

FRONT LINES



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FROM THE AMERICAN PEOPLE

JULY–AUGUST 2005

Bush Pledges Aid to Africa for Malaria, Food

The Bush administration's announcement that it wants to spend \$1.2 billion to prevent malaria over the next five years will help USAID "make a qualitative leap" in the fight against a disease that kills more than 1 million people in sub-Saharan Africa every year, said Administrator Andrew S. Natsios.

The announcement June 30, which also included an additional \$400 million to continue a program that expands education in sub-Saharan Africa, came on the heels of two other sizeable new initiatives to help people on the continent.

Earlier in the month, the administration announced that it will provide an additional

▼ SEE U.S. PLEDGES AID ON PAGE 2



Processing coffee cherries in Tanzania. USAID has provided millions of dollars in aid to coffee growers around the world.

▼ See **In Focus: Coffee** on pages 4–5 for stories on coffee production and USAID coffee projects.

Democracy Aid Up to \$1.2 Billion

After more than 15 years of USAID support for democracy around the world, major democratic opportunities are emerging in Lebanon, Ukraine, Georgia, Kyrgyzstan, and many other countries, Administrator Andrew S. Natsios said in a major address May 25 at the National Press Club in Washington, D.C.

Agency programs for democracy support has increased to \$1.2 billion this year, although nearly half is aimed at helping Iraq and Afghanistan set up their first free elections for local and national governments.

"So something is happening, and I wanted to describe to all of you, in a formal way, the strategy AID has pursued, actually, for 15 years," Natsios told the Advisory Committee on Voluntary Foreign Aid.

"We are the largest democracy-promotion donor in the world," Natsios said, noting that the Agency has 400 democracy officers around the world and is creating a new category of officer—democracy and crisis management—to work in fragile and failing states. USAID

also plans to publish its democracy strategy in July.

Natsios cited a wave of democratic advances—such as elections in Ethiopia and other countries—some of them influenced by President Bush's strong support for worldwide democracy in his second inaugural address.

"We believe [people have]...an
▼ SEE SUPPORT FOR DEMOCRACY ON PAGE 16

Albanian Officials, Public, Train for Elections

TIRANA, Albania—A month before Albania's parliamentary elections, a dozen people heatedly discussed where observers should be posted to monitor the July 3 elections. Maps with pen marks and yellow Post-It stickers abounded.

"We will follow the election, looking for problems and irregularities. We will follow everything that will happen from the beginning to the end," said Pjerin Marku of the Albania Coalition Against Corruption, an NGO that has trained 3,200 domestic elec-

tion observers through a USAID grant.

The meeting participants were the heads of the seven local organizations conducting election monitoring. Among them was Gerta Meta of the Society for Democratic Culture, an NGO that has monitored 14 local and parliamentary elections in Albania since 1992.

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Pjerin Marku of the Albania Coalition Against Corruption, an NGO that has trained some 3,000 domestic election observers. USAID has funded Marku's group, media monitoring efforts, training sessions for officials at the Central Election Commission, and a voter awareness campaign, among other pre-election activities.

SEE COUNTRY SPOTLIGHT: ALBANIA ON PAGES 10–11 FOR RELATED STORIES

of the Albania Coalition Against Corruption, an NGO that has trained 3,200 domestic elec-

PALESTINIANS LEARN ABOUT USAID



Newspaper, television, and billboard ads showing Palestinians drinking clean water or using other services provided with U.S. aid have appeared in the West Bank and Gaza as part of a public information campaign. International channels also carried the message to a wider Arabic-speaking audience. More than \$1.5 billion in aid for water, health, and education services has helped 3.6 million Palestinians.

Media Campaign Tells Palestinians About \$1.5 Billion in U.S. Aid

RAMALLAH, West Bank—In newspapers, on televisions, and on billboards, Palestinians are finally learning that many of the things that make their lives better these days—fresh water, roads, and schools—have been provided with the help of U.S. foreign aid.

The ad campaign to inform the public in the West Bank and Gaza about the more than \$1.5 billion in U.S. aid in the past 10 years started in early May. A few days later, President Bush signed a \$200 million supplemental assistance package aimed at promoting Palestinian economic development.

The television commercials—showing Palestinians drinking clean water or using other services provided with U.S. aid—were created after a survey reported that 95 percent of Palestinians were unaware that U.S. taxpayers' dollars were behind recent improvements.

The survey showed that the NGOs, contractors, and international agencies who carry out USAID programs were failing to inform the Palestinians that U.S. funds paid for the improvements.

▼ SEE MEDIA CAMPAIGN ON PAGE 16

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USAID Leadership Responds to Survey with Changes for Foreign Service Nationals

USAID's 2004 employee opinion survey has led to new personnel initiatives for the Agency's largest employee group: nearly 4,900 foreign service nationals (FSNs).

In last year's survey, 1,400 comments were submitted, mostly from FSNs. Many said they wanted career development and training opportunities. Many commented on salary, and asked that an FSN executive corps be established to enhance communication between Washington management and people in the field.

As a result of those requests, the Agency's Business Transformation Executive Committee (BTEC) made "nurturing FSNs" one of its four major priorities for this year. In addition, the Office of Human Resources (HR) established the first FSN Working Group, with Agency representa-

tives from each USAID/Washington bureau and including former FSNs working in the Washington area.

"The USAID FSN is the backbone of our field presence overseas," said George Thompson, human resources specialist and member of the working group. "FSNs comprise 79 percent of the overseas mission staff."

The working group plans to create a publication of FSN success stories, as well as new awards for FSNs. The group has already created a virtual FSN network and regional FSN mailing lists to ease communication between USAID/Washington and the FSN community.

"A working group is a first step in putting together a program and seeking a budget to do what we want to do," said Dave Eckerson,

head of HR. "Working groups have proven effective in the past, and this will be a joint effort with HR and the field. A year from now, we want to be judged."

In April, the working group met to develop a strategy and action plan to promote professional development, mobility, and communications.

To expand the role of FSNs, the working group is considering ways to better utilize FSNs in countries with emerging priorities for "surge" needs, as well as encouraging more FSN exchange opportunities for temporary assignments in other missions and in USAID/Washington.

Working group member Edith Houston of the Bureau for Africa added: "The FSNs are the experts on the ground. From the drivers who know the geographical landscape to the social scientists who know the political landscape—they give us the tools from which to launch our development work."

Recognizing that English-language capability is one of the single biggest factors in FSN career advancement, the HR office recently rolled out online English-language

training programs targeting 1,000 entry-level FSNs worldwide.

The working group is also exploring other career development options, such as increasing participation by FSNs in leadership training programs and establishing senior FSN positions. For instance, an FSN Executive Corps is being studied that would identify a cadre of senior or retired FSN professionals worldwide to meet surge and other short- to medium-term technical assistance requirements.

"Taking greater advantage of the fantastic FSN resources that we have is critical as we continue to face staffing shortages around the world," said Ken Yamashita, mission director in Kosovo. "Senior FSNs can play a critical role in making sure our programs move forward."

Administrator Andrew S. Natsios recently named 2005 as the "Year of the FSN" when announcing new initiatives at the worldwide mission directors' conference, held in Arlington, Va., May 17–20. ★

Nancy Barnett contributed to this article.



Dr. Mariama Cire Bah, a foreign service national who serves as USAID/Guinea's reproductive health specialist, discusses the particulars of HIV/AIDS transmission with a group of young men who have gathered to drink tea. She has been with the mission for 13 years.

U.S. Assists FSNs Affected By Zimbabwe Destruction Campaign

HARARE, Zimbabwe—USAID and the U.S. Embassy here are offering financial help to local staff affected by a government-sponsored demolition campaign.

One foreign service national (FSN) had his house destroyed, leaving him, his wife, and their three children with no place to live. Seven other FSNs have been given notice that their homes will be torn down. Nineteen of the mission's guards have had

their homes demolished.

The Zimbabwean government's demolition campaign, dubbed Operation Murambatsvina, or "drive out trash," displaced some 74,000 households in June.

The United Nations (UN) sent a special envoy to investigate the destruction campaign June 26. The UN estimates that more than 1 million people were affected by the campaign. ★

U.S. Pledges Aid to Africa for Malaria, Food ▲ FROM PAGE 1

\$674 million in humanitarian aid—for food and other assistance—to more than 14 million people in Horn of Africa countries who are facing a severe food crisis.

In addition, the administration joined with governments that make up the Group of Eight (G8) to offer debt relief to 18 poor countries, 14 of them in Africa. The effort will erase \$40 billion owed by the nations.

The move is also expected to let these countries redirect money that would have gone to pay down their debts toward meeting their own development initiatives.

The three announcements—made just weeks apart in June—came on the eve of two major summits discussing issues on the continent.

The African Growth and Opportunity Act forum is set for July 18–20 in Senegal. It follows the meeting of leaders from the G8 countries—Canada, France, Germany, Italy, Japan, Russia, the United Kingdom, and the United States—in Scotland July 6–8, where

Africa was on the agenda.

Africa accounts for at least 90 percent of the world's malaria deaths each year, most of them among children under age 5.

"Because we have virtually eliminated malaria in the United States over the last century and a half, people here and in Europe don't think about it as a disease," Natsios said. "That does not mean that this is not a major health problem in Africa. In fact, it's a health crisis."

"The President's goal...is to reduce malaria deaths by 50 percent in each of the target countries by the end of 2010."

The first three countries slated to receive aid to fight the mosquito-borne disease are Tanzania, Uganda, and Angola.

In addition to the physical devastation caused by malaria in Africa, it is estimated to cause \$12 billion in economic losses each year. The link between immediate humanitarian needs in Africa and its countries' long-term development is one message

Natsios has been stressing in recent weeks.

"Too often humanitarian relief has been separated from development," Natsios told the United Nations in advance of the G8 summit. He added that the \$674 million in new food aid will "assist states in crisis and conflict return to stability and get on the path to sustained growth."

The food aid, which will be administered by USAID, is primarily aimed at Ethiopia and Eritrea, and comes on top of the \$1.4 billion already committed this year for emergency food relief to African countries.

The Famine Early Warning System Network (FEWS NET), which is funded by USAID, puts both countries in its list of current emergencies, the most serious designation on the warning scale.

In Eritrea, five years of drought, labor shortages, and a shortage of hard currency reserves have left many households with no stores of food. The latest report from FEWS NET in May showed Eritrea's current food

supply would last only through the end of July. About 2.2 million people are at risk.

In Ethiopia, which has endured a number of devastating famines since the 1980s, some 12 million people require food assistance. Approximately \$414 million of the money Bush has pledged will be used to provide food to these two countries. The rest—about \$260 million—will be spent on food and other humanitarian assistance in other countries.

In spite of these efforts, the immediate situation in Africa remains precarious.

A recent United Nations appeal for assistance to sub-Saharan Africa revealed that 44 million people across the continent require humanitarian aid in the form of food, shelter, water, sanitation, healthcare, and protection.

Only slightly more than a quarter of the \$3.5 billion needed to help these people had been received from the world's governments by mid-June. ★

FIRST PERSON



“As a mother, listening to your baby’s heartbeats in the initial weeks of your pregnancy is the same as listening to the first cry of your newborn baby. And as a doctor, by listening I can monitor the development and heart condition of the unborn baby.”

—Dr. Tole Frrenaj, Main Family Health Center, Kosovo, commenting on USAID-donated medical equipment.

While pregnant with her third child, Dr. Tole Frrenaj heard the unborn baby’s heartbeat for the first time. Several months ago, Dr. Frrenaj, a pediatrician at the Family Health Center in Gjakovë/Djakovica Municipality (named in Albanian and Serbian, respectively), received equipment to monitor her baby’s heartbeat as well as the heartbeats of her soon-to-be patients.

A fetal Doppler instrument was donated to the health center through a USAID project that is outfitting this Kosovo clinic with much needed equipment and training health workers in prenatal care.

Dr. Frrenaj is part of the Primary Health Care Team, a unit that was established recently with help from the USAID-supported Health Alliance Project, a joint venture of Dartmouth Medical

School, the American International Health Alliance, and the Gjakovë/Djakovica Family Health Center.

She used a fetal Doppler instrument during her university training, but never as a practicing physician. Now she performs routine pregnancy examinations and also listens to the heartbeat of unborn babies. This allows her to closely monitor changes during babies’ early development and recommend treatment based on the equipment’s findings.

With 35 deaths per 1,000 live births—a rate two to three times higher than in neighboring countries—Kosovo has one of the highest infant mortality rates in Europe. In some areas of Kosovo, almost half of the infant deaths occur before the baby reaches 27 days old. ★

* Dr. Frrenaj has given birth to a daughter since this article was written.

Notes from Natsios

★★★★★★★★



OMB Scores Agencies on Management Practices

As I have often said, good management practices are key to effective development. The Agency has been working to improve its management practices by working on the President’s Management Agenda (PMA), which looks at five areas:

- strategic management of human capital
- competitive sourcing
- improved financial performance
- expanded electronic government
- budget and performance integration

Since 2002, the Office of Management and Budget (OMB) has quarterly graded federal agencies using a color-coded scorecard. Green means success, yellow means mixed results, and red means serious flaws. OMB also measures the effort agencies put into their management reforms with “progress” scores.

As of June 30, USAID had earned three yellow status scores (budget and performance integration, expanded e-government, and human capital) and received green for progress in all other areas.

Last year, when USAID achieved yellow status for the first time for performance and budget integration, OMB described us as a “vanguard agency.” This was an important recognition of our progress, largely attributable to the quality of data collected for the Agency’s annual report over the last two years.

USAID also moved from 21st place in FY 2003 to 9th in 2004 in the Mercurus rankings of federal agency performance and accountability reporting. Our Agency was the most improved, and we were recognized in four different areas for our efforts.

Clearly, these are positive signs. However, at the end of the second quarter of this year, OMB downgraded the Agency from a “green light” in progress toward improving performance and budget integration to a yellow.

To achieve green light status in this area, we must meet key budget and performance integration standards. We need to regularly examine performance information and demonstrate improvements in performance and efficiency, show the full cost of achieving our performance goals, and direct program improvements based on performance assessments.

The after-action review of the FY 2004 annual report is currently underway, and will help the Agency determine how effectively the missions and bureaus adopted the changes.

As the Agency continues down the path of improving its new strategic planning, the information gathered in the annual reports is essential, not only to achieve the efficiencies inherent in the goals for the PMA, but also to improve the Agency’s own management effectiveness. ★

Asia Regional Mission—Bangkok

MISSION OF THE MONTH

Challenge

Many countries around the world are threatened by a looming crisis in water supply and management. The vast majority of poor people without adequate water services live in Asia, where some 830 million people lack access to safe drinking water and more than 2 billion live without sewers to dispose of wastes.

Through its regional mission based in Bangkok, USAID is working with government officials, water and sanitation utilities, and other donors to address the looming water crisis.

