

Increased Aid to Ethiopia

ADDIS ABABA—USAID announced on January 17 a new food aid pledge of 262,000 metric tons for Ethiopia. This brings the total U.S. government pledge to 500,000 metric tons since July 2002. Administrator Andrew S. Natsios and U.S. Ambassador to Ethiopia Aurelia E. Brazeal made the pledge during a meeting with Prime Minister Meles Zenawi.

“President Bush is deeply concerned about the current situation in Ethiopia. This pledge signifies a commitment to alleviate further suffering,” Natsios said.

He stressed that long-term development is needed to avert future crises. “Continuing reforms in food security policy to overcome rural poverty will be one facet of helping end the cycle of poverty and food insecurity.” He also noted the urgent need for agricultural sector reforms.”

The U.S. government has provided more than \$2.26 billion in development assistance and food aid to Ethiopia since 1981. ★

New Kenyan Leader

NAIROBI—Administrator Natsios congratulated Kenya’s new president, Mwai Kibaki, on a January 16 visit to the East African country where U.S.-assisted elections in December ended 40 years of rule by the Kenya African National Union party, or KANU. USAID/Kenya assisted the elections through monitoring, encouraging political leaders to open up the formation of party platforms, and helping prepare the media to cover the voting.

U.S. assistance also helped support civil society groups that advocated constitutional limits on presidential tenure—leading outgoing President Daniel arap Moi to decide to step down after ruling for 24 years. Moi took office following the death of Kenya’s first president, Jomo Kenyatta, in 1978.

Natsios and Walter Kansteiner, Assistant Secretary of State for African Affairs, met Kibaki and extended President Bush’s congratulations on the democratic change.

The new president is expected to tackle ending corruption. ★

Agency Report Says Aid in National Interest

The Agency released a major report on foreign assistance at the Heritage Foundation January 7 that explains what has worked best over 50 years of U.S. foreign aid and charts what to do in the next decade for countries still struggling to escape poverty.

The theme that runs throughout the report, *Foreign Aid in the National Interest*, is that aid will be a key instrument of foreign policy in the coming decades.

Commissioned by Administrator Natsios and released by him at the Heritage event, the report was written by leading development experts both inside and outside the Agency.

The report reconfirms the critical link between national security and foreign assistance President George W. Bush laid

out in his National Security Strategy.

“Development now takes its place alongside defense and diplomacy as the three essential components of American foreign policy,” Natsios said at Heritage.

“This report provides policymakers, development professionals, and international affairs experts with new thinking, fresh analysis, and innovative approaches to tackling the problems of our time,” he added.

The report examines state-of-the-art techniques in promoting democracy, economic development, and health, and in delivering humanitarian and conflict-related assistance. A similar benchmark work was published by former Administrator Alan Woods in 1989. ★

▼ SEE AGENCY REPORT ON PAGE 8

“We have to get into young people’s minds and hearts. We have to broaden audiences past the elites in governments if we expect to have any kind of meaningful communication. And we have to activate every single person who can speak well on behalf of the United States.”



CHARLOTTE BEERS

Undersecretary of State for Public Diplomacy and Public Affairs
National Press Club, December 19, 2002

GLOBAL COFFEE CRISIS



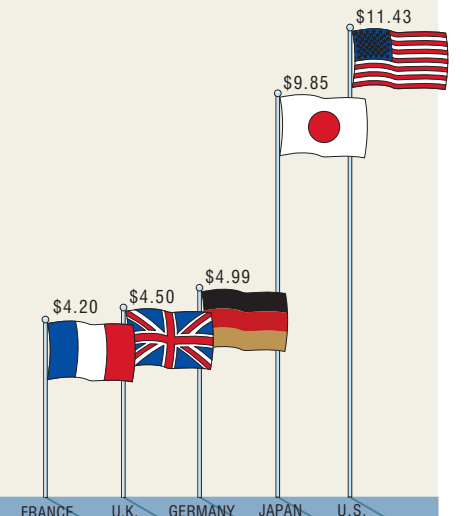
▼ SEE COFFEE ON PAGE 10



▼ SEE PUBLIC DIPLOMACY AND EGYPT TV ON PAGE 5



TOP FIVE BILATERAL AID DONORS

Official Development Assistance in 2001—in billions



Source: Development Assistance Committee of the Organisation for Economic Co-operation and Development

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Employee Morale Up, Business Systems Improved

An Agency-wide survey of opinions and attitudes has shown employee morale is good and employee satisfaction with management services has improved. Assistant Administrator for Management John Marshall emphasized: "While the results indicate we have made progress, there remains room for improvement and we still have a lot of work ahead of us."

"The raw numbers show improvement in all areas compared to last year's benchmark," said the Bureau for Policy and Program Coordination's Robert Baker, who supervised the survey.

Ordering the management survey was one of the first actions of Administrator Natsios after his appointment as head of the Agency. He heard of problems in five areas: procurement, financial management, human resources, information services, and administrative services.

As the chart below shows, the trend is positive for each of the five services tar-

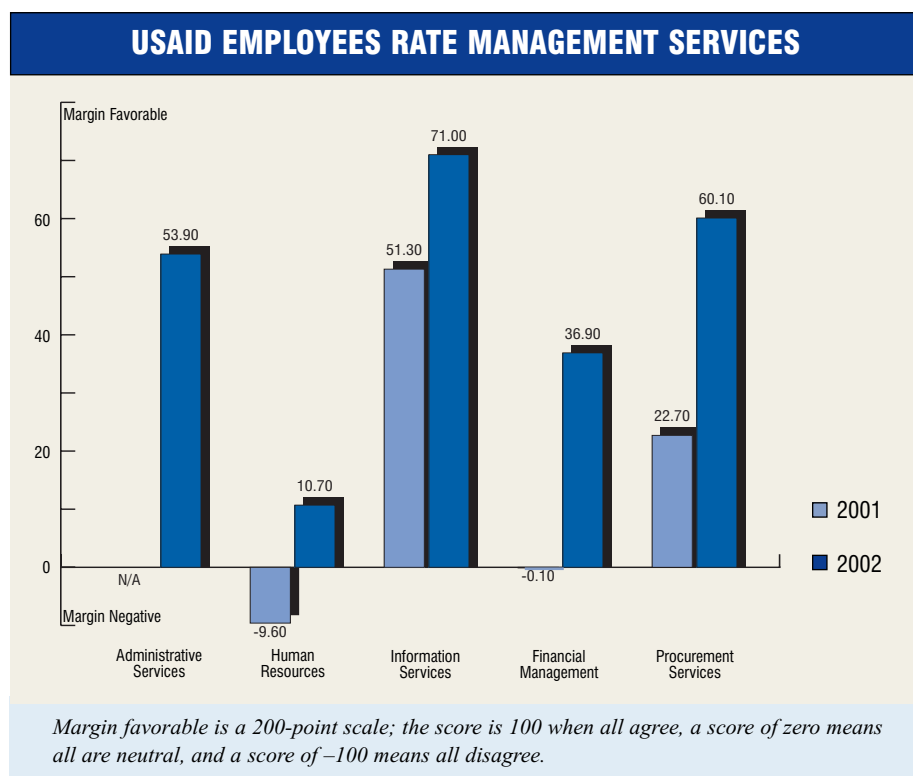
geted for management reform.

"Improvement is still needed, but the survey in 2002 shows that we have made progress and that the changes made in the past year are seen by Agency staff as important," said Baker.

A first survey was completed in August 2001, and the second completed in November 2002. Some 3,485 employees, or 42 percent of the entire staff, responded to the new survey. All were invited by e-mail to participate. Scores were calculated by giving negative opinions a value of minus one point, neutral views zero, and positive views plus one. Scores could range from minus 100 points to plus 100 points.

Some 63 percent of those responding rated their morale as "good" or "outstanding." Baker said the Administrator has made morale a priority. ★

www.usaid.gov/about/reform/survey



EMPLOYEE SURVEY COMMENTS

A sampling of the comments offered by employees:

- ◆ I'm not sure the organizational and management changes being implemented in Washington have trickled down to the missions.
- ◆ We need a better incentive and reward system to encourage upper management to adopt more progressive management practices. It is still the norm in this Agency that senior managers engage in non-transparent decision making and do not encourage healthy debate or dissent.
- ◆ There appears to be limited opportunities for Foreign Service Nationals (FSN) to take on professional and/or support positions in other missions than their country of origin.
- ◆ Do not just give us public relations information. Tell us what is really happening, warts and all. All too often missions just report success stories. The reality is that there are setbacks and occasionally failures.
- ◆ The inability to check quickly and definitively if we have funded an organization before—where, when and for what—is a real liability.
- ◆ FSN retirement benefits must be critically looked at to provide enough security for retirement.

Knowledge Management Makes Connections

There is no "Google" at USAID—yet.

But an Agency version of the popular Google Internet search engine is expected to be one of several key tools in a new "Knowledge Management" (KM) revolution planned to improve work and speed problem solving.

"The ultimate goal is a one-source repository of knowledge about development," said John Simon, Deputy Assistant Administrator of the Bureau for Policy and Program Coordination (PPC).

Connecting people, documents, best practices, and experiences is the primary objective of knowledge management—the systematic effort to help knowledge emerge and flow to the right people at the right time. It could save long hours wasted in searching for expertise or in duplicating a project that has already been carried out—maybe in the past or on another continent.

"USAID needs to establish a knowledge marketplace where sharing or accessing valuable insight is as simple as doing a Google search," said Lee White of the Office of Development Evaluation and Information (DEI).

Fortunately, this is not an effort that will be starting from scratch at USAID. Just ask any of the 250 people who attended USAID's first Knowledge Fair on December 5. Approximately 40 demonstrations of KM applications were showcased at the fair, including communities of practice, distance-learning, after-action learning, a community portal, CDIE Online redesign and electronic library resources. In preparation for the fair, the Knowledge Management/Knowledge Sharing (KM/KS) Working Group reviewed 120 knowledge activities currently in the Agency's Washington offices. These activities represent ways in which Agency personnel have taken the initiative to create effective approaches to managing and sharing their knowledge.

All too often, however, sharing took place within a localized setting. "People are reinventing the wheel because they lack access to information the Agency already has developed," said White. The Agency-wide KM program will provide the means to support and leverage such solutions and knowledge across the entire Agency.

The USAID working group has recently been designated as one of six key subcommittees of the Business Transformation Executive Committee, an acknowledgement of the significance of knowledge management to the Agency. Key initiatives include redesigning CDIE Online, continuing the inventory of knowledge activities, and building a business case for an enterprise-wide community portal. This portal will eventually become the "knowledge marketplace" for locating and sharing four decades of development experience around the world.

Three pilot communities of practice will be implemented in the first half of FY 2003 to define standard approaches for community development and governance, to learn what approaches work in the USAID environment, and to make the business case for future enterprise-wide solutions.

Better access to Agency success stories through KM is badly needed because the experts who have learned through trial and error how development works best in the field eventually move on or retire, taking their knowledge with them.

To fully harvest what has been learned, the Agency will have to improve the technique of storytelling and include descriptions of program failures, which are an important source of knowledge.

Agency departments are encouraged to share their information on their KM activities and approaches through the KM discussion board at <http://knowledge.usaid.gov>. ★



These USAID/Washington employees were among 250 avid consumers at the Agency's first Knowledge Management Fair on December 5.

FIRST PERSON



“I was tied to traditional farming methods, but now I’ve learned to store grains. If the corn is very dry, it lasts a long time. I’ve also learned to diversify my crops. Now I see the benefits. My economic situation keeps improving. My children eat better and are never barefoot, and I’ve fixed up my house.”

RONALD MORENO
Apali, Nicaragua

Thanks to USAID’s reconstruction program to help Nicaragua recover from Hurricane Mitch, farmer Ronald Moreno diversified his crops, set up an irrigation system, and acquired four silos to store grains. In addition to helping Moreno, USAID’s agricultural rehabilitation activities promoted better farming methods to help restore livelihoods for approximately 100,000 farmers affected by Hurricane Mitch.

