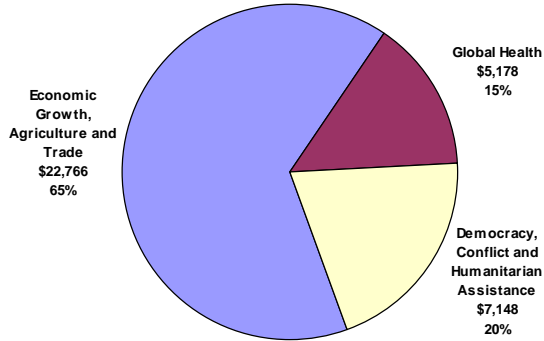
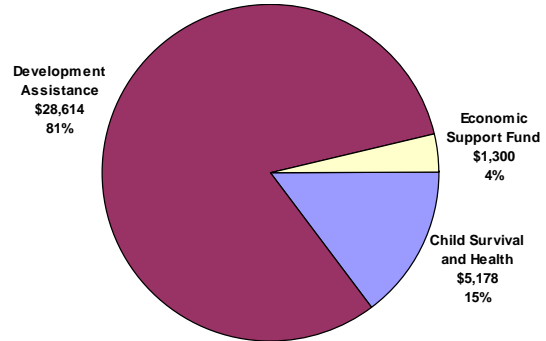


South Africa

FY 2006 Assistance by Sector



FY 2006 Assistance by Account



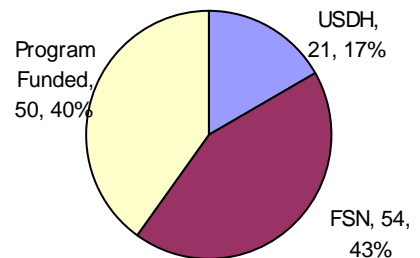
Objectives and Budget

Objective	SO Number	FY 2004	FY 2005	FY 2006
Democracy and Governance	674-001	5,316	6,068	7,148
Education	674-002	9,376	7,248	8,366
Economic Capacity Building	674-004	3,728	2,400	2,100
Housing & Municipal Services	674-006	6,041	4,833	4,817
HIV/AIDS and Primary Health Care	674-008	31,028	5,328	5,178
Employment Creation	674-009	6,925	6,603	7,483
Total (in thousands of dollars)		62,414	32,480	35,092

Administrative Expenses and Workforce

Administrative Expenses	FY 2004	FY 2005	FY 2006
Mission Allocation	5,386	5,118	5,245
USDH Salaries & Benefits	2,371	2,959	3,023
Program Funds	6,227	6,943	6,909
Total (in thousands of dollars)	13,984	15,020	15,177

FY 2006 Workforce



Mission Director: Carole Palma - Acting

South Africa

The Development Challenge: South Africa celebrated a decade of democracy in 2004, and held its third consecutive national democratic elections. However, ten years after its peaceful transition from apartheid, much remains to be done to address past constraints and inequities. The coming years are equally important for South Africa's future in order to ensure continued stability, to consolidate democracy, and to focus on addressing the key challenges of unemployment, crime, HIV/AIDS, and housing.

The South African government has fostered the transformation of a closed, insular economy to one that is open and driven by free market principles. Sound economic management has resulted in steady real economic growth for a record six straight years. However, growth has been too slow to reduce poverty, to significantly reduce unemployment, or to tackle the unequal distribution of wealth. In a 2004 survey, South Africans ranked unemployment--estimated at 27.8%--as the country's most serious problem. The government lacks sufficient data on the demographics of the poor, making it difficult to target anti-poverty programs effectively. After his re-election in 2004, President Thabo Mbeki declared that the government would stimulate the growth of the country's small, medium, and micro enterprises, which employ approximately 66% of the workforce and generate 35% of the country's gross domestic product.

While official statistics show that crime rates are slowly declining, crime remains a central concern for the government because it directly impacts people's lives and undermines public confidence and investment. Crime ranks as the second highest concern of South African citizens. Corruption--the country's most prevalent crime, after burglary--diverts resources from addressing citizen needs, particularly the poor. South Africa also has one of the world's highest incidences of gender-based violence, including rape, a condition that has the potential to derail other social and economic gains.

South Africans' life expectancy has decreased dramatically since 1994, primarily due to the rapid spread of HIV/AIDS. HIV prevalence has now risen to 27.9% of pregnant women. With 5.6 million infected citizens, South Africa has more HIV-infected people than any other country. HIV/AIDS and tuberculosis are closely linked; one fuels the other, leading to numerous deaths and adding to an over-burdened health care system. Vulnerability to HIV/AIDS is greatest in informal settlements, where poverty, labor migration, domestic violence, rape, and the breakdown of family norms all are contributing factors. The South African government began the rollout of a comprehensive HIV/AIDS program, including anti-retroviral treatment, in April 2004.

Local government is essential to South Africa's socioeconomic development. Municipalities are responsible for providing basic services such as water and sanitation, but 10 million historically disadvantaged South Africans live in slums and are under-served with regard to basic shelter, water and sanitation, power, and transport services. To deal with the country's housing problem, the government has proposed constructing 300,000 housing units annually for the next 10 years--with \$7 billion in urban infrastructure required to bring housing and services to minimum acceptable standards for the majority of the historically disadvantaged population.

Education is key to sustainable socioeconomic development, but the legacy of apartheid poses challenges in South Africa. The apartheid system excluded blacks in South Africa from receiving quality education in areas such as math and science that provide the skills needed for higher paying jobs. Despite significant gains in the last ten years, many rural schools still do not have qualified math, science, and technology teachers.

The United States has a strong national interest in South Africa as a leader in sub-Saharan Africa and as a trading partner. South Africa is active in regional bodies such as the African Union, the New Partnership for Africa's Development, and the Southern African Development Community. South Africa plays a leading role in promoting peace and stability around the continent, and has been actively engaged in efforts to resolve conflicts in the Democratic Republic of Congo, Cote d'Ivoire, Rwanda and Burundi. South Africa is a positive example for its African neighbors with its tremendous strides toward ruling justly and investing wisely in people and their economic freedom.

The USAID Program: The USAID program in South Africa focuses on leveling the playing field for historically disadvantaged individuals and on addressing the greatest challenges to South Africa--unemployment, HIV/AIDS, and crime. USAID's program concentrates on institutional and policy changes that promote sound governance, transparency, and accountability; improved quality of basic and higher education; enhanced capacity of the healthcare system to address HIV/AIDS and tuberculosis; economic policies and programs that reduce unemployment and poverty; and increased access to shelter and basic municipal services. A regional initiative managed in South Africa addresses the impact of HIV/AIDS throughout southern Africa; it is included in the southern Africa regional program discussion.