Innovative Approach

This summer marks the start of the Blue Revolution, a regional program for water conservation and management; dispute settlement; efficient use of water; and the development of alternative sources of water in Thailand, Indonesia, Malaysia, Philippines, and Vietnam.

USAID’s Regional Development Mission/Asia improves access to clean water and sanitation, especially for the urban poor.



Woman runs water from a tap in Bali, Indonesia. USAID has worked with local governments and utilities on increasing tariffs.

In Indonesia, for example, the mission has worked with water utilities to improve relations with local governments to ensure much needed tariff increases.

In the Philippines, the mission works with cities to design and install new low-cost sewer systems.

At the regional level, the mission works with the Southeast Asian Water Utilities Network (SEAWUN), a network of water supply and sanitation utilities and national water associations that helps its members

improve their services. Since 2002, the mission has worked with the Asian Development Bank to support the establishment of SEAWUN and assist with training and full cost recovery programs.

Full cost recovery is at the heart of long-term sustainability for water service providers and expanded access to water for the poor, said Winston Bowman, program manager with the mission. Financially strong utilities are efficient and provide good service. This contributes to consumer satisfaction and increases willingness to pay, he said.

Utilities achieving full cost recovery are in a better position to expand access to the poor because they have resources to invest and more effective management.

But achieving full cost recovery remains a significant challenge. Political pressure against tariff increases is strong, operating costs are high, poorly maintained pipes leak, and management systems are weak.

Results

To identify strategies for achieving full cost recovery, USAID’s regional mission in Southeast Asia and SEAWUN completed a survey of 15 utilities in Indonesia, Malaysia, the Philippines, Thailand, and Vietnam in 2004. Survey results showed that maintaining good relationships with government, training core staff, and offering customer-oriented services are critical to achieving full cost recovery. Increasing revenues and cutting costs requires reducing water losses; increasing tariffs; improving metering; and minimizing power, labor, and other costs.

These results were shared with government, financial, and municipal water specialists for seven Asian countries in December 2004. As a result, the mission is now expanding its work on promoting full cost recovery to support several new regional programs, including a program to pair American and Asian water utilities.

The mission’s support “to SEAWUN and other regional initiatives provides a platform for sharing and replicating experiences and technical innovations,” said Regional Mission Director Tim Beans. “It also improves cooperation between Asian countries, cities, and communities.”

Some 24 percent of USAID’s water and sanitation budget for 2005 is spent in Asia and the Near East. ★

Producers Wake Up and Smell the Coffee

Coffee is an easily grown crop with a steadily increasing global demand, and farmers in nearly 30 countries throughout Latin America, Africa, and Asia are working with U.S. assistance to meet the world demand.

USAID helps farmers obtain equipment, credit, and new processing techniques that help them increase their output and meet international quality standards for higher-priced coffee. USAID also works with the Specialty Coffee Association of America (SCAA) and others that run “cupping competitions” by coffee experts who taste selected types of coffee.

The winners of cupping competitions often sell their highly graded coffee online at premium prices. These competitions and internet auctions have proved to be excellent coffee promotion, according to Agency agricultural specialists, because they raise demand and prices for these coffees.

Demand for coffee is steadily rising at a rate of 1.5 percent per year. Most is grown in developing countries.

In 2002, the international market for coffee tanked because so much of the product

flooded the market, and producers turned to specialty coffees whose price was less affected by the coffee market crash.

USAID supports the creation of coffee cooperatives, which pool farmers’ assets, giving them easier access to technical help, marketing advice, and machinery that they could not afford on their own. The Agency also works with organizations such as Coffee Corps, which provides volunteer support and help in the areas of production and marketing.

Through a partnership with coffee giant Starbucks, specialty coffee growers from developing countries can earn bonuses for quality coffee and every new coffee type that Starbucks buys.

Coffees from Kenya, Bolivia, and Rwanda are selling well at coffee shops throughout the United States.

In Africa, the Agency’s regional program works with the East Africa Fine Coffee Association (EAFCA) to enhance the quality, competitiveness, and profitability of the local coffees in global markets. EAFCA has 70 members from 11 countries, including local producers and exporters, government coffee boards, foreign importers, and the International Coffee Organization.

In 2002, EAFCA conducted the first regional cupping competition involving 26 fine coffees from four countries. It launched the first internet auction of East African fine coffees and developed a website providing regional market information. USAID is now helping EAFCA establish a regional appellation system for East African coffee.



Experts taste coffee varieties submitted to a cupping competition by coffee farmers throughout Ethiopia. The coffee varieties that win such competitions fetch high prices at online auctions, or are sold as specialty coffees in Europe and the United States.

USAID in 2002 also invested \$2.8 million to help coffee producers in Uganda, Tanzania, Rwanda, and Ethiopia.

“Ethiopia is the only culture in Africa that really drinks and savors coffee,” said Jim Dempsey with ACIDI/VOCA (Agricultural Cooperative Development International/Volunteers in Overseas Cooperative Assistance), which is carrying out a project that supports coffee cooperatives and has helped create four unions with 151 coffee grower cooperatives and close to 180,000 coffee growers. “I think that helps them grow and process coffee well, because they can taste quality.”

USAID funds coffee projects in Asia as well. In East Timor, the Agency has spent millions of dollars on a program supporting high-quality organic specialty coffee for export.

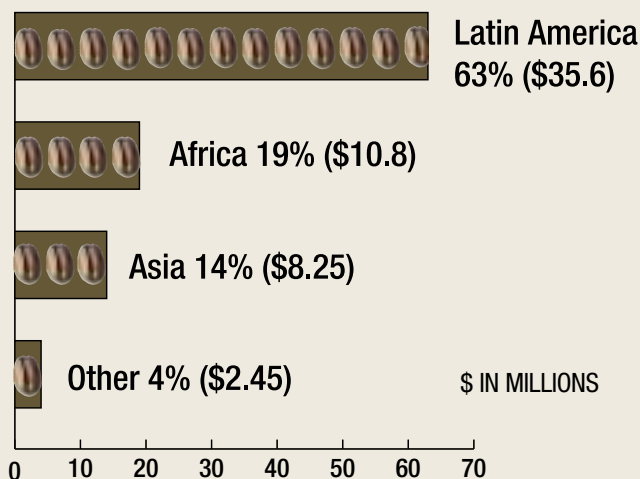
Since 1994, USAID, through the U.S. National Cooperative Business Association (NCBA), has offered technical assistance and other aid to small-scale producers

to improve postharvest handling and processing. NCBA has helped form cooperatives with some 17,000 registered farmer members.

Latin America is home to the largest coffee programs. In 2002, USAID signed a Quality Coffee Agreement with Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, the Dominican Republic, and Panama. The Agency provided \$8 million to assist small and medium coffee producers to improve coffee quality, form new business linkages, and secure longer-term contracts with the specialty coffee industry. Where farmers could not compete, USAID helped them branch out into growing other, more suitable crops. In 2003, the project spent another \$30 million on improving the regional trade and investment environment.

In Colombia, which has long been a producer of high quality coffee, the Agency in 2003 began a \$7 million, five-year effort on specialty coffee activities in opium poppy and coca cultivation areas. ★

USAID COFFEE PROJECTS: FY 02–FY 04 FUNDING



Coffee: A Market History—Where It’s Grown and How It’s Processed

Two decades ago, the world’s most popular coffee was highly caffeinated Robusta coffee, blended with other varieties to improve taste.

But, over time, two factors have changed the market significantly: coffee drinkers’ palates have developed, and coffee industry newcomers want to grow products that differentiate them from the competition.

The result is a rise in demand for high-quality and often single-origin Arabica coffee.

Robusta and Arabica look alike. But Robusta grows in low altitudes. It contains more caffeine and less taste. Arabica grows on hills and mountains. It is tastier, but less caffeinated.

Robusta sells cheaply, and is often blended. An espresso shot at any given coffee shop in the United States, for instance, is most likely all Robusta. An espresso in Italy might be half Robusta and half Arabica, which cuts the caffeine but improves the taste.

Some 70 percent of all Robusta is sold at supermarkets in low-grade, blended products. Arabica, by contrast, is made into specialty coffees sold at major department stores, upscale coffee houses, and organic markets.

Worldwide demand for coffee is growing at a rate of 1.5 percent every year.

In the late 1990s, the average world market price for a pound of coffee was \$2. But quick expansion of supply—mostly from Brazil and Vietnam, which together produce half of the world’s coffee production—led to a market collapse in 2000. Coffee prices dropped and stayed in the range of 50 cents to \$1 per pound until late 2004.

For consumers, this meant cheaper coffee. But for growers—especially those in developing countries—the effect was disastrous.

In Ethiopia, for instance, farmers cut down their coffee trees and planted chat, a local plant that, when chewed, acts as a mild narcotic drug. Entire communities in Latin America were economically hard hit, and

many moved away from coffee production because of negative returns.

The market has now recovered, with prices in the range of \$1.25 to \$1.50. And in recent years USAID has urged coffee growers to grow higher-quality Arabica coffee, for which the market and price continue to be strong (*see article above*).

A coffee plant grows in about two years and is easy to care for. The coffee bean grows inside a red cherry.

The easiest processing method, which usually fetches the lowest prices, is sun-drying. Cherries are left on the tree until the red pulp dries, shrinks, and is absorbed into the bean. Trees are shaken and beans collected from the ground, which diminishes the taste and lets the beans get dirty.

The beans are laid out on the ground or

over a mesh net, and left to dry in the sun for about nine to 12 days.

The processing method most often used for Arabica, which leads to tastier coffee, is wet processing. Cherries are picked while red, sorted, and run through a pulping machine, which removes skin and pulp that cover the bean but

leaves a paper-like “parchment” over the beans. The washed coffee is most often placed in a tank with water and left to ferment for 24–31 hours. It is then placed in the sun until appropriately dry.

Different processing gives the beans different qualities, aside from taste. Arabica, for instance, stores well because the bean remains wrapped within a parchment that covers the bean. ★



Bolivian Coca Farmers Switch to Fine Coffee Growing

LA PAZ, Bolivia—Just before last Christmas, Yolanda Condori sold 10 bags of coffee weighing 154 pounds each for \$7.30 per pound. This meant starting the year rich, considering that two years earlier she was selling her coffee at 25 cents per pound.

Condori is one of thousands of Bolivian coffee growers participating in an eight-year USAID project that began in 2002 and aims to change the image of Bolivian coffee abroad. The country has a reputation for substandard coffee, sometimes called “surprise” coffee. Most of Bolivia’s coffee exports are bought by the U.S. prison system.

The alternative development program—which tries to encourage farmers growing coca plants to make cocaine to switch to growing coffee—aims to reach and increase earnings for some 30,000 coffee-growing families.

Most of Bolivia’s coffee plants are of the highly prized “heirloom” Arabica varieties. The coffee is grown in high mountain valleys under favorable agroecological conditions.

Yet Bolivia was turning out lousy coffee.

The mission brainstormed and decided that coffee was never meant to scale mountains. Bolivia is the only area in the world where coffee leaves the farm at 3,960 feet and has to climb into the mountains to reach its market. Coffee must traverse the Andes through a 15,000-foot high, glacier-guarded mountain pass. During the 1-hour drive, the coffee endures plummeting air pressure, relative humidity, and air temperature, factors that degrade the bean’s quality.

The program’s first approach was to shift farmers to selling ripe cherry coffee directly to trained coffee processors. This allows for good quality control systems for processing. It also allows growers to harvest more coffee because they are freed from their rustic form of harvest processing. Farmers get cash on delivery, instead of waiting months to be

paid for their semi-processed coffee. Because their coffee beans are of better quality, they also earn significantly more.

The second pillar of the program calls for the completion of all coffee processing and drying in the Yungas before the beans are transported across the Andes Mountains. The program supplies dryers to the Yungas farmers, and now they process the coffee where its humidity content is lower and more stable. This preserves the natural high quality and eliminates the need to send the beans to an altitude of more than 13,000 feet for processing.

USAID also helped the farmers develop and carry out a marketing plan. For the harvests of 2003 and 2004, the Agency held national cupping competitions, called “Cupping the Mountain’s Peak.” International coffee buyers were invited to judge coffee samples.

This year, Bolivia participated in the prestigious Cup of Excellence® program. The objectives of this cupping competition are to identify the very best coffees in the world, sell them at the very highest prices in the world via an internet auction, and ensure that most of the sale price goes back to the farmers who grew the coffee.



Green and red coffee cherries are often seen on the same tree. The red ones are ready to be harvested.

Eve Astid Anderson, www.eveanderson.com

Condori submitted one of the 13 coffee samples that, after exhaustive testing, were judged to meet the high quality standards for the Cup of Excellence® auction. Bolivian coffee at the competition sold as high as \$11.25 per pound—more than 10 times the world market price.

“The increase in prices paid to growers for selling high-quality cherry coffee has begun to transform the lives of thousands of families through significantly increased

income,” said project Chief of Party Bruce Brower. “In the first year of the program, coca farmers and other opponents were sabotaging processing plants and threatening to harm participants. The recent fantastic marketing results have created a huge farmer demand, leading almost 10,000 farmers to participate in the next growing cycle.”

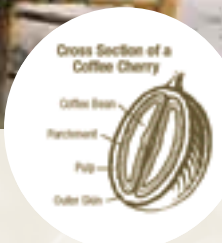
“Participation in the program helps cement Bolivia in the minds of coffee buyers as a quality source for coffee,” Brower added. ★

STAGES OF ARABICA COFFEE PRODUCTION

PICKING OVER RIPE COFFEE BERRIES



Arabica cherries are picked while red and sorted.



PULPING TO REMOVE OUTER SKIN



The coffee cherries are then run through a pulping machine, which removes skin and pulp that cover the bean but leaves a paper-like “parchment” over the beans.

FERMENTING AND DRYING



The washed coffee is most often placed in a tank with water and left to ferment for 24–31 hours. The beans are then placed in the sun and turned with a rake several times a day until dry.

ECONOMIC GROWTH, AGRICULTURE, AND TRADE

Loan Guarantee Project Stimulates Business Growth in Ethiopia



Women weigh freshly picked green beans that will be exported to Europe. The farmers are among 155 participating in a vegetable cooperative in Ziway, Ethiopia.

ADDIS ABABA, Ethiopia—Until two years ago, groups of coffee and grain farmers in this populous country could not access credit, which meant that they often lacked working capital and could rarely invest in new machinery or other improvements.

That has changed since a Development Credit Authority (DCA) project began working with Abyssinia Bank and Awash International Bank.

From September 2004 to March 2005, Abyssinia Bank lent more than \$2.2 million to 12 cooperative unions. During the same period, Awash lent \$520,000 to one cooperative union and an agroprocessor.

Maximum loans through the DCA—a mechanism that allows USAID to cover 50 percent of a loan in case of default—are \$750,000.

Short-term loans for up to a year are given for marketing activities in coffee; food grains; fruits and vegetables; livestock; and livestock products such as meat, milk, hides, and skins. Five-year loans are available for capital investments in six regions.

