

BUREAU FOR DEMOCRACY, CONFLICT, AND HUMANITARIAN ASSISTANCE

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Democracy, Conflict, and Humanitarian Assistance

The mission of the Bureau for Democracy, Conflict, and Humanitarian Assistance (DCHA) is to save lives, alleviate suffering, support democracy, and promote opportunities for people adversely affected by poverty, conflict, natural disasters, and a breakdown of good governance. DCHA rapidly responds in support of USAID's mission worldwide, particularly in fragile, failed and failing states. To carry out its mission, the bureau collaborates within the Agency, the U.S. Government, and with external stakeholders. DCHA seeks to maximize its efforts through partnerships with organizations that share the Agency's vision and complement its resources. DCHA's teams design and implement effective solutions to crisis situations that link humanitarian efforts with longer-term development goals. USAID's vision is that strong democratic institutions, less conflict, improved food security, and timely humanitarian relief will produce a free and more prosperous global community.

Under the authority of the Foreign Assistance Act of 1961, as amended, the President has designated the USAID Administrator as his Special Coordinator for International Assistance.

“Understanding what, if anything, the foreign assistance community can do to help stop a nation’s slide to self-destruction is critical.”

Source: *Foreign Aid in the National Interest: Promoting Freedom, Security, and Opportunity*

The DCHA bureau within USAID is the lead U. S. Government organization for providing emergency, life-saving disaster relief, including food aid, and other humanitarian assistance to people in the developing countries, particularly those plagued by state failure problems. Even in countries that are not so fragile, however, there are inevitably natural disasters and violent man-made crises that threaten large-scale loss of life. DCHA's programs, and especially those providing development assistance, also encourage responsible participation by all citizens in the political processes of their countries, assist those countries to improve governance, especially the rule of law, and help strengthen non-governmental organizations (NGOs) and other elements of civil society. Proposed funding for FY 2004 will further strengthen U.S. leadership in foreign disaster relief, emergency food aid, and other humanitarian assistance. The financial resources requested will also underwrite crucial assistance programs for helping countries to: manage and mitigate conflict; make the transition from crisis to recovery and a return to development progress, practice democracy and good governance, and

strengthen the capacity of indigenous non-governmental organizations.

The Development Challenge: The biggest challenge facing the Agency today is the enormous food crisis plaguing the developing world. The crisis has put the international humanitarian relief system at risk of being completely overwhelmed. The main causes of the crisis include widespread droughts in southern Africa and in the Horn of Africa, continued turmoil in Afghanistan, and an ongoing food shortage of major proportions in North Korea.

Global Food Aid Needs and Projected Contributions Fiscal Year 2003 (In millions of metric tons)	
Emergency Needs	
World	5.900
Africa	3.717
Afghanistan	.488
DPRK	.512
Other	1.183
Estimated Available	2.3 - 3.5
<i>Source: WFP Estimates</i>	

An unprecedented gap between the world's emergency food aid needs and levels has opened, exceeding at least two million tons. This gap is posing a daunting challenge for the USAID-managed PL 480 Title II program. While Title II funding levels have remained within a relatively stable range over the last several years, total U.S. food aid levels have fallen to near fifteen-year lows in tonnage terms and, when cost is accounted for in constant dollars, to nearly the lowest-ever levels since the birth of the PL 480 program in 1954. European Union and world food aid

totals have followed a similar decline, driven by World Trade Organization (WTO) reforms that have cut back on agricultural surpluses at the same time that food aid has become more costly. With the sole exception of the Title II program, none of the donor pledges in the WTO's Marrakech Decision to maintain food aid to developing countries in the face of rising food prices is being honored.

USAID's Title II program has extensive experience with both emergency relief and longer-term food security assistance in these needy regions. Working with prominent Private Voluntary Organizations (including CARE, Catholic Relief Services, Save the Children, and World Vision) partnering with local NGOs (such as the Relief Society of Tigray), USAID was able to respond quickly to allay the growing famine in Ethiopia.

In southern Africa almost fifteen million people are at risk of acute hunger and malnutrition from the drought and complex food emergency. Using Title II resources and Bill Emerson Humanitarian Trust Fund commodities in fiscal year 2002 USAID was able to provide 248,100 MT of food assistance, valued at \$127 million - the equivalent of more than 10 percent of the entire Title II appropriation - in response to the first severe food emergency in the Southern African region in nearly a decade. Title II resources will continue to be taxed in FY 2003, as estimates of food needs in the southern Africa region have more than doubled from those of the previous fiscal year on top of increased needs in many other parts of the world.

“States with ineffective and incompetent governance not only will fail to benefit from globalization, but in some instances will spawn conflicts at home and abroad, ensuring an even wider gap between regional winners and losers than exists today.”

Source: *Global Trends 2015: A Dialogue About the Future with Nongovernment Experts*

All seven of DCHA's offices that manage programs share a set of common goals: (1) advancing longer-term development through integrated, high-impact interventions, particularly in countries affected by crisis, conflict, and food insecurity; (2) strengthening capable, responsive, and stable democratic systems and civil society, particularly in fragile, failing, and failed states; (3) increasing host country capacity to save lives and reduce human suffering; (4) providing technical leadership within the U. S. Government and to

partners in response to the needs of fragile, failed, and failing states; and (5) ensuring coordination within DCHA for more effective responses to crisis and development needs.

The programs managed by these seven offices support USAID's four pillars: (1) democracy, conflict, and humanitarian assistance; (2) economic growth, agriculture, and trade; (3) global health; and (4) global development alliance.

- Office of Democracy and Governance (DG): A balanced foreign policy approach underpins USAID's programs to strengthen democracy and good governance worldwide. In the words of the recently released report *Foreign Aid in the National Interest: Promoting Freedom, Security, and Opportunity*: "It is strongly in the U. S. interest to promote both democracy and good governance." Democratic governments tend to advocate and observe international laws, protect civil and human rights, avoid external conflicts, and pursue free market economies essential to international trade and prosperity. Supporting such governance entails a variety of often difficult political and institutional reforms, and capacity-building across four strategic areas: (1) promoting the rule of law and respect for human rights; (2) encouragement of credible and competitive political processes; (3) development of politically active civil society; and (4) promoting more transparent and accountable government institutions, including local government support and anti-corruption efforts.
- Office of Conflict Management and Mitigation (CMM): The world faces a major and growing threat from the increasing incapacity of states globally to deal with the potential causes of instability, conflict, and in some cases terrorism. Responding effectively to this emerging global reality is the challenge that shapes CMM's programs and external relationships. All USAID development programs and partners, especially those that directly address humanitarian assistance, the transition from crisis to stability, and promotion of democracy, must now address this new imperative. A key distinguishing feature of CMM programs is that they are longer-term than those of the Office of Transition Initiatives and they can be utilized for non-emergency activities.
- Office of U.S. Foreign Disaster Assistance (OFDA): The United States, through USAID, remains the world's leader in responding to man-made and natural disasters. While emergency relief for natural

disasters is crucial, preparedness is equally important. Even though nature cannot be tamed, or natural disasters stopped from taking place, there is room for prevention. OFDA's preparedness, mitigation and prevention efforts are essential in dealing with natural disasters, playing an even greater role in the case of complex emergencies. The last decade's marked growth in these man-made emergencies has continued into the new millennium, as internal conflict and war increasingly cause social, political, and economic institutions and systems to fail. Sometimes, natural disasters accompany man-made emergencies, which compound their complexity.

- Office of Transition Initiatives (OTI): Addressing the needs of pre- and post-transition countries experiencing significant political change, or facing critical threats to basic stability and democratic reform, is the charge of OTI. Working on the ground with local partners, the office provides short-term, high-impact assistance targeted at key transition needs.
- Office of Food for Peace (FFP): FFP manages P.L. 480 Title II food aid, which is the primary resource of the United States for responding swiftly to the critical food needs of disaster victims and other targeted vulnerable groups. Non-emergency, development food aid programs focus on mitigating food insecurity in low-income, food deficit countries.
- Office of Private and Voluntary Cooperation (PVC): Increasingly, PVC is focusing on providing resources to private voluntary and cooperative development organizations for use in strengthening the capabilities of local partners to carry out development and humanitarian aid programs at the local level. The programs address priority needs such as agriculture, micro-enterprise, civil society, democracy, child survival and health, and the environment.
- Office of American Schools and Hospitals Abroad (ASHA): ASHA awards grants to U.S. organizations that are founders or sponsors of private, overseas schools, libraries and hospital centers. These grants increase access abroad to American ideas, values and practices. The assistance and activities project a positive image of the United States, contribute to the reduction of poverty, and assist in combating terrorism.
- Office of Program, Policy and Management (PPM): PPM provides technical assistance and support to various offices, both within and outside the DCHA Bureau.

Program And Management Challenges: To be effective, the DCAH bureau's interventions must be well coordinated, the responses must be careful but rapid, and the approaches must be appropriately integrated if lives are to be saved and suffering reduced, conflict prevented or mitigated, non-governmental organizations' and other local institutions' capacities strengthened, and democracy and good governance buttressed. To that end, DCHA is implementing a number of important initiatives and innovations.

- The bureau has helped USAID make considerable progress in integrating disaster relief, transition, food security, and conflict management and mitigation programs into country portfolios. The result has been a shifting of country program priorities to crisis prevention and mitigation activities focused on both natural and man-made disasters.
- The bureau, through its Office of Transition Initiatives, continues to be the principal means by which the Agency delivers transition assistance to countries emerging from a crisis or teetering on the brink of one.
- The bureau has worked closely with the rest of the Agency to develop agency-wide response mechanisms for quickly dealing with crises as they arise.
- The bureau continues to actively pursue a resource-leveraging approach with its partners, particularly in its innovative work on forging PVO- and other public-private partnerships.

- The bureau continues to refine and apply performance-monitoring tools to strengthen program management and the allocation of resources. Reinforcing effective past practice, DCHA offices continue to consult with partners on adopting up-to-date Agency performance management and results reporting procedures and practices.

The individual sections on each of the bureau's offices contain numerous examples of the results their programs have achieved in the past year. They also contain specific information on the program plans for fiscal year 2004.

Other Program Elements: DCHA is a "pillar bureau-plus" within USAID. Like the Agency's other two pillar bureaus, DCHA provides field support to overseas missions and serves as a center of technical excellence for programs in democracy and governance, conflict, private and voluntary cooperation, and humanitarian assistance. However, several of DCHA's offices have direct responsibility for field programs. This is true of OFDA, OTI, ASHA, PVC, and perhaps to a lesser degree FFP and CMM. DCHA is making a concerted effort to integrate its programs more fully within both the bureau and the Agency. The bureau is also continuing its work on ensuring close coordination with the Departments of State and Agriculture, the National Security Council, and other parts of the U.S. Government.

Other Donors: A hallmark of DCHA's programs is the degree to which they involve partners, including private voluntary organizations (PVOs), cooperative development organizations (CDOs), non-governmental organizations (NGOs), for-profit contractors, American schools and hospitals sponsoring overseas institutions, United Nations agencies, international organizations, and other bilateral and multilateral donors. DCHA intends to continue working closely with the U.S. foreign affairs community, particularly the Department of State, on donor coordination and other partnering relationships. The bureau plans to form an increased number of alliances with entities such as the U.S. Institute for Peace, the Department of Defense, indigenous religious institutions dedicated to conflict prevention, mitigation, and resolution, and other non-governmental and governmental organizations.

BUREAU FOR DEMOCRACY, CONFLICT, AND HUMANITARIAN ASSISTANCE

Program Summary (in Thousands of Dollars)				
Category	FY 2001 Actual	FY 2002 Actual	FY 2003 Estimated	FY 2004 Request
Development Assistance	65,826	66,269	76,300	69,452
Child Survival & Health Fund	31,618	25,893	23,800	3,050
International Disaster Assistance {a}	164,640	235,500	285,500	235,500
Emergency Response Fund - IDA {b}		146,000		
Supplemental - IDA {c}	134,700	40,000		
Transition Initiatives {d}	49,890	50,000	55,000	55,000
P. L. 480 Title II	835,159	850,000	1,185,000	1,185,000
Emergency Response Fund - P. L. 480 {e}		95,000		200,000
Supplemental - P. L. 480 {f}		13,820		
Famine Fund				
Total Program Funds	1,281,833	1,522,482	1,625,600	1,748,002

- (a) FY 2003, International Disaster Assistance (IDA) includes \$50 million budget amendment for West Bank and Gaza.
- (b) FY 2002, IDA received \$146 million Supplemental for Afghanistan Emergency Response Fund (ERF) of which \$95 million was programmed by OFDA.
- (c) FY 2001, IDA received \$134.7 million Supplemental funding for Southern Africa Floods and in FY 2002 received \$40 million supplemental for Afghanistan reconstruction.
- (d) Transition Initiatives (TI) excludes \$15.5 million in Economic Support Funds (ESF) in FY 2001 and \$5,1million ESF in FY 2002 for various countries.
- (e) In FY 2002, P. L. 480 Title II received Supplemental funds of \$95 million ERF for Afghanistan.
- (f) In FY 2002, P. L. 480 Title II received \$13.8 million Supplemental transfer of unobligated Global Food for Education funds (P. L. 107-206). See *Summary Tables* volume for *P. L. 480 Dollars and Metric Tonnage* tables.

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Bureau for Democracy, Conflict, and Humanitarian Assistance

BUREAU FOR DEMOCRACY, CONFLICT, AND HUMANITARIAN ASSISTANCE
Budget Justification to the Congress
Notification Levels for FY 2003

<u>Program/ SO Number</u>	<u>Title</u>	FY 2003 Total Planned <u>Budget</u>	<u>Account</u>	FY 2003 Notification by <u>FY 2004 CBJ</u>
Office of Democracy and Governance				
932-001	Legal systems operate more effectively to support democratic governance and protect human rights	1,694,000	DA	0 *
932-002	Political processes, including elections, are competitive and more effectively reflect the will of an informed citizenry	2,496,000	DA	0 *
932-003	Informed citizen's groups effectively contribute to more responsive government	6,444,000	DA	0 *
932-004	National and local government institutions more openly and effectively perform public responsibilities	2,145,000	DA	0 *
Office of Food For Peace				
962-001	Critical food needs of targeted groups met	984,000 2,016,000	CSH DA	0 * 0
962-002	Increased effectiveness of FFP's partners in carrying out Title II development activities	983,000 2,017,000	CSH DA	0 * 0
Office of Private and Voluntary Cooperation				
963-001/ 960-001	Increased capability of PVC's partners to achieve sustainable service delivery/Program Mgmt Support	21,833,000 21,924,000	CSH DA	0 * 0 *
963-002	Enhanced NGO capacity to deliver development services in select USAID countries.	10,564,000	DA	10,564,000
Office of American Schools and Hospitals Abroad				
964-001	U. S. educational and medical technologies and practices demonstrated in selected countries	17,000,000	DA	0 *
Office of Conflict Management and Mitigation				
966-001	Conflict Prevention, Resolution, and Mitigation	10,000,000	DA	0 **

* Previously notified.

** Previously notified under SO 999-xxx.

BUREAU FOR DEMOCRACY, CONFLICT, AND HUMANITARIAN ASSISTANCE
Budget Justification to the Congress
Notification Levels for FY 2004

<u>Program/ SO Number</u>	<u>Title</u>	<u>Notification by FY 2004 CBJ</u>	<u>Account</u>
Office of Democracy and Governance			
932-001	Legal systems operate more effectively to support democratic governance and protect human rights	1,592,000	DA
932-002	Political processes, including elections, are competitive and more effectively reflect the will of an informed citizenry	2,345,000	DA
932-003	Informed citizen's groups effectively contribute to more responsive government	6,049,000	DA
932-004	National and local government institutions more openly and effectively perform public responsibilities	2,014,000	DA
932-005	Improved social, economic, and/or developmental status of vulnerable populations	2,050,000 4,470,000	CSH DA
Office of Food For Peace			
962-001	Critical food needs of targeted groups met	400,000 2,600,000	CSH DA
962-002	Increased effectiveness of FFP's partners in carrying out Title II development activities	400,000 2,600,000	CSH DA
Office of Private and Voluntary Cooperation			
963-001/ 960-001	Increased capability of PVC's partners to achieve sustainable service delivery/Program Mgmt Support	200,000 7,982,000	CSH DA
963-002	Enhanced NGO capacity to deliver development services in select USAID countries	15,800,000	DA
Office of American Schools and Hospitals Abroad			
964-001	U. S. educational and medical technologies and practices demonstrated in selected countries	14,000,000	DA
Office of Conflict Management and Mitigation			
966-001	Conflict Prevention, Resolution, and Mitigation	10,000,000	DA

American Schools and Hospitals Abroad "

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The Development Challenge: The goal of the Office of American Schools and Hospitals Abroad (ASHA) program, as stated in its enabling legislation, is to assist schools, libraries, and medical centers outside the United States founded or sponsored by U.S. citizens to serve as study and demonstration centers for ideas and practices of the United States. To this end, the principal objective of ASHA grants is to demonstrate U.S. advances in education and medical technology and practices, in areas of research and training in selected countries. With the above goal and principal objective in mind, the challenge of the ASHA program is to increase the ability of overseas schools, libraries, and medical centers to demonstrate U.S. advancements in educational and medical technology. It is envisioned that these institutions will contribute to the strengthening of bridges and mutual understanding between the people of the United States and those of other countries. The challenge for the ASHA program also involves developing the capacity of overseas institutions to effectively project and foster favorable images of the United States. Consequently, the ASHA-assisted institutions will create a foundation for nurturing and developing leadership in a wide variety of disciplines, while providing an appreciation for, and an understanding of, U.S. economic, political and social institutions, philosophy, and practices.

The USAID Program: For the FY 2002 competitive award cycle, 47 U.S. organizations applied for \$53 million under the ASHA program. These U.S. organizations sponsored 52 overseas institutions in 26 countries. Of the 47 U.S. sponsors, ASHA awarded grants to 25 sponsors for 26 overseas institutions in 14 countries. A total of \$17 million was obligated for the FY 2002 program. For FY 2003, ASHA received grant applications from 43 U.S. organizations requesting a total of \$66 million. These U.S. organizations sponsored 47 overseas institutions in 29 countries.

In pursuit of ASHA's goal and objective, grants were awarded to:

- build technological bases for integrated research, training, and patient care in critical areas of medical science;
- build technological bases for efficient information acquisition and communication for informed decision-making;
- build technology-augmented "smart" classrooms for training generations of independent thinkers with problem-solving skills; and
- build open-access facilities modeled after U.S. academic institutions and libraries to provide access to uncensored information and promote understanding between the people of the United States and those of other countries.

In addition to projecting a positive image of the United States, ASHA-funded activities contribute directly to three of the Agency's four pillars. Through development of professionals with American-style education and the transmission of current American ideas and practices in agriculture, business, medical sciences, and democracy and governance, these overseas institutions contribute to the achievement of the Agency's goals in their respective countries by: (1) supporting broad-based economic growth, (2) improving agricultural productivity and enhancing food security through practical training, research and technology transfer, (3) promoting environmental awareness and sustainable development, (4) conducting medical research and protecting human health, (5) demonstrating and promoting good governance and democracy, and (6) clarifying and building an understanding of U.S. foreign policy. Activities of these institutions also support the U.S. international affairs strategic goals of maintaining regional stability and open markets, and they help protect U.S. national interests by promoting understanding between the people of the United States and the beneficiary countries.

