

## Town Hall Highlights Agency Priorities, Natsios Farewell

A “severely reduced” operating expenses budget for 2006 led the list of employee challenges presented by Acting Administrator Frederick W. Schieck during a Jan. 9 town hall meeting in Washington. The event also served as an Agency-wide farewell to former Administrator Andrew S. Natsios.

Congress appropriated \$630 million (operating expenses), which was about \$50 million below the Agency’s request. USAID’s overall appropriation for 2006—\$4.3 billion—is \$93 million below what the Agency received for 2005.

The less than expected funding is particularly problematic for field missions, said Schieck, who is working with staff to transfer some programming funds to the operating expenses budget.

Schieck also knocked down rumors of a RIF, or reduction in force, and a takeover by the State Department.

“We are continuing an ongoing discussion with the State Department on how best to try to get a better handle on joint programming and budgeting and strategic development,” he said, adding consolidating the two entities was not part of those discussions.

The Agency’s work in Iraq, Afghanistan, Sudan, and eastern and southern Africa will continue to be priorities as well as the increasingly high-profile efforts to combat avian flu and malaria, Schieck said.

Natsios, whose last day at USAID came three days after the town hall, used the venue

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# Rice Links USAID and State Under New Foreign Aid Chief

**“I just want to say that I think this is going to be a very important period of time. I need your help. I need your full dedication to this effort. I am certain that I’m going to get it because I know how dedicated the men and women are in this room, and I know that you, too, want the best for ... our foreign assistance programs, the best for those who receive our aid and the best for America.”**

Randall L. Tobias will be nominated as the new administrator of USAID, Secretary of State Condoleezza Rice announced during a Jan. 19 State Department meeting where she also unveiled a major plan to reorganize the way foreign assistance is administered by the United States.

If confirmed by the Senate, Tobias would serve concurrently as the State Department’s director of foreign assistance, a new posi-

tion created by Rice to consolidate foreign assistance programs from USAID, State, and other agencies.

Tobias, currently the U.S. global AIDS coordinator, and a small staff of USAID and State employees would be based at State Department headquarters, and he would

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Secretary of State Condoleezza Rice addresses USAID employees Jan. 19 in the Andrew Mellon Auditorium.

## AFGHAN EX-COMBATANTS LEARN TO SURF THE NET



Ben Barber, USAID

*Shoghla Aqdas, 19, teaches a class of former mujahadeen commanders—Afghan fighters who fought against the Russians for 10 years, then fought each other, and have now laid down their arms—how to use computers, prepare documents, establish email accounts, and surf the internet—especially Dari and Pashtu sites. The month-long class in Kabul for groups of about 25 commanders is funded by USAID and aims to prepare them for jobs other than war. The energetic young teacher said “at first I was afraid” of the grizzled war veterans. But they respect her and are good students who want to learn, she said. See Mission Spotlight: Afghanistan on pgs. 8-9.*

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## Healthcare Standards Rise in Afghanistan

**KABUL, Afghanistan**—With a gruff voice, the gatekeeper to Wazir Akbar Khan Hospital blocks a man from pushing past him into the spotless hospital corridors.

“Shoes off,” he says in a no-nonsense voice, handing the man a pair of plastic sandals and a ticket to identify his shoes.

A U.S.-funded program run by Loma Linda University Adventist Hospital has transformed this major trauma and surgery hospital in the center of Kabul from a nightmare of squalid wards and filthy corridors into a place where even the very ill find dignity for their suffering.

Habibullah, who uses only one name, lies back in his bed with an IV in his arm dripping fluids and medicine to combat his heart troubles. He is 60 but looks 80 with

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## Job Opportunities Remain in Iraq, Sudan

A number of Agency staffers have recently signed up for posts in Iraq, Afghanistan, Sudan, and Pakistan—critical priority countries (CPCs) for 2006. However, a handful of positions are still open and in need of volunteers in the coming weeks.

The jobs that remain available are regional positions in Iraq and a controller

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# Town Hall Highlights Agency Priorities, Natsios Farewell

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to review the Agency's accomplishments during his watch. He applauded the response to both the tsunami and preparations for a potential avian flu pandemic. He noted several papers, including the White Paper, Fragile States Strategy, and Foreign Aid in the National Interest.

He also pointed out that new offices were helping expand the circle of Agency partners. And, he said the Agency's work, particularly in Sudan, Afghanistan, and Iraq, was enhancing the Bush Administration's foreign and development policy agendas.

Natsios announced in early December 2005 that he would leave USAID for a position on the faculty of Georgetown University's Edmund A. Walsh School of Foreign Service. In addition to addressing the town hall meeting in his final week on the job, Natsios opened the new George C.

Marshall Hall in the 14th Street entryway to USAID's headquarters in Washington (see article below) and released two new reports on Agency initiatives.

Natsios, who said his five years leading the Agency had been the best years of his professional career, told the town hall audience: "There is a reason that USAID is the premier development agency in the world and that is all of you."

"What remains so impressive to me is that we have had so many successes given the operating environment we work in," he said.

"USAID is more like a venture capital firm than any other U.S. government agency. Some of our investments are spectacular successes, and sometimes they fail.... Taking risks and trying new ideas is part of what has made this Agency so great." ★



Acting Administrator Frederick W. Schieck, right, presents Agency logo to outgoing Administrator Andrew S. Natsios during Jan. 9 town hall meeting.

Robert J. Rourke/LightPoint Images

## GLOBAL DEVELOPMENTS

### MCC OKs Armenia, Vanuatu Compacts

**WASHINGTON**—The Millennium Challenge Corporation (MCC) has approved a five-year, \$235.7 million compact with Armenia and a similar \$65.7 million agreement with Vanuatu.

Armenia, MCC Chief Executive Officer John Danilovich said, has "developed an integrated, results-oriented program that will provide rural residents better access to jobs, social services, and markets and increase the productivity of farmers."

The compact, which aims to reduce rural poverty, will invest in rebuilding rural roads and work on agriculture irrigation. The program is meant to impact 75 percent of the rural population, and is expected to increase annual incomes by \$36 million in 2010 and over \$113 million in 2015.

In Vanuatu, the compact includes up to 11 infrastructure projects—roads, wharfs, an airstrip, and warehouses. It also includes training and policy reform initiatives to improve the operation and maintenance of Vanuatu's transport infrastructure network. MCC funds are expected to impact more

than 65,000 rural residents and increase their average income per capita by 15 percent.

Since its establishment in 2004, MCC has signed compacts totaling more than \$900 million with Madagascar, Honduras, Cape Verde, Nicaragua, and Georgia.

### Radio Station Highlighted in Imam Sahib

**IMAM SAHIB, Afghanistan**—Officials, local elders, and students in this capital city of Kunduz province inaugurated the city's first independent radio station in mid-December.

Radio Jaihoon began broadcasting in May 2005. USAID began helping to set up a network of community radio stations in Afghanistan in 2002. The network currently has 31 stations, each of which operates with full editorial independence.

Prior to the overthrow of the Taliban, the only radio network in the country was Radio Afghanistan.

### Contractor to Repay \$1.2 Mil

**WASHINGTON**—Development Alternatives Inc. (DAI) has agreed to repay USAID \$1.2

million to settle allegations it overcharged the Agency for contracts it received in the 1990s. As part of the settlement, DAI did not admit to fraud.

The decision from the Bethesda, Md.-based company settles charges under the False Claims Act.

The settlement agreement resulted from an investigation into three contracts conducted by the USAID Office of Inspector General in conjunction with the United States Attorney's Office for Maryland. One contract, signed in 1995, involved implementation of a program to encourage financial institutions to increase the flow of credit to micro and small businesses in developing countries. The other two contracts, signed in 1996 and 1997, involved implementation of economic assistance programs in postwar Bosnia-Herzegovina.

The investigation found that DAI overcharged the Agency just over \$500,000.

In a statement after the agreement was settled, Acting Deputy Inspector General Paula F. Hayes said: "USAID and the American companies it relies upon to deliver development programs throughout the world must always be steadfast protectors of U.S. taxpayer funds. As highlighted by this settlement agreement, the Office of Inspector General will vigorously pursue the investigation and prosecution of fraudulent activities that target the U.S. foreign assistance program."

### Thailand Flood Victims Get Aid

**WASHINGTON**—USAID has provided \$50,000 to the Thai Red Cross to assist victims of severe flooding in southern Thailand.

Unusually heavy and continuous rainfall since early December caused severe flooding in the southern Thailand provinces of Songkhla, Nakhonsithammarat, Pattani, Narathiwat, Phatthalung, Trang, Yala, and Satun. Flooding has killed 26 people, affected more than 700,000, and forced large-scale evacuations to temporary shelters, according to the Thai Department of Disaster Prevention and Mitigation.

USAID funding will be used to purchase and distribute emergency relief supplies, including blankets, food, and water.

### Global Development Alliance Now Office

**WASHINGTON**—The Global Development Alliance Secretariat has become an independent office within USAID, under the name of Office of Global Development Alliances (GDA). It will report directly to the acting administrator.

GDA, which was created four years ago, works to promote public-private alliances that encourage global development. The office says it has generated almost 300 alliances, leveraging more than \$3.7 billion in private partner contributions.

### Relief Goes to Indonesia Flood Victims

**WASHINGTON**—USAID has provided \$50,000 to the Indonesian Red Cross to help it respond in areas of the country affected by monsoon-related flooding.

On Jan. 1, flash flooding and landslides hit three districts of Jember Regency, East Java Province. This came after three days of torrential downpours and the overflow of the Dinoyo River. The U.S. Embassy in Jakarta said the weather is to blame for 63 deaths. It also displaced 6,700 people and destroyed more than 2,500 homes.

Local media reported that on Jan. 4, additional flash floods and landslides buried approximately 100 homes in Cijeruk. An estimated 200 villagers were presumed dead.

### Former Cashier Pleads Guilty to Stealing

**WASHINGTON**—Muftar Ali pleaded guilty Dec. 29, 2005, to stealing \$200,000 from USAID's mission in Maputo, Mozambique, and the U.S. Embassy there, USAID's Office of Inspector General said.

Ali entered the plea in U.S. District Court in Charleston, S.C., and could face up to a \$250,000 fine and 10 years in prison. Evidence from the case showed that Ali stole the money between 2003 and 2005 when he worked as a cashier in both offices. ★

## Agency Lobby Gets New Look and Name

As one of his final acts as Administrator, Andrew S. Natsios named the 14th Street entryway of USAID's headquarters in Washington the George C. Marshall Hall.

He unveiled the new name—and new look—for the light-filled, two-story walkway just after delivering his final town hall address to employees Jan. 9.

The entryway's facelift included seven new display panels that highlight in vivid color images some of the work the Agency has performed in developing countries. The panels represent humanitarian assistance, global partnerships, economic growth and trade, education, agriculture and the environment, democracy and governance, and global health.

Natsios also unveiled a new portrait of Marshall, the former Secretary of State whose plans to rebuild Europe after World War II came to be known as the Marshall Plan. The document—which encouraged spending billions to help a devastated Europe recover—led to the United States' more formal approach to foreign assistance. A succession of five organizations handled U.S. foreign assistance after that. Finally, in 1961, USAID was established to take over those duties.

The new portrait, which replaces another portrait of Marshall, is a reproduction of a 1949 painting that hangs in the State Department's diplomatic reception room. ★

## FIRST PERSON



**“We are very grateful to BIZPRO for our successes and we think it’s a good lesson for the entire industry... With BIZPRO assistance we were able to demonstrate the quality of our products and the production capabilities of [our] factory... In April 2005 we got our first orders and we have confidence that we can now build a long-term relationship with our new American partners.”**

Yaroslav Dzhumalo, director of Svitlovodsk glass factory SKLO, displaying a new American furnishing company catalogue containing some SKLO products.

