clemonis International

private sector partners, primarily through three regional trade hubs

located in Botswana, Ghana, and Kenya.

WHO BENEFITED

- The Southern Africa Global Competitiveness Trade Hub (based in Gaborone, Botswana) sponsored several "Marketing Textiles and Handicrafts to the U.S. Market" seminars that reached approximately 300 participants in Botswana, Swaziland, Lesotho, Namibia, Malawi, and Zambia. Improved understanding of U.S. market requirements resulted in export contracts for textiles, as well as expanded business linkages among exporters to organize themselves to meet large marketing orders.
- As part of its strategic objective to expand AGOA exports to the

United States, in 2004 the East and Central Africa Global Trade Competitiveness Hub (based in Nairobi, Kenya) organized three trade missions to the United States for handicraft and gift and textile and apparel manufacturers. Twenty-three companies from the region participated, resulting in exports of \$3.5 million to the United States.

- In December 2003, May 2004, and August 2004, the West Africa Trade Hub (WATH) (based in Accra, Ghana) sponsored West African participation in trade missions to the United States focus-

ing on marketing opportunities under AGOA. WATH established four new AGOA resource centers, bringing the total to 13 throughout the region, and trained more than 3,000 West African entrepreneurs on the requirements for exporting to the United States. WATH also coordinated the first two exports of "Category 9" merchandise (hand-loomed fabric, handmade articles from hand-loomed fabric, or folklore items) from West Africa under AGOA.

TRADE FOR AFRICAN DEVELOPMENT AND ENTERPRISE

SUCCESS STORY

A Regional Hub Helps Expand Textile Exports to the United States

Through its AGOA Resource Centers, WATH helped Kente cloth weavers, such as Thompson Avornyotse, learn about U.S. market requirements. WATH sponsored Mr. Avornyotse's participation in the December 2003 AGOA Forum and West Africa International Busi-

ness Linkages' textile and apparel trade mission to the United States. He and fellow entrepreneur George Ashiagbor exported the first AGOA Category 9 hand-woven textiles from West Africa. WATH also engaged a Malian-American volunteer expert through the U.S.-funded International Executive Service Corps to work with Mr. Avornyotse in Ghana to improve marketing expertise. As

a result of these efforts, Mr. Avornyotse received an order for \$7,000 worth of hand-woven Kente cloth.

LESSONS LEARNED

- Trade capacity building assistance, as demonstrated in the U.S.-Southern Africa Customs Union Free Trade Agreement negotiations, is more effective and better appreciated with the use of trade experts from the Southern Africa region, whenever practicable.
- The ability to take advantage of AGOA opportunities depends on potential exporters' knowledge of the U.S. market. Technical assistance should provide a thorough understanding of sanitary and phytosanitary rules for agricultural and horticultural products, and should improve the export readiness of firms through participation in trade shows and AGOA seminars.
- Whenever possible, regional organizations and local firms should be used in the provision of training in order to develop local capacity.
- Small, privately held, owner-operator firms in Africa are willing to invest their own money to attend marketing opportunities if they are aware and convinced of the usefulness of international trade fairs.

VOLUNTEERS FOR PROSPERITY

In May 2003, President Bush announced Volunteers for Prosperity (VfP), an initiative that deploys skilled volunteers in official U.S. foreign assistance programs that advance health and prosperity. Executive Order 13317 of September 25, 2003, required USAID and the departments of State, Commerce, and Health and Human Services to set up VfP offices or operating units. USAID serves as the interagency coordinator for the initiative, and USAID's VfP Office reports to USA Freedom Corps, the White House office that coordinates federally supported domestic and international volunteer programs, including AmeriCorps and Peace Corps. Six other presiden-



Outreach peer volunteers working at an HIV/AIDS resource center in Namibia.

tial initiatives (discussed separately) participating in VfP are the Digital Freedom Initiative, Water for the Poor initiative, Trade for African Development and Enterprise

(TRADE), President's Emergency Plan for AIDS Relief, Middle East Partnership Initiative, and Millennium Challenge Corporation.

WHO BENEFITED



A researcher with a local farmer in an onion field.