Mission of the Month

PERU

Challenge

Peru’s economic growth slowed from 6.7 percent in 1997 to 3.1 percent by 2000, and then stalled at zero growth in 2001. Income distribution remains extremely uneven, with poverty skewed along geographic and ethnic lines. The country continues to have a significant debt burden of more than \$19 billion, equivalent to more than 36 percent of GDP. Unless the immediate needs of its citizens are met, Peru’s nascent democratic advances—as well as the economic reforms of the last decade—are at risk of reversal.

USAID Innovative Program

USAID/Peru launched a Poverty Reduction and Alleviation project (PRA) to expand opportunities for permanent employment and increased income by helping producers better identify and supply products for market. The PRA provides business development services and knowledge of market requirements that link entrepreneurs and small farmers with production technologies to enable them to improve their productivity and competitiveness in the marketplace.

By promoting sustainable opportunities for improved quality of life through strengthened democratic processes and institutions, the mission showed commitment and dedication to the people of Peru. This democracy-oriented goal is woven throughout all program objectives, primarily by increasing citizen participation and strengthening the capacity of both private- and public-sector institutions to be transparent in their decision making and accountable for their actions.



Patricia Buckles, USAID/Peru Mission Director, with the Poverty Reduction and Alleviation project team. Buckles is in the second row, third from right.

The PRA is part of USAID’s larger effort to promote trade and investment, assisting Peru in addressing trade barriers and preparing for a more competitive environment, as well as successfully taking advantage of the Andean Trade Promotion and Drug Eradication Act and, eventually, the Free Trade of the Americas Act.

Results

The PRA has so far been successful in promoting access to local and foreign markets, including the United States, contributing to the generation of \$17.4 million in increased sales of products such as coffee, flowers, beans, fruits, quinoa (a supergrain high in proteins), furniture, and handicrafts, and helping create the equivalent of 12,000 new jobs.

In formal recognition of this success, the PRA recently received the prestigious 2002 *Premio a la Creatividad Empresarial Peruana* (Entrepreneurial Creativity Prize). The award recog-

nizes and promotes innovation and creativity in business activities through an open public competition.

“The PRA has applied a demand-driven approach to achieve extraordinary results,” said Patricia Buckles, USAID/Peru Mission Director. “Distinct from traditional approaches of NGOs organizing communities to produce an item and, only afterward, looking for a market for the product, the PRA takes the opposite approach. Buyers are identified, and then the people are organized to supply for that particular market. This new approach has generated an enormous number of jobs and helped greatly to ensure that the benefits of relying on market forces and economic growth are felt at the community level. The project’s methodology is being adapted to other aspects of our portfolio and is influencing the way many NGOs deliver services,” added Buckles. ★

Notes from Natsios

★★★★★★★★



FOREIGN AID IN THE NATIONAL INTEREST

We have just issued a major report, *Foreign Aid in the National Interest*, on this country’s international assistance efforts—reviewing five decades of work and looking ahead to the newest challenges of the future.

This forward-looking report makes the intellectual case for the \$5 billion per year Millennium Challenge Account to be added to total U.S. foreign assistance by 2006. Written by leading development experts both inside and outside the Agency, the report lays out the scope and nature of the development challenges we face over the next 10 years and the adjustments we must make to meet them.

The report makes four key points:

Governance counts. Without good governance that is transparent and accountable, development is not sustainable. Our foreign aid programs must help developing countries make permanent gains in the rule of law, human rights, and the establishment of a civil society that can constrain the abuses of government.

Without economic growth, development is not sustainable. There have to be tax revenues for countries to take over public services that we now provide through foreign assistance. The only way to do this is through high rates of sustained economic growth over long periods of time.

Private markets matter. Until now, development has focused on macroeconomic reform and conditionality. The report suggests that microeconomic reform connected to the international trading system is the missing link. USAID has begun work on this, but we need to do it comprehensively, in every bureau and mission. We also need to look at Michael Porter’s theories on how we can:

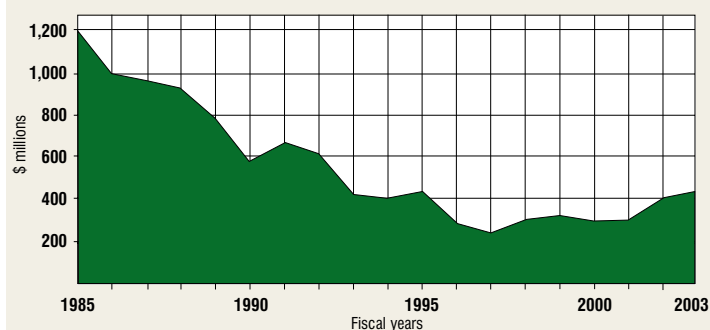
- ◆ support the creation of an entrepreneurial class,
- ◆ establish MBA programs at local universities to train these entrepreneurs,
- ◆ reduce the time it takes to create a business,
- ◆ eliminate corruption, so countries can attract investment.

Capital flows have dramatically shifted. Only 20 percent of the U.S. capital going to the developing world is official assistance. We intend to link our spending—in the pillar bureaus and missions—directly to the other 80 percent. Our principal means of doing so will be the Global Development Alliance (GDA). GDA needs to be integrated into our contracting and grant work at all levels. This will help us build a constituency and tie our work to the grassroots of America: foundations, religious organizations, NGOs, PVOs, colleges and universities, and the ethnic diasporas who send billions of dollars home in remittances every year. ★

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Agriculture Returns to Front Burner

USAID AGRICULTURE FUNDING, FY 1985–FY 2003



Although year-to-year comparisons are difficult due to changes in the components of what is defined as agriculture, the overall trend is absolutely clear: USAID agricultural funding declined from a high in FY 1985 of about \$1.2 billion, bottomed out in FY 1997 at \$245 million, and has been trending upward in the last five years with an anticipated budget of \$444 million in FY 2003.

Agriculture is returning to the front burner at USAID—to grow rural economies and fight hunger—after more than a decade in which there was a loss of focus and funding.

“In the poorest countries of Latin America, sub-Saharan Africa, and south and central Asia,” Administrator Natsios told *FrontLines*, “70 percent of the people are rural—farmers and herders. Economic growth depends on agriculture in many of these countries.”

The Agency’s strategy envisions agricul-

ture as a way to end hunger and assure balanced economic growth that lifts the poorest as well as the elite. “Since World War II, all of the countries that rose from poverty to wealth started by first increasing their agricultural production,” said Natsios. “Industrial development followed.”

The two greatest success stories of U.S. foreign aid—the Marshall Plan for Europe in the 1940s and the Green Revolution in Asia in the 1960s—saw agriculture as the foundation for improved health, education, and economic growth.

“President Bush has called for a new Green Revolution in Africa—so there will be no more hunger, so farm income will rise, so tax revenues will rise and support public services,” Natsios said.

USAID’s budget for agriculture nose-dived from \$1.2 billion in 1985 to only \$245 million by 1997. The number of

Foreign Service agriculture officers fell from 260 to 42 by 2000. Since then, however, 19 new agricultural officers have been hired and a new International Development Intern program is set to begin.

“The new strategy aims to use agriculture as a way to reduce hunger and increase long-term income growth.”

EMMY SIMMONS, Assistant Administrator Bureau for Economic Growth, Agriculture and Trade

The new strategy targets four areas: linking farmers to domestic and foreign markets, fostering scientific innovation, promoting sound natural resource management, and getting technical and market information to farmers, processors, and traders.

A critical element of the strategy is increased funding for 16 international agriculture research centers, such as the one in Mexico that developed “miracle wheat” in the 1960s. U.S. assistance also will help agricultural workers boost incomes by selling their food, feed, livestock, fish, and fiber to wider markets at home and abroad. ★

Biotech Training Targets Concerns

U.S. biotech experts, who once traveled the world offering developing countries new seed varieties able to produce more food per acre, are now introducing textbooks and teaching systems to help assure the safety of the new crops.

Biotech expertise—that has enabled farmers to switch from withering, bug-infested crops to hardy, sturdy, and insect-resistant varieties—is now fighting a new enemy of hunger and poverty: fear of the new crop varieties and misperceptions about any dangers they may pose.

Opponents of bioengineered foods have spread fears in Europe and Africa of health and ecological threats posed by what they call “Frankenfood.” To counteract those concerns, the emphasis these days has become safe and effective use of biotech. The goal is to assure that new varieties will not harm health or unleash plant variants that drive out indigenous varieties and kill helpful bugs and birds.

USAID is training agricultural research scientists in Africa and Asia to do the studies needed to dispel doubts and assure farmers of the safety and benefits of new varieties.

“Countries want to be part of the scientific revolution and also make their own decisions by having their own scientists trained—there is a strong demand for this,” said Josette Lewis, a USAID specialist on agricultural biotechnology.

The cutting edge of biotech knowledge is in developing varieties that resist drought and pests or supply essential vitamins and minerals needed for health.

The private sector has invested in better biotech varieties of money-making crops such as cotton, but U.S. foreign assistance is needed to support research in basic food or subsistence crops such as lentils and vegetables, said Lewis. ★

Halting the Cassava Virus

When cassava—a mainstay of African agriculture—was attacked by a new and virulent form of the mosaic virus in the late 1980’s, USAID contributed to a crash program to develop new plants resistant to the disease, which is spread by tiny whiteflies.

The pinhead-sized flies spread the virus as they move from plant to plant to feed. By introducing virus-resistant cassava in regions of Uganda, Kenya, and Tanzania that the whitefly had not yet reached, scientists built a firebreak to slow down and perhaps even stop the advance of the disease into new areas. The effort was a collaboration between the International Institute of Tropical Agriculture in Ibandan, Nigeria, and the Association for Strengthening Agricultural Research in Eastern and Central Africa. Partners and NGOs contributed, reaching hundreds of thousands of people growing the crop.

By 2001, Ugandan farmers harvested nearly five million tons of cassava. That’s two-and-a-half times as much as they harvested at the height of the pandemic in 1994. Today, USAID is funding a similar disease-fighting program in the Democratic Republic of the Congo. These programs stand to help more than 300 million Africans who depend for survival on cassava, whose starchy root is prepared as a fluffy, white paste that is usually eaten with meat or vegetables. The leaves, rich in vitamins, are an important vegetable in the diets of low-income people in several countries. ★



USAID/Egypt is increasing agricultural export capacity by assisting farmer organizations and agribusinesses in processing and timely shipment of fruits and vegetables to European markets.

Growing Trade

Farmers outside Cairo knew they could get top prices for their grapes, melons, green beans, and strawberries if they could only get them to European shops crisp and fresh while rival producers were too early or too late to harvest. But the burning sun at the airport wilted the produce before it was loaded.

So USAID helped a farmer’s organization to persuade the government to let private firms set up efficient cold storage sheds at Cairo airport. The fruits and vegetables began to flow—tasty and cool—to shops throughout Europe.

Helping farmers produce, package, and ship their fruits, vegetables, meats and other goods to high-paying markets in big cities at home and abroad is a key part of our new agriculture strategy. ★

Banking Genes for the Future

The United States has pledged an initial \$5 million toward creation of a “gene bank” known as the Global Conservation Trust to ensure that the unique genes of plants that could be needed for agriculture in the future will not be lost as species become extinct.

Hundreds of thousands of seeds—each representing a unique variety of corn, wheat, rice, or other food crop—will be stored in weather-resistant structures meant to last for centuries.

The gene bank will exist in many places around the globe. It will seek support from corporations, trusts, foundations, and governments in addition to the USAID pledge of \$5 million and a Swiss Development Cooperation pledge of \$10 million.

The gene bank fund is expected to reach \$100 million by 2005. At that point, an independent board and scientific panel will review proposals and begin making a series of sustainability grants to support long-term seed conservation. ★

Public Diplomacy Campaign to Rebuild U.S.-Muslim Relations

The United States is conducting a public diplomacy campaign to tell America's story in the wake of terrorist attacks and accusations that the United States is an enemy of Islam.