*First Person is a continuing FrontLines feature that provides views from beneficiaries of USAID programs.*

Eastern Europe has long been recognized for the high level of craftsmanship of its glass and crystal. But products from countries like Ukraine have little or no exposure to global markets due mainly to a lack of contact with and knowledge of foreign markets. The USAID-funded BIZPRO project has been changing that. It has helped glass producers develop designs more appealing to Western audiences, and assisted in improving their production capacity and efficiency.

At the biannual International Home Furnishings Market, held in April

2005 in North Carolina, glass products—vases, wine glasses, and other china-type wares—from three Ukrainian producers were displayed for the first time by American companies such as Phillips Collection and Wildwood Lamps. In August, the Ukrainian glassmakers exhibited their work at Europe’s biggest home furnishings exhibition, Tendence Lifestyle, held in Frankfurt.

Sales are starting to increase.

Aside from the home furnishing industry, BIZPRO works with industries relating to furniture, textiles and apparel, tourism, processed fruits and vegetables, and information and communication technology. ★

## MISSION OF THE MONTH

## Macedonia



## Challenge

Macedonia, a small mountainous Balkan country of 2 million people that was once a part of Yugoslavia, began a transition toward a market economy when it gained independence in 1991. But serious setbacks to its development were presented when an ethnic conflict became the country’s main concern in the late 1990s and into the new century.

One setback to economic development was the country’s lack of access to high-speed internet. Only four years ago, internet access cost as much as \$150 a month. The state telecommunications agency was the sole access provider, and less than one-fifth of Macedonians were online.

USAID faced the challenge of updating old and dated infrastructure, rebuilding telecommunication policies that make the internet more accessible, and teaching Macedonians about the value of logging on to the web.

## USAID Response

In 2001, USAID/Macedonia embarked on an “e” mission. Helping Macedonia take advantage of the digital revolution is now part of almost every project. Among the mission’s efforts are that it has

- created a conducive policy environment
- set up infrastructure
- created and provided hardware and software
- trained IT technicians
- trained users

The mission has also worked on promoting industries that take advantage of digital technology, such as digital animation and entertainment. The effort also encourages existing industries to take advantage of the efficiencies of digital technology and helps fledgling industries that support new technologies get started.

“Development today is about leapfrog technology,” said Dick Goldman, USAID/Macedonia mission director. “A country like Macedonia has few legacy systems getting in the way of adoption of the latest technology. And making information available and accessible—one of the strengths of this technology—is enormously useful when one of your goals is to increase transparency.”

## Results

USAID/Macedonia’s success in bringing high-speed wireless internet access to 95 percent of Macedonians was one of the main topics of discussion among delegates at the Tunis World Summit on Information Society in November 2005. During the summit, the British Broadcasting Corporation (BBC) also aired a documentary following the story of how Macedonia has become hooked to the worldwide web.

After all of USAID’s extensive efforts to make Macedonia



*Macedonian students from opposite ends of the country chat using a USAID-supported computer lab and high speed wireless internet connectivity.*

wireless, nearly all of the country’s 2 million residents have become computer savvy.

A wireless network blankets every corner of the country—including remote locations without basic telephone service—providing the opportunity for students and entrepreneurs to connect to the outside world. With equipment contributed through a Global Development Alliance project, USAID is providing broadband wireless internet connectivity to the offices of 50 new municipal governments and 30 NGOs.

The network provides needed competition to the monopoly telecommunications provider, and has already led to lower prices for broadband connectivity and long-distance phone calls. The private company, competitively selected to build the wireless network, offers high-speed internet for \$20 a month.

Web-based systems for filing taxes, applying for jobs, and government procurement will all be available in 2006. Computer labs and internet connections have been installed in all 460 schools in the country. Over 7,000 primary and secondary school teachers received training in improved teaching methods and IT applications. Companies within the growing digital entertainment and IT support industries are signing contracts with U.S. and European companies.

“Wireless internet is definitely the must-have accessory these days for U.S. cities, and now apparently whole countries,” writes Elena Malykhina of *InformationWeek*. “While it’s not likely to cure all the economic development, public safety, and education woes planners face, the Macedonian example will have one clear benefit for the rest of us. Given the scale of the deployment and the difficult terrain it’s trying to cover, it will be a good test of wireless mesh network technology.” ★

## Notes from Schieck

★★★★★★★★



## Changes to Foreign Aid Process Will Strengthen Agency

On Jan. 19, Secretary of State Condoleezza Rice announced major changes in U.S. foreign assistance management and implementation designed to improve the coherence and effectiveness of this nation’s foreign assistance programs. Referencing her new “transformational diplomacy strategy,” the secretary said that the changes will help better align the foreign assistance programs of USAID, the Department of State, and the rest of the U.S. government.

In this regard, she announced that the USAID administrator would be designated as the director of foreign assistance (DFA), with oversight for all USAID and Department of State foreign assistance planning and spending. The administrator/DFA will hold the rank of deputy secretary and will report directly to the secretary. These changes are being executed under the existing authority of the secretary, and dramatically increase the role and stature of the USAID administrator within the Department of State and the U.S. government.

To fill this new role, the secretary stated that the president intends to nominate Randall Tobias, currently the global AIDS coordinator at the Department of State. Ambassador Tobias came to his role as global AIDS coordinator as one of America’s most talented and respected executives. He served as vice chairman and then chairman of AT&T International, guiding the firm through immense organizational challenges. He then went on to head Eli Lilly and Company, one of our nation’s largest and most innovative pharmaceutical companies.

Former Administrator Andrew S. Natsios praised the choice when he said at his last senior staff meeting that the Agency could not be in better hands.

Contrary to rumors, Rice said that a “State takeover” of the Agency was never in the cards. She recognized the vital role that USAID plays on the frontlines of our foreign policy in responding to humanitarian crises and advancing development.

Her intentions in proposing the changes are to strengthen and streamline USAID, align it better with State to more effectively meet this nation’s foreign policy challenges, and make it a better steward of Americans’ tax dollars.

The Agency’s leadership strongly endorses these changes, and we look forward to the active engagement of USAID personnel in making them successful. ★

*The following is an edited transcript of the question and answer session following Secretary of State Condoleezza Rice's address to USAID employees on Jan. 19 in the Andrew Mellon Auditorium.*

**QUESTION:** ... My name is Brant Silvers. I work for the Africa Bureau in the program office ... my question was a little more specific on how Office of Global AIDS Coordinator and MCC are going to be under this development, the new structure, and how that might work.

**SECRETARY RICE:** It's a very good question. The U.S. global AIDS coordinator continues to report directly to me as Secretary of State. The MCC CEO continues to report, of course, to the Board of the Millennium Challenge Corporation, of which I am chair. But what we hope is that through greater interaction, discussion among these organizations which are independent and maintain their independent character, that we can start to get some synergies between what is being done in the MCC, what is being done in AIDS, and our development assistance.

Let me give you an example. MCC operates on a very clear set of indicators and criteria that are developed in legislation and that are carried out in really a quite rigorous way by the MCC staff when they are choosing countries that are eligible and when they are developing compacts with those countries....

Many times at the MCC Board meetings, people have expressed the wish that when we're doing that we can also see what else would enhance the capability and enhance the effectiveness of that MCC compact. What if we were looking also to see if in the same country work that USAID might be able to do in capacity building would make that compact even more effective? ... What can we do with our USAID funding to enhance that capability?

So ... we think we will get better alignment between our programs. But those two organizations remain independent. Their heads remain reporting to me directly. But we do expect that the kind of guidance that the director for foreign assistance can give will help us to make sure that we're using all of our resources pulling in the same direction.

**QUESTION:** My name is Laura Wilson and I work with Legislative Affairs ... I read the fact sheet that the State Department has issued related to the reforms associated with this announcement ... one of the elements that you stated ... is that you'd like to see the role of Foreign Service Officers expanded to include some sort of implementing role when it comes to education and programs overseas. And to me that seems remarkably similar to what the Foreign Service at USAID does. And you also stated in this statement that there will be training associated with the kind of role that these Foreign Service Officers would now be undertaking. I wonder if you could explain that a little bit—the overlap that might seem really clear to the folks at AID and maybe a bit threatening at the same time.

**SECRETARY RICE:** Well, I hope it won't be threatening because there's plenty of work for everybody to do. One of the reasons that I've been anxious to have a strengthened USAID is that you are our primary delivery mechanism for hands-on assistance in training people, in education, in democracy promotion and so forth. And I think we will continue to see USAID play that role and hopefully play that role in even a stronger way, in a more coordinated way.

**QUESTION:** ... One of the statements was the development director/coordinator/assistant secretary will be also overseeing all foreign assistance at State as well as AID. And I was wondering how much ... of those funds will then be determined by this director, especially with DRL and IO and all the other—and the regional bureaus, ESF as well.

**SECRETARY RICE:** Well, you've asked the \$64 million question because we've concentrated a lot on what this will mean for USAID, but this is going to mean a change for State, too, in the way that we think about the alignment of the resources. When I spoke earlier to the senior management at the State Department, I said we were going to have to stop thinking of resources as "mine" and think of the resources as "ours." And we simply have to be able to put together a coherent picture of how we're going to address the needs of a particular country functionally in terms of what it needs.

**QUESTION:** My name is Susan Fine. I work in the Asia and Near East Bureau ... there are two things that I would like to ask ... One is with regard to our programs, I appreciate your sentiment that development and capacity building is important, not just in the countries that are very critical to our strategic—our security interests but also those other countries. However, if you look at the budgets that we have given to those countries, that's not going to be apparent to many of the countries in which we work. It's going to look like we are placing a tremendous emphasis on places like Afghanistan and Sudan and Iraq and not very much emphasis on some of those other countries. So I guess

one question is how do you think that we can make the case to the Congress and to the American public to increase resources for development?

And the other thing related to this is our resources for our operating expenses. I think part of the reason that our Agency is suffering and has had difficulty in providing the technical leadership that we used to provide is because we don't have the resources to support personnel, particularly overseas. And I think that it's wonderful that you're going to reallocate State Department diplomats to some of the countries that—in which we work, but I think that it will also be important to make sure that we can continue to have a strong core of foreign—USAID Foreign Service Officers in those countries. So I'd like to know whether you would be supportive of that.

**SECRETARY RICE:** Well, on the second question, it's a question Andrew and I have talked a great deal about—the desire to actually be able to increase our presence in important places. And by important, I mean places that are emerging, not just places that we tend to think of as "strategic." And I'm perfectly willing and ready to ask for more support on the operating side....

It is true that we are spending a good deal of our resources in Afghanistan, Iraq, Sudan, places like that. But the reality is that unless we do get Afghanistan right and make certain that it's never a place from which terrorism can flow again, unless we get Iraq right and create and help the Iraqis create in the middle of the Arab world an anchor for a different kind of Middle East, the truth of the matter is that American people are going to be fighting terrorists and fearful of terrorists for a very, very, very long time to come. And I will absolutely defend the obligation of the Administration to make certain that we spend the resources to get the big cases that we've undertaken in Afghanistan and Iraq right....

But I think it would be wrong to suggest that we have not also increased development assistance more broadly; development assistance in Africa has tripled in this period of time. That was not the case before this President became President. And it's through the Millennium Challenge and it's through AIDS help and it's also through partnering with important states to help them build capacity. It's also the case that we have done a great deal in debt relief, which is an important element of development system.

