



“America’s strategy to promote a more secure world recognizes the ties of free trade and free societies. Our enemies targeted the World Trade Towers because they recognized that economic strength is at the foundation of America’s hard and soft power. Our campaign against them and others should employ economic and trade policies to underpin America’s long-term security.”



ROBERT B. ZOELICK
United States Trade Representative
National Press Club, Washington, D.C.
October 1, 2002

▼ SEE IN FOCUS ON PAGES 4-5

As Iraq Fighting Ebbs USAID Team Steps In

As fighting died down across many areas of Iraq, USAID assessment and relief teams entered secure areas to deliver relief supplies and services.

Reconstruction also began as USAID issued contracts to dredge the port and begin other work.

The Agency’s Disaster Assistance Response Team (DART) found that the situation remained tense and difficult in many areas of Iraq for foreign aid workers.

In mid-April, two DART members were fired upon, in three separate attacks, as they tried to visit hospitals in Baghdad to deliver a medical kit to supply 10,000 people for three months. The armored vehicle they rode in saved them from injury.

“Our objective is to work with the Iraqi people to show a measurable improvement in their standards of living,” said Administrator Andrew S. Natsios.

By April 22, 10 DART members were in Basra and 10 more in Nasiriya, both southern cities, to assess damage and issue contracts to cope with any humanitarian needs they find.

In the Kurdish north, another DART group set up an office in a hotel in Arbil. But the DART team in Jordan faced ongoing security problems in western Iraq’s scantily populated desert.

In Umm Qasr, the port town of 33,000 on the Kuwaiti border, DART members met with a newly formed town council in mid-April and encouraged it to take responsibility for urgent needs.

The DART arranged a meeting with the council, 38 agents of the Iraqi food distribution system, the U.N.’s World Food Program (WFP) and Save the Children. Held in a girls’ school, the sometimes raucous meeting included town elders in traditional garb, young men in Western dress, and women in black abayas.

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USG ASSISTANCE TO IRAQ



Amounts in millions of dollars
Source: Fact Sheet #22, April 29, 2003: “U.S. Government Humanitarian and Reconstruction Assistance to Iraq.”

Bush Signs Bill For \$2.5 Billion In Iraqi Aid

President George W. Bush on April 16 signed a \$79 billion Emergency Wartime Supplemental Appropriations bill to cover Iraq war costs, including \$2.5 billion for an Iraq Relief and Reconstruction Fund.

However, the lion’s share of the \$2.5 billion Iraq Fund has not yet been apportioned to any specific agency, but will be as the White House makes allocation decisions.

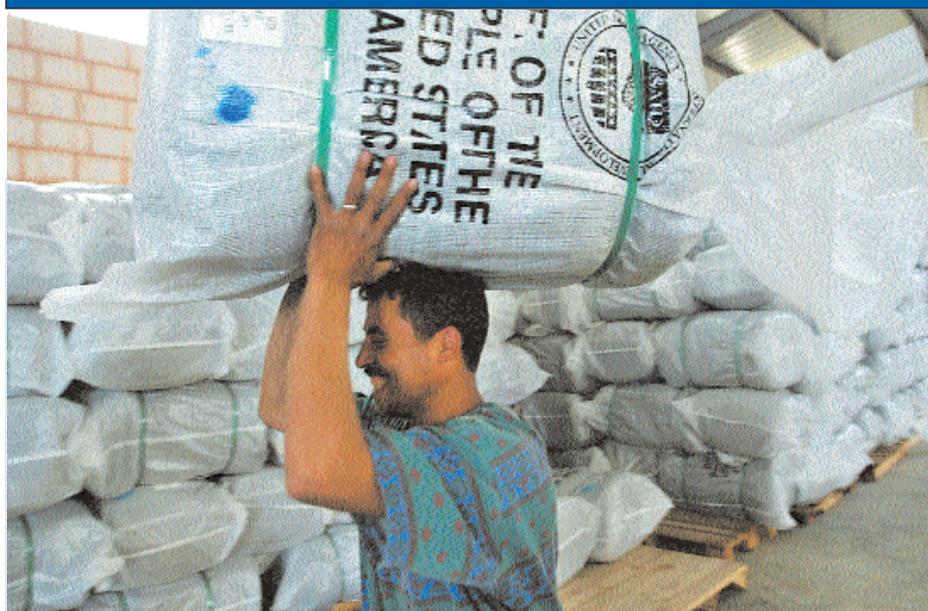
Some members of Congress had recommended that USAID and the State Department take charge of relief and reconstruction assistance. However, the President asked for, and Congress granted him, the right to make final decisions on which federal agency will have use of the funds.

Iraq Fund monies will go toward emergency relief, as well as longer-term reconstruction projects relating to water, sanitation, food, refugees, electricity, health, telecommunications, finances, education, transportation, rule of law, demining, and agriculture.

Although it remains unclear which agency will be using the \$2.5 billion fund, USAID paid initial reconstruction costs with its own funds, including \$35 million for the capital construction contract granted April 17 to Bechtel for Iraqi infrastructure—a contract that could go up to \$680 million over 18 months, subject to congressional authority and availability of funds.

The new appropriations bill includes a separate payment of \$643 million to reimburse USAID for all expenditures for Iraq from existing accounts. ★

HUMANITARIAN AID FOR IRAQ



©AP/Wide World Photo/Letteris Pitarakis

A worker carries blankets, part of the humanitarian help donated by USAID and stored in a warehouse in the outskirts of the Jordanian capital of Amman. Blankets, hygiene kits, water canisters, and other aid items stockpiled in the warehouse will supply people in need in Iraq.

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U.S. Agency for International Development
Bureau for Legislative and Public Affairs
Washington, D.C. 20523-6100

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BANGLADESH SHRIMP TRADE

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Alliances Link Business and NGOs to Aid

Under the Global Development Alliance (GDA) business model, USAID is combining forces with nongovernmental and corporate partners. Two recent examples are when the Charles Stewart Mott Foundation funded an initiative with USAID to strengthen democracy in the Balkans, and when ChevronTexaco coinvested \$10 million for enterprise development activities in Angola.

"The GDA business model is one that we have embraced in the field. We are using public-private alliances to draw upon the unique assets and knowledge that other actors bring to development," said USAID/Ghana Mission Director Sharon Cromer.

Most alliances are created and implemented by missions. The GDA Secretariat in USAID/Washington has provided support in outreach and training, and assistance in alliance building. In addition, the secretariat provides seed money to some new alliances through a small incentive fund.

The push toward public-private alliances can be attributed to a growing corporate

social responsibility movement, an increase in U.S. private philanthropy overseas, and the number of people born in developing nations who now reside in the United States.

Socially responsible mutual funds—whose assets reached \$160 billion in 2002—scrutinize company track records on labor, environment, and other issues. Nearly 10 percent of assets under management in the United States have been screened as socially responsible investments. For example, companies that invest in countries that abuse human rights or companies that produce tobacco face increased investor scrutiny and potential withdrawal of investment funds.

Oil companies such as ChevronTexaco seek to shore up the societies they work in to ensure stability a generation down the road. Often philanthropy and self-interest overlap. For example, Anglo American, a large global mining company recently announced it would provide antiretroviral drugs to its HIV-infected workers in South Africa.

Bill Gates, whose foundation has donated billions of dollars to fight HIV/AIDS and other epidemics, recently

"Some within USAID were originally skeptical about the GDA. After learning about the many alliances being developed in the field—including the USAID-ChevronTexaco alliance in Angola—these former skeptics are now looking for ways to develop their own public-private alliances. I see the Agency changing and growing as we do this work."

USAID ADMINISTRATOR ANDREW S. NATSIOS

predicted a promising future for public-private collaboration: "Globally, we'll see businesses, governments, and philanthropists work together in unprecedented ways to address problems that were once thought insurmountable," he said.

USAID is helping immigrant groups in the United States to send remittances without excessive transfer costs. The goal is to maximize the amount of money available to improve the lives of recipients in developing nations.

With these new actors more involved in development, USAID is seeking to extend its ability to achieve international development and U.S. foreign policy goals. Holly

Wise, Director of the GDA Secretariat, said: "With other actors coming forward with vested interests in global development issues, this does not mean that the U.S. government should do less ... it means that we can do a whole lot more by working in concert with others."

Ultimately, public-private alliances are about bringing together the strengths and resources of different groups to solve development problems.

U.N. Secretary-General Kofi Annan commented: "I hope corporations understand that the world is not asking them to do something different from their normal business; rather it is asking them to do their normal business differently." ★

www.usaid.gov/gda

Solar Power Lights the Philippines

MINDANAO, Philippines—Two solar-powered fluorescent bulbs light up the home of Sharift Ladjahali, the former chairman of Lagasan, a small village (or barangay) in the Philippines' Autonomous Region of Muslim Mindanao.

Ladjahali lives in one of 300 houses hooked up to a recently installed solar-powered battery-charging station that permits people to replace costly kerosene with much less expensive solar lighting.

Solar power also runs streetlights and community lighting, improving safety and allowing people to spend more time together in the evenings.

Communities in Muslim Mindanao, once a rebel stronghold, are too distant to be connected to the national electric grid.

The Alliance for Mindanao Off-Grid Renewable Energy (AMORE) program is bringing solar-powered electricity to 5,000 homes in 160 remote rural communities in Muslim Mindanao. AMORE is a \$9.5 mil-

lion partnership of USAID/Philippines, the Autonomous Region of Muslim Mindanao, Mirant Philippines Corp., and the Philippines Department of Energy. Mirant Philippines Corp. procures renewable energy equipment while USAID helps communities install, manage, and operate the new systems. USAID plans to spend up to \$6.4 million and Mirant plans to invest \$3.2 million with the local communities donating labor and maintenance.

U.S. Ambassador, Francis J. Ricciardone said, "The AMORE partners—private Filipino communities, Mirant Corporation of the American private sector, and the American and Philippine governments—truly are working together to make this a new Age of Enlightenment for the remotest communities. And it is high time. With the advanced technologies available today, no one should be left in the dark." ★

www.usaid-ph.gov/

Mali Plans New Sugar Plant

MARKALA, Mali—In order to free Mali from costly sugar imports, the Agency has formed a partnership to develop and grow new varieties of sugarcane and build a sugar processing factory capable of supplying the entire country.

With \$270 million at stake, USAID is working with the Mali government and Schaffer & Associates, a Louisiana-based firm, to irrigate land, plant high-quality sugarcane varieties, and build a processing plant.

"This is a very poor country that needs foreign investment desperately," notes Pam White, USAID/Mali Mission Director.

In addition to meeting Mali's requirements for sugar, the plant may generate exports, according to a U.S. Trade and Development Agency study.

USAID is contributing \$892,000 to help Mali's National Agricultural Research Institute identify the most productive sugarcane varieties and ensure that environmental standards are met. Schaffer official Geralyn Contini noted, "Sugarcane research is the very heart of the preparatory stage, without which private investment would not be possible."

In 1999, Schaffer won the State Department's Award for Corporate Excellence for a Small/Medium Enterprise.

The Mali government is constructing irrigation canals, while Schaffer & Associates is raising up to \$270 million to construct the plant. The firm has built successful sugar processing plants in Kenya, Sudan, and Uganda. ★

www.usaid.gov/ml

Latin American Youth Learn Computer Workplace Skills

A \$25 million alliance that includes Microsoft, Cisco Systems, and Lucent Technologies will prepare 12,000 young people in as many as 20 countries in Latin America and the Caribbean for entry into the 21st-century work force.

More than half the people in Latin America are under age 24, and youth unemployment is on the rise. Schools fail to teach young people computer skills, though businesses urgently need employees who can work in the region's growing information-based economy.

To connect labor market needs with young people interested in information technology careers, USAID contributed \$3 million and joined with International Youth Foundation (IYF), the Inter-American Development Bank, and

corporate partners to initiate the three-year project known as Entra 21.

Bill Reese, Chief Operating Officer of IYF, said, "USAID's support of this new kind of partnership will ... take best practice programs to scale."

The project provides grants and technical assistance to nonprofit organizations to train youth to work with computers and workplace technologies. Local, youth-serving organizations and the local private sector must demonstrate that the training is based on current and emerging employment opportunities and that the trainees will be linked to jobs via internships and placement mechanisms.

Since December 2002, Entra 21 has awarded grants totaling \$4.4 million in eight countries in Latin America. ★



Filipino community members install solar panels for a battery-charging station under the AMORE project, which is bringing solar-generated electricity to remote rural communities in Muslim Mindanao.

