



developments

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President Clinton's Trip to Africa Defines New Partnership

By SD Director Jerry Wolgin

When President Clinton returned to the United States after what can only be called his triumphal trip to Africa, he brought with him a fundamentally changed relationship. For all of its flaws, all of its fragility, all of the times when hope has been shattered, Africa is truly entering into a period of renaissance—of new birth. Those of us who have worked so hard to see this day are still subject to the shifts of mood between hope and despair. And yet, if we pull back a little, if we move from the telephoto to the wide-angle lens, if we allow the patterns of change to emerge from the clutter of the dailiness of our work, we will be able to see this renaissance clearly.

It is the conjunction of the United States growing into its role as the economic, military, political, and cultural leader of the coming century and the rebirth of Africa that has led to the new relationship, which the president's trip both exemplified and created. That relationship is one of partnership. This is a term which, like many others, has been debased by overuse. But for the first time in recent history, Africa is emerging as a worthy partner for the United States. The peaceful end of apartheid and the development of a culture of reconciliation offers political lessons for the rest of the world. The liberalization of African economies offers economic opportunity. The fundamental technological change inherent in the new information age provides the tools for partnership.

For USAID, the new partnership is manifested in two important initiatives—the President's Partnership for Economic Growth and Opportunity, and the Education Initia-

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Photo: Bob McNeeley, the White House.

In Accra, Ghana, President Bill Clinton and First Lady Hillary Rodham Clinton join hands with Ghana President Jerry John Rawlings and Mrs. Nana Konadu Agyeman Rawlings as they greet a crowd of thousands.

Leland Initiative Helps Privatize Internet Services in Madagascar

By Zoey Breslar

In August 1996, when the governments of Madagascar and the United States signed a memorandum of understanding under the Leland Initiative, there was only one e-mail Internet Service Provider (ISP) in the country, Data Telecom Services (DTS).

Now, with USAID/Madagascar and SD's assistance under the USAID-managed Leland Initiative, Madagascar has installed its own Network Operating Center at Telecom Malagasy (TELMA), and nine ISPs have Internet connections that allow them to provide the Malagasy public with e-mail, access to the World Wide Web, and other Internet services.

The Leland Initiative, a five-year, \$15 million interagency effort to provide up to 20 countries in sub-Saharan Africa

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More Internet Service Providers (ISPs) Help Link Madagascar to the Internet

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with Internet access, provided the necessary equipment to set up TELMA's operating center.

ISPs Form Association

Of the 10 selected ISPs, one has elected not to pursue the Internet business. The nine remaining ISPs have organized themselves into the Association of Internet Providers, which has been integral in developing the private-sector Internet industry in Madagascar.

The ISPs are fully operational and legal after signing a contract with TELMA stipulating their respective ob-

the emergence of a dynamic Internet sector. The Malagasy people, and the economy, will be the big winners."

The ISPs connected through the Network Operating Center began operation in late 1997, and they already have several hundred customers. TELMA began charging the ISPs for the leased and multiplexed lines after the signing of the contract. The ISPs charge their customers competitive rates and offer a wide variety of plans, and anecdotal evidence indicates that customers of these new providers are highly satisfied with the quality of service provided.

The support USAID is providing to its business partners varies according to the partner and type of agreement reached. For example, for the National

USAID/Madagascar is supporting some of its key development partners connect to the Internet.

Institute of Statistics (INSTAT), the Mission is providing modems and browser software to connect the Institute's five headquarters divisions, documentation center, and seven regional offices to a local ISP. INSTAT will assume all recurrent costs. For the Central Bank of Madagascar, the Mission is providing Internet server technology and software to allow the bank to increase its research and communication capabilities with the world banking community. The National Assembly is receiving similar support to connect it with its international counterparts.

The ISPs and especially the Malagasy public are anticipating with excitement the benefits they will soon reap from access to the global information infrastructure.

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This group is learning to use the Internet and get connected to the world at a Leland Initiative training session.

