

The mission of the United States Agency for International Development is to contribute to U.S. national interests by supporting the people of developing and transitional countries in their efforts to achieve enduring economic and social progress and to participate more fully in resolving the problems of their countries and the world.

USAID Mission Statement



photo credit: Carolyn Watson

USAID is the primary U.S. agent to help countries recover from disaster, escape poverty, and become more democratic. The Agency mission—helping people achieve economic and social stability—is part of the U.S. leadership role, a role that has become more important since the Cold War ended. The Agency represents this country's commitment to addressing the world's problems and helping others help themselves. It is a big job.

This section of the Accountability Report assesses how well the Agency has used the funds Congress has made available. Performance data reported here are from fiscal year 1997 because of the problems inherent in gathering data from many countries and developing reliable trend analyses. For USAID, unlike many federal agencies, current-year financial inputs—especially program funds—have little or nothing to do with current-year performance. This partly reflects the obligation process: program funds from one fiscal year are rarely obligated until late in the year and are disbursed largely in subsequent years. It also reflects the fact that the type of work USAID does takes several years to reach fruition. With the partial exception of humanitarian assistance, results reported here are the outcome of several years of effort by many organizations, including the host country and other multi-lateral and bilateral donors.

The illustrative results reported here are drawn from the 1998 Agency Performance Report (March 1999). Because USAID works in many ways in many countries, preparing a com-

prehensive report is no simple task. The Agency is involved in nearly every sphere of development, including democracy, economic growth, education, the environment, emergency relief, and health and family planning. The Agency's activities reflect the needs and priorities of the countries receiving assistance and the work and concerns of other donors and development partners, such as the U.S. Congress, universities, the private sector, and private voluntary organizations.

Reporting on Performance

Agency performance is reported in three ways. First, the Agency looks at high-level country development indicators. The Agency tracks some 25 indicators for the seven goal areas for each country receiving USAID assistance. These indicators are useful for drawing a broad picture of whether countries are making progress but they are usually difficult to link to specific Agency activities and are rarely reported in a timely fashion. Second, the Agency looks at results from specific programs. Program results are achieved by USAID activities but are difficult to aggregate or compare with results in other countries because every country situation is different. Describing every result from every country activity would require an encyclopedic volume. In the past few years, USAID has been developing a third source of performance information. Each operating unit is required to establish performance monitoring plans for each of its programs. Units

(with agreement from headquarters) select indicators, set targets, and measure performance against those targets, to determine whether activities are achieving targets. Fiscal year 1997 is the second year for which these data have been available, and remarkable progress has been made in managing the process. In FY96, indicators, targets, and measured data existed for only 39 percent of Agency strategic objectives; in FY97, that figure rose to 63 percent. Because activities usually have a five-year cycle, our target is to reach 80 percent.

This performance-monitoring framework provides information to the Agency that permits it to make better strategic choices. After comparing how countries or regions perform, the Agency can decide which sectors merit attention. The framework is also a tool for evaluating how countries or regions are progressing and where attention is needed. The collective framework is good for development and helps make assistance from

USAID and other donors more effective.

But raw numbers do not tell the whole story. To ensure that we are not misled by data, the Agency reviews each country program and independently ranks whether it is meeting, exceeding, or failing to meet expected performance. All of these measurements—country development indicators, program results, unit performance reviews, Agency rankings of country programs, and findings from an independent goal area review conducted by the Policy and Program Coordination Bureau—are combined to come up with a composite evaluation of Agency performance.

USAID organizes its activities around seven goal areas, two of which were new in 1997. The strategic plan adopted that year added the education goal human capacity built through education and training and the leadership and management goal USAID remains a premier development agency. The first gives education the attention it deserves. The management goal helps the Agency focus on how it does business.

It is important to understand the extent to which USAID cooperates with other U.S. agencies and other international actors. A recent evaluation of USAID's child survival program in Egypt, for example, found that the Agency was providing only about 6 percent of the annual

USAID GOAL AREAS

- **Broad-based economic growth and agricultural development encouraged**
- **Democracy and good governance strengthened**
- **Human capacity built through education and training**
- **World population stabilized and human health protected**
- **The world's environment protected for long-term sustainability**
- **Lives saved, suffering reduced, and conditions for political and economic development reestablished**
- **USAID remains a premier development agency**

resources available to this highly successful program. The most important contributor, of course, was Egypt itself, supplemented by multilateral donors such as UNICEF, the World Health Organization, and the World Bank, as well as a host of bilateral donors and voluntary organizations. But the 6 percent figure markedly understates USAID's contribution to the program. The Agency has been building this program for several years and contributed a greater portion in past years. Moreover, USAID's leadership role literally made host country and donor interventions possible. The Agency has provided direction to the programs for developing child survival technologies, including immunizations; programs protecting against diarrhea, dehydration, and acute respiratory infections; and family planning and other interventions. In short, USAID's contribution was not limited to the 6 percent that mere financial data show.



USAID works cooperatively not only with other donors and the host countries themselves but with other U.S. government organizations. From the current year, humanitarian assistance to Bosnia was provided by several USAID offices—the Office of Foreign Disaster Assistance (OFDA), the Office of Transition Initiatives (OTI), Food for Peace (FFP), and the Bureau for Europe and the New Independent States (ENI)—which contribute a mix of expertise to development assistance. Efforts by these offices meshed with activities by the Department of Defense and the Department of State (see figure 3.1).

The highlights of performance monitoring that follow are organized to reflect different sources of data. After a discussion of each goal area, there is a description of what USAID is doing and how country development indicators are moving. Then selected program results are highlighted. Full information, including every country's progress measured by USAID's development indicators, is reported in the Agency Performance Report.

Promoting Broad-Based Economic Growth

In May 1996 the international development community, including USAID, adopted the formidable year 2015 challenge of reducing by half the proportion of people living in extreme poverty. About 85 percent of the world's poor subsist in low-income developing countries and in regions where poverty is widespread. To help them, development programs must provide the poor with opportunities to improve their lives.

Economic growth around the world not only helps give the poor those opportunities but directly benefits the

Figure 3.1. U.S. Humanitarian Assistance to Bosnia FY97



U.S. economy as well. U.S. exports to developing countries in 1997 alone totaled \$275 billion, up from \$239 billion in 1996, for an annual growth rate of 13 percent. This compares with \$78 billion in exports to developing countries, and a growth rate of 9 percent, just 10 years earlier. Clearly, economic performance in developing countries has a large and growing impact on the U.S. economy. Promoting it is in the U.S. national interest.

In 1997, 145 Agency programs supported broad-based economic growth and agricultural development in 76 operating units (countries, regional offices, and central bureaus). These programs represent 29 percent of all USAID programs and 84 percent of all operating units. Of these programs, 67

were in developing countries, 68 were in countries making the transition from communism to market economies, and 10 were globally oriented.

Country Development Indicators

The Agency's strategic plan lists the following performance goals for economic growth:

- Average annual growth rates in real per capita income above 1 percent
- Average annual growth in agriculture at least as high as population growth in low-income countries



photo credit: Suchinta Wijesooriya

- Proportion of the population in poverty reduced by 25 percent in 10 years (in line with the target of 50 percent reduction by 2015)



- Greater openness and reliance on private markets (reflected in improved scores for economic freedom and in expanded trade and direct foreign investment)
- Less reliance on concessional foreign aid in advanced (middle-income) countries

Progress in achieving these goals is discussed in the following pages.

ANNUAL GROWTH IN PER CAPITA INCOME

Per capita income growth for 1994–97 improved substantially in all regions over the base period, 1992–96. About 66 percent of recipient countries achieved per capita income growth higher than 1 percent, compared with about 45 percent in the base period. By region, the proportion of countries with such growth ranged from 50 percent (and rising) for **Europe and the New Independent States** to 100 percent for **Asia and the Near East**.

The magnitude of the impacts of the Asian financial crisis on USAID recipients in Asia and the Near East are not yet clear (with the exception of Indonesia, which has been severely affected). While USAID expects some slowing in growth, many Asia and the Near East recipients may continue to exceed the benchmark for 1995–98 and beyond.

GROWTH IN AGRICULTURE

The vast majority of low-income countries achieved agricultural growth at least as rapid as their population growth. Worldwide, 35 of 48 USAID-assisted countries reported meeting this goal; six countries did not. Performance in sub-Saharan Africa was particularly dramatic. Overall, 25 out of 29 USAID recipients in this region (86 percent) achieved this performance goal for 1994–96, compared with only 35 percent for the 1993–95 base period. This is primarily because of improved agricultural performance and secondarily because of gradually declining population growth rates.

