

**U.S. AGENCY FOR
INTERNATIONAL DEVELOPMENT**

Congressional Presentation
Fiscal Year 1995





U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

February 28, 1994

The Administrator

TO THE CONGRESS OF THE UNITED STATES:

On behalf of the U.S. Agency for International Development (USAID), I am pleased to transmit the Agency's request for authorization and appropriation for fiscal year 1995.

The President has submitted to the Congress proposed foreign assistance reform legislation, the Peace, Prosperity and Democracy Act of 1994. The new International Affairs budget seeks funding to support the six mutually reinforcing foreign policy objectives set forth in the proposed legislation: (1) promoting sustainable development; (2) building democracy; (3) promoting peace; (4) providing humanitarian assistance; (5) promoting U.S. prosperity through trade, investment and employment; and (6) advancing diplomacy.

USAID is the agency responsible for promoting sustainable development, for providing humanitarian assistance using bilateral resources, and for managing a number of programs and activities that contribute to the achievement of other U.S. foreign policy goals.

This Congressional Presentation document provides the justification for, and detailed descriptions of, the Agency's programs and objectives, including targets for measuring achievement of those objectives.

I look forward to working with the Congress as you proceed to receive testimony and to mark up legislation to authorize and appropriate funds for these programs in FY 1995.



J. Brian Atwood

**U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT
FY 1995 CONGRESSIONAL PRESENTATION**

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INTRODUCTION

The U.S. Agency for International Development's (USAID's) **FY 1995 Congressional Presentation (CP)** reflects the Administration's program and budget justification for the bilateral foreign assistance program.

The CP document summarizes the budget request and discusses the programs and activities implemented through USAID's centrally funded programs and through the four geographic regions (Africa, Asia and Near East, Europe and New Independent States, and Latin America and Caribbean).

- **Part I** of the CP discusses **Sustainable Development and Humanitarian Assistance** programs. This includes USAID Sustainable Development programs, the Department of State's Multilateral Voluntary Contributions (formerly International Organizations and Programs), International Disaster Assistance, and P.L. 480 Titles II and III Food for Peace programs.
- **Part II** discusses other USAID-managed programs for **Building Democracy and Promoting Peace**. This includes: Building Democracy programs in the New Independent States of the former Soviet Union, Central and Eastern Europe, countries in transition in Africa, Asia and Latin America; and Promoting Peace programs in the Middle East and counternarcotics programs in the Andean countries. Programs in this section are also discussed in the joint Departments of State and Defense and USAID Congressional Presentation documents on Building Democracy and Promoting Peace.

Because the planning for achieving strategic objectives described in this presentation takes place so far in advance of the actual obligation of funds, some of the programs do not go forward as planned, new ones are added, and some undergo minor or substantial funding and program changes before agreements are reached with the recipient countries. In each instance, however the appropriate Congressional committees will be given 15 days notice before changes are effected, as required by the law.

A separate annex of **Summary Tables** is included with this Congressional Presentation. These tables and graphs illustrate the foreign assistance budget request for FY 1995 and provide a detailed tabular breakout of the foreign assistance budget for FY 1993 (actual), FY 1994 (estimate), and FY 1995 (request) for the entire International Affairs (Function 150) account.

STATEMENT OF THE ADMINISTRATOR

These are exciting and challenging times at the U.S. Agency for International Development (USAID). We are reinventing our Agency to become more efficient, effective, and focused on achieving (and documenting) defined goals and objectives. While we are still at the beginning of this process, the past year has been one of significant and promising change.

Most notably, USAID participated with other Executive branch agencies in an important redefinition of American foreign policy. Changes in the world compelled changes in how we think about foreign assistance. We no longer view our foreign assistance programs from a Cold War perspective. While we live in a world that is increasingly interdependent, the end of the Cold War has brought a resurgence of nationalism and ethnic tensions that pose different challenges.

To meet those challenges, the new international affairs budget seeks support for six mutually reinforcing objectives:

- **promoting sustainable development;**
- **building democracy;**
- **promoting peace;**
- **providing humanitarian assistance to those in need;**
- **promoting U.S. prosperity through trade, investment and employment; and**
- **advancing diplomacy.**

Within this new framework, USAID is the agency responsible for using bilateral assistance for promoting sustainable development and providing humanitarian assistance. At the same time, we will continue to manage a number of programs and activities that contribute to the achievement of other U.S. foreign policy goals. This Congressional Presentation document provides a justification for the dual responsibilities for USAID.

As a nation, we spend less than one percent of our budget on foreign assistance. Yet many Americans question why our nation needs to remain engaged abroad when we face so many problems here at home. In one sense, this question can be easily answered. As the President has noted, we cannot prosper as a nation if the global economy is unhealthy. Moreover, global problems such as environmental degradation directly affect the quality of our lives and the lives of our children. Preventive diplomacy, including foreign assistance, is needed to help avert unstable situations and strategic threats spinning into costly crises that would require many more resources to handle. Our own national self interests dictate that we remain engaged in the world.

That we must remain engaged abroad is clear. But there are two other requirements today. First, we must be able to demonstrate to the American people that others are participating in this effort. In this regard, our foreign aid program will follow the same principles that the President has articulated for our overall foreign policy. We will not attempt to shoulder this burden alone. Instead, we will cooperate with other nations, demonstrating our leadership as part of a multi-donor effort. USAID will press for more effective donor coordination in the design and implementation of programs, thus creating the appropriate environment for more equitable burden-sharing.

Equally important, we must be able to demonstrate to the American people that USAID can prudently manage the resources entrusted to us and that we are achieving results. We have spent much of the last year looking inward, examining how USAID can change the way it does business to better meet our nation's challenges. That self-examination led us to launch a number of new initiatives:

- We have designed a reorganization plan that will better position the Agency to work with its development partners. We are now in the final stages of implementing that reorganization. Our objective has been to simplify organizational arrangements, eliminate redundancies, and configure organizational units appropriately in order to carry out our work more efficiently.
- We have committed to becoming more focused on achieving positive impact, operating a smaller range of activities in a more limited number of countries. As part of this effort, we are defining specific, meaningful objectives for all programs so that we use resources where they are having the best effect.
- As another part of this effort, we have announced plans to close USAID missions in 21 countries between now and the end of FY 1996. We are currently reviewing and finalizing our close-out plans for individual countries.
- Beginning with the FY 1996 budget cycle, Agency resources will be programmed on the basis of approved strategic plans prepared by each operating unit and on program performance information.

One of my first acts upon assuming office was to offer USAID as a laboratory for the Vice President's Reinventing Government initiative. I am proud of the changes we are making as part of this effort to redesign, reengineer and reinvent our Agency. Some of the major initiatives that we have launched as part of this effort include the following:

- Financial Management Improvements. We are revamping our financial management system in order to speed up service delivery and help us better assess our pipeline.
- Personnel. We are developing a new personnel system, one that will integrate separate personnel categories into one human resources management system. We are also developing a new performance evaluation system designed to empower our staff while holding them accountable for results.
- Procurement reform. We are looking at ways to improve our procurement system by streamlining procedures and broadening participation. We are also developing new approaches for awarding grants and contracts. As part of this effort, we plan to eliminate organizational conflicts of interest, improve contract administration, and strengthen enforcement of procurement integrity statutes.
- Streamlining project approval. As part of our re-engineering process, we are looking at ways to make the project design and approval process more agile so that we can be more responsive to rapidly changing conditions in the field.

- **Regulatory change.** To help USAID staff manage for results, the Agency's voluminous program planning and implementation handbooks are being simplified and consolidated.

Sustainable development means focusing on programs and activities that improve the quality of life for both current and future generations, that enhance our stewardship of this small planet, that promote equitable participation in economic and social life, and that nurture transparent institutions that are accountable, responsible, and increasingly capable of managing change without our assistance. Because our programs work best when they take into account the priorities of those we seek to help, it also requires the participation of people in the development process.

We also know that resources are limited and that we have to manage our resources strategically to achieve tangible, meaningful results. As a result, we have concluded that our sustainable development mandate requires us to concentrate resources in four broad interrelated areas:

- **Economic growth, including strengthening markets, expanding access and opportunity, and investing in people's health and education;**
- **Population;**
- **Building democracy; and**
- **Preserving the environment.**

For these four areas, USAID seeks \$2,073,750,000 of Sustainable Development funds in FY 1995; the Administration also seeks \$160,000,000 of P.L. 480 Title III resources and \$357,250,000 of Sustainable Development funds for multilateral voluntary contributions for these purposes. In addition, USAID is requesting \$170,000,000 to provide humanitarian assistance, including \$150,000,000 for the Office of Foreign Disaster Assistance's programs of relief and rehabilitation and \$20,000,000 for USAID's Transition Initiative, which would help countries re-establish political institutions where they have collapsed and make a less chaotic, more effective transition to democracy. In addition, \$773,000,000 of P.L. 480 Title II resources is requested for emergency and non-emergency humanitarian programs. Moreover, we will design and manage programs aimed at building democracy and promoting peace, proposed at \$1,399,546,000 and \$2,315,200,000, respectively. We also seek \$567,027,000 for USAID operating expenses to administer the almost \$7.5 billion of foreign assistance resources we will be managing in FY 1995.

With the help of our development partners, we have published strategy papers addressing each of our sustainable development priority areas. We are now in the process of developing implementation guidelines for each, and we continue to improve an evaluation system that better defines our objectives and allows us to measure results against those objectives. We are also reviewing mission and bureau portfolios to assess how well current and proposed activities contribute to our strategic approach and to what extent they are achieving objectives.

Not all of these challenges can be resolved by administrative action alone. That is why the President is asking Congress to enact new foreign assistance reform legislation. We need a new charter to guide our efforts as an Agency as well as a new covenant to govern our partnership with Congress. Because Congress recognized the need for change long before the Executive branch, the proposal we have submitted incorporates many recommendations we have received from the Legislative branch. At the same time, it retains the basic principles about which there has long been bipartisan agreement: fewer goals, a smaller number of program accounts, clear programmatic responsibility, improved coordination, streamlined administration, and the elimination of outdated restrictions.

Whatever new legislative authority is approved, the world will remain a volatile place. We know that the United States does not have a solution for every problem nor the resources to meet all of the needs

that exist. In the end, our leadership rests on our commitment to democratic freedoms and the rule of law, respect for the dignity of the individual, support for basic human rights, and reliance upon private initiative and self-help efforts to enhance equitable economic growth and social progress.

Let me conclude with a personal observation. The last year has been an exciting and demanding one. It has also been deeply fulfilling. I do not underestimate the challenges that remain. The vision the President, the Vice President, the Secretary of State and I share of a new USAID will require consistent commitment, hard work and goodwill. We will need the help of Congress to make our reform efforts succeed. I look forward to working with each of you as part of this effort.

Focusing on Results

As described in the Statement of the Administrator, above, USAID is entering a new era of programming and managing the U.S. foreign economic development assistance to promote sustainable development. USAID is concentrating its human and financial resources on the highest-priority areas, reducing the number of countries in which it works, and undertaking a multi-year process to shift from a focus on inputs to a focus on demonstrable development results.

As part of the process of reinventing itself to better face the challenges and opportunities of the present and the future, USAID is establishing goals in each country and the strategic objectives which together encapsulate the whys and hows of our development involvement there. This FY 1995 presentation to the Congress incorporates several consequences of this effort.

First, USAID is requesting resources under a new account of the proposed FAA reform legislation, entitled *Sustainable Development*, for long-term economic development assistance programs, both central and bilateral. At the same time, programs for short-term emergency responses would be funded from *Humanitarian Assistance*, another new account. USAID will continue to manage programs funded under P.L. 480 Titles II and III, which will be used in support of our humanitarian assistance and sustainable development goals, respectively. These programs are described under Part I of this presentation.

In addition, USAID will manage some resources requested for other new programmatic accounts as well (*Building Democracy and Promoting Peace*), as would other relevant U.S. Government agencies. Major USAID programs funded under these two accounts would be the New Independent States (NIS) of the former Soviet Union and Central and Eastern European countries, and Egypt and Israel, respectively. These USAID-managed programs are discussed generally under Part II of this presentation and are described in more detail in the joint Departments of State and Defense and USAID Congressional presentation documents for *Building Democracy and Promoting Peace*.