Other Program Elements: Sixteen centrally funded and eleven regionally funded activities complement USAID's South Africa program. These activities include technical assistance to support agribusiness; strengthening business linkages between small retailers and wholesalers; and assistance to municipal governments with transportation and related environmental issues. USAID programs also provide capacity building and organizational development services to South African organizations. For example, child survival and HIV/AIDS activities target orphans and other vulnerable children, and an education activity provides teacher training and develops textbooks in 10 indigenous languages. Regional activities focus on governance surveys to assist decision-makers, media watchdogs to protect freedom of the media, and election norms and standards with conflict mitigation measures. Regional programs also address economic integration, trade competitiveness, and development of the information, communications and technology sector, as well as help develop a vaccine against heartwater, a tick-borne disease that adversely impacts the region's livestock.

South Africa is a focus country under the President's Emergency Plan for AIDS Relief. FY 2005 funding will be provided from the Global HIV/AIDS Initiative under the policy direction of the U.S. Global AIDS coordinator. The FY 2006 HIV/AIDS request for this country is contained in the Global HIV/AIDS Initiative account justification. For further details please see the Department of State FY 2006 Congressional Budget Justification.

Other Donors: USAID is the largest bilateral donor and second largest overall donor in South Africa after the European Union, which works in the areas of HIV/AIDS, capacity building, civil society, governance, and environment. The United Nations Country Team, which includes 14 different agencies and programs, focuses on HIV/AIDS, integrated sustainable rural development, and regional integration. Major bilateral donors include the United Kingdom (poverty reduction, economic growth, governance, HIV/AIDS), the Netherlands (local government, youth, education, justice), and Germany (community development, public administration, education, business, and employment promotion). USAID works closely with the United Kingdom (UK) on a USAID-developed training program for parliamentarians. In addition, USAID, the UK, and Australia are collaborating with South African organizations and research institutions to improve the capacity of South Africans to analyze, negotiate, and implement international trade agreements. The UK and USAID are jointly implementing a program to address the causes and find solutions to poverty and unemployment.

South Africa PROGRAM SUMMARY

(in thousands of dollars)

Accounts	FY 2003 Actual	FY 2004 Actual	FY 2005 Current	FY 2006 Request
Child Survival and Health Programs Fund	28,565	31,028	5,328	5,178
Development Assistance	34,393	29,398	26,160	28,614
Economic Support Fund	0	1,988	992	1,300
Total Program Funds	62,958	62,414	32,480	35,092

STRATEGIC OBJECTIVE SUMMARY

674-001 Democracy and Governance				
CSH	275	0	0	0
DA	5,486	4,201	5,076	5,848
ESF	0	1,115	992	1,300
674-002 Education				
CSH	275	0	0	0
DA	9,743	9,376	7,248	8,366
674-004 Economic Capacity Building				
CSH	125	0	0	0
DA	4,573	3,368	2,400	2,100
ESF	0	360	0	0
674-006 Housing & Municipal Services				
CSH	275	0	0	0
DA	5,605	5,528	4,833	4,817
ESF	0	513	0	0
674-008 HIV/AIDS and Primary Health Care				
CSH	27,615	31,028	5,328	5,178
674-009 Employment Creation				
DA	8,986	6,925	6,603	7,483

Mission Director,
Carole Palma - Acting

Data Sheet

USAID Mission:	South Africa
Program Title:	Democracy and Governance
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	674-001
Status:	Continuing
Planned FY 2005 Obligation:	\$5,076,000 DA; \$992,000 ESF
Prior Year Unobligated:	\$790,000 ESF
Proposed FY 2006 Obligation:	\$5,848,000 DA; \$1,300,000 ESF
Year of Initial Obligation:	1996
Estimated Year of Final Obligation:	2007

Summary: With the end of apartheid in 1994, South Africa was at long last able to begin ruling justly and investing in its people and their economic freedom--in line with U.S. priorities. Today, 10 years after this historic transition, the emerging leader of the African continent has made impressive strides in stemming the crime wave that surged after apartheid's authoritarian controls were lifted, establishing democratic local government, creating a tax structure that promotes the financial viability of the nonprofit sector, and reducing and prosecuting corruption. USAID continues to provide technical assistance and training and to support partnerships in these key areas.

Inputs, Outputs, Activities:

FY 2005 Program: Improve Justice Sector/Legal Framework (\$2,044,000 DA, \$992,000 ESF, \$190,000 Prior Year ESF). USAID is assisting the fight against crime through an alliance with the South African Department of Justice (DOJ) and Business Against Crime, an association of major South African corporations. Using DA funds, USAID is helping to streamline administrative procedures in three provinces in order to handle court cases more efficiently, generating cost savings of up to \$3 million per province. USAID is training 30 women and black male legal practitioners in skills needed for appointments as judges. Addressing South Africa's immense gender-based violence problem, FY 2005 and prior year ESF is being used to train 100 investigators and 250 prosecutors in the successful prosecution of sexual assault and rape cases. With DA funds, USAID is supporting the placement of eight victim assistance officers and five case monitors at five sexual offenses courts to ensure that women and child victims of gender-based violence are treated sensitively, their cases are processed expeditiously, and the guilty are convicted. USAID also is funding up to eight local programs that provide access to justice for women and children victims of violent crime. Principal grantee: Business Against Crime (BAC - prime).

Promote and Support Anti-Corruption Reforms (\$500,000 DA, \$600,000 prior year ESF). To help tackle corruption, USAID is using prior year ESF to train 100 investigators and 200 prosecutors in skills needed to secure convictions in corruption cases. With FY 2005 DA funds, USAID is supporting forensic audits of trust accounts managed by the South African Justice Department, and is establishing three additional courts that specialize in financial crimes and corruption. It is anticipated that these new courts will be highly effective, since there is a 94% conviction rate at the two existing courts. Because municipalities also suffer from high levels of corruption, USAID is assisting 25 councils to institute transparent hiring, procurement, and complaint resolution systems. With DA and prior year ESF, USAID is training 50 media practitioners in investigative journalism, and is funding the programs of a network of up to 10 national organizations to serve as anti-corruption watchdogs. Principal grantees: BAC, PACT, Inc., and the International City/County Management Association (all prime).

Support Democratic Local Government and Decentralization (\$1,310,000 DA). USAID is training key officials from 25 municipalities in strategic planning and management skills, and is providing technical assistance in human resources, information technology, and revenue collection systems in order to deliver municipal services more effectively. Principal contractor: Research Triangle Institute (prime).