REDUCTION IN POVERTY

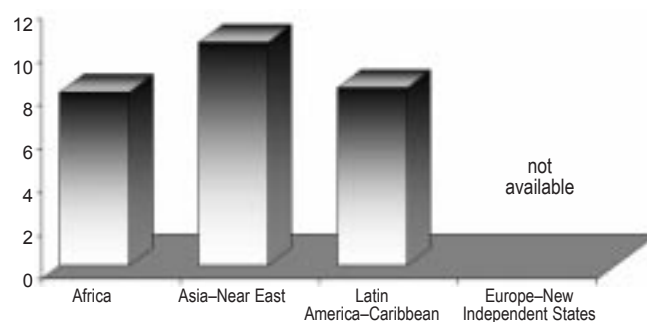
USAID's goal of reducing the proportion of the population in poverty by

25 percent reflects the longer term goals of the Development Assistance Committee of the Organization for Economic Cooperation and Development, to which the United States subscribes. The World Bank has estimated the growth rates required to achieve the poverty target by region:

- 1.9 percent for sub-Saharan Africa
- 1.8 percent for Latin America and the Caribbean
- 1.3 percent for South Asia
- 1.2 percent for East Asia
- 0.3 percent for the Middle East and North Africa
- 0.8 percent for Europe and Central Asia

Overall, incomes have been expanding in line with the performance goal in 57 percent of USAID recipient countries, including low-income Asia, which accounts for the bulk of global poverty. Asia and Near East countries, which account for two thirds of global poverty (outside China), all had income growth above their target.

Figure 3.2. Annual Average Trade Growth (percent)



Note: Baseline years vary from country to country.

OPENNESS AND GREATER RELIANCE ON PRIVATE MARKETS

To assess increased openness and greater reliance on private markets, USAID looks at three indicators: scores for economic freedom, direct foreign investment, and trade.

The Heritage Foundation compiles annual scores for economic freedom. These aim to measure the degree to which the policy and institutional setting supports well-functioning private markets that reward individual initiative. Overall, scores for economic freedom improved in 68 percent of USAID-recipient countries, remained unchanged for about 10 percent, and declined in 22 percent. Economic freedom improved in at least 60 percent of the countries in each region.

As for direct foreign investment, this indicator has mushroomed in USAID recipient countries from annual levels of \$19 billion in 1992–93 to more than \$51 billion for 1995–96. However, it tends to be concentrated in relatively few countries.

Regarding increased trade, USAID's analysis looks at export growth, a reliable determinant of a country's capacity to achieve and sustain overall growth in incomes, output, and productive employment. For the most part, performance improved over the baseline period, as shown in figure 3.2. A number of poor countries, in particular, enjoyed considerable success increasing exports.

Highlights Of Economic Growth Program Results

Many of the Agency's programs to expand and strengthen critical private markets try to improve policies and regulations (including fiscal and mone-

tary policies) and create an enabling environment for private sector activities. They also concentrate on privatizing state-owned enterprises, developing private enterprises' and entrepreneurs' ability to take advantage of domestic and international market opportunities, and promoting the development of sound, efficient financial markets. Some of USAID's approaches to strengthening markets are highlighted here.

In **Romania**, the Agency tried to improve the enabling environment for entrepreneurs. In 1997, USAID-supported laws governing enterprise development were passed. The Agency also strengthened the capacity of business associations to serve as conduits for training small and medium-size enterprises in management and financial planning. In 1997, sales by small and medium-size enterprises grew 43 percent, compared with 30 percent growth in 1996. In **Kyrgyzstan**, despite USAID efforts to develop the private sector, results in 1997 fell short of targets. The government delayed privatizing some of the largest industrial enterprises and suspended privatization for the nine largest enterprises. As a result, the private sector share of gross domestic product remained at the 1996 level of

78 percent, short of the 80 percent target. However, commercial law and policies were significantly improved, as were trade and investment policy. To do this, USAID helped draft and implement 75 key laws and regulations.

In **Ghana**, USAID supported ongoing reform in trade and investment policy. The Agency helped improve private exporters' capacity to compete in international markets, contributing to a boost in nontraditional exports from \$227 million in 1996 to \$300 million in 1997. Nontraditional exports, including Asian vegetables, furniture, handicrafts, medicinal plants, and textiles, now make up 20 percent of all Ghanaian export earnings.

In **Egypt**, USAID technical assistance accelerated the pace of privatization and helped expand and deepen the range of financial services available. The value of shares traded on the Cairo and Alexandria securities exchanges more than doubled over 1996 levels, reaching 24 billion Egyptian pounds (roughly \$7.1 billion) and exceeding USAID's 1997 target of 12 billion pounds.

In **Peru**, USAID improves small farmers' access to market opportunities by



providing them with the training, technical assistance, and access to credit needed to make them more productive and competitive. The Agency tar-



gets the production and marketing of such nontraditional exports as coffee, garlic, dry beans, handicrafts, alpaca sweaters, and natural vegetable dye. The export value of these products grew from \$354 million in 1995 to more than \$472 million in 1997, exceeding the \$420 million target. These targeted exports are produced mainly by women, who directly benefit from expanded markets. The poor saw their real per capita incomes (in 1994 dollars) reach about \$507 in 1997, up from \$447 in 1994 (meeting the program target). The share of the population classified as “extremely poor” declined from 18.9 percent in 1996 to 13 percent in 1997, exceeding the target of 17 percent. One important outcome is that chronic malnutrition among children fell from 26 percent in 1996 to 24 percent in 1997 (meeting the 1997 target).

USAID programs supporting more rapid and enhanced agricultural development and food security typically encourage liberalization of markets for agricultural inputs such as fertilizer and seeds—and production.

They also promote crop diversification and the production of high-value crops that may be exported or processed domestically. They facilitate the adoption of high-yielding or improved varieties and promote activities that enhance food security by increasing the availability of and access to food. The following highlights are representative of USAID activities and results in this area for 1997.

In **Egypt**, USAID’s efforts to liberalize the agricultural sector through privatization, policy dialog, and the promotion of agricultural exports helped increase the private sector’s share in agricultural gross domestic product from 62 percent in 1996 to 74 percent in 1997. They also helped boost total growth in agricultural production to 3.4 percent in 1997 (up from 3.1 percent in 1996).

In **Bolivia**, Title II food programs were used to promote food security. Projects were designed to improve rural infrastructure including farm-to-market roads and irrigation systems. As a result, incomes of assisted rural households rose more than 50 percent, from \$713 in 1996 to \$1,136 in 1997, exceeding the 1997 target of \$749.

USAID programs promote expanded and more equitable access to economic opportunity for the rural and urban poor. They do this by stimulating microenterprise, improving the policy and enabling environment for small farmers and businesses, and increasing access to credit and technology. Many programs undertake improving the access of women and other disadvantaged groups to financial resources. The following programs demonstrate the impact of USAID-funded activities.

In **Uganda**, where overall economic performance has been strong, nearly 14,000 small rural enterprises and microenterprises borrowed money under USAID’s program in 1997, more than twice the target of 6,000. That represents a dramatic increase over the 1995 level of 3,800. The average loan size was under \$1,500, and an estimated 70 percent of borrowers were women. By contrast, program results in **Tanzania**—where economic performance was weak—fell short of expectations. The level of investment in urban small firms and microenterprises rose from \$0.2 million in 1996 to \$1.7 million in 1997 (exceeding the target of \$1 million), but investment in *rural* enterprises fell short of the \$2.5 million target.

Results in USAID’s microenterprise development program in **Bolivia** remained impressive in 1997. The number of active borrowers increased from about 130,000 in 1996 to 163,000 in 1997, exceeding the target of 150,000. Among the 1997 borrowers, 72 percent were women. As a result of Agency investments in microenterprises, more than 36,000 permanent jobs were created. The combined value of loan portfolios of USAID-assisted financial institutions serving the poor increased from \$77 million in 1996 to \$106 million in 1997.

Advancing Democracy

USAID emphasizes the following four goals in its strategy for strengthening democracy and governance:

Rule of law and human rights. A predictable legal system with a fair, transparent, and effective judiciary protects citizens against the arbitrary use of state authority and lawless acts of individuals or organizations. Improving the administration of justice

Table 3.1. Changes in 1997 Freedom House Rating Of Countries Receiving USAID Assistance

<i>Change in Overall Rating</i>	
<i>From "Partly Free" to "Free"</i>	<i>From "Not Free" to "Partly Free"</i>
El Salvador Honduras	Azerbaijan Liberia
<i>Change in Rating on Political Rights</i>	
<i>Improvement</i>	<i>Decline</i>
Bolivia El Salvador Georgia Honduras Kenya Liberia Mexico	Brazil Cambodia Ecuador Malawi Mali Peru
<i>Change in Rating on Civil Liberties</i>	
<i>Improvement</i>	<i>Decline</i>
Azerbaijan Ecuador Ghana Liberia Romania Tajikistan	Mali Mexico Peru

helps guarantee the fair application of existing laws. Together, improved administration of justice and a sound legal system ensure that all people, including women and minorities, enjoy equal rights and protection under the law.