Second, as one output of USAID's efforts to define country objectives, shape country programs, and allocate resources within a results-oriented framework, information is presented on specific targets within the goals and objectives for each country program. The process to obtain systematic information on programmatic results needed for strategic management, implemented first in the Africa region, has been expanded to include all country programs and, to the extent feasible, central and regional support programs.

In addition, the country program discussions contain information on progress to date on these and earlier objectives. This is the first time that USAID has presented either forward-looking or backward-looking results-oriented information for all programs in one document, a sign of the seriousness of our focus on results.

This is still very much a work in progress, but the intent should be clear. We are continuing to refine the objectives and results information and expect to present even more pertinent results data in the future. Our intention is to have every country program strategic objective as clearly defined and measured as are those for Malawi, the Dominican Republic, El Salvador and Morocco, for example. We want the Congress to endorse the principle involved in this approach and need a clear signal that we should continue these efforts. We want the Congress and the American people to focus more on USAID's results, as we are doing in this document, than just on inputs.

Third, we have taken steps to close out our bilateral development programs in 21 traditional recipient countries who have proven not to present the conditions needed for fruitful cooperation with our sustainable development efforts. These closings will occur from the end of FY 1994 to the end of FY 1996. Detailed close-out plans for each of these programs are being prepared and reviewed.

Since the planning process is not complete, the levels shown in this presentation for close-out countries are subject to adjustments. However, country sheets will appear in this presentation for some of these programs, usually when at least \$1 million in Sustainable Development resources are programmed for FY 1995 either to close out the program in an orderly fashion or because central or regional funds will still flow to these countries to support key areas of global concern, such as AIDS or the environment.

Fourth, this presentation shows the total level of resources requested for each country program from the Sustainable Development account and other resources managed by USAID. The country levels are the sum of bilateral, regional and central funding which supports achievement of the country program strategic objectives. The technique of allocating regional and centrally managed resources to country programs has been used whenever the regional and central resources could be identified as directed specifically to a given country program. This presentational step is one way of carrying out USAID's intention to focus resources on the country development program to better illustrate the costs of achieving our strategic objectives, to demonstrate the focus of our overall program in developing countries and manage our resources better.

Fifth, within the request for broad-based economic growth, USAID will maintain its commitment to fund activities in areas of special development concern. Our investments in child survival, AIDS, basic education and microenterprises have been effective when properly designed and implemented. Such activities typically affect very broad segments of the poor in the societies within which we work, unleashing incomparable synergies. In addition, our programs in these sectors carry out overall U.S. commitments to the goals of the World Summit for Children, the Conference on Education for All, and the United Nations/World Health Organization Global Program of Assistance for AIDS. They are closely coordinated with other donor efforts to augment the overall impact of our combined efforts. Applicable goals and objectives in these areas are built into country, regional and central programs.

SUMMARY OF FISCAL YEAR 1995 BUDGET REQUEST

INTRODUCTION

For Fiscal Year 1995, the President is requesting \$20,861,526,000 for programs in the International Affairs Function 150 account. USAID will administer \$7,458,523,000, or 35.7%, of those funds, which include: (1) USAID programs and (2) programs administered by USAID in cooperation with other agencies. Both categories are outlined here and described in further detail later in this volume.

PART I. USAID PROGRAMS (\$3,743,777,000)

As part of the Administration's proposal for a new Foreign Assistance Act and program, \$3,743,027,000 is requested by USAID and the Department of Agriculture for USAID bilateral foreign assistance programs within the International Affairs (Function 150) account.

Under the proposed new structure for foreign assistance legislation, the request includes USAID programs for:

- Promoting Sustainable Development;
- Humanitarian Assistance; and
- Advancing Diplomacy (operating expenses).

(Part II of this narrative covers USAID-managed programs in Eastern Europe and the New Independent States of the former Soviet Union which fall under the new title on Building Democracy; and under the new title Promoting Peace (regional security, countries in transition and narcotics programs). Both these programs also are included in the State Department's Congressional Presentation documents.)

PROMOTING SUSTAINABLE DEVELOPMENT

Sustainable Development is the core mission of the U.S. Agency for International Development. It is the most appropriate means to capitalize on U.S. leadership in the international development community and to support key foreign policy objectives over the longer term. Sustainable development is best described as economic and social growth that does not exhaust a country's resources; that does not damage the economic, cultural or natural environment; that creates incomes and enterprises; and builds indigenous institutions that involve and empower the citizenry. The ultimate measure of success of sustainable development programs is to reach a point where improvements in the quality of life and the environment are such that assistance is no longer necessary and can be replaced with new forms of diplomacy, cooperation and commerce.

The \$2,591,000,000 request for the State Department and USAID Sustainable Development programs includes a total of \$2,233,750,000 for USAID-managed programs, and \$357,250,000 for multilateral voluntary contributions (formerly International Organizations and Programs) administered by the Department of State.

The USAID total includes \$160,000,000 for the USAID-managed P.L. 480 Title III Food for Development Program which is requested through the U.S. Department of Agriculture's appropriations budget.

USAID's proposed program, as requested in the President's budget, will center around four interrelated and mutually reinforcing Sustainable Development goals that are critical to achieving sustainable development:

First, Broad-Based Economic Growth: USAID is requesting \$1,087,000,000 for programs and activities that will strengthen markets; expand access and opportunity, especially for women, poor people, and minorities; and invest in people through improved child survival, education and preventive health care programs. Included are credit and guaranty programs that will increase the U.S. Government's ability to leverage resources for development at a lower cost to the U.S. Government.

In addition to this amount, \$160,000,000 is requested by the Department of Agriculture for the USAID P.L. 480 Title III program to fund Food for Development programs that promote policy reform and advance food security and economic objectives in least developed countries.

In addition to the request for USAID programs, \$230,000,000 is requested by the Department of State for voluntary contributions to economic growth programs of international organizations.

Second, Stabilizing World Population Growth: USAID is requesting \$525,000,000 for projects and activities that support voluntary family planning, reproductive health care, and other directly related activities.

In addition to the USAID request, \$60,000,000 is requested by the Department of State for a contribution to the UN Fund for Population Activities.

Third, Protection of the Global Environment: USAID is requesting \$293,750,000 for projects and activities to reduce long-term threats to the environment, such as global climate change and the loss of biodiversity at the national level. We will also address problems related to unsustainable environmental practices. Such practices affect agriculture, industry, and urban areas and impede development.

In addition to the USAID request, \$56,250,000 is requested by the Department of State for voluntary contributions to environmental programs of international organizations.

Fourth, Support for Democratic Participation: USAID is requesting \$168,000,000 for projects and activities to promote a climate of respect for human rights, peaceful competition for political power, free and fair elections, respect for the law, accountable government, and a political and social environment that encourages participation.

In addition to the USAID request, \$11,000,000 is requested by the Department of State for voluntary contributions to international organizations and programs that support democratic participation.

PROVIDING HUMANITARIAN ASSISTANCE

USAID requests \$170,000,000 for International Disaster Assistance. The request includes \$150,000,000 for short-term disaster assistance, to permit USAID to continue its role as the lead U.S. Government agency in responding to disaster situations in foreign countries, and \$20,000,000 for the new Transition Initiative (TI) program.

In addition to the USAID request, \$773,000,000 is requested by the Department of Agriculture for the USAID P.L. 480 Title II Emergency Feeding and Non-Emergency food aid programs.

The first priority of P.L. 480 Title II is for emergency assistance totaling \$383,000,000. These programs provide food donations to address famine and other urgent relief requirements, combat

malnutrition especially in children and women, and carry out feeding programs and activities that alleviate causes of hunger.

Non-emergency P.L. 480 Title II activities, totaling \$390,000,000, include maternal and child health programs, school feeding, and food-for-work programs.

ADVANCING DIPLOMACY

\$527,027,000 is requested for Operating Expenses of USAID to permit effective management of the \$7,458,523,000 in programs for which USAID will be responsible in Fiscal Year 1995. In addition to ongoing program management, the requested funds will cover costs of major management reforms that USAID has undertaken as part of the President's National Performance Review. These reforms include closing 21 overseas posts, streamlining headquarters and overseas operations, reengineering the Agency's program processes and procedures, and implementing a comprehensive information systems plan to ensure that managers have the financial and substantive information they need to make timely and effective decisions.

In addition, \$40,000,000 is requested to support operating expenses for the Agency's Inspector General.

PART II. USAID MANAGED PROGRAMS: (\$3,714,746,000)

In addition to the above funds requested by, and on behalf of, USAID, several programs that address the goals of Building Democracy and Promoting Peace are requested by the Department of State but designed and managed by USAID.

BUILDING DEMOCRACY

A total of \$1,399,546,000 of the funds requested to support this goal will be managed by USAID, including \$900,000,000 for supporting economic and democratic reform in the former Soviet Union (NIS), \$380,000,000 for programs in Central and Eastern Europe, and \$119,546,000 for programs under the Countries in Transition account to support targeted programs to advance democracy, free markets and regional stability in Latin America, Africa and Asia.

An additional \$18,145,000 is requested by the State Department under Countries in Transition for Department of Defense-managed military assistance and training programs, along with an additional \$5,000,000 for Multilateral Voluntary Contributions.

PROMOTING PEACE

A total of \$2,315,200,000 requested by the State Department for regional security programs in support of the Middle East peace process, other regional security concerns, and counternarcotics programs is designed and managed by USAID.

The request includes \$2,113,200,000 for regional peace and security to support the Middle East Peace Process including: Economic growth and reform in Israel (\$1,200,000,000) and Egypt (\$815,000,000); \$75,000,000 for economic development programs in the West Bank and Gaza in fulfillment of the U.S. Government's commitment to fund a share of a multi-year, multilateral program in support of the Israel-Palestinian accords; and \$23,200,000 for a number of smaller programs in support of other important regional players in the Middle East Peace process, including support for regional cooperation and the multilateral working groups that are designed to augment the ongoing bilateral talks. (Note: Above country levels exclude attributions for regional and central programs, which are included in the Summary Tables volume.)

Other programs in this request include \$58,000,000 for USAID-managed counternarcotics programs in the Andean countries of Bolivia and Peru; \$100,000,000 for grant economic assistance to Turkey; and \$44,000,000 for a variety of small programs in Ireland, Cyprus, and the South Pacific.

Further discussion of the budget request follows, under the same headings as outlined in this summary. See the State Department's FY 1995 Congressional Presentation documents for additional information on Building Democracy and Promoting Peace programs.

**PART I.
SUSTAINABLE DEVELOPMENT AND
HUMANITARIAN ASSISTANCE**

SUSTAINABLE DEVELOPMENT PROGRAMS

SUSTAINABLE DEVELOPMENT PROGRAMS

FY 1995 Request: Sustainable Development Funds: \$2,073,750,000 USAID
. P.L. 480 Title III: \$160,000,000 USAID
. Sustainable Development Funds: \$357,250,000 State Dept.

INTRODUCTION

With the end of the Cold War, the international community is free to take on the challenge of development directly, free from the demands of superpower competition. The United States now has an historic opportunity to serve our long-term national interests by applying our ideals, our technical capabilities, and our humanitarian impulse to the problems the world now faces.

We can constructively address the pollution of the seas and the air, overburdened cities, rural poverty, economic migration, oppression of minorities and women, and ethnic and religious hostilities. The cost of not acting, and having to deal with the global impact of imploding societies and failed states, will be far greater than the cost of effective action. Investment in development is an investment in prevention. The following challenges we face constitute potential global threats to peace, stability, and the well-being of Americans and people throughout the world:

- The continuing poverty of a large share of the world's people, leading to the hunger and malnutrition of millions of people and their desperate search for jobs and economic security;
- Population growth and rapid urbanization that outstrip the ability of nations to provide jobs, education, and other services to millions of new citizens;
- The widespread inability to read, write, and acquire the technical skills necessary to participate in modern society;
- New diseases and endemic ailments that overwhelm the health facilities of developing countries, disrupt societies, rob economies of their growth potential, and absorb scarce resources;
- Environmental damage that destroys land, sickens populations, blocks growth, and manifests itself on a regional and global scale; and
- The absence of democracy, the anarchy, the persistence of autocracy and oppression, the human rights abuses, and the failure of new and fragile democracies to take hold and endure.