So I think we have a fine record in terms of the development assistance—that is, assistance that is not linked to the big strategic issues that we all think of when we talk about Afghanistan or Iraq. And I also think that separating somehow strategic interests from development is not exactly the way that I think about it. The truth of the matter is that we need well-governed states that are democratic and capable of meeting their people's needs across the world, not just in a few places....

**QUESTION:** ... I'm wondering is a follow-on step to this some type of an umbrella position, which will incorporate overseas



Susan Fine, director of the Office of Strategic Planning and Operations, Asia and Near East Bureau, addresses questions to Secretary of State Condoleezza Rice at USAID on Jan 19.

programs that work in development that also would make sense to rationalize or harmonize based on your leadership?

**SECRETARY RICE:** You are right that we—of course, it's the government, not just State and USAID are deliverers of development assistance and foreign assistance. And particularly when we're trying to put together a program for a state to try to make it better governed.

I have talked to a lot of my Cabinet colleagues and everybody understands that U.S. government resources need to be pulling in the same direction. And I think that they will look to our leadership to develop guidelines and to develop strategic direction about what we're trying to do in a particular country, or what we're trying to do in a particular region, and how the resources of other departments' programs ... how all of these resources can come together to have a coherent plan for a country or for a region that is consistent with America's foreign policy goals and I think they will look to us.

It is true that about 80 percent of the assistance is in State and USAID, so once we've done a better job of coherence there, I think we will have a base from which to work. But by all means, we need better coordination across the government....

**QUESTION:** My name is Vicki Moore and I've recently returned from serving as the mission director in Uganda. My question is [about] ... the staffing.... I think that a number of us here are very concerned that USAID not become just an implementing agency. I think we have a long and very proud tradition of putting together policies and programs in a strategic way. And I think many of us are very proud of the fact that we see ourselves as development professionals and we see that expertise as hard won through a lot of experience and studies and things that we have done over a number of years....

I'd like to know how we can feel confident that our Agency's expertise and concern in

terms of policymaking and planning will be a part of this process and a very serious part of the process.

**SECRETARY RICE:** Well, not only do you have a long history of expertise in development and in strategic direction and planning, but you have done that very well. In some ways, I think that many times USAID has had a more strategic approach to the way that it's dealt with assistance than has the State Department.... You've done one-year plans. You've done five-year plans. The mission directors have been told that they need to think in longer terms. You did a new fragile states approach. And so I think it's absolutely right that USAID will bring a lot of strength to this process and this planning office, by the way, will be USAID people and State people. And I would hope that the strength that USAID has in this ability to plan, the ability to think strategically, the development expertise that is there will strengthen what we do at State as well as what State does being brought to what USAID does.

But you have to understand that by making the USAID coordinator the key person here, I think we're recognizing the critical function that USAID plays. I think we're recognizing the critical expertise that USAID brings to the foreign assistance and development business. And I think we're marrying it with the need to understand better the kind of expertise that State brings to foreign policy goals and also to goals about good governance and the like.

**QUESTION:** My name is Ellen Leddy and I work for the Latin American Caribbean Bureau. What advice do you have for Ambassador Tobias as he tries to align the shorter term perspective of the State Department and the longer term perspective of USAID?

**SECRETARY RICE:** Well, first of all, I hope the State Department doesn't have a short-term perspective. We can't afford to. The

President has talked about ending tyranny and having a democratic Middle East and well governed states in Africa, in Latin America, and Asia and democratic states. If we have a short term perspective we're going to fail. This is a generational struggle that we're in. And if the State Department has a short term perspective, then we better get out of it real fast, because what we're obligated to do in our time here, in my time here, the three years that I will presumably be Secretary of State, hopefully, although remember I'm still tenured at Stanford. [Laughter.] The time that we are here we can only do one thing and that's lay a foundation for the kind of world that we want to see.

We were confronted on September 11th with the realization that the kind of balance of power between states, the fact that big powers no longer really fight each other, was actually not good enough for our security because this ill-governed, almost not-at-all governed, state called Afghanistan became a terrorist haven in a place where women were abused and people had no freedoms. And that terrorist haven led to the worst attack on our territory ever.

And when that happened we had to ask ourselves whether we were going to make a temporary change in the world, maybe try to make it better in terms of capturing some al-Qaida and maybe try to make it better in terms of making the United States more secure through Homeland Security or whether or not we were going to try to make—lay the foundation for a more permanent peace. And a more permanent peace comes from the spread of democratic values, well-governed democratic states where the consent of the governed is the basis for governing, where women are full partners in the political and economic enterprise, where people can educate their children—girls and boys, where they have reasonable expectations of health care....

And so I would hope that the alignment would come not from Randy Tobias having to somehow push one of the other organizations, but from a recognition that when the

President set our agenda, he set it on a long term calendar, not a short term.

**QUESTION:** My name is Noreen O'Meara. I work in the Donor Coordination Office. And I'm wondering, given that we do need to use resources more effectively, do you envision any cost savings and perhaps streamlining of reporting from the system's integration that will have to support knowing what we're spending in each country and what we're achieving in each country?

**SECRETARY RICE:** Well, look, it would be a fantastic outcome if we were able to save resources and reinvest those resources in more programs and in more people and in more capability to deliver. I think that would be a terrific outcome.

I can't answer the question because I don't think we yet have a system that even tells us about redundancies and about whether things are pulling in the same direction. I'm looking at Henrietta Fore down here, the undersecretary for management. And I know she's been working with her USAID colleagues and their management counsel to look at ways that we can bring together some of our processes and our backroom support and things that might help us to take advantage of synergies that might develop.

It's not the—saving money is not the principal reason for doing this. The principal reason for doing this—and I think it will give us a more effective program to do what we need to do. But my goodness, if we could save American taxpayers' dollars to be reinvested in foreign assistance and in—somebody mentioned more operations so we could have more people, so our people could be better trained, that would be a terrific outcome. And I think we have to look for whether or not we can achieve some of those synergies by looking more closely at what we're doing and at better aligning our priorities. ★

For the complete transcript of Sec. Rice's comments, go to [www.usaid.gov](http://www.usaid.gov).

## Rice Links USAID and State Under New Foreign Aid Chief ▲ FROM PAGE 1

report directly to Rice.

"America must get more out of our foreign assistance institutions," Rice said in announcing the changes.

She said current foreign assistance efforts are too fragmented and disorganized, and impede efforts to integrate foreign assistance with the Bush administration's overall foreign policy strategy.

"The current structure of America's foreign assistance risks incoherent policies and ineffective programs and perhaps even wasted resources," she said. "We can do better and we must do better. We must align our activities more fully across the State Department and USAID, and within the State Department itself. Increasing this alignment will enable us to be better stewards of public resources."

She said the new leadership position will transform the United States' approach to foreign assistance and "better align our foreign assistance programs with our foreign policy goals."

Just a day before the announcement about

Tobias, Rice introduced a wide-ranging initiative called "transformational diplomacy" that will restructure how the State Department carries out its mission. Rice said the objective of the initiative would be to work with partners around the world to build sustainable democratic states that respond to the needs of their people.

"Foreign assistance is an essential component of our transformational diplomacy," Rice said. "In today's world, America's security is linked to the capacity of foreign states to govern justly and effectively."

"Our foreign assistance must help people get results. The resources we commit must empower developing countries to strengthen security, to consolidate democracy, to increase trade and investment, and to improve the lives of their people. America's foreign assistance must promote responsible sovereignty, not permanent dependency."

In a separate event the same day, Rice also told close to 900 USAID employees who packed the Andrew Mellon Auditorium next

door to Agency headquarters that USAID would remain an independent organization. "I always started from the premise that USAID would stay intact and it will indeed stay intact as an independent organization," she said.

Rice said the changes announced will greatly strengthen the role of the USAID administrator. The new foreign assistance director will be expected to guide the development and implementation of a coherent foreign assistance strategy, including coordination with the Office of the Global AIDS Coordinator and the Millennium Challenge Corporation. That person will also oversee budgeting and program implementation.

The State Department and USAID will also create a new exchange program under which employees will cross-train between the two agencies on temporary details.

Several new advanced training courses at the Foreign Service Institute will also be set up to prepare "diplomats to manage complicated foreign assistance programs and to think more creatively about the integration

between development, diplomacy, democracy, and security," Rice said.

Tobias was tapped to be the first global AIDS coordinator in 2003 by President Bush. The office is in charge of implementing the President's Emergency Plan for AIDS Relief, a five-year, \$15 billion effort to prevent, treat, and care for people infected and affected by HIV/AIDS in developing countries. Tobias had been the president and CEO of pharmaceutical giant Eli Lilly and Company and had also been a longtime executive with AT&T.

Tobias, who attended Rice's address at the State Department briefing, said that "true development" requires far-reaching changes.

"A fundamental purpose of this reform is, in the end, to better ensure that we are providing both the necessary tools and the right incentives for host governments to secure the conditions necessary for their citizens to achieve their full human potential," he said. ★

## ECONOMIC GROWTH, AGRICULTURE, AND TRADE

## Forestry Reform Begins in Liberia

Liberia's forests have long played a vital role in its economy but have suffered from years of mismanagement under the former regime of Charles Taylor. Timber revenues were used to enrich government officials and fund armed conflict in the region.

A civil war led to the overthrow of Taylor in 2003. Then the U.S. Congress committed \$4 million to help reform the forest sector. With these funds, USAID joined with the State Department, U.S. Forest Service, World Bank, United Nations, and several NGOs to launch the Liberia Forest Initiative (LFI) to ensure that forests are managed sustainably and for the benefit of all Liberians.

The LFI had to meet the needs of commercial forestry, community forestry, and forest conservation together. As recently as 2002, forestry generated up to 60 percent of the nation's foreign exchange.

In the commercial component, the LFI is trying to establish a viable system of granting concessions, or legal permissions to extract timber, in a fair, competitive, and transparent manner. Revenues from concessions are to be invested in public services such as roads, schools, and clinics.

In the community forestry component, the initiative is increasing community involvement in decisions regarding the management of forests and helping communities use forest resources to improve their

lives. And, in the conservation component, LFI is working to save strategic forested areas for future generations. Liberia's forests constitute the largest remaining blocks of the Upper Guinean Forest Ecosystem, a threatened global hotspot for biodiversity that is home to the critically endangered western chimpanzee.

In the last two years, LFI reviewed 70 forestry concessions and recommended they all be canceled for failure to meet contractual obligations, nonpayment of taxes and fees, or other reasons. If the recommendation is accepted by Liberia's government, it may help lift UN sanctions on timber from the country.

LFI also helped secure Sapo National Park by removing illegal loggers, miners, and squatters, and by working with communities to create economic livelihood opportunities near park boundaries.

"LFI is about much more than saving forests," says Erik Streed, a forestry advisor with the Bureau of Economic Growth, Agriculture, and Trade. "In fact, the success of LFI will be critical to the success of other multilateral initiatives, such as the Governance and Economic Management Assistance Program, which is an umbrella effort to improve financial and fiscal administration, transparency, and accountability in Liberia's new government." ★



USAID is helping to ensure that the Sapo National Park—Liberia's only national park—and other forested areas in the country are well managed.

## GLOBAL DEVELOPMENT ALLIANCE

## Alliance Promotes Health through Soy



Doña Tita Zúñiga (right) and daughter, Glenda Valladares, owners of Eben-Ezer Bakery, are including soy flour in their semitas, a traditional breakfast bun popular in Honduras. They found that the soy flour helps lengthen the shelf-life of the semitas, and they are now exporting them to Honduran communities in Miami and Houston.

**TEGUCIGALPA, Honduras**—Glenda Valladares, owner and manager of Eben-Ezer Bakery here, is adding nutritious soy flour to her traditional breakfast buns, known as *semitas*, and has begun exporting them to Honduran communities in the United States.