Credible and competitive political processes. Free and fair elections help consolidate democracy by providing a vehicle for the peaceful transfer of power in accordance with expressed public will. Citizens and opponents to ruling governments have a voice in the political process when they can vote and participate in campaigns and election monitoring. Moreover, by allowing voters to endorse or reject their political leaders, elections encourage governing institutions to be accountable and responsive.

A politically active civil society.

One of the hallmarks of democracy is a vibrant civil society. It helps ensure good governance by facilitating citizen participation in, and oversight of, government actions. Civil society includes many kinds of organizations independent of the government, such as cooperatives, labor unions, business associations, religious groups, and women's organizations.

Transparent and accountable government institutions.

Public accountability, responsiveness, and transparency play an essential role in consolidating democracy. Decentralization initiatives, for example, which promote democracy at the local level, encourage broader citizen participation and create mechanisms for addressing community concerns. Strengthening the legislative and executive branches, establishing civilian control over the military, and promot-

ing transparency and ethical standards in government build public confidence in political processes and institutions.

In 1997, 85 percent of USAID's country and regional programs provided assistance to democracy and governance.

Country Development Indicators

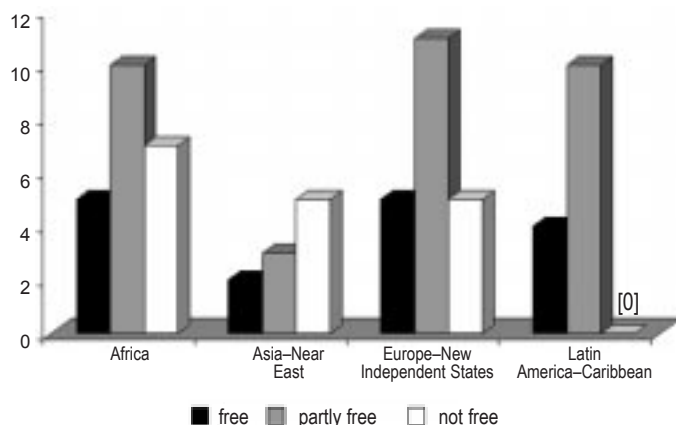
USAID relies on several sources to track the progress of democracy and governance worldwide. The primary measure of democratic status is a country's score on the Freedom House survey. Although Freedom House scores do not directly measure USAID's assistance for democracy and governance, they do provide important information on country development trends.

Political rights enable people to participate freely in the political process. These rights include open elections, real power for elected officials or representatives, a role for opposition groups, the absence of military and foreign control, and access (for members of cultural, ethnic, religious, and other minorities) to the policymaking process.

Civil liberties are the freedoms to develop views, institutions, and personal autonomy apart from the state. These liberties include free media, open public discussion, an independent judiciary, personal security, guarantees of human rights, the freedom to organize and act, and freedom from extreme government indifference and corruption.

Each country was given a composite ranking of "free," "partly free," or "not free," the ranking being based on the average of the scores for political rights and civil liberties. On average, according to Freedom House, the

Figure 3.3. 1997 Freedom House Rating of USAID-Assisted Countries



democratic status of USAID-assisted countries improved in 1997. Four countries moved up on Freedom House's overall scale and none declined (see table 3.1). The best performance was in the Latin America and the Caribbean region, where **Honduras** and **El Salvador** improved from "partly free" to "free." In Europe and the New Independent States, **Azerbaijan** moved from "not free" to "partly free." In Africa, **Liberia** changed from "not free" to "partly free." The general rating did not change for any country in the Asia and the Near East region.

Except in the Asia and the Near East region, countries categorized as "partly free" predominate (figure 3.3 compares country ratings). In other words, many countries have undergone only a partial transition to democracy. Where transitions to democracy are incomplete, often the executive branch continues to monopolize power, the judiciary is weak, there is little or no local government capacity, and the democratic culture needed for broad citizen participation is still in an early stage of development.

Highlights Of Democracy Program Results

Results in the four broad areas of assistance for strengthening democracy and governance demonstrate the impact of a wide range of activities pursued around the world, including technical assistance to both civil society and governing institutions. Such assistance provides the basis for progress toward democracy and governance goals.



RULE OF LAW AND HUMAN RIGHTS

USAID and its partners help countries formulate and implement legal reforms, improve the administration of justice, and increase citizens' access to justice. They also promote awareness of citizens' rights. The Agency also provides funding, training, and organizational support to civil society organizations that promote public awareness of citizens' rights and pressure governments to respect human rights.

Elements of judicial reform are featured in all democracy programs in Latin America and the Caribbean. In the **Dominican Republic**, for example, the Agency funded and helped organize forums and events that highlighted the importance of the transparent, nonpoliticized selection of Supreme Court justices. Civil society organizations formed a coalition that worked with major newspapers and television stations to press the National Judicial Council to publicly solicit nominations for the new Supreme Court. In response, the Judicial Council held public hearings live on national television. This process culminated with live coverage of the council's vote on the 16 new justices.



Twelve of the 16 selected had the support of civil society; five were women. This remarkably open and transparent process for selecting the Supreme Court was unprecedented in Dominican history.

Although judicial systems in the Europe and the New Independent States region have made progress, many problems remain. Difficulties range from continued limits on judicial independence to inadequate financial support for essential judicial reform. In **Russia**, for example, USAID efforts launched in 1993 to promote a jury trial initiative faltered when the Russian government failed to provide the funding needed. In 1997 the Agency revised its strategy and shifted to one of training lawyers in commercial law, an activity that does not require government financial support.

In the Africa and Asia and the Near East regions, USAID provided only limited rule-of-law programming but achieved important results in 1997, especially in women's rights. With Agency organizational and financial support, five women's legal rights organizations in **Tanzania** conducted sensitization campaigns through workshops, seminars, and women-only

focus groups. At the time, the Tanzanian Parliament planned to enact legislation that discriminated against women in land inheritance. After one of these workshops, as part of an effort funded by several donors, women's nongovernmental organizations (NGOs) formed a coalition to draw public attention to the weaknesses of the proposed bill.

Acknowledging the coalition's concerns and lobbying efforts, Parliament delayed adoption of the bill—a remarkable achievement for the women's groups.

FREE AND FAIR ELECTIONS

Successful elections require a certain institutional capacity and citizens who understand the electoral process. USAID and its partners offer advice on legislation for election reform and help build the capacity of the electoral administration and election monitors. They also provide training to strengthen the organization and professionalism of political parties and to promote civic education aimed at creating a better informed electorate and encouraging women and the disadvantaged to participate in elections.

In the Latin America and Caribbean (LAC) region, the Agency has considerable experience providing assistance to help ensure free and fair elections. In **Paraguay**, technical assistance to the Electoral Tribunal and to local NGOs contributed to the success of Paraguay's May 1998 elections. In 1997 the Electoral Tribunal met an ambitious target: to add 250,000 voters to the national voter list. To achieve this objective, NGOs for the first time used data collected to target for registration the most disenfranchised segments of the population. As a result, about 80 percent of the eligible electorate, 45 percent of them women, registered to vote. The Organization of American



States and other experts in international elections described this process as among the “cleanest” in Latin America.

While free and fair elections have become routine in many countries in Latin America, in other parts of the world citizens continue to struggle for this basic democratic right. In 1997 a wide array of politically active **Kenyan** NGOs (many of them USAID funded) formed a coalition with religious groups and opposition parties to demand electoral and constitutional reform. In response to this pressure, the incumbent government implemented electoral reforms and agreed to discuss changes to the constitution. After four and a half years of delays, this concession was a formidable achievement for the coalition. Although the December 1997 election was still flawed, the campaign-monitoring group reported less intimidation and more freedom for people to express their views than during the 1992 campaign.

In Asia and the Near East (ANE), USAID works to increase the participation of women and the disadvantaged in elections. In **Bangladesh**, USAID provided assistance and funding to NGOs working to increase voter awareness in target communities

through group meetings, mass rallies, radio, television, and village theater productions. As a result of these efforts, 306 members of village-based associations of the poor won seats on local elected bodies in the December 1997 elections. This was well above the 1996 baseline of five members and more than triple the target of 100. The election of these villagers will help ensure that the needs of the poor and disadvantaged are addressed by local government.