Strengthen Civil Society (\$1,222,000 DA). USAID is funding local advocacy efforts to streamline the

process for nonprofit organizations to qualify for tax exemptions, so that community-based organizations (CBOs) that deliver services and help to alleviate poverty can increase their sustainability and attract private donations. USAID is training 350 leaders of 175 CBOs on how to qualify for tax exemption and for South African government grants. The training is strengthening these organizations by improving management and fundraising skills. Civic leaders also are developing the knowledge and skills required to participate effectively in the design and implementation of municipal development plans and budgets, and to engage constructively with their councils in joint problem solving. USAID is seeking out CBOs whose activities focus on gender, disability, and families affected by HIV. USAID is funding training in improved management and fundraising skills for the leaders of up to 14 groups that assist victims of gender-based crimes. Principal grantee: PACT, Inc. (prime).

FY 2006 Program: Improve Justice Sector/Legal Framework (\$2,378,000 DA; \$1,000,000 ESF). USAID plans to fund the decentralization of court administration in the remainder of South Africa's nine provinces. USAID also plans to train 370 rape prosecutors in the skills needed to secure convictions, and to place 12 additional victim assistance officers and nine case monitors at sexual offenses courts. USAID will continue training 35 women and black male lawyers, preparing them for appointments as judges, and will use ESF to fund up to 12 anti-gender-violence non-governmental organizations. Principal grantee: BAC (prime).

Promote and Support Anti-Corruption Reforms (\$500,000 DA). USAID will fund operations of the DOJ forensic audit unit to uncover and prosecute embezzlement, provide training for 500 corruption prosecutors in trial strategies and skills, and establish two additional commercial crime courts. USAID plans to assist 20 additional municipalities to institute transparent hiring, procurement, and complaint resolution systems, provide grants to 10 anti-corruption groups, and fund the training of a further 100 investigative journalists. Principal grantees: BAC, PACT, Inc., and the International City/County Management Association (all prime).

Support Democratic Local Government and Decentralization (\$1,705,000 DA). Training will continue for officials in 25 municipalities in strategic planning and planning skills, as well as on-site assistance to improve municipal management and revenue collection strategies. Principal contractor: Research Triangle Institute (prime).

Strengthen Civil Society (\$1,265,000 DA; \$300,000 ESF). USAID plans to train an additional 600 CBO leaders on how to qualify for government tax exemptions and how to engage with their local councils in planning, budgeting, and joint problem-solving. USAID also plans to use ESF to train up to 14 local groups that assist victims of gender-based crimes. Principal grantee: PACT, Inc. (prime).

Performance and Results: USAID support to help restructure South Africa's court system has led to an 11% reduction in the case backlog in district courts, from 133,556 in FY 2000 to 119,050 in FY 2004, thus ensuring that South Africans have better and faster access to justice. USAID's anti-corruption programs are helping to restore public confidence and investment in South Africa. Since its inception in April 2004, a new USAID-supported forensic auditing unit in the Department of Justice has uncovered four cases of corruption involving \$3.3 million. Over the life of the program, USAID has provided key technical assistance to help South Africa draft legislation that establishes the framework for local governments to raise revenue and provide services to their citizens. During FY 2004, the fourth and final major piece of legislation--the Property Rates Act, aimed at increasing municipal revenue--was signed into law. USAID complemented the legislation through direct assistance to 94 municipalities to help local authorities respond to community needs. A FY 2004 survey found that 35% of the residents in those municipalities approved of their local council's performance, up from 31% in FY 2002. By the end of 2007, decentralized court administration systems will be in place in all provinces, and over half of all prosecutors will be capably prosecuting rapists and corrupt officials. Government officials and civil society leaders will be working together to resolve service delivery problems in 25 municipalities.

US Financing in Thousands of Dollars

South Africa

674-001 Democracy and Governance	CSH	DA	DFA	ESF
Through September 30, 2003				
Obligations	328	92,142	148,690	10,067
Expenditures	0	80,181	148,521	9,522
Unliquidated	328	11,961	169	545
Fiscal Year 2004				
Obligations	0	4,900	860	0
Expenditures	258	8,994	529	174
Through September 30, 2004				
Obligations	328	97,042	149,550	10,067
Expenditures	258	89,175	149,050	9,696
Unliquidated	70	7,867	500	371
Prior Year Unobligated Funds				
Obligations	0	0	0	790
Planned Fiscal Year 2005 NOA				
Obligations	0	5,076	0	992
Total Planned Fiscal Year 2005				
Obligations	0	5,076	0	1,782
Proposed Fiscal Year 2006 NOA				
Obligations	0	5,848	0	1,300
Future Obligations	0	15,671	0	1,000
Est. Total Cost	328	123,637	149,550	14,149

Data Sheet

USAID Mission:	South Africa
Program Title:	Education
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	674-002
Status:	Continuing
Planned FY 2005 Obligation:	\$7,248,000 DA
Prior Year Unobligated:	\$0
Proposed FY 2006 Obligation:	\$8,366,000 DA
Year of Initial Obligation:	1996
Estimated Year of Final Obligation:	2007

Summary: Close to 50 years of apartheid education excluded black South Africans from receiving quality education in most disciplines, particularly math and science, and denied them opportunities to participate in the economy. USAID's education program supports the transformation of the public school system from an inferior and unequal education system to one offering quality learning conditions and programs through activities that develop specific skills and address institutional change. Supporting the President's Africa Education Initiative, USAID trains teachers to improve their teaching skills in literacy, numeracy, math, science, and technology. USAID also provides technical assistance to strengthen management, governance structures, and practices in schools and tertiary education institutions. USAID works to mitigate the impact of HIV/AIDS on education through direct training of teachers, Department of Education personnel, parents, and community members, and by supporting the development of models to prevent the spread of the disease and assist infected and affected teachers and students.

Inputs, Outputs, Activities:

FY 2005 Program: Improve the Quality of Basic Education (\$5,021,000 DA). USAID supports post-apartheid South Africa's curriculum reform efforts to incorporate life-long learning with student-centered and results-oriented approaches. USAID supports basic education in four of South Africa's poorest provinces with a new activity that began in late FY 2004. In FY 2005, USAID is training 931 teachers as "master teachers" in four five-day residential training programs during South African school breaks. The master teachers then are extending their training to an additional 6,052 teachers in their own and nearby schools, using what is known as a cascade training system. The teachers are using student-centered approaches to reach over 200,000 students, teaching numeracy and literacy in grades one to nine and teaching math, science, and technology subjects in grades 10 to 12. These teachers are learning how to integrate HIV/AIDS messages throughout the other subject areas they teach. Support for basic education through the President's Africa Education Initiative is funding both in-service and pre-service training for teachers. Presidential Initiative funds will also support the expansion of a distance learning television-based primary education channel in South Africa. USAID also is providing direct training and technical assistance to 1,520 parents, teachers, and principals in school governing bodies (the equivalent of parent-teacher associations) to develop and implement three-year school development plans in line with guidance from the South African Department of Education. Principal contractor: Research Triangle Institute (RTI - prime), with subcontracts to 16 South African nongovernmental organizations (NGOs).