USAID/Madagascar Supports Partners with Internet Use

ligations and responsibilities. Jim Lowenthal, an Internet business and policy specialist who helped TELMA establish an ISP-friendly administrative environment, said that "at the beginning of the process, it was not clear whether the Malagasy government would fully commit itself to a level playing field in the presence of the government-owned ISP. Now, one year later, TELMA has dramatically transformed the competitive space for

USAID/Madagascar is supporting some of its key development partners in an effort to begin to use this newly available national Internet capability. For example, in the near future it is financing equipment to connect institutions such as the Central Bank of Madagascar, the National Assembly, and the National Institute of Statistics to the Internet. Later this year, the Mission will provide comprehensive user training for up to 200 USAID development partners.

Africa Bureau Launches Redesigned Web Site

<http://www.info.usaid.gov/regions/afr>

After months of development, the Africa Bureau's new *USAID in Africa* World Wide Web site was launched in February.

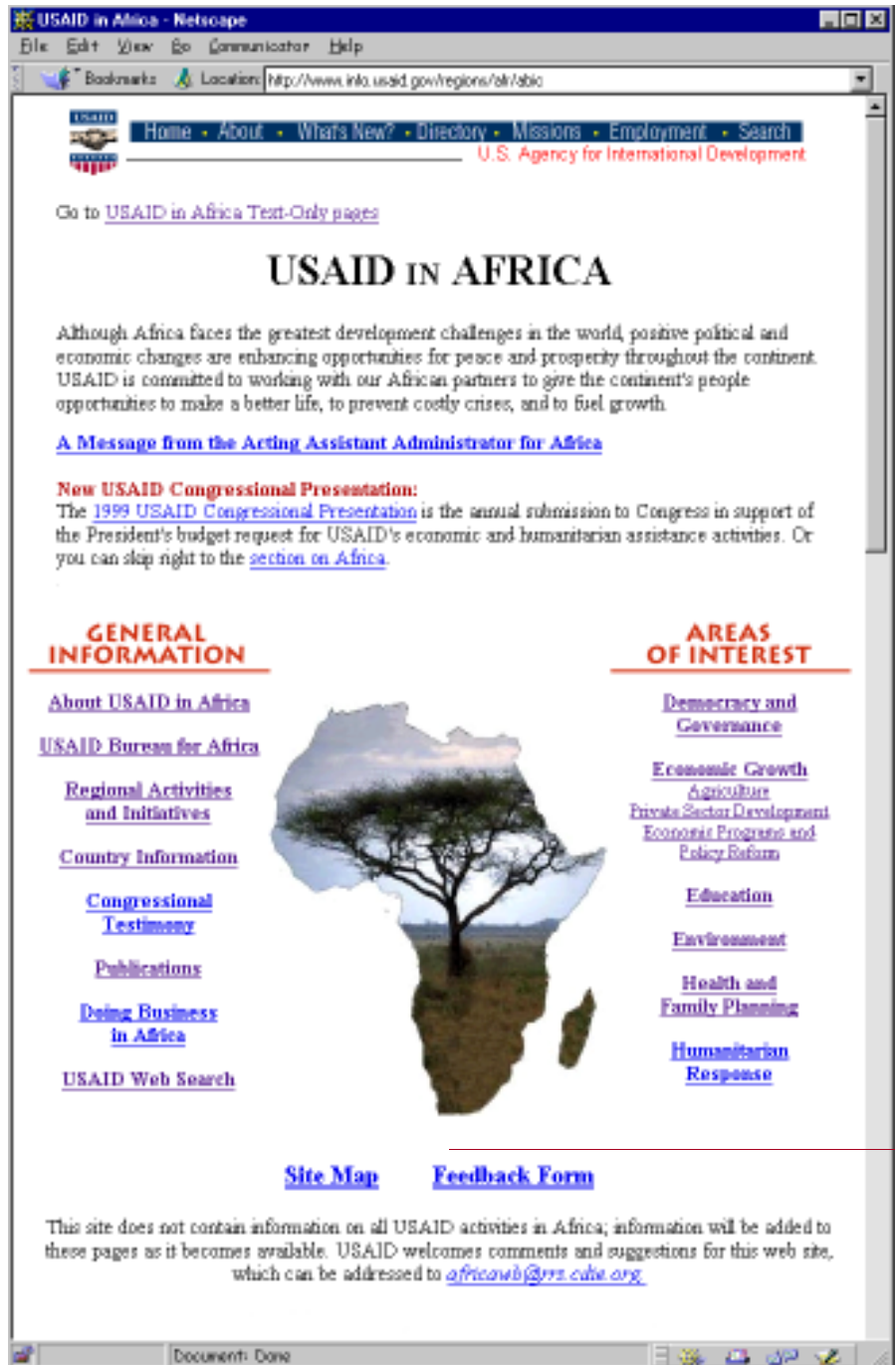
The site was developed with input from Africa Bureau staff, including a Bureauwide working group. The new Web pages were redesigned from the ground up to make it easier for the Bureau's customers to find comprehensive information about USAID's assistance programs and policies in Africa.