Notes from Natsios

★★★★★★★★



WHY WE ARE IN IRAQ

As U.S. and coalition troops battled to unseat Saddam Hussein's regime in Iraq, we all were moved by their heroism and saddened by the loss of life on both sides.

Once fighting subsided, our relief and reconstruction teams faced great difficulties, including armed attacks, as they began to make assessments and deliver assistance.

At some point, many of us may have asked ourselves why we were in Iraq after all.

President Bush has properly emphasized that force was needed to end the threats from Saddam's nuclear, chemical, and biological weapons and stop his support for terrorism.

But as Iraqi military opposition melted away over three weeks of war, and people poured into the streets to greet American troops and search Saddam's jails for missing relatives, other reasons for liberation became apparent.

Since Saddam Hussein seized absolute power in 1979, he killed hundreds of thousands of his own people. An estimated million Iraqis and Iranians died in the unnecessary war he started in 1980 against Iran. We found warehouses full of Iranian dead in southern Iraq.

Chemical attacks from 1983 to 1988 killed 30,000 Iraqis and Iranians, leaving thousands more with permanent

injuries. Up to 100,000 Kurds were killed in the infamous 1987–88 Anfal campaign, many by chemical weapons.

Another 60,000 people may have died as Saddam suppressed uprisings following the U.S.-led expulsion of Iraqi troops from Kuwait, Human Rights Watch has reported.

Even more appalling is that over the past five years some 400,000 Iraqi children died of malnutrition and disease, mainly because Saddam denied food and clean water to groups he suspected of disloyalty.

In 1999, UNICEF surveys showed that in the south and central parts of the country, home to 85 percent of the population, children under 5 were dying at more than twice the rate that they were a decade before. But in the north, where Kurds were in control, far fewer children were dying.

Blaming the sanctions was a smokescreen for a brutal reality.

The death rate among children in the mainly Shiite south of Iraq was of particular concern. In the past 15 to 20 years, water systems in Shiite areas were not repaired in what appears to be a deliberate effort to allow disease to reduce the population. We have had reports of warehouses filled with the parts to maintain water and sewer systems that Saddam had refused to allow to be used.

Iraq used to import \$500 million worth of medical supplies each year. But since 1991, it only imported a total of \$40 million in medical supplies. Instead, hundreds of millions of dollars were spent on palaces, military supplies, and repression.

Although Iraq exported up to 3 million barrels of oil per day, worth about \$24 billion a year, and its people have long been among the Arab world's most highly educated, the country went backward after the Baath Party seized power in 1968, and especially after Saddam con-

solidated absolute power within the party in 1979.

The *Arab Human Development Report*, written for the United Nations last year by Arab experts, ranked Iraq next to the bottom—110th out of 111 nations—ahead only of the Congo, in terms health, education, freedom, women's rights, internet access, and environment. (The report's Alternate Human Development Index ranked only 111 countries out of the total U.N. membership of 176.)

Iraq became one of few nations that legally sanctioned the use of torture in pretrial investigations and as a punitive measure, reports Islamic Law Professor Khaled El Fadl of UCLA.

Saddam executed more Muslim scholars and jurists than any other leader in modern history, but he pretended to become religious after the Gulf War. He ruled through terror and manipulation of groups against each other.

Under Saddam's Baath Party, the country was run on a Stalinist model with a centrally run economy and with education serving to indoctrinate students and prop up a grotesque personality cult.

It will take huge efforts, sensitivity, understanding, and patience to return this country to the mainstream world community. Free markets, free speech, tolerance, democracy, and trust in the structures of government must all be carefully established within the local context and culture.

USAID will play a major role in carrying out this important work in Iraq, which may serve as a model for reform in other countries that wish to shift from authoritarian rule. Helping a spontaneously formed town council at Umm Qasr set up offices and services shortly after hostilities ceased was typical of USAID's capacity to adapt to the needs of the moment.

It is daunting to stand on the threshold of this challenge. Our job is to assist the Iraqi people in finding a new and better future. ★

Mission of the Month

CENTRAL ASIA MISSION CROSSES BORDERS AND ETHNIC LINES

The Challenge

The agricultural heartland of Central Asia in the Ferghana Valley was divided among Kyrgyzstan, Tajikistan, and Uzbekistan when the Soviet Union collapsed in 1991. Borders now divide communities and disrupt trade and travel. Uzbekistan, for example, put mines and troops on its borders to block militants and drug smugglers.

The resulting breakdown of trade, coupled with loss of subsidies from Moscow, led to a drop in employment and income, deteriorating health and education systems, and competition between ethnic groups for land and power. Adding to this complexity are authoritarian secular governments that mistrust and repress people who are rediscovering Islam. USAID's challenge is to prevent these tensions from turning violent, as they did briefly in 1990.

Innovative USAID Program

The Central Asia mission has made conflict prevention part of all its activities. It is also fostering understanding and cooperation between businesspeople, doctors, politicians, and regular folk in the region, especially those in the border communities of the Ferghana Valley.

Open Asia, a 30-minute weekly television program financially supported by USAID, is broadcast by 40 privately owned television stations to millions of Central Asians. Journalists produce stories on issues affecting the lives of ordinary people. *Open Asia* recently interviewed

local Kyrgyz and Tajik residents as well as Tajik border guards from both sides of an area claimed by Tajikistan. The story was told from the viewpoint of an elderly Kyrgyz woman who was having problems getting around territory that she once moved through easily.

The Osh Agribusiness Initiative, also sponsored by USAID, helps Ferghana Valley firms compete for business and introduce their products to regional and international markets. In its first year, 70 agricultural enterprises in Osh, a large city in the Kyrgyz part of the Ferghana Valley, sold more than \$250,000 in goods to buyers in Bulgaria, Ukraine, Russia, and the United States.

The initiative also encourages businesspeople to ask their governments to address issues such as customs barriers, transportation regulations, double taxation, burdensome taxation, and inspection processes that affect production and trade. As a result, eight regulatory constraints that hurt Osh businesses' trade with regional partners have already been reduced or removed.

Land privatization is a delicate issue among Kyrgyz and ethnic Uzbek farmers claiming land in southern Kyrgyzstan. USAID provides information and legal services that have helped resolve thousands of land disputes peacefully.

USAID/Central Asia's Peaceful Communities Initiative and Community Action Investment Project, active in more

than 100 communities, builds consensus around possible solutions to local tensions. More than 250,000 people have already benefited. Communities often choose to rehabilitate schools, health clinics, public bathhouses, and water and gas distribution systems. In one case, a bridge was built to connect two Kyrgyz villages that had previously relied on an Uzbek road. Multiethnic sports leagues and children's festivals

bring together people of neighboring communities who would otherwise not socialize with each other.

Transboundary cooperation on water management is essential. Central Asia is a semiarid region where Kyrgyzstan and Tajikistan's winter energy needs conflict with summer irrigation needs in Uzbekistan and Kazakhstan. The governments still respect the USAID-supported 1997 Central Asian Republics water sharing agreement, and USAID continues



© Michael Forster Rothbart Photography

In Eighteenth Partezd village, Kara-Suu district, Kyrgyzstan, neighbors Kolya (left) and Abdairim shake hands across the barbed-wire border fence erected through the middle of their village by the Uzbek government in 1999. Although the two live 100 feet apart, they are separated by an international border.

to support cooperation between technical water specialists.

Results

USAID's activities in the Ferghana Valley are yielding tangible results—agribusiness sales, deeds to land, water sharing agreements, and bridges. Most important, despite many continuing concerns, conflict in the region remains in check. ★

www.usaid.gov/regions/europe_eurasia/car/index.html

Electronic Tools Assist Trade

Valuable new electronic and training instruments are now available for those working on trade issues at USAID. The trade and investment team at the Bureau for Economic Growth, Agriculture and Trade (EGAT) is offering the following:

Trade Capacity Building (TCB) Database

This database provides FY 1999–FY 2002 information on each USAID-assisted country and the TCB activities there. Available in an easy-to-use, web-based format, data can be retrieved by type of assistance, country, region, or U.S. government agency. A full report or selected databases can be downloaded as an Excel or Word file from <http://quesdb.cdie.org/tcb/index.html>.

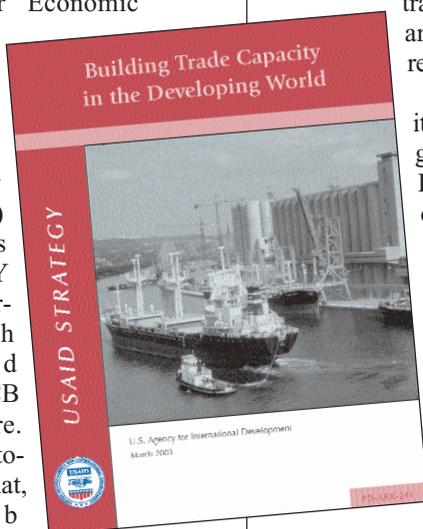
TradeMap—This interactive market analysis tool cofinanced by USAID provides online access to the world's largest trade database. TradeMap uncovers market access barriers and reveals international trade flows. It includes all countries and products—excluding services—and presents indicators on national export performance, international demand, trends and market shares, alternative markets for export and sources of imports, role of competitors, potential for bilateral trade, as well as tariff-line level information on market access barriers.

TradeMap can provide valuable information for USAID missions and their local partners, including host governments, businesses, academia, and local trade promotion institutions. A customized version will be available in English, French, and Spanish starting in June 2003.

TradeMap is available at www.trademap.net/usaaid/login.htm. Enter the user name "usaaid" and "field" as the password.

Training—USAID missions or trade hubs can request training courses for themselves or have them tailored for their host government counterparts. More than 150 USAID officers have participated in a two-day survey course and 70 joined courses focused on the Free Trade Area of the Americas and the U.S.–Central American Free Trade Agreement.

TCB Assistance Instruments—Missions can buy into new mechanisms specializing in commercial law and institutional reform, trade diagnostics, sanitary and phytosanitary standards, liberalization and privatization of services, general support for trade capacity building, and WTO accession and implementation. ★



New Trade Strategy Helps Farmers And Factories Export More Goods

When farmers, craftsmen, and business owners try to increase their incomes by trading with distant regions and countries, they soon realize they need a lot of help.

Haitian farmers found that it was not enough for mangoes to be tawny and sweet. Foreign supermarkets also demanded uniform-sized fruit, picked green to ripen en route, fumigated to be pest free, and packaged neatly in insulated cardboard display boxes.

Bangladesh knitting factories discovered they had to deliver 10,000 identical sweaters, properly sized

and packaged, exactly three months before Christmas.

To help countries like Bangladesh and Haiti join the global economy, USAID spent \$423 million in FY 2001 and \$476 million in FY 2002 for Trade Capacity Building (TCB).

"In our lifetime, trade has helped lift millions of people, and whole nations, and entire regions, out of poverty and put them on the path to prosperity," President Bush proclaimed while signing the Trade Act of 2002.

Secretary of State Colin L. Powell said: "Official development aid alone is not enough. Countries must be able to attract the trade and investment that account for 80 percent of the money that is available for development."

A new USAID strategy, *Building Trade Capacity in the Developing World*, suggests that USAID work in three areas:

- ◆ Educating negotiators from developing countries to participate in complex trade talks and agreements such as entry into the World Trade Organization (WTO).

- ◆ Helping countries carry out trade agreements that may require special reporting and institutions. Under the WTO, for example, governments must publish notices of all procurements. This requires coordination, information management, and oversight across ministries. USAID can help governments learn how to manage this process or assist by funding an information technology system.

- ◆ Improving economic responsiveness to opportunities for trade. USAID aims to help countries reduce the time it takes to set up a business and establish systems to enforce contracts. The Agency also can help measure, monitor, and improve the quality of exported goods. ★

USAID's *Building Trade Capacity in the Developing World*, published in March 2003.
www.dec.org/pdf_docs/PDABX241.pdf

Shrimp Quality Control Key to Bangladeshi Export Rise

The export of shrimp, primarily to Western Europe and North America, is Bangladesh's number-two currency earner. U.S. assistance is aiming to boost that export through a private sector-led Seal of Quality (SOQ) program that responds to emerging global market standards.

Efforts to expand and diversify Bangladesh's exports have been stymied by underdevelopment and lack of confidence in the quality of its products. The country's frozen food exports fell by 28 percent between 2001 and 2002, down to \$252 million.