Improve Institutions of Higher Education (\$2,227,000 DA). USAID is assisting with the transformation of 17 historically disadvantaged tertiary institutions that are merging to meet South Africa's changing higher education needs. USAID-funded technical assistance and short-term training is helping these universities and technical training institutions to improve their capacity in the design and implementation of new curricula and to strengthen their management, governance, and financial administration capacity. USAID also will support executive leadership training in all historically disadvantaged institutions. USAID also is completing an analysis of the current state of the higher education sector in South Africa, and is initiating a new support program to higher education aligned with the Department of Education's priorities. The higher education activities focus on previously disadvantaged institutions that merge in FYs 2004 and 2005. Additional higher education activities are targeted for specific focus areas, e.g., assisting disadvantaged students to make the transition from secondary to higher education and strengthening

specific curricula in universities, such as teacher training. USAID also is providing technical assistance and strategic planning support to provincial level Departments of Education to develop and implement strategies to mitigate the effects of HIV/AIDS on all elements of the educational system. Principal contractor: United Negro College Fund Special Programs (prime), the University of Kwa-Zulu Natal (sub), and a new contractor to be determined.

FY 2006 Program: Improve the Quality of Basic Education (\$6,439,000 DA). USAID will continue to support the training of master teachers. Up to 883 master teachers will be trained in FY 2006, and they will transfer the new information through follow-on training sessions with an additional 5,740 teachers. The training will focus on increased student involvement, and will help teachers develop and use their own teaching and learning materials, reaching approximately 220,000 students. USAID plans to continue FY 2005 efforts to provide direct training and technical assistance to 1,472 parents and teachers in school governing bodies to develop and implement three-year school development plans. Principal contractor: RTI (prime), with subcontracts to 16 South African NGOs.

Improve Institutions of Higher Education (\$1,927,000 DA). USAID plans to implement the support program targeted to higher education that was defined in FY 2005. Also in FY 2006, USAID will continue supporting provincial Departments of Education to address the impact of HIV/AIDS on the entire educational system. Principal contractors and grantees: University of Kwa-Zulu Natal (prime), and a new contractor to be determined.

Performance and Results: USAID's broad support to the transformation of the education sector in South Africa is producing demonstrable results. USAID helped students in 449 rural primary schools to increase their knowledge and skills. Grade 3 students in a USAID-supported basic education program showed a 25% increase--from 35% to 44%--in literacy and mathematics test scores from 2000 to 2003. In FY 2004, USAID and the Department of Education agreed to jointly develop student tests for grades three and six that will be used for all South African students, not just those in USAID-supported schools, thus ensuring sustainability of the testing approach. Both USAID and the South African government are committed to ensuring that black students have access to quality education in areas such as math and science, which is essential for skilled employment. USAID continued its commitment to this goal through specialized training for math, science and technology secondary school teachers; 55 teachers completed the program in FY 2004.

Disparities remain within the higher education system as well. USAID's assistance to South Africa's 17 historically disadvantaged higher education institutions has resulted in improved curricula that meet international standards. These universities and technical institutes that served principally black, "colored," and Indian students under apartheid are in the process of merging. Some mergers will be between historically disadvantaged (black) and historically advantaged (white) institutions, while others will combine historically disadvantaged universities under one umbrella. USAID is helping the institutions prepare for these mergers. In FY 2004, USAID helped the merging universities and technical institutes harmonize their curricula, with the goal of continuing to offer quality instruction across the board. By the end of the program, over 25,000 teachers will have been trained through the cascade system, reaching approximately 838,000 students. These students will demonstrate increased learning through improved test scores, which will increase by 2-10%. School governing boards for 1145 schools will be functioning well and effectively guiding school activities.

US Financing in Thousands of Dollars

South Africa

674-002 Education	CSH	DA	DFA	ESF
Through September 30, 2003				
Obligations	41,068	87,474	214,182	20,939
Expenditures	37,038	71,204	212,285	20,939
Unliquidated	4,030	16,270	1,897	0
Fiscal Year 2004				
Obligations	0	9,376	940	0
Expenditures	3,260	6,958	680	-3
Through September 30, 2004				
Obligations	41,068	96,850	215,122	20,939
Expenditures	40,298	78,162	212,965	20,936
Unliquidated	770	18,688	2,157	3
Prior Year Unobligated Funds				
Obligations	0	0	0	0
Planned Fiscal Year 2005 NOA				
Obligations	0	7,248	0	0
Total Planned Fiscal Year 2005				
Obligations	0	7,248	0	0
Proposed Fiscal Year 2006 NOA				
Obligations	0	8,366	0	0
Future Obligations	0	9,817	0	0
Est. Total Cost	41,068	122,281	215,122	20,939

Data Sheet

USAID Mission:	South Africa
Program Title:	Economic Capacity Building
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	674-004
Status:	Continuing
Planned FY 2005 Obligation:	\$2,400,000 DA
Prior Year Unobligated:	\$360,000 ESF
Proposed FY 2006 Obligation:	\$2,100,000 DA
Year of Initial Obligation:	1996
Estimated Year of Final Obligation:	2007

Summary: USAID's economic capacity building program improves the capability of historically disadvantaged institutions and individuals to analyze economic problems and to design and implement market-based policies that reduce poverty and unemployment. Focusing on capacity building, this program demonstrates that an understanding of economic fundamentals leads to development-enhancing economic policies, which provide the foundation for poverty reduction and job creation.

Inputs, Outputs, Activities:

FY 2005 Program: Improve Economic Policy and Governance (\$2,000,000 DA, \$360,000 Prior Year ESF). This program uses DA funds to provide technical assistance and training to the South African government to improve economic policy and to target its scarce resources in order to maximize employment and minimize poverty. USAID assistance is supporting the government as it refocuses its efforts from improving economic fundamentals to addressing the problem of poverty. The program works in three primary poverty and unemployment-related areas, and includes the participation of at least 15 USAID-educated black economists. First, USAID is examining the dimensions of poverty and unemployment through six analytical pieces and a workshop to review the analyses. Second, it is filling in knowledge gaps through commissioned research by think tanks. Third, USAID is designing and monitoring four pilot activities, including labor-intensive public works and exempting smaller enterprises from some regulatory controls. These new activities complement USAID's on-going work in public-private partnerships and policy analysis on poverty reduction. USAID is continuing to fund a U.S. Treasury advisor who assists South Africa in monitoring the results and performance of social safety net programs. USAID is maintaining its support to parliament to establish operational procedures and to train members of the parliamentary Joint Budget Committee on budget analysis and oversight of poverty programs. USAID is using ESF to train members of the land tenure boards to develop implementation regulations in conjunction with new legislation that addresses the tenure problems of the rural poor living on marginal land. Principal contractors: IBM and the U.S. Treasury Department (both prime).