As the site grows, it will feature more country and sector-specific information, and links to all USAID Web sites on Africa as well as to many other sources of Africa-related information on the Internet. Although the site will continue to be a work in progress, it is already providing more user-friendly access to information about USAID's work in Africa.

Bret Harris has joined the Africa Bureau Information Center as the new development specialist for the Bureau's Web site. Harris was previously with SD's Support for Analysis and Research in Africa (SARA) project and has several years of experience in Web design and development communications. Over the coming months Harris will continue to expand and refine the Web site. He will also work with other Africa Bureau project Web specialists and USAID Missions in Africa on the development of their sites.

The new Web pages can be found at <http://www.info.usaid.gov/regions/afr>. In the near future, the Bureau will form a steering committee to ensure the Web site meets the needs of the Bureau and its customers. A survey of internal and external partners of the Africa Bureau is also planned to determine the information needs of Agency staff and those they work with, including African institutions, nongovernmental organizations, donors, the academic community, and the public.

Comments and suggestions on the new Web site are always welcome. Take a look and tell us your thoughts.



To provide feedback or for more information, contact Bret Harris, ABIC, 1331 Pennsylvania Avenue, NW, Suite 1425, Washington, DC 20004-1703; e-mail: bharris@aed.org.

Africa Bureau Examines 10 Years of Education Reform

Retreat Increases Understanding of New Framework in Basic Education



Updating Guidance

In 1997, HRD began updating the guidance contained in the *Action Plan* by using analyses of its education programs and by consulting with over 100 USAID staff, other donors, regional institutions, and African education specialists and policymakers. The result is an extraordinary document that has now been approved as official guidance by the Africa Bureau for its work in sustainable development countries, *USAID's Strategic Framework for Basic Education in Africa*.

Two-Day Retreat

To deepen the understanding of USAID resource persons on using the Framework to design, manage, and evaluate USAID-supported basic education programs, HRD sponsored a two-day retreat in Washington, D.C., March 30–31, 1998. The objectives of the retreat, which was attended by 40 people representing USAID's Global and Africa Bureaus, Mission staff, donors, nongovernmental organizations, and education consultants, were:

- to reflect on issues surrounding the Framework's implementation;
- to analyze the Framework based on a case study where it was used to evaluate a program;
- to analyze issues and discrepancies between the Framework's guidance and the 10 basic education programs now in existence; and
- to use the Framework to "walk through" an analysis of an existing program.

The retreat began with an overview of the new document. Ash Hartwell and Karen Tietjen, codrafters of the Framework, stressed that it is based on what USAID has learned in 10 years of experience in sub-Saharan Africa. According to Hartwell and Tietjen, the Africa Bureau has learned that three elements are critically linked to a successful reform effort: (1) the reform must focus on making schools effective; (2) it must be systemic, i.e., it must view the education system as a whole so that policies, services, and inputs unite with budgets, institutions, decision-making processes, and dialogue to support school change; and (3) it must lead toward sustainability, i.e., countries must be able to continue pursuing their education objectives on their own once financial and technical assistance from USAID ends.

SD Director Jerry Wolgin said, "The Framework is a child of USAID's reengineering. It is not a formula for building a bridge, i.e., a new educational reform, but one tool in USAID's toolkit for doing the right thing."