- USAID's VfP Office recruited nearly 200 nonprofit and for-profit organizations representing a pool of at least 34,000 skilled U.S. professionals. VfP organizations report that nearly 7,000 volunteers have been deployed, and that nearly 4,000 volunteer opportunities are currently available.
- USAID's VfP Office contributed to the establishment, management, and direction of VfP offices and operating units in USAID and the departments of State, Commerce, and Health and Human Services. The VfP Office advised these agencies and departments on the modification of relevant U.S.

Government grant procedures in the six presidential initiatives to support the effective use of highly skilled U.S. volunteers.

- VfP is supporting a new paradigm of private-public cooperation in foreign assistance. Organizations not previously involved in official foreign assistance—ranging from smaller faith-based and community groups to trade associations to corporations—have joined VfP to help highly skilled U.S. volunteers answer the President's call to service. VfP is building a network of organizations that support international voluntary service.

VOLUNTEERS FOR PROSPERITY

SUCCESS STORY

Volunteers Help Create Sustainable Jobs in Kenya

Partners for Christian Development (PCD), a private voluntary organization based in Grand Rapids, Michigan, became one of the first groups to win a federal grant under the VFP executive order. The \$200,000 grant from USAID's Bureau for Africa will help PCD support the TRADE activities. The grant supports a program

to create sustainable jobs for the poor in Kenya by encouraging the growth of micro-, small, and medium-sized businesses. PCD, through its Million Mentor Alliance initiative, will mobilize business people and professionals to volunteer as mentors with small and medium-sized enterprises in Kenya, providing the customized, caring business support that encourages sustainable business growth and success.

LESSONS LEARNED

- A website that is highly informative, intuitive, and easily navigable is critical to VFP's success because it attracts organizations that are willing to volunteer.
- Because the VFP Office does not have its own funds to directly implement activities, program success depends on the commitment of the six participating initiatives to utilize VFP's volunteer services.
- With administration of VFP and the six participating initiatives dispersed among government agencies, support must be significant and sustainable.



Volunteers for Prosperity web site (www.volunteersforprosperity.gov/).

WATER FOR THE POOR INITIATIVE

The Water for the Poor Initiative, established in August 2002, will provide \$970 million over three years (2003–05) to improve sustainable management of freshwater and coastal resources in over 76 developing countries. It will accelerate and expand international efforts to achieve the UN Development Goals of the Millennium Declaration and implement the Johannesburg Plan of Implementation, including to halve, by 2015, “the proportion of people who are unable to reach or afford safe drinking water” and the “proportion of people without access to basic sanitation.”



A water project in Mali, one of 16 countries eligible for MCA assistance in FY 2005.

Chemotix International

WHO BENEFITED

- During the first two years of the initiative, over \$1.2 billion (including \$429 million for water-related activities in Iraq) have been invested to improve sustainable management of water resources in over 76 countries. This includes over \$836 million (including \$401 million in Iraq) for improved water supply and sanitation, \$194 million (including \$5 million for marshland restoration in Iraq) for watershed management, and \$178 million (including \$23 million for irrigation and fisheries in Iraq) to increase the productivity of water.
- Over 9,585,000 people in developing countries (in addition to more than 1,759,000 in Iraq) have received improved access to clean water supply. Over 11,441,000 people (in addition to more than 9,613,000 in Iraq) have received improved access to adequate sanitation since the onset of the initiative.
- Over 2,100 watershed governance groups were convened and supported during the first two years of the initiative to make decisions addressing a diversity of water uses and needs regarding basin-scale, integrated water resources.

WATER FOR THE POOR INITIATIVE

SUCCESS STORY

Using Capital Markets to Fund Water Supply and Wastewater Services

Until recently, small and medium-sized municipalities in developing countries have had limited access to capital markets to finance the construction or improvement of clean water and wastewater systems. Availability of funds was restricted by high interest charges and a lack of investor interest in risky long-term debt, resulting in unfavorable pricing for municipal borrowers.

To help alleviate this crisis in Egypt, USAID's Development Credit Authority has helped secure a loan portfolio guarantee expected to leverage \$40 million in loans to locally based businesses for providing contract water and wastewater services. The project will offer lower-cost septic tank evacuation services to 50,000 Egyptians in outlying areas currently without piped wastewater systems. In addition, it will provide cheaper and more extensive pipe

maintenance and better customer service for 3 million people.