Other Program Elements: ASHA funds pay for the procurement of scientific and educational commodities and for the construction and renovation of structures used for teaching, research, and patient care. ASHA's grant assistance goes to a variety of institutions, including secondary schools, undergraduate and graduate institutions, and medical centers. The secondary schools provide basic academic subjects and entrepreneurial and vocational training. The undergraduate institutions' curricula include subjects in liberal arts, business, agriculture, the sciences, medicine, and nursing; the graduate

institutions provide specialized training in health, law, social sciences, physical sciences, and international studies. The medical centers offer training in such areas as modern health care, medical education, and research. Many of these institutions provide virtually the only modern academic education, health care, and medical training programs in the recipient countries and sometimes in the geographic region. ASHA-assisted educational institutions produce professionals to fill the urgent need for a skilled workforce in the countries and regions they serve. The USAID regional and other pillar bureaus often have programs involving institutions that ASHA supports.

Other Donors: ASHA grants supplement contributions predominantly from private sources. ASHA-funding has also enabled overseas institutions to leverage financial assistance from other bilateral donors such as faith-based and private voluntary institutions.

Data Sheet

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USAID Mission:	Office of American Schools and Hospitals Abroad
Program Title:	American Schools and Hospitals Abroad
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	964-001
Status:	Continuing
Proposed FY 2003 Obligation:	\$17,000,000 DA
Prior Year Unobligated:	\$1,048,000 DA
Proposed FY 2004 Obligation:	\$14,000,000 DA
Year of Initial Obligation:	1957
Estimated Completion Date:	Continuing

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Summary: The ASHA-funded program aims to demonstrate the best in American educational and medical technologies and practices. Overseas institutions assisted include U.S.-style overseas high schools, universities, libraries, and medical centers, founded or sponsored by United States citizens and institutions. ASHA-assisted institutions: provide the benefits of American educational and medical achievements to people abroad; assist recipient countries with socioeconomic development and poverty reduction through training and outreach programs and by serving as models of advanced practices; and serve as overseas centers that project and foster a favorable image of the United States. ASHA's assistance to grantees also includes hosting annual workshops on grant management, strategic planning, and results-oriented performance measurement.

Inputs, Outputs, Activities: "

FY 2003 Program: "

ASHA plans to obligate approximately \$17 million in worldwide grant assistance, based on competitive grant applications from U.S. sponsors of overseas institutions. The assistance is intended to demonstrate U.S. advances in educational and medical technology and practices in the areas of research, training, and patient care. Grant funds will be used to:

- Construct new facilities (academic buildings, dormitories, and hospital units);
- Renovate existing buildings or structures;
- Renovate and install improved information technology infrastructure; and
- Procure scientific, medical, and training commodities and equipment.

Some of the proposed grant activities will:

- Help meet the increased demands for critical educational programming and reconstruction in developing countries; promote the international environment in which students and faculty interact; and enhance mutual understanding and promote the values of democratic institutions and structure of a civil society through the construction of classrooms, multi-purpose facilities and dormitories.
- Increase the use of information technology for higher levels of quality instruction and learning in high schools, colleges, universities, and teaching hospitals, higher levels of quality patient care, and more efficient communication and sharing of research data.
- Enhance the quality of scientific inquiry, research, and hands-on practical instruction and learning, with the equipment and commodities for classrooms, laboratories, and libraries procured with ASHA funds.
- Improve and expand the quality of patient care, medical education and research through the construction of improved hospital infrastructure and procurement of equipment, computer hardware, system software, reference books, surgical, urological, and blood screening and storage facilities, and critical care apparatus.
- Extend expert medical care to rural communities through outreach programs that employ telemedicine and other technologies for use in remote areas.

FY 2004 Program: "

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ASHA plans to use FY 2004 resources (\$14,000,000) to continue assisting overseas institutions that demonstrate U.S. advances in educational and medical technology and practices in the areas of research, training, and patient care. ASHA will provide grants to overseas institutions to upgrade academic and medical research and training facilities and resources. While aiming to maintain geographic balance, ASHA will encourage institutions in developing countries that offer agricultural vocational training, as well as educational and medical institutions engaged in research and training in Afghanistan, to apply, recognizing the key role such institutions play in economic development and poverty alleviation.

Performance and Results: Since its inception in 1957, ASHA has provided over \$800 million to schools and hospitals in all geographic regions abroad. ASHA-assisted institutions collectively and separately, have demonstrated U.S. advances in educational and medical technology and practices in the areas of training, research, and patient care. These institutions provide American-style: (1) academic and vocational training; (2) programs in liberal arts, medicine, nursing, agriculture, law, and the sciences; (3) specialized training to potential national and international leaders in health sciences, physical sciences, and other professional areas; (4) information necessary for effective decision making; and (5) leadership training in the health professions, to influence health standards and provide facilities and community-based health care, training, and research. The schools and hospitals assisted by ASHA grants reflect U.S. standards and practices in administration, management, medical research, patient care and training, governance, private initiative, critical thinking, free inquiry, and innovative approaches to problem solving. Funding has helped local institutions develop and implement programs that otherwise would not have been possible, as well as take advantage of opportunities that contribute to the growth and sustainability of the institutions that serve the local community.

**Office of American Schools and Hospitals Abroad"
PROGRAM SUMMARY"**

(in thousands of dollars)"

Accounts"	FY 2001 Actual"	FY 2002 Actual"	FY 2003 Prior Request"	FY 2004 Request"
Development Assistance	17,000	18,000	17,000	14,000
Total Program Funds"	17,000	18,000	17,000	14,000

STRATEGIC OBJECTIVE SUMMARY"

964-001 American Schools and Hospitals Abroad				
DA	17,000	18,000	17,000	14,000

US Financing in Thousands of Dollars"

Office of American Schools and Hospitals Abroad"

964-001 American Schools and Hospitals Abroad	CSH"	DA "
Through September 30, 2001"		
Obligations	300	446,746
Expenditures	236	393,328
Unliquidated	64	53,418
Fiscal Year 2002"		
Obligations	0	17,102
Expenditures	2	21,882
Through September 30, 2002"		
Obligations	300	463,848
Expenditures	238	415,210
Unliquidated	62	48,638
Prior Year Unobligated Funds"		
Obligations	0	1,048
Planned Fiscal Year 2003 NOA"		
Obligations	0	17,000
Total Planned Fiscal Year 2003"		
Obligations	0	18,048
Proposed Fiscal Year 2004 NOA"		
Obligations	0	14,000
Future Obligations	0	0
Est. Total Cost	300	495,896

Conflict Management and Mitigation "

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The Development Challenge: The costs and consequences of violent conflict for USAID and the international donor community have become alarmingly high. According to World Bank records, the donor community pledged more than \$60 billion to assist in the recovery of war-torn countries just during the 1990s, and World Bank lending for post-conflict recovery has increased almost tenfold the past ten to fifteen years. Furthermore, spending on peacekeeping operations increased from \$464 million in 1990 to more than \$2.5 billion in 2001. Violent conflicts have blunted and reversed prospects for economic growth, wiping out decades of investment in the blink of an eye and fueling a dramatic deterioration in the quality of life in many countries. Although these conflicts have taken a serious toll on the economies of countries experiencing conflict, the impact of violence frequently reaches beyond borders and adversely affects the economies of neighboring countries and regions as well.

Recent events in Central Asia, Central Africa, and the Balkans show that internal conflict has the potential to spill across borders and spark wider, regional wars. Among the most intractable and worrisome in this regard are those conflicts that result in failed states, such as Somalia, Liberia, Afghanistan, Sudan, and the Democratic Republic of Congo. In these lawless settings, a new breed of "conflict entrepreneur" has found sanctuary, and the line between criminal violence and political violence has blurred. Transnational criminal organizations, terrorist networks and local warlords have exploited instability and violence to amass enormous power and wealth.

A peaceful and prosperous world is one of the foremost U.S. foreign policy priorities, and development assistance has an important role to play in advancing this objective. To best contribute to this goal, USAID understands that conflict is complex and does not happen simply because people are unhappy or greedy or because state and social institutions are weak or perverse. It happens when causes at multiple levels come together and reinforce one another. It is ultimately the product of deep grievance, zero-sum political and economic competition, irresponsible political leadership, weak or predatory institutions, and forces at the regional and global level.

Every major focus area in foreign assistance from economic growth, to agriculture, to democracy and governance has at least some bearing on the underlying causes of conflict. In recognition of this fact, the Office of Conflict Management and Mitigation (CMM) was established to strengthen the contribution that foreign assistance can make to addressing the critical challenge of violent conflict in the developing world.

The USAID Program: In FY 2003 and FY 2004, the Agency has requested a total of \$20 million in Development Assistance for Conflict Management and Mitigation programs, with \$10 million programmed each year to address the causes and consequences of violent conflict in the developing world. CMM will focus on areas where USAID has been particularly effective in breaking the chain of events fueling violent conflict, including youth in the developing world, the economic causes and consequences of violence, the role of economic actors in building peace, the links between natural resources and conflict, and the relation of political, economic and social institutions to violence.

Youth can be an extraordinary resource for positive change. In many parts of the developing world, however, they have little hope for a viable future and can become easy targets for groups seeking to promote violence and hate. USAID addresses this development challenge through education programs that teach values such as tolerance, critical thinking and democratic participation. In Nigeria and the Balkans, civic education programs have taught high-school students the benefits of non-violent political participation by helping them to identify local problems, develop solutions, and then implement those solutions together with local government officials. In partnership with the private sector, CMM will explore ways to provide high-risk youth with economic opportunities through vocational education and employment generation programs, particularly in urban and semi-urban areas.

The economic causes and consequences of violence and the role that economic actors can play in building peace is another area of CMM emphasis. In Sri Lanka, the business community led efforts to bring the government and the Tamil insurgents back to the negotiating table. With USAID assistance, the

same business leaders continue their support by providing young people and former combatants with skills training and jobs, sponsoring media campaigns on the benefits of peace, and rebuilding economic ties between regions long torn apart by war. CMM also hopes to limit the negative economic forces that drive violence by providing technical assistance to governments for anti-corruption programs and by strengthening the ability of civil society groups to monitor economic abuses of power.

Environmental crises and zero-sum competition over natural resources can also represent a serious destabilizing force. Competition over a dwindling supply of productive land and water fuels ethnic tensions within and between countries. In many countries emerging from conflict, violence has re-ignited as internally displaced populations return to find their land occupied by others. Governments and indigenous groups have clashed over the exploitation of forest and mineral resources. The degradation of rural environments and subsequent disruption of rural economies has led to massive waves of rural-to-urban migration and the emergence of sprawling slums around urban centers. USAID conflict programs will focus on land use tensions, better management of natural resources, assistance to governments in drafting legislation governing property rights, and mediation boards and legal assistance on land issues for displaced populations.

The strength and health of political, economic, and social institutions are perhaps the most critical factors in determining whether conflict will emerge. The institutions of healthy democracies are able to cope with many causes of violence and a robust and inclusive civil society can articulate group goals, monitor abuses of power, and propose effective solutions to a wide range of problems. A strong and accountable security sector and an equitable and impartial rule of law can guarantee personal security and protect property rights, thereby addressing one of the major reasons that individuals turn to violence. Effective and accountable local governance can help to resolve tensions that arise at the community level before they escalate to dangerous levels. CMM is working closely with the Office of Democracy and Governance to develop democracy programs that are suited to the unique needs of conflict prone environments. In Nigeria, USAID supports a group that brings together Christian and Muslim leaders who have successfully intervened to calm religious tensions in a number of areas. USAID also supports programs that train local media to report on sensitive issues in a way that will not inflame tensions but rather reinforce the ability of local government to identify and address many of the root causes of conflict such as competition over land or youth unemployment.

To support the work of USAID field missions, CMM will continue to provide technical leadership in the area of conflict management and mitigation. It will provide research support to missions in conflict-prone environments through conflict assessments and assist with developing conflict-sensitive programs and strategies. CMM will distill the lessons learned on programming in high-risk environments, disseminate best practices, and monitor and evaluate the impact of conflict programs.

Other Program Elements: CMM will continue its ongoing relationships with important institutions engaged in conflict mitigation activities, including CONTACT, the International Crisis Group, LaRoche College and Seeds of Peace. CMM will also attempt to explore new and non-traditional approaches to development programming tailored specifically to the unique situation of pre- and post-conflict environments.

Normally, the field missions will manage conflict management and mitigation activities. However, in non-presence countries, CMM will work with the relevant regional bureaus and other offices in DCHA to see that activities are managed and monitored appropriately. In certain non-presence countries where the regional bureaus and other DCHA offices lack capacity, CMM will directly manage activities. In these situations, CMM oversight will ensure targeted programming in difficult environments and will also allow for re-programming of funds if circumstances warrant.

Other Donors: CMM has maintained healthy consultation with other donors active in this sector, particularly the United Kingdom's Department for International Development, and will continue to coordinate conflict management and mitigation programming with such donors so as to maximize the overall impact of interventions in this area.

Data Sheet

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USAID Mission:	Office of Conflict Management and Mitigation
Program Title:	Conflict Management and Mitigation
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	966-001
Status:	Continuing
Proposed FY 2003 Obligation:	\$10,000,000 DA
Prior Year Unobligated:	\$598,000 DA
Proposed FY 2004 Obligation:	\$10,000,000 DA
Year of Initial Obligation:	FY 2002
Estimated Completion Date:	FY 2007

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Summary: The Conflict Management and Mitigation program supports USAID mission efforts to address both the causes and consequences of violent conflict in a strategic manner so as to maximize the stabilizing impact of USAID development assistance. CMM provides technical assistance and field support to USAID missions operating in conflict-prone environments and supports mission activities by: enhancing the capacity of partners and USAID operating units to systematically and strategically direct programming interventions to address the causes and consequences of violent conflict; improving the Agency's policies, strategies and programs for managing and mitigating conflict; developing and refining analytical methodologies to support and inform programming decisions in the field; and coordinating research and analysis into the causes and trigger events that give rise to violent conflict.

Inputs, Outputs, Activities: "

FY 2003 Program: "

Building on the foundations laid in FY 2002, CMM will continue to work with organizations such as Seeds of Peace, the International Crisis Group, LaRoche College and CONTACT to support the conflict mitigation activities they carry out (\$1,500,000). CMM will fund additional technical staff (\$750,000) to increase the number of conflict assessments undertaken in conflict-sensitive countries and regions, continue its research and analysis efforts to identify and disseminate best practices in the field of conflict management and mitigation, and otherwise support program design and implementation in the field (\$4,600,000). CMM will also work with USAID field missions, the regional bureaus and the other pillar bureaus to enhance the conflict "tool kit" including Indefinite Quantity Contracts and other procurement mechanisms, indicators, a country conflict "watch list," and other tools identified collaboratively with USAID offices and partner organizations (\$2,000,000). CMM will conduct a survey of USAID's current conflict-related activities to be included in the conflict-related tool kit being developed by the office, enhance its information dissemination capabilities and conduct a survey to measure sub-national conflict risk and work with the State Department's Humanitarian Information Unit to use the Global Information System to map conflict risk (\$150,000). Finally, CMM will initiate limited direct programming to mitigate potential conflict in certain high-priority non-presence countries (\$1,000,000).

FY 2004 Program: "

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In FY 2004, CMM will continue activities initiated in FY 2002 and FY 2003 and will commence more programming in certain emphasis areas that relate to violent conflict, including: political and social institutions, economic instability, ethnic and religious hatreds, demography, and disaster response. In USAID-presence countries, programming will be carried out through the field missions. In non-presence countries, CMM will work with the relevant regional bureau and other DCHA offices whenever possible or, as necessary, directly manage programs and activities if other options are not available.

Performance and Results: CMM was created as a new office in the third quarter of FY 2002, inheriting the mandate of the Conflict Task Force formerly managed by the Bureau for Policy and Program Coordination. CMM still accomplished several significant results in FY 2002. The office initiated action to award grants to several organizations engaged in important conflict mitigation activities, including: Seeds

of Peace, LaRoche College, the International Crisis Group, the Woodrow Wilson Center and CONTACT. Furthermore, eight conflict assessments were conducted using the CMM analytical framework. CMM also assisted two other missions in conducting more limited conflict evaluations and desk studies. CMM took a lead role in discussions on conflict management convened by the Development Assistance Committee of the Organization for Economic Cooperation and Development discussions and participated in a conference on violence and urban youth.

**Office of Conflict Management and Mitigation
PROGRAM SUMMARY**

(in thousands of dollars)

Accounts	FY 2001 Actual	FY 2002 Actual	FY 2003 Prior Request	FY 2004 Request
Development Assistance	0	653	10,000	10,000
Total Program Funds	0	653	10,000	10,000

STRATEGIC OBJECTIVE SUMMARY

966-001 Conflict Management and Mitigation				
DA	0	653	10,000	10,000

Notes: In FY 2003 an additional \$40.6 million for conflict management and mitigation was requested for geographic and other regions: AFR: \$20 million, ANE: \$13.2 million, LAC: \$7 million, and PPC: \$.4 million.

In FY 2004 an additional \$17.7 million for conflict management and mitigation was requested for geographic regions: AFR: \$8.4 million, ANE: \$2.4 million, and LAC: \$6.9 million.

US Financing in Thousands of Dollars

Office of Conflict Management and Mitigation

966-001 Conflict Management and Mitigation	DA
Through September 30, 2001	
Obligations	0
Expenditures	0
Unliquidated	0
Fiscal Year 2002	
Obligations	55
Expenditures	0
Through September 30, 2002	
Obligations	55
Expenditures	0
Unliquidated	55
Prior Year Unobligated Funds	
Obligations	598
Planned Fiscal Year 2003 NOA	
Obligations	10,000
Total Planned Fiscal Year 2003	
Obligations	10,598
Proposed Fiscal Year 2004 NOA	
Obligations	10,000
Future Obligations	0
Est. Total Cost	20,653

Democracy and Governance

The Development Challenge: USAID efforts to strengthen democracy and good governance worldwide anchor a balanced foreign policy approach. These efforts are increasing, in part as a result of a renewed emphasis from President Bush, as announced in the "National Security Strategy of the United States," and as reflected in the Agency's reorganization moving democracy and governance to a new pillar bureau. These measures reflect contemporary research that democratic governments are more likely to advocate and observe international laws, protect civil and human rights, avoid external conflicts, and pursue free market economies essential to international trade and prosperity.

Toward this end, USAID invests resources in five priority areas:

- Improving laws and legal systems;
- Conducting fair and impartial elections and strengthening political processes;
- Developing citizen groups and civil society;
- Improving government's ability to perform and respond to constituency needs; and
- Improving social, economic, and developmental status of targeted vulnerable populations.

The USAID Program: In FY 2003, the Office of Democracy and Governance (DG Office) will program \$19.6 million in development assistance (DA) funding and \$2 million in child survival (CSH) funding. For FY 2004, the Administration has requested \$18.5 million in DA funding and \$2.05 million in CSH funding for the DG portfolio. The FY 2004 funds would further existing strategic objectives, with rule of law programs receiving 9 %, elections and political processes 13%, civil society 33%, governance 11%, and crisis funds 34%. The DG Office's own funding is directed to:

- formulating new approaches to make DG programs work better;
- assessing innovative activities and promoting best practices;
- training worldwide staff; and
- providing direct technical support to USAID missions.

The DG Office also manages some additional DA and economic support funds (ESF) at the request of USAID field missions or U.S. embassies in countries where USAID is not present.

The DG Office continues to take a leading role in providing guidance and leadership on a number of U.S. Government priorities, while launching into areas that have remained sparsely covered. For example, the DG Office has been actively involved in the development of the Agency's anti-corruption strategy. The Office has been coordinating an intra-agency working group since 1997, but it has stepped up its engagement in preparation for the 1999 Global Forum on Fighting Corruption. This past year saw the DG Office tasked by the Administrator with developing an Agency-wide anti-corruption strategy (in coordination with Policy and Program Coordination Bureau (PPC)). At the same time, the office was fully engaged in inter-agency efforts to develop a presidential initiative on corruption.