USAID/Ethiopia is currently developing a DCA program with a third bank to give loans to small and medium-sized businesses working in areas other than the four agricultural subsectors (textiles and garments, leather and leather products, tourism, and rural service providers), said John McMahon of the mission's economic growth team.

"Banks here tend to do collateral-based lending, which means that if you want a dollar, you have to put up three dollars as collateral, rather than saying, 'Is this a viable

business plan? What are the potential risks and rates of return?'" McMahon said. "So it becomes a burden for cooperatives and businesses to come up with collateral."

"What we are doing now is getting the banks to recognize that they are missing out on business opportunities. So they are now lending to agroprocessors and cooperatives, and we are getting them to reduce collateral requirements and increase loan periods," said McMahon.

USAID works with agroprocessors and cooperatives in business management, and helps them draw up business plans that show the viability of their enterprises.

At the same time, the Agency works with banks so that they consider the viability of a business rather than basing lending decisions on the amount of collateral.

"If we are going to achieve rural economic growth, we've got to get funding out into the rural areas for both operations credit and investment credit," McMahon said.

Giving loans to cooperatives ensures that at harvest time they can purchase lots of grain from individual farmers. Cooperatives can sell some of the product right away and store the rest for later, when they can fetch higher prices for the grain.

"If they get a higher price, a dividend is distributed to farmers," McMahon said. "It's really about getting the small farmer linked to the market so that he or she can get a better price for his or her product."

Members of some 332 cooperatives—or about 390,335 households—benefited from the DCA program last year. ★

GLOBAL DEVELOPMENT ALLIANCE

Alliance Works in Ghana, Niger, and Mali To Build Wells, Latrines

The West Africa Water Initiative (WAWI), created over three years ago, has brought clean water, improved sanitation, changed hygiene behavior, and improved water resources management to hundreds of rural communities in Ghana, Mali, and Niger.

Worldwide, nearly 1.2 billion people lack clean drinking water and 2.4 billion lack adequate sanitation.

Some 1.3 million children under 5 died from diarrheal diseases caused by unsafe water and sanitation in 2000 alone. Large percentages of these victims are in Africa, the world's poorest continent.

WAWI, a seven-year, \$42 million project, was founded by the Conrad N. Hilton Foundation, and has received \$6 million in support from several USAID offices, including the Office of Women in Development; the Global Development Alliance; the Bureau for Economic Growth, Agriculture, and Trade; and the Bureau of Global Health.

Since its launch, the program's 13 partners have been drilling wells, installing pumps, constructing latrines, teaching sanitation and hygiene, supporting small-scale agriculture and income-generating activities, and promoting sustainable natural resources management in the three poor West African countries.

World Vision, an international Christian relief and development organization, started the precursor to WAWI through the USAID-supported Ghana Rural Water Project in the 1980s.

"The expansion from Ghana to Mali and Niger was envisioned by the Hilton Foundation and its WAWI partners as a part of an ongoing effort to combat preventable water-related diseases, such as diarrhea, guinea worm, and trachoma," said Richard Stearns, president of World Vision.

WaterAid, an NGO, is also working in two WAWI countries, Mali and Ghana. Its work in Mali, for instance, is helping to bring water and sanitation services to low-income settle-

ments near the city of Bamako. The group is constructing 50 standpipe connections, 1,500 household latrines, and waste pits. It also runs awareness campaigns to encourage improved hygiene behavior.

"Where there is no clean water and sanitation, millions of children die each year, and millions of people become blind unnecessarily and suffer debilitating diseases," said Steven Hilton, president of the Conrad N. Hilton Foundation, which has committed \$18 million over seven years to WAWI.

Examples of other WAWI work include:

- UNICEF, which is providing school-based sanitation and hygiene promotion as well as developing community water sources
- Desert Research Institute, based in Nevada, which is training technicians in the science of locating water and analyzing hydrogeologic data and water quality
- Cornell University's International Institute for Food, Agriculture, and Development, which is conducting environmental conservation and land use planning programs as well as performing research
- Winrock International, which is developing market gardening projects with innovative irrigation technologies to raise incomes while managing water resources
- The World Chlorine Council, which is donating PVC pipe for community wells and also supporting communication efforts of the initiative ★



Ruth Takyiwa Sunkwa, 6, stands with her hand under her village's new water tap with her sister, Rebecca Agyeiwa. The water tap is the result of World Vision's Kasei Water Project. Last year, World Vision, a USAID partner, helped install a water system in three guineaworm-stricken villages in Ghana.

GLOBAL HEALTH

Health Teams Fight Serious Polio Outbreak On Three Continents



A child receives an oral polio vaccination in Yemen. Some 5 million children under 5 recently received the treatment, as polio has spread through the Middle East, Africa, and now Asia.

Polio, a disease virtually eradicated around the world, reemerged in Africa last year and has now spread to 16 previously polio-free countries in the Middle East and Asia.

Indonesia detected its first case of polio in April. By early July, there were 111 cases; in Yemen, about 300 cases were reported.

Yemen had not detected a case since 1996, and Indonesia had been polio free for a decade. Plans are now underway for immunization campaigns in both countries.

Polio most frequently afflicts children, causing muscular weakness and paralysis.

USAID and international and local health professionals in the affected countries are beefing up surveillance programs and starting massive immunization programs.

Genetic analysis by the World Health Organization (WHO) indicates that the virus originated in West Africa, and is similar to the virus that caused a polio outbreak in Nigeria in 2003 and 2004. Further analysis suggests the virus travelled to Indonesia through Sudan, and is similar to recently isolated viruses in Saudi Arabia and Yemen.

“We are all disheartened by the outbreak in Africa and the spread of polio to so many countries this year,” said USAID Global Polio Eradication Coordinator Ellyn Ogden. “But great strides have been made to turn the situation around. Let’s hope that this is the last outbreak—the last gasps—of a virus struggling to hang on.”

Increased surveillance is underway in Indonesia, the fourth largest country in the world, after identification of the nation’s first case in West Java province April 21.

Since 1998, the Agency has funded Indonesia’s disease surveillance system,

which was critical in detecting the first outbreak there in a decade, Ogden said.

USAID-funded surveillance officers conducted an outbreak investigation with the WHO following detection of the first polio case in Indonesia. The investigation confirmed an additional eight cases in neighboring villages during a three-week period.

With the WHO and the Indonesian Ministry of Health, the Agency also conducted an immediate outbreak response campaign, immunizing children under 5 in the province of West Java, where the virus broke out. The agencies also confirmed that the strain was imported from Africa, previously identified in Nigeria.

A followup campaign to vaccinate several million children across West Java, Banten, and Jakarta, is planned through the end of June.

USAID has contributed \$200,000 for these campaigns, on top of the \$500,000 already spent on surveillance in Indonesia.

Immunization campaigns were conducted in 23 West and Central African countries in February and March last year, targeting more than 80 million children and costing an additional \$100 million.

USAID contributed \$27.4 million for polio eradication in 2004. In the Near East and Asia, 200 million children will be immunized in repeated national campaigns between now and the end of the year.

USAID will provide \$32 million for polio eradication activities this year, in addition to \$100 million provided by the U.S. government through the Centers for Disease Control and Prevention. ★

DEMOCRACY, CONFLICT, AND HUMANITARIAN ASSISTANCE

Congress Approves \$25 Million to Fight Avian Flu in Asia

Millions of dollars in aid recently approved by Congress will augment USAID’s work to prevent and control the spread of avian influenza, or bird flu, throughout Asia.

On April 11 President Bush signed an emergency bill allocating \$25 million to fight the disease. USAID will use \$10 million and work with the U.S. Department of Health and Human Services (HHS) on managing the remaining \$15 million.

Through the Office of U.S. Foreign Disaster Assistance (OFDA), the Agency has pre-positioned some 10,000 sets of personal protective equipment—such as specialized suits, gloves, boots, masks, and eye protection—in Cambodia, Thailand, Laos, Vietnam, and Indonesia, countries that are considered at most risk of bird flu infection. The equipment can be used by healthcare personnel and agricultural workers to minimize exposure to the virus. This action was taken as a precaution in the event of a travel embargo that could result from an outbreak.

USAID has also provided funds to the World Health Organization to organize regional coordination meetings. The Agency has also begun developing a plan of action with HHS and the U.S. Department of Agriculture for surveillance and a possible pandemic response.

Bird flu is a relatively new disease affecting humans and animals. Since mid-December 2003, 10 Asian countries have reported outbreaks of the virus in poultry, including chickens and ducks.

The virus is highly contagious, and is

particularly lethal to domesticated birds. Thousands of birds have died of the virus. More birds have been culled as a measure to control the spread of avian influenza, and trade embargoes have been put in place.

Bird flu has also affected humans. As of May 19, the illness has killed 53 of 97 infected victims in Vietnam, Cambodia, and Thailand.

“The presence of human cases and the continual mutation of the virus have raised concerns that the current situation could lead to a pandemic if the virus develops the ability to spread efficiently from human to human,” said Samuel Levy of OFDA. “The three influenza pandemics in the previous century each killed 2 million to 50 million people worldwide.”

With the supplemental money coming in, the U.S. government is outlining three objectives in its fight against the bird flu:

- improving surveillance capacity of countries to detect the disease in humans and animals
- strengthening the capacity of countries to respond to outbreaks in humans and animals
- planning pandemic preparedness

In addition to the \$10 million in the emergency appropriations bill, the bureaus for Global Health and Asia and the Near East and OFDA spent about \$1.25 million on bird flu preparedness and response activities.

An Avian Influenza Working Group was created in March to develop and coordinate activities. ★



A market in Hanoi, Vietnam, with chickens, geese, doves, and rabbits. Close proximity of animals and humans contributes to the spread of diseases such as avian influenza. As of May 19, 76 of 97 reported cases of avian influenza in humans have occurred in Vietnam.

AFRICA

Uganda Roses Win European Award for Quality

KAMPALA, Uganda—Uganda's roses won the second highest honor at the most prestigious flower exhibition in Belgium.

The Uganda flower stand was visited by Belgian King Albert II and Queen Paola, Ugandan President Yoweri Museveni, and over 200 jurors from 30 countries.

It merited distinction for the "very high quality of the Uganda roses," said Keith Henderson, executive director of the Uganda Flower Exporters Association (UFEA), which USAID has been supporting through a competitiveness project.

The 33rd International Ghenter Floriales Exhibition and Trade Fair, which is held every five years, showcased exhibitions from 19 countries.

Holland took the first prize, while flower export giant Colombia came third, after Uganda.

Uganda's flower industry has come a long way since it started in 1992. Individual flower producers then attempted to penetrate a competitive international market and failed.

But with USAID assistance through agricultural development projects, Uganda's flower producers have become a market leader.

By 2001, the country was shipping out some 3,100 tons of roses and plant cuttings

valued at around \$18 million. In 2004, exports more than doubled to 6,500 tons, valued at \$32 million. The industry is still growing this year, with a 9 percent increase for the first quarter over the same period in 2004.

The demand for roses is higher than for most other flowers because roses grow well in Africa. They also generate more revenue per hectare than most other crops, particularly during the European winter.

In 2000, UFEA established a commercial research farm, in conjunction with major breeders and with some USAID funding, to identify additional varieties of roses and other flowers that can adapt to tropical production conditions. The quality of flowers has since improved.

The Agency also helped construct cold storage facilities, which keep the flowers fresh for a long period of time.

Olav Boenders, chairman of flower exporter Fresh Handling Ltd., the largest in Uganda, said: "With USAID assistance, we had immediate improvement in product handling and saw reduction in freight costs of about 30 to 40 percent."

USAID/Uganda supports the flower industry through its Strengthening the Competitiveness of Private Enterprise (SCOPE) project, which focuses on groups or "clusters" from the private and public sec-



A soil and peat cleansing bed in Uganda's flower industry.

tors who agree to "cooperate to compete." Together they create sector-wide business plans and marketing strategies to promote the emergence of competitive firms and industries.

"Investment in the flower industry and in other sectors will be attracted by an enabling environment," said UFEA's Henderson, noting that many foreign buyers are being lured to invest in Ethiopia by an attractive investment package offered by the government.

By working together, Uganda's flower producers are becoming a powerful lobby working for changes in government policies that help the industry.

"It's crucial," said flower grower Mark Graves. "We would not have had the vision and power to lobby government without SCOPE." ★

Kimberly Burns contributed to this article.

LATIN AMERICA AND THE CARIBBEAN

Nicaraguan Farmers Improve Plantain Quality and Increase Exports to U.S.

RIVAS, Nicaragua—The growing appetite for Latin American cuisine in the United States has some big-city restaurateurs reaching out to farming communities here and elsewhere throughout Central America for authentic ingredients.

Michigan State University (MSU) and USAID are working together to help Nicaraguans meet the growing demand by increasing production of plantains, a starchy relative of the banana that is used in dishes like sancocho, a traditional soup that is showing

up on menus at eateries in the United States.

Plantains are also increasingly common fixtures in produce bins of large U.S. supermarkets and Hispanic grocery stores called bodegas.

In 2003, the United States imported 560 million pounds of plantains, up 18 percent from 2000, according to census figures.

The greenish-yellow fruit is grown in tropical areas of Latin America, where USAID has made developing niche agriculture products an increasingly successful endeavor.

"The Latin America and the Caribbean regions' seasons often complement the agricultural patterns of U.S. farmers," said Adolfo Franco, USAID assistant administrator for Latin America and the Caribbean. "With an estimated annual U.S. sales potential of 12 million pounds of plantains, USAID is fueling new work opportunities in Nicaragua and helping to position Central America farmers as a major source for a growing appetite for Latin food products."

The partnership provides management training in modern agriculture techniques in Nicaragua and brings plantains to new markets.

The effort began by helping 49 plantain farmers in Nicaragua's southern department of Rivas meet quality export standards through improved crop management and

processing. An estimated 20,000 hectares in the region are currently under cultivation with plantains.

The partnership also supervised construction of a packing plant, where trained personnel introduced quality and sanitation control procedures. A second plant, financed by the project, opened in November 2004.

"Before the project, many of the plantain fields in Nicaragua were neglected, producing small yields and underutilized plantains," said Steve Olive, trade and agribusiness office chief with USAID/Nicaragua. "As a result of the partnership, we're seeing higher standards, a more efficient crop, and a promise of new growth opportunity among Nicaraguan farmers."

Nicaragua's first container of plantains shipped to Miami through Tropical Commodities, a whole produce distributor, in May 2004. Since then, more than 80,000 pounds of Nicaragua plantains have been exported weekly to new markets, including Miami, Tampa, Chicago, Houston, New York, and Washington, D.C.

"Already the program has generated 200 new jobs," said Tomas Membreño of MSU. "As demand grows from the current 80,000 pounds to an expected 160,000 pounds per week, the number of jobs created by the partnership could reach 500." ★



With technical and market assistance from USAID, a group of Nicaraguan farmers is producing plantains that meet international quality standards for export. Here and in other Central American countries, production of the fruit—a starchy relative of the banana—is increasing to meet the rising international demand, including in the United States.