Some recent shrimp deliveries fell short of established standards. As a result, the industry, with assistance from the United States, is focusing on eliminating standard shipments, even though it is costly.

The lesson was learned a few years ago, when Bangladesh garments—the country's top export earner—faced a similar dilemma. Clothing manufacturers were forced to meet international and U.S. labor standards on child labor, but they corrected the problems and kept exports up.

Shrimp exports will soon become even more important to Bangladesh, since the garment industry is expected to decline when the Multi-Fiber Arrangement expires in 2005.

Having experienced a 28 percent drop in export earnings in 2002, shrimp producers and the government are facing up to the need to invest in raising quality, and meeting environmental and labor standards.

USAID and its partners suggested a strategy to privatize quality control. The

Vice President of the Aquaculture Certification Council (ACC), the international body responsible for developing and implementing codes of conduct for the export-oriented shrimp industry, recently visited Bangladesh. He estimated that the country's shrimp industry could increase earnings by more than 20 percent if it met international standards.

The ACC suggested that the Bangladesh private sector set up shrimp testing laboratories to establish international credibility for Bangladesh exports. The council also recommended that Bangladesh improve labor practices, raise quality, adopt environmental management, and institute ethical and fair trade practices. The ACC has added a Bangladeshi member to its board.

The private sector-led SOQ program is working to upgrade the image and marketability of Bangladesh shrimp.

"A privately operated Seal of Quality program alone can save the industry," said SOQ Program Director Dr. Mahmudul Karim.

He added, "The SOQ program also provides for an outside third-party certification system to further ensure that the Bangladeshi shrimp industry strictly adheres to the prescribed codes. Only entrepreneurs who can meet the international codes would be allowed to export."

If the quality problem is successfully addressed, Bangladesh should be able to turn around the drop in earnings, and create additional jobs and export income in the shrimp industry. ★



Under the Seal of Quality program, workers in a frozen food plant in Bangladesh carefully remove black tiger shrimp from ice and pack them into containers for export.

Trade Plus Aid Equals Growth

The landscape of foreign assistance has changed: trade is now recognized as being as powerful as foreign aid in promoting growth and development in poor countries.

The 2002 Monterrey Conference on Financing for Development acknowledged that the cash value of private investment now far outweighs that of foreign assistance.

Developing countries receive \$50 billion a year in aid from all donors—\$11.5 billion from the United States. This amount is dwarfed by foreign investments in those same countries, which total almost \$200 billion. Even U.S. capital flows from foundations, NGOs, religious groups, and remittances exceed “official development assistance,” as aid from foreign governments is called.

The 2002 World Summit on Sustainable Development made public-private partnerships a key theme. Such alliances lead to successful long-term development work, not foreign assistance alone, the summit concluded.

The development dialogue has now shifted. Instead of foreign aid serving only to fill gaps in health, education, and other sectors, it is increasingly used to leverage vastly larger private money flows toward sustainable development investments.

USAID and other donors have embraced this shift and are increasingly using aid to promote trade and utilize the income from investment, remittances, and other private flows. For this reason, USAID is working more closely with the U.S. Trade Representative and other agencies that help U.S. firms invest abroad and help foreign firms enter the world marketplace. ★

USAID SPONSORS WTO PROSPECTS

The World Trade Organization (WTO) was created by the world's trading nations to set up and enforce rules of trade. WTO agreements are negotiated by member nations and ratified by their parliaments. The goal is to help producers of goods and services, exporters, and importers conduct business.

USAID has helped many countries—especially those in Eastern Europe and Eurasia—to enter the global trading system by providing technical assistance to meet WTO requirements. Some countries would have succeeded in entering WTO on their own, but USAID assistance helped speed the process. USAID is currently providing WTO-related assistance to Bosnia, Cape Verde, Kazakhstan, Lebanon, Russia, Serbia, and Ukraine.

USAID helped the countries below enter the WTO on the dates cited:

Albania: September 8, 2000

Chief imports: telecommunications equipment, heavy petroleum, electricity
Chief exports: footwear, menswear, apparel

Armenia: February 5, 2003

Chief imports: precious stones, natural gas, heavy petroleum, wheat
Chief exports: precious stones, alcoholic beverages, electricity, metal waste

Bulgaria: December 1, 1996

Chief imports: petroleum and crude oil, hydrocarbon gas, automobiles
Chief exports: heavy petroleum, copper, flat rolled iron

Estonia: November 13, 1999

Chief imports: heavy petroleum, telecommunications equipment, automobiles
Chief exports: telecommunications equipment, wood in rough and simply worked, furniture

Jordan: April 11, 2000

Chief imports: petroleum and crude oil, telecommunications equipment, automobiles
Chief exports: fertilizer, menswear, medicines

Kyrgyzstan: December 20, 1998

Chief imports: heavy petroleum, natural gas, telecommunications equipment
Chief exports: electricity, raw tobacco, cotton

Latvia: February 10, 1999

Chief imports: heavy petroleum, medicines, automobiles, natural gas.
Chief exports: wood in rough and simply worked, iron and steel bars, plywood and veneer

Lithuania: May 31, 2001

Chief imports: petroleum, automobiles, medicines, natural gas
Chief exports: heavy petroleum, automobiles, women's clothing, fertilizer

Macedonia: April 4, 2003

Chief imports: petroleum, heavy petroleum, telecommunications equipment
Chief exports: women's clothing, menswear, flat rolled iron, raw tobacco

Moldova: July 26, 2001

Chief imports: heavy petroleum, natural gas, tobacco products
Chief exports: alcoholic beverages, women's clothing

WWW.WTO.ORG

From Doha To Cancún

Free trade brought jobs and economic growth to countries such as China and Thailand. But others, especially in Africa, have had trouble producing and selling goods in Europe, the United States, and other world markets.

At the meeting in 2001 of the 140-member World Trade Organization (WTO) in Doha, Qatar, the leading trade nations decided that development assistance was needed to encourage trade, help poor countries export goods, and teach them to negotiate trade agreements.

If U.S. T-shirt tariffs drop from 50 percent to zero, China could send 2 million T-shirts to the United States, but textile workers in Botswana might not see any benefits.

The developed countries did not commit funds at Doha, but they offered to help poor countries learn to trade. In that spirit, the United States boosted its FY 2002 support for trade capacity building (TCB) by 11 percent, to \$637 million. Some 75 percent of the total is spent through USAID.

U.S. trade and assistance experts say that helping farmers, producers, and exporters learn to meet the standards for world markets will create jobs and stability in countries that otherwise might tumble into anarchy, revolution, or violence.

The Doha meeting also recognized that reducing tariffs was not enough. Poor countries often have inefficient industries, old technology, stifling bureaucracies, high transport costs, unskilled labor forces, and corrupt or inept governments. They also need help in negotiating trade agreements.

Developing countries have their own complaints: they say U.S. and European farm subsidies are unfair, and that poor nations should be allowed to make cheap generic copies of drugs to fight AIDS and other diseases.

The Doha Declaration commits WTO members to cut agricultural export subsidies with a view to phasing them out, and to cut tariffs and other agricultural market access barriers. The declaration also calls for technical assistance for market access negotiations.

WTO members will report on what has been called “The Doha Development Agenda” during their Fifth Ministerial Conference, in Cancún, Mexico, September 10–14, 2003. ★

AGOA Boosts African Trade and Jobs

In the three years since the African Growth and Opportunity Act (AGOA) was adopted, sales of textiles to the United States from African countries have jumped from zero to \$800 million and created tens of thousands of new jobs.

In 2002, imports of textiles under AGOA jumped 123 percent, according to the U.S. International Trade Commission.

“Madagascar's exports of knit and woven apparel to the U.S. increased approximately 137 percent in the first year of AGOA alone, and it is estimated that the country's textile industry could employ more than 70,000 workers by the year 2005,” said Greg Simpkins, who was with the Foundation for Democracy in Africa during the January 2003 AGOA Forum in Mauritius.

AGOA also “has encouraged foreign investment in two garment factories in Malawi, raising the total number of employees in the country's garment industry to 20,000,” Simpkins said. “In South Africa, a new \$100 million clothing factory will employ 13,000 workers.”

Employment in the apparel sector has gone from 8,000 jobs to 25,000 jobs because

of AGOA, said Ulhas Kamat, managing director of a Kenya-based company.

“AGOA has transformed the attitude toward globalization, and people now realize that new opportunities exist. Through AGOA, Mozambique and other African nations now believe they can become players,” said Art Westneat, private sector advisor to the Bureau for Africa. “The spirit of AGOA is as important as details of the legislation.”

AGOA allows African countries to sell products to the United States without paying entry duties. To qualify, countries must meet eligibility requirements, including an annual per capita income below \$1,500. They must also take steps to cut red tape, promote a market-based economy, adopt the rule of law, fight corruption, and protect the rights of workers, as well as children.

To date, 38 countries have qualified for AGOA trade benefits. AGOA countries are checked every year to be sure they continue to meet those goals. The Bush administration has made the AGOA governance standards a requirement for aid under the new \$5 billion Millennium Challenge Account.

More than 200 NGOs, 1,000 companies, and African ministers of finance, economics, and trade from 34 AGOA-eligible countries attended the AGOA Forum, as did a delegation from the United States. Administrator Natsios represented USAID.

U.S. Trade Representative Robert B. Zoellick told the forum there are “new AGOA success stories, such as new jobs and investments in Cape Verde, Senegal, Rwanda, and Uganda. ... We need to demonstrate that these words on papers become jobs in factories and farms.”

President Bush told the forum in a videotaped message that he would ask Congress to extend AGOA beyond its 2008 expiration date.

In a move to help African farmers sell more products abroad, Bush told the audience that the U.S. government will assign agriculture officials to three regional trade hubs recently established by USAID. U.S. experts will help African producers meet food safety standards so they can sell produce to the United States. ★

ECONOMIC GROWTH, AGRICULTURE AND TRADE

Fish Return to Indonesian Reefs



Coastal Resources Center, University of Rhode Island

A villager in the Minahasa district participates in reef cleanup following an infestation of crown-of-thorns starfish. When a reef ecosystem gets out of balance, unchecked growth of starfish causes loss of live coral at an unsustainable rate. Then reef cleanups are critical—especially in areas where humans depend on marine resources for their food and livelihood. The community-based coastal zone management in North Sulawesi is boosting coral cover and fish populations.

Fishermen no longer use bombs to kill fish on the fragile coral reefs in the villages of Tumbak and Blongko in North Sulawesi, Indonesia, thanks to U.S. development programs that taught them how to better manage their resources.

“I haven’t heard any bomb fishing for almost a year now,” one fisherman said, “It used to be you heard it every day.”

A community-based marine protected area was established three years ago in the two villages of North Sulawesi. Since then, a spearfisher said, “catches have increased from 5 kilograms per day to 7.5–10 kilograms per day.”

Illegal coral mining is also on the decline. This practice, like bomb fishing, threatened highly productive coral reefs.

As a result of the end of bomb fishing, monitoring studies begun in 2000 show that coral cover is increasing and fish populations are recovering.

More than 1 billion people in Asia rely on healthy and productive marine ecosystems for their food and livelihoods. By co-managing their abundant coastal seas, Indonesian villagers and government officials are learning that they stand a better chance of preventing overharvesting and ending other destructive practices.

Decentralization is transferring marine stewardship to provinces and districts in Indonesia. As a result, the Coastal Resources Management Program supported by USAID works at the local level. Four villages in the Minahasa district of the North Sulawesi region serve as models. USAID is now helping an additional 24 neighboring villages to follow

their lead in establishing marine protected areas.

The Minahasa district passed Indonesia’s first-ever district coastal law in 2002, requiring community-based management: decisions about resources must be made publicly and with input from the community.

The Ministry of Marine Affairs and Fisheries predicts that another 16 districts will pass coastal management laws based on the Minahasa model.

The new national coastal policy draft legislation, which supports decentralized coastal management, reflects the more open political process in Indonesia in recent years. It was drawn up with input from local officials, NGOs, and the private sector.

One lesson USAID has learned is that alternative income is an essential ingredient for successful conservation. The village of Blongko collects enforcement fines to maintain the sanctuary and support economic development. In Talise, residents are diversifying household income by planting vegetables and planning ecotours to capitalize on the outstanding biodiversity that exists in the coral reefs and the upland forest areas.

Since 1997, USAID has supported the Coastal Resources Management Program, which operates in East Africa, Latin America, and the western Pacific. ★

www.usaid.gov/id

By Richard Volk, USAID/EGAT/Natural Resources Management.