Program Evaluation

Following the overview, education consultant Marcy Bernbaum led the participants through an account of the recent evaluation of Malawi's GABLE project (Girls' Attainment of Basic Literacy and Education) that she helped conduct in late 1997 for USAID's Center for Development Information and Evaluation (CDIE). The evaluation found that the project helped place the importance of girls' education on the national agenda, improved girls' enrollment through the enactment of fee waivers, and significantly increased both the proportion of the government's budget devoted to education (from 10 percent to 27 percent) and the proportion of the education

Guided by its 1988 *Basic Education Action Plan*, the Africa Bureau has supported the comprehensive reform of education systems in sub-Saharan Africa for more than 10 years. The Bureau's education sector support programs—which account for nearly 70 percent of the funds USAID invests in basic education worldwide—have assisted 12 countries to make the policy and resource allocation decisions necessary to lead to universal, high-quality basic education.

Over these years, SD's division of Human Resources and Democracy (HRD) has helped USAID's Missions in Africa implement education sector support by supporting regional organizations such as the Association for the Development of Education in Africa (ADEA), sponsoring applied research, organizing workshops that encourage networking and technical skills, and providing ongoing assistance in the design, implementation, and evaluation of education programs.

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budget devoted to basic education (from 46 percent to 59 percent). Another important benefit was GABLE's use of a social mobilization campaign to promote girls' education, develop community leadership to continue the effort, and introduce female role models for primary school girls.

In the next session, participants broke up into groups to assess a particular country's reform efforts and USAID's program with respect to the principles outlined in the Framework as well as to gauge the Framework's applicability as a tool to guide and assess the Africa Bureau's education efforts. Each group used the knowledge of its members of the country it was assigned to create an inventory of issues and to situate the country in a "Stages of Reform" continuum that could be used to determine what level,

and what type of support would likely be most beneficial to the country's reform efforts.

"The Framework is a child of USAID's reengineering. It is not a formula for building a bridge, i.e., a new educational reform, but one tool in USAID's toolkit for doing the right thing."

In the final session, participants examined the situation of Mali and provided specific suggestions to the Mission representative, Koromoutou (Koro) Konfé, on how the Mission and

the Ministry of Education could design a program for its new strategic objective of improving social and economic behavior among youth.

In the wrap up and evaluation exercise, participants rated the retreat as valuable overall. However, they also raised a number of concerns and asked for more specific guidance on making the Framework operational. HRD is following up on these responses before broadening the dissemination of the document to a wider fora, including donor and USAID conferences, African ministries of education, USAID Missions, and the general public.

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— John Engels

Africa Emerges as an Important Partner to the United States

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tive for Development and Democracy. Each of these new initiatives represents a partnership between the U.S. public and private sectors and their counterparts in Africa. Given the limitations that are always going to be present restricting development resources, given the fact that the aid relationship has by its nature a dependency element, and given the fact that the U.S. private sector (both for-profit and non-profit) has a rich array of financial and intellectual resources that it can bring to help address Africa's development problems, this new partnership will become the fundamental relationship between the United States and Africa in the future.

Moreover, it is a partnership. Business will come to Africa seeking markets and high rates of return on investments, not out of any charitable impulse. And increasingly nonprofits,



President Clinton speaks at an environmental event in Gabrone, Botswana, as part of his 11-day tour of six African nations March 23-April 2.

such as universities and private associations, will come to Africa as much for what they can gain as for what they can give. This is a global economy and all U.S. institutions are globalizing.

This means that USAID will increasingly be playing a new and different role—one as facilitator and catalyst using our expertise and resources strategically to help forge these new partnerships. This is the hallmark of these new initiatives, and over time they will increasingly become the measure by which we will have to operate. Melding the new role with our traditional one is not going to be easy, especially given the reduced USAID staff levels, but there is no other choice. And the future is one of great excitement and opportunity as Africa continues its rebirth, the United States—African partnership is strengthened and broadened, and USAID continues to play an important role in each.

EAGER Country Workshop Discusses South African Economy, Finances, and Labor

By Robert Wieland

Researchers, USAID staff, and Africans from the public and private sectors came together in Muldersdrift, South Africa, for EAGER's Fifth Semiannual Country Workshop, February 4-6. The workshop was cosponsored by the Equity and Growth through Economic Research (EAGER) activity and South Africa's Trade and Industrial Policy Secretariat (TIPS). EAGER is a USAID-funded, six-year activity that supports economic and social science policy analysis in sub-Saharan Africa.