Strengthen Financial Sector's Contribution to Economic Growth (\$400,000 DA). The FY 2005 program builds on FY 2004 successes in which USAID-funded advisors helped open the formal banking system to greater competition and developed legislation establishing a deposit insurance scheme and the provision of consumer credit (truth in lending) protections. By reducing costs and expanding services to smaller enterprises and the poor, the program contributes to reducing poverty and unemployment. The FY 2005 phase of this work focuses on providing technical assistance to implement the deposit insurance legislation passed in FY 2004 and on developing consumer credit regulations to strengthen medium-sized banks and financial institutions serving the poor. Other activities seek to open the insurance and the equity markets to greater domestic and international competition. USAID also is promoting greater use of innovations that lower the cost of financial transactions, such as cell phone banking, smart cards, and new approaches to payment of pensions. USAID-trained economists also are helping the government to develop options and recommendations for establishment of single financial regulator for banks, insurance, and equity brokers. Principal contractors: IBM and the U.S. Treasury Department (both prime).

FY 2006 Program: Improve Economic Policy and Governance (\$1,650,000 DA). USAID will continue to support technical assistance and training to analyze the results of the pilot interventions begun in FY

2005 that target poverty, unemployment, and land tenure reform. USAID-funded technical advisors and South African government officials will use this information to improve the pilot projects and then roll them out nationally. USAID also will provide technical assistance and training to improve the analytical capacity of South Africans to develop regulations, investigate and prosecute anti-competitive behavior, and encourage the competitive provision of services by opening markets to additional domestic and international firms. Increased competition will improve investment and service provision, particularly in telecommunications, transport, and energy. Regulatory policies will be designed to lower the cost of services and improve competitiveness, thereby increasing exports and jobs and reducing poverty. The land tenure reform works directly with the poor to improve their access to land. Principal contractors: IBM and the U.S. Treasury Department (both prime).

Strengthen Financial Sector's Contribution to Economic Growth (\$450,000 DA). USAID will complete its assistance to create deposit insurance in South Africa, thus helping smaller banks that serve the poor. USAID will continue to provide technical assistance and training to financial regulators that work with banks servicing the poor, and will train the staff of the new financial system's single regulatory body. This work will emphasize prudent regulation, while also assisting South Africans to implement newer low-cost technology. USAID will begin analytical work on the need to introduce competition in other areas of the financial sector, such as insurance, bonds, and equities. This analytical work will be done by USAID-funded technical advisors in collaboration with USAID-trained black and female economists. Principal contractors: IBM and the U.S. Treasury Department (both prime).

Performance and Results: USAID-funded training programs have directly strengthened the capacity of individuals and institutions to be key players in economic decision-making to reduce poverty and unemployment. Among the specific training results, 71 U.S.-trained economists have returned to South Africa and are working in increasingly important decision-making positions. Eighty-six parliamentarians have been trained in economics and budgeting, and after the 2004 elections, many have moved into even more senior positions in government. The number of economics students at historically disadvantaged universities supported by USAID has more than doubled, to over 800, including more than 100 at the masters level. This level of demand ensures the sustainability of these programs beyond USAID assistance.

Because of their increased local economic capability, the South African government has increasingly turned to USAID-trained economists to play major roles in economic policy and research. As a result, USAID-funded programs have been instrumental in shaping and influencing policies such as increasing competition in banking, developing land tenure legislation to directly assist the poorest in rural areas, developing new financial instruments that target the poor, and creating public-private partnerships to encourage the private provision of government infrastructure (roads, hospitals, schools) using labor-intensive methods. Further, USAID assisted the South African Cabinet to analyze the impact of HIV/AIDS anti-retroviral drug treatment rollout, to improve the country's anti-trust policy, and to make taxes more transparent and job friendly. Finally, these programs have helped make government more results-oriented, in part by expanding Parliament's oversight role.

At the end of the program in FY 2007, the number of historically disadvantaged economists and economic decision makers will have risen significantly, to well over 200 at the master's or higher level. These economists will be participating in the analyses, design, and implementation of key programs that help South Africa find a sustainable balance between public and private provision of social services and which contribute to accelerated economic growth and reduced unemployment and poverty.

US Financing in Thousands of Dollars

South Africa

674-004 Economic Capacity Building	CSH	DA	DFA	ESF
Through September 30, 2003				
Obligations	1,500	37,436	1,378	0
Expenditures	1,375	31,139	1,378	0
Unliquidated	125	6,297	0	0
Fiscal Year 2004				
Obligations	0	3,368	0	0
Expenditures	125	5,143	0	0
Through September 30, 2004				
Obligations	1,500	40,804	1,378	0
Expenditures	1,500	36,282	1,378	0
Unliquidated	0	4,522	0	0
Prior Year Unobligated Funds				
Obligations	0	0	0	360
Planned Fiscal Year 2005 NOA				
Obligations	0	2,400	0	0
Total Planned Fiscal Year 2005				
Obligations	0	2,400	0	360
Proposed Fiscal Year 2006 NOA				
Obligations	0	2,100	0	0
Future Obligations	0	15,158	1,000	0
Est. Total Cost	1,500	60,462	2,378	360

Data Sheet

USAID Mission:	South Africa
Program Title:	Housing & Municipal Services
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	674-006
Status:	Continuing
Planned FY 2005 Obligation:	\$4,833,000 DA
Prior Year Unobligated:	\$0
Proposed FY 2006 Obligation:	\$4,817,000 DA
Year of Initial Obligation:	1996
Estimated Year of Final Obligation:	2007

Summary: After 10 years of democracy, almost 10 million historically-disadvantaged South Africans still live in slums that lack basic shelter, drinking water, sanitation, solid waste disposal, electricity, and safe and affordable transportation. USAID addresses these challenges with cross-cutting local government service delivery activities to reach the fast-growing number of slum-dwellers in South Africa. USAID implements three Presidential initiatives: a) the President's Water for the Poor Initiative, b) Global Climate Change Initiative, and c) Clean Energy Initiative; and supports South Africa's new plan to eradicate slums, and aims to provide basic services and shelter to 80%-100% of South Africans by 2010. To achieve program goals, USAID uses technical assistance, training, credit guaranties, and alliances between local governments, private financial institutions, and community-based organizations.

Inputs, Outputs, Activities:

FY 2005 Program: Strengthen Financial Sector's Contribution to Economic Growth (\$424,000 DA). Meeting targets for South Africa's basic needs requires leveraging significant private domestic capital. USAID is reserving \$300,000 for Development Credit Authority (DCA) guaranties, to share and manage the risk of large-scale lending to low-income markets. USAID's alliances with U.S. private financial advisory firms and its technical support to a South African public-private deal-making organization, the Municipal Infrastructure Investment Unit, are assisting up to 20 local governments to access fledgling capital markets. USAID is developing new financial products and delivery mechanisms that will strengthen capital markets to increase private investment in basic services for slum-dwellers, which will help South African banks to reach housing and infrastructure investment targets of \$9.8 billion over the next five years. A USAID-sponsored public-private alliance is supporting these investment goals and is assisting in the development of a municipal bond market. Principal contractors and grantees: PADCO/Research Triangle Institute (RTI), Evensen Dodge, and Shorebank International (all prime), and a new contractor to be determined.