Under the Water for the Poor Initiative, USAID's Development Credit Authority has also helped secure loan portfolio guarantees in South Africa, Morocco, India, Bosnia, Kyrgyzstan, and Ukraine that collectively are expected to leverage over \$209 million in private funds for water supply and wastewater services.

LESSONS LEARNED

- The development of local capital markets is critical to the sustainable finance of water supply and wastewater infrastructure systems.
- Governance for water must take account of all sectors that are dependent on or key providers of water, and must not concentrate solely on drinking water supply.
- Successful water management groups are supported by broad stakeholder involvement, ranging from grassroots participation at the local level to basin-wide, national, or regional coordination.



Ceremony to mark the opening of new water sources in two villages in Eritrea.

Chemontis International

PRESIDENTIAL INITIATIVES THAT TRACK AND REPORT RESULTS THROUGH MECHANISMS OTHER THAN USAID'S CONSOLIDATED REPORTING SYSTEM

■ GLOBAL CLIMATE CHANGE

In February 2002, President Bush highlighted the critical importance of developing-country participation in any effective global response to climate change. The administration's policy states, "USAID serves as a critical vehicle for transferring American energy and sequestration technologies to developing countries to promote sustainable development and minimize their greenhouse gas emissions growth."

The goal of USAID's Climate Change Program is to promote climate-friendly economic development and improve resilience of vulnerable populations and ecosystems to potential climate impacts. The program operates in more than 40 developing and transition countries—through bilateral field missions, regional programs, and central offices—to implement projects that meet development objectives while also providing climate benefits. It supports

technology cooperation in renewable energy and energy efficiency, improved urban transportation measures, quantification and monitoring of greenhouse gas emissions, carbon sequestration through improved land management, activities to increase adaptability to potential climate impacts, and capacity building to help countries meet their responsibilities under the UN Framework Convention on Climate Change.

Results for FY 2003 show that USAID helped avoid emissions of more than 4 million metric tons carbon-dioxide equivalent, added activities to protect carbon stocks that now total over 147 million hectares, and supported more than 3,400 climate-related capacity building activities in developing and transition countries. Results for FY 2004 will be collected through the Agency's annual reporting system and will be available only after the completion of this report.

INITIATIVES THAT TRACK OR REPORT OUTSIDE USAID'S CONSOLIDATED REPORTING SYSTEM

■ MIDDLE EAST PARTNERSHIP INITIATIVE

Launched in November 2002, the Middle East Partnership Initiative (MEPI) establishes a framework for realigning U.S. assistance programs to the Middle East and North Africa. MEPI seeks to work cooperatively with governments and people in the region to promote key economic, political, and educational reform issues and reduce barriers to women's full participation in society. MEPI is one of the administration's primary development tools to support the U.S. Forward Strategy for Freedom in the Middle East.

MEPI is managed by the State Department in close collaboration with other U.S. Government agencies. USAID administers a variety of activities across the MEPI's program areas. In FY 2002, USAID administered 76 percent of the total \$29 million MEPI program. In FY 2003, USAID administered 46 percent of the MEPI \$100 million program portfolio.

FY 2004 results under this initiative included the following:

- In the political reform area, USAID supported the development of campaign training schools for women activists in the region, and organized a regional judicial forum and followup for legal professionals that

provided the foundation for a regional MEPI rule of law program focused on judicial independence, procedure, and training.

- In the education reform area, USAID helped to establish U.S.-Middle East university partnerships to strengthen programs in such areas as education, business and economics, journalism, and information and communications technology.
- In the economic reform area, USAID provided technical assistance and training to improve commercial banks' capacity to provide credit and other critical financial services, as well as strengthen central bank supervision and regulation.

For more information see www.mepi.state.gov/mepi/.

■ MILLENNIUM CHALLENGE ACCOUNT

In March 2002, in Monterrey, Mexico, President Bush called for a "new compact for global development" that would link greater contributions from developed nations to greater responsibility from developing nations. The President proposed a concrete mechanism to implement this compact, the Millennium Challenge Account (MCA). MCA provides develop-

ment assistance to those countries that rule justly, invest in their people, and encourage economic freedom. The key principles of MCA are to reduce poverty through economic growth, reward good policy, operate in partnership, and focus on results. MCA is administered by the Millennium Challenge Corporation (MCC), a new government corporation designed to support innovative strategies and to ensure accountability for measurable results.