GLOBAL DEVELOPMENT ALLIANCE

U.S. Immigrants Fuel Development

USAID will help immigrant groups in the United States target their remittances to their countries of origin for the support of local economic development projects. The Agency will work with the Pan American Development Foundation (PADF) on the effort.

In the last few years, development professionals paid more attention to the large volume of remittances sent by ethnic diasporas. Because people from developing countries have been moving to the United States in increasing numbers, more monetary support will continue to be sent.

USAID and other development agencies have concluded that they can assist immigrants providing remittances by using market-based mechanisms to reduce the cost of sending remittances, and by working with hometown associations to channel remittances to specific development projects.

Personal remittances from immigrants in the United States to the developing world reached \$18 billion in 2000. Latin America received the lion’s share: \$14.5 billion. Such remittances account for 10 percent or more of the annual income of several Latin American and Caribbean countries.

While most remittances go to family members, a growing number of hometown associations are pooling these resources to use in development projects—such as building schools, funding scholarships, and improving roads and sanitation.

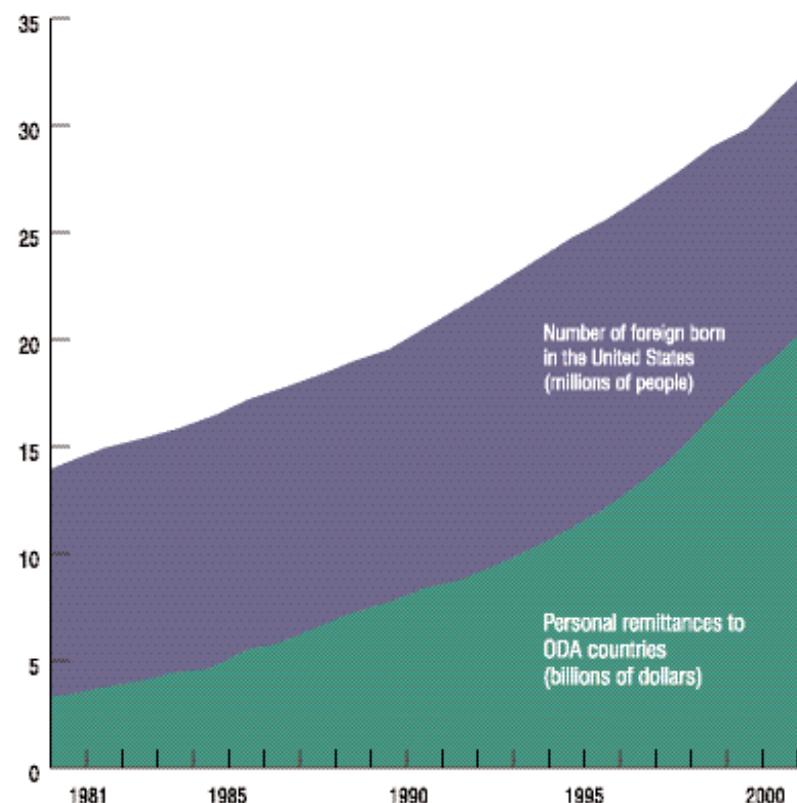
USAID is helping hometown associations carry out economic development activities in Haiti, El Salvador, and Mexico. USAID will provide \$300,000, while hometown associations will add \$154,000 raised through member contributions. While the leveraging in this alliance is not as robust as in most, this pilot activity represents a promising model.

The associations and PADF will work with local NGOs and private sector organizations on economic development projects. For example:

- ◆ In Haiti, revenue-generating and environmentally friendly fruit trees will be purchased and planted in Jacmel.
- ◆ In El Salvador, cooperatives will receive assistance to produce, process, and market fruit for local and export markets.
- ◆ In Mexico, partners will produce, process, and market nopal (an edible cactus) and other agricultural products.

According to Jeremy Smith, Microfinance Officer at USAID/Mexico, “Remittances offer a new and promising development model, since the projects they support are typically located in the poorest and most isolated regions in a given country.” Smith added that remittances are often the most important assets in such communities.★

Parallel Trends in Number of Foreign Born and Remittances



Source: Bureau of Economic Analysis, INS, and U.S. Census Bureau

DEMOCRACY, CONFLICT AND HUMANITARIAN ASSISTANCE

Conflict Team Measures Threats To Development

Sri Lanka was once a model of development, with high levels of education and an improving job picture for both men and women. Then the conflict that erupted in 1983 with the Tamil Tiger separatist guerrillas began to destroy the benefits the country had achieved.

Damage similar to that done in Sri Lanka occurs in many other countries—including formerly peaceful Nepal, where conflict involving Maoist guerrillas is threatening development efforts in that mountainous Asian country.

Two-thirds of the countries where USAID works have experienced widespread, deadly conflict within the past five years. This violence can wipe out years of hard work and development, impose tremendous human suffering, and leave societal scars that may take decades to heal.

The Office of Conflict Management and Mitigation (CMM) was created in September 2002 to help USAID missions and bureaus understand the specific causes of such conflicts and design programs that address the underlying sources of stress and tension in high-risk regions.

The recognition that conflict is a major development issue is relatively new. Designing development and humanitarian assistance programs that bring contending groups together to address genuinely contentious economic, political, and ethnic problems is even newer.

Over the past year, CMM has conducted some 18 conflict assessments,

working intensively with missions in high-risk areas to help them understand the complex dynamics of the tensions in their host countries.

The real challenge, however, is to move from analysis to action: to craft programs that address the specific causes of violence while maintaining the Agency's traditional emphasis on growth, governance, and health.

Because conflict management and mitigation is a new field and much of the best work in it is not widely known, USAID is reaching out to partners to share experiences and insights.

One such event took place in January 2003, when the Office of Private and Voluntary Cooperation brought together 80 people from the Bureau for Democracy, Conflict, and Humanitarian Assistance, other bureaus, and InterAction's Transition, Conflict and Peace Working Group for a two-day Dialogue on Working in Conflict.

Private Voluntary Organizations (PVOs) do important work on behalf of the Agency in conflict situations, often at considerable risk. But PVOs do not necessarily share their experiences with each other, or with USAID. One conclusion of the meeting was the need to do better in this respect.

Participants also noted the importance of establishing common terms and methodologies to plan and measure conflict programs. ★

www.usaid.gov/hum_response/pvc/conflict_forum032703.pdf



Seized weapons belonging to the Sri Lankan separatist Liberation Tigers of Tamil Eelam are displayed. Since 1983, fighting between the Tigers and government has killed 60,000 people, disrupted development, destroyed roads and buildings, and isolated large regions of Sri Lanka, which had made great strides in education and employment.

GLOBAL HEALTH

Low-Cost Injections Decrease Death Rate During Childbirth



Gina M. Coco, Director of Communications, Child Health Research

An African woman with her child strapped to her back. USAID is helping to prevent deaths in childbirth due to unchecked bleeding.

Every year, more than 500,000 women die as a result of childbirth—mainly from excessive bleeding known as postpartum hemorrhage.

In response, USAID has launched a special initiative to make available low-cost injections of drugs that can stop such bleeding within minutes and save lives, no matter how far from hospitals and clinics births take place.

On average, a woman will die within two hours after the onset of excessive bleeding if she does not receive prompt treatment. Maternal deaths are highest when women lack medical care, transport systems, and emergency services.

Programs are being designed and funded in Benin, Ethiopia, Mali, and Zambia, and activities have already begun in Indonesia. The goal is to equip birth attendants in homes, health centers, and hospitals with the skills, drugs, and other supplies to reduce maternal mortality.

"Most of these deaths occur in developing countries, often because women lack access to lifesaving care," said Dr. Abdelhadi Eltahir, USAID's senior advisor on this issue. "Our maternal and neonatal health programs promote skilled attendance at birth and the provision of lifesaving basic essential obstetric care."

Substantial declines in maternal deaths

have already been achieved in the last 15 years in Egypt (52 percent decline), Bangladesh (22 percent), and Honduras (41 percent).

Excessive bleeding after childbirth usually occurs after the infant is delivered but before expulsion of the placenta. Excessive bleeding usually results from delayed delivery of the placenta or failure of the uterus to contract. When this happens, bleeding from blood vessels in the uterus is uncontrolled. Anemic women are particularly susceptible, though two-thirds of cases occur in women with no identifiable risk factors.

The American College of Nurse-Midwives, Johns Hopkins affiliate JHPIEGO, INTRAH/PRIME, and Management Sciences for Health have joined together on this initiative.

"We are putting the spotlight on prevention of excessive bleeding within the context of ongoing maternal child health services and safe motherhood programs," said Dr. E. Anne Peterson, Assistant Administrator for the Bureau for Global Health.

"If we increase knowledge and skills in the community and health facilities and prepare frontline providers to focus first and foremost on the biggest maternal killer, we will save mothers and their children." ★

Contractors Plan Iraq Reconstruction With USAID Leaders

One day after President Bush declared from the deck of the aircraft carrier Abraham Lincoln that the fighting in Iraq was over, representatives of eight private sector partners met with senior USAID officials to coordinate reconstruction of the country.

Representatives from Bechtel, Creative Associates, Stevedoring Services of America, and other firms outlined their plans to dredge the port, fix schools, restore electricity, and run airports.

Jack Vellis of Bechtel said his firm would keep only 14 percent of the capital construction contract—worth up to \$680 million over 18 months. The major part would go to the company's subcontractors.

Several firms asked whether U.N. sanctions might block their reconstruction projects by preventing the hiring of Iraqis or barring imports of materials. Agency officials said that was being resolved.

"The objective of this reconstruction effort is to raise the standard of living of the people in Iraq in a short time—this is not long term like in Afghanistan," said Administrator Natsios. "You must show benefits in a year to 18 months."

The eight firms are to report to Lewis Lucke, Reconstruction Chief of the Office of Reconstruction and Humanitarian Assistance and USAID/Iraq Mission Director. Lucke is currently working out of both Iraq and Kuwait City.

Natsios said that speed was vital if Iraqis are to see the benefits of life after Saddam Hussein. He urged the firms to tell Agency officials, including Assistant Administrator for Asia and the Near East Wendy Chamberlin, if there are operational problems that delay work.

Procurement Director Tim Beans said that despite the flurry of media attention

to the contracting process, the Agency "did everything fairly and honestly" in restricting offers to a limited number of experienced firms so as to cut the contracting process from six months to six weeks and speed assistance to the Iraqi people.

Several of the firms were already on the ground preparing estimates of needs and materials. Bechtel said the dredging of the country's major seaport at Umm Qasr was to begin in the following day or two.

Bob Watters of Stevedoring Services of America said his staff had been in country for four weeks already and had charted out repairs that would increase port food handling capacity from 1,000 tons per day to 10,000 tons.

Several firms asked if their staff going to Iraq would continue to be required to take the five-day training at Fort Bliss or Fort Sill on how to deal with chemical, biological, radiological, or nuclear weapons and take briefings on cultural sensitivity.

Agency officials said that CENTCOM—the U.S. military Central Command controlling Iraq—still required the training but that the situation might change in the coming weeks.

Beans told the firms that "you represent USAID out there—not your own company." If they speak to the press they should make it clear that American taxpayer funds are paying for the work they do, he said.

Inspector General Everett Mosley said at the May 2 meeting that his office would send staff out to establish an office in Iraq and do audits, investigations, and financial reviews. "We will be asking questions," he promised.