There remains, within the community of both practitioners and analysts, profound uncertainty about how best to direct democracy assistance. USAID, like other donors, does not really know with any degree of certainty, based on empirical evidence, what works and what does not, or what works better, and what works less well, in any particular context - or in general, for that matter. USAID needs to rigorously examine its nearly two decades of experience in order to extract, as best and systematically as it can, lessons learned and best practices for the Agency. The first preliminary results of this examination will not be conclusive. However, they can begin to give USAID an understanding of how to program DG resources for greater effectiveness and efficiency. The DG Office began such an examination effort some two years ago. The Office has already completed six country case studies and begun four sub-sector investigations. These efforts will continue in FY 2003 and for at least two more years, as the office intends to be thorough in this analysis.

On the other end of its technical leadership, the DG Office has worked to increase attention to the important but oft sidelined topic of campaign finance, often a source of corruption and undue influence in developing countries. The campaign finance project has continued to gather attention, and a technical handbook is forthcoming.

The DG Office also worked within DCHA to further discussions on areas of bureau-wide interest. The Office provided staff and research to support the start-up of the Office of Conflict Management and Mitigation. It is also contributing to the bureau's planning framework working group, which in part will define opportunities for programming in fragile, failed, and failing states. The DG Office has also worked this past year with the Office of Transition Initiatives and Office of Foreign Disaster Assistance on short and longer-term response in post-conflict countries.

Other Program Elements: The DG Office continues to provide essential contributions by supporting a number of programs in non-presence countries. These activities allow USAID to work in a number of countries that are U.S. foreign policy priorities, but where a USAID mission is not present. Examples include support to a woman's rights advocacy program in Afghanistan (prior to a mission being established late last fiscal year) and elections administration and assessment assistance to the Cote d'Ivoire. The DG Office plays a leadership role in the field of democracy assistance within the U.S. Government (USG) and among other donors.

Other Donors: DG disseminates its best practices widely and coordinates with other donors to develop cutting edge approaches in each of the four program sectors, in the area of rule of law, elections and political processes, civil society, and governance. DG works closely with other relevant USG actors, primarily the Departments of Justice and State, to coordinate programs that have multiple funding sources. The highly political nature of elections often creates circumstances in which donor coordination is critical. UN organizations, other bilateral donors, and myriad international organizations and NGOs provide large-scale assistance on a selective basis. In these situations, the DG Office works closely with the other donors to coordinate activities and leverage other funds. The labor portfolio provides a particularly prominent example of donor coordination within civil society programs. DG coordinates its program with activities conducted by other USG actors, including the Department of State's Bureau for Democracy, Human Rights, and Labor; the Department of Treasury; the Office of the U.S. Trade Representative; and Labor's Bureau of International Labor Affairs. State and USAID coordinate on funding of anti-sweatshop programs, with USAID focusing on labor-related issues and State on business features. In the area of governance, anti-corruption programs require particularly intensive coordination. DG's major focus for anti-corruption collaboration in the coming year will be the establishment of a multi-donor-funded endowment for Transparency International, a key international anti-corruption NGO. In the area of civil-military programs, coordination occurs on many levels. An arrangement with the Department of Defense's Defense Security Cooperation Agency provides a foundation from which numerous collaborative activities have been launched, including a joint civil-military program in the Republic of Georgia.

Data Sheet

USAID Mission:	Office of Democracy and Governance
Program Title:	Rule of Law Program
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	932-001
Status:	Continuing
Proposed FY 2003 Obligation:	\$1,694,000 DA
Prior Year Unobligated:	\$927,000 DA
Proposed FY 2004 Obligation:	\$1,592,000 DA
Year of Initial Obligation:	FY 1997
Estimated Completion Date:	FY 2007

Summary: The DG rule of law program provides technical assistance and support to USAID missions worldwide through the development of new methodologies based on synthesis of lessons learned in the design and implementation of rule of law (ROL) assistance and through management of contracts, grants, cooperative agreements, and interagency agreements. The purpose of this DG program is to strengthen USAID programming and reinforce country-based efforts in the areas of:

- Promoting respect for human rights;
- Improving the institutional administration of justice;
- Increasing access to justice;
- Building local constituencies for justice sector reform and improvement; and
- Supporting the role of legal systems in consolidating democracy.

Inputs, Outputs, Activities:

FY 2003 Program:

DG will continue to build upon activities that have provided innovative technical guidance to USAID missions, helped improve U.S. ROL field programs, and further established USAID's role as a leader in ROL and justice sector assistance. FY 2003 resources will increase DG's capacity to provide such technical assistance. The primary uses for 2003 funds are technical personnel to carry out field support and grant and contract management (\$525,000), support for activities that work toward judicial independence around the world (\$300,000), operations research (\$300,000), support for rapid response and human rights initiatives (\$525,000), and support to the International Judicial Relations Committee of the U.S. Federal Judiciary Committee (\$100,000 over three years).

DG continued to widely distribute its "Guidance for Promoting Judicial Independence and Impartiality," which is a milestone in assisting USAID missions to improve the effectiveness of their ROL programs. It also completed translation of the document into Spanish and is working on a French version in order to achieve wider global distribution. In FY 2003, DG will continue to sponsor a range of activities to further assist USAID missions and to bring judicial independence to the forefront of the international donor dialogue on justice sector assistance, including a southern Africa region-wide conference on judicial independence in January 2003, and a regional conference on judicial independence in the Middle East. The judicial independence guidance was discussed at the Organization of Economic Cooperation Development, Development Assistance Committee's Government and Capacity Building Network (GOVNET), a forum for DG donors. These donors have in turn disseminated the guidance to their field staff. In FY 2003 work will continue on the production and dissemination of supplementary guidance on issues related to judicial independence and impartiality, such as codes of ethics, enforcement of judicial decisions, and oversight of the judiciary.

The DG Office completed four translations of its "Case Tracking and Management Guide." The document is now available in Arabic, French, Russian, and Spanish and has been distributed to field missions to more effectively share its guidance.

Principal Contractors, Grantees, or Agencies: In the ROL area, the DG Office manages eight implementing agreements. Contractors include the National Center for State Courts (sub-contractors: DPK Consulting and the National Judicial College), the IRIS Center (sub-contractors: Abt Associates, American University, Casals & Associates, Inter-American Bar Association, International Programs Consortium, Inc., Amex International, Inc., Barents Group, University of Maryland, International Law Institute, and the Spangenberg Group), and Management Sciences for Development, Inc. (sub-contractors: State University of New York, American University, Planitech, and Brown & Co.). A grantee is the International Development Law Organization. Cooperative agreements are held with the Rights Consortium (consisting of Freedom House, the American Bar Association, and the National Democratic Institute for International Affairs); and the International Foundation for Election Systems/International Human Rights Law Group Consortium. The DG Office also maintains two inter-governmental relationships: a participating agency services agreement with the Department of Justice and a relationship with the International Relations Committee of the U.S. Judicial Conference.

FY 2004 Program:

The FY 2004 program will focus on the DG Office's new work in the area of access to justice. Completed technical guides will be disseminated through regional events (\$572,000) and agency-wide training. Operations research (\$500,000) will be conducted in tandem with other DG sectors to determine which approaches to developing the rule of law in various country contexts have had the best results, building upon the study "Achievements in Building and Maintaining the Rule of Law" published in November 2002. In accordance with the Agency's reorganization, the capacity of the DG Office to provide technical leadership and support to field missions (\$550,000) will increase dramatically, as a total of 10 staff, both direct hire and program funded, are projected to be on board to support this ROL program. The DG Office will have major responsibilities in the ROL area for training Agency democracy officers, both New Entry Professionals (NEPs) and more senior officers, in the December 2003 DG training conference, and at an introductory workshop planned for June 2003. Principal contractors will be the same ones used in FY 2003.

Performance and Results: In FY 2002, the Agency undertook a major reorganization with positive outcomes for the DG's ROL work, filling personnel gaps and increasing its capacity to provide technical leadership in this area. The DG Office disseminated guidance to USAID missions on case management and tracking within judicial systems. Training of USAID democracy officers on this subject, initiated in 1999, continued in FY 2002. "Achievements in Building and Maintaining the Rule of Law" was completed, published, and disseminated. DG's rapid response mechanisms and funds allowed USAID to assist human rights activists and ROL reformers in countries without USAID missions. Especially critical was DG support to start-up programming in Afghanistan, participation in developing new initiatives for the Middle East, and DG's work on non-presence ROL projects such as that in Swaziland. The DG Office also provided substantial support to USAID missions such as India that are initiating major ROL programs.

Major personnel turnover in FY 2002 delayed completion of a strategic framework for justice sector assistance. This document will assist USAID missions in ensuring that ROL programs directly address the linkages between the rule of law and democratic governance. The analytic methodology proposed in the framework will be applied in selected countries throughout FY 2003 as part of the process of refining and completing it. The DG Office also plans to complete work in FY 2003 on guidance regarding access to justice.

Due to overwhelming demand from USAID field missions and from the State Department for access to services in the ROL area, the DG Office undertook a major procurement in FY 2002 that will result in up to five new indefinite quantity contracts that missions can use to implement their programs in FY 2003 and beyond. DG existing ROL contracts are nearing their financial ceilings, but the office will continue to manage them as existing task orders are implemented through FY 2005.

Data Sheet

USAID Mission:	Office of Democracy and Governance
Program Title:	Elections and Political Processes Program
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	932-002
Status:	Continuing
Proposed FY 2003 Obligation:	\$2,496,000 DA
Prior Year Unobligated:	\$306,000 DA
Proposed FY 2004 Obligation:	\$2,345,000 DA
Year of Initial Obligation:	FY 1997
Estimated Completion Date:	FY 2007

Summary: The DG elections and political processes program provides technical assistance and support to USAID missions worldwide by synthesizing lessons across countries and regions, developing and testing new approaches, and managing contracts, grants, and a cooperative agreement. The program's purpose is to strengthen USAID programming and reinforce country-based efforts, mainly by:

- Assisting countries to administer their elections in a credible, impartial and professional manner;
- Training local organizations to monitor elections and educate voters about their rights and responsibilities;
- Helping political parties to become better able to represent citizens, compete effectively, and govern in the public interest;
- Encouraging the political participation of women and historically-disenfranchised groups; and
- Training newly elected legislators and local officials to effectively govern.

Inputs, Outputs, Activities:

FY 2003 Program:

USAID's election and political process activities continue to serve as a primary means for supporting key U.S. foreign policy initiatives. Activities fall into two categories: support for regional and field programs, and technical leadership in election and political party assistance. Regional and field programs will be implemented through grants, contracts, and cooperative agreements managed by the DG Office. Programs range from several months to several years, depending on the country needs. FY 2003 elections programming will include Afghanistan, Bahrain, Burundi, Ecuador, Kenya, Madagascar, Nigeria, and Pakistan, with political party assistance programs to include Colombia, Liberia, Mexico, and Nigeria. To assist these with rapid start up of time-sensitive election programs, approximately \$1.05 million in FY 2003 development assistance will be set aside into the forward-funding, rapid-response mechanisms of Consortium for Elections and Political Process Strengthening (CEPPS) and two indefinite quantity contracts, so that trainers and advisors may mobilize rapidly in response to foreign policy priorities.

For technical leadership (\$1,496,000), staff will focus in 2003 on three subjects: political finance reform; political party assistance; and institutional strengthening of local NGOs concerned with elections and political processes. Technical leadership involves research, publications, pilot programs, field manuals, and training for DG officers and other practitioners.

Political finance (\$250,000): the findings and recommendations that emerged from drafts of USAID's money and politics handbook are being circulated widely and incorporated into political party and anti-corruption initiatives. Pilot programs will be implemented in 2003 so that more people around the world know how politics is financed in their country. One example is an initiative with the International Foundation for Election Systems (IFES) to tailor country specifications into a database allowing political party and candidate financial disclosure statements on the Internet.

Political party assistance (\$800,000): FY 2003 funds will fund the fieldwork and analysis for a research effort to determine the impact of USAID's assistance. The results of this research will enable field officers

to determine the types of political party assistance programs that achieve the most-or least-impact under a given set of circumstances, including transitional and post conflict settings.

Institutional strengthening of election NGOs (\$446,000): USAID's partners under the Consortium for Election and Political Process Strengthening (CEPPS) cooperative agreement will select and strengthen a small group of organizations with the potential to work at a regional or global level. They will be trained and assisted in becoming financially and organizationally sustainable, assisted in providing technical assistance in other countries; the result will be an expanded, more capable, and more sustainable community of democracy promoters.

Principal Contractors, Grantees, or Agencies: The primary partner organization is CEPPS, with its partners: the National Democratic Institute for International Affairs, International Republican Institute, and International Foundation for Election Systems. USAID has separate indefinite quantity contracts with International Foundation for Election Systems and Development Associates, Inc. Sub-contractors are The Carter Center, Decision Strategies Fairfax International, Joint Center for Political and Economic Studies, and Mendez England & Associates. A grant with the International Organization for Migration was awarded to expand suffrage for refugees and displaced persons.

FY 2004 Program:

Regional and field programs will continue to be implemented through DG agreements. Countries with national elections scheduled for 2004 that may be assisted via DG agreements include Belarus, Dominican Republic, El Salvador, Ghana, Indonesia, Mozambique, Philippines, Russia, South Africa, and Ukraine. Political party assistance, too, will be implemented upon demand from the field. \$600,000 will likely be pre-positioned during FY 2004.

The three main thrusts of technical leadership (\$1,790,000)--political finance reform \$250,000, political party assistance \$1,000,000, and institutional strengthening of NGOs \$540,000 concerned with elections and political processes--will continue; the relative priority of each of the three will depend on work plans submitted by grantees in 2004. For political finance reform, missions will design programs, based upon the best practices and lessons gained from pilot experiences funded in 2003. For political party assistance, research on the impact of USAID assistance will be nearing completion and the results beginning to be disseminated broadly. For NGO institutional strengthening, grantees should be bringing the completion a first set of organizations assisted with FY 2004 funds.

Performance and Results: Field support continued to be a top priority in FY 2002: over \$32 million in field programs was obligated via contracts and agreements; Bolivia, Burundi, Colombia, and Mexico received in-country technical support to develop programs; intensive support was provided by staff in Washington for FY 2002 electoral processes in Afghanistan, Algeria, Bangladesh, Bulgaria, Burkina Faso, Guinea, Madagascar, Mali, Nicaragua, Sierra Leone, Zambia, and Zimbabwe; and for FY 2003 elections in Bahrain, Bosnia, Burundi, Cambodia, Ecuador, Kenya, Liberia, Nigeria, Madagascar, Morocco, and Pakistan. Technical leadership on a variety of issues achieved results. USAID's political party assistance policy is pending final approval, and negotiations on its content were completed with the National Security Council and the Bureau for Democracy, Human Rights and Labor at the State Department. USAID Missions in Bolivia, Colombia, and Mexico received in-country assistance to design political party assistance programs. The six-year, \$70 million CEPPS I program was completed and an end-of-project conference was held at which key decision- and policy-makers, together with implementers, reflected on past experience and lessons for the future in election and political process programs. The aforementioned three priorities guiding future technical leadership for CEPPS II emerged from this event. USAID research on political finance and the importance of disclosure has catalyzed attention at events involving political leaders from central and eastern Europe, Asia, and Latin America and the Caribbean, and demands for technical assistance outpace supply. In response to concern for elections in areas of conflict, a grant was provided to the International Organization for Migration to expand suffrage to refugees and displaced populations. The DG Office reviewed past experiences in mitigating conflict during elections and produced a tool kit that is being used to develop programs in Nigeria.

Data Sheet

USAID Mission:	Office of Democracy and Governance
Program Title:	Civil Society Program
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	932-003
Status:	Continuing
Proposed FY 2003 Obligation:	\$6,444,000 DA
Prior Year Unobligated:	\$1,490,000 DA
Proposed FY 2004 Obligation:	\$6,049,000 DA
Year of Initial Obligation:	FY 1997
Estimated Completion Date:	FY 2007

Summary: The DG civil society program provides technical assistance and support to USAID missions worldwide through the development of new methodologies and synthesis of lessons learned in the design and implementation of civil society assistance and through management of contracts, grants, and cooperative agreements. The purpose of this DG program is to strengthen USAID programming and reinforce country-based efforts through:

- Support for civil society organizations, including democratic labor unions, seeking to expand and enhance citizen participation in democratic governance;
- Support for monitoring and advocacy organizations, on behalf of garment workers, through assistance and training programs (the anti-sweatshop initiative);
- Development of independent media; and
- Civic education programs designed to strengthen democratic political culture through education.

Inputs, Outputs, Activities:

FY 2003 Program:

In FY 2003, the DG Office will continue to support civic education (\$500,000) through activities to promote democratic values and reinforce democratic behavior. DG grantees will implement civic education programs with primary emphasis on school-based pedagogy and curricula that foster the development of civic skills and values in predominantly Muslim countries. Initial field assessments for school-based civic education were undertaken in the Middle East and Asia in FY 2002, with pilot projects and regional educational networks planned for FY 2003. The DG Office will continue USAID's longstanding support for democratic labor unions (\$5 million) in its quest to spread democracy around the world. DG's work creates enabling environments that allow democratic trade unions to represent workers and give them an active political voice within their societies. In FY 2003, DG will enter the second of a five-year cooperative agreement with the American Center for International Labor Solidarity (ACILS), continuing programs in over 20 countries, as well as regional programs in Asia, Africa, Latin America, and the Caribbean. ACILS also will carry out global programs addressing core labor standards worldwide, supporting gender equality programs, developing worker economic literacy education programs, and continuing its HIV/AIDS programs. The current country programs include Bangladesh, Kenya, Mexico, Sri Lanka, and Zimbabwe. In addition, both ACILS and the International Labor Rights Fund (ILRF) will continue their new anti-sweatshop activities in sub-Saharan Africa, the Persian Gulf states, Egypt, the Caribbean Basin, Central America, and Asia.

The DG Office recognizes independent media not only as essential for democratic development and good governance, but also critical in other areas, including economic growth and public education campaigns about health, environment, social issues, etc. (\$500,000). DG experts provide guidance to USAID missions in the areas of journalism training, media business development, media law and legal defense, and association building among media professionals. To support independent media in FY 2003, the DG office and its grantees are designing activities to track freedom of press issues; raise awareness of media law-related problems; and provide legal advice to media professionals attempting to reform the media legal enabling environment in their countries. Also, the DG office will continue to support independent media through a grant to Internews and Western Kentucky University, providing journalism and media

management training, U.S. site visits, in-country follow-on training, and small grants for media professionals. The DG office is also developing a media distance learning module for DG officers. Starting in FY 2003, the DG Office will initiate a multi-country assessment of its civil society programs (\$500,000). This study will consider under which circumstances and in which contexts USAID support has been successful in helping civil society organizations shape public policy, improve public dialogue and engage in oversight of public institutions. This effort forms part of a broader initiative of the DG Office to systematically assess its programs.

Principal Contractors, Grantees, or Agencies: Contracts: Creative Associates International, Management Systems International, Academy for Educational Development (affiliates: Management Systems International, Mercy Corps International, International Foundation for Election Systems, International Labor Rights Fund, International Research and Exchanges Board, International Center for Not-for-profit Law, The Johns Hopkins University, The Kettering Foundation, and Search for Common Ground), and PACT (affiliates: The American Center for International Labor Solidarity, The Center for Civic Education, The Center for Private Enterprise, Children's Resources International, Institute for Development Research, Internews, International Center for Not-for-profit Law, International Republic Institute, National Democracy Institute, Research Triangle Institute, UNITE Union, and World Education), The American Center for International Labor Solidarity, the International Labor Rights Fund, and Western Kentucky University (Internews). Sub-contracts are held by The Asia Foundation, Counterpart International, Development Alternatives, International Center for Not-for-profit Law, the International Research and Exchange Board, Advocacy Institute, Center for Development Communication, Children's Resources International, Esquel Group Foundation, Yeshiva University, Institute for Development Research, International Development Professionals, International Media Center at Florida International University, League of Women Voters, and Oxford University.