The MCA draws on lessons learned about development over the past 50 years:

- Aid is most effective when it reinforces the sound political, economic, and social policies that are critical to encouraging the inflows of private capital and increased trade, which are the real engines of economic growth.
- Development plans supported by a broad range of stakeholders and for which countries have primary responsibility engender country ownership and are more likely to succeed.
- Integrating monitoring and evaluation into the design of activities boosts effectiveness, accountability, and the transparency with which taxpayer resources are used.

INITIATIVES THAT TRACK OR REPORT OUTSIDE USAID'S CONSOLIDATED REPORTING SYSTEM

In May 2004, the MCC board of directors selected 16 countries eligible to apply for MCA assistance in FY 2004: Armenia, Benin, Bolivia, Cape Verde, Georgia, Ghana, Honduras, Lesotho, Madagascar, Mali, Mongolia, Mozambique, Nicaragua, Senegal, Sri Lanka, and Vanuatu.

The MCC Threshold Country Program (TCP) has been established to assist a limited number of countries that did not qualify for FY 2004 MCA assistance, but were close and have demonstrated a significant commitment to achieving the eligibility criteria. The TCP provides added incentive to countries committed to reform, and will be used to assist such countries to move toward future eligibility. Unlike the core MCA programs, the TCP will not focus directly on poverty reduction and economic growth; rather, it will support countries that have demonstrated a significant commitment to improving performance on the MCA indicators on which they are underperforming. The primary means of improving performance is for countries to make policy reforms and/or institutional changes in areas in which they fall short on eligibility requirements. Assistance funded under the TCP is intended to help the countries make such changes effectively. The indicators a country needs to improve will depend on where a

country fails a category or has scored substantially below the median on one or more indicators.

The MCA board of directors authorized \$40 million from U.S. FY 2004 funds for threshold programs. If the quality of threshold proposals justifies it, the MCC chief executive officer may request additional funding. MCC and USAID wish to focus these resources on a limited number of countries that have the best prospects for closing performance gaps on the MCA indicators.

In FY 2004, seven countries were invited to submit TCP concept papers: Albania, East Timor, Kenya, São Tomé and Príncipe, Tanzania, Uganda, and Yemen.

For more information see www.mca.gov.

■ PRESIDENT'S EMERGENCY PLAN FOR AIDS RELIEF

President Bush has made fighting the international HIV/AIDS pandemic a U.S. priority. Announced in January 2003, the President's Emergency Plan for AIDS Relief is the largest commitment ever by a single nation toward an international health initiative—a five-year, \$15 billion, multifaceted approach to combating the disease. Through the President's Emergency Plan, the U.S. Government is work-

ing with international, national, and local leaders worldwide to promote integrated prevention, treatment, and care programs, with an urgent focus on 15 countries that are among the most afflicted by the disease.

Across the world, the U.S. Government is encouraging bold leadership at every level to fight HIV/AIDS; applying best practices within its bilateral programs in concert with host governments' national HIV/AIDS strategies; and encouraging all partners to coordinate, adhere to sound management practices, and harmonize monitoring and evaluation efforts.

In the 15 severely affected focus countries, the U.S. Government is supporting treatment for 2 million HIV-infected people; preventing 7 million new HIV infections; and supporting care for 10 million people infected and affected by HIV/AIDS, including orphans and vulnerable children.

FY 2004 results under this initiative included the following:

- *Five-year strategy.* In 2004, the U.S. Global AIDS Coordinator developed and began to implement a U.S. five-year global HIV/AIDS strategy. For the first time, a single strategy is guiding the varied activities of the

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many U.S. agencies combating HIV/AIDS on a global basis.