To tell a new generation of Muslims—from Morocco to Indonesia—about America's freedom of religion at home, respect for the world's faiths abroad, and extensive foreign assistance to Islamic countries, Undersecretary of State for Public Diplomacy and Public Affairs Charlotte Beers has launched a combined State-USAID outreach effort.

When the September 11 attacks took place, a decade of deep cuts in U.S. information, education, and cultural-exchange programs had left only the skeleton for building the needed response, Beers said.

Extremists had in the same period used

new, globalized technologies such as the Internet and satellite television to spread anti-Western messages.

The public diplomacy counterattack against Osama bin Laden's anti-Western views began when Secretary of State Colin L. Powell and Arabic-speaking Ambassador Chris Ross gave interviews to Al Jazeera television and other Islamic media to explain America's views after September 11.

In addition, Beers's bureau has drawn upon resources and personnel from

STRATEGIC GOALS OF U.S. PUBLIC DIPLOMACY

- ◆ Inform the world accurately, clearly, and swiftly about U.S. policy
- ◆ Represent the values and beliefs of the American people
- ◆ Explain how democracy produces prosperity, stability, and opportunity
- ◆ Communicate U.S. support for education

the former U.S. Information Agency, which was merged into the State Department in 1999.

Special media centers were created in cooperation with the White House, Defense Department, and USAID. Strong support was given for Afghan women, Muslim journalists

were invited for U.S. visits, and Middle East exchange programs were beefed up.

To tell the emotionally gripping facts of September 11, a four-color booklet, *Network of Terrorism*, was produced by State's Office of International Information

Programs. The State Department also bought its first insert in the Arabic edition of *Newsweek*.

"Out of this experience, we developed some specific criteria for future programs," said Beers: "Convey the emotional as well as the rational, put all messages in context of the audience, enlist third parties for authenticity, and magnify a good result."

A key plan is to create "American Rooms" in libraries and other institutions overseas to enable access to information about America.

Plans for increasing exchange visits to the United States also are critical.

"Tens of thousands of Muslim exchange grantees, and 700,000 grantees worldwide, have visited the United States in the past 60 years and have become potential emissaries for the values we share," Beers said. ★

Egypt TV Spotlights USAID



Egyptian TV Anchorwoman Nihal Saad of "Good Morning Egypt" interviews a small business owner who was assisted by a USAID project that lowered groundwater levels in Old Cairo and helped preserve the Amr Ibn El Aas Mosque.

CAIRO—Egyptian Television (ETV) viewers of a popular morning news show recently saw reports on USAID projects that preserved the oldest mosque in Egypt and created 160,000 jobs through small business loans in Alexandria.

The ETV broadcasts are part of a U.S. public diplomacy effort to show that American aid benefits Muslims. Other programs are being considered in Indonesia, Afghanistan, Senegal, the West Bank and Gaza, Russia, and Colombia.

A key target of the shows is young people ages 10 to 35 who are often unemployed, easily swayed into terrorism, and unfamiliar with the long U.S. history of humanitarian and development assistance.

The first segment showed U.S.-funded repairs to the groundwater drainage system in ancient Cairo and worshippers returning to pray in the Amr Ibn El Aas Mosque, closed for many years due to the water problems.

Old Cairo contains Muslim, Coptic, and Jewish buildings, and has long been a

focus of tourism. More than 140,000 people live in the dense area adjacent to the water project.

The second ETV show reported on USAID microcredit and small-business loan projects in Alexandria, part of \$150 million in such loans since 1990. The show aired interviews with the head of the local business association, a widow with a small printing shop, and a lawyer who started a small clothing factory.

Like many other largely Muslim countries, Egypt has long viewed America as a friend. But extremists now call the United States a threat to Islamic values.

Egypt's recent rejection of a U.S. request to cancel a TV series based on an anti-Semitic book drew criticism in the U.S. Congress.

However ETV agreed to do five reports, each of them five to nine minutes, on USAID projects that have provided millions each year in non-military foreign assistance since 1979, when Egypt made peace with Israel at Camp David. ★

www.usaid.gov/about/egypt/gmegypt.html

U.S. Muslims Play Starring Roles

The first phase of a U.S. public diplomacy campaign, "Shared Values," draws to a close in January 2003. It was kicked off in August 2002 in Indonesia with a documentary television broadcast showing how five Muslim-American families live in America. The goal was to dispel accusations that the United States is "anti-Islam."

The videos featured the daily lives of a Toledo teacher from Lebanon, a Toledo baker from Libya, a Missouri college student from Indonesia, a New York City paramedic of Pakistani descent and Dr. Elias Zerhouni, Director of the National Institutes of Health, who is of Algerian descent.

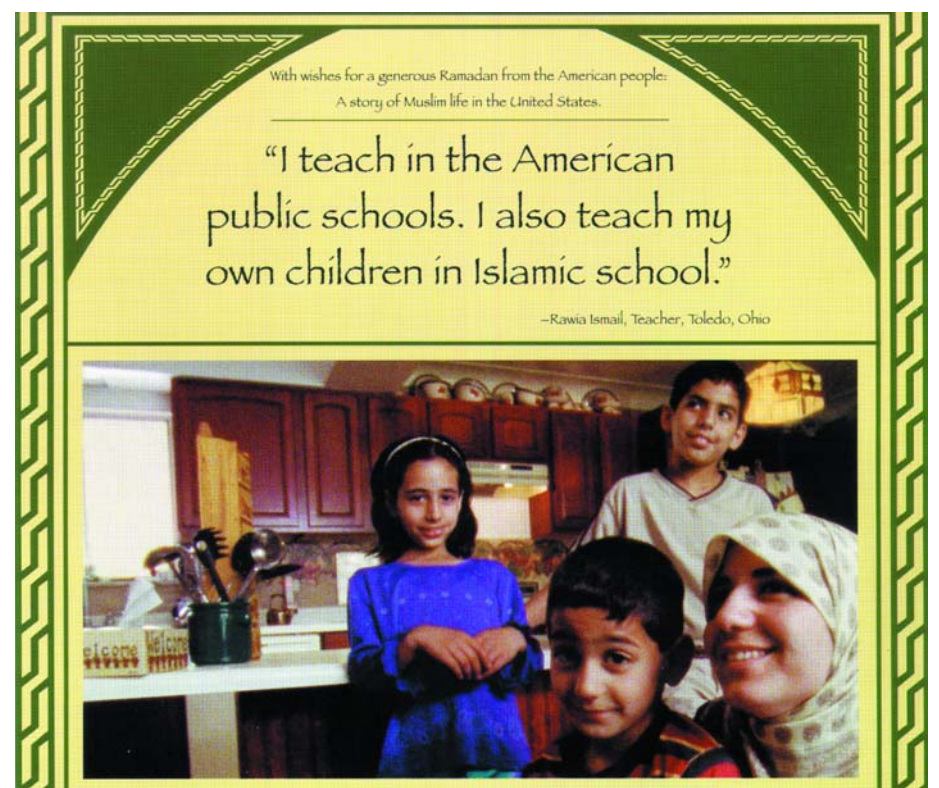
To assure the messages would resonate in the Muslim world, Undersecretary of State Beers consulted embassies and pri-

vate experts and conducted research.

U.S. officials were disturbed to see public support in Muslim countries for the September 11 attacks, and they decided to engage public diplomacy to counteract anti-American media reports.

The core stories were developed by the advertising firm McCann Erickson, which has offices throughout the Muslim world. The campaign placed video, radio, and print versions of the shared values messages in newspapers and magazines, and on pan-Muslim and pan-Arab radio and television stations. It was supported by posters, print ads, Websites, educational exchanges, articles, and op-eds.

The State Department formally requested ambassadors in each country to arrange for broadcast of the video. Indonesia was the first to show it. ★



To demonstrate a commitment to religious freedom and respect for the Muslim faith in the United States, "shared values" messages were part of a public diplomacy campaign.

ECONOMIC GROWTH, AGRICULTURE AND TRADE

Education for All: Facing the Challenges



Students improve language and math skills in USAID-supported schools where teachers have been trained in innovative student-centered teaching methods, such as cooperative learning.

ABUJA—U.S. officials at a meeting on education in Abuja, Nigeria, in November 2002 called for changes in assistance policies, in large part to meet two huge challenges in the coming years: HIV/AIDS and the doubling of world population by 2050.

The “Education for All” (EFA) strategy adopted by the global community at Dakar, Senegal, in 2000 pledged to offer quality basic education to all by 2015—a goal even then very difficult to meet.

But now, USAID officials say, the impending loss of thousands of teachers and other skilled people to AIDS requires a new focus. “Whole sectors are being hollowed out due to AIDS,” said Greg Loos, a USAID education specialist who attended the Abuja meeting.

At the Abuja meeting of the High-Level Group on Education for All, the United States proposed that developing countries and their donor partners focus on all six EFA education goals: early childhood programs, universal primary and girls’ education, lifeskills training, adult literacy, gender equity, and improved education quality.

Administrator Natsios, who represented the United States at the meeting, called for moving beyond foreign donor aid through expanded alliances and partnerships.

“Developing countries will need to bring more domestic stakeholders into EFA as active participants,” said Natsios. Among these are parents, labor unions, the business community, universities, local and international NGOs, the media, and global diasporas.

Loos said that Official Development Assistance from donor governments cannot meet the educational needs of the developing world and will require private sector and civil society involvement—

especially in view of the huge population growth expected. “Unfortunately, engaging the business community as development partners is an approach not readily understood by many donors and developing countries,” Loos stated.

The United States also called for developing countries to show good faith and match donor grants by putting 20 percent of their annual budgets into education—half of these amounts toward basic education.

**Teacher Shortage:
Of the 75,000 teachers in
South Africa’s Kwa Zulu-Natal
Province, some 68,000 will
need to be replaced by 2010.**

The Bush Administration has shifted U.S. foreign assistance policy by viewing education as a route for economic growth and poverty reduction. As Loos said, “That’s why the Administration sees educating a broad range of students beyond the primary levels.”

Thailand, for example, put more than 95 percent of its elementary school age children into schools by 1990. But few of them went on to high school, and the lack of a skilled workforce led high-tech manufacturers to locate elsewhere.

Educated women bear fewer children—an additional benefit that reduces pressure on schools and other resources. As a mother’s level of education rises, the success of her children in school also increases. Early childhood education has similar economic benefits—each year of attendance leads to a 7 to 14 percent increase in annual income when an adult. ★

www.usaid.gov/about/educationforall

GLOBAL DEVELOPMENT ALLIANCE

ChevronTexaco Helping to Rebuild Angola

150,000 Families to Benefit

The largest oil producer in Angola and USAID have each agreed to provide \$10 million over five years for development projects aimed at repairing the extensive economic and social damage that resulted from 27 years of civil war.

A former Portuguese colony, Angola was torn apart by its civil war, which ended only after UNITA leader Jonas Savimbi was killed in March 2002. A peace accord was signed in April.

Hundreds of thousands of ex-combatants and internally displaced people have been seeking to return to their farms since the war’s end. ChevronTexaco and the United States believe that small and medium enterprise agriculture should be the alliance’s first activity.

To fund this development relief activity benefiting up to 150,000 families in six provinces, ChevronTexaco will donate \$4 million which the Agency will then match. As additional projects are identified, USAID will continue to accept and match ChevronTexaco contributions.

The largest foreign aid donor to Angola, the United States has been active in the country since 1989, providing food, healthcare, clean water, and sanitation services. The USAID/Angola mission, established in 1996, began partnering with ChevronTexaco’s Angola operation in 1999 to provide vocational training, agribusiness development, and health services.

ChevronTexaco, active in Angola for decades, accounts for more than two-thirds of the country’s petroleum production of 800,000 barrels per day.