Effectively delivered, bilateral and multilateral development assistance provides a powerful means to help citizens of developing countries to address, ameliorate, and even eliminate these global threats. We can help nations unleash their productive potential and deal effectively with the challenges of development. As President Clinton has affirmed, foreign assistance is a central component of effective foreign policy. Development cooperation is not just a tactic, but an integral part of our vision of how a community of nations, some rich and some poor, should interact.

NEW STRATEGIC DIRECTIONS FOR USAID PROGRAMS

USAID has identified four priority areas that will be the focus of its efforts to promote sustainable development: the environment, health and population, democracy, and economic growth. Within each of these areas, USAID is developing policy guidance which provides the analytical framework and key criteria that will guide the allocation of USAID funds. These guidelines will help establish a common framework for developing and assessing USAID program strategies. Their emphasis on the critical importance of achieving measurable results in each of the priority areas, and articulation of specific indicators, will also provide the basis for assessing the success of USAID programs.

The combination of continued budget constraints and a sharper focus to the USAID programs means that some current assistance programs will have to be pared back or phased out, even where the needs are great. USAID will have to make some difficult choices because, overall, it must limit its engagement. The policy guidance in each of these priority areas will help shape those decisions.

The guidelines indicate new areas of emphasis and ways of developing USAID programs.

- For the environment, the policy guidance identifies two global issues that will be given increased attention by USAID: global warming and biodiversity. It also outlines clear procedures for conducting risk assessments to identify priority environmental issues within each country.
- For population and health programs, the policy guidance establishes criteria for identifying priority countries for population assistance and narrows the focus of USAID health programs.
- For democracy, common assessment procedures are established for all Agency programs to help identify critical needs.
- For economic growth, criteria are established for assessing proposed programs to strengthen markets, strengthen human resources, and expand opportunity and access.

These policy statements are being developed with the help of the U.S. non-governmental and academic community, as well as cooperating institutions and government agencies in developing countries. USAID has initiated a series of informal consultations on key issues that the policy guidance must address, both here and in a large number of diverse developing countries. Participants have ranged from experienced non-governmental organizations in the United States to beneficiaries in countries as dissimilar as Indonesia, Mali, Bolivia and Poland.

DEFINING SUSTAINABLE DEVELOPMENT

Sustainable development can be characterized as *continued economic and social progress* that rests on four key principles:

- *improved quality of life* for both current and future generations;
- *responsible stewardship* of the natural resource base;
- *broad-based participation* in political and economic life; and
- *effective institutions* which are transparent, accountable, responsive and capable of managing change without relying on continued external support.

Sustainable development is characterized by economic and social growth that does not exhaust the resources of a host country; that respects and safeguards the economic, cultural, and natural environment; that creates many incomes and chains of enterprises; that is nurtured by an enabling policy environment; and that builds indigenous institutions that involve and empower the citizenry. Development is "sustainable" when it permanently enhances the capacity of a society to improve its quality of life. Sustainable development enlarges the range of freedom and opportunity, not only day to day but generation to generation.

The fundamental thrust of USAID's programs will be in building indigenous capacity, enhancing participation, and encouraging accountability, transparency, decentralization, and the empowerment of communities and individuals. Our projects will involve and strengthen the elements of a self-sustaining civic society: indigenous nongovernmental organizations (NGOs), including private voluntary organizations (PVOs), productive associations, educational institutions, community groups, and local political institutions. This approach will make empowerment an integral part of the development process, and not just an end result.

Sustainable development can be achieved; there is ample evidence of countries that have made substantial progress in reducing poverty and improving the lives of people. But it is not easily or quickly achieved. USAID's long-term commitment does not imply that assistance is an entitlement, and that resources will continue to be provided regardless of results. This commitment to sustainable development will be tempered by identification of clear benchmarks to assess progress and a willingness to shift scarce resources to other activities and countries if results are not being achieved. USAID faces both severe budget constraints and increasing demands to demonstrate that funds are being used effectively, and we continue to improve our systems in order to do so.

MEASURING SUSTAINABLE DEVELOPMENT

The success of foreign assistance is determined by its impact upon developing nations. USAID will measure its results by assessing project and program achievement of discrete, agreed-upon objectives, focusing on how projects actually affect the way people live. Individual programs in each of USAID's areas of concentration will be designed, implemented and evaluated on the extent to which they:

- are consistent with the interests and values of the American people;
- produce measurable, positive effects, such as lower population growth rates, create jobs and incomes, augment food security, enhance public health, improve air and water purity, slow the loss of soil and soil fertility, arrest the loss of biodiversity, and create indigenous democratic institutions;
- build indigenous capacities and permanently enhance the capacity of the society to improve the quality of life;
- involve and empower beneficiaries in the planning, allocation of resources, selection of methods, management, oversight, and assessment of accomplishments; create the institutions of a civic society; and help establish and strengthen indigenous NGOs; and
- create economic opportunities for different groups in society; generate economic opportunities for American business and disseminate these opportunities to the agencies, companies, and individuals in the country, in the region, and in the United States who might benefit from them.

USAID will emphasize integrated approaches to sustained development, and will focus on transformation in four interrelated and mutually supportive areas: *economic growth (including health), population, environmental protection, and democracy.*

PROTECTING THE ENVIRONMENT

Environmental degradation poses a growing threat to the physical health and economic and social well-being of people throughout the world. Poorly managed urbanization has contributed significantly to air, water, and soil pollution worldwide. The erosion and degradation of soils, loss of fertility, deforestation, and desertification beset rural communities and undermine food production, cause malnutrition, and impel migration. Water shortages cause conflicts among industrial, agricultural, and household users within countries and among nations. These environmental trends are global in nature, and their effects have repercussions on the health and well-being of the people of the United States as well.

The impact of these problems on developing nations can be measured in graphic human and economic terms. Widespread soil degradation is reducing the capacity of many countries, particularly in the tropics, to achieve food security. In Eastern Europe and the former Soviet Union, air-borne pollutants are the likely cause of high levels of morbidity and respiratory illnesses. Water pollution alone accounts for some two million preventable deaths and millions of illnesses each year. Environmental degradation can reduce national incomes by five percent or more.

In order to address these environmental problems, USAID will pursue two strategic goals:

- Reduction of long-term threats to the global environment, particularly loss of biodiversity and climate change; and
- Promotion of sustainable economic growth locally, nationally, and regionally by addressing environmental, economic, and developmental practices that impede development.

To enhance the environmental benefits of its work, USAID will encourage the development of an institutional and policy capacity within recipient countries. This improved capacity will help facilitate the flow of information, encourage consultations in-country, support economically efficient and environmentally sound policies, and promote the development, transfer, and adoption of technologies that enhance environmentally sound growth. Since many environmental problems (and solutions) are regional in nature, USAID will encourage regional approaches, including ongoing coordination, establishment of priorities, allocation of responsibilities, exchange of techniques, and sharing of technical resources.

Among USAID's successful environmental activities which have the potential for having a truly global impact are the development of parasite-resistant crop strains to decrease chemical pesticide use. In one African country, a variety of sorghum was developed which increased yields by 340 percent and proven almost totally resistant to a major fungus -- without the use of chemicals. The replication of these resistant cultivars and their extension to other USAID recipient countries on the African continent alone could save these countries more than \$1 billion annually.

FOCUS ON ENVIRONMENTAL RESULTS

The standard of success in all USAID programs is the impact that programs have on recipient countries, their societies, and the lives of their citizens. Performance criteria for environmental activities will be

developed in consultation with expert and interested outside parties. As appropriate in particular countries, USAID will explore the following areas in developing measurements of environmental impact:

- **Climate change:** level of reduction of greenhouse gas emissions in countries that contribute most to the problem; identification of sources and sinks of emissions; and implementation of national action plans that address key sectors, e.g., energy, forestry, and agriculture.
- **Biodiversity:** conservation of levels of biodiversity in key geographical areas; review of conservation plans and strategies for these areas, including provision for protection of parks and sensitive areas and support for sustainable economic activities for inhabitants of these areas and their buffer zones; and reform of economic policy distortions that encourage excessive exploitation of critical habitats.
- **Environmentally harmful agricultural and land-use management practices:** reduction of agricultural activities in fragile lands, as well as reduction of deforestation; improvement of soil management; end the use of inappropriate pesticides; reform of government subsidies or other policies encouraging environmentally harmful agricultural practices; and reduction of rates of destruction for other critical ecosystems, e.g., wetlands, coral reefs, and coastal zones.
- **In poorer countries where the concern is strengthening environmental policies and institutions, evaluation of:** whether culturally appropriate incentives to encourage the conservation of resources have been used; development of a comprehensive environmental policy framework has occurred; development of regulatory institutions which are well-funded, staffed, and trained; inclusion of NGOs, including PVOs, academic research institutions, and community groups at all levels of environmental planning and monitoring.
- **In advanced developing countries and economies in transition where the concern is strengthening environmental policies and institutions, examination of:** national economic development strategies for consistency with environmental goals; and comprehensive environmental policy frameworks that are appropriate to changing economic and social circumstances.

In FY 1995, USAID is requesting \$293 million in Sustainable Development funds to carry out its environmental activities. In addition to the USAID request, \$56.25 million is requested by the Department of State for multilateral voluntary contributions in the environmental area.

BUILDING DEMOCRACY

USAID's strategic objective in democracy is the transition to and consolidation of democratic regimes throughout the world as an end in itself and because it is a critical element in promoting sustainable development. Democratization is essential to sustainable development because it facilitates the protection of human rights, informed participation, and public sector accountability. USAID's success in the other core areas of sustainable development, therefore, is inextricably related to democratization and good governance.

Benefits from a strategy of democracy promotion accrue to the United States as well. Anarchy and persistent oppression pose serious threats to the security of the United States and other nations, and result in rising expenditures to provide humanitarian assistance in places like the former Yugoslavia, Somalia and Iraq. Moreover, countries mired in social or ethnic strife cannot fully participate in the global economy, thereby depriving the United States of potential markets and trade opportunities.

Programs will aim at establishing democratic institutions, an informed populace, a vibrant civic society, and a relationship between state and society that encourages pluralism, inclusion, and peaceful conflict resolution. Emphasis will be placed on promoting respect for the rule of law and human rights, free and fair electoral processes, an enhanced civil society, and accountable and transparent government institutions.

USAID seeks to replicate and expand recent successes in the democracy area such as:

- support for the formation of the Inter-American Institute for Human Rights, located in San Jose, Costa Rica, which is now the premier institution in the Western Hemisphere for research and education on human rights and, through a subsidiary, on election matters;
- promotion of judicial reform in Colombia, Argentina, Uruguay and several other Latin American countries has resulted in constitutional and legislative changes in prosecuting criminal cases, the creation of alternative dispute resolution mechanisms and, generally, a more independent judiciary and a more "human rights-literate" population; and
- support for work directly with human rights and other nongovernmental organizations in South Africa, thus allowing these groups to play a key role in voter education and election monitoring programs as part of the transition process underway.

USAID will not only provide democracy support to sustainable development countries, but also respond to opportunities to expand democracy in countries in political transition. The new Inter-Agency Working Group on Democracy will ensure USAID programs are not redundant to those of other U.S. Government agencies.

Democratization is ultimately an internally driven process. Sustainable democracy occurs when indigenous forces within a society can maintain and strengthen democracy without external support. USAID's programs will promote this result.

FOCUS ON DEMOCRATIC RESULTS

Democracy building is inherently a long-term, cumulative process. Breakthroughs sometimes are followed by sudden reversals that are beyond the control of external actors. Moreover, democratic progress is a complex process, making it difficult to pinpoint precise cause-and-effect relationships, sometimes defined only by perceptual or attitudinal changes that are difficult to measure.