Her use of soy-fortified products is part of a USAID effort to add nutritional value to food, particularly staples like breads and cereals. Fortification—with soy, vitamins, minerals, and other substances—can improve the health of millions of people in the developing world, expand local markets, and grow small businesses, according to health experts from the World Initiative for Soy in Human Health (WISHH).

USAID—through the Office of Global Development Alliance and the Bureau for Economic Growth, Agriculture, and Trade—partnered with WISHH in 2004 to urge farmers in numerous countries to grow and use soy beans.

An estimated 800 million people worldwide suffer from malnutrition, which is often caused by insufficient amounts of protein and micronutrients. Malnutrition plays a role in half of the more than 10 million annual child deaths in the developing world, and maims, cripples, and blinds on a massive scale.

Soybeans are an abundant and a complete source of protein that are affordable, easy to consume, and can be used without changing the taste or the physical property of foods to which they are added.

In Honduras, Valladares is among 160 people to receive food technology training and use soy in their products. The Healthy Schools Office of the Honduran

Government—along with the Honduran Bakers Association, WISHH, and the Illinois Soybean Association—produced a high-protein cookie that is now handed out to thousands of Honduran school children along with their lunches. The cookies are a source of up to 10 grams of daily protein.

"Many in Honduras are protein deficient, so we are getting a very positive response from Honduran bakers who can expand their businesses by adding high-protein soy into foods that are already popular," said Phil Bradshaw, a soybean farmer from Illinois who serves on the WISHH board of directors.

The project is also working with bakers in Kenya. Devkan Enterprises, one of the companies that participates in WISHH, recently began selling soy products in 12 stores in Nairobi, Mombasa, and Kisumu.

"What is most encouraging is the awareness and interest that Kenyan millers and bakers have in product improvement," says Dwight Alan Smith, USAID assistant mission director in Kenya. "This bodes well for developing market opportunities and the expansion of therapeutic feeding programs that improve the quality of peoples' lives."

WISHH, an NGO created by U.S. soybean grower organizations to fight hunger and malnutrition, has worked to improve diets and health in over 23 countries around the world.

USAID invested \$400,000 in this project. Another \$750,000 came from WISHH and other private partners, including the American Soybean Association, Archer-Daniels-Midland, Cargill, The Cutting Edge nutritional consulting firm, and the University of Illinois. ★

## GLOBAL HEALTH

## Bednets Take the Bite Out of Malaria

**ZANZIBAR, Tanzania**—Thousands of residents here braved the scorching sun for hours in mid-December to receive locally produced, free insecticide-treated bednets to protect their families from malaria.

The distribution of the nets is the first Tanzanian activity under the President's Malaria Initiative (PMI), a \$1.2 billion U.S. government commitment over five years to combat the disease in 15 sub-Saharan countries. Efforts—in collaboration with the Zanzibar Malaria Control Program—include distributing bednets, indoor insecticide spraying, and improved treatment and diagnostics.

Malaria kills about 1 million people worldwide each year. In Tanzania, it is the leading cause of death in children under age 5. The mosquito-transmitted illness kills 125,000 people annually, and nearly 80,000 of those are children. Overall, 93 percent of Tanzanians are considered at risk of infection.

Zanzibar, the second most densely populated region of the country, is PMI's first target because 20 percent of the population is under age 5 and about 4 percent of the population is made up of pregnant women—another high-risk group.

An estimated 3.5 percent—or about \$121 million—of the country's GDP is consumed by malaria costs.

Last year, USAID gave a Tanzanian

company, A to Z Textiles, the technology to produce long-lasting, insecticide-treated bednets, which are sold cheaply or given free to the most vulnerable populations. The company is the only African bednet producer equipped with such technology.

Through PMI, the Agency is also making available a new drug, artemisinin combination therapy (ACT), which has proven effective in fighting the drug-resistant malaria that has become a growing problem in recent years.

USAID will also provide additional support for the purchase and distribution of nets for at least 130,000 children and pregnant women. The Zanzibar Malaria Control Program will aid in raising awareness about the disease and ways to prevent it. It will also support the distribution

of 240,000 nets to pregnant women and families with young children.

"The provision of free nets to the most vulnerable people—those at highest risk from malaria-associated death and illness, pregnant women, and children under 5—is one of our most important commitments to families in Africa," said Kent R. Hill, assistant administrator for the Global Health bureau. "The fact that the nets are supplied by A to Z Textiles in Tanzania, from Tanzanians to Tanzanians, is especially significant." ★

**The provision of free nets to the most vulnerable people—those at highest risk from malaria-associated death and illness, pregnant women, and children under 5—is one of our most important commitments to families in Africa.**



Zanzibar President Abeid Amani Karume hands out free insecticide-treated bednets to mothers at the launch of a U.S. funded antimalaria campaign, known locally as *Kataa Malaria*. U.S. Embassy Chargé d'Affaires Daniel Delly stands to right of Karume.

## DEMOCRACY, CONFLICT, AND HUMANITARIAN ASSISTANCE

## After 20 Years, the Rule of Law Takes Root



Salvadoran law students compete in a mock criminal trial. Two decades ago, before rule of law programs began in El Salvador, legal training was inadequate.

Two decades ago, Central America was plagued by civil conflict, human rights abuses, and corrupt judicial systems beholden to political and economic elites. Laws were antiquated, legal training was inadequate, and the poor lacked access to justice.

It was in this volatile environment—which included the 1980 murders in El Salvador of four American women missionaries—that USAID, in cooperation with the State Department, launched a regional rule of law (ROL) program focused on human rights and criminal justice. Today, there are ROL programs in more than 50 countries.

"There was a great deal of skepticism within the Agency and the human rights community about our getting involved in this highly politicized issue," recalled Fay Armstrong, then coordinator for Administration of Justice in the Western Hemisphere at the State Department. "We were starting from ground zero, and few realized how truly dysfunctional these judiciaries were."

Over time, USAID's ROL programs became a key element in democratic consolidation throughout the region.

"For Salvadorans, corruption and impunity in the justice system are no longer considered acceptable or inevitable," said Mauricio Herrera, a USAID democracy specialist in El Salvador.

"Public awareness and advocacy for reforms on justice system transparency are now common among civil society organizations."

When the Berlin Wall fell in 1989, USAID expanded its ROL programs, assisting post-communist states to restructure judiciaries.

"Not only did these countries lack democratic traditions, but they had no history of sovereignty," said Paul Bonicelli, deputy assistant administrator for the Bureau for

Democracy, Conflict, and Humanitarian Assistance (DCHA). "We had to help change mindsets, in addition to forging independent institutions and helping to draft constitutions and laws to enhance due process and secure citizens' rights."

Despite resistance from entrenched interests, there has been meaningful progress.

In Ukraine, the 2004 Orange Revolution gained renewed strength when the Supreme Court ruled that presidential elections were stolen and ordered a new vote, paving the way for victory of prodemocracy candidate Viktor Yushchenko. Several of the court justices had participated in a USAID-supported training program on election dispute resolution.

In the 1990s, USAID started programs in Africa, Asia, and the Near East. The Agency helped rebuild Rwanda's shattered judiciary after the 1994 genocide. In both Bangladesh and the Philippines, USAID worked with NGOs on innovative social justice programs. Since 2001 in Afghanistan and 2002 in Iraq, USAID assisted with new constitutions, built courthouses, and trained judges and lawyers.

"USAID's ROL programs have a rich history," said Gerald Hyman, director of DCHA's Office of Democracy and Governance. "Now, our primary focus must be to assist fragile states rebuild the rule of law and transition to democracy, just as El Salvador has done over the past 20 years."

Speaking before the American Bar Association's International Rule of Law Symposium in November 2005, then-Administrator Andrew S. Natsios said: "We know that our development goals post-communist—whether addressing poverty, economic growth, health, ... [the] environment, or democracy—cannot be realized in the absence of rule of law." ★

# Post-Taliban Afghanistan Makes Progress

One and a half years after *FrontLines* Editorial Director Ben Barber went to Afghanistan to report on U.S. assistance to the central Asian nation of 25 million, he returned to assess new progress.

Afghanistan continues to emerge from 10 years of war fighting a Soviet invasion army, six years of ethnic civil war, and six years of religious repression under the Taliban regime.

Today, Kabul's streets are filled with people rushing about their business. A sense of purpose strikes a visitor. Dozens of multistory apartment houses are rising in the north and in other parts of the city. A shopping mall has opened. The battle-scarred Darul-Alam area, which was the battle line between warlords in the early 1990s, is quickly being rebuilt.

Schools, which only enrolled 900,000 boys in 2001 when the Taliban were ousted by a U.S.-led coalition, now enroll 5 mil-

lion—about half of them girls.

On the streets, women wear the burka if they wish but increasingly just use the headscarf.

A new parliament is meeting and a sense of optimism is expressed by nearly all Afghans questioned. It is, however, an optimism hedged by acute awareness of the challenges that remain: terrible poverty, rolling back poppy production, ethnic tensions, reigning in the Taliban and al-Qaida terrorists hiding in remote regions, and building an economy capable of standing on its own as foreign assistance tapers off in coming years.

This section includes a few stories of the current progress made with U.S. assistance.

★

*FrontLines* Editorial Director Ben Barber visited the Afghanistan regional mission recently and wrote this series of articles.



Two newly elected members of parliament discuss their political agenda before a debate. USAID and the United Nations in recent months provided an orientation and training course for the newcomers to parliament, which included the political process and how legislation is drafted.

Ben Barber, USAID

## Afghan Schools Repaired and Constructed

**KABUL, Afghanistan**—It's just about freezing as a half dozen workmen lean from their wooden scaffolds to plaster the walls of the huge, sprawling Panjsad Family High School in the northern part of this city.

Inside the courtyard, although school is on three-month winter vacation across the country to spare students the unheated classrooms, a dozen boys play fierce games of volleyball amid a frozen expanse of snow and ice.

"All of our schools were damaged and destroyed in 20 years of war," said Ajmal Rachimi, 18, taking a break from watching his friends play ball.

"This work," he said, pointing toward the men fixing walls, roofs, windows, and floors, "will improve the school. It's good quality work and the people are satisfied."

The work at Panjsad is part of a school construction and rehabilitation program funded by USAID and carried out by the International Organization for Migration (IOM).



Students play by Panjsad Family High School, one of dozens of schools USAID has refurbished throughout Afghanistan.

Ben Barber, USAID

By January 2006, IOM had refurbished 162 schools and was working on 118 more. The group had built nine new schools and was at work on 25 others.

The cost per job was about \$40,000 to fix up the old schools and \$140,000 to build new ones, each with eight classrooms, external latrines, and an electric generator.

"When you use local Afghan contractors to do the work, it's a challenge to build the quality and quantity we're aiming for," said Karoline Lund of IOM.

"Mostly, we're making good and beautiful buildings."

Another student, Mirwais, 15, was walking past the school as the workmen began to end their day's work and clean their tools.

"This is very good work," he said, clutching his notebook, filled with English, Dari, and math notes. "Students will do better work and won't be lazy and be better educated in the future."

His father and mother are illiterate, like most of the 10,000 students in the high school. There are three shifts and tent classrooms in the courtyard to accommodate the large number of returned refugees from Pakistan and Iran.

Mirwais, whose concise and neat penmanship reveals eagerness and intelligence, wants to become an engineer.

At nearby Zulaikha High School, the need for work was apparent. Workmen were repairing broken or missing wooden window frames, replacing glass, and sealing roofs made of tin sheets resting on logs to keep out the rain. Bright yellow walls and white-painted woodwork brightened up the scene, even in the absence of school children.