- *Mother-to-child transmission of HIV.* The President's Emergency Plan is providing drug therapy and intensive counseling to women so that they can have HIV-free children. In FY 2004, the United States supported services to prevent mother-to-child transmission for over 1.2 million women in 15 focus nations.
- *Antiretroviral drug procurement policy.* In May 2004, the Food and Drug Administration of the Department of Health and Human Services (HHS/FDA) announced an expedited review process for HIV/AIDS medicines. At the same time, the U.S. Global AIDS Coordinator announced that any HIV/AIDS drug that received tentative approval from HHS/FDA would be eligible for purchase by the President's Emergency Plan. The United States is speeding drugs to the global AIDS fight with assurances that those drugs are safe, effective, and high quality.
- *Antiretroviral therapy rollout.* In early 2004, the World Health Organization estimated that approximately 150,000 patients were receiving lifesaving antiretroviral therapy in all of sub-Saharan Africa—a fraction of the number

who need to be treated. By the end of September 2004, after only eight months of implementation, the President's Emergency Plan was supporting antiretroviral therapy for approximately 155,000 HIV-infected persons in 15 focus nations. That number is growing rapidly as each U.S.-supported site continues to enroll new patients into therapy.

For more information see www.state.gov/s/gac/.

■ PRESIDENT'S INITIATIVE AGAINST ILLEGAL LOGGING

The primary objective of the President's Initiative Against Illegal Logging (PIAIL), launched in July 2003 and led by the State Department, is to assist developing countries in their efforts to combat illegal logging—including the sale and export of illegally harvested timber—and corruption in the forest sector. USAID provided its valuable technical and field experience to help shape PIAIL, and USAID activities made up \$13.7 million, or 92 percent of the overall FY 2003 and FY 2004 budgets. PIAIL focuses on three critical regions: the Congo Basin, the Amazon Basin and Central America, and South and Southeast Asia.

As of August 2004, results under this initiative include the following:

- In the Congo Basin, USAID grantees held a workshop for key forest stakeholders to design a forest concession monitoring system. The monitoring system will independently document the industry's logging practices in the region. Participants agreed to be monitored on more than 30 performance measures that will be used to track their logging practices, including legality.
- In Peru, USAID is supporting national efforts to enforce laws and regulations related to protected areas, and is assisting communities to manage forests to qualify for forest certification under a scheme of their choice. USAID helped the Government of Peru establish a committee on illegal logging, which has resulted in confiscations of illegal timber, as well as to implement a transparent public bidding process for legal private forestry concessions.
- In Indonesia, USAID partners have been successful in their negotiations with logging concessionaires in East Kalimantan. Concessionaires have agreed to set aside large tracts of their concession areas for conservation and to practice low impact logging

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techniques in remaining areas to minimize the impact on habitat and wild orangutan populations.

Selected lessons learned reported by the initiative include the following:

- Illegal logging is a very complex issue that is difficult to quantify and assess.
- Many forests are difficult to monitor because they are located in remote, sparsely populated regions.
- Addressing illegal logging will require actions by both producing and consuming countries, with clear roles for communities and civil society.

reintegrating trafficking victims.

The goal is to build NGO capacity and to work in partnership with governments in each country.

In July 2004, the President announced the eight countries selected to receive \$50 million in strategic antitrafficking in persons assistance: Brazil, Cambodia, India, Indonesia, Mexico, Moldova, Sierra Leone, and Tanzania.

In FY 2004, Congress supported the administration's proposal to fund the initiative using \$25 million from existing funds. USAID programmed over \$10 million dollars in five countries during FY 2004.

■ TRAFFICKING IN PERSONS

At the 2003 UN General Assembly, President Bush announced a new \$50 million initiative to assist women and children who have been trafficked. This initiative supplements existing U.S. Government efforts to combat trafficking through prevention, protection, and prosecution. Initiative projects, to be implemented by NGOs and U.S. agencies working abroad, will focus primarily on fighting sex slavery, the fastest growing category of trafficking, by increasing criminal prosecutions while rescuing, rehabilitating, and

U.S. Agency for International Development

The U.S. Agency for International Development (USAID) is an independent federal agency that receives overall foreign policy guidance from the Secretary of State. For more than 40 years, USAID has been the principal U.S. agency to extend assistance to countries recovering from disaster, trying to escape poverty, and engaging in democratic reforms.

USAID supports long-term and equitable economic growth and advances U.S. foreign policy objectives by supporting

- economic growth, agriculture, and trade
- global health
- democracy, conflict prevention, and humanitarian assistance

The Agency's strength is its field offices located in four regions of the world:

- Sub-Saharan Africa
- Asia and the Near East
- Latin America and the Caribbean
- Europe and Eurasia

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