In ENI, USAID assistance for election reform combines support for the electoral commission with public education and the promotion of domestic monitors and independent media. In **Kyrgyzstan** during 1997, the Agency worked closely with the electoral commission, encouraging it to sponsor the first-ever televised debate between candidates competing in an election. Six candidates vying for one seat participated in a 90-minute debate broadcast on television and radio throughout the country. Televising the debate raised citizens’ awareness of the issues and the electoral process. The candidates described the event as a “real” example of democracy in action and called for similar debates in future elections.

POLITICALLY ACTIVE CIVIL SOCIETY

Civil society organizations play an essential role in democratic political systems. Worldwide, they serve as public advocates, participate in policy debates, and provide services. Many of them tackle such difficult issues as corruption in government, exploitative labor practices, destruction of the environment, and equality for women and the disadvantaged. Others help citizens find their own solutions to problems, rather than rely on government action. Forming associations and coalitions allows members of civil society to share their experiences and have more impact on national policy.

Nigeria provides a good example of how the Agency promotes coalitions, networks, and partnerships among NGOs. In 1997, local citizens’ organizations formed a coalition to advocate against traditional practices degrading to women. As a result of coalition efforts, the compulsory mourning period for widows was reduced from one year to six months in one state, and another state ruled that widows could inherit their late husband’s estate. Massive public awareness campaigns and the activities of legal clinics established under USAID’s democracy and governance program led to a landmark judgment in favor of women’s inheritance rights. In Nigeria’s heavily patriarchal eastern region, this development was revolutionary.

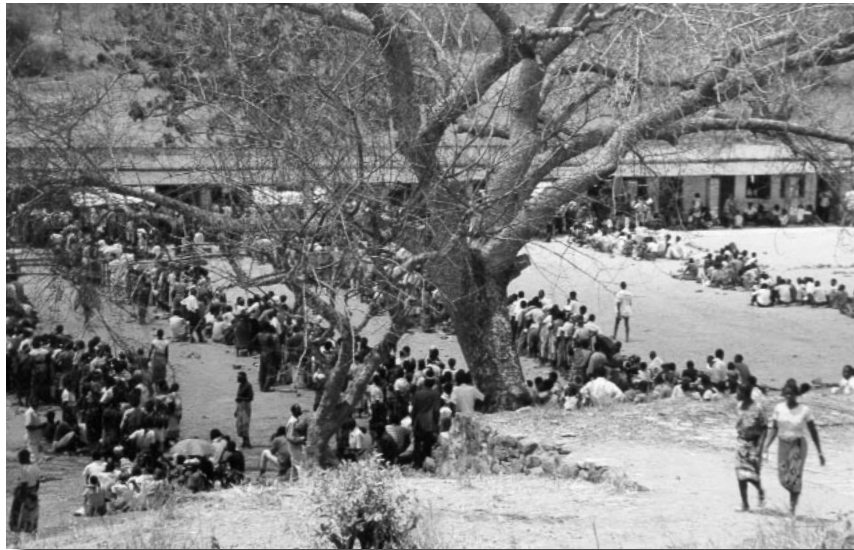
The ENI Bureau views the strengthening of civil society as key to the long-term success of transitions to democracy in that region. In 1997, civil society organizations achieved notable success in **Romania**. USAID helped more than 425 NGOs in that country form a national coalition that successfully advocated enactment of a new sponsorship law. This law provides tax deductions for individual contributions to NGOs, increases the tax deduction for corporate contributions, and pro-



vides tax concessions for radio and television stations that air public service announcements for NGOs. Encouraged by this success, these NGOs have developed another coalition to advocate passage of more comprehensive NGO reform legislation.

In the ANE region, civil society programming supports NGOs that advocate on behalf of women and the disadvantaged. In the **Philippines** USAID helped bring together coalitions of the disadvantaged to heighten the impact of their participation in the public policy arena. In 1997, Agency-supported indigenous ethnic groups for the first time came together to comment on the proposed Indigenous People's Rights Act. Before the bill was signed in October 1997, both the Senate and House addressed the issues raised by the ethnic groups. Passage of the act fulfilled a long-standing constitutional mandate to recognize indigenous peoples' cultural, political, and economic rights.

USAID pursues fewer direct activities to strengthen civil society in the **Latin America and Caribbean** region. Instead, efforts to strengthen civil society are incorporated into other democracy objectives, such as reform of judicial and electoral processes. In **Peru** the Agency funded a civic awareness activity in which an NGO provided survey data and other information to the Women's Commission in Congress and the Ombudsman's Office of Women's Rights. This contributed to passage of legislation mandating that women make up at least 25 percent of the party lists of candidates for town council and the Congress. This requirement increases the likelihood of women being elected to public office.



TRANSPARENT, ACCOUNTABLE GOVERNMENT INSTITUTIONS

USAID recognizes the need to balance efforts to strengthen civic demand for change with efforts to build the capacity that allows government institutions to respond to such demands. To help strengthen government institutions, the Agency provides training to members of the executive and legislative branches, both nationally and locally. It also promotes greater understanding between institutions in government and civil society through training sessions and organized exchanges that bring groups from civil society and decision-makers together.

The Agency works to improve the decision-making capability of legislatures in all four regions. After receiving training from USAID, parliamentary committees in **Namibia** have increased the number of public hearings held. In 1997, 42 percent of the bills considered received public comment, well above the target of 25 percent. The National Assembly used public comment to shape amendments to eight of nine bills it reviewed in 1997. In addition to promoting citizen participation in 1997, the National Assembly asserted its oversight role by amending the national budget for the first time.

Agency efforts to strengthen government institutions also try to improve transparency and accountability.

USAID helped the independent audit agency in **El Salvador** improve its ability to conduct and enforce audits. As a result, the agency adopted a more aggressive auditing program to tackle government corruption. In 1997, it completed 286 audits, a significant increase over the 75 conducted since the program began in 1995. The number of audits performed and wider dissemination of audit findings demonstrated the agency's commitment to greater transparency in public finance.

Efforts to improve transparency and public participation in government policymaking and implementation are not always successful. In **Malawi**, limited government support and lack of agreement about project objectives undermined progress toward increased government transparency. As a result, USAID ended this component of its democracy strategy there.

Decentralization depends on local governments having enough funds to carry out their mandates. In **South Africa** the Agency helped the government of the Northwest Province implement a revenue collection program that increased local income by millions of rands. The program decreased



the province's dependence on revenue sharing with the central government. Three other provinces have now expressed interest in replicating the system.

In 1997 the National Association of Mayors in **El Salvador** achieved its first major policy success. A broad-based coalition of mayors lobbied to secure passage of a law granting a fixed 6 percent budget transfer from the central government to municipalities. Encouraged by this achievement, the association is pressing for other items on its policy reform agenda, such as broadening local taxing authority, strengthening citizen participation, and improving relations with the private sector.

By contrast, efforts to increase participation in rural government in **Egypt** fell short of expectations because leaders in Cairo were reluctant to transfer meaningful authority to lower levels of government. Still, USAID found that many Egyptians want to become more actively engaged in development at the village level. An independent review commissioned by the Agency stressed the value of pursuing such increased participation but concluded that the mission should adopt more realistic targets for transferring authority.

Building Human Capacity

A decent education is crucial in the modern world; without it, children become adults with limited opportunities. In poor countries, improving education leads to faster, more sustainable economic and social development and helps strong democratic institutions emerge. The goal of building human capacity encompasses Agency objectives to improve basic education and higher education.

To strengthen basic education, USAID works to expand access to quality basic education for underserved populations, especially girls and women. The Agency places special emphasis on expanding and improving primary education. It also supports pre-primary and lower-secondary education where conditions warrant, as well as literacy programs for adults and out-of-school children.

In 1997, USAID allocated most of its funding for human capacity development to basic education. The Agency provided (in round numbers) \$128 million for basic education in three regions—Africa, Latin America and the Caribbean, and Asia and the Near

East. Of that, \$123 million (96 percent) went to basic education for children. The remaining \$5 million supported adult literacy programs.

To strengthen higher education, the Agency tries especially to help host-country institutions of higher education contribute more to sustainable development. Colleges and universities in many developing and transitional countries could support development more by training the next generation of political and professional leaders, conducting research on scientific and social problems, and providing fuller access to the world's rapidly expanding store of scientific and technological knowledge. Increasingly, they are being called on to improve systems of basic education, open their doors to the traditionally underserved, and participate more actively in finding solutions to local and national problems. To support this transformation, USAID creates partnerships between host-country colleges and universities and their local business and government counterparts, as well as the U.S. higher education community.