ASIA AND THE NEAR EAST

India's Homeless Children Rescued by Trust

NEW DELHI—Raju, 14, came to Delhi from his homeland, Nepal, to work as a servant, but he was mistreated by his employer and ran away. He was living on the streets until workers from the USAID-funded Saalam Baalak Trust rescued him, providing both food and shelter. Raju was one of 150,000 youngsters living on the streets of New Delhi.

India has taken significant steps in recent years to ensure the basic rights of children. Infant mortality rates are down, literacy rates are up, and school dropout rates have fallen. Several constitutional provisions protect children.

But the task of providing education, resources, protection, and healthcare for 375 million children—millions of whom live on the streets—is daunting.

To help poor and homeless children, USAID funds health and education programs and efforts to counter human trafficking.

For instance, several times a day, the Saalam Baalak Trust sends workers to one of Delhi's train stations, where about 2,500 homeless children live. Each week, about 60 children are rescued and offered shelter, food, clothing, and medical care.

Through the trust, USAID/India also funds an HIV/AIDS prevention program and helped establish a shelter for runaway girls.

Since 2003, another program, STOP (Stop Trafficking and Oppression of Women and Children) has rescued some 500 women and children who were victims of trafficking. Some 200,000 girls have been trafficked into India from Nepal alone.

In the Hyderabad slum of Musheerabad, sisters Kathisa and Zareena Begum are attending high school because of the Child and Police Project, one of several USAID efforts totaling \$2.4 million in U.S. aid to mitigate child labor.

When the sisters' father died about 10 years ago and their mother could not support them, they had no choice but to go to work. Kathisa, then 6, made a thousand sticks of incense a day, bringing home about \$6 per month, while Zareen, 8, earned close to \$1 every five days rolling 800 cigarettes a day. A younger brother worked in the leather industry.

More than 71,000 children have joined school fulltime through the program.

"India's children are often its most vulnerable people," said USAID Mission Director George Deikun. "U.S. investments in India keep girls in school, return child laborers to classrooms, and boost the health and survival of needy youngsters. A better future for India's children is a better future for India."

USAID also supports a number of health programs in the region for mothers and their children.

When the mother of newborn twins in one southern India province was found to be feeding only the boy and not his sister, a community volunteer from a USAID-supported health project persuaded the woman to feed both children. Now she is among 7 million women in the program who are advised on child health monitoring, given daily meals, and offered access to education.

The project also helps reduce stigma associated with HIV/AIDS.

After Vadivelu Ramalingam delivered her fourth child, she discovered that the family carried the HIV virus. Her neighbors found out and shunned her. Her husband disappeared. But now a health volunteer through a USAID project lives in the Ramalingam home, cooks, and helps the mother with her new baby. This has shown the neighbors that the disease is not contagious through casual contact, and many have gone back to being friendly with Ramalingam.

In Chennai, formerly Madras, a USAID project provides shelter for 32 HIV-infected children. Though unusual in Indian culture, two mothers from a slum area have each taken a child after visiting the shelters.

"I just want to give her that motherly love," said Motcha Mary, who adopted a little girl. ★



Motcha Mary and her adopted baby girl, who is HIV-positive.

Virginia Foley, USAID

EUROPE AND EURASIA

Young Albanians Lead Tourism Campaign

TIRANA, Albania—Young Albanian painters and photographers want tourists to come and see how beautiful their country is.

A postcard competition held last year produced hundreds of postcards designed by young Albanians between 9 and 18 years

old that depict Albania's scenic countryside, quaint architecture, and colorful traditional customs. The cards are used in international fairs and tourism promotion events.

"The idea was for young people to design a postcard that presents the best of their home

community to the world," said Scott Wayne of the Enterprise Development and Export Market Services (EMEM), a USAID-funded project that backed the competition.

The first prize went to 17-year-old Arjan Kadillari from Berat. His postcard, depicting homes cast in a red sunset against a rugged mountain range, bears the title "Berat, one of Albania's pearls."

A southeastern European nation that is slightly smaller than Maryland, Albania shares a border with Greece, Macedonia, and Serbia and Montenegro. It also has a long and picturesque coast along the Adriatic and Ionian seas.

But Albania is not yet considered a tourist destination. What little foreigners know of the country is mostly negative, influenced by events such as the 1992 boat exodus to Italy or the political and economic chaos of the late 1990s.

Close to a decade later, the country is changed, Wayne said. The country has made significant progress toward democracy and a free economy, and some tourists—mostly Europeans—have started to come to Albania.

"One of Albania's greatest export potentials is the largely untapped tourist opportunities," Wayne said. "A key element in promoting Albanian tourism includes developing a positive image of the country through targeted marketing and promotion efforts."

Since 2003, EDEM has supported the

growth of business clusters in fields like tourism, and has worked with industries such as leather, foods, herbs and spices, and processed meats.

The project is one of many that USAID funds in the area of strengthening the competitiveness and increasing the exports of small and medium-sized Albanian businesses.

Hundreds of young people from 10 communities submitted 350 postcards for consideration. Entries were reviewed by a jury of tourism professionals who awarded digital cameras to the three first prizewinners. Four consolation prize winners took home 35mm cameras.

One of the first-prize winners, Bora Skënderi, 10, said: "Tirana is my home town, and I love it. Through my painting, I wanted to share a piece of its beauty, history, and life. I wanted to show the foreigners how beautiful Tirana is."

A runner-up, Jeta Deda, 14, also from Tirana, said: "We are many from our generation who want to show Albania to the world. Our country is full of tradition, history, and beauty."

The youngest contestant, who received a consolation prize, was Marjeta Teno, 9, from the southern city of Saranda.

Winning entries, posted in a photo album, can be seen online. ★

<http://www.Shqiperia.com/edemal/gallery>

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First-prize winner Bora Skënderi, 10, said: "Tirana is my home town, and I love it. Through my painting, I wanted to share a piece of its beauty, history, and life. I wanted to show the foreigners how beautiful Tirana is."

Albania Works to Join World Economy



TIRANA, Albania—In the wake of Albania's July 3 parliamentary election and pending official election results, tackling corruption and developing the national economy will remain top priorities.

"Albania is addressing corruption, but it is a hard and difficult process because it is deeply embedded as a way of life and doing business here," said USAID Mission Director Harry Birnholz. "It's a challenge to make [corruption] no longer acceptable behavior. And we hope that we are creating enough successful entrepreneurs to create their own momentum for real economic and social changes."

Albania—a southeastern European nation of 3.6 million people wedged between Greece, Macedonia, Serbia and Montenegro, and the Adriatic Sea—was under xenophobic communist rule for 46 years until 1991.

Since then, Albanian governments have faced high unemployment, widespread corruption, and dilapidated infrastructure.

But parliamentary elections in 2001 and local elections in 2003 were hailed by international observers as a step toward democratic development.

And the nation's average income has increased, marking a step towards economic development and integration into the Euro-Atlantic community.

"Albania has some key advantages for the region—its proximity to key European Union markets and several ports," Birnholz said. "It has a relatively low-cost and skilled labor force. But it has a terrible infrastructure, and lacks the judicial safeguards that encourage people to invest here."

With a staff of 32, USAID/Albania this year is carrying out programs in democracy, economic growth, rule of law, anticorruption, health, combating human trafficking, and promoting religious harmony. ★

FrontLines Acting Deputy Managing Editor Kristina Stefanova visited Albania recently and wrote this series of articles.



Capital: Tirana
Population: 3.6 million
Size: Slightly smaller than Maryland
Population below poverty line: 25% (2004 est.)
GDP per capita: \$4,900 (2004 est.)
GDP real growth rate: 5.6% (2004 est.)
Ethnic groups: Albanian 95%, Greek 3%, other 2% (Vlach, Roma, Serb, Macedonian, and Bulgarian)
Religions: Muslim 70%, Albanian Orthodox 20%, Roman Catholic 10%

Source: CIA World Factbook

Child Trafficking Victims Aided in Albania

ELBASAN, Albania—Dritan has begged, stolen, washed car windows, and sold everything from flowers to cigarette lighters on the streets of Greek cities. And on days when he did not earn 50 or 60 Euros, he was left hungry, made to sleep on the street, and beaten.

Dritan (not his real name) is one of hundreds of Albanian children who have been trafficked abroad—mostly to Greece and Italy—where they are forced to beg or work. Older girls are often forced into prostitution, while boys may get involved in organized crime, selling drugs or running rings of younger victims of trafficking.

"These children are typically Roma, or Gypsy, from poor families," said Edlira Bashmili of the NGO Terre des hommes (Tdh), which implements an antitrafficking project funded by USAID and other donors. "These families are approached by a neighbor or friend of the family.... They say, 'I'll take the child, and you'll get \$100 per month. The child will have a good life, and it will solve your economic problems.'"

In reality, children are mistreated and made to live on the streets, while parents rarely get any money, said Bashmili.

The program, Transnational Action against Child Trafficking (TACT), teaches thousands of elementary school children about the dangers of trafficking. TACT workers visit elementary schools in Elbasan once a month to show testimonial videos of trafficked children. They distribute pamphlets with stories of boys made to beg on the street and talk to students about their feelings on the subject.

TACT operates in half Albania's districts, and has reached some 25,000 children with its antitrafficking message.

In Elbasan, the third largest city in Albania, most of the poor are from gypsy communities on the outskirts of town, Bashmili said. Here, hundreds of families live in cramped quarters with no running water or power. Tdh field staff regularly visit these quarters looking for children at risk or living in the streets to help them reintegrate into school.

Tdh is currently monitoring Arben (not his real name), 9, who was trafficked to Greece. The boy's father was a drug dealer and user, and his mother is in jail. Arben lives in a two-room home—which lacks a toilet or shower—with his grandparents, aunt, and 11 other children. About half his cousins are not registered with the city, so they cannot attend school, get healthcare, or receive social services.

The family receives flour, oil, rice, school clothes, and books from Tdh staffers, who monitor Arben's whereabouts and encourage his school attendance.

Through a different NGO, Tjeter Vizion, USAID helps trafficked children return to a normal life. Some are reunited with their families. Those who have suffered severe trauma are placed under the NGO's legal custody.

Tjeter Vizion, which is funded through the Coordinated Action against Human Trafficking Project, runs a residential center, community daycare, and secure apartments for minors in difficulty, including trafficking victims. It helps younger children with school work, while older children are trained in vocations like plumbing or hairdressing.

The NGO collaborates with local police, hospitals, and social services to look for alarm signs—such as poverty, unemployment, fractured families, abuse, alcoholism, or drug addiction—to identify minors who need assistance.



During a monthly visit of workers from the Transnational Action against Child Trafficking program, a boy in an Elbasan elementary school reads through a brochure educating children about the dangers of trafficking. The brochure tells the story of a boy who is taken abroad, made to beg and steal, and is mistreated. As his misery unfolds, the boy begins to resemble a robot rather than a little boy, as do other trafficked children portrayed in the brochure.

Tdh referred Dritan, now 14, to Tjeter Vizion, who placed him in a secure apartment. Dritan has been living there for the past year and a half and is training to be a car mechanic.

He was 6 the first time he was trafficked to Greece. He fell into the hands of traffickers while visiting his grandmother in the port city Durres. He and several other children endured a grueling eight-day hike across the mountains into Greece.

Dritan spent two months working the streets of Volos in northern Greece. A tutor, as the trafficked children's keepers are known, kept telling Dritan, "You must earn money every day. Don't come back otherwise." He also recalls being told, "You must work because we send your mother money."

When a child returned with less than 50 or 60 Euros, he or she was beaten or burnt with cigarettes. Often the kids went hungry.

Because some kids were too young to care for themselves, the tutor's wife washed their hair, Dritan said.

"One day it was raining," he recalled, "and I really wanted to go back to Albania and my mother. So I told one boy 'Give me some money, please, I want to go back.'"

Dritan made it home, but it wasn't long before he took to the streets. His parents were divorced, and his mother "brought clients" to the house, which made all three of his siblings avoid home.

When he was 7, Dritan was once again picked up by traffickers, who this time smuggled a group of children into Greece with fake visas. Dritan worked the streets of Athens for two and a half years. He was beaten and scarred with a hot iron. He was arrested a couple of times, but always let go. Eventually, he took a bus back to Albania. Identified by Tdh staff, he was soon referred to Tjeter Vizion.

Trafficking of persons is an international human rights violation and illegal under Albanian and international law. In Albania, convicted traffickers can be sentenced to up to 15 years of prison. But conviction rates remain low. ★



Nebi Mustafai, 52, worries about his grandson Arben (not his real name), 9, who was trafficked to Greece. The boy's father is a drug dealer and his mother is in jail. Mustafai says he lives in fear that one day his son will come and take Arben back to Greece and force the little boy again into living and begging in the streets.

Loans Help Small Businesses Increase Products and Workers

SHKODER, Albania—Viktor Marku's towels are used throughout Albania, Kosovo, and Montenegro. As the only Albanian towel producer, Marku accounts for a quarter of the domestic market and has a slowly growing presence abroad. In eight years, his business, Florjan-V sh.p.k., has doubled in size and now employs 12 workers.

"This is a business that has a market because the consumption is good," said Marku, while surveying his factory's humming looms and workers who are cutting and packaging towels of all sizes and colors. "You eat at least three times a day, so you'll use a towel at least six times a day."

USAID's Small Business Credit and Assistance project (SBCA) backs the sentiment, and is helping Marku expand his sales through loans and technical assistance.

Three years ago, Marku borrowed \$30,000 to repair some equipment that helped him double towel production. He paid off the loan last spring, and borrowed another \$60,000 to buy a generator and a minivan to deliver towels to his retailers and wholesalers.

"Marku is the perfect example of the businessman that we are trying to and can help," said Jeff Houghton, chief of party of SBCA.

The project has provided credit and technical assistance to more than 4,000 businesses in 33 of Albania's 36 districts since March 2002. Loans, which are repaid within two years, have gone to businesses for help

in creating new products, adding employees, or purchasing and repairing equipment.

SBCA has also offered technical assistance to entrepreneurs like Hilmi Brace, the owner of Albania's only recycled paper processor, Hermes sh.p.k. His company, based outside the city of Fier, produces toilet paper and cellophane tape out of the recycled paper, and is about to branch out into paper napkins and towels.

Brace needed to borrow more than the maximum \$50,000 SBCA loan. He went to other local banks, but they were not convinced that this was a bankable project. So he used SBCA's help to draft a business plan that he could present to banks and convince them of his plans to purchase new equipment.

"Up to yesterday, not a single bank would lend me money," he said. With the new business plan in hand "banks are fighting each other to give me a loan." Brace recently received a \$250,000 loan from Procredit Bank.

SBCA works with small and medium enterprises focused on manufacturing and agrobusiness. In its early years, its main goal was to offer credit and general business development support. Now the project is more focused on providing a small number of businesses more specific aid, such as help in developing new products and learning how to better market their products.