Support Democratic Local Government and Decentralization (\$1,006,000 DA). USAID is supporting South Africa's efforts to roll out a new municipal budget process to 75 municipalities, through technical assistance on capital investment planning, improved budget information management, monitoring, and training. Principal contractors and grantees: Institute of Housing Professionals, Cities Alliance, International Youth Foundation, and Megatech (all prime).

Improve Access to Clean Water and Sanitation (\$995,000 DA). USAID is providing technical assistance to three model cities in order to develop partnerships and access credit guaranties to finance improvements, operate systems, and collect tariffs in water and sanitation services. USAID is supporting approximately eight private sector-led and local government-supported water and sanitation projects in support of the President's Water for the Poor Initiative. Principal contractors and grantees: Watery and Megatech (prime) and PADCO/RTI (sub).

Expand and Improve Access to Economic and Social Infrastructure (\$885,000 DA). USAID is providing technical assistance and grants to organizations that provide basic shelter and energy-related services to poor households in up to six municipalities. Clean energy technologies and energy efficiency practices for delivering basic services and shelter are supported by grants and credit guaranties implemented through

partnerships among nongovernmental organizations (NGOs), commercial energy firms, and local governments, in support of the President's Clean Energy Initiative. Principal contractors and grantees: Cities Alliance (prime) and PADCO/RTI (sub).

Reduce, Prevent, and Mitigate Pollution (\$1,523,000 DA). USAID will support three NGOs and seven municipalities to improve environmental conditions in slums, promote water-saving technologies, and develop more efficient service delivery methods aimed at reducing the intensity of greenhouse gas emissions, in support of the President's Initiative on Global Climate Change. Principal contractors and grantees: International Council for Local Environmental Initiatives (prime), PADCO/RTI (sub), and a new contractor to be determined.

FY 2006 Program: Strengthen Financial Sector's Contribution to Economic Growth (\$983,000 DA). USAID plans to support the private financial sector's efforts to reach low-income markets through the development of new housing finance products. USAID plans to expand its infrastructure finance activities to an additional 20 municipalities in order to support continued development of a municipal bond market, reserving \$490,000 to support DCA transactions. Principal contractors and grantees: Evensen Dodge and Shorebank International (both prime), and a new contractor to be determined.

Support Democratic Local Government and Decentralization (\$606,000 DA). USAID plans to provide technical assistance to up to 100 additional municipalities to improve capital investment planning and financing strategies. These skills will strengthen their ability to manage municipal finances in a transparent and fiscally sound manner. Principal contractors and grantees: to be determined.

Improve Access to Clean Water and Sanitation (\$1,076,000 DA). USAID plans to continue its support for water and sanitation programs in 10 municipalities and to expand its credit guaranties. Principal contractors and grantees: to be determined.

Expand and Improve Access to Economic and Social Infrastructure (\$538,000 DA). USAID plans to support approximately seven municipalities and NGOs in their efforts to expand access to energy and shelter for the poor, improve energy efficiency practices, and improve community participation in the delivery of housing services. Principal contractors and grantees: to be determined.

Reduce, Prevent, and Mitigate Pollution (\$1,614,000 DA). USAID plans to continue to support efforts to increase energy efficiency and reduced intensity of greenhouse gas emissions in new service delivery interventions. Principal contractors and grantees: to be determined.

Performance and Results: The USAID municipal service delivery program has exceeded targets for the last five years, benefiting a total of 3.3 million poor households. In FY 2004, the program developed six municipal service partnerships with a value of \$103.7 million. Since the mid 1990s, USAID technical assistance has been critical to developing new legislation that promotes housing and municipal services responsive to the needs of South Africa's population. In FY 2004, USAID's policy reform support resulted in a new legal framework for municipal borrowing under the new Municipal Finance Management Act. USAID supported 10 community-driven pilot projects across South Africa that showcased approaches to integrating energy efficiency technology into low-cost housing programs. These programs also included demonstrations that incorporate the special needs of the handicapped and the growing HIV/AIDS-infected community into housing and basic services. Environmental management grants integrated emission reduction measures into municipal operations in seven cities. By 2007, 20 cities will have increased their capacity to eradicate slums.

US Financing in Thousands of Dollars

South Africa

674-006 Housing & Municipal Services	CSH	DA	DCA	DFA
Through September 30, 2003				
Obligations	475	61,801	2,593	41,440
Expenditures	179	52,601	2,883	41,391
Unliquidated	296	9,200	-290	49
Fiscal Year 2004				
Obligations	0	5,528	308	450
Expenditures	26	6,374	18	-33
Through September 30, 2004				
Obligations	475	67,329	2,901	41,890
Expenditures	205	58,975	2,901	41,358
Unliquidated	270	8,354	0	532
Prior Year Unobligated Funds				
Obligations	0	0	0	0
Planned Fiscal Year 2005 NOA				
Obligations	0	4,833	0	0
Total Planned Fiscal Year 2005				
Obligations	0	4,833	0	0
Proposed Fiscal Year 2006 NOA				
Obligations	0	4,817	0	0
Future Obligations	0	22,702	0	0
Est. Total Cost	475	99,681	2,901	41,890

Data Sheet

USAID Mission:	South Africa
Program Title:	HIV/AIDS and Primary Health Care
Pillar:	Global Health
Strategic Objective:	674-008
Status:	Continuing
Planned FY 2005 Obligation:	\$5,328,000 CSH
Prior Year Unobligated:	\$0
Proposed FY 2006 Obligation:	\$5,178,000 CSH
Year of Initial Obligation:	1995
Estimated Year of Final Obligation:	2007

Summary: USAID works with South Africa to reduce the impact of HIV/AIDS and improve primary health care services for all. With an estimated 5.6 million HIV positive South Africans, the burden on the public health system and communities looms large. Combining targeted technical assistance with pilot interventions and training, the USAID program assists South Africa to use its own considerable resources more effectively to provide increased and improved health services to its majority population. As HIV prevalence has increased, USAID has modified its program focus. The program has shifted from a primary health care orientation to concentration on HIV/AIDS, with interventions in improving child health, youth and maternal services for family planning, voluntary counseling and testing, ante-natal care, tuberculosis identification and treatment, prevention of mother to child transmission of HIV (PMTCT), and anti-retroviral therapy at the local level.