FY 2004 Program:

The DG Office plans to continue many of its FY 2003 civil society programs into FY 2004. Civic education (\$350,000), media support (\$400,000), and support to labor unions (\$5 million) are planned to be important vehicles to promote democratic values. Technical support and practical research (\$400,000) are planned to continue to be other important elements of the DG Office's technical leadership. Principal contractors and grantees will be the same as in FY 2003.

Performance and Results: The DG Office continues to support the International Labor Rights Fund (ILRF) work in promoting worker rights and in increasing capacity of local NGOs to continue activities at apparel and footwear production sites. The ILRF has been active in Guatemala and Indonesia and recently launched a project in Kenya to address sexual harassment in the workplace. The DG Office worked with the Economic Growth, Agriculture and Trade Bureau in awarding a 3-year, \$5 million grant to the Educational Development Center, in order to enhance the quality of out-of-school youth training. In February 2002, the DG office also worked with the World Bank to co-host a workshop on global media assistance strategies. Over 70 participants representing major media aid donors and implementers consulted to compare results and improve coordination.

The DG anti-sweatshop grant to American Center for International Labor Solidarity (ACILS) was instrumental in helping ACILS conclude its framework agreement with Chiquita, allowing banana plantation workers in Central America to gain and maintain union representation and giving them a voice within the Labor Ministry. In Bangladesh, ACILS has helped 40,000 women garment workers learn about their legal rights, thus empowering them in the workplace and giving them the ability to protect their own interests. Over the past decade, civic education has become a major component of USAID DG programming. In order to better understand how and under what conditions civic education contributes to the development of a more active and informed democratic citizenry, the Agency initiated a major multi-part study designed to measure the impact of both adult and school-based civic education programs on participants' democratic behaviors and attitudes. The summary of these findings was published in June 2002 as "Approaches to Civic Education: Lessons Learned."

Data Sheet

USAID Mission:	Office of Democracy and Governance
Program Title:	Governance Program
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	932-004
Status:	Continuing
Proposed FY 2003 Obligation:	\$2,145,000 DA
Prior Year Unobligated:	\$2,605,000 DA
Proposed FY 2004 Obligation:	\$2,014,000 DA
Year of Initial Obligation:	FY 1997
Estimated Completion Date:	FY 2007

Summary: The DG Office governance program provides technical assistance and support to USAID missions worldwide through the development of new methodologies and synthesis of lessons learned in the design and implementation of governance assistance and through management of contracts, grants, and cooperative agreements. The purpose of the DG governance program is to strengthen USAID programming and reinforce country-based efforts through:

- Supporting anti-corruption efforts;
- Strengthening of civilian capacity to understand and oversee the military;
- Supporting and providing technical assistance on implementing decentralization programs and democratic local governance;
- Supporting and providing technical assistance to legislatures; and
- Assisting countries in managing the policy reform process.

Inputs, Outputs, Activities:

FY 2003 Program:

USAID will use FY 2003 DA resources from the DG sector to respond to USAID mission requests for assistance with their governance programs (\$450,000). Significant programs in anti-corruption (Colombia, Dominican Republic, Honduras, Madagascar, and Mexico); legislative strengthening (Armenia, Bolivia, Egypt, Kenya, Peru, and Uganda); and democratic local governance (Bangladesh, Benin, Colombia, Ecuador, Guatemala, Honduras, Mali, Morocco, Paraguay, Peru, and Rwanda) continue to make contributions to their respective mission programs. Increased mission and bureau demand for these services has led to the need to compete new contracting mechanisms with a combined ceiling of \$235 million over the next five years across these governance areas (\$300,000 for initial awards). USAID advanced its effort to foster the long-term financial independence and sustainability of a leading international anti-corruption NGO, Transparency International (\$500,000). USAID initiated pre-obligation activities to prepare for a one-time, \$2 million contribution to Transparency International's multi-donor funded endowment in FY 2003. USAID's contribution will leverage \$20 million over the next five to six years. Cross-sector work will include work with parliaments on specific issues of concern such as anti-corruption efforts and HIV/AIDS policy. A new mechanism will be developed to deliver technical assistance and other support in the area of civil-military relations (\$500,000). The DG Office's impact assessments will continue in the areas of legislative strengthening and democratic local governance (\$300,000). These studies are aimed at developing our knowledge on what approaches have been most successful and using this data to update our training and technical publications and to raise the quality of program interventions.

Principal Contractors, Grantees, or Agencies: Grantees are Transparency International and the National Democratic Institute for International Affairs; contractors are the Abt Associates, Chemonics International, State University of New York, Development Associates, Associates in Rural Development, International City/County Management Association, Research Triangle Institute, Development Alternatives International, Casals and Associates, Development Alternatives, Inc., and Management Systems International. Thirty-four sub-contracts are managed by Almy, Gloudemans, Jacobs, and Denne; AMEX International, Inc.; Associates in Rural Development; Bannock Consulting Limited; Carana Corporation;

Caribbean Resources International; Center for Strategic and International Studies; CIET International; City/County Communications and Marketing Association; Deloitte Touche; Florida International University; Georgia State University; Institute of Public Administration; Institute for Training and Development; International Foundation for Election Systems; International Women's Democracy Center; IRIS Center; KPMG Barents Group; Management Sciences for Development; Management Systems International; Mendez England and Associates; National Conference of State Legislatures; Robinson and Associates; Search for Common Ground; Syracuse University; The Asia Foundation; The Services Group; Tohmatsu; Training Resources Group; University of Pittsburgh; and Yuuma Creative Strategies.

FY 2004 Program:

In addition to its ongoing engagement with Transparency International, USAID will explore new avenues to engage the private sector and other relevant actors in designing new ways to fight corruption and to implement the Agency's anti-corruption strategy. USAID will continue to offer missions technical assistance (\$400,000), training (\$300,000), and other support in anti-corruption (\$500,000), local governance (\$100,000), legislative strengthening (\$150,000), management of the policy reform process, and civil-military relations (\$300,000). New areas of endeavor are likely to include budget transparency and reform as a crosscutting governance issue, public administration, and further exploration of the links between democratic governance and service delivery (\$300,000). Principal contractors and grantees will be the same as in FY 2003.

Performance and Results: The DG Office developed and disseminated key technical leadership products capturing USAID best practices and program guidance in the governance area. Over 5,000 copies of the "Decentralization and Democratic Local Governance Programming Handbook" were downloaded from the Webster. The anti-corruption Webster received over 7,000 hits; the "A Handbook on Fighting Corruption" was downloaded over 2,900 times; and more than 500 individuals downloaded the anti-corruption distance learning module--all indicative of the strong demand for guidance in this area. The DG Office also designed a new training module in the area of open budgeting and finance for the December 2002 training workshop. The DG Office helped USAID initiate country-specific good governance programs in Madagascar (anti-corruption), Armenia, Peru (legislative strengthening) and Benin, Guatemala, Honduras, and Peru (local government). The DG Office supported policy reform processes including anti-corruption in Ukraine, democracy networks in Nigeria, education policy in Guatemala, decentralization in Uganda and "reinventing government" in Mexico. USAID lessons learned in the area of policy reform and in-depth treatment of the various tools for managing the policy reform process--stakeholder analysis, political mapping, advocacy, conflict resolution and policy monitoring--were published in book form, "Managing Policy Reform" by Kumarian Press. NDI civil-military programs were initiated in Cambodia and East Timor and a civil-military assessment was conducted in the Philippines.

Data Sheet

USAID Mission:	Office of Democracy and Governance
Program Title:	Special Programs to Address the Needs of Survivors
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	932-005
Status:	Continuing
Proposed FY 2003 Obligation:	\$2,000,000 CSH; \$6,800,000 DA
Prior Year Unobligated:	\$401,000 CSH; \$90,000 DA
Proposed FY 2004 Obligation:	\$2,050,000 CSH; \$4,470,000 DA
Year of Initial Obligation:	FY 2001
Estimated Completion Date:	June 14, 2010

Summary: The overall objective of the Leahy War Victims Fund, Victims of Torture Fund, and Displaced Children and Orphans Fund is to improve the social, economic, and development status of targeted vulnerable populations. The Patrick J. Leahy War Victims fund (LWVF) supports programs that contribute to improving the mobility, health, and socioeconomic integration of civilians who have sustained physical disabilities as a result of armed conflict. The Displaced Children and Orphans fund (DCOF) supports programs that strengthen the capacity of families and communities to provide for the care, support, and protection of orphans, unaccompanied minors, and children affected by armed conflict. The Victims of Torture fund (VOT) supports programs that contribute to the improved and sustained functioning of torture survivors, their families, and their communities.

Inputs, Outputs, Activities:

FY 2003 Program:

The activities described below are taking place in FY 2003. They will continue in FY 2004.

LWVF focuses on responding to the needs of victims of conflict in war-affected developing countries. The fund provides a dedicated source of financial and technical assistance for people living with disabilities primarily those who suffer from mobility-related injuries- caused by unexploded ordnance, including antipersonnel landmines - and other direct and indirect causes of physical disability such as polio and other preventable diseases that might result from interrupted immunization campaigns. The fund's primary objective is to expand access to affordable and appropriate prosthetic and orthotic services. The DG Office will manage \$3,800,000 from this fund in FY 2003. Roughly 80% (\$3,040,000) of that amount will be directed toward expanding access to affordable and appropriate orthopedic services. Approximately 10% (\$380,000) will be directed toward developing and strengthening laws, and the remaining 10% (\$380,000) will be spent on activities that increase the social and economic opportunities for people with disabilities.

DCOF supports activities to improve the psychosocial well-being of at-risk children and youth, especially those affected by war. The DG Office will manage \$2,000,000 in CSH resources from this fund in FY 2003. Approximately 40% (\$840,000) of that amount will be directed toward services benefiting children and youth who have been separated from their families. Approximately 30% (\$600,000) will be directed toward returning children to school, providing opportunities for play and recreation and facilitating access to training for older children. The remainder (roughly \$600,000) will be spent on strengthening organizations that serve the needs of at-risk children.

The Victims of Torture fund (VOT) assists the rehabilitation of individuals who suffer from the physical and psychological effects of torture. The fund administers treatment programs based in 23 countries that span four regions (Latin America and the Caribbean, Africa, Asia and Near East, and Europe and Eurasia). Currently, the fund supports approximately 45 treatment programs that include attention to the medical, psychological, and social and needs of torture survivors and their families. The DG Office will manage \$3,000,000 in DA resources from the VOT fund in FY 2003. Of this amount, roughly 70% (\$2,100,000) will provide services that directly benefit the client by supporting improvement in the

physical, mental, social, and legal condition and function of torture survivors, their families, and communities. Approximately 25% (\$750,000) will be directed toward training and capacity building of professionals and organizations that provide treatment services to victims of torture. The balance remaining (approximately \$150,000) will be spent on activities that increase the knowledge and dissemination of findings related to long-term improvement in function.

The referenced amounts include only those resources managed centrally from AID/W. Resources from the three special funds managed by overseas missions will be reported separately.

Impact to be achieved: It is expected that for each of the funds the impact will be the same; namely, that the physical, mental, and social function of targeted populations will be improved through the services provided by specialized groups or institutions, the capacity of organizations to deliver services will be improved, and the knowledge related to long-term improvement in function will be increased and disseminated widely to practitioners.

The principal recipients are non-governmental organizations who provide services to civilian victims of war and other people with disabilities, to displaced children and orphans, and to victims of torture. These NGOs are Save the Children, Vietnam Veterans of America, and the Center for Victims of Torture.

FY 2004 Program:

Plans for use of these resources in FY 2004 are similar to those for FY 2003, since it is assumed that the underlying legislation governing the use of the three special funds will remain unchanged. In that scenario, the anticipated breakdown would be as follows:

LWVF funding level - \$2,050,000 to be used for orthopedic services, legal development, and social and economic opportunities.

VOT funding level - \$2,235,000 for support of client services, training, capacity-building and dissemination of findings.

DCOF funding level - \$2,235,000 toward client services, training, schooling, play, and recreation activities for children and youth and capacity-building for at-risk youth.

Performance and Results: LWVF currently supports 17 programs in 13 countries. DCOF supports 26 programs in 18 countries. VOT supports an estimated 45 treatment programs worldwide. Overall, LWVF, DCOF, and VOT expect that program beneficiaries, individuals, families and communities will improve their functioning so that they can regain the capacity, confidence, and ability to resume as full a life as possible.

**Office of Democracy and Governance
PROGRAM SUMMARY**

(in thousands of dollars)

Accounts	FY 2001 Actual	FY 2002 Actual	FY 2003 Prior Request	FY 2004 Request
Development Assistance	15,621	16,503	12,779	16,470
Child Survival and Health Programs Fund	0	0	0	2,050
Total Program Funds	15,621	16,503	12,779	18,520

STRATEGIC OBJECTIVE SUMMARY				
932-001 Rule of Law Program				
DA	1,425	2,508	1,694	1,592
932-002 Elections and Political Processes Program				
DA	3,925	1,750	2,496	2,345
932-003 Civil Society Program				
DA	8,346	8,745	6,444	6,049
932-004 Governance Program				
DA	1,925	3,500	2,145	2,014
932-005 Improved social, economic, and/or developmental status of targeted vulnerable populations				
CSH	0	0	0	2,050
DA	0	0	0	4,470

US Financing in Thousands of Dollars

Office of Democracy and Governance

	DA	ESF
932-001 Rule of Law Program		
Through September 30, 2001		
Obligations	13,238	5,232
Expenditures	11,557	3,091
Unliquidated	1,681	2,141
Fiscal Year 2002		
Obligations	3,187	0
Expenditures	2,216	0
Through September 30, 2002		
Obligations	16,425	5,232
Expenditures	13,773	3,091
Unliquidated	2,652	2,141
Prior Year Unobligated Funds		
Obligations	927	0
Planned Fiscal Year 2003 NOA		
Obligations	1,694	0
Total Planned Fiscal Year 2003		
Obligations	2,621	0
Proposed Fiscal Year 2004 NOA		
Obligations	1,592	0
Future Obligations	0	0
Est. Total Cost	20,638	5,232

US Financing in Thousands of Dollars

Office of Democracy and Governance

932-002 Elections and Political Processes Program	DA	ESF
Through September 30, 2001		
Obligations	24,599	3,316
Expenditures	21,154	3,270
Unliquidated	3,445	46
Fiscal Year 2002		
Obligations	3,322	0
Expenditures	837	0
Through September 30, 2002		
Obligations	27,921	3,316
Expenditures	21,991	3,270
Unliquidated	5,930	46
Prior Year Unobligated Funds		
Obligations	306	0
Planned Fiscal Year 2003 NOA		
Obligations	2,496	0
Total Planned Fiscal Year 2003		
Obligations	2,802	0
Proposed Fiscal Year 2004 NOA		
Obligations	2,345	0
Future Obligations	0	0
Est. Total Cost	33,068	3,316

US Financing in Thousands of Dollars

Office of Democracy and Governance

	DA	ESF
932-003 Civil Society Program		
Through September 30, 2001		
Obligations	72,248	13,309
Expenditures	65,780	11,426
Unliquidated	6,468	1,883
Fiscal Year 2002		
Obligations	12,314	0
Expenditures	10,551	0
Through September 30, 2002		
Obligations	84,562	13,309
Expenditures	76,331	11,426
Unliquidated	8,231	1,883
Prior Year Unobligated Funds		
Obligations	1,490	0
Planned Fiscal Year 2003 NOA		
Obligations	6,444	0
Total Planned Fiscal Year 2003		
Obligations	7,934	0
Proposed Fiscal Year 2004 NOA		
Obligations	6,049	0
Future Obligations	0	0
Est. Total Cost	98,545	13,309

US Financing in Thousands of Dollars

Office of Democracy and Governance

	DA	ESF
932-004 Governance Program		
Through September 30, 2001		
Obligations	22,581	1,684
Expenditures	20,729	1,672
Unliquidated	1,852	12
Fiscal Year 2002		
Obligations	2,846	0
Expenditures	3,262	0
Through September 30, 2002		
Obligations	25,427	1,684
Expenditures	23,991	1,672
Unliquidated	1,436	12
Prior Year Unobligated Funds		
Obligations	2,605	0
Planned Fiscal Year 2003 NOA		
Obligations	2,145	0
Total Planned Fiscal Year 2003		
Obligations	4,750	0
Proposed Fiscal Year 2004 NOA		
Obligations	2,014	0
Future Obligations	0	0
Est. Total Cost	32,191	1,684

US Financing in Thousands of Dollars

Office of Democracy and Governance

932-005 Improved social, economic, and/or developmental status of targeted populations	CSH	DA
Through September 30, 2001		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
Fiscal Year 2002		
Obligations	0	0
Expenditures	0	0
Through September 30, 2002		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2003 NOA		
Obligations	0	0
Total Planned Fiscal Year 2003		
Obligations	0	0
Proposed Fiscal Year 2004 NOA		
Obligations	2,050	4,470
Future Obligations	0	0
Est. Total Cost	2,050	4,470

Famine Fund

PROGRAM SUMMARY				
(in thousands of dollars)				
Accounts	FY 2001 Actual	FY 2002 Actual	FY 2003 Prior Request	FY 2004 Request
Famine Fund	0	0	0	200,000
Total Program Funds	0	0	0	200,000

The Development Challenge: The specter of severe food crises, often including the threat of famine, continues to haunt developing countries in the new millennium, with the threats even showing clear signs of reaching new plateaus early in the 21st century. Demands on food aid resources have intensified over the past three years, and donors are being hard-pressed to supply sufficient quantities to stave off famine. The rise in frequency and severity of both natural and man-made food crises is increasingly accompanied by more complex causality, as geopolitical change intensifies, particularly in the developing world. The result is that the donor community must deal with food emergencies much more comprehensively than ever before.

The USAID Program: In recognition of the need to combat famine by not only providing relief to its victims but also attacking its root causes, the President has announced the creation of a special new, flexible program, the Famine Fund. One purpose of this new Fund is to strengthen U.S.-led multilateral efforts, especially for seeing that the necessary resources are available for averting famines wherever possible. The Fund is also to be a means for improving the efficiency and effectiveness of response to famines that cannot be prevented. A related objective of the new Fund is to ensure more equitable burden-sharing among donors in combating famine.

The Famine Fund will draw upon the broad disaster assistance authorities in the Foreign Assistance Act. USAID will manage the Fund, under the foreign policy direction of the Secretary of State, subject to approval by the President. The FY 2004 request is \$200 million, to be appropriated into a new account.

Food for Peace – P.L. 480 Program

The Development Challenge: U.S. Government support for overseas food aid was formalized in the Agricultural Trade Development and Assistance Act of 1954, also known as P.L. 480. The basic legislation, which has been modified many times, establishes the U.S. policy for using abundant U.S. agricultural resources and food processing capabilities to enhance food security in the developing world through the provision of culturally acceptable nutritious food commodities. On a global level, more than 815 million people today are chronically undernourished. For the United States, reducing the number of chronically undernourished and underweight people throughout the world is both a humanitarian concern and a strategic goal. Food resources are given to help those in need in an effort both to deal with hunger and to eliminate the food insecurity that fuels political instability and environmental degradation. P.L. 480 Title II, administered by USAID's Office of Food for Peace (FFP), is a people-to-people program, from the people of the United States to people who do not have access to sufficient food to meet their needs for healthy and productive lives. The P.L. 480 Title I program of concessional sales to foreign governments is administered by the U.S. Department of Agriculture.

The USAID Program: USAID remains concerned about the troubling projections for world hunger. According to current estimates, by the year 2030 world population will rise from the present 5.7 billion to 8.7 billion. As populations grow, per capita availability of arable land will decrease even further, thus heightening the need for intensification of agricultural production and increasing the demands on finite natural resources. At the 2002 World Food Summit, the U.S. Government reaffirmed its commitment to the broad objective of utilizing America's agricultural abundance to meet the United States' humanitarian and foreign policy objectives.