A worker at Florjan-V sh.p.k. tends a massive loom that produces towels. As the threads stream from the top of the machine, they are woven into giant textiles, which will eventually be cut into individual towels.

Marku, for instance, is being advised to invest in a computerized accounting and production control system that will enhance the quality of his product and, hopefully, make it appealing to consumers abroad.

Following advice from SBCA, he has also added Florjan-V labels to his towels

and is now using some new patterns and designs.

"This project is all about getting Albanian products into Albanian stores," said Houghton. "And consumers are demanding these days, so we have to make products as attractive as possible." ★

Public Officials in Albania Face Fines, Dismissal

TIRANA, Albania—Last year, Albania sacked a high-level official from the Transportation Department after an audit of his assets revealed he owned the country's largest asphalt company. And in the months leading up to the July 3 parliamentary elections, journalists discussed the assets of public officials on the ballot.

"There are some blatant conflicts of interest here...This was a very closed society, so the concepts of transparency and accountability are just not accepted or understood," said Andrew Pentland, senior anticorruption

specialist advising Albania's newly formed High Inspectorate on the Declaration and Audit of Assets (HIDAA).

HIDAA, which was created on legislation recommended by a USAID-backed NGO coalition, is the first of its kind. It audits all public officials at two-year intervals. Its mandate was recently enlarged to include the implementation of a new conflict-of-interest law, also drafted with U.S. assistance.

USAID has provided computers, scanners, and other equipment. It has helped design declaration forms, and put in place a state-

of-the-art information management system that includes an official website. The Agency is also training inspectors and providing on-site technical assistance to HIDAA through experts like Pentland, who works out of an office in the High Inspectorate's sleek new headquarters.

Fatmira Laskaj, a former judge who now heads HIDAA, has handed over cases of conflict of interest or suspicious assets to the Prosecutor General's Office. As a result, some officials have been dismissed and others prosecuted.

In May, two months after the official deadline for asset declaration submissions, Laskaj issued fines to 84 public officials who were late with their submissions.

"It is difficult to change the attitude of officials to declare their assets," Laskaj said in an interview with *FrontLines*.

But attitudes are changing, said Pentland. "You often feel like you're getting nowhere, but then someone comes a month later and says 'That was a great idea,' and does what we suggested," he said.

Another sign of change is that journalists have been asking for the records of public officials leading up to parliamentary elections, Pentland said.

Albania loses about \$1.2 billion per year because of graft and unpaid taxes, according to a recent World Bank study.

Obtaining a business license or other documentation can be a lengthy and costly process. The regulatory system is not transparent, and often businesses have difficulty obtaining copies of laws and regulations.

Technology Boosts Healthcare in Albania as Doctors Focus on Prevention

LAPARDHA, Albania—Dr. Ajet Veleshnja is high-tech for a general practitioner (GP) in rural Albania. He uses a laptop to keep track of his patients' records, and he recently invested in ultrasound equipment that allows him to diagnose all sorts of ailments.

"We should not just focus on the curative," said Dr. Veleshnja, echoing the sentiment behind a USAID project that strengthens primary healthcare through Albania. The effort aims to empower GPs and refocus their work from curative to preventative care.

In the years since communism collapsed in Albania, healthcare centers

have suffered. Doctors fell behind on medical techniques, equipment became obsolete, and recordkeeping was poor. At the same time, more specialists started practices, attracting patients who believe that specialists provide better care. Patients also try to save money by only going to a doctor once, when they are sickest. This has skewed the healthcare system and largely demoralized GPs.

Since 2001, USAID has been trying to improve the system.

Now GPs like Dr. Veleshnja have been trained in recordkeeping, case management, and budgeting. In a health



A popular poster around Tirana, which urges Albanians not to trade their rights for money. Its 24-hour hotline can be used to report instances of corruption.

Rules are also often inconsistent, leading to unreliable interpretations.

USAID provides training, technical assistance, and small grants to anticorruption NGOs such as the Albanian Coalition Against Corruption and the Citizens Advocacy Office. The Agency also supports judges and chancellors' associations with binding codes of ethics and tries to strengthen the enforcement of judicial judgments. ★

Report Identifies Benefits of Business Reform

Despite political turmoil, more new companies were registered in the first three months of this year in Serbia than in the same time period last year, helped along by business reforms supported by USAID and the World Bank.

The number of new businesses jumped 42 percent, making Serbia the top performer in this year's *Doing Business* report, an annual World Bank document that focuses on five basic indicators of the regulatory environment affecting small and medium-sized businesses.

Among the factors it looks at is the number of days it takes to start a business, difficulty in contract enforcement, and labor restrictions. The report measures these factors in a standardized way that allows comparisons across countries.

The World Bank is involved in 42 reform projects around the world. USAID, in collaboration with the World Bank, is the main supporter of reforms in five of the 10 top countries: Serbia, Egypt, Georgia, Romania, and Kazakhstan.

Eight countries have completed reforms, while reform is ongoing in 13 others, said Simeon Djankov, a senior World Bank economist who heads the *Doing Business* project.

TOP 10 BUSINESS REFORMERS, 2004–05

Serbia	Romania
Slovakia	Egypt
Germany	Finland
Kazakhstan	Georgia
Latvia	Rwanda

Types of reforms include starting a business, hiring and firing, enforcing contracts, getting credit, registering property, paying taxes, trading across borders, and closing a business.

Source: World Bank

The payoff from easing business entry is substantial, as seen in Serbia.

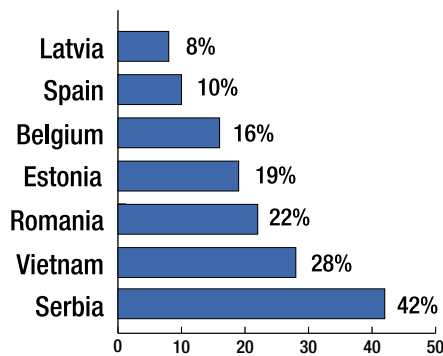
Vietnam this year also moved ahead, with a 28 percent gain in the number of new business. Romania jumped by 22 percent. Reform intensity was lowest in Africa this year, as it was last year. Breakthroughs have occurred in the Middle East, notably in Egypt and Jordan.

Reformers in the bottom quartile attained 1 percent growth between 1994 and 2004. Had reforms been undertaken in these countries to reach the same level of reform in top quartile countries, an additional 2.2 percent annual growth would have been achieved, the report estimates.

The focus of Djankov's research and the World Bank's reform efforts is that a macro approach must be complemented by "micro policy" reform—policies that create an enabling environment for business and ease the way for business formation, development, and investment.

Businesses in poor countries face significantly larger regulatory burdens than those in rich countries. In administrative costs alone, there can be as much as a threefold difference between poor and rich nations.

INCREASE IN NEW COMPANY REGISTRATION, 2004–05



Source: World Bank



Clothing retailer Gezim Neziri and his wife, Sofia, credit a USAID/Albania microloan program for their transition from poverty to prosperity. Over 220 Gypsy clients in Albania have grown their businesses by borrowing capital from Albanian Partners in Microcredit (PSHM), a local institution funded by USAID. "Without the loan from PSHM, I would still be in the streets," says Gezim. "Now I have enough money to buy a department store, hire more people, and provide for my children until I am an old man."

The number of administrative procedures and the delays associated with them are twice as high in poor countries.

A hostile business environment forces individuals and firms into the informal sector. This inhibits countries from collecting substantial revenues that could be put to good development use supporting health, education, and other public services. It also keeps some of the more enterprising individuals in developing countries marginalized, Djankov said. The benefits in legitimizing these workers and businesses are incalculable, he added.

The *Doing Business* report builds on noted economist Hernando de Soto's work, which shows that while it is critical to encourage registration of assets, it is equally important

to stop people from slipping back into the informal sector.

A year ago, the 80 missions around the world where USAID operates were asked to inventory all the commitments they were making to microeconomic reform. More than 600 activities were reported, and Administrator Andrew S. Natsios has indicated his commitment to expand and accelerate this work.

Djankov gave a preview of the 2006 report, which now tracks 11 indicators and charts the pace of micro reform around the world. This report, subtitled "Creating Jobs," is designed to demonstrate the benefits of reform in the most concrete terms. It is scheduled to officially appear September 14. ★

Q & A: The *Doing Business* Project

Simeon Djankov, a senior economist at the World Bank, is the team leader of the *Doing Business* project. He has been involved in privatization and enterprise restructuring projects in Belarus, Bulgaria, the Czech Republic, Georgia, Kazakhstan, the Kyrgyz Republic, Moldova, Romania, Russia, and Slovakia.

Here are some frequently asked questions about the project and Djankov's work in international business development.

Q Could you summarize the significance of your paper?

A Starting new businesses has been identified by many governments as a top policy priority. However, the focus has been on easier access to finance through special microfinance schemes. We instead study the regulatory barriers to entry and show that they are insurmountable in many countries around the world. The result: people either don't try or they start businesses in the informal economy.

Q Is the answer to rewrite the existing regulations?

A There is little reason why business entry should be heavily regulated. Yet many countries in the world impose burdensome regulations in the name of improving consumer welfare. We find the only effects of such regulation are higher costs on business and increases in the informal economy. The only beneficiaries are incumbent businesses and the bureaucrats themselves.

Q How are economies selected for the *Doing Business* project?

A The *Doing Business* project covers 145 countries. These include all economies with populations over 1.5 million, except for the International Development Association's inactive borrowers (Cuba, Korea, Democratic People's Republic of Korea, Liberia, Myanmar, Somalia, and Sudan) or countries or territories that are or recently have

▼ Q & A CONTINUED ON PAGE 13



A business training program in 2003 provided Victoria Nikitina with the skills and support she needed to launch her successful mini-bakery, Doctor Bread, which has since expanded to four locations in Donetsk. More than 1,000 entrepreneurs have begun or expanded their businesses with help from the USAID/Ukraine-supported Women's Economic Empowerment Project, which has trained 13,000 participants on business management and marketing principles, offered access to credit, and disbursed small grants to increase economic opportunities and effect policy changes at the local and national level. "The training at the business center gave me a powerful incentive to move forward. Thanks to the center, I understood that I can make my dream come true," Nikitina said.

Agency Primer Debuts

WASHINGTON—*USAID Primer: What We Do And How We Do It* is now available. The 36-page booklet is an introduction to the Agency, and explains its internal



doctrines, strategies, operational procedures, structure, and program mechanisms.

It is geared to new USAID employees, employees of other federal agencies, partner organizations, and congressional staff.

Printed copies are currently in limited supply. The publication is also available online.

www.dec.org/pdf_docs/PDADC100.pdf

USAID Supports DRC Election Preparations

KINSHASA, Democratic Republic of Congo—The Independent Electoral Commission here began a three-week pro-

cess of registering voters in the capital June 20. Voter registration will be expanded to other provinces by mid-July.

While no official timetable has been announced, elections will likely be held sometime between March and May 2006. The constitutional referendum is scheduled for November 2005.

USAID is providing material and technical assistance in preparation for the elections.

Chevron Partnership Formed in Indonesia

WASHINGTON—USAID and Chevron Corporation have announced a \$10 million public-private alliance to support immediate and long-term vocational training needs in Indonesia after the December 2004 tsunami. The partnership, announced May 26, calls for Chevron and USAID to commit up to \$5 million each over the next two years.

The program will increase the involvement of Acehnese in the reconstruction process. Training will be provided in construction skills, teaching, and community development at a vocational facility in Riau province.

This is the second partnership between Chevron and USAID. In 2002, the two

formed an alliance to revitalize the peacetime economy of Angola.

Branding Campaign Honored

MCLEAN, VA.—USAID's new branding campaign earned two top honors from the 2005 M Awards, an annual competition from the Washington, D.C., chapter of the American Marketing Association that recognizes regional marketers and their successful initiatives.

JDG Communications was named 2005 Marketer of the Year for the branding campaign it designed for USAID. The Marketer of the Year Award goes to the entry that receives the highest overall score. JDG also won the Global Award for the USAID campaign. Winners were announced at a gala here May 19.

Entries were judged on business objectives and marketing obstacles, campaign details, creative strategy and innovative execution, effectiveness, and return on investment.

Agency Supports South African Explorer

WASHINGTON—USAID is supporting South African explorer Kingsley Holgate's "African Rainbow Expedition" to prevent

malaria. Holgate will travel thousands of miles in the next year, distributing insecticide-treated mosquito nets, antimalaria products, and information leaflets on preventing malaria infection in rural villages in seven countries throughout Africa.

The expedition began in South Africa June 10, and will continue through Mozambique, Zambia, Malawi, Tanzania, Kenya, and Uganda through July 2006.

USAID staff in Mozambique is providing support during Holgate's time in the country.

In recent years, USAID has more than quadrupled funding for malaria activities and programs—from \$22 million in 1998 to roughly \$90 million in 2005.

"We are very excited for USAID to have this opportunity to join forces with the Holgate team, who share our passion to save as many lives as possible from malaria," said Dr. Kent Hill, acting assistant administrator for Global Health. "The thousands of families he will meet will not only learn how to prevent and treat malaria, but will also be provided bednets so children and mothers will not get sick or die from this terrible disease." ★

Q & A: The *Doing Business* Project

▲ FROM PAGE 12

been in a military conflict or where data are unavailable (Afghanistan, Eritrea, Iraq, Libya, Tajikistan, Turkmenistan, and the West Bank and Gaza).

Q What differentiates *Doing Business* from other business environment surveys or polls?

A Existing surveys and analyst polls are usually perception-based and target large institutional investors, executives of multinational corporations, and global lenders. The indicators presented and analyzed in *Doing Business* take a new approach. They are based on factual information concerning laws and regulations in force. The focus is on domestic, small and medium-sized companies. The methodology builds on extensive and detailed information on regulations, which helps governments identify specific problems and design reforms. The data collection process is transparent and easily replicable, allowing broad country coverage, annual updates, and ready extension to new locations.

Q How does the *Doing Business* data help in designing reforms?

A The analysis in *Doing Business* has direct relevance for policy reform. It reveals the relationship between business regulation indicators and economic and social outcomes, allowing policymakers to see how particular laws and regulations are associated with poverty, corruption, employment, access to credit, the size of the informal economy, and the entry of new firms. Also, the analysis provides guidance on the design of reforms.

The data offer a wealth of detail on the specific regulations and institutions that enhance or hinder business activity, the big-

gest bottlenecks causing bureaucratic delay, and the cost of complying with regulations. Governments can identify, after reviewing their country's *Doing Business* indicators, where they lag behind and what to reform.

Q Could you describe your relationship to USAID?

A Our cooperation with USAID started last year by including several post-conflict or small countries in this year's analysis—Afghanistan, Iraq, East Timor, Eritrea, Guyana, São Tomé, and West Bank and Gaza. The inclusion of these countries will inform reform efforts. In fact, some of the early work in Afghanistan with the USAID field office there has resulted in changed priorities—for example, in a new emphasis on establishing a credit registry.