South Africa is unique among African countries because its recently elected government brought policies that support economic growth through freer markets. Still, local decision makers are divided on economic policies regarding the current imbalance of wealth distribution and costs of remedying the situation. This issue was discussed in the session on *Current Issues in the South African Economy*.

Growth, Equity, Redistribution

Mr. Rashad Cassim, executive director of TIPS; Dr. Asghar Adelzadeh of South Africa's National Institute for Economic Policy; and Rick Harber, an economist from USAID's South Africa Mission, all noted the importance of EAGER's Growth, Equity, and Redistribution (GER) program, which the South African government adopted as its central policy. Through GER, the government of South Africa commits itself to export-led development with efficiency-oriented, macroeconomic policies, and limited government interventions.

Mr. Cassim questioned GER's prospects for successful implementation. He discussed the high costs borne by workers in industries that are shedding labor, and the consequent pressure to change this strategy. Because

some employment loss is attributed to the adjustment process, the transition to a more open economy, further liberalization may be difficult. Furthermore,

South Africa is unique among African countries because its recently elected government policies support economic growth through freer mar-

reforms implemented to date may not be adequate to provide the investment and economic growth benefits anticipated. He also suggested that the currency may still be overvalued.

Dr. Asghar recommended that GER focus on the issues of jobs and poverty, and that the government rethink its policy framework by adopting a more activist role to generate higher growth and achieve better income distribution.

Research Findings Presented

Research papers with a South African focus were presented at concurrent sessions addressing trade, labor markets, factor productivity, market structure, finance, and regional energy-sharing.

The session *Labor Markets, Employment, and Productivity in South Africa* addressed two research themes—the first was on examining labor demand and productivity and the second was on exploring means for promoting competitiveness in two potentially export-leading manufacturing industries. Preliminary analysis showed a shedding of labor in the manufacturing sector though production continues to rise. Another finding of particular interest is that wages seem to be rising in the face of high unemployment faster than inflation, suggesting an “insider-outsider” problem and lack of flexibility

in labor markets.

Village Bank

Financial Intermediation for the Poor information was presented on the South African financial system, along with a similar case study on Senegal that had been undertaken by Hamed Ndour, Ph.D. of REMIX, Senegal. In his assessment of the South African financial system as it relates to small-scale and rural clients, Mhammed Karaan, Ph.D. of the University of Stellenbosch examined a number of institutions and their approaches for reaching this clientele. Case studies show that the large state-owned banks do not seem to be commercially viable vehicles for sustained delivery of financial services.

A promising new approach has rural clients contributing to a deposit fund and leveraging those savings with borrowing. Another potentially successful approach is the village banking scheme, under which institutions gather member shares and deposits and place them with commercial banks to collect interest. The village bank then borrows against those deposits and these loans are used to finance lending to members.

Dr. Eric Nelson of Development Alternatives, Inc. (based in Bethesda, Maryland) summarized the study results from Senegal and South Africa, noting that formal sector institutions did not serve this clientele with savings and deposit services. Dr. Nelson pointed out that expansion of the village banks would be vastly increased if private investors were allowed to participate.

Robert Wieland is an economist with the consulting firm International Economics-Washington in Washington, D.C.

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Technical Officers Workshop Clarifies Future Challenges

by Millie Morton

In African development, success in agriculture, environment, and private-sector activities requires mutually supportive approaches. USAID technical officers throughout Africa working in these three areas met in February at a workshop in Kampala, Uganda, to address the development and organizational challenges they face. Over 80 participants from USAID Missions and regional field offices in Africa, and Washington, DC, offices spent a week discussing recent trends, learning about new initiatives, sharing field experience, and searching for solutions to common problems.

The workshop's theme was "Challenges in Promoting Food Security, Managing Natural Resources, and Expanding Trade and Investment in Africa," and was organized by SD's Division of Productive Sector Growth and Environment (PSGE) in close collaboration with field staff.

"Policy reform was of major concern to participants," said David Atwood, PSGE's division chief. "African governments have made significant progress in reforming policies, but second-tier problems remain, hindering implementation." In reviewing field experience, workshop partici-



Don Clark, USAID Mission Director to Uganda, addresses participants at the workshop in Kampala.

pants recognized the need for technical staff to continue providing leadership and analytical support and to nurture the government, private sector, and donor partnerships that encourage policy change.