IOM says it's not easy to find skilled workmen and to find decent building materials and low prices. Proper monitoring is provided by an NGO that sends inspectors to assure work is adequate.

And while it's easy to deliver plaster, cement, wood, steel sheets, and other mate-



Mirwais, a student at Panjsad Family High School who wants to become an engineer, stands by his school as repairmen paint the building. Panjsad is one of many schools USAID has refurbished in Kabul.

Ben Barber, USAID

rials to schools in Kabul, Herat, Mazar-i Sharif, or other cities, schools in remote villages are reached only across miles of dirt tracks that turn to mud in the rain and snow, sinking delivery trucks to their axles and even the windows of the driver's cab.

"We use donkeys in some places to transport materials," said Lund. This delays work and raises costs.

IOM, which was formed after World War II to resettle survivors of the concentra-

tion camps and other displaced people, has been working in Afghanistan for 12 years, employing 60 international staff and 500 Afghans.

"We'll get this job done in 10 days," said engineer Lutfullah Khaliqyar, supervisor of the repairs at Zulaikha High School. "We have to get it all done before March when the 6,000 students, all of them girls, return to school." ★



## Healthcare Standards Rise in Afghanistan ▲ FROM PAGE 1

his wrinkled face, swollen arms, and wispy white beard.

The former baker has been fighting heart disease for some time and knows from experience what this place used to look like before the USAID health project began to upgrade the hospital.

"I came two years ago," he said, resting against a white pillow on clean sheets as his son Ahmed Dada, 21, sat nearby in front of a small electric heater. "Now it is so clean, so

well-equipped, and so good."

His son said the old man pays nothing for his care or his medicine because he is poor. Food is also provided but his father prefers food from home.

Until recently, most Afghan hospitals were on the level that might be expected from the country listed as 173rd out of 178 on the 2004 UN Human Development Index. Just two years ago, hospitals in the capital, the most developed place in the country, revealed a

shocking scene. Patients lay in their street clothes on straw mats, filthy mattresses, or soiled sheets. Dim lighting came from a handful of fixtures that were not broken. The horrid smell of overflowing toilets and soiled bandages permeated the air. Patients groaned in pain and medicine was only given when their families went to the pharmacy in the market outside and sold their belongings to buy it.

No more at Wazir Akbar Khan. Aside from cleanliness, hospital administrator Mike Mahoney has used the \$3 million USAID grant to provide basic medicine; fix or install basic medical devices such as ventilators, heart monitors, defibrillators, x-ray and other machines; upgrade the emergency room; and "introduce changes to bring this up to speed," he said in his office.

Admitting he's never worked in a country as poor as Afghanistan, Mahoney said he is awaiting a container of cleaning materials to strip and wax the floors so they can more easily be kept spotless. Reducing infections, gastroenteritis, and other diseases spread by dirt is key to raising health standards.

He has also brought a team of surgeons who have been teaching the Afghan doctors in the morning and working side-by-side with them in the afternoons caring for patients in the 210-bed institution.

He shows a visitor a list called "essential package of hospital services" that tells what surgeries and other interventions the facility

should provide to anyone who walks or is carried in the door of this primary trauma center in the capital of 4 million.

Mahoney says he is already able to fulfill about 30 percent of the services on the list and is working on the rest.

Part of the reason for his success is a tough-looking former mujahideen fighter against the Soviets, Mohamad Ayub, 46, who is the country director for the project. "He gets things done," said Mahoney.

The bearded ex-fighter smiles when he hears this and tells how he works. "I saw a relative of a patient rushing out the door with a prescription in his hand," he says with a slight smile. "So I grabbed him and said: 'Stop. Why do you go out for medicine? We have it here for free. If you go out, don't come back.'"

He wants to discourage a return to the old ways when doctors sent patients out to buy drugs because hospital pharmacies were looted or simply nonexistent.

To keep its pharmacy up-to-date, the Loma Linda team has created a filing system that includes patient care and other aspects of management seen as key to modern organization and efficiency.

Up on the second floor ward, although Habibullah is clearly unwell, he reclines on a real hospital bed, in a hospital gown, lying on clean pillows and sheets in dignity, a new beginning for medical care in this ancient land. ★



Habibullah, who uses only one name, has been fighting heart disease for some time. He has seen the Wazir Akbar Khan Hospital transform in the past two years through a USAID project.

## After Taliban, Afghan Children Learn at Accelerated Rate

**KABUL, Afghanistan**—In Basira Kakar's small classroom, off a snow- and mud-covered street on the outskirts of this city, 28 girls and young women gather each day to spend four hours studying to make up for their lost childhood education.

"We covered the first, second, and third grade in one year," says Kakar. "In six months we completed the fourth grade. Now we are on the fifth grade."

Illiteracy, especially among girls, is one of the legacies of the Taliban in Afghanistan. However, since the Taliban government's collapse in 2001, school attendance has leapt from 900,000 to 5 million—with more than 34 percent of the enrollees being girls, the highest in the history of Afghanistan.

More than 170,000 students—including those in Kakar's classes, who range in age from 10 to 22—are in special "accelerated learning" classes because their educations are so far behind. Of the accelerated learning students, about 58 percent are girls.

A USAID grant to Creative Associates International created the program throughout this mountainous nation of more than 25 million people. The NGO then hired five Afghan groups to carry out the project. They trained "master trainers," each of whom taught other trainers who in turn each work with and supervise about 10 teachers.

Kakar, who once taught in the Afghan public school system, is one of those teachers. Her training took six hours per day over 12 days for each of the six grades. In the end, she learned how to integrate the curriculum into

half the time so her students could quickly catch up. And she also adopted modern teaching methods such as student groups and greater individual participation in learning, as opposed to traditional lecture and testing.

"This style of teaching makes the students rush to learn more," Kakar said, while her students sat on cushions on the floor holding their textbooks, also funded by USAID.

Kakar said she sold her gold jewelry to augment her \$60 per month salary, supplied by USAID, and help pay for her small school. Kindness and concern radiates from her face as she speaks to visitors and to her students.

The children are all asked to bring some firewood to class in these cold winter months to fuel the small metal stove that heats the classroom.

Rohena, 11, stands up before the class to read from her textbook. They are learning Pashtu, the language of the southern and southeastern Afghans, as a second language. Their mother tongue is Dari.

"I had no education," said Rohena, one of the few girls permitted by her parents to speak to a foreign visitor within this conservative, traditional society. "Study is important to know things and get knowledge. I want to be a doctor." Her cheeks turn red with embarrassment and she pulls her flowered head scarf more tightly around her before resuming her seat.

Rohena's conservative father did not want her to go to the local public school where boys and girls—albeit in separate classes—both study in the same building. However,



Basira Kakar teaches an accelerated learning class, where students 10 to 22 years old catch up on missed schooling. USAID is spending nearly \$17 million on accelerated learning programs in Afghanistan this year.

the accelerated learning class she attends is only for girls so her father allowed it.

After the sixth grade is completed—in a few months at the accelerated rate the curriculum is being covered—she and the other students will have to continue studies in a government school.

"However, now she will finish with a certificate saying she has a sixth grade education," said one USAID official. "In Afghanistan, that means a lot."

Afghanistan has one of the world's highest illiteracy rates—more than 70 percent of people cannot read.

Some 90 percent of the 170,000 Afghan children in the accelerated learning program have illiterate parents.

Another teacher in the program, Nazbobo Yousofzai, said that her class includes several refugees who returned from years in exile abroad, especially in Pakistan. One boy in her class was weaving carpets there and only now has learned to read and write.

"In my class, two students want to be doctors, three want to be engineers, and the rest want to be teachers," said Yousofzai. "They were completely illiterate when they came here." ★

## LATIN AMERICA AND THE CARIBBEAN

# Guatemalan Government Gets Help to Stamp Out Corruption

**GUATEMALA CITY, Guatemala**—This Central American nation ranked as one of the world's most corrupt countries in Transparency International's 2004 survey gauging perceptions of graft around the world.

A USAID survey conducted during the same year found that 49 percent of the public in the Central American country viewed corruption there as rampant.

While recognizing that corruption cannot be stamped out immediately, a USAID project that began in 2003 has been assessing corruption in Guatemala and taking steps to reduce it.

The anticorruption project identifies and works on rectifying weaknesses in government institutions that make them vulnerable to corruption. Reducing corruption by a mere 1 percent could save the Guatemalan government as much as \$16.5 million per year, USAID officials estimate.

"The overarching success of the program has been the rapid, steady, and visible growth in public sector commitment to improve efficiency and transparency in government operations in general, and, in particular, of each of the entities that the USAID program assessed," said Richard W. Layton, director of finance and business management at the USAID/Guatemala and Central American Program.

Tackling the root causes of corruption is also expected to encourage foreign investment. Officials hope that it will also help convince Guatemalans to pay their taxes, which will significantly boost the government's coffers, given that Guatemala has the lowest tax revenue collection rate in the region.

USAID began anticorruption work here when former foreign service national Edin Barrientos, who in 2003 was Guatemala's minister of agriculture, asked for help to get a clear picture of the systems and management controls within his ministry. Based on the findings, the Ministry of Agriculture implemented several improvements, and is piloting fixed asset controls and internal audit procedures that will be adopted by other Guatemalan government ministries.

Impressed with the work, Guatemala's then incoming administration, headed by President Oscar Berger, asked USAID/Guatemala to expand the project to nine other ministries: Education; Public Health and Welfare; Finance; Communications, Infrastructure, and Housing; Economy; Environment, and Natural Resources; Culture and Sports; Labor; and Energy and Mines. It also asked for help with four public sector entities: the National Tourism Institute, Public Ministry (attorney's general

office), Comptroller's General Office, and Supreme Court.

Together with the agriculture ministry, these institutions manage approximately 70 percent of Guatemala's operational budget.

"There were many challenges at the beginning because of the natural concern that leaders had of what would be discovered and

how that would lead to public perception of government inefficiency," Layton said. "We were all nervous about how to present results and the questions that the media and the public would ask.

"This fear dissipated when each institution that was evaluated began to understand the

▼ SEE GUATEMALA ON PAGE 13



Left to right: Alfredo Villa, private secretary to the president of Guatemala; Glenn E. Anders, USAID/Guatemala mission director; and Hugo Maúl Figueroa, presidential commissioner for transparency and anticorruption, sign the Memorandum of Understanding between USAID/Guatemala and the Commissioner's Office for Transparency and Anticorruption, Oct. 26, 2005, in the presidential palace, Guatemala City.

## AFRICA

# Small Loans Have Big Impact in Sudan

**YEI, Sudan**—Esther Moriba used to walk miles to a distant market to buy her merchandise, but now she has enough cash flowing to hire someone to bike to the market to bring her goods back for her.

In the same region, Emmanuel Bida's import business is also offering a wider

selection of goods for sale and rent.

And, Suzie Cici, buoyed by the success of her business selling smoked fish at a local market, is making plans to open a restaurant. "Now I'm motivated to work hard, because I've learned that hard work will make you prosper," said the single mother of four.

Moriba, Bida, and Cici are getting help with their businesses from the Sudan Microfinance Institution (SUMI), which provides loans of between \$100 and \$3,000 to small businesses in a region attempting a comeback after 22 years of civil war with northern Sudan. Women, rural people, and those who were displaced by the war are the program's target audience.

SUMI, with four branches, has loaned more than \$1.3 million to 2,723 clients since it began in 2003. The repayment rate has been high: 97.8 percent.

Given Southern Sudan's dire conditions, few believed SUMI would have even modest success. The war left little infrastructure in the south, and no legal or regulatory systems to get government and business moving. Against this backdrop, entrepreneurs in southern Sudan are trying to make a go of it. SUMI is funded by USAID to promote economic recovery in Sudan.