A firm is being hired to monitor the reconstruction work inside Iraq. ★

CONTRACTS

Personnel Support—\$7 million contract awarded to the International Resources Group of Washington, D.C. for the provision of technical expertise for reconstruction

Seaport Administration—Initial \$4.8 million contract awarded to Stevedoring Services of America, Seattle, Washington, to provide an initial assessment of Umm Qasr, develop improvement plans, hire port pilots, facilitate cargo handling services, and coordinate onward transportation of shipments

Primary and Secondary Education—Initial \$1 million contract awarded to Creative Associates International of Washington, D.C., with up to \$62.6 million over 12 months, to ensure that classrooms have sufficient teaching materials, facilitate community involvement to retain students, and develop baseline indicators

Local Governance—Initial \$7.9 million contract awarded to Research Triangle Institute of North Carolina, with up to \$168 million over 12 months contingent upon supplemental appropriation, to strengthen the capacity of local administrations and civic institutions to improve delivery of essential municipal services

Capital Construction—Initial \$34.6 million contract awarded to Bechtel of San Francisco, California, with up to \$680 million over 18 months, for emergency repair of power generation systems, electrical grids, municipal water systems, sewage systems, airport facilities; dredging, repair, and upgrading of the seaport; and reconstruction of hospitals, schools, ministry buildings, irrigation structures, and transportation links

Theater Logistical Support—Interagency agreement of \$4 million, with up to \$26 million over 12 months, awarded under a preexisting arrangement to the Air Force Contract Augmentation Program (AFCAP) for a broad range of logistical support services, including warehousing, customs clearance, trucking, and provision of bottled water

Public Health—Initial \$10 million contract awarded to Abt Associates Inc. of Massachusetts, with up to \$43.8 million over 12 months, to restore the public health system, deliver health services, provide medical equipment and supplies, recruit and train health staff, and determine the health needs of vulnerable populations such as women and children

GRANTS

Back-to-School Campaign—Initial \$1 million grant over one year to UNICEF to promote a "back-to-school" campaign; conduct materials availability assessments; establish temporary schools; establish teacher training and accelerated learning programs; and develop an education management system

Health, Water, and Sanitation Services—\$8 million grant to UNICEF for one year to provide basic health services; fund essential medicines, vaccines, and micronutrients; and establish a rapid referral and response system

Health System—\$10 million grant for one year to the World Health Organization to ensure that the most immediate needs are met by the restoration of essential health services and to strengthen the capacity of the Ministry of Health

PENDING SOLICITATIONS

Airport Administration—Contract award pending for the assessment, repair, and management of civilian airports for reception and processing of humanitarian assistance, reconstruction material, and personnel

Iraq Community Action Program—Requests for applications to promote diverse and representative citizen participation in communities throughout the country and identify and prioritize community needs, and mobilize community and other resources to deliver critical reconstruction and development needs

www.usaid.gov/iraq/activities.html

Community Action Program Informational Webcast

On April 17, representatives of about 50 NGOs attended a meeting at USAID's Public Information Center to learn how to qualify for a USAID contract to carry out community programs in Iraq. An additional 343 people viewed the conference through a live webcast.

The new Iraq Community Action Program will promote citizen participation in communities throughout the country, and will address critical reconstruction and development needs, such as essential infrastructure repair, job creation, and environmental problems.

The program will create community committees responsible for identifying community needs, mobilizing community and other resources, and monitoring project implementation.

Cluster committees will be formed with representatives from several communities to increase participation and cooperation on issues of regional concern, and to promote ethnic, religious, and tribal cooperation on the basis of shared interests.

Immediately following the discussion, the webcast was also made available on the Agency's website. ★

www.usaid.gov/iraq/



The M/V Free Atlas leaves Galveston, Texas, on April 4, bound for Aqaba, Jordan, with 28,000 tons of midwestern wheat.

REPORT FROM UMM QASR

UMM QASR—On April 7, USAID's Disaster Assistance Response Team (DART) filed a report from Umm Qasr, the first Iraqi town considered safe for relief workers.

The following excerpts from the report reflect the work the DART does in assessing a situation and coordinating relief during a crisis.



In Umm Qasr, on the Kuwaiti border, town council members described their concerns about security and food with members of the DART, agents of the Iraqi food distribution system, and donor and NGO representatives.

"Although less looting is reported, coalition forces are concerned about the security of port facilities ... basic infrastructure is sound, but it has not received proper maintenance for years ... If there is not currently a maintenance component in the Stevedore Services of America's current contract with USAID, it is suggested that the contract be revisited to include such a component ...

"There is a great need for police enforcement and patrolling ...

"As of April 7th, 26 private trucks were providing water to Umm Qasr. However, while 14 drivers are providing water in town at no cost, 12 are selling it in outlying villages. Coalition forces do not have the staff to monitor the distributions and have requested UNICEF or another organization assume this role. Civil Affairs representatives also requested that the DART assist with water and food coordination.

"Community leaders who met with the DART stated that there were 45 food agents in Umm Qasr. The majority were shop owners and old women. There are currently 33 agents who are willing to restart food distribution ... The DART will facilitate a meeting with the World Food Program to re-organize the food distribution network

"Coalition forces have once again repaired and restored electricity to three-quarters of the town. The electricity plant was recently sabotaged by six persons; one is in custody ...

"The community leaders mapped off the principal housing and commercial sections of Umm Qasr. In total, the town [has] 82 streets; each street has 72 houses. Up to three to four families live in each house.

"According to community leaders, the lack of employment and income are critical problems in Umm Qasr. Nearly everyone worked for the government and the last salary received was prior to the start of the war. In addition, residents have spent all their money to prepare for the war ...

"Community leaders reported that a few nights before the meeting with the DART, a mob of over 1,000 people torched the house of a Baathist member in North Indian Camp, and attempted to burn other Baathist houses ...

"Community leaders have identified a building located near the police station that could be used for office premises. It is a bare shell and would require rehabilitation and equipment ... the community leaders offered to organize a volunteer police corps."

Iraq's Schools Held More Weapons And Munitions than Books

U.S. troops canvassing public buildings in Iraq discovered that schools had become military installations: they came across stockpiles of weapons and munitions in school buildings.

"We've been through some hundred schools in southern Iraq so far; every single one of them was a regime command and control center with weapons stored in them," Deputy Secretary of Defense Paul Wolfowitz said on April 13.

That's just the most recent insult to Iraqi education. Inside the classrooms, Iraqi schoolchildren were deluged with propaganda glorifying Saddam Hussein. Teachers and students lack the most basic of supplies.

Turning this around won't be fast and it won't be easy. But the U.S. government intends all Iraqi children to be back at school by September, the start of the academic year.

USAID already has awarded an initial contract worth \$1 million that could go up to \$63 million over 12 months to Creative Associates International, and a \$1 million grant that could go up to \$7 million over the next 12 months to UNICEF to provide "schools-in-a-box" kits to help Iraq rebuild its educational system from the bottom up.

"The children of Iraq are the country's future," said Administrator Natsios regarding the UNICEF grant. "This grant will help encourage regular school attendance, an important element in creating a stable and functioning society in Iraq."

In the initial stages, emphasis will be on giving schools equipment and basic supplies like pencils and paper, and getting children who have dropped out of school into accelerated learning programs so that they can rejoin their age group.

Working with the Iraqi Education Ministry, USAID also will train teachers

accustomed to lecturing and memorization to use more participatory and skill-based methods of teaching.

Teachers also will learn how to spot the warning signs of traumatized and other at-risk children and integrate them fully into the school environment. As part of the contract, a team is gearing up to assess a representative sample of the country's schools, using Iraqis hired within the country to do the job.

Within the Arab world, Iraq has a reputation for producing scholars and for maintaining a cultured capital city conscious of the ancient glories of the Baghdad caliphate, which founded a school of medicine as early as 765 AD.

With 1970s oil revenues, Iraq expanded secular education—a source of legitimacy for the Ba'athist regime—and pushed literacy rates higher.

Over the past two decades, the formal educational system has suffered from chronic resource deficits. Teachers earn about \$5 a month and have had little or no access to books, supplies, and equipment.

Most of the country's schools lack electricity, water, and heat. Students study in overcrowded classrooms that haven't had a new coat of paint or any maintenance since the mid-1980s.

Hundreds of thousands of children have fallen behind their grade level as attendance rates have dropped. School enrollments for primary and secondary students are believed to have dropped from about 75 percent overall in 1989 to 73 percent for primary school students and 33 percent for middle school students in the late 1990s. The rates for girls and children living in rural areas are even lower, U.N. officials say. ★

By James Clad, USAID/PPC, Doha, Qatar.

TYPES OF ASSESSMENTS

Assessment teams collect two types of information: what has happened as a result of the disaster and what is needed. The situation or disaster assessment identifies the magnitude and extent of the disaster and its effects on the society. The needs assessment defines the level and type of assistance required for the affected population.

Situation Assessment

Assessments include

- ◆ area affected by the disaster (location and size)
- ◆ number of people affected by the disaster
- ◆ mortality and morbidity rates
- ◆ types of injuries and illness
- ◆ characteristics and condition of the affected population
- ◆ emergency medical, health, nutritional, water, and sanitation situation
- ◆ level of continuing or emerging threats (natural or human caused)
- ◆ damage to infrastructure and critical facilities
- ◆ damage to homes and commercial buildings
- ◆ damage to agriculture and food supply system
- ◆ damage to economic resources, and social organization
- ◆ vulnerability of the population over the coming weeks and months
- ◆ level of response by the affected country and internal capacities to cope with the situation
- ◆ level of response from other donor countries and private volunteer, nongovernmental, and international organizations

Needs Assessment

The initial needs assessment

- ◆ identifies resources and services for immediate emergency measures to save and sustain the lives of the affected population
- ◆ is conducted at the site of a disaster or at the location of a displaced population
- ◆ allows quick response, which should help reduce excessive death rates and stabilize the nutritional, health, and living conditions among the population at risk until a comprehensive assessment can be completed

From Field Operations Guide for Disaster Assessment and Response, USAID, 1998 (PN-ACE-581).

www.usaid.gov/hum_response/ofda/resources/index.html

TOP EIGHT CONTRIBUTORS TO IRAQI RELIEF AND RECONSTRUCTION

Country	\$ Millions	Country	\$ Millions
US	598.0	Canada	70.3
UK	330.0	Australia	62.5
EU	109.8	Spain	58.6
Japan	100.0	Ireland	55.3

Source: USAID

AFRICA

Zambia Fights Malaria with Treated Bednets

KITWE, Zambia—Agnes Mwalusi was a feverish 18-month-old Zambian baby with convulsions when her mother took her to the nearby Zamtan clinic. A clinical officer tested Agnes's blood and found a high level of malaria parasites.

After a two-hour search for transportation, Mrs. Mwalusi took Agnes to Kitwe Central Hospital, where the baby was again screened and immediately admitted.

Within hours of being treated with anti-malarial drugs, Agnes was able to nurse. When Mwalusi's neighbors saw the mother and child two days later, they could not believe their eyes. They never thought that little Agnes would survive.

Mwalusi recalled that Malaria Task Force agents in her area had taught the community about the use of mosquito nets to prevent malaria. She went to a Task Force agent and bought an insecticide-treated bednet for the family to sleep under.

The net cost about \$3—a significant investment for her—but she understood it could save her child's life.

Mwalusi was so convinced about the importance of protecting her family from malaria-carrying mosquitoes that she began educating her neighbors and relatives about using insecticide-treated bednets. Several



David McGuire, Netmark Project

Colorful bednets treated with insecticides sway in the wind at an outdoor kiosk. Posters, fliers, and radio spots encourage those in areas with high malaria rates—especially expectant mothers and children—to sleep under such nets. To increase the supply, USAID worked with commercial retailers to convince the Zambian government to cut taxes and tariffs, thus halving the price of bednets produced in Tanzania.

bought nets, helping to reduce the local incidence of malaria.

Agnes is now 2 and a half years old. Although she has had other minor ailments, she has not been reinfected—and no member of her family has contracted malaria—since the Mwalusis began sleeping under the net.

The Malaria Reduction Project is implemented by World Vision with support from USAID/Zambia's Integrated Health Program. The project, which began in November 2000, works in four areas of Kitwe, and targets pregnant women and children under 5.

Malaria is rampant in the district. One study revealed that 80 percent of pregnant women had malaria. Data from Zambia's National Health Management Information System showed that during the first nine months of 2001, malaria caused 27 percent of deaths among children under 5 in the district.

World Vision created a community-driven Malaria Task Force, which assists in community sensitization, prevention, education, sale of treated bednets, and provision of iron supplements to expectant mothers to combat malaria anemia.

World Vision is one of several organizations implementing USAID/Zambia's strategy to fight and prevent malaria, especially among children and pregnant women. Working with Zambia's national malaria program and local vendors, USAID is finding new ways to reach pregnant women and children. One effective approach is to give coupons to women visiting clinics for prenatal care so they can buy treated bednets at a discount from local vendors.

Largely because of these USAID-supported efforts, the percentage of households now sleeping under mosquito nets has increased from less than 10 percent three years ago to 27 percent in 2002. ★

www.usaid.gov/zm

EUROPE AND EURASIA

Macedonia Self-Help Plan Plugs Water Leaks

VELES, Macedonia—Residents used to go without water for days at a time in Veles municipality in Macedonia. Even when municipal water was available, the water pressure was usually insufficient to get water up into the hilly neighborhoods. When people in homes high on a hill wanted to take showers, they had to call neighbors lower on the slope and ask them not to do laundry or wash cars for the next few minutes. Because the pipes were old and leaky, the water was contaminated, and it was difficult, if not impossible, to clean dishes. Antiquated water mains had almost given out.