Country Development Indicators

Despite considerable diversity among countries, there are discernible patterns in the challenges education faces in the regions where USAID operates. In **Africa, Asia and the Near East**, and **Latin America and the Caribbean**, the highest priorities are expanding access to, and improving the quality of, basic education.

FULL PRIMARY ENROLLMENT

The United States is committed to the target of full primary enrollment by 2015. A country is considered on track if its net primary school enrollment ratio is increasing at a rate fast enough

to reach full enrollment by 2015 *if that rate is sustained*.

Globally, trends are favorable. Seven of the 11 countries with USAID Basic Education activities are on track toward full primary enrollment. Unfortunately, many countries do not report these data, including all countries in the ENI region and 12 countries in the other three regions.

REDUCED GENDER GAP IN PRIMARY ENROLLMENT

USAID supports eliminating the difference between boys' and girls' enrollment rates in primary school. To track progress toward this goal, USAID calculates a gender gap measure for each USAID-assisted country based on its *gender equity ratio*, the ratio of girls' to boys' gross primary enrollment rates. Gender gaps for individual countries are averaged across each region.

Regional averages show a gradual narrowing of the gender gap in all three regions. Despite progress, however, the gender gap remains large in much of Africa and in many countries in Asia and the Near East.

PARTNERSHIPS THAT FACILITATE RESPONSIVENESS IN HIGHER EDUCATION

USAID fosters partnerships between institutions of higher education in the United States and overseas in an effort to help host-country colleges and universities become more involved in their country's development.

In **Egypt**, USAID-fostered partnerships helped Egyptian universities improve their research capacity. In **South Africa**, the Agency provided grants to strengthen 15 historically disadvantaged institutions. The Agency provided support to nine institutions in

Albania, Hungary, Latvia, Lithuania, Poland, and Slovakia to create or expand programs in management training and market economics, and to 11 institutions in **Russia** and **Ukraine** to strengthen educational programs in such areas as health, the environment, and economic restructuring.

In addition, USAID's Center for Human Capacity Development has supported the University Development Linkages project since 1992. This project was designed to strengthen long-term collaboration between U.S. and developing country colleges and universities. In 1997 the project supported the formation of 41 partnerships, including four with historically black U.S. colleges and universities, among others.

Highlights Of Education Program Results

Throughout Africa, communities are increasingly involved in educational reform, particularly in school management. With USAID assistance, communities in **Ethiopia, Ghana, Guinea, Mali, and Malawi** have formed committees of parents, teachers, and community leaders to evaluate and address the development and maintenance needs of local schools.

With USAID sponsorship, a U.S. private voluntary organization (PVO) actively promoted community-school partnerships in **Mali** and **Malawi**. The goal was to establish primary schools in remote areas where none had existed. Teachers for these schools, unlike teachers for traditional government schools, are selected by the community from among its own members and typically have no more than a primary school certificate. Teachers often give instruction in the local language and scale down and adapt the curriculum

to local needs. Classes are small (restricted to 30 in Mali and 50 in Malawi). Teachers receive substantial supervision and in-service training. Schools are provided with supplies and teaching and learning materials. The school calendar is adapted to local needs, and more effort is made to promote community participation than is typical in government schools. In both countries, villagers have become responsible for school construction; in Mali, villagers must pay teachers' salaries, too. In all subjects, children in the targeted schools performed as well as, or better than, children in government schools. Repetition and dropout rates in targeted schools were lower than in government schools, and promotion rates were higher.

FOOD AID USED TO BOOST SCHOOL COMPLETION

In **Bolivia**, USAID's Food for Education Program (Public Law 480, Title II) supported a school feeding program designed to encourage poor rural families to keep their children in school rather than allow them to drop out before graduation. Grade completion rates for boys and girls rose from 84 percent in 1996 to 89 percent in 1997 in Agency-targeted schools. For girls alone, the completion rate rose from 86 percent to 90 percent, while the dropout rate for both genders fell from 11 percent to 7 percent, well below the target of 9 percent in 1997.

HIGHER LITERACY RATES FOR WOMEN

Basic education programs supported by the Bureau for **Asia and the Near East** concentrate on educating girls and illiterate women. In **Nepal** the Agency supported literacy programs for adult women and out-of-school adolescent girls. These programs, implemented by local and international NGOs, helped raise the literacy rate



among adult women in the targeted districts from less than 22 percent in 1991 to 28 percent in 1996. In 1997, more than 100,000 women learned to read, write, and count in USAID-sponsored literacy classes.

SUSTAINED QUALITY OF EDUCATION

For many years, USAID has supported efforts by the Ministry of Education in **Honduras** to improve the quality of education. Among other things it has funded training in improved teaching methods and the development and adoption of improved textbooks. These efforts contributed to a 280 percent improvement in standardized test scores. The improved quality of schooling helped boost sixth-grade completion rates, which rose from 55 percent in 1986 to 73 percent in 1997.

Stabilizing Population Growth And Protecting Human Health

Population, health, and nutrition have been major USAID concerns since the Agency was established. The Agency recognizes that population growth and

population pressures both cause and affect ecological, economic, political, and social transformations.

The Agency has also taken on the challenges of reducing maternal mortality, reducing the impact of the HIV/AIDS pandemic, and reducing the threat of infectious diseases that pose serious public health risks. These are areas of vital importance to families in the United States as well as in developing countries, because the world is becoming a much smaller community.

Family planning remains a major part of the Agency's population-health

portfolio. USAID-supported country programs benefit from the Agency's global experience in increasing awareness, acceptability, and the use of family-planning methods. USAID concentrates on improving the quality and availability of services by strengthening programs run by government or local voluntary and for-profit organizations, or offered through commercial distribution channels. It conducts interpersonal and mass-communication programs to inform and motivate behavior change. To widen access to family-planning services, the Agency supports commercial marketing and community distribution of contraceptives. Finally, it develops innovative training methodologies to strengthen the managerial and technical skills of family-planning and health personnel.

In child health, the Agency supports cost-effective programs that promote breast-feeding, the control and treatment of diarrheal diseases, the control of pneumonia and meningitis, food supplementation, immunization against childhood diseases, and provision of potable water and sanitation. One of the more recent initiatives, carried out with the World Health Organization and other donors in conjunction with host governments, is an effort to provide combined preventive and curative



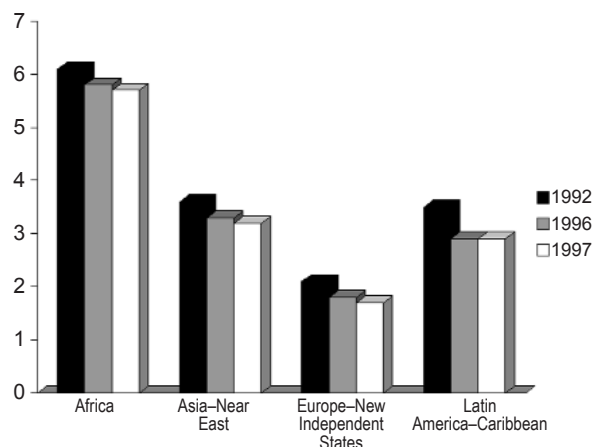
services. The initiative is known as Integrated Management of Childhood Illness.

Some 600,000 women die each year from complications of pregnancy and childbirth. When a mother dies, the risk of death for her children under age 5 increases markedly. Agency programs in maternal health, therefore, serve a dual purpose, promoting the health of both women and children. Programs that concentrate on family planning and reproductive health, maternal nutrition, sexually transmitted infections, prenatal care, and the accessibility and quality of maternal health services reduce the morbidity and mortality associated with pregnancy.

The HIV/AIDS pandemic is an increasingly serious threat to health, as well as economic and social development. In 1997 the worldwide incidence of new HIV infections was estimated at 5.8 million among adults and children. USAID is the largest single donor in HIV/AIDS prevention. The Agency has communications programs to encourage behavior change, social marketing programs to encourage the use of condoms, and programs to control sexually transmitted infections. It also supports behavioral research, the development of epidemiological survey systems, monitoring and evaluation, and policy reform.

Other infectious diseases persist in the developing world, predominantly among infants and children. The Agency reduces morbidity and mortality by promoting basic child health services, such as vaccination, treatment of acute respiratory infections, prevention and treatment of malaria, and control of diarrheal diseases with oral rehydration therapy. In recent years, adult health has been increasingly threatened by infectious diseases such as malaria and tuberculosis. Treatment is becoming more difficult

Figure 3.4. Regional Total Fertility Rates (number of children per woman)



Source: U.S. Census Bureau.
Weighted averages for USAID-assisted countries.

because of antimicrobial resistance to drugs. In 1997, USAID, with other donors, began developing a global strategic plan to address four areas: malaria, tuberculosis, the containment of antimicrobial resistance, and the improvement of surveillance systems.