"Most businesses in Sudan are microenterprises, so supporting them is practically supporting the entire commerce sector," said Irene Karimi, chief of party of the USAID-funded Agricultural Enterprise Finance Program.

"Many people didn't think southern Sudan was ready for microfinance, but our clients are respecting the conditions of the loans," she added. "The project has promoted a sav-

ings and borrowing culture among people who have long been dependent on food aid. It has given people a sense of dignity to have good credit, to work hard, and see their businesses grow."

USAID envisions SUMI becoming a self-sustaining, independent business. Already some of its best advertising has been word of mouth.

Cici, the hopeful restaurateur, was able to buy land, build a house on it, and buy a car. Her four children now attend school. She said many of her friends have also benefited from SUMI loans. "Now we are encouraging other women to take out loans so that they too can succeed," Cici said.

Bida, who ended up with his wife and first child in a refugee camp during the war, has taken out six loans, ranging from \$100 to \$1,700. He sells imported audiocassettes, CDs, cold drinks, and other goods. He also rents stereo equipment to people putting on local events. "The loan has allowed me to do things I could not do otherwise because I didn't have the capital," said Bida, who has since had a second child.

Moriba, who has eight people to feed in her household and sometimes didn't have money to buy enough food for them all, was among SUMI's first clients. "I still struggle," Moriba acknowledges, "but now my children are able to eat three meals a day." ★



Emmanuel Bida sells cold drinks, cassette tapes, CDs, and other goods in Yeï, Sudan. He also rents out stereo equipment for local events. He has taken out at least six loans from the USAID-backed Sudan Microfinance Institution.

## EUROPE AND EURASIA

# Moldova Streamlines Business Regulations

**CHISINAU, Moldova**—Hundreds of unnecessary, burdensome, and corruption-friendly business laws and regulations have just been eliminated from the books in Moldova.

Dionise Racu felt the difference immediately. Racu owns SRL Auto Diagnostic, an auto repair shop in Hincesti, a town about a 45-minute drive from the capital,

Chisinau. He was trying to obtain a bank loan to develop his business, but had become ensnared in a labyrinth of local government requirements—many with fees attached. One was for a certificate from the local Ministry of Finance Fiscal Department.

“When I went there, they told me I didn’t need it any more because it was abolished by

the Guillotine Law [which ended unnecessary regulation]. So I went directly to the bank and I received the credit,” Racu said.

The Guillotine Law, as it has come to be known, has helped Moldova reduce unnecessary legislation and policy directives that have weighed down investment and business development. Moldovan government officials believe that the guillotine process will substantially reduce the 300 million Moldovan lei (\$24 million) that businesses were once required to dole out annually in government fees.

Moldovan President Vladimir Voronin gave support to the process. “The issue here is that without these reforms, without the creation of new work places, without the creation of new modes of production, this country will come to a standstill in four years,” Voronin said in a late October interview in *Komsomolskaya Pravda*.

About 40 percent of all laws and regulations affecting business in Moldova were affected, with 10 percent of them cut and another 30 percent sent to a special government commission addressing regulation streamlining. The year-long effort has been supported by USAID’s BIZPRO Regulatory Reform Program (RRP), which aims to stimulate economic development and root out corruption.

“The application of the Guillotine Law is one of the most significant events in the reform process since Moldova’s departure from the USSR,” said USAID Country

Program Officer John Starnes.

In December 2004, the Moldovan legislature passed the Guillotine Law, which chops all acts from the book that are not specifically retained, circumventing the need to individually repeal them.

The regulatory guillotine formally dropped with the publication of two governmental decisions in Moldova’s *Monitorul Oficial*, the Moldovan equivalent of the *Federal Register*, in September and October 2005.

USAID has decided to extend RRP for another year to support the extension of the guillotine approach to laws that affect national, municipal, and regional government regulations.

The RRP also initiated a national advocacy campaign on regulatory reform and corruption called “Join In and Fight Back,” that uses billboards, TV spots, and thousands of posters in offices, shops, schools, and public buildings to ensure that the population understands what regulation streamlining means.

RRP is also distributing cards to truck drivers and shop assistants informing them of their right to demand the name, badge number, and specific law in question when police officers stop or question them. The cards provide a hotline number to report such incidents. ★

*Roman Woronowycz of the USAID Regional Mission for Ukraine, Belarus, and Moldova contributed to this story.*



Moldovan Minister of Economy and Commerce Valeriu Lazar discusses his country’s new Guillotine Law with Denis Gallagher, of USAID’s BIZPRO/Moldova.

## ASIA AND THE NEAR EAST

# Moroccan Women Turn Argan Oil into Gold

**DOUTAMA, Morocco**—Known as “Morocco’s liquid gold,” argan oil is a prized commodity for the Berber tribes in the south.

The people here and in surrounding villages in the Immuouzer region live off the sale of argan oil, which is harvested by Berber women and is used as both a culinary and beauty aid.

In 2002, USAID’s Watershed Protection and Management project helped a group of these women establish a cooperative. They built a traditional building and installed modern machinery for oil extraction. That led to a tripling of revenues—from 60 dirhams (\$6.50) to 170 dirhams (\$18) per liter of the oil.

Now they are creating a tourist magnet from argan oil, which is extracted through an arduous and labor-intensive process from the nuts of the argan trees that grow only in the southwestern region of Morocco.

It is increasingly coveted by Parisian chefs as a seasoning, and it contains vitamin E and other healthful components. Some believe it helps lower cholesterol and has other medicinal properties. Even beauty product makers are incorporating the oil into moisturizers and antiaging potions—including in the new Plantidote line of skin care products from integrative medicine enthusiast Dr. Andrew Weil.

To make their culinary tourism dreams a reality, the Berber women tapped into

USAID’s Morocco Rural Tourism Development Program.

The first priority was to improve packaging and diversify the product line. USAID funded the initial purchase of attractive, cost-effective containers for both the cosmetic and culinary oils. Then, to attract buyers, the program installed a sign along the main access road directing passers by to the cooperative.

Already the cooperative’s location in the highly visited region made it an ideal tourist pitstop. In the building’s courtyard, a large interpretative display tells visitors about the extraction process and daily life in the cooperative. A map of the area provides information about other attractions, encouraging visitors to extend their stay in the region.

As a result, argan oil now commands a higher selling price and a larger clientele. From June 2005 to

September 2005, cooperative sales more than doubled compared to the previous quarter. With the new bottles and labels, the price of the culinary oil went from 170 dirhams (\$18) to as much as 400 dirhams (\$43) per liter. The cosmetic oil, a brand new product for the cooperative, sells for 600 dirhams (\$65) per liter.

The success of the cooperative has given

its 44 members confidence to plan for the future. “With the coop, I feel my life is full,” said its president, Aïcha Boumhati, 43. “I feel it’s given me some direction.”

Echoing this sentiment, 56-year-old Moutawakil Rkouché said the money she has earned through the coop has helped her build a better future for her children and grandkids. ★



Members of the Doutama Women’s Cooperative pose by their new line of valuable products.

November 27–December 24, 2005

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RIG/Cairo to RIG/Baghdad

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ANE/IR to E&E/PO/SPA

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Mozambique/DI to Dominican Republic/GDO

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## IN MEMORIAM

**Abdullah Abder Rahim Ahmad Arjan**, 65, died Dec. 19, 2005, in Amman, Jordan. Arjan, a senior project management specialist and environmental officer, retired from USAID in 2000 after 23 years of service. He managed more than 20 major development projects worth about \$300 million, and focused on water and environmental activities that supported Jordan's peace treaty with Israel. Arjan's technical expertise and political sensitivity on these issues contributed significantly to the political and development objectives of the United States in Jordan.

**Juanita Jenkins**, 77, died Dec. 23, 2005, in Washington, D.C. Jenkins began her career as a secretary at what would become USAID in 1955 and retired from the Agency's Asia and Near East bureau in 1986. She applied her skills and professionalism not only to her own assignments, but to training other secretarial staff. One example of her dedication was during the 1968 riots in Washington. She lived on a street where homes had been set on fire and no public services were available. Still, she walked to work to get the job done and keep the office functioning. ★

## Agency Mourns Passing of Linda Morse

In talking to Linda Morse's family members and friends, and reading their email recollections, Joyce Holfeld discovered something she hadn't known about the woman she considered her best friend: many others considered Morse their best friend, too.

"What a legacy," said Holfeld, who worked with Morse in USAID/Morocco and in the Global Health bureau, for which she served for two years as senior deputy assistant administrator until her retirement in May.

Morse, who was 55, died Jan. 1 in Arlington, Va, several days after suffering a massive heart attack. She had spent 30 years at USAID, hoppingscotching the globe and improving lives from Haiti to India to Morocco.

"For those of us who had the good luck to work closely with Linda, the work was but a point of entry to deep friendship," said Walter North, deputy assistant administrator for the Bureau for Policy and Program Coordination. "Her integrity, good judgment, humor, wisdom, and generosity of spirit challenged all of us to rededicate ourselves to the work, to each other, and to the best in life."

Morse joined USAID in 1976 as a public

health advisor in USAID/Haiti, working on nutrition and food aid programs. In the early 1980s, she became chief of health and nutrition in the Latin America and the Caribbean bureau, and later moved on to be deputy director of USAID/Haiti. In 1988, she became the deputy director of USAID/Morocco.

In 1991, she was a deputy assistant administrator for the Asia and Near East bureau, and in 1995 became mission director in India. In 2000, she became senior deputy assistant administrator for the Europe and Eurasia bureau, and in 2003 started in Global Health.

She returned to the Agency last year to accept the Administrator's Distinguished Career Service Award, the Agency's highest employee honor.

Her accomplishments were lengthy. During her final post, Morse directed USAID's global health strategies and \$1.6 billion in health assistance. She also led negotiations within the administration and members of Congress on allocating HIV/AIDS resources for more than 50 countries where USAID implemented prevention and treatment programs.

Holfeld, who is now a public health consultant, got to know Morse when they

worked together in Morocco. Her recollections mirror those of Morse's other former colleagues: a keen intellect, willingness to innovate, and fun-loving spirit. Many also remember Morse for making mentoring a priority.

"She understood what it meant to be a professional woman and helped other women to 'show their stuff' and take their place alongside their male colleagues," said Holfeld, who was quick to add that Morse's mentoring extended to male colleagues as well.

Morse's humanitarian work also happened outside of business hours. When she left India, for example, she established the Bal Panchayat Trust to support educational activities for street kids.

"Her 'un-random acts of kindness' to colleagues and for the poor were many and were often transformative," said North, who followed Morse as the India mission director.

Donations to honor Morse's memory are being collected for the Bal Panchayat



Linda Morse

Mark Holfeld, USAID

Trust, an organization she established to provide educational assistance to children in India. Checks should be made payable to Agudas Achim Congregation; the memo line should include "RDF-Linda Morse Memorial Fund." The mailing address is Linda Morse Memorial Fund, P.O. Box 7655, Arlington, Va. 22207. ★

# Employees Express Views in Annual Agency Survey

For the first time in the five years that USAID has been conducting an annual survey of its employees, scores went down in customer service, and morale ratings took a hit as well.

Employees cited cuts to the Agency's operating expenses budget, State Department takeover rumors, and cramped cubicles as three of the key reasons for the decline in the online survey, which included a section for written comments about morale. More than 2,500 people typed in their complaints, praise, and suggestions on subjects like career development, pay, leadership, and training.

Overall the survey was the biggest yet. Employees from almost every division received the anonymous questionnaire in the fall. The questions covered personal job satisfaction and morale as well as the quality of services provided by the Bureau for Management, pillar and regional bureaus, and independent offices.