Several developments are occurring that are likely to have a major impact on the resource requirements for the P.L. 480 Title II program in FY 2003 and beyond and the manner in which the resources are programmed. Global emergency food needs are severely straining host country and donor capacity to assist vulnerable populations. Title II resource limitations may undermine development program results. Implementation of a monetization rationalization plan will result in reductions in monetized tonnage, which in turn may make it more difficult to meet the sub-minimum tonnage requirements.

The 2002-2007 Farm Bill, which is the authorization bill for the U.S. Department of Agriculture (USDA) and P.L. 480, has the following major impacts:

- Minimum tonnages of commodities that FFP must approve annually increased from 2,025,000 to 2,500,000; the sub-minimum tonnage requirement for non-emergency programs is increased from 1,550,000 to 1,875,000.
- Section 202(e) funding (cooperating sponsor administrative, management, personnel, etc.) is raised from \$28 million per year to five to ten percent of Title II annual appropriated funds.
- Internal transport, storage and handling (ITSH) funds can now be used for non-emergency development programs in least developed countries (LDCs); this may reduce the impact of decreased monetization.

USAID will continue efforts to streamline Title II guidance, program approval and implementation procedures consistent with legislative requirements.

The June and August 2002 authorized releases of 275,000 and 300,000 metric tons, respectively, of wheat from the Bill Emerson Humanitarian Trust for the southern Africa complex food security crisis will need to be repaid. Initial estimates of the payback total \$84 million.

DCHA and the FFP Office are developing new five-year strategic plans that will take into account support of USAID's mission worldwide, particularly in fragile, failed and failing states. FFP's plan will target efforts toward working together with partners and with other Pillar Bureaus and Missions within USAID to predict, prevent, and respond to malnutrition and potential famine overseas.

As part of the Administration's effort to improve performance measures and results reporting, FFP will continue to work within the Administration toward this end by streamlining and further improving Title II operations.

P.L. 480 Title II Emergency Food Aid. The request level in FY 2004 represents a straight line from the FY 2003 request for the FFP objective to meet the critical needs of targeted groups. Beneficiaries are food insecure and nutritionally vulnerable persons affected by conflict or natural disasters. Primary implementing partners are the World Food Program (WFP) and private voluntary organizations (PVOs). In FY 2002, SO 1 provided 976,800 metric tons of Title II emergency food aid, valued at \$541.4 million. These emergency food resources met the critical food needs of 34,040,820 food insecure and nutritionally at-risk persons affected by natural disasters and complex emergencies in a total of 35 countries worldwide. In comparison to FY 2001, this represents a marked increase in both the quantity of emergency food aid resources provided and the number of countries served.

The regions in Africa (especially southern Africa and the Horn) continued to be the largest recipients. In FY 2002, 59% of Title II emergency resources were programmed in Africa, totaling 533,170 metric tons worth \$318.1 million. A total of 297,170 metric tons of Title II resources, valued at \$166.8 million (31%), went to Asia. About 6% of Title II resources were provided to Europe and Eurasia, equaling 54,500 metric tons, valued at \$31.1 million. Latin America and the Caribbean received 1% of Title II assistance, with 9,860 metric tons valued at \$5.9 million. Emergency programs are designed to meet short- and medium-term food security requirements of beneficiaries. Activities within Title II emergency programs have shifted from direct, general food aid distribution to integrating transitional development and self-reliance interventions. As emergency programs vary according to a country's contextual situation, implementing partners might incorporate several of these types of activities into their interventions while leveraging non-food items from other resources to address beneficiaries' wide-ranging needs. Over 83% of emergency programs engage beneficiaries in developing and participating in Food for Work, Food for Agriculture, Food for Asset Creation, and Food for Training activities. These emergency, food-aid supported activities help to begin the process of rebuilding lives and livelihoods in addition to forging the bridge from relief to development.

P.L. 480 Title II Development Food Aid. Title II non-emergency food aid is focused on mitigating food insecurity through activities implemented by PVOs and the WFP. These organizations utilize Title II food resources to reduce food insecurity in the developing world through activities that enhance household nutrition or increase incomes and agricultural production and productivity. The ongoing activities continue to facilitate rapid response to natural disasters worldwide. The FFP Office has built a solid portfolio of multi-year commitments to PVOs for this purpose.

In 2002, the Office of Food for Peace programmed \$395.6 million and 976,800 metric tons in support of development activities. Over 80% of Title II development resources support activities to improve household nutrition (including water and sanitation activities) and agricultural productivity (including natural resource management), the priority technical areas of intervention designed to attack the root causes of food insecurity. Priority was also given to programming Title II development activities in sub-Saharan Africa and South Asia and to targeting the most food insecure and vulnerable households and individuals within the countries where Title II development programs are implemented.

In addition to programs in the Office of Food for Peace, Title II funds are used to support the Farmer-to-Farmer Program that mobilizes the knowledge and skills of United States agricultural volunteers, land grant universities, cooperatives, private agribusinesses, and nonprofit farm organizations to help farmers in USAID-assisted countries to increase food production and improve the effectiveness of marketing and distribution systems. This program, previously managed by the Office of Private and Voluntary Cooperation, is being transferred to the Bureau for Economic Growth, Agriculture and Trade.

Other Program Elements: The strength of our nation's international food assistance program is USAID's presence around the world and its numerous organizational partnerships. USAID collaborates closely with the U.S. Department of Agriculture, the Department of State, other USAID offices and field missions to ensure that both development and emergency food aid programs are coordinated and effective.

USAID works in close partnership with PVOs, indigenous organizations, universities, American businesses, international agencies, and other governments. USAID has relationships with a large number of American companies and U.S.-based PVOs, allowing for great creativity and effectiveness in incorporating food into a wide range of development efforts.

Other Donors: The World Food Summit of 2002, convened by the Food and Agriculture Organization of the United Nations (FAO), provided an international forum to focus attention on efforts to address hunger and food insecurity. The United States, along with 182 nations and the European Community, pledged to halve the number of hungry people by the year 2015. The United States is one of a number of international donors supporting global food aid activities. In 2001, the U.S. contributed 62 percent of global food aid, the European Union 17 percent, Japan 8 percent, China 4 percent, Canada 3 percent, South Korea 2 percent, Australia 1(one) percent, and other donors 3 percent.

Data Sheet

USAID Mission:	Office of Food for Peace
Program Title:	Central Program, Support for PL 480 Title II Emerg
Pillar:	Global Development Alliance
Strategic Objective:	962-001
Status:	Continuing
Proposed FY 2003 Obligation:	\$984,000 CSH; \$2,016,000 DA
Prior Year Unobligated:	\$75,000 DA
Proposed FY 2004 Obligation:	\$400,000 CSH; \$2,600,000 DA
Year of Initial Obligation:	1986
Estimated Completion Date:	continuing

Summary: The Office of Food For Peace (FFP) program to support P.L. 480 Title II emergency programs includes a variety of mechanisms to provide institutional support to USAID missions and cooperating sponsors while simultaneously pursuing a forward-leaning analytical agenda in order to predict, prevent, and respond to malnutrition and potential famine overseas. Private voluntary organizations (PVOs) and international organizations (IOs) are supported through the Title II-funded International Food Relief Partnership Program (IFRP) in their efforts for the rapid transportation, delivery, and distribution of shelf-stable prepackaged foods. Additional assistance is made available through institutional support assistance (ISA) agreements to support PVOs and cooperative development organizations (CDOs):

- to better target emergency food aid activities;
- to promote increased household or national food security;
- to further develop and implement common, generic food aid performance indicators and mutually acceptable implementation methodologies;
- to establish sound program monitoring and evaluation systems; and
- to predict, prevent, and respond to malnutrition and potential famine overseas.

Inputs, Outputs, Activities:

FY 2003 Program:

USAID plans continued support for sustained improvement in household food security, nutrition and agricultural productivity for food insecure groups served by USAID emergency food aid programs that are implemented by the FFP Office. The 14 PVOs and CDOs will complete five-year plans in FY 2003 with improved capacity to effectively target emergency food aid, sound monitoring and evaluation systems in place making use of common generic indicators and mutually accepted methodologies, and capacity to foster food security in emergency contexts. A new request for application will be issued in FY 2003 to continue strengthening results achieved and to develop PVO and CDO capacities in addressing food security needs in the complex environments found in fragile, failed and failing states. USAID has also utilized the Food and Nutrition Technical Assistance (FANTA) mechanism to complement institutional support agreement efforts. Similarly as a part of the USAID reorganization, management of the Famine Early Warning System (FEWS) program is being in FY 2003 to the FFP Office from the Africa Bureau, and given a worldwide focus, while simultaneously providing a platform to more efficiently target Title II emergency and development programming toward the root causes of famine worldwide. A special support objective is being established to provide core funding requirements of the FEWS program, as part of the Democracy Conflict and Humanitarian Assistance Bureau.

The expected total cost of the strategic objective's institutional capacity building is \$3M for FY 2003. Grantees include Adventist Development and Relief Agency (ADRA), Africare, ACDI/VOCA, American Red Cross, Cooperative for Assistance and Relief Everywhere (CARE), Catholic Relief Services (CRS), Counterpart Inc., Food for the Hungry (FHI), Food Aid Management (FAM, Opportunities Industrialization Centers International, Inc. (OICI), Project Concern International (PCI), Save the Children (SCF/USA), Technoserve, and World Vision, Inc. (WVUS).

Beginning in 2002, the major contractor assisting SO 1 is AMEX, International. It provides institutional support for Title II program and administrative backstopping. In addition, through the Global Health bureau's cooperative agreement with the Academy for Educational Development, the Food and Nutrition Technical Assistance Project (FANTA) provides technical assistance in performance measurement, health, and nutrition.

The World Food Program, other relevant United Nations agencies and the European Commission coordinate with USAID and the U.S. cooperating sponsors on food security policies. The Office of Food for Peace collaborates closely with the U.S. Department of Agriculture (USDA) which administers Title I, Food for Progress and 416(b).

FY 2004 Program:

The institutional support assistance program will continue to support sustained improvement in household food security, nutrition and agricultural productivity for food insecure groups served by USAID emergency food aid programs implemented by the FFP Office. The program will do so through increasing USAID's FFP partners' effectiveness in carrying out Title II emergency food security activities and meeting critical food needs in emergencies. Substantial portions of this program address partners' capacity to mount effective agricultural, nutrition, and child survival activities, including HIV/AIDS. As a result of these activities, PVOs and CDOs benefit from an increased capacity for Title II emergency response planning, implementation and evaluation. The new institutional support assistance agreements will provide support to PVOs and CDOs to: (1) better target emergency and development food aid activities to predict, prevent and respond to malnutrition and potential famine overseas, (2) promote increased household or national food security, through better definition of purpose, key elements, trends, data quality and discrepancies, and local government commitment, (3) define, codify and promulgate best practices in program design, monitoring and evaluation and implementation, (4) promote program innovation related to famine mitigation and developmental relief, (5) enhance collaboration to improve program cost efficiency and effectiveness. While continuing these activities, USAID also intends to utilize these resources to obtain the following necessary services:

- Strategic planning at the office level;
- Short term, sector-specific technical assistance;
- Studies on the role of development relief/conflict prevention in Title II;
- Country-specific and broader emergency sectoral evaluations; and
- Technology upgrades of USAID's Food for Peace Information System (web-based application, desktop query capability, and inter-agency systems integration with the U.S. Department of Agriculture and possibly PVOs).

The expected total cost of the SO 1's institutional capacity building is \$3M for FY 2004. Anticipated grantees are the same as FY 2003.

Performance and Results: In FY 1998, multi-year institutional support assistance with an average annual aggregate budget of \$5 million was awarded to 14 PVOs and CDOs. The PVOs are continuing to build the capacity of both their headquarters and in-country staff through technical exchanges, training workshops, and involvement in monitoring and evaluation activities. Examples of achievements include:

- In FY 2001, CARE integrated advances in cost-effective nutrition programming for emergency planning.
- In FY 2001, Save the Children conducted training for various cadre of field staff to improve their capacity to implement Title II activities. Save the Children also continued to develop a training module on nutrition assessments integrating the current state of the art regarding nutrition and anthropometry.
- In FY 2002, World Vision International (WVI) was instrumental in establishing appropriate and cost-effective monitoring and evaluation methodologies for use in emergency programs. For instance, the

evaluation of WVI's Commodity Tracking System (CTS) in food emergency relief operations in Zambia and Afghanistan has proven the importance of CTS in these programs.

-- In FY 2002, Adventist Development and Relief Agency (ADRA) has increased its overall management of Title II programs through improvements in its commodity management systems and its standards of operating procedures, including financial reporting and provision of technical training to its staff at all levels. At the field level, ADRA was successful in providing increased technical and administrative support and promoting local capacity building in Bolivia, Guinea, and Kenya.

Data Sheet

USAID Mission:	Office of Food for Peace
Program Title:	Central Program, Support for PL 480 Title II Devel
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	962-002
Status:	Continuing
Proposed FY 2003 Obligation:	\$983,000 CSH; \$2,017,000 DA
Prior Year Unobligated:	\$75,000 DA
Proposed FY 2004 Obligation:	\$400,000 CSH; \$2,600,000 DA
Year of Initial Obligation:	1986
Estimated Completion Date:	continuing

Summary: The Office of Food For Peace (FFP) program to support P.L. 480 Title II non-emergency programs includes a variety of mechanisms to provide technical and institutional support to USAID missions and cooperating sponsors while simultaneously pursuing a forward leaning analytical agenda in order to ensure that a) food aid reaches the most vulnerable groups; b) food aid programs significantly and sustainably reduce food insecurity, and c) food aid-supported development programs are effectively contributing to a reduction in the frequency and severity of emergencies and human suffering.

The FFP Office provides assistance through institutional support assistance agreements to support private voluntary organizations (PVOs) and cooperative development organizations (CDOs):

- to better target development food aid activities;
- to promote increased household or national food security;
- to further develop and implement common, generic food aid performance indicators and mutually acceptable implementation methodologies;
- to establish sound program monitoring and evaluation systems; and
- to predict, prevent, and respond to malnutrition and potential famine overseas.

Inputs, Outputs, Activities:

FY 2003 Program:

USAID plans continued support for sustained improvement in household food security, nutrition and agricultural productivity for food insecure groups served by USAID development food aid programs that are implemented by the FFP Office. The 14 PVOs and CDOs will complete five-year plans in FY 2003 with improved capacity to effectively target development food aid, advances in the development of sound monitoring and evaluation systems in place making use of common generic indicators and mutually accepted methodologies, and capacity to foster food security in development contexts. A new request for application will be issued in FY 2003 to continue strengthening results achieved and to develop PVO/CDO capacities in addressing food security needs in the complex environments found in fragile, failed and failing states. USAID has also utilized the Food and Nutrition Technical Assistance (FANTA) mechanism to complement ISA efforts. Similarly as a part of the USAID reorganization, management of the Famine Early Warning System (FEWS) program is being transferred in FY 2003 to the FFP Office from the Africa Bureau, and given a worldwide focus, while simultaneously providing a platform to more efficiently target Title II emergency and development programming toward the root causes of famine worldwide. A special support objective is being established to provide core funding requirements of the FEWS program, as part of the Democracy Conflict and Humanitarian Assistance Bureau.

The expected total cost of the strategic objective's institutional capacity building is \$3M for FY 2003. Grantees include Adventist Development and Relief Agency (ADRA), Africare, ACDI/VOCA, American Red Cross, Cooperative for Assistance and Relief Everywhere (CARE), Catholic Relief Services (CRS), Counterpart Inc., Food for the Hungry (FHI), Food Aid Management (FAM, Opportunities Industrialization Centers International, Inc. (OICI), Project Concern International (PCI), Save the Children (SCF/USA), Technoserve, and World Vision, Inc. (WVUS).

Beginning in 2002, the major contractor assisting SO 2 is AMEX, International. It provides institutional support for Title II program and administrative backstopping. In addition, through Global Bureau's cooperative agreement with the Academy for Educational Development, the Food and Nutrition Technical Assistance Project (FANTA) provides technical assistance in performance measurement, health and nutrition.

The World Food Program, other relevant United Nations agencies and the European Commission coordinate with USAID and the U.S. cooperating sponsors on food security policies. The Office of Food for Peace collaborates closely with the U.S. Department of Agriculture (USDA) who administers Title I, Food for Progress and 416(b).

FY 2004 Program:

The institutional support assistance program will continue to support sustained improvement in household food security, nutrition and agricultural productivity for food insecure groups served by USAID development food aid programs implemented by the FFP Office. The program will do so through increasing USAID's FFP partners' effectiveness in carrying out Title II development food security activities. Substantial portions of this program address partners' capacity to mount effective agricultural, nutrition, and child survival activities, including HIV/AIDS. As a result of these activities, PVOs and CDOs benefit from an increased capacity for Title II planning, implementation and evaluation. The new Institutional Support Assistance agreements will provide support to PVOs and CDOs to: (1) better target development food aid activities to predict, prevent and respond to the root causes of malnutrition and potential famine overseas, (2) promote increased household or national food security, through better definition of purpose, key elements, trends, data quality and discrepancies, and local government commitment, (3) define, codify and promulgate best practices in program design, monitoring and evaluation and implementation, (4) promote program innovation related to famine mitigation and developmental relief, and (5) enhance collaboration to improve program cost efficiency and effectiveness. While continuing to support these activities, USAID also intends to utilize FY 2004 resources to obtain the following necessary services:

- Strategic planning at the office level;
- Short term, sector-specific technical assistance;
- Research to validate and disseminate best practices and key models of food aid in key areas such as community resiliency, livelihood capacities, HIV/AIDS, developmental relief programming and conflict prevention;
- Country-specific and broader evaluations to document results in terms of reduced food insecurity, vulnerability to food insecurity and increased resilience; and
- Technology upgrades of USAID's Food for Peace Information System (web-based application, desktop query capability, and inter-agency systems integration with U.S. Department of Agriculture and possibly PVOs).

The expected total cost of the SO 2's institutional capacity building is \$3M for FY 2004. Anticipated grantees are the same as FY 2003.

Performance and Results: In FY 1998, multi-year institutional support assistance with an average annual aggregate budget of \$5 million was awarded to 14 PVOs and CDOs. The PVOs are continuing to build the capacity of both their headquarters and in-country staff through technical exchanges, training workshops, and involvement in monitoring and evaluation activities. Examples of achievements include:

- In FY 2001, Save the Children conducted training for various cadre of field staff to improve their capacity to implement Title II development activities. Save the Children also continued to develop a training module on nutrition assessments integrating the current state of the art regarding nutrition and anthropometry.

-- In FY 2002, Save the Children Federation (SCF) successfully carried out training workshops on implementation issues, such as the Baseline Survey Planning and Preparation Workshop in Guatemala, as well as provided technical support to implement effectively their Title II development programs at the field level. SCF has also been effective in collaborating with local organizations in country. For instance, SCF recently worked with CARE in Malawi to undertake a joint food security assessment to determine food security needs at both the household and the community levels.

-- In FY 2002, CARE made great progress in implementing its Title II programs through the advancement of its food and livelihood security conceptual framework, with particular emphasis on partnership and capacity building, as well as the development of tools and methods for effective program design and evaluation. For instance, the Food Security and Household Livelihood Security approach implemented in Bangladesh served as an effective organizing principle that helped establish priorities based on household needs and helped target activities aimed at increasing income and resource sustainability.