As a result, citizens living on major streets lacked clean drinking water in their homes, and the nondrinkable running water they did receive was minimal and irregularly supplied. The water shortage also created a health hazard because people couldn't practice proper hygiene. Finally, household appliances such as washing machines and water boilers burned out due to the lack of water during a cycle.

Community groups made several appeals to the water supply agency and to the city council to solve the water supply problems, but neither had sufficient resources to reconstruct the water pipelines.

USAID stepped in with its Community Self Help Initiative (CSHI) to replace por-

tions of the original water supply lines, which were more than 70 years old and, according to community recollection, had never been repaired. To plan and implement the pipe replacement project, CSHI coordinated with community groups, the local government, and the public water service, Derven, which was responsible for delivering drinking water to Veles residents.

Everyone had a role. CSHI provided high-density polyethylene (HDPE) pipes to run for 590 meters down two streets and an additional 950 meters along five adjacent streets. Derven removed the asphalt from the streets, dug out the old pipes along right-of-ways, and then installed the HDPE pipes provided by CSHI. The local citizenry pitched in by digging the necessary connecting trenches on their own properties.

USAID, through CSHI, purchased and delivered 1,537 meters of HDPE pipes, fittings, and valves valued at \$44,109. A local construction company won a \$34,000 contract from Derven to prepare the trenches, bury the pipes, construct the manholes, and repair the street surface afterwards.

The joint efforts of the citizens, Derven, and USAID's program gave 3,650 Veles residents a more efficient water system that improved the quality of life in their town. ★



Children enjoy fresh, bubbling water from a fountain at Naim Frasheri school in Veles municipality in Macedonia.

ASIA AND THE NEAR EAST

West Bank Repairs Battle-Damaged Pipes

WEST BANK—In April 2002, events in the West Bank left hundreds of thousands of people without fresh water. USAID led an immediate response, one that is not only helping to repair the damage, but is preparing the Palestinian water system to meet future emergencies.

At a meeting in Jerusalem, USAID, the Palestinian Water Authority, local NGOs, and U.N. Development Program (UNDP) and OXFAM/UK formed the Emergency Water Operations Center (EWOC) to avert a health crisis and repair damaged systems.

With a fully functional office established by USAID's Environmental Health Project (EHP), the operations center became the contact point for municipalities trying to obtain vital pipes, pumps, and generators. EWOC diverted \$1.1 million and engineering expertise from long-term development programs to pay for immediate procurement of essential commodities.

The operations center coordinated with Israeli military authorities to permit work crews to make critical repairs. Despite these efforts, continued instability disrupted repair efforts.

EWOC provided engineering and infrastructure. For example, a new generator was

installed in Nablus and 4 kilometers of new pipes carried water to 10,000 residents of Za'atara, near Bethlehem, just three weeks after tank treads destroyed the old system.

When access to Jenin was first permitted, large parts of the city and refugee camp had been under 24-hour curfew and without water for over two weeks. EWOC delivered bottled water and set up filling points to supply water from tanker trucks and surviving municipal pipelines.

USAID also sent bottled water to Nablus, Hebron, Bethlehem, and several smaller communities. As the hot summer dragged on, water shortages hit hundreds of West Bank towns without piped water. Military closures prevented movement of water trucks, and many families couldn't afford new purchases. For two months, EWOC's NGO partners provided water tankers to 20 of the driest towns in the northern West Bank.

Currently, USAID is procuring \$5.5 million worth of water and sewage infrastructure to replace facilities destroyed in the April incursions. The funds are going for well repairs, pipes and valves, municipal toolkits, backup pumps and generators, and new filling points inside the military roadblocks.

The largest new filling points are at



enin line up to get water from a filling point established by EWOC partners.

Jalameh, where water purchased from Israel is delivered to rural villages by truck, and in Beit Dajan, where a new well will provide a local source to 12,000 people in isolated villages.

While the inhabitants of the West Bank continue to face curfews and military incur-

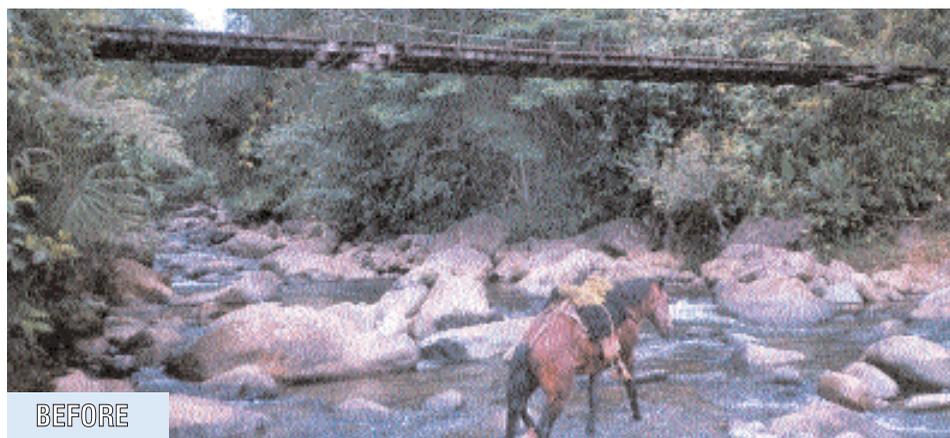
sions, USAID is rebuilding damaged infrastructure to ensure that they have their own source of water to guard against future emergencies. ★

www.usaid.gov/wbg

By Gina Benevento, USAID/West Bank/Gaza.

LATIN AMERICA AND THE CARIBBEAN

Ecuador Resists Drug Trade in Border Regions



BEFORE



AFTER

One of the 18 bridges that was rebuilt with USAID financing in one of the most remote and inaccessible regions along Ecuador's northern border with Colombia. The new pedestrian and vehicular bridges replace those washed out by floods. They are built to withstand flood conditions. People in northern Esmeraldas province now have access to markets to sell their goods.

QUITO, Ecuador—To prevent the Colombian narcotics trade from spilling over the border into remote Ecuadorian villages, USAID is helping to build potable water systems and roads and generate jobs that will provide a better standard of living for residents of an extremely poor border region of Ecuador.

The Ecuadorian government is worried that narcotics production and trafficking, guerrilla incursions, and refugees will create instability in previously neglected villages along the northern border. The United States, the government of Ecuador, and other international and local partners embarked on a large-scale, integrated development and security program across six provinces in the region: Esmeraldas, Carchi, Sucumbios, Napo, Orellana, and Imbabura.

Many residents of Esmeraldas province are descended from African slaves brought to the continent between the 16th and 19th centuries. Their ancestors migrated to the region and labored in the palm, shrimp, and forestry industries. Other residents of border provinces belong to indigenous groups like the Awa, Chachis, Kichua, and Cofan.

The goal of the project is to improve the lives of 1.2 million people living near the northern border, offer legal alternatives to narcotics production, and help the government of Ecuador maintain its track record of

stopping coca cultivation.

According to USAID/Ecuador Director Lars Klassen, the program will "improve the lives of over a million Ecuadorians ... and increase their confidence in the ability of democratically elected government and the free market to provide security, dependable public services, and jobs."

In the past two years, more than 132,000 Ecuadorians—or more than 10 percent of the targeted population—have benefited from the Northern Border Development Program. Colombians fleeing to Ecuador to avoid violence have also benefited.

For example, the 480 residents of the village of Calderon in Esmeraldas province now draw clean water from a deep well. Women no longer have to trudge to the river to fetch water, and villagers no longer suffer from diarrhea—or worse—from water contaminated by runoff from mines and palm plantations upstream.

In addition to water and road projects, activities include land titling, demarcation of indigenous reserves, leadership development, microenterprise support, organizational capacity building, drug education, and protection of human rights.

These projects help residents protect their assets, steer clear of the drug trade, and build a greater sense of community. ★

By Dr. Kenneth Farr and Peter Natiello
USAID/Ecuador.

Congressional Voices Shape Foreign Aid Budgets

U.S. relief and development assistance is shaped by the congressional committee process.

Some complain that congressional “ear-marking” and “directives” assigned foreign aid to temporarily popular causes, rather than the greatest needs.

Others say it is the nature of democracy that those with strong feelings muster up the voices—and the votes—that impel congressional leaders to write specific funding into the annual foreign aid budget.

Of about \$11.5 billion budgeted in fiscal 2003, approximately \$9.5 billion goes through USAID.

It’s important to understand the path the USAID budget takes, from conception

until it becomes law.

Each spring, USAID missions begin working out the funding they anticipate needing one and a half years out. By summer, budget requests from missions and bureaus in Washington are collected by the Bureau for Policy and Planning Coordination (PPC), which prepares the budget request. The Agency sends this request to the State department, which then sends it to the White House Office of Management and Budget (OMB).

In February of the following year, the President sends Congress a proposed budget prepared by OMB.

Senate and House budget committees then set out broad priorities, such as how

much will go to foreign, domestic, and military spending. But the real action on the foreign aid budget comes in the House and Senate authorization and appropriations committees.

The two authorization committees—the Senate Foreign Relations Committee and the House International Relations Committee—hold hearings and debate major policy issues, such as whether to aid repressive governments.

It is the appropriations committees that pass the foreign aid spending bill. Two subcommittees begin the process—the House and Senate Appropriations Subcommittees on Foreign Operations. These legislators decide how much to spend. They may also

cut funds to nations that waste aid.

Bills then go to the full appropriations committees and then to the House and Senate floors.

Each house of Congress passes its own version of the bill, and a conference committee of both congressmen and senators irons out the differences, often hacking out painful compromises. The resulting bill goes back to the full House and Senate for a final vote and, upon passage, is submitted to the President for signature.

If the new budget is not approved before the end of the fiscal year, Congress passes continuing resolutions that keep funding at the same level as the previous year until the budget bill is signed into law. ★

Major Congressional Leaders on Foreign Assistance

AUTHORIZATION COMMITTEES

Senate Foreign Relations Committee, Chairman Richard G. Lugar (R-Indiana)



“In my judgment, the primary goal of American foreign assistance must be to combat terrorism. In some cases this requires direct military and economic aid to key allies in the war on

terrorism. But our foreign assistance also must be aimed at broader objectives that aid in the fight against terrorism over the long run. These include strengthening democracy, building free markets, and encouraging civil society in nations that otherwise might become havens or breeding grounds for terrorists. We must seek to encourage societies that can nurture and fulfill the aspirations of their citizens and deny terrorists the uncontrolled territory and abject poverty in which they thrive.”

Senate Foreign Relations Committee, Ranking Minority Member Joseph Biden (D-Delaware)



“The President’s ‘Millennium Challenge’ is meant to spark reforms that could, at some point, generate private capital from abroad. While this worthy goal may ultimately work to attract

trade and investors, it does not address the immediate needs of the poorest and most vulnerable countries. They cannot be expected to rise to a challenge while they are mired in debt and struggling to maintain stability. We have to meet that unmet need right now.

“As the President has pointed out, we must engage in more energetic diplomatic and assistance efforts to combat terrorism and terrorist recruitment overseas. We can take on that challenge not only by confronting religious extremism, but also by encouraging the growth of democracy, helping alleviate poverty, and relieving the crushing debt burdens of those who need relief most.”

House International Relations Committee, Chairman Henry Hyde (R-Illinois)



“Many U.S. aid programs have not achieved results over the years. Some assistance has allowed corrupt leaders to amass personal fortunes and remain in power beyond

the will of the citizenry. Other aid has allowed leaders and governments to abdicate responsibility for effective governance and pursue detrimental, self-destructive, or personally self-enriching policies. Other assistance has gone to consultants or middlemen, with little results to show in the end. These failures of the past should not lead us to turn our backs on the developing world—just the opposite. As President Bush has said, now is the time for American leadership and for America to increase its aid to those countries that respect the rights of citizens, promote democracy, and encourage economic freedom and prosperity. However, we need to demonstrate what works, and what doesn’t. And we need to hold accountable those governments and leaders who do not choose the right path of reform....”