Another part of the cooperation is joint dissemination events. We did one in Croatia last November, Mexico in December, Afghanistan in January, Paraguay in March, and Zambia in June. Indonesia is in August. These events generate a lot of media attention on improving the business environment; in Paraguay we had 28 media pieces. Overall, the second *Doing Business* report has had over 1,250 media articles, which helps push for reforms.

Q In what ways might this collaboration be strengthened in the future?

A One way is to focus further on postconflict countries. A number of them—for example, Sudan—have requested our advice. We now have sufficient experience and analysis to start prioritizing reforms based on what other countries have done successfully and our assessment of the country's needs.

Here, working with USAID is crucial, as its staff frequently has the most experience

in many types of reform. One example is business registration. Another is in improving the enforcement of contracts. No other development agency comes close. And success depends on having good analysis (*Doing Business*) and experienced implementers (USAID).

Q Are there best practices in business regulation?

A What works in developed countries often works well in developing countries too, defying the idea that "one size doesn't fit all." But reform options are not always the same across rich and poor countries. In such instances, developing countries could simplify the models used in rich countries to make them workable with less capacity and fewer resources.

Moreover, the good-practice examples presented in the *Doing Business* report are not limited to rich countries or countries where comprehensive regulatory reform has taken place. The report provides many examples of successful reforms in developing countries in some areas of business regulation.

Q USAID recently rolled out an anticorruption strategy. Talk about the relevance of your research to corruption.

A There are two types of corruption: the grand corruption that goes to the top of the government and the petty corruption of government officials who extract bribes for rendering public services. Making regulation simple, which is the focus of *Doing Business*, can significantly reduce the latter.

If, for example, you make business or property registration electronic, there is no need to meet a public official in person, and hence no opportunity to extract a bribe. You can think of various procedural requirements

as tollbooths: at each a public official may ask for a bribe. The fewer tollbooths, the less corruption. A number of surveys report this connection, for example, in streamlining company registration in Vietnam.

For reducing grand corruption, you need a freer media and more transparency in government.

Q Who uses the *Doing Business* findings?

A Policymakers, the aid community, investors, and researchers use *Doing Business* indicators and analysis to benchmark countries on their regulatory environment for business, assess the impact of laws and regulations on business activity, make informed decisions regarding policy reform and private investment, identify best practices in regulatory reform, and support research on institutions and regulation.

Q You started your report with five indices of the business environment. You now have 11. Are you working on others?

A This year we are including "paying taxes" and "trading across borders." In June, we presented the project to the World Bank board and asked for guidance on future expansion. The topic that came high on most lists is corruption in business transactions. We will likely include it within the next two years. Another topic is infrastructure for business—electricity, water, and telecommunications.

The main priority for *Doing Business* now is to work with partners, not only on disseminating reforms but also seeing them through—helping to implement them. This is where the cooperation with USAID is strategic. We won't succeed without it. ★

May 1 to June 11, 2005

REASSIGNED

Sandra Amin
AA/LAC to M/HR/EM

John L. Anderson
Uganda/PPD to ANE/TS

Roger A. Bloom
EGAT/AG/ARPG to E&E/EG/MT

Donald J. Brady
Nigeria to Afghanistan/OM

Caroline B. Brearley
Bosnia Herzegovina to COMP/FSLT

Sherry F. Carlin
West Bank/Gaza to Pakistan/OD

Shannon M. Darcy
AA/LPA to GH/OHA/IS

Markus D. Dausses
COMP/NE/OJT to Afghanistan/OM

Mary J. Dostert
E&E/EG/MT to EGAT/DC

Peter G. Downs
ANE/SAA to Afghanistan/OPPD

Matthew R. Drake
OIG/AFR-ANE to RIG/Cairo

Yvette M. Feurtado
Colombia to Iraq/OAA

Christian G. Fung
COMP/LWOP to COMP/FS

Kerrin Lyle Goodspeed
DCHA/FFP/EP to M/OAA/CAS

Steven K. Gale
AID/W Temp Ceilings to AA/PPC

Dale J. Gredler
COMP/NE/OJT to Indonesia/OP

Martin Edward Hanratty
EGAT/PR/PASSN to Iraq/OMD

Tujuana Howard
AA/E&E to GH/SPBO

Deborah Ann Hymes
M/IRM/TSI to M/IRM/CPFM

Sean M. Jones
Jordan/EO to Iraq/HEO

Barbara J. Krell
COMP/FS to Afghanistan/OM

Rebecca J. Krzywda
COMP/LWOP to El Salv/CONT

Julian Armand Lanier
M/FM/CMP to PPC/RA

Jeffrey R. Lee
Caucasus to EGAT/AG/AM

Dawn M. Liberi
Nigeria to Iraq/OMD

Manuel Marroquin
RCSA/RCO to Haiti/D

Rosella Marshall
M/OAA/DCHA to M/OAA/POL

Christopher B. McDermott
Pakistan/OD to GH/OHA/IS

Nils Mueller
COMP/NE/OJT to Senegal/CONT

Tanya J. Nunn
GC/AFR to Iraq/OMD

Thomas Michael Olson
EGAT/AG/AM to Fry

James E. Painter
PPC/RA to AA/PPC

Sally Jo Patton
COMP/FS to AFR/DP/POSE

Susan P. Pologruto
DCHA/PPM to DCHA/DG

Patricia L. Rader
EGAT/PAICO to Pakistan/OD

Gerald C. Render
M/OMS to Afghanistan/OM

Gary Robbins
Egypt/EG/ED to Egypt/PSD

Muneera Salem-Murdock
PPC/DCO to PPC/DCO

Frederic G. Scott
WB/Gaza to Afghanistan/OPPD

Shelia E. Scott
ANE/SPO/SPPM to ANE/SPO/B

Joseph C. Williams
ANE/TS to M/HR/TE

IN MEMORIAM

Paul des Rosiers, 68, died May 3 in Arlington, Va. Des Rosiers was an environmental protection specialist in the Bureau for Economic Growth, Agriculture, and Trade's Office of Environment and Science Policy. He joined the Agency in 1997, and oversaw environmental impact assessments to prevent contamination from hazardous and toxic wastes in developing countries. Though based at USAID/Washington, des Rosiers traveled the world, meeting with officials as well as villagers who lacked electricity or running water in their homes. As one of the Agency's senior environmental professionals, des Rosiers also served as a mentor to new environmental officers. Before joining USAID, he spent 21 years with the U.S. Environmental Protection Agency.

Jerry Fink, 79, died May 3 in North Huntingdon, Pa. From 1974–80, he worked for USAID, serving as the legal advisor for the International Narcotics Control Program in Thailand, Burma, Mexico, and Colombia. He also served as legal advisor to the Office of Contract Management and the Office of Housing Loan Guarantees for Lesser Developed Countries. From 1980–81, he served as legal advisor to the Sinai Support Mission, supporting the Sinai Field Mission Observers and electronic sensor surveillance in the Sinai. From 1981–84, he served as deputy general counsel for the Multinational Force and Observers, an international organization, and the U.S.-Egyptian-, and Israeli-sponsored peacekeeping operation in the Sinai at its headquarters in Italy. He retired in 1984.

James Ford, 83, died May 18 in Washington, D.C. Ford joined the agency that preceded USAID in 1952, and began his foreign service career in Libya as a livestock officer. He also worked in Nigeria, where he was the chief food and agricultural officer. Later, he was posted to Brazil and The Gambia. He retired from USAID in 1975. Ford held a bachelor's degree from Florida A&M University and master's degrees in animal science and economics from Tennessee State University and Kansas State University. Before joining the foreign service, Ford taught at Fort Valley State College, Tennessee State, and Alcorn State University.

Alan Getson, 64, died May 26 in Arlington, Va. Getson retired from USAID in 1995 after spending much of his career in Africa. He served as a Peace Corps volunteer in Thailand in the early 1970s, and then joined USAID as a health and population officer, serving in Tunisia, Cameroon, and Rwanda. He was project development officer in the Bureau for Africa through the late 1980s, and served as deputy mission director in Mali from 1991–93, during which time he was promoted into the senior foreign service. From 1993–95, he was deputy director of the Bureau for Africa's Office of Sustainable Development. Upon retirement and until 2002, Getson was a technical advisor on AIDS and child survival programs within the Bureau for Global Health.

Robby Hayes, 58, died June 7 in Silver Spring, Md. He was a space management specialist in the Facilities Management Division, and retired from USAID in 2001. Hayes joined the federal government after graduation from high school, but left to join the Army in 1965. He served in Germany and at Walter Reed Army Medical Hospital in Washington, D.C. as a medical assistant. After leaving military service, Hayes returned to the federal government and worked at the State Department for several years before joining USAID.

John Larocca, 89, died May 4 in Washington, D.C. Larocca joined the predecessor agency to USAID in 1959, and served as a controller in Libya, Zimbabwe, Senegal, Nigeria, Costa Rica, Jordan, Turkey, Vietnam, and Washington. He retired from USAID in 1977. After retiring, he accepted special assignments in Ivory Coast, Niger, and Zaire.

Jessie Vogler, 81, died May 26 in Arlington, Va. Regarded by her colleagues as the "dean" of the Office of Food for Peace (FFP), Vogler served as an officer there for more than 30 years. She is believed to be the longest-serving officer in FFP's history. She ran many of the Title 2 programs in the Middle East, and later was part of the Special Projects and Coordination Division. She also trained and inspired many people in the office before retiring in 1996. One of them was her son, Ben Vogler, who followed in his mother's footsteps and also works for FFP. ★

RETIRED

Maribess Armstrong
Wanda R. Dixon
Carol Payne Flavell
Donald M. Harrison

Ronald D. Harvey
Joseph F. Lombardo Jr.
Carol A. Peasley
Paulette M. Prestwood

Gerald C. Render
Christine M. Wegman

PROMOTED

Bonita M. Blackburn
Public health advisor
Catherine M. Brawner
Traffic management specialist
Arthur W. Brown
Comptroller
Stephanie N. Budzina
IDI program/project officer
Carol Chan
Supervisory program specialist
Barry Collins
IDI executive officer
Markus D. Dausses
IDI executive officer
Victor De Leon Diaz
IDI executive officer

Linda J. Douglas
Auditor
William C. Hansen
IDI executive officer
Joseph Hirsch
IDI program/project officer
Sean Huff
IDI program/project officer
Juanita E. Jones
Liaison specialist
Betty M. Mangum
Financial management specialist
Darren A. Manning
IDI executive officer
Evelyn W. Martin
Administrative operations assistant

Stephen Riggs
Telecommunications specialist
Rebekah Stutzman
Program analyst
Katherine Valdez Osborne
IDI program officer
Sharonne C. Williams
Administrative specialist
Sylvia Denise Wimbley
Human resources specialist
Lynn P. Winston
Financial management specialist

MOVED ON

Yolanda V. Aiken Whitley
James M. Anderson
Kristin D. Lobron

Eilene B. Oldwine
E. Anne Peterson
Michelle L. Pinkerton

Ivan J. Serpa
Gene R. Ward

Scholarship Awarded

Andrea Zvinakis, the daughter of Dennis and Anh Tuyet Zvinakis, is one of 23 winners of the academic and art merit award competition of the American Foreign Service Association (AFSA).

The scholarships are awarded annually to children of active and retired foreign service officers.

This year, Andrea was the only child of an USAID employee to win a scholarship—\$1,500 in the academic merit award category.

She recently graduated from

the International School of Bangkok (ISB) with high honors, and will be attending the University of California, Berkeley, in the fall.

Andrea attended four high schools. She started her freshman year at the Jakarta International School in Indonesia, but was involved in two security evacuations. Each time she landed at a different high school in Washington, D.C. Her junior and senior years were at ISB, where she was a three-letter athlete and captain of the varsity volleyball team. She also edited and designed the school yearbook, and was involved in numerous charity events through Habitat for Humanity.

AFSA awarded \$26,750 in scholarships this year.

Students who applied for the academic merit award were judged on their grade-point average, SAT score, two-page essays, letters of recommendation, extracurricular activities, and any special circumstances. ★



Andrea Zvinakis

Williams, Others Elected to AFGE Leadership Positions

Lawrence Williams, a financial management specialist in the Office of Food for Peace and a 34-year USAID employee, is the new president of the American Federation of Government Employees (AFGE) Local 1534. Williams and 11 other union officials were sworn in May 18 at USAID headquarters.

AFGE Local 1534 represents more than 8,000 General Schedule (GS) employees at USAID, the State Department, and the Overseas Private Investment Corporation (OPIC).

The other incoming officers with USAID ties are Sylvia Joyner, executive vice president; Gertrude Neely, secretary; Jeremiah Perry, first vice president for USAID; and Margaret Hunt, second vice president for USAID.

“The union here at AID and State and OPIC is very important,” Williams said after being sworn into the presidency by Russ Binion, AFGE’s national vice president for district 14. “The reason I’m serious about this position is that I want the people at these agencies to have a voice.”

Williams, who has been a member of the union for nearly 18 years, said his goals include growing the membership, increasing communication among members, and educating employees about their rights.

While it is one of the fastest growing locals in the region—between 60 and 80 people joined last year—the 600 or so current members represent just a fraction of workers who are eligible to join.

“One of the things that our local has had a problem with over the years is lack of communication,” said Williams, who quit the union in frustration—for just six months—



Incoming officers for AFGE Local 1534, the union that represents General Schedule employees at USAID, were sworn in May 18 at the Ronald Reagan Building in Washington, D.C.

about two years ago. He has promised emails and regular mailings to keep members up to date on union news and aware of their rights.

He also wants to develop a cadre of members who can ascend to the executive board.

And the union is looking to encourage more members to sign up as stewards, who are the first contact for employees who may need to file a grievance because they believe their rights may have been violated.

The message Williams wants GS workers to get: “You are the union; I just represent you. I want to open the doors...”

Potentially challenging issues ahead for the union include the new pay-for-performance personnel rules, which are being piloted at the Department of Homeland Security this fall and may be implemented widely in the future.

In addition, the USAID contract that covers employee rights hasn’t been renegotiated since 1987 (contracts are usually renegotiated every three years), and does not specifically address common workplace concerns like the Family and Medical Leave Act and compressed work schedules.

AFGE is the largest federal employee

union and represents 600,000 federal and District of Columbia workers nationwide and overseas.

Membership dues, based on salary, range from about \$8 to \$11.75 per pay period.

For more information about AFGE 1534, visit the website. ★

<http://www.afgelocal1534.org>

Jordan Named Counselor to Agency

Mosina Jordan was named counselor to USAID June 6, moving from her post as senior deputy assistant administrator for Latin America and the Caribbean (LAC). She succeeds Carol Peasley, who recently retired.

The counselor to the Agency advises Administrator Andrew S. Natsios and other senior staff on a range of policy, operational, and management issues. The counselor is the most senior career officer position in the Agency, and also serves as ombudsman for USAID employees.