As part of the analytical agenda to inform the FY 2003 - FY 2007 Strategic Plan, the Food and Nutrition technical assistance (FANTA) project was commissioned by the Office of FFP and the Office of Program Policy and Management to review progress in implementing USAID's Food Aid and Food Security Policy Paper and assess whether the Title II development programs have been successful in achieving and reporting on the food security goals laid out in the Policy Paper. The Food Aid and Food Security Assessment report documented the achievement of significant food security results by Title II development programs since the Policy Paper was issued. Additional key findings include: greater focus of the Title II development program on the most food insecure regions and countries, especially in sub-Saharan Africa; increased programmatic emphasis on improving agricultural productivity and household nutrition, including a dramatic improvement in the design of Title II agricultural and nutrition programs with the integration of complementary activities such as technical assistance and training, largely funded by monetization, the sale of food aid commodities to generate local currencies for logistic and other program costs; and better results and results reporting.

P.L. 480 Title II, Food for Peace

**Office of Food for Peace
PROGRAM SUMMARY**

(in thousands of dollars)

USAID Accounts	FY 2001 Actual	FY 2002 Actual	FY 2003 Prior Request	FY 2004 Request
Child Survival and Health Programs Fund	2,297	2,050	1,967	800
Development Assistance	3,703	3,950	4,033	5,200
Total Program Funds	6,000	6,000	6,000	6,000

P.L. 480 Title II Accounts	FY 2001 Actual	FY 2002 Actual	FY 2003 Prior Request	FY 2004 Request
P.L. 480 Title II	835,159	850,000	1,185,000	1,185,000
Emergency Response Fund		95,000		
Global Food for Education Transfer *		13,820		
Total Program Funds	835,159	958,820	1,185,000	1,185,000

STRATEGIC OBJECTIVE SUMMARY				
962-001 Central Programs: Support for PL 480 Title II Emergency				
CSH	1,150	1,025	984	400
DA	1,852	1,975	2,016	2,600
962-002 Central Programs: Support for PL 480 Title II Development				
CSH	1,147	1,025	983	400
DA	1,851	1,975	2,017	2,600

Note: See Summary Tables volume for P.L. 480 Dollars and Metric Tonnage by Region and Country.

* Transfer of unobligated Global Food for Education funds.

US Financing in Thousands of Dollars

Office of Food for Peace

962-001 Central Programs: Support for PL 480 Title II Emergency	CSH	DA	ESF
Through September 30, 2001			
Obligations	5,079	18,979	1,631
Expenditures	4,275	16,934	1,631
Unliquidated	804	2,045	0
Fiscal Year 2002			
Obligations	1,025	1,825	0
Expenditures	709	1,353	0
Through September 30, 2002			
Obligations	6,104	20,804	1,631
Expenditures	4,984	18,287	1,631
Unliquidated	1,120	2,517	0
Prior Year Unobligated Funds			
Obligations	0	75	0
Planned Fiscal Year 2003 NOA			
Obligations	984	2,016	0
Total Planned Fiscal Year 2003			
Obligations	984	2,091	0
Proposed Fiscal Year 2004 NOA			
Obligations	400	2,600	0
Future Obligations	0	2,500	0
Est. Total Cost	7,488	27,995	1,631

US Financing in Thousands of Dollars

Office of Food for Peace

962-002 Central Programs: Support for PL 480 Title II Development	CSH	DA
Through September 30, 2001		
Obligations	5,377	18,977
Expenditures	3,583	15,689
Unliquidated	1,794	3,288
Fiscal Year 2002		
Obligations	1,178	1,995
Expenditures	1,214	1,905
Through September 30, 2002		
Obligations	6,555	20,972
Expenditures	4,797	17,594
Unliquidated	1,758	3,378
Prior Year Unobligated Funds		
Obligations	0	75
Planned Fiscal Year 2003 NOA		
Obligations	983	2,017
Total Planned Fiscal Year 2003		
Obligations	983	2,092
Proposed Fiscal Year 2004 NOA		
Obligations	400	2,600
Future Obligations	0	2,500
Est. Total Cost	7,938	28,164

International Disaster Assistance

The Development Challenge: The role of the Office of Foreign Disaster Assistance (OFDA) within the U.S. Government is as primary first responder to disasters in foreign countries. The Office is structured to meet one objective: Meeting the critical needs of targeted vulnerable groups in emergency situations. This objective supports USAID's goal of saving lives, reducing suffering, and reestablishing conditions for political and economic development. Given the magnitude and unpredictable nature of most disaster events, OFDA is organized to respond rapidly while remaining flexible and creative in responding to relief and mitigation needs. Emergency programs initiated by OFDA are short-term in nature, and are carried out with the expectation that other USAID offices, such as USAID regional bureaus or the Office of Transition Initiatives (OTI), or other U.S. Government agencies will address medium to long-term rehabilitation and reconstruction needs.

The USAID Program: Under the authority of the Foreign Assistance Act of 1961, as amended, the President has designated USAID's Administrator as the Special Coordinator for International Disaster Assistance. The disaster assistance program is implemented through the Office of U.S. Foreign Disaster Assistance (OFDA). International Disaster Assistance funds, obligated and implemented mainly through OFDA, play an important part in U.S. foreign policy by providing humanitarian assistance to victims of crisis and disaster. Prevention, preparedness, emergency response, economic recovery and rehabilitation are all part of a comprehensive effort to mitigate the effects of disasters and reduce vulnerability to future emergencies.

OFDA's management structure includes relief professionals trained to respond to disasters within 24 - 72 hours. The office is also capable of drawing on public and private sector resources while maintaining a staff within OFDA with specific expertise in public health, sanitation, nutrition, shelter, agriculture, social sciences, hydro-meteorology and earth science, to identify needs and coordinate appropriate emergency response and facilitation of information. OFDA also provides disaster assistance response teams (DART), search and rescue teams, health and medical interventions, shelter assistance and water purification units.

OFDA programs frequently include the following activities:

- Provision of emergency commodities and services for immediate health care and nutrition;
- Training of local health care staff in basic hygiene, nutrition and surveillance;
- Provision of potable water and appropriate sanitation facilities to reduce the probability of disease outbreak;
- Increased capability of OFDA, its partners and local and host country governments to provide timely emergency response to disasters;
- Increased capacities to prepare for and mitigate vulnerability in disaster situations;
- Provision of plastic sheeting, tents, blankets and household kits to meet basic shelter and cooking tool needs of targeted vulnerable groups; and
- Emergency provision of seeds, tools, and a seed multiplication and distribution system.

In FY 2003, the Administration requested \$248.5 million. This budget will address the challenges of projected increases in frequency and severity of natural and human-caused emergencies. The onset of a moderate El Niño in late 2002 is already having an affect on climate in some parts of the world, and droughts and flooding are occurring with more frequency and severity. Recent El Niño-related climatic impacts have included drier-than-average conditions over many parts of Indonesia, India, Mexico, Central America and northern South America. Scientists also predict more devastating earthquakes and severe volcanic eruptions. OFDA will continue to organize professional training to strengthen the disaster response, mitigation and preparedness capacities of targeted at-risk countries worldwide. OFDA will also continue to use innovative approaches to strengthen its own capabilities to respond to disasters effectively and efficiently, and to incorporate risk-reduction measures in disaster response programs.

OFDA will strengthen internal capacity by upgrading training for Washington and field staff on new methodologies, systems and tools. A core response team is being trained to respond to potential humanitarian needs in the Persian Gulf. OFDA will strengthen its disaster assistance response teams (DARTs) and its Washington-based response management teams (RMTs) through improved training. The RMT is a multi-disciplinary team of professionals, brought together to respond to disasters and provide support to DARTs in the field. At the same time, OFDA will continue to collaborate with USAID missions, and draw on the resources and expertise of other U.S. Government entities through participating agency services agreements (PASAs) and resource sharing and service agreements (RSSAs) to respond to disasters. In 2002, for example, experts in locusts and grasshoppers from a USAID's Africa Bureau project were assigned to OFDA's food security unit to apply their expertise to emergency agriculture programs. OFDA will strengthen its collaboration with numerous regional and multilateral organizations, including the World Bank, the Caribbean Development Bank and the Organization of American States. OFDA will improve the technical capability of its Technical Assistance Group (TAG) to provide innovative approaches through specialized technical advice to emergency response programming in the face of evolving challenges. The TAG team is composed of specialists who provide scientific and technical expertise to long-term planning and disaster preparedness.

For FY 2004, the Administration has requested \$235,500,000 in International Disaster Assistance for relief, rehabilitation and reconstruction activities carried out by OFDA. These resources will be used to broaden response capability of RMTs and DARTs and to strengthen the Response Alternatives for Technical Services program, established in FY 2000 to enhance OFDA's "surge capacity" by ensuring that additional professional expertise is available, if needed, for immediate field deployment or emergency Washington support. A total of fifty such responders, who are on-call personal service contractors, will be available in FY 2003 and FY 2004.

In addition, OFDA plans to maintain staff in its regional offices in Latin America (San Jose, Costa Rica), Africa (Nairobi, Kenya), and Asia (Manila, Philippines), to continue with improved monitoring of potential crises and to maintain the capability to provide regionally managed disaster response. OFDA's Asia Regional Office will relocate in the spring of 2003 to Bangkok, Thailand, which will provide the staff with optimal travel capabilities and access to regional offices of many international organizations. OFDA is currently conducting a desktop assessment of how best to address coverage in Africa. OFDA expects to establish two additional offices in Africa, one in southern Africa and the other in West Africa.

Through innovative team building, staffing and training, OFDA will extend the professional skills of its staff and partners to continue to make available highly specialized disaster response capabilities. OFDA also intends to work to reduce the time it takes to mobilize staff and resources in response to natural and complex crises. Increasingly, OFDA incorporates preventive, risk-reduction and livelihood-protection measures in disaster response activities. This reduces risk, and in some cases, lessens the vulnerability of populations to future disaster events.

Some major OFDA achievements, responses, and initiatives for FY 2002 include:

-- Afghanistan Complex Emergency. Two decades of war in Afghanistan left the country impoverished and with a widespread humanitarian crisis. A four-year drought compounded the crisis, forcing Afghans to leave their homes in search of food and water following the collapse of coping mechanisms. OFDA's humanitarian assistance totaled \$114.4 million during FY2002, representing the largest program in an overall U.S. Government support effort of \$531.4 million. Over 25 partners, including non-governmental agencies, UN agencies, and international organizations have been engaged in Afghanistan in sectors ranging from health, nutrition, agriculture and sanitation to air transportation, logistics, donor coordination and shelter. The success of OFDA's program in Afghanistan can be partially measured by the fact that widespread famine was averted as a consequence of OFDA initiatives.

-- Angola Complex Emergency. During 2002, the situation in Angola changed dramatically. At the start of the year, military forces of the Angolan Government and those of the National Union for the Total Independence of Angola (UNITA) were engaged in a civil war that disrupted lives and livelihoods throughout the country, with over four million people displaced. The death of Jonas Savimbi, leader of

UNITA, led to the signing of a memorandum of understanding on April 4 between the warring parties, ending 27 years of civil war. In FY 2002, OFDA's total program budget was \$20.6 million, meeting critical needs in selected areas of the Planalto Region. Total assistance to Angola from the U.S. Government in FY 02 amounted to \$122 million. OFDA's program covers key humanitarian sectors including health, nutrition, water, sanitation and coordination. OFDA field presence has been critical in playing a coordinating role among the numerous donors in Angola, but it is time to transition to and focus on development programs there.

-- Sudan Complex Emergency. OFDA programmed \$38.4 million in FY 2002 through 25 partner agencies in several sectors including primary health, nutrition, water and sanitation, food security, logistics and donor coordination. Since 2001, when President Bush appointed USAID Administrator Natsios as Special Humanitarian Coordinator and former U.S. Senator John Danforth as Special Envoy for Peace, the U.S. Government has been at the forefront of sustained peace negotiations between the warring Sudanese parties. This involvement has led to a formal cease-fire agreement for the Nuba Mountains, a negotiated agreement for the cessation of attacks against civilians, established periods of tranquility, and initiation of an international inquiry into slavery in Sudan. U.S. involvement helped create a favorable environment for peace talks under the auspices of the regional Intergovernmental Authority on Development (IGAD) that produced the Machakos Protocol, signed by the Government of Sudan (GOS) and Sudan People's Liberation Army on July 20, 2002. Despite these notable gains, constraints to humanitarian assistance continue. For example, the Sudanese Government has expanded the ban on all flights to Eastern Equatoria, placed new restrictions on flights to the Nuba Mountains, and denied access to 61 specific locations in opposition controlled areas. Also, government aerial attacks against civilians have increased, forcing humanitarian aid organizations to evacuate staff from numerous locations. OFDA and the Africa Bureau continue to provide program support to Sudan in the sectors of health, food, security, education and economic revitalization. Both OFDA and Africa Bureau are also at the forefront with initiatives directly linked to the peace process and reconciliation.

-- Democratic Republic of Congo (DROC) Complex Emergency: Insecurity, lack of infrastructure, and limited access to vulnerable populations continue to hinder humanitarian assistance in DROC. However, important peace initiatives took place during 2002. On July 30, 2002, the presidents of Rwanda and DROC signed a peace agreement in Pretoria, South Africa, and Rwanda pledged to withdraw forces and Nutu militia from the country. On September 6, 2002, the Government of Uganda also signed an agreement to withdraw troops. Most foreign troops (from Angola, Namibia, Rwanda, and Uganda) have withdrawn from DROC during the past year. Insecurity in rural areas persists, restricting access to agricultural land, which results in decreased crop yields that contribute to the food security crisis in DROC. During FY 2002, OFDA provided more than \$26 million (\$22 million for the complex emergency and nearly \$5 million in response to the January, 2002 eruption of Mt. Nyiragongo near Goma). OFDA's emergency assistance has been in the food security and nutrition sectors, in its contributions to market infrastructure rehabilitation, and through support of agricultural programs for war-affected, vulnerable and displaced persons. Projects are targeted in the geographic areas with the highest mortality and malnutrition rates. OFDA also provides grants for local capacity building to promote rebuilding of livelihoods. An important component of the OFDA program is the funding of AirServe International to operate three humanitarian aircraft in areas outside government control. Chronic insecurity and conflict continue to put approximately 20 million people at risk in DROC.

In FY 2002, OFDA responded to 75 declared disasters in 60 countries, involving 59 natural disasters, 13 complex emergencies, and three human-caused emergencies. Civilians continue to bear the brunt of conflicts and natural disasters. During FY 2002, millions of people have been forced to flee their homes and communities, and have lost access to health care, clean water, food, and other basic essentials for survival. These people look to the international humanitarian community for life-saving and life-sustaining support.

Floods made up the largest number of natural disasters in FY 2002 (39%), impacting one of every two countries in which OFDA responded to a disaster declaration. Droughts continued for the fourth year in Central Asia and the Indian Sub-Continent, and this year drought also affected Southern Africa and the Horn of Africa causing significant crop failure, livestock loss and shortage of potable water.

A substantial percentage of OFDA funds address the physical needs of internally displaced populations. The security of IDPs, both physical and legal, generally referred to as protection, has also been provided through OFDA funding but has been limited to the purely physical sorts of protection. Determining the extent to which OFDA can promote the further integration of protection thinking into humanitarian assistance programming, support protection activities that move toward the legal, human rights sort of activities and how and when it would be appropriate to fund stand-alone protection activities for IDPs are issues OFDA hopes to address within the bureau and the agency as a whole.

Other Program Elements: OFDA is not the only office within the U.S. Government that provides humanitarian aid to foreign countries. USAID's Office of Food for Peace is responsible for administering P.L. 480, Title II emergency food aid, which is targeted to vulnerable populations suffering from food insecurity as a result of natural disasters, civil conflict, or other crises. USAID's Office of Transition Initiatives provides assistance to countries that are in a stage of transition from crisis to recovery. In FY 2003, a new Office of Conflict Management and Mitigation was established in the DCHA Bureau to respond to conflict situation. Equally important to OFDA is collaboration with other parts of USAID such as the regional bureaus and field missions, which provide development aid to foreign countries. Development aid and disaster assistance often work together. Countries that have achieved sustainable development are often less likely to require massive U.S. humanitarian assistance after a crisis. Three of the biggest providers of U.S. Government humanitarian assistance are the U.S. Department of Agriculture, the U.S. Department of State's Bureau for Population, Refugees and Migration, and the U.S. Department of Defense's Office for Peacekeeping and Humanitarian Affairs.

Other Donors: OFDA collaborates closely with other donors in the international relief community. This is important both to coordinate programs and share the burden of relief costs. For example, all international donors attended a pledging conference in Tokyo in 2002 to coordinate assistance to Afghanistan. Over \$1 billion was pledged at this meeting. U.S. PVOs are essential partners who play a key role in raising resources, providing humanitarian assistance, and implementing relief programs. OFDA's partnership with U.S. PVOs and non-governmental organizations include support for mechanisms to facilitate the exchange of information among international partners and to prevent duplication of effort.

**International Disaster Assistance
Office of Foreign Disaster Assistance
PROGRAM SUMMARY**

(in thousands of dollars)

Accounts	FY 2001 Actual	FY 2002 Actual	FY 2003 Prior Request	FY 2004 Request
International Disaster Assistance {a}	164,637	235,500	285,500	235,500
Emergency Response Fund {(b)}		146,000		
Supplemental {c}	134,703	40,000		
Child Survival and Health Programs Fund {d}	1,886	0	0	0
Development Assistance {d}	17,000	0	0	0
Total Program Funds	318,226	421,500	285,500	235,500

STRATEGIC OBJECTIVE SUMMARY

961-001 Critical needs met of targeted vulnerable groups on emergency situations.				
IDA	164,637	235,500	285,500	235,500
CSH	1,886	0	0	0
DA	17,000	0	0	0

- {a} FY 2003 International Disaster Assistance (IDA) includes a \$50 million budget amendment for West Bank Gaza.
- {b} FY 2002 Emergency Response Fund for Afghanistan of which \$50 million was managed by ANE and other bureaus.
- {c} FY 2001 Supplemental for Southern Africa Floods; FY 2002 Supplemental for Afghanistan reconstruction of which \$7 million was provided to OFDA.
- {d} FY 2001 DA & CSH funds were transferred to OFDA under FAA section 492(b) authority.

Major Disaster Responses by Country and Regional Totals
International Disaster Assistance

COUNTRY/REGION	FY 2001	Disaster Type	FY 2002	Disaster Type
Afghanistan	\$13,317,401	Complex Emergency	\$114,428,000	Complex Emergency
Albania	\$3,701,063	Complex Emergency		
Angola	\$8,877,688	Complex Emergency	\$20,538,000	Complex Emergency
Burundi	\$12,117,457	Complex Emergency	\$13,398,053	Complex Emergency
Congo/Brazzaville	\$2,061,950	Complex Emergency		
Democratic Republic of the Congo	\$22,022,964	Complex Emergency	\$26,804,000	Complex Emergency
El Salvador	\$14,252,591	Earthquake		
Eritrea	\$2,433,121	Complex Emergency		
Ethiopia	\$3,894,393	Complex Emergency	\$1,265,360	Drought
Guatemala			\$500,000	Drought
Guinea	\$1,073,409	Complex Emergency		
India	\$11,193,690	Earthquake		
Indonesia	\$5,181,232	Complex Emergency	\$7,112,854	Complex Emergency
Kosovo	\$3,768,395	Complex Emergency		
Kenya	\$5,932,699	Drought	\$1,487,964	Drought
Macedonia	\$2,946,679	Complex Emergency		
Malawi			\$4,640,990	Drought
Mauritania			\$529,686	Flood
Mozambique	\$1,438,774	Flood		
Sierra Leone	\$11,889,855	Complex Emergency	\$11,649,000	Complex Emergency
Somalia	\$5,300,069	Complex Emergency	\$6,310,782	Complex Emergency
Southern Africa Food Security Response			\$1,015,300	Drought
Sudan	\$24,841,702	Complex Emergency	\$38,384,321	Complex Emergency
Tajikistan	\$943,194	Drought	\$859,000	Drought
Uganda			\$1,559,000	Complex Emergency
Zambia			\$1,538,560	Drought
Other Disaster Responses				
Africa Region	\$702,594		\$983,020	
Asia Region	\$2,722,461		\$885,000	
Australia			\$25,000	
Europe Region	\$175,000		\$446,400	
LAC Region	\$2,189,245		\$1,577,407	
Middle East Region			\$662,417	
Mitigation/Preparedness	\$23,724,470		\$29,960,000	
Program/Operations Support	\$37,809,302		\$26,351,000	
GRAND TOTAL	\$224,511,398		\$312,911,114	

Private and Voluntary Cooperation

The Development Challenge: USAID and U.S. private voluntary organizations (PVOs) recognize that sustainable development, poverty reduction, and economic benefits to vulnerable or marginalized populations are much more likely to occur in areas where local non-government organizations (NGOs) are strong and supported by viable, sector-wide institutions. Reflecting this view, local NGOs and cooperatives have become increasingly important as development partners. Their growing role rests on three factors: their ability to deliver services to local constituencies; the link they provide between the constituencies they serve and local government and the private sector; and when democratic transitions falter and conflict emerges, their ability to help stabilize the situation and address the conditions that exacerbate conflict.