ChevronTexaco Chairman David J.

O’Reilly named Simon Lowes to work with USAID’s Global Development Alliance Secretariat and the Bureau for Africa to develop alliance activities that assist Angola’s development.

“ChevronTexaco and USAID’s economic development alliance will ease the return and resettlement of Angolans displaced by the war.”

HOLLY WISE, Director
Global Development Alliance Secretariat

In late November, as the partners signed a memorandum of understanding in the capital, Luanda, to outline the details, USAID Mission Director in Angola Robert Hellyer said, “USAID’s economic development alliance with ChevronTexaco will make an important difference in the lives of tens of thousands of Angolans at this critical moment for the country.”

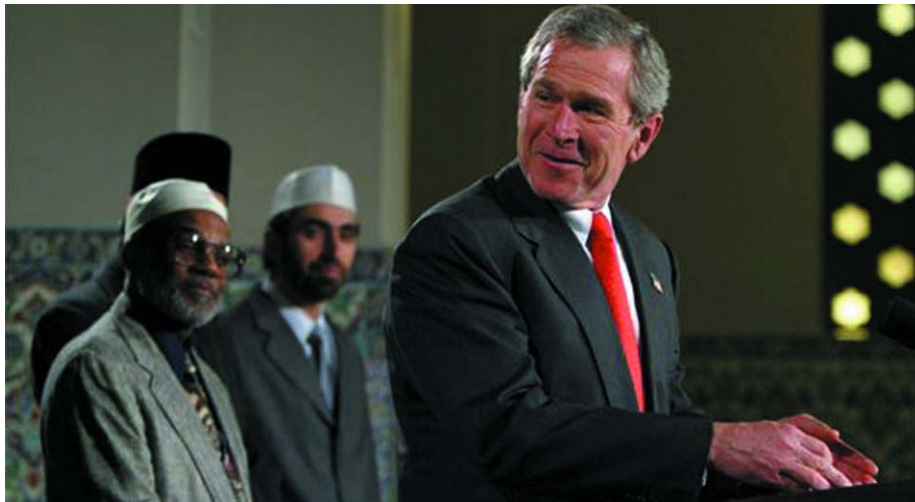
O’Reilly said at the signing ceremony: “Collaborative efforts in support of sustainable investments such as these, which build on ideas embraced at the recent World Summit on Sustainable Development in Johannesburg, can make a profound and lasting difference. At the same time, we recognize that this is just a start, and we encourage additional public-private partnerships so we can expand the collective strengths and capabilities for the benefit of Angola.” ★



Farm extension agents like the one pictured here will help formerly displaced families to become food self-reliant, thanks to the Angolan economic development alliance.

DEMOCRACY, CONFLICT AND HUMANITARIAN ASSISTANCE

Reaching Out to Muslim Communities



White House photo by Paul Morse

President George W. Bush marks Eid al-Fitr, the end of the Muslim holy month of Ramadan, with an address at the Islamic Center of Washington, D.C., on December 5, 2002.

The news brings constant reminders that many in the Muslim world oppose the United States' global intervention, but senior officials say that supporting democracy and pluralism in Arab and Muslim countries could help heal the rift.

"The September 11 terrorists were not poor—poverty did not seem to be the breeding ground for their decisions to attack America," said Wendy Chamberlin, Assistant Administrator for Asia and the Near East.

Nor did the terrorists lack knowledge about America. They lived here and still killed 3,000 innocent people.

"There went the myth that 'to know us is to love us,'" said Chamberlin at the 2002 USAID Democracy and Governance Partners Conference outside Washington, D.C., in December.

The U.S. push for democracy is viewed by many in the Muslim world as a cover for using economic power to dominate weaker countries. And they see American duplicity behind support for dictators in the Muslim world, she said.

However, "Many Muslims respect us for protecting our citizens from corrupt officials and disease and for protecting our right to worship and to send our children to school," added Chamberlin.

These "human values"—shared by Americans and citizens of predominantly Muslim countries—should form the foundation of our assistance programs. Programs that promote democratic governance and advance human dignity are a way to restore and strengthen understanding between our people.

Appearing on the same panel, Elizabeth Cheney, Deputy Assistant Secretary of State for Near East Affairs, said that most political systems in the Muslim world fail to give voice to their citizens. "When dissent is equated with disloyalty, it goes underground," she told the conference.

Cheney noted the recent *Arab Human Development Report* findings which described a "freedom deficit" and a predominately Muslim region where 14 million Arabs lack jobs and 50 million more young people will enter an already crowded job market over the next

eight years.

"Through a new Middle East Partnership initiative, recently announced by Secretary Powell, we will work with reformers on enlarging political, educational, and economic reform," Cheney said. "We will work to expand political participation, especially by women." Support for free and independent media, parties, parliaments, and NGOs will aim to expand the public space for debate.

Though the initiative will be guided by realism, Cheney said that we will not accept what has been called "the soft bigotry of low expectations" by thinking that this part of the world is not ready for democracy.

Several points for U.S. engagement with the Muslim world were outlined by Akbar Ahmed, American University Professor of Islamic Studies.

He noted the phenomenon of today's media where symbolic visits to a local mosque by President Bush can be well received in the Muslim world, but, at the same time, criticism of Islam by American fundamentalist Christians sends a much more hostile message.

Ahmed recommended the United States take a long-term approach aimed at fostering a greater understanding of the Muslim world as a whole, noting that only 18 percent of it is Arab. Ahmed emphasized the importance of both democratic allies and role models—such as Pakistan's first post-independence leader, Mohammed Ali Jinnah—for the development of a democratic, secular state in the Muslim world.

Other key areas Ahmed recommended for engagement included work in educational reform and finding ways to address the growing gap between rich and poor in the region. Finally, he applauded efforts to tap into the resources, expertise, and guidance of the American Muslim community.

The USAID Democracy and Governance Partners Conference brings together more than 300 people each year from the U.S. policymaking community, USAID democracy program officers, academics, and USAID headquarters and field staff. ★

GLOBAL HEALTH

From A to Zinc: Micronutrients Save Lives

Millions of children have died from diarrhea, respiratory infections and other illnesses in recent years because they lacked tiny amounts of zinc, iron, iodine or vitamin A—vital micronutrients that USAID is supplying through processed food, enhanced plant varieties or tablets.

Large-scale trials are currently underway in India, Nepal and Zanzibar of a new zinc tablet, developed with USAID support, which may reduce the more than 1.2 million deaths each year from diarrhea in children under five.

More than two billion people worldwide—mostly women and children—lack sufficient quantities of zinc, vitamin A, iron, and iodine. These micronutrients are now being added to processed foods such as rice and sugar under USAID-supported programs.

Vitamin A intake has been shown to reduce deaths in children by 30 percent, and to cut maternal deaths in childbirth by as much as 40 percent.

"Vitamin A mobilizes the body's immune system and makes it stronger, and it heals submicroscopic cracks between cells in the body's armor—the epidermis and intestine and lungs—which blocks invasion by outside organisms," according to Dr. Nils Daulaire, formerly with USAID and currently President of the Global Health Council.

USAID is improving foods by

expanding research, development, and dissemination of biofortified crops such as maize enriched with vitamin A, iron and zinc; beans with zinc and iron; and sweet potatoes with added vitamin A.

Aside from causing birth defects, maternal death, childhood mortality, blindness, anemia, and increased vulnerability to infections, the lack of micronutrients can impair intellect, according to recent studies.

"Experience proves that well-designed supplementation or food fortification programs can not only dramatically improve health, but reduce stifling national health-care costs and boost intellectual potential and domestic productivity," said Dr. Anne Peterson, Assistant Administrator for Global Health.

For more than 20 years, USAID has supported research into vitamin A. In the last six years, USAID-sponsored research has shown that zinc reduces the severity of acute respiratory infections and diarrheal diseases in mothers and children. It also reduces episodes of diarrhea among children under age 5.

The new zinc tablets are used along with oral rehydration salts, another low-cost treatment pioneered by USAID that protects millions of infants and small children who otherwise would die from dehydration during bouts of diarrhea. ★

SWEET POTATO ADVOCATES



photo by Joanne B. Giordano

Rural women in Mozambique wear skirts imprinted with sweet potatoes to promote the availability of this vitamin A-enhanced crop. The USAID-funded program provides these women with recipes that increase their family's consumption of foods packed with important micronutrients.

Agency Report Says Aid in National Interest

A report on U.S. foreign assistance, released January 7 in Washington, D.C., finds remarkable gains in world living conditions in recent decades, but warns that progress in democracy is threatened by corruption and weak legal systems.

The 150-page report, *Foreign Aid in the National Interest*, describes the spread of democracy around the world as “impressively broad but worrisomely thin,” says . It also notes that the next decade will be a time of both great danger and great opportunity for democracy.

“Without lasting reforms to improve governance—by reducing corruption, professionalizing the state bureaucracy (especially economic management), and strengthening judicial, administrative, and political institutions—many more democracies are likely to disappear,” it states.

The report also recommends that levels of foreign assistance be more clearly linked to a country’s performance, and that aid be terminated to governments that do not move to provide education and healthcare to their citizens.

The report says economic growth is now seen as the main engine for reducing poverty. In turn, boosting agriculture is seen as a main engine for growth.

Other vital factors in lifting developing countries from lower- to middle-income

levels are free markets, free trade, and strong legal protections that encourage business to invest and operate.

On health, the report notes that worldwide demographic changes, caused by reduced infant mortality and longer life-spans, mean global health programs can begin to shift their focus from women of reproductive age and children under five to entire families, including income earners and elderly dependents.

The report is being shared with other development agencies, think tanks, the private voluntary community, legislators, and the press. A series of roundtables with the authors was held in early 2003.

The report’s six chapters, summarized here, are on democratic governance, economic growth, health, conflict management, humanitarian assistance, and investment in foreign aid.

www.usaid.gov/fani



Chapter 1 Promoting Democratic Governance

Democracy has spread around the world since the 1989 collapse of communism, replacing both leftist and authoritarian regimes in Asia, Africa, and Latin America. But in many countries, democracy has become shallower and millions remain without basic rights.

While the number of “electoral democracies” has never been higher, the proportion of liberal democracies with rule of law, civil liberties, and vibrant civil society has declined. Many electoral democracies exhibit growing problems of governance that are eroding their legitimacy among the public and undermining their stability. Argentina and Pakistan are two examples, but public support for democracy has declined even in countries such as South Korea and Costa Rica.

For these reasons, a larger portion of U.S. assistance should be devoted to democracy and governance efforts. Good performers must be tangibly rewarded. But if there is no political commitment to democratic and governance reforms, the United States should suspend those few government-to-government aid programs and work only with nongovernmental actors. The U.S. government should encourage multilateral institutions such as the World Bank and other bilateral donors to do the same. Only such a “tough love” approach—by the United States and the rest of the international community—will produce sustained democratic governance reforms.

Strategic priorities for assistance include controlling corruption, increasing accountability, and strengthening the rule of law. Pursuing these priorities requires coordination and consistency within the U.S. government. ★

Chapter 2 Driving Economic Growth

At least for the next generation, U.S. strategy for reducing poverty in developing countries must focus on promoting growth in poor countries. New data eliminate any doubt that rapid economic growth reduces poverty.

Self-sustaining growth is difficult for developing countries because it requires institutions that protect property rights, ensure low transaction costs, and thereby support private markets. No simple alternative has been found to the gradual evolution of such institutions. Good economic governance boosts economic growth.

In poor countries agricultural development connects poor people to economic growth. The requirements for agricultural development are well known. Better agricultural technology and adequate prices for farmers lead to profitable farm investments and higher incomes that lift rural residents out of poverty.

Globalization provides an unprecedented opportunity to direct resources toward development. Globalization and regional integration have benefited participating countries regardless of their level of development. But by and large, countries characterized as “normal integrators” have achieved significantly more rapid growth and poverty reduction than countries characterized as “slow integrators.”