Of the 95 USAID country, regional, and headquarters offices, 58 had population, health, and nutrition objectives in 1997.

Country Development Indicators

In its strategic plan, USAID established performance goals for each major area of population, health, and nutrition. By the year 2007, USAID, along with other partners, is expected to achieve the following:

- A 20 percent reduction in average fertility rates
- A 25 percent reduction in average mortality rates for infants and children under 5
- A reduction in the proportion of underweight children under 3

LOWER FERTILITY RATES

Figure 3.4 shows the progress made through fiscal year 1997 in reducing average fertility rates by 20 percent between 1992 and 1997.

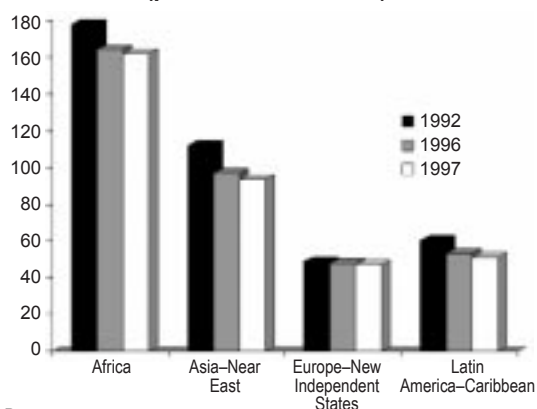
LOWER CHILD MORTALITY RATES

USAID's goal to reduce under-5 mortality rates by 25 percent by 2007 reflects goals articulated at the World Summit for Children in 1990. USAID and other donors have done significant work in child survival programming and, as figure 3.5 shows, have made progress toward meeting that goal.

Highlights Of Population/Health Program Results

USAID-supported interventions achieved significant results in each of the five goal areas (family planning, child health, maternal health, control of HIV/AIDS, and control of other infectious diseases).

Figure 3.5. Regional Under-5 Mortality Rates (per 1,000 live births)



Source: U.S. Census Bureau.
Weighted averages for USAID-assisted countries.

FEWER UNINTENDED AND MISTIMED PREGNANCIES

Thus, for example, Egypt's modern contraceptive prevalence rate rose from 45 percent in 1995 to 52 percent in 1997. More than 61 percent of Indonesian women now use modern family-planning methods. In Peru, local NGOs provide family-planning and reproductive health services to more than 200,000 users.

In **Bolivia** in 1997, 40,000 new users of reproductive health services were registered in nongovernmental health network programs that receive funding and technical support from the Agency. This was a 110 percent increase over 1996. The Agency-funded social-marketing program doubled contraceptive sales over 1996 levels: condom sales increased from 2.5 to 5 million, and oral contraceptive sales increased from 350,000 to 600,000 cycles. Agency assistance in expanding access to, and increasing advertisements for, contraceptives contributed to these improvements.

REDUCED MORTALITY FOR INFANTS AND CHILDREN

The proportion of children fully immunized by age 1 rose from 43 per-

cent in 1996 to 49 percent in 1997 in 28 Agency-assisted countries. In 1997, USAID launched a primary health care initiative, Integrated Management of Childhood Illness, in 41 countries. The Agency supported research to develop more effective vaccines for polio, malaria, and acute respiratory illness. And it launched the vitamin-A initiative to reach high-risk populations in priority countries.

Under a partnership between Providence Hospital in Rhode Island and the Kosice Teaching Hospital in **Slovakia**, USAID provided support for training and equipment for the Slovakia hospital's neonatal intensive care unit. Early identification of high-risk mothers and infants lowered neonatal mortality from 11 per 1,000 newborns in 1995 to 6.2 per 1,000 in 1997.

Honduras has had remarkable results improving child health. As of 1997 it had the best record in Central America for children vaccinated against diphtheria, polio, tuberculosis, and measles—at or above 95 percent since 1993. USAID completed its 17-year rural water and sanitation construction program. Under that program, the Agency built more than 1,440 water and sanitation systems in rural areas, providing more than 858,600 people

with safe drinking water. Health improvements were dramatic: diarrheal diseases dropped from the leading to the third cause of death among infants. This suggests that Agency successes in child survival are being sustained over the long term. Setbacks are likely, however, as a result of Hurricane Mitch.

REDUCED MATERNAL MORTALITY

Morocco has achieved unprecedented advances in reducing maternal mortality. In three years (1995–97), maternal mortality fell from 332 to 228 per 100,000 births. Contributing to this success was a two-pronged government strategy: a sophisticated public education and advocacy campaign coupled with the introduction of improved essential obstetric care in hospitals in two regions.

Micronutrient initiatives continued to make remarkable improvements in maternal health. In **Nepal**, a USAID-sponsored field study in 1996–97 found that vitamin-A supplements to pregnant women reduced maternal mortality by nearly 40 percent. USAID committed itself to helping extend vitamin-A coverage to all districts of Nepal by the year 2001.

In **Russia**, USAID has sponsored model family-planning centers, which provide services to the community and serve as training sites. In six pilot sites, the number of abortions dropped significantly in the first three quarters of 1997 (compared with the same period in 1996). The drop was highest in Vladivostok (36 percent), followed by Inanovo City (22 percent) and Leningradski (14 percent).

REDUCED SPREAD OF HIV/AIDS

In July 1997 in **Zimbabwe**, USAID launched a female condom, under the brand name CARE. This was the culmi-



nation of an aggressive national campaign waged by Zimbabwean women to pressure the government to approve the female condom. In the first four weeks, 46,000 female condoms were sold in three cities; within a year, 126,000 were sold—four times the target.

In **India** two complementary programs, one in the public sector and one in the private, brought about significant behavioral changes. Two of the three male risk groups—truck drivers and their helpers and male factory workers—said they had had fewer nonregular sexual partnerships in the past year. The percentage of truck drivers and their helpers who reported visiting at least one sex worker during the past year dropped from 38 percent to 27 percent. Moreover, the proportion of men who used condoms with their nonregular sex partners increased from 37 percent to 47 percent in 1997.

Promoting Sound Environmental Management

USAID's environmental goal—protecting the world's environment for long-

term sustainability—has long been considered USAID's silent goal. Environmental changes often go unnoticed until a crisis erupts. Rapid population growth, industrialization, and urbanization all increase the demands made of the earth. The effects are alarming. Productive croplands disappear, deserts enlarge, rich oceans are overfished, and large inland lakes are drained or polluted. Wetlands are lost to urban sprawl and agricultural expansion. Essential ecosystems such as tropical forests and coral reefs are often destroyed or severely damaged for short-term economic gain.

USAID works closely with its development partners worldwide to pursue five objectives: 1) reduce the threat of global climate change, 2) conserve biological diversity, 3) promote improved urbanization and better pollution management, 4) expand the provision of environmentally sound energy services, and 5) promote sustainable natural resource management. In fiscal year 1997 the Agency helped prevent or lessen environmental damage in more than 60 countries worldwide. New environmental programs in Africa and Latin America and the Caribbean accounted for most of this progress. The Agency increased efforts to slow global climate change,

improve natural resource management, and improve energy services. These changes reflect, in part, the Agency's increased attention to transborder issues, such as global climate change.

Country Development Indicators

Tracking progress toward USAID's strategic environmental goals involves developing indicators of environmental change and understanding how they fluctuate and are influenced by Agency programs and activities. USAID has developed or adopted the following indicators to help identify trends in environmental status and measure progress against the Agency's performance plan:

- National environmental management strategies completed
- Nationally protected areas (in hectares [and square miles] and as a percentage)
- Carbon dioxide emissions, average annual rate of growth
- Percentage of urban population with access to safe drinking water



- Percentage of urban population with access to sanitation services
- Gross domestic product per unit of energy use (energy efficiency)
- Percentage of energy production from renewable sources
- Annual change in total forest area (in hectares [and square miles] and as a percentage)

NATIONAL STRATEGIES

A government's commitment to a cleaner environment and to better management of natural resources is crucial to sustainable development, but commitment and management are difficult to measure and interpret. The strength of a country's environmental policies reflects the priority its government assigns to environmental degradation. Many countries have completed national environmental action plans or similar environmental strategies in the past decade. Of USAID-assisted countries, 83 percent have completed them in **sub-Saharan Africa**, 71 percent in the **Asia-Near East** region, 53 percent in **Latin America and the Caribbean**, and 48 percent in **Central and Eastern Europe and the New Independent States**. Another 10 per-



cent of USAID-assisted countries are preparing action plans. Still more are updating existing plans. USAID is well on its way to achieving its goal set forth in the Development Assistance Committee's document "Shaping the 21st Century" by 2005.