Notwithstanding such hurdles, USAID will assess results, rather than merely count inputs and outputs, in order to incorporate lessons learned from past work into future programs. Democracy programs concentrating on particular areas, e.g., rule of law or electoral assistance, will be reviewed on a cross-regional basis to identify effective program designs and mechanisms for overcoming specific political, social, and cultural obstacles. Finally, programs that address other development issues will be reviewed to assess their impact on democratization objectives, in order to facilitate the successful integration of our efforts.

USAID is requesting \$168 million in Sustainable Development funds in FY 1995 to finance democratic participation activities. In addition, \$11 million is requested by the Department of State for multilateral voluntary contributions to development assistance programs of the Organization of American States that support democratic participation.

STABILIZING WORLD POPULATION GROWTH

USAID will use its population resources to help stabilize world population growth by concentrating its population programs on countries where decreases in population growth rates would enhance the chances for sustainable development and contribute to stabilizing world population growth. The relevant characteristics of such a country include fertility and population growth rates that outstrip the country's ability to provide adequate food and social services; growth rates that threaten the environment; significant reproductive health problems due to heavy reliance on unsafe abortions; and significant gender gaps in education.

At the program level, USAID's operational approach to reducing population growth rates will be founded on these principles and objectives, which do not include advocating the use of abortion as a family planning method:

- Promoting the rights of couples and individuals to determine freely and responsibly the number and spacing of their children;
- Improving individual health, with special attention to the reproductive health needs of women; and
- Making programs responsive and accountable to the end-user.

To further sustainable development, USAID has made important programmatic contributions to the family planning field. Our population program is designed to continue and expand upon the following successful activities:

- **Well over 50 million couples use family planning as a direct result of USAID's program.** These couples are in addition to millions more that have adopted family planning as a consequence of USAID support for information, education and communication, training of trainers, improved management, and private sector demonstration activities.
- In the 28 largest recipient countries of USAID population funds, the average number of children per family has dropped from 6.1 in the 1960s to 4.2 today, a 31 percent decline.
- USAID is a recognized leader in expanding voluntary surgical contraception services. Voluntary female sterilization is the world's most widely used family planning method and becoming increasingly popular.
- USAID plays a leadership role in operations research, providing family planning program managers around the world with resources to identify service delivery problems, experiment with new approaches, and measure the impact of those approaches.
- USAID supports the world's largest family planning information, education and communication program with hundreds of communication projects in over 30 countries. These cost-effective programs reach millions for pennies apiece and are of significant quality, having won over 35 national and international awards for excellence. Most importantly, the programs have been shown to increase the use of modern contraceptive methods.
- USAID pioneered the use of demographic sample surveys as a tool for documenting demographic trends and evaluating family planning programs. Over the last 20 years, USAID has supported over 160 surveys in almost 70 countries.

- USAID is the single largest bilateral donor in the field of contraceptive research and development and has the only research program integrated with a wider service delivery program.
- The United Nations Fund for Population Activities (UNFPA) provides an important focus in the United Nations system for population concerns and helps to build acceptance of and support for comprehensive national population programs.

BENEFITS FOR AMERICAN CONSUMERS

While USAID's contraceptive development efforts focus on the developing world, these efforts have yielded significant benefits over the years to American consumers as well as couples overseas. USAID has been instrumental in:

- improving and evaluating sterilization methods;
- evaluating and introducing low-dose and progestin-only oral contraceptives;
- evaluating and introducing the Copper-T-380A intra-uterine device; and
- developing, evaluating, and introducing barrier methods.

USAID will continue to collaborate with other donors, host country governments, development agencies, universities and academic organizations, the private sector, PVOs, and NGOs. We will help the United States expand its leadership in the field of population. The United States already possesses an extensive network of specialized programs, institutions, and technical experts. USAID will rely on these resources and encourage their expanded use by the donor community and developing nations.

The Agency will operate both bilaterally and multilaterally. It will continue to work with and support the United Nations Population Fund (UNFPA), the International Planned Parenthood Federation (IPPF/London), the World Health Organization (WHO), the United Nations Development Program (UNDP), the United Nations Children's Fund (UNICEF), and the World Bank and other international financial institutions and their global population, health, research, and information activities. This will enhance USAID's ability to deal with the transnational effect of population and health problems while enabling USAID to share its resources with virtually all developing countries.

Finally, USAID will emphasize the quality, continuity, availability, and technical standards of services. We will build on existing family planning programs, assets, and investments.

FOCUS ON POPULATION RESULTS

To measure progress toward its goals and the effectiveness of its population programs, USAID will evaluate results in terms of the following measures: reduced fertility rate; reduced high-risk births; and reduced maternal, infant and child mortality. Measures of success at the country level will vary. There will be many intermediate signs of progress, such as expanded access to, increased use of, and improved quality of family planning and reproductive health services; increased contraceptive prevalence and continuation; and improved women's reproductive health.

Ultimately, the success of USAID's population will be measured in terms of its contribution to expanding reproductive choice and rights, improving the health of women and children and stabilizing world population at a level consistent with sustainable development.

We request \$525 million in bilateral Sustainable Development resources for population activities, plus \$60 million for a voluntary contribution to the United Nations Population Fund.

ENCOURAGING BROAD-BASED ECONOMIC GROWTH

The developing world as a whole has achieved significant progress in terms of sustainable growth and reductions in poverty. But progress has been uneven, both across countries and over time. A significant number of developing countries, particularly in the populous Asia region, have achieved broad-based growth and thereby reduced poverty substantially. But many others have not. A quarter of the world's people remain on the margin of survival, struggling with malnutrition, illness, unemployment, and poor housing.

Success in achieving broad-based economic growth and poverty reduction in developing countries directly affects the interests of the United States and other industrial nations. It contributes to political stability and civil order, and supports the spread of democracy. It brings expanding markets and mutually beneficial trade and investment. It directly contributes to the resolution of global problems such as migration, population growth, food security, and environmental degradation. And successful development cooperation helps build the foundation for fruitful international cooperation in other critical areas.

Economic growth in itself does not guarantee sustainable development and poverty reduction. To meet USAID development objectives economic growth must be rapid, broad-based, sustainable, environmentally sound, and participatory. We believe these characteristics are generally harmonious and mutually reinforcing rather than conflicting.

USAID will promote broad-based sustainable growth by addressing the factors that enhance the capacity for growth and by working to remove the obstacles that stand in the way of individual opportunity. USAID will concentrate its efforts in three areas:

- **Strengthening Markets:** Healthy market economies offer the best prospects for sustained, broad-based growth, expanded individual opportunity, and reduced poverty. USAID will support recipient efforts to address policy and regulatory impediments; establish or strengthen the institutional foundations for market economies; improve infrastructure; and undertake other interventions that enhance the contribution and role of markets.
- **Expanding Access and Opportunity:** USAID will pay particular attention to expanding economic opportunities for the less-advantaged in developing countries by promoting micro-enterprises and small businesses; by focusing on the development and delivery of technology, including agricultural technologies appropriate to small farmers; by enhancing food security at the household and community level; and by increasing the access of women to employment, land, capital, and technology.
- **Investing in People:** Building human skills and capacities throughout a society is essential for sustained growth, poverty reduction, and improved quality of life. USAID will support recipient country efforts to invest in people through improvements in primary health, education, and related services and institutions that facilitate broad-based participation, especially by women, indigenous peoples, and other disadvantaged groups.

USAID's efforts in these three areas will be characterized by three interrelated approaches:

- **Participation:** USAID programs will foster widespread participation, ensuring that efforts to promote economic growth involve and enhance the prosperity of people throughout the productive sector, including micro-entrepreneurs, small business owners, small holders, and members of cooperatives.
- **Institutional Development:** USAID seeks to strengthen public and private institutions in developing countries, including through training, so that they can manage their own development process, consistent with the wishes and needs of their citizens.
- **Sustainability:** USAID programs will encourage growth based on efficient and responsible use of domestic resources, including natural resources, human resources, and physical capital; and on enhancement of these resources over time.

Investments in the health and education of recipient country populations is key to sustainable development. Health conditions that impede the ability of children to learn and the ability of adults to produce and participate will continue to be addressed. USAID is recognized internationally as a leader in several aspects of child survival. Almost 70 percent of the world's population has access to oral rehydration therapy (ORT). This therapy is now used in more than one third of all diarrhea episodes. USAID supported the research that developed ORT in the early 1970s and is the recognized leader in promoting its use. It is estimated that one million child deaths are averted each year as a result of proper use of ORT.

Worldwide, as many as 15 million persons may be infected with the human immunodeficiency virus (HIV). USAID has sponsored information and control efforts in 74 countries worldwide and has tested new diagnostics appropriate for use in field settings. USAID also is seen as a leader in communications strategies on AIDS (acquired immunodeficiency syndrome), in program design and implementation, in epidemiological surveillance and disease modeling, and in the management committee for the World Health Organization's Global Program on AIDS (WHO/GPA). USAID has been active in the effort to turn WHO/GPA into a multisectoral United Nations (UN) program co-sponsored by the UN and the World Bank.

The recent focus on environmental issues worldwide has served to spotlight the close relationship between the environment, urban population growth, economic development and health. It is the rapidly growing rural population and the even more rapidly growing urban population where the linkage is most graphically illustrated. The provision of basic environmental health services is an important step toward achieving the Agency's objective of sustainable economic development.

FOCUS ON GROWTH RESULTS

In evaluating the impact of economic and health programs, the over-arching concern should be whether standards of living have improved and whether improvements have been manifested broadly within society. USAID will examine the impact of its programs on:

- Raising incomes and employment for the key groups that comprise the poor; and countries' improved ability to address poverty using their own resources.
- Raising employment, incomes, and productivity in the informal sector; expanding the scale of operations of micro-enterprises or moving them into the formal sector; participation of women, minorities, and indigenous peoples in this expansion. Improving the flow and availability of technical and support services to small businesses and micro-enterprises, having a measurable effect on productivity, job creation, and profitability.

- Improving agricultural incomes and disposable rural incomes.
- Improving the quality of primary education, i.e., the number of children with access to primary education, the proportion of girls in primary schools, the proportion of children of indigenous peoples in primary schools.
- Increasing the availability of capital to the poor, including an increase in the number of viable and sustainable community-based lending institutions.
- Empowering indigenous NGOs, including labor unions, PVOs, cooperatives, and consultative planning councils, so that the poorest people in society are enabled to participate in national economic and political life.
- Increasing agricultural productivity; stabilizing market prices for food, and ensuring greater access of individuals and communities to food, either through increased production or easier acquisition through markets.
- Improving public health among all sectors of society, evidenced by indicators such as: the rate of infant mortality; access to family planning services, including programs for prenatal care and maternal health; number of cases of communicable diseases; rate of childhood inoculation; rate of malnutrition among children; access to basic health care services by all sexes; and access to clean water.

It is unrealistic to expect that international poverty, conflict, oppression, and disorder can be eradicated. But it is not unrealistic to try to address those problems by providing nations, communities, and individuals with opportunities for development. The ultimate dividend should be nothing less than a more peaceful, more prosperous world.

THE INTEGRAL ROLE OF P.L. 480 TITLE III RESOURCES

USAID uses several funding resources to promote sustainable development in ways specifically designed to address specific country development objectives. In the case of economic growth objectives, dollar funding or P.L. 480 Title III resources, or both, are used to address food security issues as part of integrated country development programs. Long-term food security cannot be achieved for large numbers of people through food hand-outs. Rather, the root causes of food insecurity need to be overcome, and this is often amenable to multi-year efforts to change food production and safety net policies, for example. In FY 1995, P.L. 480 Title III resources will be used in 13 *least developed* countries in policy-conditioned efforts to improve food security within the overall country strategy, as foreseen in P.L. 480 legislation. For proposed country allocations for Title III in FY 1995, see the Summary Tables Annex for this USAID Congressional Presentation document.