Productivity growth depends on a favorable business climate and the sophistication with which companies compete. The sophistication of companies is inextricably intertwined with the quality of the national business environment, which depends on both microeconomic and macroeconomic policies and institutions. These include transparent regulation, reliable law enforcement, and lower trade barriers. ★

50 Years of Development Gains

While the past decade has seen substantial cuts in funding for some development programs and probing questions about the effectiveness of U.S. assistance, *Foreign Aid in the National Interest* states there is little doubt that many people in countries where aid was delivered live vastly better lives—in terms of food, health, education, and other measures.

The most impressive achievements of five decades of development around the world include the following:

- ◆ Developing countries now have an infant mortality rate of 69 for every 1,000 live births—equal to the rate of industrialized countries in 1950.
- ◆ Deaths of children under age 5 in developing countries are half what they were 20 years ago.
- ◆ In 1951, 40 percent of people in industrialized countries had a secondary education. Today, 50 percent of people in developing countries do.
- ◆ Food consumption in developing countries has risen from approximately 2,000 calories a day in 1960 to 2,500 calories today.

◆ Fertility rates in the developing and developed worlds are converging. As a result, the world’s population is expected to stop growing during this century. Benefits of reduced fertility rates include reduced maternal, child, and infant mortality.

◆ Some countries—such as South Korea and Taiwan—achieved high growth rates that lifted them into the tier of middle-income countries. Investments in healthcare and education allowed millions to improve their jobs and incomes.

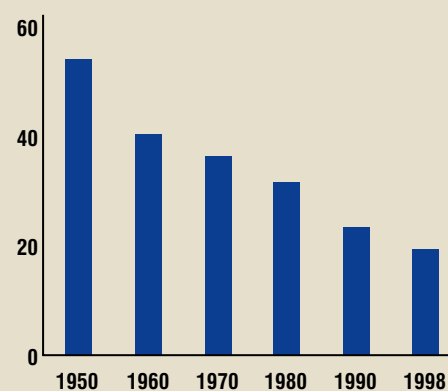
But incomes have not risen everywhere. In Africa and some former Soviet republics, development has been stalled, often by political, cultural, or environmental factors:

- ◆ In sub-Saharan Africa, per capita GDP dropped 16 percent between 1980 and 2000. In Zambia, per capita income plunged 41 percent between 1970 and 1998. In Zaire, the drop was 68 percent.
- ◆ HIV/AIDS is reversing gains in many countries and deepening poverty in others, especially in sub-Saharan Africa where the overall infection rate is more than 20 percent—and much higher among working-age people.

“This report will provide policymakers, development professionals, and international affairs experts with new thinking, fresh analysis, and innovative approaches to tackling the problems of our time.”

ANDREW S. NATSIOS,
USAID Administrator

FEWER LIVE ON LESS THAN \$1 A DAY (% of world population)



Source: 1950–80 are from Bourguignon and Morrisson 2002. 1990 and 1998 use numbers of poor from Ravallion and Chen 2001, and world population from the United Nations world population estimates.

MANY MORE PEOPLE CAN READ



World Bank, Curt Carnemark

In 1950, only 35 percent of people ages 15 and over in developing countries were literate. By 2000, this percentage had more than doubled—to 74 percent.

Source: UNESCO, Statistical Yearbook (various years) and July 2002 Assessment.

All comments concerning this report can be emailed to: FANI@usaid.gov. Responses to submitted comments may or may not be provided.

Chapter 3 Changing Health Needs

In most developing countries, fertility and mortality rates have declined, life expectancy has increased, and healthcare has improved significantly. Increasingly, these countries must cope with aging populations and the growing incidence of chronic illnesses such as heart disease, cancer, and diabetes.

In other countries—mainly in Africa—fertility and mortality rates have remained high, life expectancy is low, and key health indicators have stagnated or worsened. Infectious diseases, including HIV/AIDS, continue to be widespread.

The traditional patterns of health assistance and its heavy emphasis on maternal and child health is shifting, in part due to declining infant mortality, reductions in the birth rate, and greater longevity.

As a result, while USAID should continue fighting infectious diseases—including HIV/AIDS—and supporting reproductive and maternal/child health, the Agency should help developing countries prevent and treat chronic diseases.

To cope with the complexity and rising costs of delivering healthcare, USAID should expand partnerships and coalitions and explore new approaches to healthcare financing.

Healthcare needs to shift to preventive, family-focused care. Developing institutions and financial arrangements that will make quality healthcare affordable and accessible will alleviate suffering and improve health. ★

Chapter 4 Mitigating and Managing Conflict

The report lays out in stark terms the growing number and complexity of man-made and natural disasters and documents a corresponding increase in U.S. assistance. It calls for greater rigor in the development community to identify the underlying causes of conflicts and potential conflicts, and to look at all development through a “conflict lens.” It also reminds us that all aid could be seen as political, including humanitarian assistance, for it introduces material goods in an impoverished and competitive setting.

A broader and deeper appreciation of the complex causes surrounding violent conflicts is needed to prevent their recurrence or to manage and mitigate their effects. Conflict is ultimately the product of deep grievance and ambition, reckless political leadership, weak or predatory institutions, and destabilizing global and regional trends. The health of political, economic, and social institutions is perhaps the most critical factor in determining whether violent conflicts will emerge in developing countries.

USAID should continue to develop programs to help missions address the emergence of violent conflicts as early as possible. These can include education programs that encourage tolerance, employment programs that offer young people hope for a viable economic future, civil society programs that bring different groups together to peacefully resolve their disputes, democracy programs that strengthen channels for peaceful political competition, and programs that help groups manage tensions over the division of scarce resources. ★

Chapter 5 Providing Humanitarian Aid

The international community’s experiences with conflicts and natural disasters in the 1990s led to big changes in the scope, funding, and profile of humanitarian aid. Trends guarantee that humanitarian aid will remain enormously important for the United States—the world’s largest humanitarian donor. In 2000, it provided \$1.6 billion in official humanitarian aid and more than half of all resources for the relief operations conducted by the World Food Program.

By the end of 2000, internal (within-state) conflict, repression, and failed states had generated 14.5 million refugees and nearly 25 million people displaced within their own countries. These complex humanitarian emergencies necessitated addressing the larger security and human rights issues, at times making them an element of political and military strategies.

Initiatives to redefine the nature of humanitarian response include efforts to

- ◆ improve standards and accountability,
- ◆ enhance protection for relief workers,
- ◆ strike a balance among political, military, and humanitarian strategies,
- ◆ address the links between disasters and development efforts.

The United States must place special emphasis on protecting war-affected populations, especially internally displaced persons. Other goals are to improve standards and accountability, ensure development programs do not increase vulnerability to disasters, and expand USAID staff to include human rights experts, economists, and other social scientists. ★

Chapter 6 The Full Measure of Foreign Aid

There has been a major shift in sources of resource flows from the United States to developing countries. Twenty years ago, official development assistance (ODA) was the largest source of aid to the developing world. Today, private flows from U.S. foundations, private and voluntary organizations, corporations, churches and individual remittances exceed ODA—primarily because of the unique U.S. tax structure and the country’s strong tradition of private giving.

While many of the private resource flows are poorly understood and documented, the size and impact of private international giving may create new opportunities for development agencies. Working with the many providers of private resources, foreign assistance can enhance its effectiveness and define its comparative advantage and its role in the 21st century.

Over the next 10 years, prospects for growth in private sources of philanthropy as well as in private foreign investment are very good, but the challenge will be to develop local counterparts who can eventually assume the role—in part by helping local affiliates and other local businesses engage in philanthropy, and in part by working on laws and regulations that encourage private giving and private investment.

This chapter also captures the changes in the wider context in which development assistance operates—globalization, technological changes, increasing direct private investment in developing countries, numerous localized conflicts, and the crippling impact of HIV/AIDS. ★

ABOUT THE AUTHORS

CAROL ADELMAN, a former USAID Assistant Administrator and now a Senior Fellow at the Hudson Institute, authored the concluding chapter of the report, “The Full Measure of Foreign Aid.”

LARRY DIAMOND, Professor of Political Science at Stanford University, Co-editor of the *Journal of Democracy*, and Senior Fellow at the Hoover Institution, wrote the democracy and governance chapter.

DINA ESPOSITO, an independent consultant working on humanitarian aid and post-conflict transition assistance, wrote the humanitarian assistance chapter. She is a former State Department and USAID employee.

JAMES FOX wrote the overview, which documents past development successes. He has served with USAID and as a consultant to the World Bank.

CHRISTIAN KETELS, Principal Associate at the Institute for Strategy and Competitiveness, a thinktank directed by Michael Porter, contributed background papers to the economic growth chapter.

SHARON MORRIS, Senior Advisor in the Office of Conflict Management and Mitigation at USAID, contributed the chapter on conflict mitigation.

MICHAEL E. PORTER, a Harvard Business School Professor, contributed background papers to the economic growth chapter. He is a leading authority on competitive strategy and the competitiveness and economic development of nations, states, and regions.

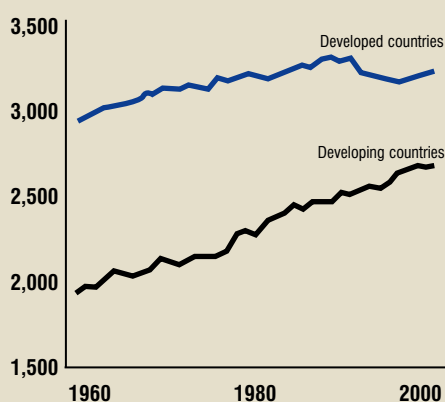
SUSAN RAYMOND, contributed to the health chapter. She is an independent consultant in international and domestic healthcare systems and finance, as well as in nonprofit economics and finance.

C. PETER TIMMER, Professor of Development Studies at the University of California-San Diego’s Graduate School of International Relations and Pacific Studies, contributed background papers to the economic growth chapter.

YUNG WHEE RHEE, a former World Bank economist specializing in trade and globalization issues, contributed background papers to the economic growth chapter.

50 YEARS OF DEVELOPMENT GAINS

CALORIC INTAKE ON THE RISE (calories per day per capita)



Source: Food and Agriculture Organisation Agristat database.

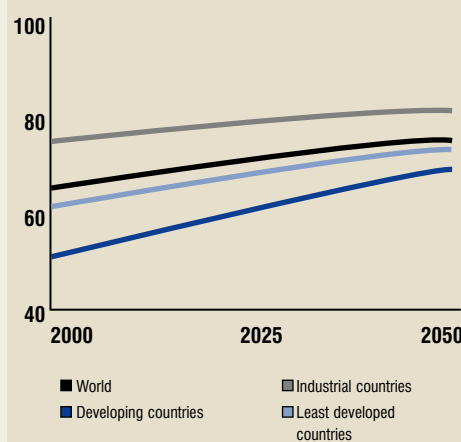
INFANT MORTALITY PLUNGING



By 2020, the average infant mortality rate in developing countries will fall below 50 per 1,000 live births, surpassing the goal set at the United Nation’s Summit for Children.

Source: Susan Raymond 2002.

LIFE EXPECTANCY CONVERGING (life expectancy at birth in years)



Note: Developing countries excludes China.
Source: Susan Raymond 2002.

ELECTORAL DEMOCRACIES MORE PREVALENT (proportion of electoral democracies (%))



Source: Freedom House 2002.

AFRICA

Kids Love Radio Days

Guinea Program Sparks Students, Teachers

TOUNTOUROUN, Guinea—The fourth graders in Petel Lelouma Primary School in the Fouta Djallon highlands of Guinea come to school very early “because it’s a radio show day,” says teacher Koria Kouyaté. “The kids don’t want to miss it.”

For 90 minutes each week, children in grades 1 through 6 across Guinea listen to a USAID-sponsored interactive radio show called “Under the Kapok Tree.” The program is effective “because children learn by playing,” according to Kouyaté. “They don’t even realize it, but they are learning a lot.”