Jordan, who describes her new role as both exciting and daunting, said: “The Agency is working in a new global environment, and USAID must be out front to meet the development challenges and achieve our U.S. foreign policy objectives.

“To meet these challenges, the Administrator has a vision for improving the Agency’s operational efficiencies. As counselor, I want to work with the Administrator and with all of our employees to make this vision a reality. Together we can strengthen our Agency’s ability to carry out its mandate, particularly during this significant period of global change.”

One of those goals is to ensure the Agency is able to provide quality information when responding to external requests from the White House, Congress, and other federal agencies.

She also plans to focus on addressing employee concerns, including the concerns of FSNs, understaffing at the Agency, and ways employees in Washington “can have a better appreciation and understanding of our work in the field. Both our Washington-based and field staff have dealt with constraints and impediments and best practices on the ground. We need to share this information to be more effective in achieving results.



Mosina Jordan was named counselor to the Agency June 6.

“I think serving as a mission director... has given me a good understanding of what the opportunities and challenges are out in the field,” Jordan added, “and serving here in Washington has given me a more comprehensive understanding of our challenges inside the Beltway. Collectively, these experiences will enable me to work with our employees to be more responsive to the concerns raised out in the field and here in Washington.”

Jordan has worked at USAID for more than 20 years. Before taking on her assignment in LAC, she served as mission director in Jamaica, Barbados, and Guyana; USAID representative in Belize; and deputy mission director in Cameroon. She also served as the U.S. Ambassador to the Central African Republic.

“I’m excited about taking on this role,” she added. “I’m a people person and a team player. I’m very results oriented, and anybody who has worked with me knows I like to pull together a game plan and get the work done.” ★

Gupta Named World Food Prize Laureate

Modadugu Gupta, a scientist whose work is bringing the Blue Revolution to a million poor people in Asia and Africa, is this year’s World Food Prize laureate.

For the last four decades, Gupta worked on aquaculture issues, most recently while with the WorldFish Center. While in Bangladesh, USAID’s mission supported his work.

Gupta developed methods of fish farming that require little money and cause no environmental damage. The result has meant that landless farmers, poor women, and others could turn small bodies of water into “mini-factories churning out fish for food and income,” says the World Food Prize Foundation.

“Through his dedicated and sustained efforts in Bangladesh, Laos, and other countries in Southeast Asia, Dr. Gupta made small-scale aquaculture a viable means for over 1 million very poor farmers and women to improve their family’s nutrition and wellbeing,” said Kenneth M. Quinn, president of the World Food Prize Foundation, during a ceremony to announce Gupta’s prize.

Administrator Andrew S. Natsios delivered the keynote address during the event at the State Department June 10. “He can truly be credited with bringing the Blue Revolution to the poor,” Natsios



Modadugu Gupta, 2005 World Food Prize laureate.

was quoted as saying in the *Des Moines Register*.

As a result of Gupta’s efforts, the Blue Revolution has meant a dramatic rise in freshwater fish production—in some countries, the increase is three to five times higher than before Gupta’s methods were employed.

The World Food Prize, which includes a \$250,000 award, will be formally presented to Gupta during the World Food Prize International Symposium in October at the Iowa State Capitol Building. ★

Agency Increases Support for Democracy ▲ FROM PAGE 1

inalienable right to have control over the governments that govern them,” Natsios said. “That is what freedom is about, and that is what democracy is about, and we believe in that as a moral principle.”

U.S. backing for democracy also is based on practical and security considerations, he said.

Without democracy, “many developing countries are not making progress,” which, in turn, produces “a culture of alienation, of repression, in some countries where extremist movements have developed,” Natsios told the meeting.

In addition to providing election support, USAID democracy-building programs include training judges and prosecutors,

supporting NGOs and human rights groups, helping independent media, and offering training in political organizing to all political parties that support democracy.

USAID programs also support groups that fight corruption so that people don’t lose faith in elected governments.

“In...incompetent or corrupt or predatory governance, which sometimes happens, the democracy doesn’t last too long because people don’t see it as an improvement. They see it as a problem,” Natsios said.

He also noted strong support for private radio and television stations in Afghanistan as a mainstay of building the democratic process.

Other mainstays include party-building,

strengthening congresses and parliaments that are newly elected, and development of civil society through NGOs.

“That is, of course, what rose up in the Ukraine, and in Lebanon, and in Kyrgyzstan, and in Georgia, when there was an attempt by governments to repress democratic reform,” Natsios said.

He also noted that many Latin American countries had set up elections, but they left most of the people out of the political process, resulting in tension, discontent, and political instability.

“One of our biggest challenges in some countries is ethnic, tribal, religious discrimi-

nation of entire groups of people from any participation, at any level, in the political system,” Natsios said.

“People wonder why democracy is destabilizing in parts of Latin America. Eighty-five percent of the people of Bolivia do not speak Spanish, and they are from the two major Indian linguistic groups. Up until recently, they were not in the parliament, and they certainly don’t own any businesses, and they’re not in the universities. Fifteen percent of the population, which is white, dominated the entire country...There is a sense of being aggrieved....” ★

Albanian Elections ▲ FROM PAGE 1

“We hope on behalf of civil society that people will vote, and we hope that big numbers will go,” she said. “This election is very important for our country, for integration with Europe.”

In a room next door to the meeting, half a dozen computers were registering the amount of press each party received in newspaper, TV, and radio coverage.

Every two weeks, since May and through the election, media monitors hold a press conference and reveal their findings.

“This is the first time that we monitor not only quantitative data, but also qualitative,” Marku said. “After the first report, a lot of media changed the way they report about the campaigns” to make their coverage more objective, he said.

USAID this year spent \$2.2 million on support to parties, civic forums, televised parliamentary debates, NGO monitoring of the electoral process, and media coverage of the elections.

Another \$1.3 million was invested on the official side of the elections, mostly providing technical assistance to Albania’s Central Election Commission (CEC). The national

voter registry was updated, and all data were entered into a computer data bank.

USAID helped the CEC create digital maps of all regions, pinpointing where people reside, the size of local populations, and where the nearest voting sites should be. The maps were also used by local governments to prepare voter lists.

The Agency backed training for election officials on the new election law, which was passed December 2004.

One of the law’s features is the institution of centralized counting. In past elections, each of Albania’s 4,700 voter polling stations counted and reported its own results. This time, ballot boxes will be packed and transported to 100 zonal counting centers, reducing the possibility of fraud.

CEC officials were sent over the past year to observe the voting process in Britain and Austria, where vote counting is also centralized. Hundreds of voting instruction manuals were also printed for the officials.

With U.S. aid, the CEC held a voter-awareness campaign called “My Vote,” urging voters to cast ballots and educating them about what ID to present and how to properly



NGO officials who trained local election observers discuss the division of monitors to be posted to each Albanian region.

mark their votes.

TV and radio spots ran for months. Sample voting kiosks were set up on the streets of 14 cities. Ads also ran on street banners, billboards, and in newspapers. The message to vote was even placed on sugar packets.

“This is the first time that anything like this has been done in Albania,” said Adriatik Mema of the CEC. “These promotional materials have been done even in the language

of minority groups, so you can find them in Greek, Serbian, Macedonian.”

Some promotional posters addressed specific issues such as family voting, an illegal practice where one family member brings documentation for their relatives and casts a ballot for each of them. ★

* The elections took place peacefully, but official results were not available as of press time, July 12.

Media Campaign Tells Palestinians About \$1.5 Billion in U.S. Aid

▲ FROM PAGE 1

The research found that only 5 percent of Palestinians were aware that the American people had funded development projects in their communities. Most believed that USAID was the name of a group funded by international organizations like the United Nations Development Program and the World Bank, or by NGOs like Save the Children.

The focus groups surveyed also showed that anti-American views, including contentions that the United States conducts a politically biased foreign policy unsympathetic to the plight of the Palestinian people, went unchallenged for years.

To change this and inform the public about the massive U.S. aid program in the region, USAID/West Bank and Gaza, which is based in Tel Aviv, began the outreach campaign.

It consists of three messages describing the contributions of the American people in the

water, health, and education sectors. USAID has invested more than \$1.5 billion since 1993 in those sectors, in addition to economic development, community services, and better governance projects that have aided 3.6 million Palestinians.

Each ad ends with the phrase “from one people to another,” followed by the USAID logo and the words “from the American people.”

All three Palestinian dailies carried the ads in full color and nearly full page. Some 70 massive billboards displayed the ads at major intersections through the West Bank and Gaza. The TV spots, which focused on children, ran 1,600 times on nine local TV channels, and the radio spots ran 2,700 times.

International channels such as Al Arabiya and MBC ran the TV spots 100 times, bringing the message to a much wider Arabic-speaking audience. ★

Technology Boosts Healthcare ▲ FROM PAGE 11

center in downtown Berat, a city about an hour’s drive from Lapardha, a simple switch from a walk-in system to one of appointments has made a big difference in the doctors’ efficiency, said Dr. Donika Papa.

The center also has new practice guidelines, recordkeeping forms designed to make disease prevention easier, and a new health information system, Dr. Papa said.

All visits to the clinic are recorded and stored in a software program developed by USAID. Based on monthly reports generated from these data, GPs can track the types of illnesses diagnosed, treated, and referred to hospitals. Reports are prominently displayed in every clinic, and doctors and nurses from the region meet monthly to evaluate their perfor-

mance statistics.

In Berat, these reports helped doctors identify an alarming incidence of hypertension, which is linked to smoking and, possibly, a genetic predisposition.

With the data, local health officials designed an awareness campaign highlighting the dangers of smoking and justified a request to the Ministry of Health for more antibiotics to treat inflammations.

In March, the Ministry of Health took the health information system nationwide. It had previously been active in only four regions as a USAID pilot project.

“We have changed many things in the way we are working, which has a big impact on how we manage patients,” Dr. Papa said. ★

Virginia Foley, Awed by India, Tells Stories of Its People

When USAID's India mission invited me to visit and work on the Telling Our Story Initiative—writing up success stories and teaching staff how to do it—I was so ready.

I last visited India in 1966, on my way home from the Peace Corps in the Philippines. I knew there were stories to tell. Furthermore, my husband Larry was a Peace Corps volunteer in Andhra Pradesh, and I wanted to see for myself where the stories I'd heard for so many years actually took place.

On my return, with around 25 stories ready to be banked online, the image of 24 tiny rescuees from human trafficking singing "Don't mess with the rights of children" resounds in my head.

There also is Avdesh, the 10-year-old runaway who just wants to live on the streets and collect enough saleable garbage to go to the movies.

And there is the sweet face of the Chennai housewife whose husband infected her with HIV/AIDS. USAID-supported NGO workers actually donated blood for her transfusions.

I'll always remember the shelter started by mothers of dowry-burning victims and the resident I interviewed, who said she was there because she was "well brought up and not used to being beaten."

There is Rasoo, standing in lush fields outside of Noida, proud that now all he had to do to water his fields was to switch on the pump. That same electricity allows village women time for literacy training and television at night to "broaden our minds," they said seriously.

Three weeks visiting five cities had my head reeling. My heart and mind were so full I had to come home to download.

I'm chuckling over the spunk of a girl who dressed like a boy in order to live on the streets. And I chuckle remembering the village educator whose job description said she had to be married to keep her job.

I have photographs in my head of what is probably India's roughest road, which we took to reach a first-aid training course for volunteers preparing for natural or manmade

disasters. Each photograph brings back a sense of awe at the scope of USAID's investment in India.

In an Ahmedabad village, I sat in on a family planning discussion between a female health worker, later elected village chief, and women dressed in saris so colorful they looked like flowers. These were women who, until recently, had never left their houses.

Older women sat in chairs while younger ones sat on the ground. The seats rotated as more women came in. I must have looked pretty old, because I never got unseated.

I sat on the floor with community health workers in Andhra Pradesh to discuss the progress of local Head Start-like programs,

admiring visual aids created for illiterate mothers by child development teachers.

I sat among families unaware they were victims of the HIV/AIDS virus until someone died, and among drug users, truckers, commercial sex workers, and other vulnerable members of a slum fighting the spread of the virus.

And I sat in the packed waiting room of a hospital in Lucknow, where patients flocked around a television that had been awarded to the facility in recognition of its expanded programs and improved facilities.

In the police department's school for runaway boys in the New Delhi train station, a student gave me the picture he'd been drawing of a house. Another had drawn a

portrait of me. "She'll just throw them away when she leaves," my guide interpreted.

You won't find these particular pictures on the Telling Our Stories website, but they've been placed in my precious collection, right alongside the picture of a chicken that possibly descended from those Larry introduced in Nellore decades ago. ★ <http://www.stories.usaid.gov>

Virginia Foley was in India September 2004, researching and writing Telling Our Story pieces for the USAID website. Her husband Laurence was assassinated by terrorists in Amman, Jordan, in 2002, the last USAID staff member to die in the line of duty.



Virginia Foley listens to workers from USAID-funded CARE's Integrated Nutrition and Health Project in Andhra Pradesh.

INSIDE DEVELOPMENT

U.S., Vietnam Sign Bilateral Agreement for Economic and Technical Aid

An agreement signed June 22 at USAID headquarters by officials from the United States and Vietnam will let the countries continue to build on the success of their more than 10-year relationship, the two top officials at the ceremony said.

Nguyen Bich Dat, Vietnam's deputy minister for planning and investment, and Administrator Andrew S. Natsios signed the bilateral agreement that lays out guidelines for the economic, technical, and humanitarian assistance provided to the Southeast Asia nation by USAID and its partners.

Both men also played up economic and other advantages of their ongoing ties, including the \$6.4 billion in trade that flowed between the two countries in 2004. U.S. companies invested about \$70 million

in Vietnam during the same period.

Natsios said USAID's programs are helping to spur trade agreements and bring "economic growth, jobs, and wealth" to the Vietnamese.

He also listed other areas of cooperation between the two governments, including assistance to combat HIV/AIDS and new funding to stem the spread of the avian flu.

"This agreement allows for a close, cooperative, working relationship on issues critical to the health, wellbeing, and economic future of the people of Vietnam. I welcome this opportunity, and look forward to continued success in working with Vietnam to address development challenges," Natsios added.

The agreement is similar to others signed

between the Agency and countries with which it works, said Walter North, a deputy assistant administrator for Asia and the Near East, who called the signing an historic occasion.

The agreement was one of a number of exchanges between Washington and Hanoi during a visit to the United States by Prime Minister Phan Van Khai in June. He met with President Bush to mark the 10th anniversary of normalization of diplomatic ties between the countries.

Khai's visit was the first by a Vietnamese head of state to the United States since the Vietnam War ended 30 years ago. The trip helped reinforce President Bush's support for admitting Vietnam to the World Trade Organization.

Today, Vietnam is a country in transition. Since 1986, it has doubled the size of its economy and reduced poverty by half. Though it still ranks among the poorest countries in the world, Vietnam is pushing hard at economic reforms.