NATIONAL PROTECTED AREAS

Biodiversity is essential to environmental and economic sustainability. The approach most countries have taken to conserving biodiversity is to establish systems of national parks, wildlife refuges, forest reserves,

marine sanctuaries, and other formally protected areas. More than 900 million hectares (3.5 million square miles) of the earth's surface are officially designated as protected, an area nearly equal in size to the continental United States.

Some experts recommend setting aside 10 percent to 15 percent of lands as protected areas. As of 1994, the most recent data available, **sub-Saharan Africa** has 6.8 percent (78 million hectares, or 300,800 square miles) of its area protected, **Asia-Near East** and **North Africa** have 6 percent (46 million hectares, or 177,000 square miles), **Central and Eastern Europe and the New Independent States** have 4 percent (83 million hectares, or 319,000 square miles), and **Latin America and the Caribbean** have 9 percent (74 million hectares, or 285,000 square miles). Each of these protected areas is at least 1,000 hectares (4 square miles) and includes national parks, natural monuments, nature reserves or wildlife sanctuaries, protected landscapes and seascapes, and scientific reserves with limited public access. (Numbers have been rounded where appropriate.)



photo credit: Eric Fajer



photo credit: Blumhagen

REDUCED CARBON DIOXIDE EMISSIONS

Trends for carbon dioxide emissions, energy efficiency, renewable energy sources, and climate change are not encouraging. Global energy use has risen nearly 70 percent since 1971 and is expected to continue rising over the next several decades. As energy use rises, so do greenhouse gas emissions. Fossil fuels supply roughly 90 percent of the world's commercial energy and account for more than 80 percent of carbon dioxide released into the atmosphere.

Commercial energy consumption in developing countries will contribute about 40 percent of the world's carbon dioxide output by 2010. Much of this will come from China and South Asia, which depend heavily on coal. Unfortunately, market conditions favor reliance on cheap fossil fuels. Actions needed to improve energy efficiency include replacing fossil fuels with cleaner fuels and developing and adopting renewable energy technologies.

URBAN ACCESS TO SAFE WATER AND SANITATION

With rapid migration to the cities, the world's urban population is growing at four times the rate of the rural population. By the year 2000, more than half of the world's population will live in urban areas. Urban growth rates are exceptionally high in the Asian Pacific and Africa. Seventeen of the world's 21 "mega-cities" (more than 10 million people) are in developing countries.

Two of the main global indicators the Agency uses to measure progress toward sustainable urbanization are

access to safe drinking water and access to sanitation services. In USAID-assisted countries, 63 percent of the urban population has access to safe water in **sub-Saharan Africa**, 67 percent has access in **Asia-Near East and North Africa**, and 80 percent in **Latin America and the Caribbean**. Few countries in Eastern Europe and the former Soviet Union report on access to safe water, so regional data are unavailable.

Of USAID-assisted countries, 60 percent of the urban population has access to sanitation services in sub-Saharan Africa, 60 percent in Asia-Near East and North Africa, and 71 percent in Latin America and the Caribbean.

ANNUAL CHANGE IN TOTAL FOREST AREA

This is just one indicator the Agency considers in its approach to sustainable management of natural resources. From 1980 through 1995, the developing world lost nearly 200 million hectares (770,000 square miles) of forest. The greatest threats to forest area come from roads, mining, accidental fires, unchecked logging, slash-and-burn agriculture, and the conversion



photo credit: Eric Fajer

of land to cattle ranching and cash crops.

Highlights Of Environment Program Results

REDUCED THREAT OF GLOBAL CLIMATE CHANGE

Forestry programs are being used to fight greenhouse gas emissions in **Russia**, which accounts for more than 22 percent of the world's forested areas and 21 percent of its estimated timber volume. Russia's forests, which provide the largest land-based carbon storage or "sink" in the world, are a critical resource for buffering the effects of global climate change. Because these forests are threatened by logging and massive forest fires, USAID in 1997 initiated a reforestation program that increased the production of seedlings from 6,500 to more than 1.2 million. These seedlings are badly needed to replenish vast areas suffering from deforestation.

CONSERVATION OF BIOLOGICAL DIVERSITY

USAID supports one of the most comprehensive biodiversity conservation programs of any bilateral donor. The Agency has helped safeguard biological diversity through its efforts to 1) improve the management of biologically significant areas, 2) promote the sustainable use of biological resources, and 3) support the conservation of genetic diversity.

In Africa, **Uganda's** diverse ecosystems make it an important country for the Agency's biodiversity work. USAID, in partnership with the World Bank-Global Environment Facility, developed and supported the Bwindi Trust. One important outcome of trust activities in 1997 was the much antici-

pated mountain gorilla census. Conducted in the Bwindi Impenetrable National Park in Uganda, the trust census found 292 gorillas living in the park, meeting the 1997 target of 282-300 animals. Compared with 1991 data, these figures suggest that the park mountain gorilla population is stable, an indication of stability in the ecosystem.

URBAN POLLUTION MANAGEMENT

In 1997, USAID worked in 40 countries in Asia and the Near East, Africa, Europe, and Latin America to promote sustainable urbanization and improve urban pollution management. Under the Urban and Environmental Credit Program, more than 528,000 poor urban families received financing for mortgages, home improvement loans, potable water hookups, or sanitary sewer connections. To improve urban management, USAID worked with more than 40 city governments on raising revenues, implementing new financial accounting procedures, and applying tariff and fee reforms with the aim of recovering the costs of environmental improvements. To reduce urban pollution in 1997, the Agency promoted the adoption of 270 cleaner production policies and manufacturing processes in **Bolivia, Ecuador, Egypt, Indonesia, and Paraguay.**

Another way the Agency has addressed environmental issues in Asia is through an interagency program, the United States-Asia Environmental Partnership. In **India**, for example, an NGO-business partnership supported by US-AEP reduced solid waste from mango-processing plants by 90 percent. Each of 27 food-processing factories was dumping more than 2,000 tons of waste every harvest season. After training and consultation on clean production, the plants generated almost no solid waste and converted

the small amount remaining into other products.

MORE ENVIRONMENTALLY SOUND SERVICES

Most developing countries must expand their energy supplies to support sustainable development. USAID economic assistance programs are designed to foster private investment in clean energy, energy efficiency, and renewable energy in developing countries and economies in transition. These programs also foster a favorable environment for select U.S. exports and investment.

In 1997, for example, USAID helped form a partnership between Columbia Gas and the **Russian** utility Penzagaz to develop an automated customer information and payment system. Columbia helped Penzagaz establish a direct payment center to avoid costly bank transaction fees. This resulted in savings of more than \$61 million for Penzagaz.

In **Indonesia**, USAID worked with the government in early 1997 to establish policies and practices for a cleaner, more efficient power supply by tracking installed generation capacity from all renewable sources, including biomass, geothermal, solar, water, and wind. These new policies helped three geothermal plants generate more than 3,700 megawatts of new renewable energy in 1997.

SUSTAINABLE MANAGEMENT OF NATURAL RESOURCES

Natural resources are degraded, depleted, and used inefficiently in many parts of the developing world. Sustainable management depends on striking a workable balance between the preservation and renewal of resources and their use for economic well-being. Agency natural resource

programs include 1) improved management of coastal zones, forests, and water resources; 2) increased use of sustainable agricultural practices; and 3) enhanced public and community awareness of issues affecting the sustainability of natural resources—and how to address them.

Providing Humanitarian Assistance

Humanitarian assistance is an act of national conscience and an investment in the future. It is a response to U.S. values and ideals as it saves lives, reduces suffering, and protects health. USAID's humanitarian assistance goal is to save lives, reduce suffering associated with natural or man-made disasters, and reestablish the conditions necessary for political or economic development. The three following principles guide Agency programs in humanitarian assistance:

- Emergency response, centered on saving lives and reducing suffering, should simultaneously

lay a foundation for returning to sustainable development by supporting local capabilities and participation and reestablishing people's livelihood and self-sufficiency.

- Prevention and mitigation of the effects of disasters should be built into response programs.
- Timely, effective assistance to countries emerging from crisis may make the difference between a successful or failed transition.

USAID provides humanitarian assistance in three broad categories: natural disasters, man-made disasters, and complex emergencies. Natural disasters are caused by physical hazards such as drought, earthquake, fire, flood, and the outbreak of pests or disease. Man-made disasters are caused by human error in design, implementation, operation, or management, as when a building collapses or an industrial accident occurs. Complex emergencies may include natural disasters but are often caused or complicated by civil strife. They are manifested in hunger, injury, death, armed conflict, and displaced populations.