Developed by the U.S.-based Education Development Center in collaboration with the Guinean government, the radio show teaches children language, mathematics, science, community health, and other subjects.

During the broadcast, teachers follow the instructions of the “radio teachers,” who guide children to sing songs, answer questions, manipulate objects, draw pictures, and work in small groups to solve problems.

The broadcasts, entirely in French, began for first and second graders during the 1999–2000 school year. The next year, the broadcasts were expanded to cover grades 1 through 6. An estimated 22,000 teachers and

900,000 students benefit from the program nationally.

To support the broadcasts, windup radios have been distributed to all elementary schools. Teachers also received guides, student activity books, posters, and science kits. Workshops and bimonthly meetings give teachers additional support to adapt to an interactive style of teaching that is quite different from traditional teacher-centered methods.

According to Sow Abdoul Salam, Principal of the grade school in the village of Tountouroun, “Teachers are learning to be more active, and not just stand in front of the class, which was what they did before. They’re getting new ideas. With this project, each teacher is learning to become a true artisan of his or her own training.”

Although teachers are benefiting from the program, the biggest fans continue to be Guinean children who come to school early so they can clap and sing in the classroom on radio show days. ★

By Laura Lartigue, Technical Writing Specialist,
USAID/Guinea

www.usaid.gov/gn/education/

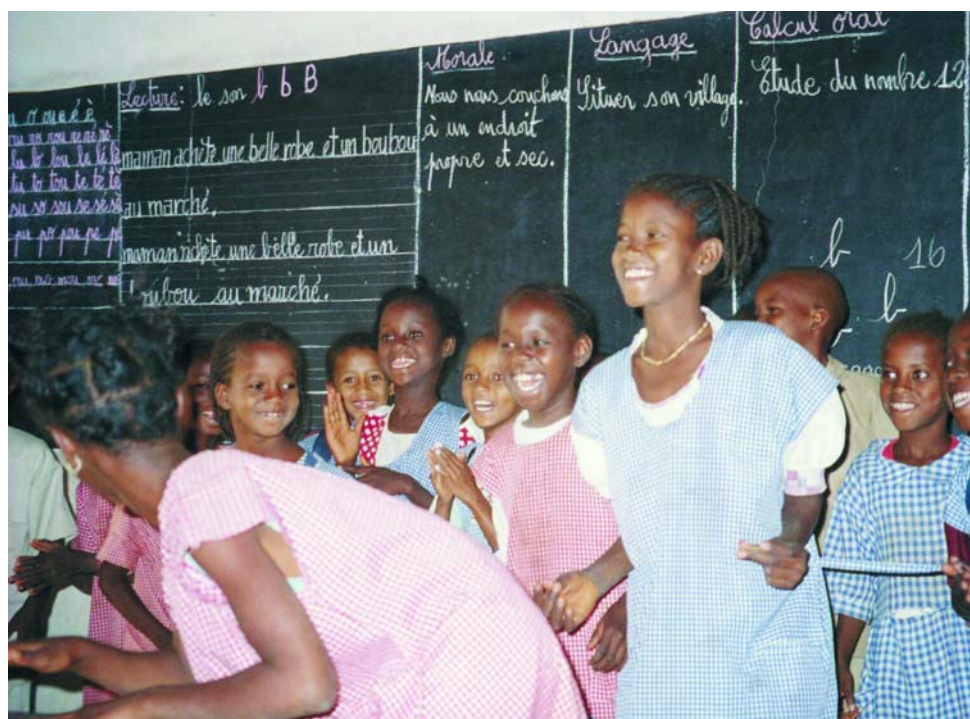


Photo by Laura Lartigue

These school girls, with their teacher, act out a lesson they learned on radio show day. Posters, school textbooks, and radios are part of the USAID-sponsored support materials now in their classroom.

LATIN AMERICA AND THE CARIBBEAN

U.S. Responds to Global Coffee Crisis



Photo by Luigi Crespo

To mitigate the effects of the global coffee crisis, USAID is helping organic and gourmet coffee producers like José María (Don José) de la Cruz of the Dominican Republic.

An oversupply of coffee on world markets has cut prices almost 70 percent in five years, to historic lows that are causing great hardship to coffee producers and coffee workers, particularly in Central America and East Africa.

Over the past year, coffee producers in Central America lost about \$1.5 billion, while some 600,000 coffee workers have lost their jobs. When combined with the drought that has plagued many parts of the region, the coffee crisis has added substantially to Central America’s poverty, malnutrition, and food insecurity.

As with Hurricane Mitch, the United States has responded quickly to these challenges. In FY 2002, USAID provided \$10.1 million in emergency drought assistance to Central America, most of which went to small coffee growers or coffee workers.

The Agency also launched new initiatives—worth \$8 million in Central America and \$7 million in Colombia—to help coffee producers improve the value of their crops so that they can earn more from the sale of higher-quality coffee beans. At the same time, USAID is working with other, less competitive producers to help them diversify into other crops.

USAID is also working with coffee producers in more than 15 other countries around the world, including East Africa and Asia. The Agency has invested \$2.8 million to help coffee producers in Uganda, Tanzania, Ethiopia, and Rwanda, and has put several million more dollars into helping producers in the new nation of East Timor.

To cope with the worldwide crisis affecting millions of people, the Agency is partnering with private companies through the Global Development Alliance.

One of these new partnerships was formed with Green Mountain Coffee Roasters of Vermont. It will help mitigate the crisis by supporting the development of small- and medium-scale coffee production systems that are environmentally, socially, and economically sustainable. This, in turn, will help to ensure improved livelihoods and incomes for coffee farmers and their communities, while maintaining a reliable supply of coffee in the range of qualities demanded by consumers.

Green Mountain also will supply “fair trade” coffee, said to be produced in a socially responsible manner, to the U.S. Senate cafeterias under an agreement announced in December by Administrator Natsios and Sen. Patrick Leahy (D-Vt.).

The partnership with Green Mountain—and other coffee companies and associations that may join us in the future—will improve the lives of coffee producers and workers by focusing on quality standards, handling, processing, packaging, marketing, and modern business practices. Producers can become certified growers of organic, shade-grown, and specialty coffees, which fetch higher prices in today’s market. Assistance may also go to improving wet milling and patio-drying processes that help particular coffee beans retain their unique flavors during processing. ★

www.usaid.gov/about/coffee/

ASIA AND THE NEAR EAST

“SmartBus” Narrows Digital Divide in Lebanon

RMEISH, Lebanon—A “SmartBus” equipped with computers able to log onto the Internet via wireless phones has been cruising the roads of the former occupation and war zone in southern Lebanon, teaching children and adults how to connect to the modern electronic world.

USAID teamed with Microsoft and Mercy Corps to convert a bus into a mobile computer classroom—the SmartBus—to increase rural access to high-tech communications and to narrow the digital divide between rural and urban areas.

The SmartBus is a converted school bus containing 10 PCs networked on two servers. Internet connectivity is achieved through a satellite dish and mobile phones. Power generators and air-conditioners mounted on the roof provide self-sufficiency in operation. A roll-out canopy creates additional outdoor training space and a venue for projecting instructional and recreational materials.

USAID and Mercy Corps contributed equipment, audiovisual machines, fittings, and furniture, and also provided operation, management, and training programs. Microsoft contributed to the purchase, conversion, and branding of the bus, and most importantly, donated the software.

Beyond access, the concept behind the bus is to raise awareness of how the Internet can be used as a tool for rural development, such as helping farm cooperatives learn about new, potentially

lucrative crops, explore alternative production methods like organic farming, and improve their ability to market their produce.

The SmartBus project has been active in previously occupied villages of southern Lebanon such as Rmeish, Dibil and Aita-El-Shaab in Bint Jbeil District. Hundreds of men, women, and children—ranging from 7 to 70 years old—have attended training sessions and used SmartBus facilities to improve many aspects of their lives.

One young man from southern Lebanon participating in SmartBus training on Microsoft applications said, “The SmartBus benefits village citizens having none of the facilities present in the city. The SmartBus comes to help us by training and connection to the world.”

Under the new USAID/Lebanon strategy, USAID, Microsoft, and Mercy Corps will continue their partnership in the SmartBus program primarily as a business training facility for rural entrepreneurs and small business owners. It will enhance the management, operation, and promotion of their agribusinesses, tourism facilities, and related services.

Over the past five years, the United States has made investments of more than \$150 million in development assistance in Lebanon, primarily in some of the most deprived rural areas of the country. A growing number of those investments have been in the area of Information and Communication Technology such as the



Lebanese students enjoy an online computer session in the SmartBus.

EUROPE AND EURASIA

Yugoslavia Project Lets Citizens Decide



“Once upon a time, we were forced to drive through the water. And sometimes even that wasn’t possible when the river was full. Now we have a good bridge. Mostly I use it to go to the mill to grind feed for my animals. How do I define quality of life? Now I can go over the bridge to the café some evenings to play cards with my friends.”

Vule Lukic, 78-year old farmer alongside a \$30,000 bridge built with USAID assistance outside Godacica, in rural Kraljevo.

CACAK, Serbia—A five-year, \$250 million U.S. program to supply clean water, electricity, roads, schools, clinics, and jobs in Serbia and Montenegro has also engaged ordinary citizens for the first time in a development and decision-making process that is changing the way communities work.

“Now the municipal government understands that we should support active groups that push for priority projects.”

Cacak city official

The Community Revitalization through Democratic Action (CRDA) program rolled out across Serbia in July 2001 and Montenegro in April 2002. In more than 400 communities, it has been a quick-response, quick-results program, working directly with citizens in their communities to produce immediate improvements in local living conditions.

Srecko Jovanovic, a Serbian farmer from Gornji Milanovac, said the project brought “healthy drinking water in my house—that’s improved quality of life for me. After years of using bad quality water from wells, I’m sure that all of my neighbors would tell you the same.”

Until Slobodan Milosevic was ousted from power in a popular uprising in October 2000, very little had been done to improve the quality of life, give young people hope and motivate people to do more for themselves and their communities in Serbia and Montenegro. The two republics remain part of Yugoslavia after the Balkan wars of the 1990s resulted in the independent countries of Slovenia, Croatia, Bosnia, and Macedonia.

People had grown weary of political promises and divisive policies, and began to look within their own communities and

themselves for the initiative and the answers that can generate change.

The CRDA program is designed to be driven by the citizens—local communities plan and carry out projects that fix vital infrastructure, create jobs and businesses, address environmental problems, and promote civic participation. To ensure commitment, communities must contribute at least 25 percent of the project cost, though many give more.

CRDA projects cut across traditional ethnic divisions that were exploited in the Balkan wars, as community councils realize that their priorities are often the same. By getting people to work together toward a common goal, the program is building a sense of trust and cooperation between different ethnic and religious groups, notably in southern Serbia. These changes in attitudes and behavior signal a decisive break with the past.

As a result of CRDA, Dejan Petricevic and his neighbor Gordana Jovanovic finally succeeded in their six-year effort to pave a street in Cacak. “I was doubtful at that first town meeting,” admits neighbor Zoran Marjanovic, “but Gordana kept urging us to be active.”

“Our citizens’ board secured the CRDA funding for our project by getting the municipality to agree to contribute 25 percent of the cost of the asphalt,” explains Marjanovic. “Then the municipality agreed to pave three other roads in the neighborhood if the citizens would contribute 25 percent. It cost about \$200 per household, on average. So instead of getting one road paved, we got four roads paved.”

Dragana Bankovic added: “And the citizens’ board negotiated with the public water utility to upgrade the water supply network before the new asphalt was laid. So, we got the water pipes replaced, built a drainage system, and installed poles to carry new phone and electric lines.” ★

www.usaid.org.yu/success/success.php

General Counsel's Conference



Agency lawyers from USAID posts around the world attend the three-day General Counsel's Conference in Washington, D.C., November 18–20, 2002.