For FY 1995, the Administration is requesting \$1.247 billion for its economic growth programs, including health activities. This total consists of \$1.065 billion of Sustainable Development funds, \$160 million of P.L. 480 Title III resources, plus \$22,000,000 for the credit subsidy and administration costs of the Housing Guaranty program (now the Urban Environmental Credit program) and the Micro and Small Enterprise Development credit guarantee program. In addition to the USAID request, \$230 million is requested by the Department of State for multilateral voluntary contributions to the economic growth programs of multilateral organizations, such as the UN Development Program (UNDP), the United Nations Children's Fund (UNICEF) and the World Food Program (WFP).

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST

In summary, for FY 1995, the Administration is requesting \$2,431,000,000 of Sustainable Development funds for activities presented in this volume. Of this, USAID will manage \$2,073,750,000. Some \$293 million of these resources will be used to carry out USAID's environmental activities; \$168 million to finance USAID's democratic participation activities; \$585 million for USAID's population activities; and \$1.247 billion (including \$160 million of P.L.480 Title III resources) to encourage broad-based economic growth, including health-related activities. In addition, \$357.25 million of Sustainable Development funds will be managed by the Department of State for Multilateral Voluntary Contributions in support of sustainable development objectives.

CENTRAL PROGRAMS

Roxann Van Dusen
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Bureau for Global Programs, Field Support and Research

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Bureau for Humanitarian Response

CENTRAL PROGRAM OVERVIEW FY 1995 REQUEST: \$398,616,000

INTRODUCTION

USAID's central programs provide technical leadership and field support, conduct research, support activities of private voluntary organizations (PVOs) and assess the performance of the Agency's programs to further the four agency goals. Field support activities assist USAID missions to achieve their strategic objectives. Funding for field support that can be attributed to specific countries has been included in the country levels.

STABILIZING WORLD POPULATION GROWTH

USAID requests that \$124,776,000 be made available in FY 1995 for central programs to contribute to cooperative global efforts to reduce excessive growth of world population and support women's reproductive health.

STRATEGIC OBJECTIVES

EXPAND FAMILY PLANNING SERVICES, BOTH FOR CHILD SPACING AND FAMILY SIZE LIMITATION. Over the next 10 years, the world's population will grow by 1 billion people. Over 90 percent of this growth will occur in the developing world. Actions taken this decade will determine when the world's population will stabilize. Consistent with U.N. projections, central programs will help slow total world population growth to between eight billion and nine billion by the year 2025, and to less than ten billion by the year 2050, with very low growth thereafter.

SUPPORT MATERNAL AND REPRODUCTIVE HEALTH CARE. More than 500,000 women die each year because of preventable complications from pregnancy, abortion, and childbirth. The global health goal is to halve current maternal mortality rates in the next decade.

ENCOURAGING BROAD-BASED ECONOMIC GROWTH

USAID requests that \$203,678,000 be made available in FY 1995 for central programs in support of sustainable economic growth. These programs will focus on economic policy reform, business growth, agricultural self-sufficiency, and improved management of rapidly growing urban areas, which today contribute over half the gross national product (GNP) in developing countries. They will also support human capacity development by investing in people through basic education and training activities, improve child survival and combat the spread of HIV/AIDS.

STRATEGIC OBJECTIVES

PROMOTE ECONOMIC POLICY RESEARCH AND REFORM TO ENCOURAGE ECONOMIC DEVELOPMENT AND DIVERSITY. These programs will work with developing country governments to help them understand the economic impact of policies, regulations and laws that inhibit economic growth, and assist them in creating new economic opportunities. In Poland, they have helped the government develop a new bankruptcy law, establish a system for registering collateral and make other changes which have improved the environment for private investment and commerce. A major focus of these programs will be on the small, micro and informal entrepreneurs and businesses, including farms and agro-industries, which both employ the vast majority of the work force and which have the greatest potential for employment growth.

IMPROVE ECONOMIC OPPORTUNITIES AND THE OPERATION OF FINANCIAL MARKETS IN DEVELOPING COUNTRIES. Economic growth in developing countries is often constrained because financial institutions lack experience in dealing with the informal sector, potentially the most dynamic sector of the economy.

Through training and the use of guarantees, these programs will encourage financial institutions to make their financial resources accessible to a broader segment of society. Central programs have supported several new banking entities focused on emerging entrepreneurs in such diverse locations as El Salvador, Bolivia, Kenya and South Africa. For example, in South Africa four major banks are extending credit to small and micro, black-owned businesses previously excluded from formal financial markets.

PROMOTE MICROENTERPRISE DEVELOPMENT. Microenterprises are one of the chief means poor people around the world use to increase their participation in economic growth. USAID's Microenterprise Initiative will break new ground in promoting microenterprise development as a key component of the Agency's economic growth strategy. A central Oversight Coordination Committee will ensure that existing and new programs complement each other, build on best practices, and manage for results. These programs will seek to increase access by the poor to credit and savings, strengthen the capacity of local organizations to have a voice in the policy process affecting microenterprise development, and improve the policy and regulatory environment within which microenterprises operate.

CREATE MORE EFFICIENT ECONOMIES THROUGH THE PRIVATIZATION OF STATE-OWNED OR -CONTROLLED ENTERPRISES AND LAND, AND IMPROVEMENTS OF EXISTING INFRASTRUCTURE. The success of early privatization programs, largely involving manufacturing industries, is encouraging governments worldwide to open their "strategic" industries, e.g., utilities, railroads, ports and airlines, to private ownership. These programs will continue to work with host country governments to create the conditions and opportunities to increase enterprise efficiency, improving their contribution to economic growth.

ENHANCE DEVELOPMENTALLY SOUND BUSINESS LINKAGES, PROMOTING TECHNOLOGY TRANSFER AND INCREASED ECONOMIC GROWTH. These programs will encourage linkages between developing country and U.S. private sector associations, groups and enterprises. These linkages result in beneficial impacts on both the developing country and U.S. economies.

SUPPORT RESEARCH AND DEVELOPMENT FOR EXPANDED FOOD PRODUCTION, TARGETING INCREASED EQUITY AND SUSTAINABLE NATURAL RESOURCE USE. These programs will develop new technologies, including improved food varieties and land management practices, integrated pest management, and efficient water and fertilizer use, which increase agriculture productivity. They will help to increase producer income, reduce consumer prices, improve nutritional status among rural and urban consumers, and expand the agricultural sector's contribution to the GNP.

IMPROVE HOST COUNTRIES' CAPACITY TO DEAL WITH URBANIZATION. Centrally managed programs will support host countries in improving their capacity to deal with the increasing challenges posed by urbanization: the provision and financing of shelter and urban infrastructure, improved local government and municipal management, and addressing the growing problem of urban poverty. An important resource to address these needs is the Housing Guaranty Program (now the Urban Environmental Credit Program), which will leverage \$12 million of budget authority to provide approximately \$100 million to address urban issues.

ASSURE THE DEVELOPMENT OF HUMAN CAPACITY. The development human capacity is the linch pin to achieving and sustaining the Agency's four goals. Human resources must be developed at the basic as well as at the secondary and post-secondary education levels and in special skills and other training programs. Central programs will help missions and host countries analyze their human capacity development needs in an integrated fashion, to assure a coherent analysis of their education and training requirements in every sector. Central resources will provide support for U.S. universities in developing partnerships with host country educational institutions to more effectively meet the development needs of their societies. Central programs will also support research by Historically Black Colleges and Universities and other minority serving institutions (MSI's) on developing country problems.

IMPROVE BASIC EDUCATION FOR GIRLS AND WOMEN. Twice as many women as men are illiterate in the world today. As a leading donor in the Education For All movement, USAID is committed to helping achieve by the year 2000 access to primary education for all children and the drastic reduction, if not the complete elimination, of gender disparity. With this objective, USAID will concentrate on countries where need is greatest (measured by gender gaps in enrollment and completion), where policies are positive, and where the Agency has substantial investments in programs which benefit from female education, particularly in the areas of family planning and child health and nutrition.

SUPPORT CHILD SURVIVAL INTERVENTIONS. Over 35,000 children die each day, mostly from preventable causes, and mostly in the developing world. Central program resources contribute to the global goal of reducing child mortality rates by one-third over the next ten years. In addition to direct service interventions, programs will support information and management systems development, health care financing, policy analysis, and evaluation systems.

SUPPORT HIV PREVENTION AND SURVEILLANCE, INCLUDING SEXUALLY TRANSMITTED DISEASE DIAGNOSIS AND TREATMENT. The HIV/AIDS epidemic continues to spread at the rate of approximately 5,000 new infections per day. Central programs will contribute to the global goal of decreasing the rate of new HIV infections by 15% over the next decade.

PROTECTING THE ENVIRONMENT

USAID requests that \$64,162,000 be made available in FY 1995 for central programs aimed at protecting the environment.

STRATEGIC OBJECTIVES

REDUCE LONG-TERM THREATS TO THE GLOBAL ENVIRONMENT, PARTICULARLY LOSS OF BIODIVERSITY AND CLIMATE CHANGE. Globally, central programs will focus on the growing sources and diminishing sinks of greenhouse gas emissions and on impoverishment of the planet's biological diversity at the genetic, species and ecosystem levels. There is widespread scientific agreement that both phenomena, if unchecked, will likely cause irreversible damage to the earth's capability to support human life.

PROMOTE SUSTAINABLE ECONOMIC GROWTH LOCALLY, NATIONALLY AND REGIONALLY BY ADDRESSING ENVIRONMENTAL, ECONOMIC AND DEVELOPMENTAL PRACTICES THAT IMPEDE DEVELOPMENT AND ARE UNSUSTAINABLE. Environmental problems are caused by the way people use resources. Driven by poverty and food insecurity, individuals and communities may be forced to choose short-term exploitation over long-term, sustainable management of natural resources. Environmental problems reflect the imperfections of private markets. Government policies often distort markets and encourage excessive exploitation of natural resources. Workable solutions to these problems must focus on how people and their economic interests interact with the national environment and its resources. Central programs will work with USAID missions and host countries to reduce air, water and soil contamination from industrial, agricultural, and household activities with emphasis on those that impair human health; unsustainable exploitation of forests, wetlands, coastal zones, coral reefs, and other ecosystems that provide vital ecological services; degradation and depletion of water resources; unsustainable agricultural practices; inefficient and environmentally unsound energy production and use; inadequate management of household and municipal wastes in growing urban areas; regulatory, statutory, enforcement, and policy issues; and social and economic patterns, including the lack of local participation and empowerment, that contribute to the aforementioned problems and impede solutions.

IDENTIFY GAPS IN BASELINE DATA AND MEASUREMENT TECHNIQUES THAT IMPEDE OUR ABILITY TO MEASURE ENVIRONMENTAL PERFORMANCE. Few environmental activities have been subject to rigorous measurement. In some areas, for example in measuring urban and industrial air, water, and soil pollution levels, measurement is technically feasible, but expensive. In other areas, such as the extent and composition

of forests and other critical habitats, significant data gaps exist. Central programs will help to develop the measurement techniques and collect the data to reduce these gaps.

BUILDING DEMOCRACY

USAID requests that \$6,000,000 be made available in FY 1995 for central programs in support of democracy.

STRATEGIC OBJECTIVE

SUPPORT THE TRANSITION TO AND CONSOLIDATION OF DEMOCRATIC REGIMES THROUGHOUT THE WORLD. This is an end in itself and a critical element in promoting sustainable development. The democratic transitions of the past few years create the possibility of a more peaceful, more rational, and more productive world. At the same time, nascent democratic institutions and processes are strained by unrealistic expectations of immediate socioeconomic progress, and by the rekindling of old enmities, including religious, regional and ethnic strife. Moreover, many new democracies need to expand and deepen the transition process beyond a periodic vote for national leadership. They need to institutionalize community participation at the local level and develop an accountable, transparent style of governance that can ensure citizens a modicum of control over their own lives. To achieve this objective, central programs will support the establishment of democratic institutions, good governance at all levels, free and open markets, an informed and educated populace, a vibrant civic society, and a relationship between state and society that encourages pluralism, inclusion, and peaceful conflict resolution.