While the potential for local NGOs to contribute to civil society and national development is strong, considerable challenges confront them and limit their potential. Many such organizations are constrained by financial, managerial, and technical limitations that restrict their ability to improve or expand services. They are undermined by weak or hostile legal and regulatory environments and, because of their small size and inability to coordinate actions, are limited in their ability to exercise influence at the local and national levels.

The growing local NGO community is more than a series of discrete organizations acting in isolation. There is an obvious need to build linkages among local organizations by connecting them to durable networks and support organizations that: provide a locus for problem solving and group action; build stronger relationships with local and regional government agencies; and increase their ability to form alliances with the business community.

The worldwide growth of local NGOs and the need to strengthen their capacity to deliver services is widely recognized and supported by the U.S. PVO community. The growth of the NGO community is paralleled by a shift in the role of U.S. PVOs and increased reliance on local NGOs as primary service delivery partners. As U.S. PVOs redefine their role to support the capacity-strengthening needs of local NGOs, cooperatives, local governments, and rural institutions, they have indicated that local organizations are relatively inexperienced in program implementation and are often financially insecure. They need a great deal more assistance in using performance data to manage program implementation more effectively and measuring the effects and impact of programs, using state-of-the-art technical approaches, and developing management and planning skills.

The challenge is to create a more vibrant NGO sector at the local level. USAID's Office of Private and Voluntary Cooperation (PVC) and the U.S. PVO community will need to develop and implement a program that:

- strengthens existing NGO networks and intermediate support organizations that link individual NGOs and foster self-reliance and problem solving;
- builds bridges between local organizations and local governments;
- creates opportunities for local business to make parallel investments in NGO development actions;
- addresses the need for reform of the legal and regulatory environment that hinders the formation and operations of local organizations;
- uses the best practices and program guidance gained from the PVC office's experience in strengthening the U.S. PVO community;
- increases analysis - with special emphasis on interventions and program responses to pre-conflict situations - that examines issues, identifies warning signals, and forecasts trends that affect local organizations' ability to deliver services; and

-- promotes the development of a uniform USAID strategy for strengthening the capacity of local NGOs and community organizations in terms of pre- and post-conflict situations and humanitarian response in times of disaster.

The USAID Program: Historically, Congress and USAID have recognized the potential of U.S. PVOs and cooperative development organizations (CDOs) to contribute human, technical, and financial resources to the resolution of development problems overseas. The PVC office's primary objectives are to strengthen U.S. PVOs' and cooperatives' capacity to carry out development programs in a wide variety of sectors, including economic growth, health, and civil society, and to use these voluntary organizations' strengths and skills to develop programs to increase local NGOs' ability to provide better services to their constituencies.

As a result of the recent Agency-wide reorganization, several PVC grant programs - Child Survival, Farmer to Farmer, Development Education and the Victims of Torture Program - were transferred to other USAID/Washington offices. At the same time, the Peace Corps Small Grant Program was transferred to PVC.

Currently, the PVC Office manages three competitive grant programs: Matching Grants; Cooperative Development; and the NGO Strengthening Program. These grants fund individual PVOs and CDOs to carry out development programs in countries where the United States has strategic interests. The grants contain a cost-sharing requirement to leverage additional private resources for development activities and are implemented with a variety of local partners, including local NGOs, cooperatives, networks, local governments, and businesses.

The PVC Office also manages two specialized programs: the competitive Ocean Freight Reimbursement program, which provides U.S. PVOs with a means to ship supplies to country programs, and the Denton Program, a non-competitive initiative that enables private groups to ship development and humanitarian supplies to overseas recipients using military transportation on a space-available basis.

FY 2003 funds will be used to implement a new objective that will enhance the capacity of local NGOs to deliver development services in select USAID-assisted countries. Funds will also be used for ongoing programs that build the capacity of U.S. PVOs.

Other Program Elements: In addition to the development programs described, the PVC Office administers the Agency's PVO Registration Program and serves as the Secretariat for the U.S. Advisory Committee on Voluntary Foreign Aid, a group that advises the USAID Administrator on issues and challenges affecting the relationship between U.S. foreign assistance efforts and the work of the private voluntary community. While the PVC Office is the PVOs gateway to the Agency, other Washington bureaus and field missions partner with these organizations in carrying out USAID programs around the world.

Other Donors: The United States is a leader among donors in supporting PVOs, CDOs, and NGOs. Other donors that support these voluntary organizations include multilateral development banks, multilateral agencies (e.g., the United National Development Program), the European Community, and bilateral donors. The PVC Office coordinates with the NGO liaison units of the multilateral development banks and has worked closely with Japan on expanding the role of voluntary organizations in its development activities. The PVC Office also promotes expanded relationships between PVOs and CDOs and private sources of development funding in the United States.

Data Sheet

USAID Mission:	Office of Private and Voluntary Cooperation
Program Title:	Capabilities of U.S. PVOs increased
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	963-001
Status:	Continuing
Proposed FY 2003 Obligation:	\$21,833,000 CSH; \$21,924,000 DA
Prior Year Unobligated:	\$3,587,000 CSH; \$7,804,000 DA
Proposed FY 2004 Obligation:	\$200,000 CSH; \$7,982,000 DA
Year of Initial Obligation:	1996
Estimated Completion Date:	2007

Summary: The PVC Office provides competitively awarded grants to U.S. private voluntary organizations (PVOs) and cooperative development organizations (CDOs). These grants help build the managerial, operational, and technical capabilities of the recipients and their local partners, support implementation or expansion of innovative programs at the field level, and strengthen relationships between local non-governmental organizations (NGOs), local governments and businesses, and PVC grant recipients in the countries in which they work. This objective has five components: improved operational and technical capacity of grantees; strengthened partnerships between USAID and U.S. PVOs and CDOs; strengthened partnerships between U.S. PVOs and CDOs and local organizations; improved mobilization of resources by partners; and increased U.S. public awareness of private, voluntary contributions to development.

Inputs, Outputs, Activities:

FY 2003 Program:

The PVC Office pursues its results through a series of competitively awarded cooperative agreements with registered U.S. PVOs and CDOs. These agreements enable recipients to initiate new or innovative programs within their own organizations, increase the impact of proven programs, build alliances among themselves and with non-U.S. Government sources of support, and enhance connections with NGOs in countries where they work.

The PVC Office plans to use a total of \$16.4 million (DA) in FY 2003 to finance the continuing activities of current grant recipients. PVC's current recipients carry out activities in a variety of fields. The Office plans to use \$5.5 million dollars to continue funding U.S. cooperative development organizations to strengthen democratic, member-owner agriculture, housing, telecommunications and electrical cooperatives in key countries. This is expected to result in an improved laws and regulations, governance and enhanced and expanded services. Individual grantees include ACDI/VOCA; The Americas Association of Cooperative and Mutual Insurance Societies, Cooperative Housing Foundation, Land O' Lakes, The National Cooperative Business Association, The National Rural Electric Cooperative Association, The Telecommunications Cooperative Association and The World Council of Credit Unions. The Ocean Freight Program will provide \$2.7 million dollars to more than 50 individual private organizations to reimburse these organizations for the cost of transporting donated commodities to developing countries. These organizations include many small U.S. PVOs as well as faith-based organizations such as The International Book Bank, Community of Caring, Ethiopian Community Development Council, and Heart to Heart International. These educational, agricultural and medical supplies are instrumental in assisting these U.S. PVOs to achieve their programmatic mission. The PVC Office will use \$4.4 million dollars to continue funding 18 grants to U.S. PVOs that are matched dollar-for-dollar by the PVOs' own resources. These grants are to improve the effectiveness of community-based, microfinance, health, HIV/AIDS, food production and agribusiness, and environmental protection programs. Grantees include both large and small U.S. PVOs such as Catholic Relief Services, TechnoServe, Mercy Corps, Freedom from Hunger and The Mennonite Economic Development Associates.

The PVC Office will also use \$1.8 million (DA) for administrative and program support services, including support for the Advisory Committee on Voluntary Foreign Aid.

The following programs and funds (\$25.1 million dollars) will be transferred to other bureaus: Child Survival and Blind Children's Initiative will go to Global Health; Farmer to Farmer to Global Economic Growth, Agriculture and Trade, Development Education to Legislative and Public Affairs; and Victims of Torture to Democracy and Governance.

The joint USAID and Peace Corps small grant program for grass-root community development activities will be transferred to PVC with funding.

FY 2004 Program:

The PVC Office will use approximately \$5.7 million dollars in FY 2004 funds requested for this objective to fund only the continuing cooperative agreements for the Matching Grants program.

Performance and Results: During 2002, progress towards achieving the end results of this objective was successful in three key areas: capacity building, service delivery and sustainability.

The PVC Office has promoted the use of organizational assessments to bring about change within an organization. PVOs that conducted formal assessments of their organizational strengths and weaknesses made substantial management and technical improvements in their operations. In FY 2002, 92% of the grantees did formal organizational assessments as compared to 80% in FY 1998. The majority of these assessments resulted in organizational, technical, and program changes over the past three years. The most striking change over time has been in the area of technical practices, where in FY 2002, 68% of the grantees reported they made changes as a result of the assessment (compared to 54% in FY 2000). Similar organizational improvements have taken place among local partners, reflecting the small but steady increase in the number of PVOs conducting assessments of their organizations. Again, as with the PVOs themselves, the assessments prompted local partners to make technical improvements in their programs.

PVC's focus on organizational capacity, setting standards, and establishing best practices has helped improve PVOs' and local partners' ability to deliver quality services. For example, important gains in immunization coverage were achieved in geographic areas where the majority of PVC-funded health programs operate. In these areas, average immunization coverage is 10% or more below the national average. In addition, in countries where PVC's Child Survival grants were consolidated at the district or regional level, local information networks grounded in shared interests and needs emerged. These networks facilitated country-level learning about best practices and positioned the PVOs and their local partners to be stronger advocates at the national level.

Improved service delivery also occurred in PVC's microfinance programming. The FY 2001 microfinance portfolio demonstrated a considerable increase in the number of borrowers, along with a significant increase in poverty lending among PVC-supported institutions. This increased focus on poverty lending is a positive development, which supports Agency initiatives in this area. All of PVC's core microfinance indicators have demonstrated significant change between 1996 and 2001, as indicated by:

-- a 35% increase in the average number of borrowers per institution and an 83% increase in the total number of borrowers;

-- while the number of borrowers increased, the average outstanding loan portfolio per institution declined 46% and the total outstanding loan portfolio decreased 27%. Average loan size decreased 60% to \$140 per borrower. Several factors contributed to this change, but one key one has been the increased focus on poverty lending by the microfinance institutions in PVC's portfolio. Many of these institutions are increasing the number of clients helped and are reaching further into the poorer segments of their communities; and

-- a 17% increase in the percentage of women borrowers (87% of all borrowers are women).

In the area of sustainability, FY 2002 saw the culmination of several years' worth of efforts to improve how PVOs design and operate their programs and measure sustainability. Currently, virtually all (95%) PVO grantees have sustainability plans within their grants, and approximately half of them plan to measure post-grant sustainability with their own funds. Similarly, in collaboration with PVC's technical contractor, CORE (the PVO child survival network funded by PVC) developed and tested an evaluation methodology for assessing sustainability in health programs. In addition, PVC-supported institutions have made significant progress in financial and operational sustainability. For example, the percentage of PVC-supported microfinance institutions that were either financially or operationally sustainable more than doubled from 17% in 1997 to 37% in 2001.

Data Sheet

USAID Mission:	Office of Private and Voluntary Cooperation
Program Title:	Local NGO Capacity Enhanced
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	963-002
Status:	New
Proposed FY 2003 Obligation:	\$10,564,000 DA
Prior Year Unobligated:	\$0
Proposed FY 2004 Obligation:	\$15,800,000 DA
Year of Initial Obligation:	2003
Estimated Completion Date:	2007

Summary: The PVC Office provides competitively awarded grants to U.S. private voluntary organizations (PVOs) and cooperative development organizations (CDOs) to build the managerial, operational, and technical capabilities of local non-government organizations (NGOs), networks, and intermediate support organizations that deliver services in countries vulnerable to or emerging from civil strife or conflict. Since local organizations and institutions are frequently limited in resources and reach, this program will promote linkages among individual organizations, local and national businesses, and local governments. These linkages will increase sharing of knowledge and technical skills, enhance self-sufficiency, and provide a platform for program and policy advocacy. Overall, these efforts are expected to result in a strengthened civil society at the local level. To foster organizational learning among NGOs, networks, and intermediate support organizations, the PVC Office will emphasize program analysis, testing new approaches, documenting best practices, and the operation of a pro-active communication program to assure widespread dissemination and use of accomplishments and lessons learned.

Inputs, Outputs, Activities:

FY 2003 Program:

The PVC Office pursues its results through a series of competitively awarded cooperative agreements with registered U.S. PVOs. These agreements enable recipients to initiate work in countries that are a high priority to USAID and on programs that will strengthen the capacity of NGOs, networks, and intermediate support organizations to deliver development services to their constituencies. A new cooperative agreement will develop lessons learned and best practices from PVC NGO strengthening programs, conduct small-scale studies on factors that constrain program performance, and institute a communication outreach program to U.S. PVOs, NGOs, and other donors. Program activities will be in a variety of fields, including microfinance, health, HIV/AIDS, food production and agribusiness, and environmental protection.

The PVC Office will use approximately \$8.0 million (DA funds) in FY2003 to finance a series of new cooperative agreements to U.S. PVOs to strengthen the capacity of local NGOs, networks, and intermediate service organizations in select countries and to expand linkages among local NGOs and between local NGOs and public and private sector institutions. These activities will be complemented by a joint Peace Corps and USAID small grant program (1million DA) that will increase the capabilities of local communities to conduct low-cost, grass-roots development activities.

The PVC Office plans to use approximately \$1 million (DA) in FY2003 to initiative analytical and communication activities that will bring together lessons learned in building the capacity of local organizations and develop standards, best practices, and outreach activities to promote effective approaches to the U.S. PVO, international donor, and local NGO communities.

The PVC Office will also use \$2 million (DA) FY 2003 funds to initiate a new Capable Partners Program, which is designed to provide technical assistance and training in support of USAID mission initiatives to strengthen local NGOs.

FY 2004 Program:

The PVC Office will use \$6.8 million of the FY 2004 funds requested for this objective to continue 2003 activities that strengthen local NGOs, networks and local institutions and to fund analysis and communication activities that address issues that will improve the effectiveness of local organizations. The PVC Office will continue to provide \$2.7 million in funding to reimburse private groups that need assistance in transporting vital equipment and supplies to their overseas programs. The cooperative development program will use \$5.5 million to fund actions that reform cooperative laws and build self-sustaining cooperative movements in agriculture, telephone and electronic services, insurance and housing. These activities will be supported by the Capable Partners Program (\$2 million) and the administrative support contractor (\$1.2 million). The joint USAID and Peace Corps small grant program for grass-root community development activities will continue.

Performance and Results: These activities will begin in FY 2003 and performance data is not yet available.

**Office of Private and Voluntary Cooperation
PROGRAM SUMMARY**

(in thousands of dollars)

Accounts	FY 2001 Actual	FY 2002 Actual	FY 2003 Prior Request	FY 2004 Request
Child Survival and Health Programs Fund	27,435	23,843	21,833	200
Development Assistance	28,123	27,163	32,488	23,782
Total Program Funds	55,558	51,006	54,321	23,982

STRATEGIC OBJECTIVE SUMMARY

963-001 Capabilities of U.S. PVOs increased				
CSH	27,435	23,843	21,833	200
DA	28,123	27,163	21,924	7,982
963-002 Local NGO Capacity Enhanced				
DA	0	0	10,564	15,800

US Financing in Thousands of Dollars

Office of Private and Voluntary Cooperation

	CSH	DA	ESF
963-001 Capabilities of U.S. PVOs increased			
Through September 30, 2001			
Obligations	116,821	605,157	150
Expenditures	53,068	555,185	150
Unliquidated	63,753	49,972	0
Fiscal Year 2002			
Obligations	20,875	23,014	0
Expenditures	36,468	40,243	0
Through September 30, 2002			
Obligations	137,696	628,171	150
Expenditures	89,536	595,428	150
Unliquidated	48,160	32,743	0
Prior Year Unobligated Funds			
Obligations	3,587	7,804	0
Planned Fiscal Year 2003 NOA			
Obligations	21,833	21,924	0
Total Planned Fiscal Year 2003			
Obligations	25,420	29,728	0
Proposed Fiscal Year 2004 NOA			
Obligations	200	7,982	0
Future Obligations	0	0	0
Est. Total Cost	163,316	665,881	150

US Financing in Thousands of Dollars

Office of Private and Voluntary Cooperation

963-002 Local NGO Capacity Enhanced	DA
Through September 30, 2001	
Obligations	0
Expenditures	0
Unliquidated	0
Fiscal Year 2002	
Obligations	0
Expenditures	0
Through September 30, 2002	
Obligations	0
Expenditures	0
Unliquidated	0
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2003 NOA	
Obligations	10,564
Total Planned Fiscal Year 2003	
Obligations	10,564
Proposed Fiscal Year 2004 NOA	
Obligations	15,800
Future Obligations	0
Est. Total Cost	26,364

Transition Initiatives

The Development Challenge: The late 1980s and early 1990s was a period of dramatic change. Countries all over the globe underwent transitions: transitions from autocratic to democratic rule, transitions from war to peace, and, unfortunately, transitions away from democracy and from peace to war. It quickly became apparent that these transitions were particularly sensitive; choices made during these periods had enormous influence on a country's future--for good or ill. However it also became quickly apparent that traditional forms of humanitarian aid and development assistance were not suited to these periods of transition. Instead, there was a need for a mechanism that retained the responsiveness and flexibility of humanitarian response, but focused on advancing democratic governance and managing conflict within highly charged and highly fluid transitional environments.

In 1994, USAID created the Office of Transition Initiatives (OTI) as a new tool for this new era. Since then OTI has operated in 25 diverse transitional settings worldwide, and this accumulated experience has confirmed the initial premise that transitions are times when ways of governing have been discredited, but there is no agreement on what is to take their place. In these extraordinarily fluid times, it is indeed possible to reshape a society socially, economically, and politically. And in transitions from Serbia to East Timor to Sierra Leone, OTI has demonstrated that modest amounts of targeted transitional programming can leverage profound political and social change.