Among USAID's programs in Vietnam that Natsios mentioned at the ceremony is the Support for Trade Acceleration (STAR) project, which focuses on reform of economic policies and commercial laws.

USAID assistance also includes aid to war victims, displaced and orphaned children, and victims of trafficking.

Other efforts support Vietnam on initiatives in environmental governance and improved air and water quality. ★

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Readers are encouraged to send in stories, feature articles, photos, nominations for “First Person” or “Mission of the Month” columns, and other ideas.

Letters to the editor, opinion pieces, obituaries, and requests to be added to the mailing list should be submitted by email to frontlines@usaid.gov; by fax to 202-216-3035, and by mail to Editor, *FrontLines*, USAID, Ronald Reagan Building, Suite 6.10, Washington, D.C. 20523-6100; tel. 202-712-4330.

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South Africa Anticorruption Program Pays Off

By her second year in law school in Free State, South Africa, Glynnis Breytenbach knew she wanted to be a prosecutor. So it was no surprise when she entered the prosecutorial service in Johannesburg in 1987.

Soon after, the South African government began aggressively fighting back against an upsurge in commercial crimes, and Breytenbach found a new calling.

She was named director of operations for the Specialized Commercial Crime Court, nicknamed “the unit.” It was established in 1999 by President Thabo Mbeki to put a dent in the spate of commercial crimes that became blatantly obvious in the 1990s and were siphoning \$6 billion a year from the economy.

USAID and Business Against Crime (BAC), an association of major South African corporations, are assisting with anticorruption initiative funding. USAID began training prosecutors to try commercial crimes, which can include fraud and corruption. And BAC advised the unit on management approaches, which led it to adopt a computerized case-load management system.

The volume of cases is high, says Chris Jordaan, special director of public prosecutors and head of the Specialized Commercial Crime Court. Each police investigator could be handling 30 cases, and each prosecutor almost double that amount.

Prosecutors assigned to his unit have won South Africa’s Prosecutor of the Year Award four years running. A major reason is the use of plea bargaining, introduced by U.S. tech-



A witness gives testimony at the Pretoria Commercial Crime Court.

nical specialists, but a new concept in South Africa. Today, one out of 10 accused are plea bargaining, and the number is growing.

“Training in the unit is a high priority,” he says, “both in-service training—coaching and mentoring—and formal training.” The unit lacks adequate resources for the latter, he added.

The unit in Pretoria proved such a success that in 2003 the Department of Justice opened a second court in Pretoria and one in Johannesburg. With USAID and BAC anticorruption initiative assistance, a court opened in Port Elizabeth in 2004 and another in Durban. All five courts maintain conviction rates of more than 90 percent. Additional courts in the major cities of Bloemfontein and Germiston are planned, Jordaan says.

Jordaan’s teams of prosecutors do not shy

away from the rich or powerful. One trio of stock brokers was hit with 5,256 counts of fraud involving \$4 million. Specialized commercial crime prosecutors have successfully indicted senior members of parliament, senior police officials—including a commissioner—and members of the legal fraternity.

Breytenbach is smiling when visitors ask her to account for the success of commercial crime courts. “Co-location, good case planning, and high [staff] retention,” she says. “We are seeing a deterrent effect.”

If the unit could get “a sufficient number of higher-skilled prosecutors,” she adds, “in five to 10 years, white-collar crime will be under control.” ★

Sesana Mokoana contributed to this article.

Education of Religious Leaders Key to Successful Health Program

In early 2004, the Assembly of Darul Ifta—the biggest and most influential group of Muslim religious leaders in the Philippines—issued a national *fatwa*, or religious decree, supporting reproductive health and family planning in Mindanao.

More than a year later, results are starting to come in.

Reports from USAID partner agencies indicate a rise in the number of couples using family planning. One partner, Helen Keller International, said that in project sites in Lanao del Sur the percentage of married

women who used modern family planning methods reached 24.9 percent in October 2004, up from 17.9 percent in January 2003.

Before the fatwa was issued, Mariam Daud, an *ustadza* or female Muslim religious leader, said “couples preferred to go to a traditional birth attendant to give birth, rather than to a government hospital or doctor, because of the fear that they would be given medicine to make them infertile. But after the fatwa dissemination, the negative perceptions changed.

“What convinced them is the declaration that birth spacing is not ‘birth control,’ and that family planning is for the welfare and health of the mother and child,” said Daud, who helped draft sections of the fatwa on maternal rights and healthcare and select appropriate verses in the Qur’an to support birth spacing.

The Social Acceptance Project-Family Planning (TSAP-FP) program, funded by USAID, recently provided small grants to local NGOs to help them educate imams and local communities about the fatwa.

Radio spots in local dialects are being aired as well. And there are plans to meet with the Darul Ifta to develop Friday sermons on family planning that will be read during National Family Planning Month this August.

Daud, who is also an officer of one of the NGOs spreading the word about the fatwa, said: “We are more confident now to strengthen our advocacy on family planning anchored on responsible parenthood with

the issuance of the national fatwa by our well-respected Muslim religious leaders.”

The Philippines’ Autonomous Region in Muslim Mindanao (ARMM)—which includes the provinces of Basilan, Lanao del Sur, Maguindanao, Sulu and Tawi-Tawi, and Marawi City—is a region with high fertility rates, low contraceptive use, and maternal and infant death rates that are among the highest in the country. Contributing to those elements, people believe, was a lack of clear guidelines about the role of family planning in Islam.

The fatwa allows “all methods of contraception”—but not abortion—“as long as they are safe, legal, in accordance with the Islamic Sharia, and approved by a credible physician, preferably a Muslim.”

The idea of a fatwa was first brought up by participants of the ARMM Health Congress in 2003, which was convened by the ARMM regional government with technical assistance from TSAP-FP.

A group of religious leaders at the event later attended a series of orientation seminars on family planning and Islam and then crafted a draft fatwa.

Once everyone agreed on the language, the document was translated from English into Arabic. Both versions were signed by 23 members of the Assembly of Darul Ifta.

The Grand Mufti of Egypt, Ali Gomaa, also gave the fatwa his blessing—orally and in writing—when some of the Filipino religious leaders who helped write the document traveled to his country on a study tour. ★



The Grand Mufti of Egypt, Ali Gomaa (second from right), meets Filipino Muslim leaders during their study tour of Cairo, Egypt. He gave his blessing to the leaders’ fatwa that supports family planning during this visit in 2004.

Education Is Key to Economic Growth, Says Strategy

More than just a vehicle for personal and professional enrichment, education is being recognized as a key to the economic growth of developing countries, according to the new Agency education strategy, *Improving Lives Through Learning*.

The strategy document, published in April and formally introduced May 25 at the National Press Club in Washington, D.C., calls education a force for development and lays out USAID's plans to boost its efforts in basic education, higher education, and job training in the countries where it works.

"The Bush administration has made education a centerpiece of the U.S. development strategy, and the Congress has given us substantial funds to carry this effort forward," Administrator Andrew S. Natsios said. "The USAID strategy for education reflects this U.S. commitment to expanding education as a force for development."

The report links access to quality education with faster economic growth, reduced poverty, improved income distribution, enhanced public revenues, democracy, and crisis prevention.

Educating girls, in particular, has benefits that reach families and wider social networks and

contributes to health. Lack of access to quality education relevant to local needs, on the other hand, is one of the factors contributing to broader instability within countries, Natsios said.

"Without economic growth, we find a lot of the objectives we're trying to achieve become unsustainable," said Jay Smith, acting assistant administrator for Economic

Growth, Agriculture, and Trade, when he unveiled the education plan in May.

The 21-page document is the result of research, analysis, and more than 50 years of first-hand experience in countries worldwide. It took several years to compile.

John Grayzel, director of USAID's Office of Education, called it an operational document that will expand as staffers and partners carry out its two broad objectives: "basic education" and "beyond basic education."

The basic education focus will include early childhood development, primary and secondary schooling, teacher training, literacy, mathematics, and other basic skills training, in both formal and informal settings.

The plan also promotes equitable access to education without regard to sex, disability, ethnic background, residency, and income.

The second broad category, beyond basic education, will include university-level education and workforce training.

In 2004, USAID spent more than \$365 million in 43 countries for basic education—twice what was spent in 2001. It also spent \$55 million for higher education and \$12 million for workforce development.

Still, more than 115 million children—two-thirds of them girls—are without access to basic education around the world, and more than 880 million children and adults are illiterate.

Many of the education programs in developing and transitional countries have been found lacking, for reasons ranging from civil war to teacher shortages fueled by HIV/AIDS deaths to costly school fees. USAID research found that while developed nations typically spend \$4,000 per student on education, developing nations spend \$40.

"The challenge of development in the new century and a keen awareness of the crucial role of education in establishing free,

the promise of their people, and they represent a grave danger to the United States."

He has introduced the International Security Enhancement Act of 2005, legislation to better identify and coordinate the U.S. response to failing and weak countries before they become dangerous and to reduce costs to the government over the long term.

According to Dreier, the terrorist attacks on Sept. 11, 2001, have been a major driving force behind the latest surge of democratization. "Crimes against the United States not only led to the destruction of the Taliban, but ultimately resulted in millions of Afghans voting in the first truly democratic election in the 5,000-year history of that country."

However, Dreier is careful to make clear that "one election a democracy does not make. We need to remember that these new governments are a work in progress, and the success of any democracy depends on what happens after the election is held."

The workshop, held at the Academy for Education Development Conference Center, included sessions on new democracies and economic growth, fragile states, the military's role in crisis stabilization, and democracy and Islam. ★



These girls attend one of USAID's accelerated learning programs operating in Afghanistan. In 17 provinces, the programs help 170,000 students who could not attend school when the Taliban was in power to catch up.

secure, and prosperous societies have awakened a new commitment to education and training in the development community," the strategy's authors conclude. "The strategy provides an overall focus for the Agency's education program, while allowing the flex-

ibility to coordinate with others in response to development needs and opportunities in individual countries."

Improving Lives Through Learning is available online. ★

http://www.dec.org/pdf_docs/PDAGD232.pdf

Mission Directors Set Goals

Organizers of the mission directors conference in May—the third in USAID history and second since Administrator Andrew S. Natsios took the Agency helm—issued a series of calls for followup action reflecting the strategy for development in the next four years.

At the top of the list, in keeping with President Bush's second inaugural address, is democracy.

The Agency needs to explain how spending U.S. government dollars to help developing countries move from authoritarian systems toward democratic governance is vital for U.S. national security. The message: By helping economic growth in extremely poor regions, USAID is preventing the creation of zones where terrorists can recruit people who have few opportunities to improve their lives.

Chiefs from USAID's 80-plus missions around the world heard that the Agency is drawing up an international development strategy that will complement the Bush administration's *National Security Strategy*. The document will explain the links between humanitarian and development assistance and U.S. national interests in the areas of security, economics, trade, immigration, travel, and other issues.

The mission chiefs were also told that the Agency aims to complete a series of business system modernizations. Human resource reforms also will be completed to make it easier to hire, train, and utilize staff.

Several mission directors noted tight security measures—imposed by Department of State security officers now that most missions are moving into embassy compounds—made it difficult to carry out development work.

USAID officials agreed to try to negotiate more flexible security policies with their State counterparts. In addition, USAID will collect data on the costs of running a mission inside an embassy compound and negotiate acceptable arrangements.

In past decades, USAID moved from being an agency with experts who carry out field programs to an agency that contracts or gives grants to other groups to conduct development projects. To reverse that trend, Natsios said he wants to look carefully at alternative ways to perform Agency work and carry out extensive training programs for staff on project design and management.

Other decisions from the conference include the following:

- expand recruitment of economists and engineers
- improve training and job conditions of foreign service nationals
- prepare alternate 2007 budgets as if there were no congressional earmarks and missions could decide on the best use of funds
- improve reporting on performance of aid programs and communicate those results to Congress
- clarify and strengthen USAID links to the Millennium Challenge Account, the President's Emergency Plan for AIDS Relief, and the State Department's Office of Stabilization and Reconstruction
- carry out new branding regulations and guidelines requiring contractors and grantees to identify projects as funded by USAID and the American people
- ensure reports and other communications target larger audiences and are written in plain English, without a lot of technical jargon and acronyms, including two-page descriptions of each major USAID project or activity
- continue to reach out to new partners, especially private industry and faith-based groups
- put to work the newly trained development outreach and communications staff to tell host countries and the media what USAID is doing to improve the lives of people around the world. ★



War Forces Northern Ugandans into Camps

NORTHERN UGANDA—Hunger, disease, and violence are part of everyday life for over a million internally displaced persons (IDPs) in Northern Uganda, where 19 years of war have forced 85 percent of the region's residents to leave their homes and move into cramped camps.

Thousands of children and adults are abducted by the Lord's Resistance Army (LRA), a rebel group headed by Joseph Kony, a self-proclaimed mystic without a clear political agenda. The LRA—which the Sudanese government once funded and the United States classifies as a terrorist organization—operates across the border between Sudan and Uganda.

Rebels have abducted more than 20,000 children since 1988. Boys and girls are trained as fighters, and girls are assigned as commanders' "wives." Both sexes are used as porters.

The LRA also routinely attacks and mutilates civilians while they seek food or water outside the camp, on the roads, and even within the camps.

In the north, poverty and disease levels are higher than elsewhere in the country. There are few paved roads. Entire generations have fallen outside of the education system, which is in shambles in the region.

USAID supports various programs in Northern Uganda, including half of the food aid that goes to the region's 1.4 million IDPs. The Agency provides water and sanitation and primary healthcare for dozens of camps. It funds centers that provide medical, psychological, and other help for former abductees. USAID also supports some income-generation activities in and around the camps, and assists various hospitals and clinics.

This photo essay looks at various camps throughout Northern Uganda and difficulties their residents face daily. ★



A few dozen people line up for food aid. Displaced people risk being killed, mutilated, or abducted by attempting to plant crops close to the camps or searching for wild foods where rebels roam.



Thousands of children in camps around Northern Uganda are malnourished and receive therapeutic feeding. Malaria is believed to be the number one killer of children under 5, with mortality rates ranging from 25 to 60 percent. Insecticide-treated bednets and medicines are in short supply.



Children huddle together at Labuje camp, in Kitgum. To protect themselves, 18,000 people walk from camps and nearby villages to town centers in the late afternoons. These "night commuters" spend the night sleeping huddled close together wherever they find space, on veranda floors or building hallways. Most of them are children.



A boy walks among a group of women coming back from a World Food Program (WFP) distribution point in Atiak, about 30 kilometers from the border of Sudan, in northern Uganda. A two-decade conflict in this region has displaced some 1.8 million people. Today, more than 75 percent of the population in northern Uganda depends on food aid.



Two women share a laugh in Gulu. Both had their lips cut off by rebels—a punishment commonly inflicted on women who are washing clothes, looking for firewood or food, or doing other chores in the vicinity of the camps. This photograph is a part of an exhibit to begin August 22 in the Russell Senate Office Building, Washington, D.C.