"Over 5,000 people responded," said

Robert Baker, a management analyst in the Bureau for Management, who helped design and conduct the survey. "No matter what, the scores are telling you that the employees believe in the Agency. You're investing in where you work."

Staffers gave some of their highest marks to the statement "The work I do is important." In response to that statement, the Office of Security showed the highest favorable margin—at 100 percent. Offices that neared a 90 percent favorable margin included the Bureau for Latin America and the Caribbean, the Bureau for Asia and the Near East, the Office of Acquisition and Assistance, the Office of the Inspector General, and the independent offices.

Morale was a key concern this year. The 2005 survey beefed up this section and received enough written comments to fill 189 pages. The comments were tabulated by bureau or office, but no names of employees were recorded.

"I am not sure USAID can help here," said one person from the Bureau for Europe and

Eurasia. "Unclear future and strong potential for downsizing decreases the morale in our mission. If you add to that constantly increasing workload, the picture gets even worse."

A contractor said: "Poor morale is a serious subject and efforts to address it should be given more importance."

There were also words of praise, particularly from foreign service nationals who complimented the Agency for naming 2005 the "Year of the FSN." Several people offered suggestions, such as an Agency-wide picnic and a mentoring program.

Lack of space was a recurring theme for a number of employees who work in the Ronald Reagan Building in Washington. "Physical conditions are very problematic: We are squeezed for working space, don't have sufficient meeting room space, and the noise level is high," said one worker. "These conditions negatively affect productivity."

A desire for more and better communication also showed up in the survey. "While we have made some inroads and improvements in communications, the main point on morale is that a lot of people don't know what's going on," said Agency Counselor Mosina Jordan.

Change in that area has already begun. Executive Diversity Council meetings are slated to be web cast on the Agency's intranet to allow as many people as possible in Washington and in the overseas missions

to participate, said Joe Fredericks, chief of public information, production and on-line services in the Bureau for Legislative and Public Affairs.

Again this year, managers have been provided responses to the 2005 survey that relate to their divisions. How the information is used varies among divisions. The Bureau for Policy and Program Coordination (PPC) has been among the most active with the results, Baker said.

Although former Administrator Andrew S. Natsios introduced the annual survey shortly after he arrived at the Agency, this was the first year PPC participated in the survey. About 14 percent of respondents commented on the bureau's services—a number of them positively.

For example, many respondents expressed appreciation for the strategic direction provided by the White Paper, said Susan Wallace, chief of the Center for Development Information and Evaluation's Development Information Division, which is part of PPC.

In response to survey results, PPC contracted a communications and outreach specialist to help communicate better with other parts of the Agency. Other measures such as online collaboration tools and video conferencing will be used to improve dialogue within the Agency, Wallace added. ★

For more details on the survey, go to [www.usaid.gov/careers/survey2005](http://www.usaid.gov/careers/survey2005).

## Job Opportunities Remain in Iraq, Sudan

### ▲ FROM PAGE 1

position in Sudan. The second advertisement for these positions and other foreign service assignments is scheduled for release in late January. At that time, there may be additional jobs in CPCs on which officers can bid.

"We need to continue to try to motivate people to take on these assignments," said Rebecca Cohn, chief of the Personnel Operations Division.

The assignments, while considered hardship posts, do offer advantages, including career enhancement and increased pay. Workers assigned to Iraq, for example, receive 25 percent danger pay; a 25 percent post differential; a 20 percent special overtime differential; a Sunday differential (only for uncommissioned officers); two two-week vacations and three one-week regional rest breaks (RRBs) in a year-long tour; and up to 20 workdays of administrative leave per year.

People posted to Iraq are also assigned fully furnished, one-bedroom homes with modern amenities like satellite television. USAID's offices within the International Zone (also known as the Green Zone) are housed in a blast-resistant office building. While there have been car bombings and other kinds of attacks in the International Zone since it was created, no USAID staffers have been killed as a result of the incidents.

Foreign service officers not currently

serving in a hardship post are required to bid on at least one position in one of the CPCs or in another of the hardship posts, and those jobs are filled before other foreign assignments are made. The assignments in Iraq, Afghanistan, and Pakistan run one year unaccompanied. When the Sudan mission moves from Nairobi to Juba and Khartoum in FY 2006, it is anticipated that the tour length will be one year unaccompanied and two years with adult dependents. The Agency has also been offering foreign service limited appointments for hard-to-fill CPC vacancies, thereby broadening the pool of expertise to meet the Agency's staffing requirements. And, in some instances, the Agency has been able to offer extensive TDYs—up to six months deployment—to GS, or General Schedule, employees.

In future years, the highest demand in Iraq is expected to be for experienced USAID managers to serve in regional positions. In Afghanistan, it's technical officers. Pakistan needs people with expertise in reconstruction.

Security is a primary worry—and one reason the positions are so tough to fill. Cohn says that many efforts are made to keep workers safe while in CPCs, but perhaps the best reassurance comes from speaking with other staffers who have been deployed to Iraq and the other countries. "I think it's really important to talk to them," she said, adding they will be able to talk

about their motivations for taking on the assignments and how they manage their lives in the field.

USAID staff is also required to complete security and antiterrorism training courses before deploying to Iraq. The area where staffers work and live is defended at all times by U.S. forces.

In spite of the real concerns about safety, there are some things that motivate workers to want to work in Iraq and other CPCs, Cohn said, including patriotism and wanting

to make a difference.

"There is a sense of excitement and interest," former Administrator Andrew S. Natsios told USAID/Baghdad staffers at a recognition ceremony in their honor. "It's a history-making event. And people will say many years from now that you worked on this great project."

More information and instructions on applying for positions in CPCs are available online. Employees should go to USAID's intranet for detailed information. ★

## Guatemalan Government Gets Help to Stamp Out Corruption

### ▲ FROM PAGE 10

benefits the assessments would bring to their work and the value of each public servant in, first, the process of identifying areas for improvement as a public service responsibility and, then, how to improve the organizations' image and reputation in Guatemalan society."

Each assessment looked at the legal framework, organizational structure, administrative and financial management, and internal and external controls in place for ministries to carry out their stated objectives. Evaluators identified

areas where strengthening of systems and procedures was needed to reduce inefficiency, graft, and "leakages." USAID assistance included support to prepare time-phased plans that each institution could use to implement new or corrective measures.

The Ministry of Communications, Infrastructure, and Housing, for instance, adopted a more decentralized budgetary system, standardized its procedures and reforms for expenditure reporting, started training programs for personnel, and improved information technology. ★

# Development Group Urged to Focus On Causes of New Virus Threat

*FrontLines* is published by the U.S. Agency for International Development, through the Bureau for Legislative and Public Affairs.

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Readers are encouraged to send in stories, feature articles, photos, nominations for “First Person” or “Mission of the Month” columns, and other ideas.

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International development organizations should address the underlying causes that lead to the emergence of new viruses such as avian, or bird, flu, a senior USAID infectious disease specialist said in December.

“Age-old traditions of backyard farming, marketplaces that mix all kinds of animals in a regular Noah’s Ark, and recent surges in the populations of people and animals, allow for an explosive mixture of animal viruses and immunologically naïve people,” Dennis Carroll of the Global Health bureau said at a George Washington University conference on avian flu.

“We may dodge the avian flu bullet, but there will be others coming and we need to prepare now.”

Concern over a potential avian flu pandemic brought more than 100 senior development professionals and infectious disease specialists to the conference last month which focused on socioeconomic, political, and environmental dimensions of an avian flu pandemic. It also explored the tools and information needed to effectively deal with massive disease outbreaks.

A worldwide, coordinated response is critical to overcoming the pandemic threat, said keynote speaker James Adams, vice president of the World Bank’s Network Operations Policy and Country Services.

Adams said the Bank is doing assessments, developing programs for specific countries, and setting up a trust fund along with the European Commission, the World Health Organization (WHO), and other donors.

“Financing is only one aspect of the problem,” said Adams. “Strengthening capacity in animal health and putting adequate surveillance systems in place will help advance the ability of developing countries to respond, not only to the current threat, but to future problems.”

USAID has already committed \$15.6 million to support efforts to contain and prevent avian influenza in affected countries by strengthening animal and human disease surveillance, improving national preparedness and planning, training and equipping first responders, and conducting targeted com-

munications campaigns to reduce practices that facilitate the spread of disease between animals and from animals to humans.

The majority of these funds are focused on Southeast Asia where the risk to humans is now greatest. In response to recent animal H5N1 outbreaks in Eastern Europe and the increased risk to Africa from infected migratory birds, USAID missions in Georgia, Armenia, Tanzania, Ukraine, Ethiopia, and West Bank-Gaza have acted quickly to reprogram an additional \$2.1 million since November 2005.

Milan Brahmbhatt, the World Bank’s lead economist for East Asia and the Pacific, compared avian flu to the 2003 SARS outbreak, which hurt Asian tourism, mass transport, retail sales, hotels, and restaurants. Workplace absenteeism disrupted production.

“If an actual influenza pandemic were to occur,” said Brahmbhatt, “the most immediate economic impacts might arise from the uncoordinated efforts of people to avoid becoming infected.”

USAID missions around the world are already working with host governments and WHO to develop comprehensive pandemic plans and raise awareness about the threat of avian and pandemic influenza. The Agency is also working closely with the Department of State to increase international political will and cooperation through the International Partnership for Avian and Pandemic Influenza.

The State Department on Jan. 12 announced the release of \$91.4 million in



A vendor sells both live and prepared poultry products on a crowded street in Hanoi, Vietnam.

additional funds to boost assistance to countries in preventing the spread of the highly pathogenic avian influenza. The supplemental fund, part of \$3.8 billion set aside for pandemic flu preparedness, will also be devoted to trade compliance, research, and development of new vaccines and preparedness training.

Avian flu has been found in the Philippines, Cambodia, Thailand, Vietnam, China, Croatia, Hong Kong, Japan, Kazakhstan, Korea, Laos, Malaysia, Mongolia, Romania, Russia, Taipei China, Turkey, and Ukraine. The disease has killed half of the 139 people it infected in Vietnam, Thailand, Cambodia, Indonesia, and China since the disease was discovered in December 2003. ★

## Agency Works to Contain Avian Flu

As China recorded its sixth death from the avian flu virus Jan. 18, the H5N1 strain continued to overwhelm the capacity of developing countries to control the spread of disease.

As of late January, Turkey had diagnosed 21 human cases of bird flu, including four dead teenagers and a boy in worsening health. A team of experts from the United States—including USAID’s Avian Influenza Unit Director Dennis Carroll—has begun work in Turkey with local officials to stem the outbreak.

Since April 2005, and drawing on its in-house technical expertise on contagious diseases, USAID has hosted regular inter-

agency planning meetings with officials from the departments of State, Health and Human Services, Agriculture, and Defense to coordinate efforts and develop a joint plan of action.

“USAID is primarily focused on building the detection and response capacity to pathogens in developing countries in south Asia,” said Kent R. Hill, assistant administrator for the Bureau for Global Health. “Our mandate is to protect human health. We are committed to preventing the spread of the disease and increasing the ability of affected countries to manage the situation.”

The knowledge that a human pandemic

could cost millions of lives and produce enormous social and economic upheaval has made U.S. policymakers intensify their focus on the issue over the last few months, he added.

By the end of fiscal 2006, USAID will be supporting avian flu containment activities in 35 countries. It is already spending \$15.8 million for containment efforts, including \$5.8 million of reprogrammed funding from USAID missions.