On November 18–20, 2002, Agency lawyers assembled in Washington, D.C., for the General Counsel's Conference. Drawn from every USAID legal post around the world, Agency lawyers including foreign service national lawyers from Egypt, Kenya, and Russia, participated in three days of discussion of legal and policy issues confronting the Agency.

One critical session discussed a range of issues concerning religion and development. The Agency is seeing increasingly important connections between its development work

and the work of diverse religious leaders and groups around the world. Careful planning in strengthening these connections can ensure that the Agency's programs are more effective while complying with all legal requirements.

Other discussions focused on assistance to police; terrorism; the Global Fund to Fight AIDS, Tuberculosis, and Malaria; construction contracting; overseas litigation; the Global Development Alliance; local taxation of our development programs; Development Credit Authority; and ethics. ★

Willard J. Pearson Appointed Counselor

Administrator Natsios appointed Willard J. Pearson as Counselor to the Agency on December 19, 2002. Pearson succeeds Janet Ballantyne, who recently retired. Mr. Pearson will advise on a wide range of policy, operational, and management issues. The Counselor, the most senior career officer position in the Agency, serves as ombudsman for career employees.

Mr. Pearson will transfer from his current position as USAID/Egypt Mission Director in early 2003. Anne Aarnes will serve as Acting Director in Cairo until a new mission director is named.

Mr. Pearson has distinguished himself at USAID for more than 25 years, having served in the Foreign Service for 15 years as Mission Director in Egypt, Cambodia, REDSO/Abidjan, and Ethiopia. He also draws on more than a decade of experience in USAID's civil service, thus bringing both field perspective and headquarters experience to the job. ★



Willard J. Pearson, Counselor to the Agency

Jamaica Mission Celebrates 40th Anniversary

KINGSTON—On November 22, 2002, at a gala ceremony attended by 400 guests including His Excellency Sir Howard Cooke, Governor General of Jamaica, USAID celebrated the 40th anniversary of a close alliance in the pursuit of Jamaican economic and social prosperity.

Originally begun with \$13 million during the Mutual Security Act period in 1956, U.S. economic assistance was formalized with the establishment of USAID under the Foreign Assistance Act in 1962. Since then it has continued to grow, and USAID has been one of the largest single bilateral donors to Jamaican development, having committed more than \$2 billion.

Today, USAID's substantial resources are committed to technical assistance and training projects all over the island that will improve business opportunities, protect the environment, enhance literacy

“We continue to support private sector growth across Jamaica and have made significant investments in agriculture and microenterprise”

MOSINA JORDAN
USAID/Jamaica Mission Director

and numeric skills of primary school graduates, strengthen civil society, and improve the social and economic environments in targeted inner-city communities. USAID's focus on poverty alleviation continues to expand opportunities for employment and improve the quality of and access to basic social services to reduce poverty and its impact on current and future generations. ★

www.usaid.gov/jm



Ms. Mosina Jordan, Mission Director of USAID/Jamaica, presents an award during the 40th anniversary celebration to Dr. Alfred Reginald Brathwaite for his contribution to health—especially to HIV/AIDS management in Jamaica.

Multimedia at USAID

Looking for video of a particular speech or event? Visit our Website's multimedia page at www.usaid.gov/multimedia. Here you can find the archive of Real Media files that cover most major USAID events over the past two years. Examples include Administrator Natsios's speech introducing the *Foreign Aid in the National Interest* report, a collection of clips that cover USAID's work in

Afghanistan, and a series that covers the water and conflict conference held in October 2002.

If you are hosting an event and would like video of it to be placed on the Website, or if you would like to use the Agency's videoconferencing services, contact us at webmaster@usaid.gov to find out how we can help you. ★

CORRECTION

The Mission Directors and Representatives list in the November/December *Frontlines* omitted an important contact in the international organizations section:

U.S. Mission to the United Nations Agencies—Rome (FODAG)
Attache for Humanitarian Affairs—Timothy Lavelle
Phone: 39-06-4674-3512

October 20 - November 19, 2002

RETIREMENTS

Pamela Lane Baldwin
Mona Harris
Richard Sheppard

MOVED ON

Katherine Marion Jones
Bessie Yuwey Lee

PROMOTIONS

Sara Borodin
Aimee David
Indee Lolieta Derrington
Juliette Dorsel
Rita Hudson
Erin Krasik
Minhtam Le
Jeanette Lee
Todd Lofgren
Susan Keller Pascocello
Felicia Scott
Vickie Settles
Cheryl Stradford
Lanier Twyman

REASSIGNMENTS

Charisse Adamson
AFR/WA to LAC/SPO

Jeffrey Allen
Eritrea to Sri Lanka

Clifford Brown
Colombia to COMP/FS/REASSIGN

Gary Cohen
Namibia to Egypt

Sukhminder Dosanjh
M/HR/PPIM/PP to LAC/CAR

Heather Goldman
RSC/OD to Skopje

John Hansen
COMP/NE/OJT to Guinea/GD

Carl Hawkins
GH/PRH/SDI to GH/PRH/CSL

Edith Houston
West Bank/Gaza to COMP/FS/REASSIGN

John Lord
Uganda/D to CA/DO

Sonny Low
COMP/FS/REASSIGN to
EGAT/PAICO/PAMS

Catherine Mallay
RSC/OD to Pakistan

David McCloud
Egypt/SCS/SIS to Egypt

Tanya Nunn
Egypt/LEG to GC/AFR

Kathryn Panther
COMP/NE/OJT to Egypt/HDD

Marisa Parente
Egypt/FM/FA to Egypt/FM

M. Babette Prevot
CA/PS to Bosnia-Herzegovina

Carla Rochara Roberts
AA/GH to GH/PDMS

Mohamed Tanamly
Jordan/FM to COMP/FS/REASSIGN

Janice Weber
Brazil to AA/LAC

Susan Youll
DCHA/PVC to GH/HIDN/NUT

OBITUARIES

Sturgis Robert Carbin, 82, former Foreign Service officer, died July 12, 2002, in Cape Coral, Fla. Carbin joined USAID and served in Vietnam as an education administrator from 1967 to 1972. Carbin retired in 1980.

Shirley Ann (Pratt) Dixon, 57, died November 27, 2002, in Clinton, Md. Dixon joined USAID 39 years ago and worked in many offices during her tenure. Dixon was working for the USAID Counselor before she retired in July 2002. Dixon's long government career began at the Pentagon.

Jim Donnelly, a former Executive Officer, died December 2, 2002, in Palatka, Fla. Donnelly worked in the Bureau for Management, Office of Overseas Management Support. He retired from the Agency in October 1993.

Marjorie Horn, 54, died September 12, 2002. Horn joined USAID in 1991 and worked in the Global Health Bureau, Office of Population and Reproductive Health, as Deputy Chief of the Research Division. Horn retired from the Agency in July 2002.

John W. Ottke died November 14, 2002. Ottke joined USAID as a Foreign Service Officer in 1985 and worked in the Office of Inspector General, Office of Audit in USAID/Washington. Ottke retired briefly from USAID on July 31, 1998. He returned to USAID on October 10, 1999 as an intermittent employee in the Office of Inspector General through July 31, 2001. His dedicated service to the federal government spanned more than 37 years.

Charles "Doc" Weldon, 82, Chief Medical Officer for USAID from 1963 to 1974, died November 22, 2002, in Chiang Rai, Thailand. "Doc" Weldon served in Laos during the Vietnam War and was legendary for his devotion to and treatment of the ethnic Hmong people of Laos, who suffered from disease and poverty as well as from attacks by Pathet Lao and Vietnamese communist forces. He published a memoir in 1999, *Tragedy in Paradise: A Country Doctor at War in Laos*. Weldon left USAID in 1974 to study at Harvard School of Public Health, but returned to the Agency to serve in Haiti as Chief Public Health officer until 1979, when he left for the private sector.

New CFO Has a Passion for Development



Susan J. Rabern, USAID's new Chief Financial Officer

New Chief Financial Officer (CFO) Susan J. Rabern saw first hand, while serving in the Navy and the FBI, how underdevelopment overseas affected U.S. national security.

"A less stable world is one that makes this country less secure," she said, just two weeks after she was appointed CFO on December 2.

"As the world gets smaller, any area of instability creates risks to our way of life."

She now oversees \$7.5 billion in U.S. foreign aid and \$600 million in Agency operating expenses, and is the first woman to hold that job.

She said she will work to improve financial management with a focus on three areas: accounting, funding sustainable development, and internal controls.

Rabern did not have far to move from her previous job as CFO for the U.S. Customs Service, across the hall in the Ronald Reagan Building. She'd served there only a few months when the USAID job—which she had applied for before moving to Customs—was offered to her.

"I have a real passion about this work," she said.

She has worked at the FBI, including on the investigation of the attack on the U.S.S. Cole in Yemen. For 23 years, Rabern was in the Navy, retiring as a captain. While stationed in Italy, she handled payments to all U.S. military forces in Europe, from Scotland to the Mediterranean.

"I learned early in the Navy the importance of supporting people in the field who

"I have to be as mindful of the challenge of sustainable development as balancing the books."

SUSAN J. RABERN
Chief Financial Officer

are in harm's way," she said.

She said her greatest challenge is "being patient—I want to fix everything at once."

One of her priorities is to improve Agency financial systems. "There was an unfortunate systems failure to a precursor of the Phoenix system that we are now deploying to the field."

She also spoke of better connecting the office of finance with the field and the rest of the organization.

"Early on I will take trips to the missions—right now I'm trying to find out where to go first so I can learn the most," she said. For a start, she is making personal calls to some 60 of the 600 financial managers or controllers throughout the Agency network. ★

Notices and reminders for "Where in the World..." should be submitted by e-mail to frontlines@usaid.gov or by mail to **Mary Felder**, USAID, Ronald Reagan Building, suite 6.10.20, Washington, D.C. 20523-6100 or by FAX to (202) 216-3035.

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Equal Opportunity Programs

Constructive Communication Is Key

The Office of Equal Opportunity Programs (EOP) is responsible for processing, investigating and deciding Equal Employment Opportunity (EEO) complaints. Although individual complaints can be quite complex, there is one common feature beyond the perception that discrimination may have occurred:

Ineffective communication between the aggrieved party and management is at the core of virtually every complaint.

◆ Communication failure in the workplace is one reason why the EEO complaint process begins with EEO counselors, who try to bridge communication gaps to solve problems.

◆ In 1999, the U.S. Equal Employment Opportunity Commission required federal agencies to provide mediation, or some other type of alternative dispute resolution (ADR), in the EEO complaint process to help parties in conflict find a common solution.

◆ Mediation, the form of ADR adopted by USAID in 1997, affords the parties in conflict an opportunity to have a managed, "safe" discussion. With the assistance of a mediator from the U.S. Federal Mediation and Conciliation Service (FMCS), parties share perspectives and construct their own resolutions.

◆ The EOP also uses commissioners from FMCS to provide training to some USAID

staff in the methods and benefits of mediation. This training, to be offered again by EOP in FY 2003, improves communication skills of USAID staff, especially in the multicultural environments in which we work.

◆ When EOP provides training, a key concept of effective communication is emphasized—*active listening*. It requires the ability to show others that you understand their position or concerns, assert your points in a collegial manner while building on the positions of others, and construct a joint solution that meets everyone's expressed needs.

◆ It is seldom necessary or effective to try to prove others wrong or assert that your own position is the only viable one.

Our work at USAID is too important to lose time in divisive conflicts. Effective communication enables individuals to understand different perspectives, and to construct creative solutions when disagreements arise.

Visit the EOP Website for information on when these courses will be offered, or contact EOP directly for more information about our mediation program. ★

By David Grim, Deputy Director

USAID, Office of Equal Opportunity Programs

<http://inside.usaid.gov/EOP/index.html>

Regional Inspector General Visits Afghan Mission

Bruce Boyer, Regional Inspector General/Manila recently visited Kabul to help develop an Office of Inspector General (OIG) strategy for review of the USAID/Afghanistan's programs and to observe firsthand some of its activities as part of the OIG's approach to meet the needs of USAID's high-risk projects.