Traditionally, humanitarian assistance programs have stopped when basic needs of the people affected have been met. With the rise in importance of complex emergencies, the Agency has learned that a different kind of "humanitarian assistance" is needed if people are to make the transition from prolonged crisis and conflict to resuming progress toward development. This transition assistance can include demobilization of combatants, removal of landmines, or beginning to restore functioning governments and economic infrastructure.

In all its humanitarian assistance efforts, the Agency works closely with other donors, international organizations, private voluntary organizations, and other U.S. agencies. Its partnerships with other groups enable USAID to leverage and share resources. All results described below represent the combined effects of Agency and other-donor resources and activities.

In 1997, 20 countries and regional and central USAID offices supported one or more of the three main objectives



photo credit: CIHI

Table 3.2. Number of People Assisted by Bureau for Humanitarian Response Emergency Programs, FY97, by Region^a

Region	OFDA (percent reached, of those affected)	FFP (percent reached, of those targeted)
Africa	15,606,000 (59)	4,890,000 (61)
Asia and Near East	1,470,000 (13)	3,718,000 (83)
Europe and the New Independent States	1,539,000 (68)	2,982,000 (95)
Latin America and the Caribbean	143,000 (61)	^b
Total	18,766	11,590,000

Note: OFDA is the Office of Foreign Disaster Assistance; FFP is Food for Peace. In some emergencies, different USAID programs may reach the same beneficiaries.

^aOffice of Transition Initiatives programs (not included in table) include media activities that reach entire country populations, and demining activities that benefit refugees, returnees, merchants, and farmers who begin to use land and roads that are safe for travel. Determining the number of direct beneficiaries is difficult.

^bNo emergencies in this region required emergency food aid in 1997.

of humanitarian assistance: prevention, relief, or transition. Fifteen missions and offices pursued objectives of assisting with the transition process, nine countries and offices pursued objectives supporting relief, and nine supported prevention.

Country Development Indicators

Measuring the impact of humanitarian assistance programs is challenging. First, it is difficult to distinguish between various causes and effects. Second, USAID's country and regional programs operate at different levels and have different objectives, making an assessment of overall Agency performance difficult. Saving lives is the primary aim of most emergency programs, but preserving and promoting livelihoods is becoming equally important to achieving effective economic and political transitions.

USAID, together with multilateral and bilateral donors, is beginning to pilot-test and implement information systems that will be used to monitor Agency capacity for saving lives and reducing suffering in emergency situations. In a preliminary effort to measure the results of its efforts, the Agency selected the following indicators:

- Crude mortality rate in selected emergency situations
- Levels of acute malnutrition stable at, or declining to, acceptable levels in emergencies
- Number of people displaced by open regional conflict
- Changes in the number and classification of designated "postconflict transition" countries

Since humanitarian assistance operates in complex and fluid situations, these

indicators will be applied initially on a pilot basis to determine if data collection is feasible. Reporting on these indicators requires working with other donors and agencies to develop systems that collect and report these indicators regularly.

Highlights of Program Results

In 1997, USAID reached more than 11.5 million people with emergency food aid through Title II PL 480 programs, implemented primarily by private U.S. voluntary organizations and the World Food Program in 28 countries in Africa, Asia, and Europe (see table 3.2). The program provided 781,360 metric tons (796,987 tons) of Title II emergency food aid, valued at \$404 million.

The World Refugee Survey 1998 reports an estimated 13.6 million refugees and asylum seekers in 1997. USAID provided emergency food aid to more than 10 million, or 76 percent, of them. Much of this assistance was provided through the World Food Program.

The Agency's Office of Foreign Disaster Assistance provides emergency assistance primarily as health, sanitation, shelter, and water services. In 1997 the office spent \$140 million to help more than 18 million victims of 48 officially declared disasters in 46 countries. Of these, 13 were complex emergencies, 27 were natural disasters, and 8 were man-made emergencies.

USAID tries to ensure that the political processes are in place that are critical for enduring economic, political, and social progress. The Office of Transition Initiatives tries to strengthen democratic processes by rapidly implementing interventions designed to meet specific needs. In 1997 the office promoted peace and security,

making significant progress toward advancing political transitions in **Angola, Bosnia, Guatemala, Liberia,** and **Rwanda.** In all five countries, freedom of movement improved as the Agency helped make available objective, timely information on the economic, political, and social situation.

In addition to the figures shown in table 3.2, in 1997 the Bureau for Europe and the New Independent States supported more than 8.4 million of the most vulnerable populations in Central and Eastern Europe and the New Independent States, at a cost of more than \$79 million. All the countries in this region were undergoing economic, political, and social transitions. Several—**Armenia, Azerbaijan, Bosnia–Herzegovina, Georgia,** and **Tajikistan**—were also in conflict.

NATURAL DISASTERS

On 12 November 1996, an earthquake struck the Pacific Ocean close to Lima, **Peru,** the worst to strike the region since 1940. It killed and injured people in several cities, affecting more than 81,000. USAID provided emergency relief supplies, such as tents and blankets, for 56,000 displaced persons.



In early January 1997, drought in **Kenya** caused widespread crop failure, water scarcity, and deteriorating pasture, affecting 1.6 million people. USAID provided \$1.8 million to support drought relief and promote recovery. Through the World Food Program, the Agency provided 5,800 metric tons (5,916 tons) of emergency food aid, valued at more than \$2.5 million. Assistance efforts and the timely return of rains prevented a large-scale crisis.

MAN-MADE DISASTERS

Although man-made disasters do not generally cause significant physical damage, they do affect people's lives. Often countries and communities do

not have the capacity to respond to them. A fire in **Guinea–Bissau,** for example, left an entire community homeless, killed domestic animals, and destroyed grain stores. USAID restored people's homes and livelihoods by providing repair materials and replacing livestock.

After the collapse of high-risk investment schemes in late 1996, **Albania** was plunged into armed chaos in March 1997. Individuals and families suffered significant financial losses, and demonstrations escalated into violence. More than 2,000 people were seriously wounded and 180 killed. Thousands fled by boat across the Adriatic Sea to Italy. USAID provided supplies to hospitals that had an influx of victims of the armed violence.

COMPLEX EMERGENCIES

Complex emergencies involve a combination of factors, including political and ethnic violence and a breakdown of governance and social infrastructure. Affected populations need relief assistance while economic, political, or social issues are being resolved. In **Azerbaijan,** for example, there were more than 700,000 refugees and internally displaced persons as a result of the continued dispute between Azerbaijan and Armenia over the



Nagorno Karabakh region. USAID implemented new programs during 1997 to handle emergency repairs (for health, safety, and sanitation) to public buildings used to house refugees and internally displaced persons. By the end of 1997, more than 21,000 families benefited from rehabilitated and winterized housing with safe electrical systems and working plumbing.

Agency activities in southern **Sudan** illustrate how the Agency links relief assistance to longer term objectives. USAID not only provided food aid but also supported the rehabilitation of local production, especially of agriculture and livestock, and helped develop local capacity in health and sanitation.

In 1997, USAID programs facilitated the resettlement of 80,000 internally displaced persons in their original areas and the gradual repatriation of 90,000 Sudanese refugees from northern Uganda. The Agency provided food and agricultural assistance to 25,000 former refugees and internally displaced persons. These programs, undertaken in concert with the U.S. Integrated Strategic Plan for Sudan, aimed to increase local capacity for food self-reliance and to facilitate viable resettlement options. By reducing ration sizes and distributing seeds and tools, the programs encouraged

local production, even among internally displaced people who did not know where they would resettle.

In southern Sudan, Agency resettlement activities coincided with the provision of agricultural tools, seeds, and medical services. In 1997, USAID programs provided primary and secondary health care to 1.8 million war-affected victims in government-held areas and to 2.6 million victims in rebel-held areas in the south. A locally trained mobile medical team provided public health care for an additional 144,080 war-affected people in areas where security was threatened. Agency programs provided potable water and sanitation to 49,000 war-affected people.

Liberia illustrates both the challenges of a complex emergency and the potential for progress. Throughout 1995 and 1996, close to two million people required emergency assistance. That number began to drop in 1997 as the disarmament process took hold



and, in July, as a new president was elected. USAID then shifted its emphasis from emergency assistance to the postwar transition and the rehabilitation of institutions and infrastructure. For example, in partnership with other donors, such as the European Union and the U.N. Food and Agriculture Organization, USAID had permanently resettled 150,000 internally displaced persons in rural areas by the end of 1997.