Two other topics addressed during the workshop were cross-sector linkages and partnerships. Examples from Missions on activities linking agriculture, environment, and the private sector underscored the way these three areas often promote empowerment and good governance and their linkages to food security, poverty reduc-

tion, and biodiversity conservation.

USAID partnerships with the private sector, governments, and other donors continue to increase. However, workable partnerships require appropriate support and USAID must help partners acquire the skills and working relationships to carry out their expanded mandates, participants noted.

Regional issues received considerable attention since regional economic integration and regional program opportunities are increasingly important. Regional staff support is essential in addressing these issues, but these staff are also providing help to more close-out or nonpresence countries and are working to ensure the sustainability of regional institutions.

During discussions of each major workshop topic, participants voiced concerns that increased field staff and training are essential to carry out USAID's development work in Africa. With the reduction in numbers of direct-hire staff and contractors, foreign service nationals are assuming increasing roles and should be included in USAID training.

Millie Morton is a research analyst for PSGE. For additional information, contact her at AFR/SD/PSGE, 1111 N. 19th St., Suite 210, Rosslyn, Virginia 22209; e-mail mmorton@usaid.gov.

SD-Funded Research Helps Ethiopia Initiate Maize Exports

By Millie Morton

When the Government of Ethiopia found that the country had a maize surplus, it set up a high-level committee to investigate options. Following two relatively large grain harvests, Ethiopia's state farms and the Ethiopian Grain Trading Enterprise each had stocks of about 50,000 tons of maize. Real producer prices were at a 10-year low, and the government feared that selling the grain in local markets would reduce prices even further and jeopardize farmers' incentives to use the improved

agricultural technologies they were promoting. As a result, for the first time in more than 20 years, Ethiopia exported maize to Kenya.

When the committee began assessing options, a staff member from USAID's Grain Market Research project in Ethiopia participated in the deliberations and shared data from Kenya showing the potential for profitable exports from southern Ethiopia to Kenya. The data included maize price and market information collected in Kenya through research conducted by Michigan State University with funding from SD's PSGE division. This

data was crucial to the committee's decision to export.

The exports were transported by truck and train over three different routes. Transportation costs were high, but Ethiopian traders earned profits, purchasing the maize for about \$90 per ton and selling it to Kenyan importers for about \$190 per ton. In Ethiopia, exporting the surplus helped stabilize maize prices. In Kenya, the exports provided food for households affected by drought and reduced the need for international food aid. This grain marketing research enabled everyone to win!

EAGER Discussion Paper Series Is Now Available

The EAGER project has a new series of discussion papers available that provide researchers around the world with research results made by the project. "We expect the series to rapidly expand with country studies and final research reports," said Clive Gray, chief of party for EAGER/PSGE. The series is a collaborative effort between the EAGER/PSGE and EAGER/Trade projects, along with BHM, EAGER's communications dissemination contractor.

Here is a listing of the first six papers immediately available.

1. *Contract enforcement and economic performance*, by S. Kahkonen and P. Meagher.

2. *Tax policy in sub-Saharan Africa: Re-examining the role of excise taxation*, by B. Bolnick and J. Haughton.

3. *Enhancing transparency in tax administration: A survey*, by S.C. Wadhawan and C. Gray.

4. *The political economy of trade policy reform: Exploring an African paradigm*, by L.C. Phillips.

5. *Bringing down barriers to trade: The experience of trade policy reform*, by J. Metzler and L.C. Phillips.

6. *New trade opportunities for Africa*, by B.L. Salinger, A.M. Amvouna, and D.M. Savarese.

The latest list of available papers, with abstracts and an order form, are available on the EAGER website located at www.eagerproject.com. There is no charge to send papers to addressees on the African continent. For destinations outside of Africa, a fee of \$7.50 per paper will cover costs of production, shipping, and handling.

To order, send your name, address, and the numbers and titles of papers you wish to receive to: EAGER Discussion Paper Series, EAGER/CLC, 1800 N. Kent Street, Suite 1060, Arlington, Virginia, 22209, USA.

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