Building democracies is inherently a long-term, cumulative process. USAID will assess progress towards democratization and incorporate lessons learned from past work into new activities. Assessing democratic progress is a complex process, and it is difficult to pinpoint precise cause-and-effect relationships. Progress is also defined by changes in perceptions and attitudes that are difficult to measure. USAID will consider discrete standards in evaluating the performance of democracy programs, including transformed attitudes and perceptions and changes in process and behavior.

CROSS-CUTTING PROGRAMS

Several centrally managed programs provide cross-cutting services or support in furtherance of all of the Agency's goals. They provide field support and related services to USAID missions, support research to meet the needs of developing countries, and provide technical leadership aimed at resolving global problems. They support the activities of PVOs, provide expertise on the role of gender in sustainable development, and monitor and assess the performance of the agency's programs.

Central programs provide field support and related services in response to identified needs of regional bureaus, missions and developing countries. Most field support complements bilateral programs, although some are carried out in countries that do not receive bilateral assistance. An integrated approach will be used in the population, health and nutrition areas to provide individuals with access to a range of family planning, maternal health and related services and information to reduce population growth, enhance women's and children's health and nutritional status, and limit the spread of sexually transmitted diseases.

Central programs also provide technical leadership both within the Agency and internationally. For example, they contribute to USAID's leadership role in the international population community, in international efforts that address child survival and AIDS, in the follow-up to the World Conference on Education for All, for which USAID was a co-sponsor, and in international nutrition efforts. USAID similarly provides critical technical leadership and support in environment, energy and women in development.

Much of USAID's success in developing countries is based on technology developed or adapted through central programs. For example, new or improved contraceptive technologies have provided millions of couples throughout the developing world with the means through which to plan the number and spacing of their children. The use of oral rehydration therapy continues to save the lives of millions of children every year. The results of agricultural research have fed a generation and continued research will be needed to feed the world's burgeoning population in ways that are environmentally sustainable. USAID has a particularly critical niche in research for two reasons. First, because the Agency is responsible for managing development interventions in nearly 100 countries, USAID can link research efforts with their practical application. Second, the private sector's investment in research that is relevant to developing countries is very limited and less than 1 percent of the world's research and development monies are expended on problems that are important in the developing world. USAID's research programs are designed to focus on the common problems of developing countries that require further study, new technologies, or new techniques for applying existing knowledge and technology.

STRATEGIC OBJECTIVES

STRENGTHENING USAID'S DEVELOPMENT PARTNERS. An increasing share of development work is being carried out by nongovernmental organizations (NGOs), including U.S.-based PVOs and cooperative societies. These organizations possess unique skills and contacts in addition to bringing private sector resources to the development effort.

USAID funds activities to strengthen these organizations' ability to manage programs overseas. USAID strengthening activities are tailored to meet the special needs of selected segments of the U.S.-based, nongovernmental community. In general, funds are allocated to individual organizations through competitive grants. The major programs are:

MATCHING GRANTS. USAID matches funds allocated by the private organization on a 50-50 basis. The PVOs manage projects in approved developing countries. Recently, the substantive focus of approved projects has been microenterprise, the environment and democracy. Some of the funding is used to strengthen the institutional capacity of the PVO itself.

CHILD SURVIVAL. USAID supports PVO activities that help reduce infant mortality and improve child health in priority developing countries.

COOPERATIVE DEVELOPMENT. USAID assists the headquarters of U.S. cooperative societies to extend their programs to developing countries.

DEVELOPMENT EDUCATION. USAID supports the efforts of U.S. non-profit organizations in educating American citizens about developing countries, the development process, and the importance of developing countries to the United States.

OCEAN FREIGHT. USAID provides small grants to a broad range of U.S. PVOs so they can ship development commodities such as medical equipment and books to developing countries.

INSTITUTIONAL SUPPORT. USAID helps strengthen the management capacity of the PVOs which implement food assistance programs under the P.L. 480 Food for Peace Program.

SUPPORT AMERICAN SCHOOLS AND HOSPITALS ABROAD. This program funds grants for the benefit of schools (including libraries) and hospital centers for medical education and research which are sponsored by private U.S. organizations and serve as demonstration centers for American ideas and practices.

CONTRIBUTE TO THE EFFECTIVENESS AND SUSTAINABILITY OF USAID PROGRAMS BY ENSURING GENDER CONCERNS ARE INCORPORATED INTO USAID'S PROGRAMS AND POLICIES. Technical assistance, information, research findings and training on the role of gender in development will be provided to USAID's field missions and Washington offices. These activities will support the integration of gender issues in the design and implementation of USAID programs and policies, and monitor the progress made in addressing gender issues and the impact of programs and policies on the lives of women. These activities will also help develop agency policy and strategy on gender in development, oversee and evaluate the implementation of these policies throughout the Agency, support selected research activities, and publicize important gender-based issues as they arise, such as women's human rights, violence against women and female genital mutilation.

PLAY A LEADERSHIP ROLE ON GENDER AND WOMEN'S ISSUES WITH OTHER DONORS, NGOs, AND MULTILATERAL INSTITUTIONS. These activities will strengthen linkages and promote dialogue with bilateral and multilateral agencies and national and international NGOs in relation to the role of women in development. They will also coordinate USAID's preparations for the Fourth UN World Conference on Women in 1995.

PROVIDE INFORMATION ABOUT USAID'S PROGRAM PERFORMANCE AND ECONOMIC AND SOCIAL DATA. This information is provided to Agency managers, policy makers, program planners and our counterparts in other donor organizations to help them achieve sustainable development results. Over 3,000 in-depth responses are provided annually.

EXPAND THE COVERAGE OF USAID'S PROGRAM PERFORMANCE MEASUREMENT SYSTEM. The system will be expanded to include all central bureaus in addition to field missions and, through training and new materials, these activities will enhance the skills and resources of our partners in strategic planning and monitoring and evaluation. Currently 94 USAID missions and offices are using program performance measurement information systems.

EXPAND OUR KNOWLEDGE OF THE PERFORMANCE AND IMPACT OF THE AGENCY'S SUSTAINABLE DEVELOPMENT AND HUMANITARIAN ASSISTANCE PROGRAMS AND OF THE EFFICIENCY OF KEY OPERATING SYSTEMS. These activities will fund new program and operations assessments and studies in response to specific questions and issues identified by USAID managers. Assessments of child survival, rule of law, elections monitoring, and export and investment promotion services experience were recently completed.

COUNTRY AND REGIONAL PROGRAMS

AFRICA

**John F. Hicks
Assistant Administrator
Bureau for Africa**

A CHANGING DEVELOPMENT ENVIRONMENT

USAID's sub-Saharan assistance program has been significantly reshaped since the establishment of the Development Fund for Africa (DFA) in 1988 to better respond to the region's development challenges and to changing realities. The dramatic changes in African societies have brought about a general transformation in development thinking. Donors have acknowledged that sustainable development in Africa must be led by Africans. A tangible sign of this is that the active participation of African people and organizations in developing strategies and designing assistance programs is no longer an abstract notion, but a reality. At the same time, the African people have steadily gained ground in their effort to make their governments more accountable and responsive to the governed. This pivotal democratic reform has allowed USAID to redefine its approach to development, bringing a new dimension to assistance strategies and activities. Finally, among donors, there is a renewed commitment to coordination, a results orientation, and a concern with the impact of assistance on the welfare of the people of Africa.

The DFA has proven to be a highly flexible and effective framework for USAID assistance programs. With its focus on critical sector priorities, sustainability, participation of local people, consultation and a multi-donor approach, the DFA has enabled USAID both to continue its long-range investments in population, child survival, agriculture and natural resources management and basic education and, at the same time, to respond to Africa's evolving development environment with support for indigenous nongovernmental organizations (NGOs), democratic reform, and multi-donor mechanisms such as the Special Program of Assistance for Africa.

The proposed Peace, Prosperity and Development Act (PPDA) of 1994 reaffirms the special needs of Africa and the principles of the original DFA legislation in a separate charter, entitled "Development Fund for Africa." Moreover, this reform legislation borrows many of the innovative themes of the DFA for application worldwide, under the "Sustainable Development" title. These themes recognize the importance of: popular participation, including women and NGOs, in the design and implementation of activities, donor coordination and the concentration of resources where they will have the greatest impact. Furthermore, the DFA's critical sectoral priorities, which have provided a framework for USAID's assistance to Africa, are fully subsumed under the new programmatic priorities outlined to implement the Administration's "sustainable development" goals of promoting broad-based economic growth, stabilizing population growth, building democracy, and protecting the environment. It is in these areas that the Africa Bureau has focused its efforts over the past six years, with a special effort to measure and report on program impact.

MANAGING FOR RESULTS

With the inception of the DFA, USAID began changing the way it developed programs to ensure that results were not only achieved, but accurately measured and reported. Among the changes is a performance-based budgeting system, which enables the Africa Bureau to concentrate resources in countries where economic and political reforms create the conditions for success. Allocation of resources on the basis of need, performance and host country commitment to improving development potential has led to a shift in the countries in which major USAID development efforts are undertaken. This concentration of resources will continue to be a feature of USAID assistance planning to enhance the likelihood of achieving development objectives. USAID is making the most of its development dollars while remaining responsive to humanitarian needs.

To ensure this, each USAID mission develops a strategy that focuses on up to four critical development objectives. Missions also design evaluation and reporting systems to track the effectiveness of programs through a system of measurable benchmarks. While the increasing number of countries undergoing transformation makes concentration of resources difficult, and measurement of people-level impact has been more complicated than expected, this new programming process is now in place throughout the Africa missions and is being adopted by USAID worldwide. Moreover, USAID's partners, both host governments and other implementing institutions, have also begun thinking more carefully about managing for results.

Demonstrating results can be as difficult as actually achieving them, but USAID has striven to develop systems that permit measurement of the impacts of programs. The Africa Bureau has put in place an annual assessment and reporting structure. This allows field missions to monitor the developmental progress of their country programs and make necessary management adjustments to ensure the programs are on track for results. In turn, the information in the USAID assessments is used at headquarters to assess progress at the regional level, and to guide overall policy and program management decisions. The reporting system also makes possible better and more timely reporting to USAID's development partners, the Congress, and other interested parties.

USAID has responded to U.S. budget imperatives and the desire to focus resources by initiating the closing of nine bilateral African country programs (Burkina Faso, Botswana, Cameroon, Cape Verde, Chad, Cote d'Ivoire, Lesotho, Togo and Zaire). These close-outs will be completed over the next few years, and although difficult, will allow the Africa Bureau to further focus its development assistance and manage for results.

THE IMPACT OF USAID'S EFFORTS

With appropriate strategies and systems in place, USAID has been able to document the successes of its programs and learn valuable lessons. What follows is a brief summary, by USAID's strategic focus, of some of the accomplishments associated with USAID programs over the past six years.

BUILDING DEMOCRACY

Fifteen countries in sub-Saharan Africa have become multi-party democracies, and nearly three-fourths of African countries are in the process of opening up their political systems. Despite substantial challenges, Africans are committed to pushing for change, and USAID has a role to play in helping to enhance the prospects for democracy and democratic governance in Africa. This is not only a U.S. foreign policy goal, but is also a means to achieve the objectives originally set forth in the DFA and now incorporated in the Administration's proposed foreign assistance reform legislation: participatory, broad-based, sustainable development, with a significant role for the private sector.

USAID programs aim at establishing environments enabling full participation in development, promoting the governmental effectiveness needed for sustained market-oriented and competitive economic and political institutions, and encouraging the emergence of advocacy groups in civil society. Host country performance in democratic governance, including human rights, is an important criterion in the annual budget allocation process. Among the successful activities supported by USAID assistance since this program's inception in FY 1991 are the following:

- Technical assistance and support for the redrafting of constitutions and key laws, and for strengthening the independence of the judiciary, in Uganda, Niger, Madagascar, Ethiopia and Mozambique;
- Training, international observers, and material assistance in support of free and fair elections in Angola, Cameroon, Congo, Eritrea, Ethiopia, Ghana, Guinea, Kenya, Madagascar, Malawi, Mali, Senegal, and Zambia.
- Promotion of an effective civil society, with respect for civil and political rights, through women's rights projects in Zambia, Central African Republic, Rwanda, Togo, Benin, Zimbabwe, and Cote d'Ivoire, as well as civic education and awareness efforts in Benin, Burundi, Cameroon, Kenya and Madagascar.