Inputs, Outputs, Activities:

FY 2005 Program: Improve Child Survival, Health and Nutrition (\$3,328,000 CSH). USAID continues to provide technical assistance to the South African Department of Health at the national, provincial, and district levels to develop and implement improved primary health care management and service delivery and to strengthen HIV/AIDS prevention interventions. In FY 2005, USAID is assisting five districts to implement service-level improvements in primary health care. At the district level, USAID supports 20 youth-oriented facilities and provides technical assistance to 80 public sector facilities to improve the quality of maternal and child health and family planning services. Additional training for 500 nurses and other health support staff in infection prevention, counseling, wellness options, nutrition, and safe birthing practices is improving the availability of quality health care services. USAID technical assistance is resulting in strengthened management, drug logistics, training, and information systems in all nine provinces. All family planning agreements will incorporate clauses that implement the President's directive reinstating the Mexico City policy. Principal contractors and grantees: Management Sciences for Health (prime), and University Research Corporation and Health Systems Trust (subs).

Reduce Transmission and Impact of HIV/AIDS. See the State Department Congressional Budget Justification, Global HIV/AIDS Initiative section, for a discussion of this program.

Prevent and Control Infectious Diseases of Major Importance (\$2,000,000 CSH). South Africa ranks among the world's top ten countries in the number of tuberculosis (TB) cases. USAID is helping South Africa to improve the diagnosis and management of TB using technical assistance, training, and strategic planning, and is integrating best practices into the primary health care delivery system. USAID funds programs for the diagnosis and treatment of TB in at least 20 facilities in 10 districts with high TB rates. To reduce stigma and promote early treatment-seeking behavior, USAID is developing a public education strategy using mass and local media and is working at the provincial level to promote integration of TB and HIV/AIDS services. USAID-funded grants assist five nongovernmental organizations (NGOs) to carry out advocacy and intensive TB service delivery activities in their communities. Additional grants to NGOs in five provinces focus on integrating TB and HIV services. Finally, USAID is initiating three research activities designed to address constraints to TB case detection and treatment adherence. Principal contractors and grantees: Management Sciences for Health (prime) and University Research Corporation, Health Systems Trust, and Tuberculosis Coalition for Technical Assistance (subs).

FY 2006 Program: Improve Child Survival, Health and Nutrition (\$3,328,000 CSH). USAID's efforts to strengthen the primary health care delivery system will continue to focus on integrating all services at the clinic level and on delivering a comprehensive PMTCT package at the district level. USAID also will support at least five mentoring initiatives where stronger districts/facilities will provide technical support to weaker districts. USAID plans to support training of health care and community level workers, and will support 10 district-level facilities that promote integration of youth and adolescent reproductive health services into primary health care. All family planning agreements will incorporate clauses that implement the President's directive reinstating the Mexico City policy. Principal contractors and grantees: Management Sciences for Health (prime), and University Research Corporation and Health Systems Trust (subs).

Reduce Transmission and Impact of HIV/AIDS. See the State Department Congressional Budget Justification, Global HIV/AIDS initiative section, for a discussion of this program.

Prevent and Control Infectious Diseases of Major Importance (\$1,850,000 CSH). USAID will continue to support initiatives to improve the diagnosis and treatment of TB in high prevalence areas, and to increase the capacity of the South African government to manage TB programs. USAID technical assistance activities will expand to a total of 20 districts. In addition, USAID will work closely with universities and research institutions to develop and test innovative models for involving the private sector, including traditional providers and employers, to expand access to TB prevention and control services. USAID also will fund at least five local NGOs in high prevalence areas to promote early detection and treatment of TB. To reduce treatment interruption rates and improve treatment adherence, USAID will continue to strengthen linkages between health centers and community-based directly observed treatment short course (DOTS) supporters. Principal contractors and grantees: Management Sciences for Health (prime) and University Research Corporation, Health Systems Trust, and Tuberculosis Coalition for Technical Assistance (subs).

All family planning assistance agreements will incorporate clauses that implement the President's directive restoring the Mexico City policy.

Performance and Results: USAID has played a crucial role in strengthening the health care system in South Africa, particularly in the Eastern Cape Province, one of South Africa's poorest regions. As a result of USAID assistance in this province, primary health care services are now available in all clinics, more than 600 well functioning hospital and clinic committees have been established, primary health care providers and district managers have guidelines to manage integrated primary health care facilities, and more than half of the Eastern Cape's provincial budget is now devoted to primary health care. Many improvements to the health care system piloted in the Eastern Cape have been adopted at the national level and are being implemented in all nine provinces. In addition, the USAID-funded program has supported the training of 10,000 health care workers in all nine provinces in managing opportunistic infections.

USAID has provided regular care and support to more than 63,000 orphans and vulnerable children in four provinces through a local NGO and a faith-based organization. Support for quality assurance and the training of 3,245 health workers in quality issues have resulted in the development and use of improved assessment tools, job aids, field guides for health care workers, and quality assurance systems in 106 hospitals, 53 community health centers, and 944 clinics in five provinces. Through support to three TB organizations working in eight communities across four provinces, USAID trained 371 DOTS supporters and reached 8,106 people with TB prevention and treatment messages. A total of 461 patients completed their treatment through this program. By 2007, USAID will have helped increase the access and quality of integrated primary health care services for more than 50% of the South African population.

US Financing in Thousands of Dollars

South Africa

674-008 HIV/AIDS and Primary Health Care	CSH	DA	DFA	ESF
Through September 30, 2003				
Obligations	82,180	23,697	8,400	939
Expenditures	47,502	23,506	8,372	0
Unliquidated	34,678	191	28	939
Fiscal Year 2004				
Obligations	33,428	0	0	1,200
Expenditures	16,631	88	1	0
Through September 30, 2004				
Obligations	115,608	23,697	8,400	2,139
Expenditures	64,133	23,594	8,373	0
Unliquidated	51,475	103	27	2,139
Prior Year Unobligated Funds				
Obligations	0	0	0	0
Planned Fiscal Year 2005 NOA				
Obligations	5,328	0	0	0
Total Planned Fiscal Year 2005				
Obligations	5,328	0	0	0
Proposed Fiscal Year 2006 NOA				
Obligations	5,178	0	0	0
Future Obligations	93,144	0	0	0
Est. Total Cost	219,258	23,697	8,400	2,139

Data Sheet

USAID Mission:	South Africa
Program Title:	Employment Creation
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	674-009
Status:	Continuing
Planned FY 2005 Obligation:	\$6,603,000 DA
Prior Year Unobligated:	\$0
Proposed FY 2006 Obligation:	\$7,483,000 DA
Year of Initial Obligation:	2000
Estimated Year of Final Obligation:	2007

Summary: South Africa's high rate of unemployment (29.6% for the historically disadvantaged population) is a serious threat to the country's young democracy. USAID is helping South Africa to create sustainable employment through a program that fosters the growth of small, medium, and micro enterprises owned by historically disadvantaged entrepreneurs. These enterprises--which employ approximately 54% of the workforce and generate 35% of South Africa's gross domestic product--are critical to the growth of South Africa's economy. For many historically disadvantaged entrepreneurs, USAID's services are the only forms of assistance and mentoring they receive. USAID facilitates technical assistance and training to help historically disadvantaged firms identify new domestic and international markets, build production and management capacity, secure financing to expand and, ultimately, to create sustainable private sector employment--the number one priority for South Africa.