The Agency will obligate an additional \$137.3 million within the next six months to improve surveillance and early warning, enhance laboratory capacity and rapid response, and strengthen planning for avian

flu control and pandemic preparedness, said Dr. Hill. Rapid obligation of funds through existing acquisition and assistance mechanisms and in-country bilateral agreements allows quick scaleup of essential activities and fills programmatic gaps identified at all levels, he said.

USAID is supporting avian influenza preparedness efforts by purchasing and prepositioning personal protective equipment—such as masks and gloves—in Southeast Asian countries at risk of disease outbreak. Additional commodities and medication are being deployed through the Office of U.S. Foreign Disaster Assistance. ★

## Agency Releases Democracy Strategy

At *Freedom's Frontiers*, USAID's recently released publication detailing its democracy efforts in developing countries across the globe, contends that countries with healthy democracies are more apt to do well in other areas, including economic development and security.

The Agency's democracy strategy focuses on four core "dimensions of democracy": rule of law, institutions with democratic and accountable governance, political freedom and competition, and citizen participation and advocacy.

"As a matter of principle, part of strengthening our national security, and an essential element of international development, USAID promotes good governance and the transition to democracy through the world," the strategy begins.

The document was unveiled Jan. 10 to nearly 300 people at the National Press Club during an event cohosted by Freedom House and featuring an address by former

Administrator Andrew S. Natsios.

USAID's democracy work reaches back several decades with efforts in countries like El Salvador and Indonesia. In some places, USAID's efforts were shorter term. In others, democracies took years of work to come to fruition.

In the last couple of years, the Agency has also jumped in in places like Georgia and Ukraine where grassroots democracy efforts were taking shape, showing "we can move quickly, as in the case where an orange or rose or cedar revolution breaks out," said Paul Bonicelli, a deputy assistant administrator in the Bureau for Democracy, Conflict, and Humanitarian Assistance.

The strategy also bolsters the Agency's role as the democracy-promotion arm of the U.S. government, and shows the work encompasses far more than elections. "Here's what we've been doing over the years and that has a lot of value," said Bonicelli, who added that the strategy will be distributed to

congressional staffers, journalists, State Department colleagues, and others.

In 2004, USAID spent \$1.2 billion to implement democracy programs around the world, including in Afghanistan and Iraq.

The democracy strategy includes explanations about how and why USAID promotes democracy, and how the Agency's democracy practitioners are responding to 21st century challenges, such as establishing democracies in fragile states and supporting countries during transitions from their former methods of governance.



Also included is an outline of the Agency's "democracy promotion toolbox." As the name suggests, the toolbox includes descriptions of the nuts and bolts efforts—for example, mobilizing get-out-the-vote drives and providing advisors who have expertise in writing constitutions—that move democracies forward.

At *Freedom's Frontiers: A Democracy and Governance Strategic Framework* was released with a companion publication called *Democracy Rising*, which provides a narrative of some the Agency's most recent work. Both publications are available at [www.usaid.gov](http://www.usaid.gov). ★

## YOUR VOICE

### Mission Drivers Learn to Steer Clear of Terrorism

BY ROGER ROWE

Your Voice, a continuing FrontLines feature, offers personal observations from USAID employees.

It was an early September morning in southern Virginia. The dew was still on the grass and Anthony Harrison, USAID/New Deli's mission driver, looked around the vehicle at three other USAID mission drivers, all wearing crash helmets as he was, and reminded himself that he was attending drivers training for counterterrorism.

Fourteen drivers from USAID missions in Iraq, Egypt, Indonesia, Kosovo, India, Armenia, Cambodia, Sudan, and Jordan were selected along with representatives from the Agency's Office of Security (SEC) to attend the course. Each year, SEC sponsors the professional driving course conducted at International Training Inc. (ITI), near the

small town of West Point, Va. In FY 2005, three such courses were conducted.

The course is designed for USAID mission drivers who operate armored vehicles and for mission directors' personal drivers. The course teaches the latest counterterrorist techniques developed over the years, from countersurveillance to high-speed tactical evasive driving.

SEC has a special appreciation for all USAID mission drivers. These are the unsung heroes that transport daily USAID's most valuable asset—personnel. And delivering these assets safely requires many little known, behind-the-scene elements such as inspecting and maintaining the vehicle, deciding what routes to take, and avoiding bad roads, traffic congestion, and demonstrations. Now throw in the fact that terrorists may be looking for U.S. government vehicles on the road and you can see that the driver's plate is quite full.

The first day of instruction centered on countersurveillance and avoiding an ambush.

The drivers learned how to determine several alternate routes by first reading a map and developing know-how. After selecting several alternate routes on the map, came the practical exercise—driving alternate routes in downtown Richmond, Va. By the end of the exercise, the drivers knew their way around the city.

Next, the drivers learned how to create a daily journal of observations and a matrix of danger spots along the route, and to determine the most vulnerable locations along the route. Observing the surrounding areas and looking for anyone and anything out of the ordinary were also key components of the instruction.

A big discussion took place about time requirements when using antiterrorist driving measures. These techniques require extra driving time and cannot be performed properly when mission personnel instruct the driver to speed because they are late for a meeting. Either drivers practice what they have learned or we throw out all of the instruction and take a risk for that individual who is late for a meeting.

On the second day, the student drivers, in groups of three, were assigned an instructor and a car. The instructor drove around the track, demonstrating what he wanted the students to do. Then each student took a turn performing tasks that included using brakes and driving on a wet surface. By the afternoon, the students were gaining confidence—until they had to head for an obstacle

while driving at 55 mph. The drivers had to maintain control of the vehicle by braking only when, and in which lane, the instructor specified. This was very challenging at first but eventually became routine.

Each day the instruction became more comprehensive and demanding to include crashing through a road block, checking the wiring under the hood for signs of tampering, and learning how to maneuver with guns firing at the vehicle (blanks and paint guns

are used for simulation). By the end of the week, the students began to realize how effective this type of driving can be in a life and death situation. They also began to realize how important it is to believe that they are in control of their destinies when they are behind the wheel.

After completing the course, the students received additional training from SEC personnel in the Washington, D.C., area on radio communication and maintenance of USAID armored vehicles. Later, the drivers agreed that they needed to practice their new skills as often as possible and convey what they had learned to their associates back at their home missions. A new title of "security driver" was bestowed on each student.

The new class of security drivers left USAID headquarters with professional enthusiasm and confidence that they will make a difference when they return to their respective USAID missions. ★

Roger Rowe is a security specialist at USAID headquarters in Washington, D.C.



The security driving course for USAID mission drivers teaches the latest counterterrorism techniques, from countersurveillance to high-speed evasive driving.

## First Lady Laura Bush Announces Africa Textbook Initiative

BY CHARLES W. COREY  
Washington File staff writer

"The people of the United States believe in Africa's future" and, like Africans, know that "education is vital to a better future for all of the world's children," First Lady Laura Bush said Jan. 17 as she launched the Africa Education Initiative textbooks program and announced the donation of 25,000 new books for schools in Ghana.

In remarks at the Accra Teacher Training College, Bush, a former teacher and librarian, said the Textbooks and Learning Materials Program is part of her husband's effort to expand access to education in Africa.

That effort, the Africa Education Initiative, is a \$600 million commitment to provide books, scholarships, school uniforms, and teacher training so that more African children can attend school. The initiative includes funding to train 920,000 teachers in 20 countries in sub-Saharan Africa. As of December 2005, more than 300,000 teachers, both new and experienced, had received training, she said.

Education produces many social benefits, and perhaps none greater than better health, Bush said, calling education "our greatest ally in the effort to stop the spread of HIV/AIDS."

"We know from experience that educated girls and boys are more likely to know what HIV is, and how to avoid infection. Girls who are educated have more economic and social resources to rely on, and, therefore, have more power to negotiate their own sexual lives. In fact, educated young women have lower rates of HIV/AIDS, healthier families and higher rates of education for their own children.

"Sadly," she said, "too many children around the world do not have access to education or schooling."

The problem, she added, is "particularly

acute" in sub-Saharan Africa. "More than one-third of primary-school-age children are not enrolled in school at all, and of those who do enter the first grade, fewer than half will complete primary school."

In addition to the textbook program she announced, Bush said the initiative already has facilitated the shipment of more than 2 million books to African schools and libraries.

"When I visited Tanzania and Rwanda last summer, I announced the donations of

books in those countries. And today," she added, "I'm pleased to announce the donation of 25,000 books for school libraries in Ghana."

Bush said the donated books are new books that have been selected carefully to be appropriate for school-age children in Africa.

She told her audience that a major goal of the initiative is to enroll more girls in school. "To meet that goal," she said, "the United States sponsors the Ambassador's

Girls' Scholarship Program, which will provide 550,000 scholarships to girls at the primary and secondary school level. So far, 120,000 scholarships have been provided in 40 countries. The scholarships pay for tuition, fees, books, uniforms and other essential supplies." ★

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## GDA Report Says Alliances Have Multiplied Development Efforts

For five years, Abedinego Lession and his wife had to tote buckets of water to their family's flower business in rural Tanzania from the only source available—a communal irrigation stream that supplied each household two hours of water a week.

To change their lot, the couple saved part of their earnings for six months and invested \$75 in a KickStart Super MoneyMaker irrigation pump being marketed and distributed through an alliance with USAID. Created by KickStart, the contraption resembles a stripped down Stairmaster and can lift water from the ground more than 20 feet to irrigate up to two acres of land per day.

Today, the Lessions earn about \$130 a month, twice what they earned before and

will never have to tote water again. The Lession's nursery is but one of nearly 40,000 businesses begun or expanded in Tanzania, Kenya, and Mali thanks to technologies created by KickStart.

This is one of the 22 alliance case studies highlighted in a new report, *The Global Development Alliance: Public-Private Alliances for Transformational Development*, released Jan. 9 by former USAID Administrator Andrew S. Natsios, which shows the impact a partnership approach to development is having on U.S. foreign assistance.

The report illustrates the work of USAID's Office of Global Development

Alliances (GDA), which aims to form partnerships with com-

panies, foundations, faith-based groups, nonprofit organizations, and other groups. The idea is to draw on public and private institutions' combined strengths to address challenges in the developing world more effectively than could happen if the groups worked independently.

One of Natsios's final commissioned studies, the report examines changes in foreign assistance funding—from primarily U.S. governmental resources to private-sector resources—that have occurred over the last 30 years and how USAID has responded through GDA.

Dan Runde, GDA's director said: "The report has two purposes. The first is to introduce GDA to businesses and nonprofits interested in improving the lives of people in the developing world by coordinating their activities with other actors pursuing complementary goals. The second is to present some of the bold and innovative public-private alliances formed under the GDA standard."

These alliances represent creative ways of harnessing the fundamental forces now shaping the development landscape, Runde added.

Under USAID's alliance with KickStart, for example, the nearly 3,000 pumps sold have generated \$2.4 million in profits and wages. For each \$1 invested by donors in this alliance, an estimated \$20 in new income is generated for farmers in Africa. The alliance has attracted additional co-investors, including the Mulago Foundation, SC Johnson Corporation, Case Foundation, Lemelson Foundation, Nike Foundation, and the John Deere Foundation.

Since its launch in 2001, GDA has provided more than \$1.1 billion for almost 300 public-private alliances and leveraged over \$3.7 billion in total partner contributions.

"The Kennedy School of Government just gave us the first Lewis and Clark Award for innovations in government because of the Global Development Alliance," Natsios said at an Agency-wide town hall meeting the same day the report was released. "We are at the cutting edge. We are the pioneers in this effort on alliance-building with nontraditional partner organizations." ★

To read the report, go to [www.usaid.gov/gda](http://www.usaid.gov/gda).