The benefits of transitional assistance are not automatic, however. Transitions are highly politicized and frequently unstable as major groups within the country jockey to shape the emerging regime. With so much that is unsettled, the dominant social concerns are short term: personal security, the basic needs of shelter, food and water, and immediate political aims. Successfully operating in these environments requires orientations, activities and modalities that differ from those adapted to the more stable environments where long-term, sustainable development is possible. Programmatic flexibility is central. The currents within a transition are often unpredictable, revealing both unexpected opportunities to advance democracy and peace and unforeseen threats. Responding appropriately requires financial resources and implementation mechanisms that can be readily redirected, and program staff who are sensitive to the operating environment, willing to take risks and empowered to make needed programmatic adjustments. Another key is to identify activities that have rapid, visible impact. In uncertain transitional periods, the population is hungry for assurance that democracy or peace is worth the risks, and they are not willing to wait months or years for that sign. Thus activities that provide transition dividends--or publicize them--are vital for sustaining the momentum for positive change.

The USAID Program: While OTI has worked in a diverse range of transition settings, its programs tend to fall into one of three operating environments. Even though each OTI program is designed specifically around the needs of the transition underway in a particular country, the three categories provide a useful means for thinking about the political and social environment and the types of activities that are best suited to each.

Transitions to Democracy: Transitions to democracy occur when a seminal event, typically an election, ushers in a democratic government after a long period of military or autocratic rule and offers the opportunity to sustain support for democracy until economic and social reforms can take hold. In Haiti, Kosovo, and East Timor, OTI addressed citizens' pressing needs and began the process of creating and strengthening democratic institutions. In East Timor, for example, OTI's Transitional Employment Program (TEP) injected critical financial resources into devastated communities to jumpstart the economy, providing East Timorese tangible results of the reconstruction and development process. In fragile democracies, such as in Nigeria, Indonesia, and Peru, OTI's programs often focus on establishing civilian control over the country's armed forces, educating democratically elected officials, and supporting the development of a free press. For example, in Peru, OTI provided support to the media, civil society, and the Peruvian Congress to facilitate higher civilian involvement in defense and security issues.

Transitions to Peace: Transitions to peace are openings that signal movement away from conflict and instability toward more stable, democratic governance. Typically, a window is a constitutive settlement,

broadly defined as an agreement among political actors on how to move forward. The settlement may take the form of a peace agreement, an accord, or a new constitution. In these situations, OTI works to strengthen the chances of an agreement's success by identifying and addressing critical bottlenecks to it, and by increasing civil society's involvement in the negotiation process. Typical activities involve supporting forums and conferences organized for NGOs to discuss and provide input to the peace process, and providing technical assistance to the development of national peace-building plans. In Sierra Leone, for example, an OTI grantee conducted consultative forums in all areas under government control and played a key role in peace-building efforts after the May 2000 setback. OTI also promotes a culture of peace and reconciliation through media campaigns and programs to ensure accurate and balanced reporting; establishes "safe spaces" where members of diverse communities can discuss or address problems of common concern; builds the capacity of local communities to manage their own conflicts; and works with local partners to resolve specific conflicts through facilitated workshops and joint problem solving. Other OTI programs targeted at transitions to peace include Indonesia, Kosovo, Macedonia, Congo and Burundi.

In several instances of supporting transition to peace, OTI was asked to establish a presence in a country that did not yet have a USAID mission. For example, OTI entered East Timor on the heels of the retreating Indonesian militia and before the USAID mission established an on-the-ground presence. OTI's ability to demonstrate a U.S. Government commitment can be enormously useful to USAID and the U.S. Government. In the East Timor case, OTI worked with local communities to repair needed infrastructure and provide economic incentives to the population. To the East Timorese, OTI was the welcome face of the U.S. Government.

Transitional Political Crisis: A third scenario for OTI intervention involves a political crisis in which a transition has first stalled and then begun to unravel. In this scenario, OTI sees the potential to prevent or mitigate what could turn into violent conflict by shoring up democratic institutions and supporting the momentum for positive, political change. OTI typically achieves this objective by supporting forums and public meetings at which key issues can be debated. For example, Zimbabwe's President precipitated a political crisis in early 2000 by seeking to amend the constitution in order to strengthen the power of the executive and undermine due process and the rule of law. OTI established a program to respond to the crisis that successfully supported civil society's opposition to the constitutional changes. Since then, OTI has continued to work with civil society and independent media to prevent even further erosion of democracy in Zimbabwe. Similarly, in Venezuela, OTI's program is intended to provide an opportunity for a society sharply divided over fundamental issues to discuss their differences in neutral space.

OTI has found that responding to transitional political crises poses particular challenges. Unlike transitions to democracy or from war to peace, there is frequently no discernable event--a peace accord or an election--to mark the start of a political crisis. Moreover, not every political crisis is serious enough to warrant OTI's involvement. This places an extra burden on OTI in collaboration with regional bureaus and field missions to determine when a transitional crisis has begun and how OTI can best respond.

Other Program Elements: OTI works closely with the Agency's geographic bureaus and field missions to coordinate objectives and activities that support a country's transition. In East Timor, for example, OTI's program laid the foundation upon which the new mission is building. In Afghanistan, OTI is an integral part of the Agency's program, along with the ANE bureau and OFDA. OTI's contributions have resulted in the transfer of funds from the geographic bureaus and field missions to OTI to carry out activities in two new country programs, Angola and Sri Lanka. OTI's program in Zimbabwe is funded mostly by economic support funds from the Department of State.

Other Donors: OTI makes an effort to coordinate its programs with other in-country bilateral or multi-lateral donors. In Afghanistan, OTI has a memo of understanding with the Japanese aid agency (JICA) and the United National Development Program (UNDP) to collaborate. In Aceh, Indonesia, OTI attended the multi-donor conference and, as a result, was able to complement others' activities. In the Balkans (Serbia and Montenegro and Macedonia), OTI worked with the European Union (EU) and The World Bank on programs to support transition initiatives.

**Office of Transition Initiatives
PROGRAM SUMMARY**

(in thousands of dollars)

Accounts	FY 2001 Actual	FY 2002 Actual	FY 2003 Prior Request	FY 2004 Request
Transition Initiatives	49,890	50,000	55,000	55,000
Total Program Funds	49,890	50,000	55,000	55,000

STRATEGIC OBJECTIVE SUMMARY

965-001 Political transactions successfully advanced in priority, conflict-prone countries.				
TI	49,890	50,000	55,000	55,000

Note: Table excludes \$20 million in FY01 and \$25 million in FY02 of funds managed by OTI from other sources as well as \$15.5 million FY01 and \$5.1 million FY02 of Economic Support Funds (ESF). See summary tables volume for additional funds managed by OTI.

OFFICE OF TRANSITION INITIATIVES (TI)

(U.S. DOLLARS)

Region	Country	FY 2001	FY 2002	FY 2003	FY 2004
		OBLIGATIONS	OBLIGATIONS	ESTIMATES	REQUEST
Europe	Kosovo	6,573,504	369,653	-	-
	Macedonia	918,464	10,408,029	6,600,000	-
	Serbia/Montenegro	10,146,125	8,494,363	-	-
Africa	Angola	-	-	2,500,000	4,000,000
	Burundi	-	2,105,502	3,500,000	3,000,000
	Congo	148,254	3,561,524	4,600,000	3,000,000
	Nigeria	5,495,796	60,282	-	-
	Sierra Leone	3,666,589	1,158,177	-	-
	Sudan	-	-	4,000,000	3,000,000
	Zimbabwe	5,556,234	1,017,395	3,000,000	-
Asia & The Near East	Afghanistan	-	9,004,068	8,000,000	5,000,000
	East Timor	1,500,000	-	-	-
	Indonesia	4,963,354	1,867,145	2,000,000	-
	Lebanon	1,033,270	-	-	-
	Middle East	-	-	6,000,000	8,000,000
	Sri Lanka	-	-	4,000,000	3,000,000
Americas	Colombia	1,135,668	-	-	-
	El Salvador	2,000,000	-	-	-
	Peru	3,314,190	7,657,771	100,000	-
	Venezuela	-	2,197,066	6,500,000	4,000,000
New Countries	Unallocated	-	-	200,000	18,000,000
Program Support	World wide	1,986,154	3,214,459	4,000,000	4,000,000
TOTAL: INTERNATIONAL DISASTER ASSISTANCE(IDA) Carryover Funds		3,524,560	383,116		
TOTAL: TRANSITION INITIATIVES (TI) Carryover Funds-FROM PRIOR YEAR			4,962,154		
TOTAL: TRANSITION INITIATIVES (TI) Carryover Funds-TO NEXT YEAR		4,962,154	4,909,487		
TOTAL: NOA TI - Funds		49,875,196	50,679,651	55,000,000	55,000,000

FY-2001: Total does not include \$3,524,560 IDA Carryover funds, \$4,983,000 (TI) funds for **Aceh (Indonesia)** and for activities from other accounts managed by OTI that totaled to \$15,420,048 (\$600,000 E&E SEED for **Serbia**, \$950,000 DFA and \$570,000 ESF for **Sierra Leone**, \$8,300,048 ESF for **East Timor**, \$2,500,000 ESF for ANE, **Indonesia** and \$2,500,000 ESF managed for the mission (LAC) obligated at the mission for Child Soldiers in **Colombia**).

FY-2002: Total does not include \$383,116 IDA carryover, \$4,962,154 TI carryover and a total of \$17,861,084 for **Afghanistan**, (\$11,132,000 IDA Supplement, \$3,000,000 01/02 ESF, \$3,000,000 02/03 ESF, \$350,000 02/03 DV, \$279,084 OE mission funds and \$100,000 01/02 ESF). \$6,051,921(\$4,884,269 02/03 ESF and \$1,167,652 01/02 ESF) for **East Timor**, \$5,000,000 (\$2,000,000 02/03 ESF, \$3,000,000 02/03 mission ESF) for **Indonesia**, \$1,000,000 01/02 ESF for **Zimbabwe**, \$400,000 DFA managed by the mission for **Nigeria**, \$180,000 DA and \$38,750 DV funds for **worldwide**, that totaled to \$30,531,755 managed by OTI.

FY-2003: Estimate is based on \$55 million FY-2003 budget request in absence of appropriation. Total does not include \$4.9 million carryover (TI) funds which will be allocated later to the programs.

FY-2004: Allocation by country is notional at this time and could change based on resource availabilities and future priorities.

OFFICE OF TRANSITION INITIATIVES

Country	Description	Dates	FY 2001	FY 2002	FY 2003	FY 2004
			OBLIGATIONS	OBLIGATIONS	ESTIMATES	REQUEST
EUROPE						
Kosovo	Promote local democratic leadership by organizing community improvement councils, meeting their priority needs and promoting development of an independent media and strong civil society.	Start: 7/1997 Exit: 9/2002	6,573,504	369,653	0	0
Macedonia	Mitigate political and ethnic tensions through confidence building during implementation of the Framework Agreement. Increase public access to balanced information and diverse points of view. Strengthen relationships between citizens and elected officials at the local level. Increase positive interaction among diverse groups of people in constructive activities and projects.	Start: 9/2001 Exit: 10/2003	918,464	10,408,029	6,600,000	0
Serbia & Montenegro	Consolidate recent democratic gains - Promote government reform and its responsiveness to citizens. Improve citizens understanding of government reform efforts. Expand knowledge of human rights and truth and reconciliation efforts. Promote a transparent electoral process that encourages active and informed citizen participation.	Start: 7/1997 Exit: 11/2002	10,146,125	8,494,363	0	0
AFRICA						
Angola	Expand the foundation for a more democratic, more transparent, and ultimately more peaceful Angola. Promote civil society advocacy on key transition issues. Strengthen independent media. Nurture broad participatory democratic processes.	Start: 11/2002 Est. Exit: TBD	0	0	2,500,000	4,000,000
Burundi	Good governance at all levels is developed and there is active and informed participation of citizens. Increase active and informed discussions among people of diverse ethnic groups about common public issues. Encourage the evolution of government institutions at all levels to be more transparent and accountable.	Start: 3/2002 Est. Exit: 4/2004	0	2,105,502	3,500,000	3,000,000
Democratic Republic of the Congo	The informed participation of Congolese society in political and economic decision-making processes contributes to a peaceful, unified, and democratic country. Increased access to information representing diverse perspectives. Increased participation of civil society in decision-making on national issues. Expanded and strengthened linkages between communities.	Re-start Program 4/2002 Est. Exit: 9/2004	148,254	3,561,524	4,600,000	3,000,000
Nigeria	Sustain the transition toward national reconciliation and a democratic government by mitigating conflict. Supporting civil society efforts to respond to destabilizing conflicts in key areas or on key issues. Leveraging other donor efforts in good governance by providing conflict mitigation, interventions and training at the federal, state and local level. Promoting development of a conflict management infrastructure. Promoting the effective continuation of conflict management advocacy, training and interventions and reform of the National Police.	Start: 5/1999 Exit: 1/2001	5,495,796	60,282	0	0
Sierra Leone	Support the peace process : Assisting civil society and government to build leadership and renew national values. Assisting the design, implementation and monitoring of a diamond certification system. Reintegrating ex-combatants, including literacy and vocational training, counseling and civic education. Supporting a media and communications program that aids demobilization, reconciliation and reintegration. Promoting the participation of women and other underrepresented groups in the upcoming elections.	Start: 1/1997 Exit: 1/2002	3,666,589	1,158,177	0	0
Sudan	The OTI plans to link ongoing Sudanese peace processes and peace building efforts to initiatives that engender good governance practices, and to deepen the participation of a broader cross-section of the southern Sudanese population in their governing structures. OTI's program will promote southern Sudanese access to: balanced information, increased conflict resolution expertise in areas vulnerable to conflict and provide timely peace dividends to support people-to-people peace processes.	Start: 1/2003 Est. Exit: TBD	0	0	4,000,000	3,000,000
Zimbabwe	Advance prospects for a peaceful transition. Support activities to increase respect for basic human rights. Promote opportunities for democratic participation.	Start: 1/2000 Exit: 9/2003	5,556,234	1,017,395	3,000,000	0

OFFICE OF TRANSITION INITIATIVES

Country	Description	Dates	FY 2001	FY 2002	FY 2003	FY 2004
			OBLIGATIONS	OBLIGATIONS	ESTIMATES	REQUEST
ASIA & THE NEAR EAST						
Afghanistan	Support political stabilization and rehabilitation in post-conflict Afghanistan. Increase the capacity of the Afghan Interim Authority (AIA) to govern effectively. Increase citizen and community participation in decision-making processes. Increase government accountability to the public. Support voices of moderation and peace across the country. Build connections between civil society and emerging government structures. Increase the availability and quality of public information.	Start: 10/2001 Est. Exit: TBD	0	9,004,068	8,000,000	5,000,000
East Timor	Promote transition to independence. Supporting small-scale community-led projects by focusing on gaps in local social services and economic infrastructure. Enabling civil society to play a role in relief, reconstruction and nation-building. Providing start-up funding for independent media outlets. Providing training and economic initiatives for ex-combatants.	Start: 6/1999 Exit: 10/01/2002	1,500,000	0	0	0
Indonesia	Promote democratic reform and mitigate conflict. Supporting civil society organizations to mobilize peaceful political participation and address ethnic/religious conflicts through dialogue and mediation. Supporting peace negotiations and human rights in Aceh. Encouraging accountable, transparent government and raising awareness about decentralization. Increasing capacity of media to cover political processes. Improving civilian capacity for military oversight and control.	Start: 8/1998 Exit: 12/01/2002	4,963,354	1,867,145	2,000,000	0
Lebanon	Help combat corruption by increasing public awareness, changing attitudes, strengthening investigative journalism, and helping local governments become more transparent and accountable.	Start: 9/1999 Exit: 3/2001	1,033,270	0	0	0
Middle East	Provide tangible examples of improvement and change. Strengthen the capacity and involvement of local community institutions while identifying promising, emerging, local leadership. Promote the dissemination of moderate and balanced information including information on humanitarian and reconstruction activities.	Start: TBD Est. Exit: TBD	0	0	6,000,000	8,000,000
Sri Lanka	To mitigate conflict and broaden the constituency for peace within Sri Lanka. Establishing up to four offices in the country, providing the USAID Mission the capacity to make small direct cash and in-kind grants to local organizations. Small grants will demonstrate peace dividends to affected populations, encouraging reconciliation and cooperation between conflicting parties.	Start: 2/2003 Est. Exit: 05/2005	0	0	4,000,000	3,000,000
LATIN AMERICA						
Colombia	Advance peace process through local action. Strengthening the role of NGOs involved in the peace process on the national and local level. Promoting democratic participation and effective local governance. Designing and implementing a reintegration program for child ex-combatants.	Start: 1/1999 Exit: 12/2001	1,135,668	0	0	0
El Salvador	To support earthquake relief to the people of El Salvador.	Start: 4/2001 Exit: 9/2001	2,000,000	0	0	0
Peru	Lay the groundwork for long-term democratic reform. Enhance the ability of civilians to provide oversight and increase transparency of the military. Promote transparency, accountability and citizen access to local government. Enhance the capacity of the Truth and Reconciliation Commission. Promote congressional reform. Strengthen national anti-corruption efforts.	Start: 1/2001 Exit: 1/2003	3,314,190	7,657,771	100,000	0
Venezuela	Strengthen democratic institutions and processes to support a peaceful, democratic resolution to the political crisis. Create opportunities for enhanced and improved dialogue for political actors. Strengthen capacity and effectiveness of democratic institutions.	Start: 8/2002 Exit: TBD	0	2,197,066	6,500,000	4,000,000
New Countries			0	0	200,000	18,000,000
World Wide	Program Support		1,986,154	3,214,459	4,000,000	4,000,000
TOTAL INTERNATIONAL DISASTER ASSISTANCE (IDA) FUNDS			3,524,560	383,116	0	0
TOTAL TRANSITION INITIATIVES (TI) CARRYOVER FUNDS FROM PRIOR YEAR			0	4,962,154	0	0
TOTAL TRANSITION INITIATIVES (TI) CARRYOVER FUNDS TO NEXT YEAR			4,962,154	4,909,487	0	0
TOTAL TRANSITION INITIATIVES (TI) NOA FUNDS *			49,875,196	50,679,651	55,000,000	55,000,000

*New account created effective FY-2001

FY-2001: Total does not include \$3,524,560 IDA carryover funds, \$4,983,000 (TI) funds for **Aceh (Indonesia)**, and for activities from other accounts managed by OTI that totaled to \$15,420,048 (\$600,000 E&E SEED for **Serbia**, \$950,000 DFA and \$570,000 ESF for **Sierra Leone**, \$8,300,048 ESF for **East Timor**, \$2,500,000 ESF for ANE, **Indonesia** and \$2,500,000 ESF managed for the mission (LAC) obligated at the mission for Child Soldiers in **Colombia**).

FY-2002: Total does not include \$383,116 IDA carryover, \$4,962,154 TI carryover and a total of \$17,861,084 for **Afghanistan**, (\$11,132,000 IDA Supplement, \$3,000,000 01/02 ESF, \$3,000,000 02/03 ESF, \$350,000 02/03 DV, \$279,084 OE mission funds and \$100,000 01/02 ESF). \$6,051,921 (\$4,884,269 02/03 ESF and \$1,167,652 01/02 ESF) for **East Timor**, \$5,000,000 (\$2,000,000 02/03 ESF, \$3,000,000 02/03 mission ESF) for **Indonesia**, \$1,000,000 01/02 ESF for **Zimbabwe**, \$400,000 DFA managed by the mission for **Nigeria**, \$180,000 DA and \$38,750 DV funds for **worldwide**, that totaled to \$30,531,755 managed by OTI.

FY-2003 Estimate is based on \$55 million FY-2003 budget request in absence of appropriation. Total does not include \$4.9 million carryover (TI) funds which will be allocated later to the programs.

FY-2004: Allocation by country is notional at this time and could change based on resource availabilities and future priorities.