The OIG's three initiatives to help the Agency ensure accountability in difficult circumstances are to: 1) survey the environment and assess the risk level based on funding mechanisms and existing accountability controls, 2) design audit and investigation strategies that meet the challenges USAID faces in monitoring funds in complex field operations, 3) implement fraud awareness training for those receiving USAID monies for complex operations. Taken together, these initiatives help the Agency ensure accountability—and USAID certainly has its challenges in Afghanistan.

The highlight of Boyer's trip was a visit to the Salang tunnel in northern Afghanistan to



Bruce Boyer, Regional Inspector General/Manila and USAID/Afghanistan Mission Director Craig Buck in front of a typical roadside sign outlining USAID funding for the reconstruction effort in Afghanistan

observe reconstruction work being funded by USAID: emergency repairs to the tunnel and access roads, reconstruction of retaining walls, repair of maintenance and warehouse facilities, and enhanced traffic management and safety measures to ensure access through the severe winter months. ★

AFRICA—On December 3, United States, U.N., and private humanitarian relief officials launched a coordinated global campaign to assist more than 34 million people at risk of starvation in Africa due to drought, flooding, and restrictive government policies.

Administrator Natsios joined leaders of Catholic Relief Services and the World Food Program in the “Baltimore Declaration” pledging to prevent famine in Angola, Eritrea, Sudan, and southern Africa.

USAID and other donors are working to deliver 2.75 million metric tons of food.

CROATIA—Ten officials from municipalities throughout Croatia participated in a USAID-sponsored two-week conference on local government at Cleveland State University.

They also met community leaders, government officials, members of the city council, and citizen action groups in Cleveland Heights, Ohio, and Chattanooga, Tennessee, and visited areas improved and renovated by community action programs.

“This program is an excellent way to introduce Croatian officials to successful U.S. models for involving citizens in local government affairs,” said Dr. Kent R. Hill, Assistant Administrator for Europe and Eurasia.

INDIA—The Bill & Melinda Gates Foundation announced in November 2002 that it will provide \$100 million to India to fight HIV/AIDS—its largest grant to a single country—targeted at highly mobile populations such as truck drivers, migrant laborers and military personnel.

USAID has had a long and productive relationship with the Gates Foundation. The Gates Foundation often consults with USAID technical staff, especially in the health sector, which is the major focus of their international philanthropy. As a measure of the importance of this relationship to USAID, there is a dedicated liaison to the Gates Foundation in the Bureau for Global Health (GH).

Consistent with the Global Development Alliance approach of using the Agency’s technical expertise to assist others in their philanthropic and social investment decision making, USAID/India and GH Bureau consulted with the Gates Foundation in the planning for this major gift. During the recent visit of Bill Gates to India, Dr. Victor Barbiero, USAID New Delhi’s Population/Health/ Nutrition Office Director briefed him on USAID’s HIV/AIDS prevention and control program, identifying areas for collaboration and issues for the future. Dr. Barbiero expressed his support for the Gates India AIDS initiative: “We have had a very productive relationship with the Gates Foundation. As a public-private alliance partner, they have been interested in USAID’s country-specific technical knowledge and experience.” USAID/India looks forward to continued collaboration with the Gates Foundation as it moves into implementation of activities supported by this generous private gift.

JORDAN—On December 14, Jordan arrested two men it says confessed to the killing of USAID Jordan’s Executive Officer Laurence Foley, 60, who was gunned down outside his home as he prepared to go to work in October.

A Jordanian government statement said

Yasser Fathi Ibrahim, a Jordanian, and Salem Saad bin Sweid, a Libyan, were arrested after a nationwide manhunt, and that they had confessed to the first killing of a Western diplomat in the country.

Ambassador Edward W. Gnehm said he was “extremely pleased” at the arrests and extended “deepest gratitude to the Jordanian government and its security officials” for the way they hunted down the men believed responsible for the murder.

Sweid and Ibrahim admitted they were members of al Qaeda and had been directed by a lieutenant of Osama bin Laden known as Abu Musab Zarqawi, who remains at large and is wanted on previous terrorism charges.

MACEDONIA—Education experts from Macedonia traveled to Seattle for a week-long, USAID-sponsored tour in December to examine education alternatives.

The educational reform experts visited traditional secondary schools, vocational schools, and career skill centers. They also reviewed business-oriented education reform initiatives and career training and technical opportunities in a variety of job sectors.

MEXICO—The United States will provide \$350,000 to a medical emergency triage and stabilization unit at the General Hospital of Nogales in Sonora, Mexico, to reduce the flow of patients seeking treatment over the border in American cities.

USAID will provide \$200,000 in funding and \$150,000 in equipment to enable the treatment of difficult births and trauma patients, said Adolfo A. Franco, Assistant Administrator for Latin America and the Caribbean.

“By improving access to emergency healthcare, the new hospital unit will assist Mexican nationals who rely heavily on the United States for emergency medical attention,” said Franco.

MIDDLE EAST—Secretary of State Colin L. Powell announced an initiative to promote democracy and economic development throughout the Middle East.

The Middle East Partnership Initiative will initially commit \$29 million to fund several reform projects. The Administration will seek significant additional funding for the initiative from Congress the following year.

“It is time to lay a firm foundation of hope,” said Powell, announcing the plan at Washington’s Heritage Foundation think tank on December 12.

Powell said the initiative would place the United States “firmly on the side of change, of reform, and of a modern future for the Middle East.”



SPOTLIGHT: AFGHANISTAN

CURRENCY CONVERSION COMPLETED

Imagine a place where simple purchases must be paid for with boxes full of devalued bills, where there is no single currency, or where national bank notes flow freely beside those issued by warlords, other countries, and U.S. dollars. This was Afghanistan prior to its recently completed currency conversion process—one supported by USAID.

The currency conversion replaced the old Afghani. The new one from Da Afghanistan Bank (DAB), Afghanistan’s Central Bank, is worth 1,000 old Afghanis. The new currency sets the stage for further economic reforms and the revival of the Afghan economy, a central USAID goal in Afghanistan. The new Afghani also holds tremendous symbolic value for the new government, symbolizing a strong, well-managed central government and a new era of economic growth and prosperity.

The project, which began in October 2002, faced significant challenges, especially the two-month deadline to complete the exchange. The task was to collect and destroy all old Afghanis still in circulation and issue the new bills. The scale of the exchange was enormous: DAB estimated that 13 trillion old Afghanis needed to be exchanged.

With Afghanistan’s destroyed infrastructure and severe winter weather, transporting the new currency to distribution centers was difficult. Also of concern was preventing fraud: recently exchanged old currency was being “recycled,” or exchanged multiple times for the new currency. Most important was the need to communicate with the public about the

currency exchange and maintain confidence in the process.

USAID provided \$8.3 million of support, including technical expertise, currency counters and shredders, helicopters and fixed-wing aircraft, and more than 2,400 personnel to staff the 42 exchange points. The project team overcame several implementation issues. For example, when the pace of transportation of new currency to exchange sites was too slow, additional air transportation was supplied by the Afghan and British air forces, the United Nations, and USAID contractors.

At the exchange sites, a massive amount of old currency was incinerated, shredded, or had holes drilled through it. To speed the process up, Afghans introduced an additional method—using carpet dye to color the old bills. Due to concerns caused by devaluation of the new currency, the exchange process was later extended by a month, the public information campaign renewed, and other changes instituted to ensure public confidence in the new Afghani.

At the ceremony to celebrate completion of the currency operation on January 6, 2003, DAB Governor, Anwarul Haq Ahady, thanked the United States for its assistance. “The logistics was one of the dominant problems during the whole process, but with the help of God and with the assistance of the U.S. government, USAID, and the national air force’s planes and helicopters, we covered all the problems,” he said. ★

www.usaid.gov/afghanistan



AP photo

USAID provided \$8.3 million of support to Afghanistan’s Central Bank in the currency conversion process.

A Message from the White House

I would like to introduce you to Results.Gov, a Website that is designed to help you and every member of the President's team better serve the American people. I highly encourage you to log-on at www.results.gov.

We hope you find this Results.Gov Website of value. We want to keep you informed of the President's expectations, goals, and policies and to let you know whom the Administration's leaders are and how to get in touch with them. We also want to support the implementation of the very important President's Management Agenda.

Once on the site, go to the section on the "President and His Leadership Team" to find:

- ◆ messages from the President on what he expects of us and how he believes we are doing, including a December 16 address to his senior management team,
- ◆ pictures, brief bios, and contact information for each Senate confirmed appointee, the Chiefs of Staff, and senior White House staff members,
- ◆ lessons and inspiration from the 55 recipients of this year's Presidential Rank Awards, the highest honor the federal government can bestow upon a career civilian employee,
- ◆ interviews and commentary, highlighting best practices and lessons learned, from



<p>▶ THE PRESIDENT & HIS LEADERSHIP TEAM Expectations, team member profiles, contact information.</p>
<p>▶ THE PRESIDENT'S MANAGEMENT AGENDA Scorecard, best practices, FAQ's.</p>
<p>▶ TOOLS FOR SUCCESS Practical guidance for appointees.</p>

WHAT'S NEW

- Welcome Message From The President
Video
- Introduction from Clay Johnson and Albert Hawkins
- President Bush's Leadership, September 14, 2001
- Updates on the President's Management Agenda
- Preventing "Potomac Fever"



government leaders past and present, and

- ◆ an article on "Potomac Fever," a condition that government employees in Washington, D.C. are especially susceptible to.

Visit the section on "The President's Management Agenda," where you can find:

- ◆ the latest Management Scorecard, where you can track how successfully your department is implementing the President's Management Agenda,

- ◆ monthly progress reports on each of the five components of the President's Management Agenda, and
- ◆ periodic reports from each of the Departments and Agencies on their Management Agenda successes and setbacks, to give you ideas about what is, and what isn't, working elsewhere.

We want the site to help you, the Administration, and the entire Federal government be successful at better serving the American people. As the President said, "We

are not here to mark time, but to make progress, to achieve results and to leave a record of excellence."

Be sure to re-visit Results.Gov from time-to-time, as new content will be added to the site every couple of weeks. Also, we welcome your input, so please use the email feature at the bottom of the "President and His Leadership Team" page to provide us with your feedback on the site.

By Andy Card, White House Chief of Staff

New Faith-Based Office for USAID

President George W. Bush signed an executive order on December 12 that will lead to a Center for Faith-Based and Community Initiatives at USAID and at the U.S. Department of Agriculture. The director of the new faith-based center at USAID has not yet been chosen, and other operational details are still being decided. However, one of the first tasks will be to undertake an audit of existing faith-based and community programs.

In keeping with the Bush Administration's

commitment to alleviating poverty and improving the delivery of services for the poor, this executive order makes it easier for religious charities to participate in programs already in existence at the two agencies. Previously, five other agencies—the Departments of Education, Justice, Labor, Health and Human Services, and Housing and Urban Development—have been authorized to establish similar offices.

These partnerships—which NGOs are uniquely qualified to pursue—help USAID

maximize its resources. USAID's work with private voluntary partners accounted for 35 percent of the Agency's development assistance programs from 1995 to 2000.

A second executive order issued the same day directed federal agencies to let religious charities compete for social service grants and contracts. The order is intended to make sure that faith-based groups can retain their religious identities, including the right to hire workers based on religion, while accepting federal tax dollars. But the order maintains

the traditional separation of church and state by prohibiting the use of federal tax money for worship services, religious instruction, or other inherently religious activities.

In a related step, the White House Office of Faith-Based and Community Initiatives prepared a booklet, *Guidance for Partnering with the Federal Government*, which answers some of the most frequently asked questions by groups on the do's and don'ts of working with the federal government. ★ www.whitehouse.gov/government/fbci



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