Inputs, Outputs, Activities:

FY 2005 Program: Increase Private Sector Growth (\$6,603,000 DA). USAID is helping nearly 7,500 historically disadvantaged small, medium, and micro-level enterprises to meet production, quality, financial, and regulatory requirements so they can expand their markets and competitively participate in domestic and global economies. USAID is continuing to expand its successful business linkage program, which matches historically disadvantaged small and medium enterprises (SMEs) in the manufacturing and services sectors with other African firms and U.S. companies that serve as both markets and mentors for these developing enterprises. USAID also is continuing to prepare client entrepreneurs to take advantage of access to U.S. markets under the African Growth and Opportunity Act (AGOA), with an expected \$18.5 million in sales to be generated in that target market. In addition, funds from the Trade for African Development and Enterprise initiative are being used to help South African SMEs to identify \$10 million in new trade opportunities within Southern African Development Community countries. Overall, USAID support to historically disadvantaged SMEs in South Africa is expected to generate 3,200 private sector jobs and \$150 million in new sales.

In the agricultural sector, USAID is continuing its successful agribusiness linkages and marketing program, helping to match historically disadvantaged small, medium, and micro-level farmers and agribusinesses with mentors, inputs, training, financial services and, most importantly, the domestic and international market connections necessary to increase jobs and incomes. The agribusiness linkages program recently expanded its coverage to eight of South Africa's nine provinces, which is significantly increasing the numbers of agricultural and agribusiness clients assisted by the program. As a result of USAID's support to the agribusiness sector, over 7,000 small, medium, and micro agricultural enterprises are being assisted to create over 2300 new jobs and over \$33.75 million in sales of vegetables, fruits, specialty teas, livestock, seafood, spices, and other niche products.

USAID is supporting the development of microenterprises in the construction and agro-processing sectors in order to help the very poor to access the resources they require to improve competitiveness and operate in the formal private sector economy. In addition, USAID anticipates transferring \$150,000 to the Development Credit Authority (DCA) to expand access to finance for small firms. To address the sensitive issue of land tenure in South Africa, USAID is continuing to support the expansion of "willing seller-willing buyer" sales between large commercial enterprises (farms and agro-processors) and their workers. While

USAID will assist with just 16-20 additional large agriculture enterprise sales in FY 2005, these sales provide clear proof that such transactions are possible and feasible. USAID funds also continue to support research and outreach on biotechnology in support of small farmers and agribusinesses. Principal contractors and grantees: Corporate Council on Africa (CCA), Emerging Markets Group (formerly Deloitte Touche Tohmatsu), World Education Ntinga, ARD, Inc., Megatech, Inc., and Capitec Bank (all prime), and ECIAfrica and AfricaBio (both subs).

FY 2006 Program: Increase Private Sector Growth (\$7,483,000 DA). USAID will build on successful business linkages programs to increase market opportunities for historically disadvantaged small, medium, and micro-level enterprises involved in the manufacturing, services, and agricultural sectors, with the objective of generating employment and income. In FY 2006, USAID will assist over 400 services and manufacturing small and medium businesses from the historically disadvantaged community to help create over 3,700 jobs and generate over \$167 million in sales. USAID-funded technical assistance and business advisory services will help 75 SMEs develop the capacity to further tap into regional and AGOA trade opportunities. USAID anticipates transferring \$200,000 in DA funds to further expand financing for small business activities.

In the agricultural sector, USAID plans to work with over 10,125 small, medium, and micro agribusinesses from historically disadvantaged communities to create over 500 new jobs and significant income through the generation of up to \$56 million in agricultural sales for small farmers and agribusinesses. Resources also will be used to complete "willing seller-willing buyer" transactions between commercial farm enterprises and black farm workers. USAID also plans to support specific efforts to enhance access to finance for small, medium, and micro agricultural enterprises. Activities in biotechnology research and land tenure that impact agribusiness success are expected to continue. Principal contractors and grantees: CCA, Emerging Markets Group, ARD, Inc., and Capitec Bank (all prime), and ECIAfrica and World Education Ntinga (both subs).

Performance and Results: The USAID employment generation program has exceeded expectations since 2003 in its generation of over 4,500 jobs and over \$279 million in sales contracts in the small and medium business and agribusiness sectors. Small businesses that use USAID regional and U.S. trade activities have shown considerable success, concluding over \$35.8 million in export sales and exceeding overall 2004 export targets by 58%. Small, medium, and microenterprise businesses assisted by USAID have secured \$10.5 million in financing in the past year (15% above the target).

The agribusiness linkages program created nearly 500 jobs in FY 2004 and generated over \$26 million in sales revenue by historically disadvantaged agribusinesses through 29,041 sales and support to 1,730 farms and agribusinesses. USAID also has helped agribusinesses to access over \$13.6 million in financing. The success of the agribusiness program, which targets rural areas throughout South Africa, has been widely acknowledged by provincial governments, several of which have already or are planning to buy into the program with their own funds.

By program completion, nearly 20,000 historically disadvantaged small, medium, and micro-enterprises and agribusinesses will have improved their marketing, production, and management capacities, and will have become robust participants in national and international markets. Businesses supported by the USAID program will complete transactions valued at over \$646 million, and will be significant sources of private sector employment.

US Financing in Thousands of Dollars

South Africa

674-009 Employment Creation	CSH	DA	DCA	DFA
Through September 30, 2003				
Obligations	705	36,269	0	20,558
Expenditures	675	23,529	0	20,492
Unliquidated	30	12,740	0	66
Fiscal Year 2004				
Obligations	0	6,937	76	250
Expenditures	0	6,969	-19	0
Through September 30, 2004				
Obligations	705	43,206	76	20,808
Expenditures	675	30,498	-19	20,492
Unliquidated	30	12,708	95	316
Prior Year Unobligated Funds				
Obligations	0	0	0	0
Planned Fiscal Year 2005 NOA				
Obligations	0	6,603	0	0
Total Planned Fiscal Year 2005				
Obligations	0	6,603	0	0
Proposed Fiscal Year 2006 NOA				
Obligations	0	7,483	0	0
Future Obligations	0	73,887	0	0
Est. Total Cost	705	131,179	76	20,808