While many of these programs are too new to allow rigorous measurement of their impact, results are being seen. Economic liberalization and political democratization have led to the spontaneous development of popular associations, such as cooperatives, which are taking independent action to benefit their communities. USAID may find it possible to work through such associations when a national government is not an appropriate development partner. This was the case during the Mengistu regime in Ethiopia, and the Agency is considering following this course to deliver child survival support in Togo. Mindful that the liberalization process can be fragile and reversible, USAID's program in democratic governance will be an important instrument for supporting those countries that have demonstrated a commitment to the process and encouraging those who are beginning to do so.

STABILIZING POPULATION GROWTH

Sub-Saharan Africa still has the fastest growing population in the world, but there is increasing evidence that some countries are entering a demographic transition; that is, birth rates are beginning to fall, as death rates already have. All over the continent, contraceptive prevalence rates are on the rise; and there is evidence that many more women would be using contraceptives if they were available.

USAID population programs have focused on four areas: demonstrating the impact of continued high population growth to senior policy makers; supporting family planning programs; supporting education, information, and communication; and developing channels for distributing contraceptives. Through sustained commitment over the past decade, USAID has contributed to several major changes:

- Today, most African governments support birth spacing and, in some cases, smaller families. Much of the change in attitudes among senior policy makers can be attributed to USAID influence.
- Fertility rates have dropped in Kenya, Zimbabwe and Botswana, where USAID is the largest population donor and has given sustained support to family planning. Rwanda is another country where USAID's investment is paying off, with a preliminary estimate of a 25% drop in fertility rate.

- Demand for contraceptive services has increased thanks to USAID information, education and communications programs, which have awakened parents (particularly mothers) to the need to space births for the welfare of the children. There is significant unmet demand in Botswana, Burundi, Ghana, Kenya, Liberia, Mali, Togo, Uganda, and Zimbabwe where about one-quarter of married women would like to have access to family planning services but currently do not.
- More Africans have access to family planning services than ever before as a result of USAID efforts to develop and strengthen the service delivery infrastructure.

Substantial progress can be achieved during the next decade. Efforts will focus on overcoming three key constraints: male attitudes, oriented to a cultural norm of large families; slow economic growth, which limits investments in such critical areas as female education and maternal and child health; and weak delivery systems, which can be strengthened through integration into the primary health infrastructure.

PROTECTING THE ENVIRONMENT

Sustained, broad-based economic growth is inextricably linked to responsible stewardship over the natural resources base. USAID's approach to stewardship emphasizes education and training for sustainable agricultural practices, vegetation and tropical forestry preservation, and conservation of biological diversity.

The dimensions of environmentally-related problems in Africa are enormous. However, USAID has seen some favorable signs:

- In Lesotho, herder associations increased productivity of the range lands and their herds by placing a substantial area of the range land under management plans.
- In Niger, hundreds of woodcutters have increased their incomes from woodcutting enterprises that depend upon improved management of marginal forest lands.
- In The Gambia, because of better soil management practices, farmers converted hundreds of salt-laden acres into productive rice land.
- Millions of drought-resistant trees have been planted in the Sahel to stop desertification and sustain soil fertility.

Under the DFA, considerable progress has been achieved in building knowledge and understanding about the barriers to the spread of appropriate natural resources management practices -- those that increase productivity while safeguarding the natural resources base. Likewise, there is a better understanding of programmatic options for overcoming these barriers, which include changing policies so as to promote local control of natural resources. This progress leads USAID to be confident that impacts from its natural resources programs will expand exponentially and sustainably, thus having important country- and region-wide impact in the future.

BROAD-BASED ECONOMIC GROWTH

Achieving accelerated, sustainable economic growth in Africa requires progress on a variety of fronts. To help alleviate poverty and improve the quality of life of the African people, USAID is trying to improve the environment for growth by increasing agricultural productivity, improving individual productivity by investing in education and health, and expanding access to production resources and markets.

AGRICULTURE. Most African households, especially the poorest, earn a large share of their incomes from agriculture. Thus, agricultural growth is the key to broad-based economic growth. USAID agricultural activities focus on increasing productivity through research for technology development and transfer, support for policy reforms and market liberalization, and support for market development and agribusiness. Recent USAID studies suggest that policy reform and support for agricultural research are leading to rapid agricultural growth, which will both fuel greater economic growth and alleviate poverty. For example:

- In Malawi, USAID assistance helped develop a new high-yielding maize variety, and supported policy reforms which liberalized maize marketing and opened the lucrative burley tobacco market to smallholders. Despite the 1992 drought, maize production with the new high-yielding variety increased by 250% between 1985 and 1992. Access to the tobacco market brought in an additional \$10.0 million in cash income to smallholder farmers (including women).
- In Mali and Kenya USAID-sponsored market liberalization has significantly reduced marketing margins, thus increasing income for producers and decreasing prices for consumers.

Major challenges for the future are to continue to open market access for low-income producers and consumers, and to sustain investments in agriculture, particularly agricultural research. Evidence shows that research has produced important real increases in output for a large variety of crops.

CHILD SURVIVAL, HEALTH AND HIV/AIDS. USAID has had great success over the past decade in African child survival and health. Continent-wide infant mortality rates fell from 157 per 1,000 births in 1965 to 107 per 1,000 births in 1990. This progress, linked to substantial donor investment in a focused and manageable set of programs, should not lead us to forget that the health status of the general population in Africa remains well below acceptable standards. Among the great problems that remain is the inability of African countries' economies to finance these programs at their current levels either through the public or private sectors.

The USAID child survival program emphasizes immunizations, oral rehydration therapy, and control of diarrheal diseases and respiratory illness -- leading contributors to morbidity and mortality in African children. The program also strengthens health delivery systems to achieve increased sustainability. Health sector reform -- targeted at financing strategies, improved management and strengthening the role of the private sector -- is an important aspect of USAID work. Finally, HIV/AIDS control and prevention has become a major component of the USAID health portfolio, with the objectives of increasing government and public awareness, assisting with the development of prevention programs, and ongoing research aimed at improving preventive measures. One example of the impact USAID programs are having:

- In Ghana, a USAID-supported condom social marketing program, which contributes both to family planning and HIV/AIDS prevention, reaches diverse audiences across the country. This program distributes 80-90% of all contraceptives in the commercial sector. Since 1987 there has been a doubling of the number of condoms and other methods of contraception distributed.

EDUCATION. Education contributes to development in two essential ways. In general, more educated people are more productive, have greater access to wage employment, and earn higher incomes. They also have been shown to live longer, healthier lives and to have smaller, healthier families. A society reaps even greater economic and social returns if girls and women are educated.

USAID seeks improvements in host-country education at the policy, system, administrative, and classroom levels. The full impact of improved or expanded education will take years to become evident in terms of student achievement but, even in early assessments, some effect may be seen. For example:

- In Mali, programs have been launched to increase girls' participation and completion rates in primary schools by persuading parents of the value of educating girls. In the first year of the program, the number of girls completing primary school increased by 3,300. Research is guiding the start-up of similar efforts in Guinea and Malawi.
- In Guinea, Benin and Malawi, governments have restructured budgets to increase support for education. For instance, in Guinea the allocation for non-salary operating expenditures has risen from US \$0.02 to US \$11 per pupil. In Uganda, Benin, Guinea and Mali Ministries of Education are learning how to cut costs through competitive bidding for education inputs such as textbooks and construction, and through policies which reward community participation in school management and support.
- In Ghana, the number of untrained primary school teachers has decreased from 50% in 1989 to 30% in 1993. To measure the impact of such quality-related improvements; Swaziland, Botswana, Ghana, and Mali are launching assessment systems to monitor student achievement.
- In Benin, Mali and Guinea, studies of parent-student associations are leading to the development of strategies to promote greater parental and community involvement in school management and support.

In looking to the future of basic education, USAID will address some important issues: how basic education efforts can best help meet the skill and survival needs of a traditional as well as a newly forming labor force; how USAID can ensure the sustainability of increases in recurrent education costs and the continuation of institutional change; and how African governments can cope with daunting problems of access that result from high population growth.

THE KEY TO SUSTAINABILITY

Economic growth is fundamental to the success of social interventions in Africa, both in terms of immediate impact and long-term sustainability. Programs to slow population growth, improve health conditions and expand education are constrained by the poverty of the very people they are intended to help. Thus, there is a need to increase household incomes. This is also essential to moving towards cost recovery and fee-for-services and sustained delivery of services. Moreover, with African governments' tight budget constraints and relatively low spending on social sectors, economic growth is critical in order to increase government resources so that access to services can be sustained and expanded. USAID follows a strategy of promoting broad-based, sustainable economic growth, with the ultimate objective of alleviating poverty and improving the quality of life of the African peoples. USAID will continue to provide support to develop small scale and micro-enterprises which will help increase incomes and create jobs for African, particularly those in rural areas. For example:

- In Tanzania, USAID's village oil press project has created over 1,000 new enterprises, provided secure markets for 20,000 farmers and generated 3,000 seasonal jobs and additional profits for local metal workshops and artisans.
- In Kenya, total employment in small micro-enterprises rose from 221,829 in 1985 to 290,904 in 1993 in the formal sector, and total employment in small micro-enterprise rose from 254,457 in 1985 to 633,872 in 1993 in the informal sector.

HUMANITARIAN PROGRAMS

USAID will continue to address humanitarian needs across sub-Saharan Africa, while working for a longer-term solution to these problems. Efforts to serve immediate needs include P.L. 480 feeding programs, rapid response disaster assistance, and assistance to countries coping with economic or natural disasters or otherwise in urgent need of humanitarian assistance. Also, USAID and other donors will continue to support African military demobilization and conflict resolution, which are critical to the establishment of a functioning society and meaningful development progress.

NEW INITIATIVES

One of the new efforts USAID will undertake is in southern Africa. The imminent transition to majority rule in South Africa offers prospects for overall growth and development in the entire southern Africa region. Efforts are underway to restructure regional relations to promote sustained economic growth and mutually beneficial cooperation among various countries. Guided by African input and in close collaboration with other donors, USAID will undertake programs to foster sustainable development of market economies and democratic institutions.

PHASE-OUT COUNTRIES

Starting in 1994 the Africa Bureau will be phasing out nine bilateral development assistance operations: Burkina Faso, Botswana, Cameroon, Cape Verde, Chad, Cote d'Ivoire, Lesotho, Togo and Zaire. In FY 1995 sustainable development funding is requested to carry out orderly completion of on-going activities in these countries. The Africa Bureau expects that by the scheduled USAID phase-out dates, some activities will be sustained by local implementing entities while other activities will continue to receive support from other donors. Regional and centrally-funded activities supporting Mission strategic objectives in the phase-out countries -- particularly in the AIDS, child survival and population areas -- likewise will support the orderly phase-out process in these countries.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST

USAID requests \$883,661,000 in Sustainable Development funds in FY 1995 for activities in support of broad-based economic growth (\$560,004,000), stabilizing population growth (\$128,893,000), building democracy (\$94,000,000), and protecting the environment (\$80,764,000). In addition \$20,000,000 is requested in Building Democracy funds for electoral assistance. Also there will be a separate request for P.L. 480 Title II (\$68,295,000) and III (\$58,000,000) resources to be used in conjunction with bilateral programs to enhance USAID support for economic growth and humanitarian relief. Funding for these P.L. 480 programs will be requested by the U.S. Department of Agriculture.