House International Relations Committee, Ranking Minority Member Tom Lantos (D-California)



“Foreign assistance is a dirty word on Capitol Hill. Lawmakers routinely malign it as a wasteful form of international welfare. Such irresponsible and ill-informed talk misleads many of our fellow citizens. Polls show that Americans believe some 15 percent of the federal budget is spent on foreign aid, when, in fact, less than 1 percent of the budget is allocated for this purpose, representing the lowest percentage among Western industrialized nations.”

APPROPRIATIONS COMMITTEES

Senate Appropriations Subcommittee on Foreign Operations, Chairman Mitch McConnell (R-Kentucky)



“While Congress will undoubtedly amend the request, as we typically do every year, the proposed \$783 million increase over last year’s level does reflect, I think, a growing sense that foreign

aid is an important weapon in our arsenal against terrorism. And this is one rather conservative Republican who’s a believer in foreign aid, is going to help you expand that, and is enthusiastic about the President’s request to dramatically increase our foreign assistance over the next few years.”

Senate Appropriations Subcommittee on Foreign Operations, Ranking Minority Member Patrick Leahy (D-Vermont)



“I have long advocated increasing funding for foreign aid. Senator McConnell and I agree on the need for a strong foreign policy, backed up with adequate funds.

But, if we start using foreign aid as political payoffs, the money will be largely wasted. And every time we try to do something, there will be another corrupt government—that has a port we want to use or a vote we need—with its hand out saying ‘What about us?’

“If our foreign aid dollars are used to invest in improving people’s lives, it will also advance our own national interests around the world. As Americans, we will reap returns for years to come. Senator McConnell and I both believe that this is not a Republican or a Democratic issue. It is what we owe to American taxpayers.”

House Appropriations Subcommittee on Foreign Operations, Chairman Jim Kolbe (R-Arizona)



“Our foreign assistance in a macro sense plays multiple roles within our foreign policy process. At its first level, the foreign assistance leg can be used as a vital tool to ease the suffering of people around the world. At a more nuanced level, it can enhance health, education, and national infrastructure.

“In light of security challenges to the United States, we can also link the foreign assistance leg of the stool to the national security leg by using it in the form of Foreign Military Financing. Of even more importance, it can and should nurture the structures of capitalism and the rule of law, making it possible for the poor to participate in market economies and for poor countries to participate in the global economy.”

House Appropriations Subcommittee on Foreign Operations, Ranking Minority Member Nita M. Lowey (D-New York)



“Foreign aid is the third pillar of foreign policy, along with diplomacy and defense. It encompasses everything from providing basics—food, clothing, and shelter—to refugees, to sending children to primary school, to developing government institutions in post-conflict societies.

“As the September 11, 2001 attacks demonstrated, movements and ideologies half a world away directly impact ordinary Americans. For example, disease and famine that destabilize regimes and exacerbate conflict in poor countries aren’t just humanitarian disasters—they are foreign policy crises. The absence of equal rights for women and democratic ideals in the Arab world is not just unfortunate—it is dangerous. Now more than ever, we understand that foreign aid is truly a national security imperative.” ★

February 23–April 3, 2003

PROMOTIONS

Juan Calvo
Monique Hurey
Maria Carmen Naranjo

Clifford Brown
COMP/FS/REASSGN to COMP/FSLT

Paul Davis
Kosovo to COMP/FSLT

RETIREMENTS

Lawrence Brown
Jeffrey Goodson
Dianne Tsitsos

Earnestine Dixon
AA/GH to AA/LAC

Beth Dunford
COMP/NE/OJT to Ethiopia/FHA

MOVED ON

Maria Busquets Moura
Beverly Nolan
Patricia Ramsey

Margaret Enis
COMP/NE/OJT to Bolivia/EO SOT

Roy Grohs
Jordan/PM to COMP/FSLT

Monique Hurey
M/FM/A/OE to M/FM/CAR

REASSIGNMENTS

Jeffrey Ashley
Angola to REDSO/ESA/PH

Donna Brazier
DCHA/PPM to COMP/FSLT

Ana Klenicki
Colombia to Bulgaria

Rebecca Niec
AFR/WA to AFR/EA

Willard Pearson Jr.
Egypt/D to A/AID

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IN MEMORIAM

G. Grant Braddock, 66, died April 10, 2003 in Washington, D.C. He began his government career with the Department of the Navy. When he retired from USAID in 1992, after 37 years of government service, he was acting Chief of the Printing and Graphics Division.

Jack M. Rose, 71, former foreign service officer, died on February 25, 2002, in Reno, Nev. In 1958, upon graduation from the University of Colorado, Rose joined the first intern program of the International Cooperation Administration, USAID's predecessor agency. Rose served in various USAID missions as Controller and ultimately as an Area Auditor General. He retired from the Agency in

1981, after serving in Panama as Area Auditor General for Latin America.

Seymour J. Rubin, 88, died on March 11, 2003, in Washington, D.C. Rubin was a former General Counsel to USAID, law professor at American University's Washington College of Law, and Executive Vice President and Executive Director of the American Society of International Law. From 1943 to 1948, he was a lawyer with the State Department. In that capacity, he negotiated with the governments of Switzerland, Sweden, Portugal, and Spain on German assets held and how the money might be allocated to settle postwar claims.

KNOW SOMEONE CONSIDERING A CAREER IN THE FOREIGN SERVICE?

Jonathan Addleton describes a day in his job as mission director in Mongolia, Mary Kilgour, a retired USAID foreign service officer, recounts her experiences in a 1991 Bangladesh cyclone, and USAID/Indonesia Mission Director Terry Myers is profiled in a new book published by the American Foreign Service Association (AFSA). *Inside a U.S. Embassy: How the Foreign Service Works for America* has detailed profiles of different types of foreign service job as well as stories from the field.

www.afsa.org

Host Countries Honor Mission Directors



When they met with USAID/Jordan Mission Director Toni Christiansen-Wagner in the Baraka Palace, King Abdullah and Queen Rania expressed their gratitude and appreciation for USAID's continued assistance for development in Jordan, especially in areas relating to water, health, and economic opportunities.

EL SALVADOR—On January 13, the Government of El Salvador awarded USAID Mission Director Mark Silverman a certificate of recognition signed by President Francisco Flores for the U.S. government's significant and sustained contributions to El Salvador's earthquake reconstruction effort—specifically, the rebuilding of 26,000 houses for poor people who lost their homes due to the 2001 earthquakes.

The award was presented by Minister of Public Works José Angel Quirós, who was representing the president, the deputy foreign minister, and the deputy minister of Housing and Urban Development.

Silverman provided the following English translation of the award:

"The President of El Salvador authorizes recognition to the U.S. Agency for International Development for your invaluable contribution to the reconstruction of our country. Your generosity has brought happiness to thousands of families with new and secure houses, meeting the needs and improving the lives of so many people. In the name of all of the Salvadoran people, the presidency would like to publicly thank you for your help and willingness to work side by side with us to build a new El Salvador."

JORDAN—On March 19, His Majesty King Abdullah II conferred the Independence Medal of the First Order, Grand Cordon, upon USAID/Jordan Mission Director Toni Christiansen-Wagner, in appreciation of her extraordinary efforts in supporting Jordanian-U.S. relations and for the Agency's developmental projects in Jordan.

King Abdullah complimented Wagner on her commitment to development and on her diligence in ensuring the success of USAID's programs during her two and a half years in Jordan. His Majesty praised Wagner's support for the advancement of the Jordanian economy: she boosted Jordanian-U.S. trade links and encouraged more U.S. investment in Jordan.

Wagner's leadership significantly advanced development in Jordan. Among the innovative, flexible, and highly targeted programs under her management are a poverty alleviation program that adapts U.S. welfare reform to the Jordanian context and a community cluster program that aims to develop the rural areas of the Kingdom.

Wagner devoted much of her time in Jordan to building public-private partnerships. For example, 50 percent of the As-Samra wastewater project was funded by the private sector. ★

FRONTLINES FUTURE FEATURES

TOP THAT SHOT

FrontLines plans to run a feature on great photos taken by USAID staff. The photo should showcase how you get the opportunity to do amazing things in your jobs. Please include a caption with your photo that explains when and where the photo was taken and how it relates to your work at USAID. Photos should be prints, negatives or high resolution digitals (300 dpi or larger).

REMEMBER WHEN

Share your most memorable story working with USAID. *FrontLines* plans to run a feature on USAID employees' most memorable moments in a future issue. Your articles should be no more than 300 words.

Please send articles and/or photos to frontlines@usaid.gov or *FrontLines*, USAID, Ronald Reagan Building, Suite 6.10, Washington, DC 20523-6100.

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FrontLines is published by the U.S. Agency for International
Development Bureau for Legislative and Public Affairs
J. Edward Fox, Assistant Administrator
through the Strategic Communications and Publications Division
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Ethics Questions Come in All Sizes

A \$21 lunch, a \$21,000 job for a spouse, a \$21 million contract for a USAID contractor—all pose potential ethical problems for USAID employees.

"Questions also crop up frequently about spousal employment," said Arnie Haiman, the Designated Agency Ethics Official for the past 10 years, who discussed the top ethical issues with *FrontLines*.

When one spouse of a tandem couple is posted to a remote mission, USAID contractors may prove the only source of employment for the other spouse. In that case, the Agency employee can ask to be recused from decisions affecting the use of that contractor.

Tandem couples who work in the same USAID mission frequently ask how to avoid situations in which one spouse supervises the other. Haiman says when such issues are brought to him (or to other ethics officials in Washington or overseas missions), efforts are made to accommodate the employee within the boundaries of the rules.

"This is a smart workplace, people have legitimate questions," he said, "and we urge them to contact their ethics officers in advance or to look at the Agency's ethics website."

Free trips to attend meetings trigger frequent questions. In general, such trips are OK, if they are preapproved and serve Agency interests. It is a different matter if the employee has decisions pending that involve the host group, Haiman said.

Many employees have questions concerning their post-USAID careers. Employees negotiating with firms for jobs must recuse themselves from decisions on issues relating to those firms. In addition, depending on an employee's duties at USAID, there may be restrictions on the kind of work he or she may perform for the new employer.

Employees also ask about limits on political activity. Generally, the Hatch Act allows

them to be active and contribute money on their off-duty time, but U.S. government employees cannot run for public office or raise campaign funds.

Federal employees asking about gifts are usually told they can't accept anything of value—such as a lunch worth more than \$20, or a series of small gifts from one person or group worth a total of more than \$50 during one year. However, complicated exceptions to these rules sometimes apply to a particular situation.

The ethics rules apply to U.S. government employees in all agencies. But USAID employees work in many different cultures where people aren't familiar with U.S. rules.

"In some regions, people say that Americans are competition crazy," said Haiman. "They say 'we did one job for you and we have a relationship—why do you want us to compete for contracts again?'"

In some missions, relatives of local employees expect help getting visas, jobs, or access to surplus U.S. property.

The challenge to all USAID employees is to be able to explain the reasons for the rules to others. Haiman said that the Administrator's number-one management principle is that integrity is non-negotiable: the ethics program has the enthusiastic support of both Administrator Natsios and General Counsel John Gardner.

The wide variety of ethics issues that USAID employees confront every day, which are frequently complex and sensitive, must be jointly tackled by employees and ethics officials.

The ethics program at USAID is decentralized. USAID/Washington employees should contact the Office of the General Counsel, Ethics and Administration, at 202-712-5918 with any questions. For employees assigned to missions, the ethics official is the Regional Legal Advisor. ★ <http://inside.usaid.gov/A/GC/EA/>

Letter to the Editor

As a 1976 retiree of AID, I am thrilled to receive issues of *FrontLines* and read of AID's continued work with developing nations. And—as President Truman recommended before I joined Point IV in India in 1951—AID is helping people who are helping themselves.

I note happily that AID helped lower the prevalence of AIDS in Uganda, a country I visited at least monthly as the first Regional Affairs Officer in East Africa in 1963–66. I also note that the Peace Corps and AID have a strong relationship. Probably most AID people today do not know that its predecessor agency had a technical assistance study group which sent a man around the world to determine the feasibility of a Peace Corps. At a halfway mark he was recalled to its inauguration at the White House, as Hubert

Humphrey had persuaded President Kennedy it was the thing to do.

After retiring in 1976, I worked as a consultant in Indonesia for 10 1/2 years and Bangladesh for two years. Finally, I settled in the Triangle of North Carolina, where I served as Vice President for one year and President for six years of the local Society for International Development.

You have expanded into countries never considered during my day. I just couldn't resist the opportunity to tell my old Agency how much I enjoy learning of its present day endeavors. Keep it up!

Carl R. Fritz
Chapel Hill, NC

Fueling Mongolia's Hope: One Observer's View

PETER BLOMQUIST | COMMENTARY | THE SEATTLE TIMES | NOVEMBER 27, 2002

There has been a lot of talk about nation-building over the past year, first in relation to post-Taliban Afghanistan, and now on potential post-war obligations in Iraq.

Another country should be added to the nation-building conversation: Mongolia.

Mongolia? Yes, Mongolia. While there are legitimate geopolitical reasons to think about Mongolia, sandwiched as it is between Russia and China, a better reason is that a small amount of official United States development assistance is making a real difference in the lives of many Mongolians.

I recently returned from a 10-day trip in Mongolia, where I helped lead a group of 20 to visit the Gobi Regional Economic Initiative—a three-year-old program of Northwest-based Mercy Corps.

Mongolia is truly one of the last, wide-open places on Earth. Four times the size of California, the country has only 600 to 800 miles of paved roads; the horse and camel are still common forms of transportation. It is also one of the least densely populated places on Earth, with a population of about 2.4 million people.

One million Mongolians still live as nomadic herders—tending their flocks of sheep, goats, camels, cows, horses, and yaks. Ironically, the southern Gobi Desert region of Mongolia is overgrazed right now—a combination of too many animals and several years of drought making an already arid region bear even less grass.

Thirty percent of Mongolians live in persistent poverty.

Mongolia became the world's second socialist republic in 1921, and for 70 years was under the domination of the Soviet Union. But the collapse of the Soviet system brought change to Mongolia, which has had nine elections in the past 10 years.

Mongolians are a proud and independent people, and have embraced a capitalist economic model and democracy. These two arenas—economic growth and democratic, civil society—are the twin goals and challenges of Mongolia today.

Enter the U.S. Agency for International Development (USAID). The Mongolia USAID mission is staffed by four Mongolians and one American, mission director Jonathan Addleton. Full of ideas and enthusiasm, Addleton spoke to our group one morning about USAID's \$12 million Mongolian budget, highlighting areas of work including judicial reform, business development, and rural livelihood.

What good can USAID do with \$12 million in Mongolia? A lot of good, including the significant support it provides for the Gobi initiative. The Gobi program works in range and water management, livestock improvement, and business development. The goal is to preserve and sustain natural resources, to help herding families improve the quality of their animals (and subsequent quality of cashmere produced, one of

Mongolia's largest exports), and to provide new business opportunities through small loans to those moving to towns and cities.

We visited a master herder, Mr. Tumer, one afternoon, and learned how the Gobi initiative has helped him and the herder cooperative he leads. We sat inside his ger (a felt-covered tent or yurt), dutifully sipping *airag* (fermented mare's milk) as we learned how the initiative helped introduce elite bucks into his herd, and provided business training to improve the marketing of cashmere for cooperative members.

Another day we visited the bakery of Mrs. Tsetsegdelger in the *aimag* (state) capital of Dalanzadgad. She secured a loan through the initiative to buy a new oven. She now has five employees (formerly two), produces 12 bakery products, sells to 15 small shops and continues to operate her own retail business. Though not even 5 feet tall, her radiant smile and understandable pride filled the bakery.

In fact, everyone we talked to in Mongolia seemed to have a sense of hope and opportunity—from the herders and microbusiness owners to the Mercy Corps Mongolian staff and USAID staff. The country reflects an optimism created by the chance to make a difference in individual lives, and to have a national impact with good ideas. The belief in progress is palpable.

The Afghanistans and Iraqs of the world may take most of our attention and



Mongolian nomads are receiving business training to improve marketing efforts of their cooperatives.

resources in "nation-building" early in this century. But it would be shortsighted not to recognize how relatively little can go a relatively long way to assist a vibrant young democracy like Mongolia.

I sat next to Mrs. Bavarbileg at dinner one night on the trip. She is the chapter director of a nationwide network of women helping women start small businesses. The name of this growing organization is the Liberal Women's Brain Pool.

Let's make sure our national foreign policy includes finding other "brain pools" around the world—where a bit of support from the United States can unlock potential and build a better, safer world for all. ★

Peter Blomquist is a consultant on international philanthropy and development.

MIAMI—For the second consecutive year, USAID announced it is funding the University of Miami's Cuba Transition Project (CTP), a pioneer academic program conducting research to prepare for and support Cuba's democratic transition in a post-Castro era.

During the first year, with \$1 million of USAID funding, CTP concentrated on identifying and assessing the challenge that a democratic transition will face and began developing six databases of significant information regarding topics such as foreign investment in Cuba, existing Castro-era treaties and accords, and political prisoners in Castro's prisons.

In announcing the second year of funding, again at \$1 million, Adolfo A. Franco, Assistant Administrator for Latin America and the Caribbean, said that the CTP will concentrate its efforts on the training and education of the judiciary to function as an independent branch of government; the development of a new commercial code, law of corporations, and commercial banking; and the establishment of economic and financial institutions to support market-led development.

"President Bush is committed to helping the people of Cuba achieve freedom. We are confident that Cuba will someday enjoy the blessings of democracy," said Franco.

All the products of the CTP, including the research studies and the databases are available online, at <http://ctp.iccas.miami.edu>.

WASHINGTON—To enhance long-term prospects for democracy in the Balkans,

\$25 million has been raised through contributions from USAID (\$10 million), the German Marshall Fund (GMF) of the United States (\$10 million), and the Charles Stewart Mott Foundation (\$5 million).

The new grant-making effort, called the Balkan Trust for Democracy, is made possible through a public-private partnership. It will be headquartered in Belgrade, and will begin operations in the summer of 2003 in Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, Macedonia, Serbia and Montenegro, and Romania.

Although a stable democracy is a prerequisite to membership in regional organizations such as the European Union and NATO, democracy remains fragile throughout the region: many southeastern European nations still need to improve governmental accountability, transparency, and responsiveness to their citizens.

Nearly \$2 million in grants will be awarded annually to civic groups, indigenous NGOs, local and regional governments, educational institutions, and the media. The grants will support local initiatives that improve the connections between citizens and their governments, and for cross-border cooperation to promote the region-wide political and civil society development necessary for long-term stability in southeastern Europe.

"While southeastern European countries have made great strides in establishing democracies, there is still work to be done to finish the complex transition from communism," said Craig Kennedy, President of GMF.

HARRISBURG, Pa.—A partnership between the Hungarian Association for Healthy Cities headquartered in Pec, Hungary, and the Institute for Healthy Communities of Harrisburg, Pa., will expand the knowledge, strategies, and skills necessary to promote sustainable, decentralized community-based approaches to meeting the wellness needs of Hungarian communities. It is one of over 50 partnerships in Europe and Eurasia focusing on women's reproductive health.

The partnership is part of a broader USAID initiative, implemented with the American International Health Alliance, which focuses on establishing partnerships that establish peer-to-peer relationships between medical institutions in the United States, Europe, and Eurasia. The goal is to advance global health through volunteer-driven partnerships that mobilize communities to address health-care priorities more effectively while improving productivity and quality of care.

"Partnerships such as this one play an important role in USAID's assistance strategy for Europe and Eurasia—forging relationships to identify health needs, develop strategies for meeting those needs, and implement programs to attain their goals," said Dr. Kent R. Hill, Assistant Administrator for Europe and Eurasia. "In addition, these types of programs instill a strong sense of local ownership and establish relationships that endure long after USAID funding ends."

WASHINGTON—A new five-year agreement with a consortium of international development and faith-based organizations has been established as a part of USAID's commitment to supporting their efforts in developing countries struggling to respond to the impact of HIV/AIDS. This new initiative is a key component of President Bush's efforts to fight HIV/AIDS.

The agreement, known as the CORE Initiative (Communities Responding to the HIV/AIDS Epidemic), was awarded to the international humanitarian organization CARE. "Faith- and community-based groups from all over the world—from the most grassroots organizations to large global organizations—are encouraged to apply for this funding," said Administrator Natsios.

The grant gives faith- and community-based organizations greater opportunities to apply for funding, even if their programs to fight HIV/AIDS do not include all the components of USAID's strategy. If their focus is exclusively on behavioral change, they can still receive USAID funds.

"We are looking to expand our partnerships with faith- and community-based organizations. This new initiative is a result of our efforts to overcome barriers that existed in the past to these groups receiving funds," said Dr. Anne Peterson, USAID's Assistant Administrator for Global Health.

USAID is the world's leader in providing funding to fight the HIV/AIDS pandemic. Since 1986, the Agency has provided more than \$2.3 billion for prevention, care, and treatment programs in over 50 countries around the world.

Free Markets and Better Infrastructure Will Reduce Africa's Chronic Food Shortages

The United States provided \$546 million in food aid in 2002 to assist 26 million people at risk of famine in southern Africa and the Horn of Africa. Drought is a significant factor in the food crisis, but chronic food shortages in these regions are partly due to the failure of governments to allow free, private markets to develop.

Rather than pinning their hopes on ample rainfall, African governments must develop marketing systems and roads to allow farmers to store surplus crops, ship produce to needy regions, and improve their agricultural techniques.

In Ethiopia, where 11.3 million people will require more than 1.4 million metric tons of food aid in 2003, U.S. food aid will reach \$300 million this fiscal year.

As Administrator Natsios told Congress April 1, "Food aid alone is clearly not the long-term solution for Ethiopia." He said that while the United States will provide \$300 million worth of food aid, it will provide only \$4 million of agricultural development assistance. "The Ethiopian government ... has been reluctant until very recently to embrace the policies that will stimulate growth and investment in its agricultural sector to avoid future famines," he added.

Meanwhile, in southern Africa, 14 million people in six countries were at risk in 2002–2003; millions more remain vulnerable. Contributing to the food crisis were the actions of Zimbabwe, previously one of the region's traditional grain exporters, whose government imposed price controls, blocked commercial trade in corn, and expropriated highly productive commercial farms belonging to white owners. The situation in Zimbabwe will likely worsen over the coming months, though Malawi and

Zambia expect better harvests this spring.

"If the conditions are created for agricultural growth to accelerate, the prospects for rural households in Africa are very promising—per capita incomes can triple," said Natsios, citing recent analysis by the International Food Policy Research Institute (IFPRI), with support from USAID.

When markets don't work, even bumper crops cause problems. In 2002, Ethiopia had a food surplus that resulted in crop prices collapsing, farmers going broke, and food rotting in the fields, said IFPRI researcher Eleni Gabre-Madhin. "Why didn't the surplus get stored by traders? Markets were not functioning," she said.

Many traders could not get financing to buy up the bumper crop. Those who shipped surplus food to drought-struck regions lost money due to the poor roads, unreliable telephone service, inaccurate weather reports, weak market information, and the lack of a system for enforcing contracts.

USAID is trying to bring small farmers into the market system through cooperatives which, working together, can cut costs of fertilizer and seed; arrange storage, shipping, and sales of excess produce; and extend credit to enable farmers to wait for food prices to rise after harvests.

Extending infrastructure into rural areas so that markets work should be a goal of development agencies, IFPRI Director General Joachim von Braun told *FrontLines*. "But getting markets right so they work does not solve the food security and hunger problem entirely because Ethiopia is so very poor. It requires large scale investment in education and in health." ★

FOOD DISTRIBUTION IN ZIMBABWE



James Weatherill, USAID

Wearing makeshift aprons made of USAID food bags, women chosen by their neighbors distribute monthly rations of corn and oil in February 2003 in the Mazowe District, Zimbabwe, one of the regions accessible to aid. Each household received up to five buckets of grain and up to five (smaller) buckets of oil. The women tore up the bags and tied them around their waists to protect their clothing from the dust and the oil. A local nonprofit, Christian Care, ran the distribution for the World Food Program.



Iraqi child shows humanitarian food rations. The U.S. is working with international relief organizations to help provide food, water, and medicine for the Iraqi people.

USAID Team Steps In

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To support the grassroots form of self-governance sprouting in Umm Qasr, USAID's Office of Transition Initiatives signed three grants to assist the town council, support sports teams for youth, and help with the reunification of families.

The DART saw Umm Qasr as a model that could be copied elsewhere, when the team and other humanitarian organizations move further into Iraq.

Based on the success of the Umm Qasr meeting, WFP plans to hold similar discussions with food agents in Az Zubayr, Safwan, and Basrah. ★

www.usaid.gov/ira



USAID assessed the capacity of the port at Umm Qasr to accept humanitarian food shipments.