ANGOLA FY 1995 SUSTAINABLE DEVELOPMENT REQUEST: \$5,000,000

Angola has been engaged in a civil war since the mid 1970s. USAID's development assistance program to Angola, begun in 1992, was suspended in 1993, due to security conditions, and subsequently terminated in 1994. USAID continues to provide humanitarian and emergency relief to Angola on a major scale. Peace negotiations, now underway, may pave the way for the resumption of development assistance.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOs) _____

BROAD-BASED ECONOMIC GROWTH:

ASSIST WITH RECOVERY PROGRAMS, INCLUDING PUBLIC HEALTH AND IMMUNIZATIONS. Tens of thousands of Angolans have been killed and maimed in the recent fighting, and much of the country's limited infrastructure has been severely damaged or destroyed. Activities under this MSO would include training and financing needed to get health and immunization services restarted in major population centers which have been subject to recent heavy fighting, and address the major health crisis which has arisen in virtually all areas of Angola as a result of chronic shortages of water, medicines, and trained personnel.

BUILDING DEMOCRACY:

PROVIDE REHABILITATION AND RECOVERY ASSISTANCE, INCLUDING THE DISTRIBUTION OF FOOD, SEEDS AND TOOLS TO REFUGEES AND DEMOBILIZED TROOPS. Prior to the November 1992 outbreak of large-scale fighting, USAID had developed a program to assist Angola in the difficult transition to democracy. USAID's planned activities were to involve: 1) resettlement of displaced persons; 2) reintegration of demobilized soldiers into civilian society; 3) training for political parties; and 4) logistical support for the elections. During October and November 1992, fighting resumed in Angola on an unprecedented scale, leaving over 50,000 dead and an estimated three million persons displaced. The two sides are currently engaged in negotiations in Lusaka, Zambia. Should a new peace accord be signed, USAID is prepared to proceed with the development of activities which provide food, seeds, tools and vocational training for displaced persons, refugees and demobilized soldiers.

FOSTER ANGOLA'S EFFORTS TO ACHIEVE NATIONAL RECONCILIATION AND A BROAD-BASED PARTICIPATORY GOVERNMENT. Angola's first elections for the presidency and the National Assembly were held in September 1992. While a second round of presidential elections has not yet been held, most representatives in the new Assembly have assumed office. In addition, other institutions such as the media, human rights organizations and the judiciary continue to function and require training, technical assistance and material support to strengthen institutional commitment to democratic practices. USAID plans to provide such assistance.

USAID MISSION RESULTS _____

BUILDING DEMOCRACY:

A USAID Mission was never fully established in Angola, USAID's planned program for Angola was never fully implemented, and results of USAID's preliminary efforts have largely been destroyed by the war. Nevertheless, during its brief (six months) implementation phase, USAID assistance to Angola enabled the Angolan Government to complete national elections which were found to be free and fair by international observers, and enabled U.S. private voluntary organizations to carry out health, vaccination, and feeding programs for displaced Angolans. Although USAID does not have a direct-hire presence in Angola, USAID's Office of Foreign Disaster Assistance is administering a major humanitarian assistance program involving vaccinations, food distribution, and establishment of a country-wide health reporting system.

OTHER FY 1995 USAID-MANAGED ACTIVITIES _____

None.

OTHER DONORS _____

In FY 1992, the United States contributed .8% of total official development assistance to Angola. The largest international donors were the European Community, the World Food Program, Italy, Sweden, and Spain.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST _____

USAID requests \$5,000,000 in Sustainable Development funds in FY 1995 to provide initial funding of new activities in support of broad-based economic growth (\$4,200,000) and building democracy (\$800,000).

BENIN **FY 1995 SUSTAINABLE DEVELOPMENT REQUEST: \$16,514,000**

In 1991, Benin made a successful transition to multiparty democracy and economic liberalization. USAID is focused on primary education as a means of assuring long-term informed participation in, and oversight of, government as well as economic development.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOs)_____

BROAD-BASED ECONOMIC GROWTH:

STRENGTHEN AND IMPROVE PRIMARY EDUCATION. Benin's education system collapsed because sufficient resources could not be made available to meet national goals, causing suspension of teacher salaries, total absence of learning materials or curriculum in the schools and a severe drop in enrollment. To assure sufficient financing is available for the reformed primary school system, USAID plans to help the Government of Benin (GOB) raise the percentage of the primary education budget to 15% of the national budget in 1994 and 16% in 1995 and increase non-salary expenditures by 6% in 1994. By 1998, annual expenses per student for learning materials will reach \$5, up from zero at the beginning of the program. To strengthen institutional capacity in education management, USAID will work to ensure there is an integrated budget preparation process, a complete system of inspection and control, and a fully functioning, timely, and decentralized management information system. With USAID assistance, the national repetition rates will be reduced from over 27% in 1990 to approximately 15% by 1998 and the drop-out rate from 26% to 10% in 1999. The number of teachers qualified will rise from approximately 2,000 to 8,800 (63%) by 1995 and 15,545 (100%) by 1998. Gross school enrollment will almost double from 1989 to 1999, achieving 70%. Forty two percent of all girls will be in school, compared to 34% in 1990. Finally, a national network of over 3,000 parent-teacher associations (PTA) will be exercising their oversight and financial responsibilities in the management of the education system.

STABILIZING POPULATION GROWTH:

Although Benin's population growth rate is a disquieting 3.1%, family planning remains a highly sensitive political issue. USAID has recently begun dialogue with the GOB on mounting a national family planning strategy and achieving national consensus. By the end of 1994, Benin's 1920 law prohibiting family planning services will be revised and, with USAID assistance, it is expected that the contraceptive prevalence rate will double by 1995.

USAID MISSION RESULTS_____

BROAD-BASED ECONOMIC GROWTH:

STRENGTHEN AND IMPROVE PRIMARY EDUCATION. USAID has worked with the GOB to assure that sufficient financing for primary education has been secured and the primary education budget increased from 11% of the national budget in 1992 to 14.1% in 1993; teachers salaries paid on schedule, salary arrears paid, and teacher rolls up-dated. Non-salary expenditures for primary education increased 300%. The Ministry of Education has been re-organized to become task and results-oriented. A management information system to feed into decision making has been set up. The national blueprint for primary education reform has been established through 16 specific action plans and submitted to the National Assembly. With USAID assistance, the GOB has defined the basic student learning environment. New competency standards have been agreed upon for each grade and, for the first time in 18 years, a curriculum and teaching guides have been distributed to all schools. A new curriculum is being tested. PTAs and the National Assembly have been actively consulted and involved in education. Private schools have been encouraged to open and enrollment fees have been waived for rural female pupils. Gross enrollment has increased from 43% to 58%, reflecting renewed parental confidence in the system. Drop-outs have decreased by 30%.

BUILDING DEMOCRACY:

Benin's recent democratization has permitted a surge in nongovernmental organizations (NGOs). With USAID's help, the number of functioning, competent and representative NGOs and civic associations will increase by 30 by 1999, At least 30% of Benin's adult population will be directly involved in some part of Benin's NGO movement.

OTHER FY 1995 USAID-MANAGED ACTIVITIES_____

USAID is separately requesting a P.L. 480 Title II program of \$1,851,000 in commodities and freight.

OTHER DONORS_____

In 1992, the United States provided 5.9% of all donor contributions to Benin. Other major donors were Norway, Germany France and the European Development Fund.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST

USAID requests \$16,514,000 in sustainable development funds for FY 1995 to provide incremental funding of ongoing activities in support and expansion of broad-based economic growth (\$12,514,000), stabilizing population growth (\$1,300,000) and building democracy (\$2,700,000).

USAID Representative: Thomas F. Cornell

BOTSWANA **FY 1995 SUSTAINABLE DEVELOPMENT REQUEST: \$3,581,000**

USAID's bilateral program will close in 1995; this close-out is based on Botswana's achievement of sustainable levels of economic activity. It has wisely used its considerable natural resources, and with careful, cautious development policies, has boasted one of the world's highest growth rates over the past two decades, averaging more than 9% a year.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOs) _____

BROAD-BASED ECONOMIC GROWTH:

INCREASE THE LEVEL AND RELEVANCE OF WHAT STUDENTS LEARN, THEIR RECEPTIVITY TO ADDITIONAL TRAINING AND THEIR PREPAREDNESS FOR FURTHER EDUCATION. Botswana's most significant obstacle to sustainable growth is the lack of an appropriately trained work force. USAID assistance will strengthen the Ministry of Education's ability to design and revise curricula for the first nine years of public education; train teachers; and measure student progress. New and revised curricula will address such issues as participation in the world of work, gender, environment and health.

ENHANCE ENABLING ENVIRONMENT FOR INCREASED PRIVATE INVESTMENT AND ENTERPRISE GROWTH IN THE NON-MINERAL SECTORS OF THE ECONOMY. To reduce Botswana's dependence on the minerals sector, USAID is assisting Botswana to diversify the economy by increasing employment and entrepreneurial opportunities for citizens through increased foreign and domestic investment and an enhanced policy environment for the private sector.

STABILIZING POPULATION GROWTH:

POSITIVELY MODIFY BEHAVIORS ASSOCIATED WITH EFFECTIVE FAMILY PLANNING AND SEXUALLY TRANSMITTED DISEASES (STDs) AND AIDS PREVENTION. Botswana faces both a rapidly growing population (3.5%) and rapidly spreading HIV infection (15% nation-wide). While the population's knowledge of these problems is surprisingly good, this knowledge is not translated into behaviors which reduce the risk of unwanted pregnancies and infection with HIV and other STDs. Strengthened family planning service delivery and STD counseling, and better targeted and improved health education and communications can close the gap between knowledge and practice. USAID assistance will improve the training of primary health care personnel in family planning service delivery and STD and HIV counseling; make high quality, affordable condoms widely available; and strengthen the role of nongovernmental organizations in delivering relevant health messages to target groups in a manner which will motivate Botswanans to adopt appropriate practices and behaviors.

USAID MISSION RESULTS _____

BROAD BASED ECONOMIC GROWTH:

INCREASE THE LEVEL AND RELEVANCE OF WHAT STUDENTS LEARN, THEIR RECEPTIVITY TO ADDITIONAL TRAINING AND THEIR PREPAREDNESS FOR FURTHER EDUCATION. USAID's newest effort in basic education, which builds on the considerable success of previous USAID efforts, is at too early a stage to register an impact at the class room level. A needs assessment and detailed workplan have been completed. Work on curriculum revision, improved teacher training and the development of a significantly improved student testing system are underway. Past USAID efforts in basic education produced tremendous progress: primary school enrollment increased from 188,218 to 301,482; primary school repetition rates declined from 32.7% to 15.1% and progression rates from standard 7 to Form 1 increased from 26.9% to 77.5%.

ENHANCE ENABLING ENVIRONMENT FOR INCREASED PRIVATE INVESTMENT AND ENTERPRISE GROWTH IN THE NON-MINERAL SECTORS OF THE ECONOMY. Although it is also too early for USAID efforts in private enterprise development to take credit for quantitatively measurable increases in employment and investment, it is already having an impact on the policy dialogue between the public and private sectors. Critical issues are being more rigorously analyzed and more seriously discussed by representatives of the two sectors, resulting in actions by the government which will facilitate further investment and growing employment opportunities.

STABILIZING POPULATION GROWTH:

POSITIVELY MODIFY BEHAVIORS ASSOCIATED WITH EFFECTIVE FAMILY PLANNING AND SEXUALLY TRANSMITTED DISEASES/AIDS PREVENTION. The Botswana Social Marketing Program sold more than 850,000 condoms between June, 1993, when the product was launched, and October 1993, as compared to the first year target of 500,000. Implementing entities are being selected to carry out an AIDS education program and to improve the training of primary health care workers. As project activities begin to have an effect, impact, in the form of a slower spread of HIV infection, lower rates of STD infection and increased levels of contraceptive use, will be measurable.

OTHER FY 1995 USAID-MANAGED ACTIVITIES _____

None.

OTHER DONORS

The U.S. bilateral contribution, at approximately 6.12% of total assistance to Botswana, falls below Norway, Sweden and the United Kingdom who are the leading donors. Other significant donors include the Netherlands, Canada, the European Community, Germany, Japan and the United Nations.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST

USAID requests \$3,581,000 in Sustainable Development funds in FY 1995 to provide incremental funding for activities in support of broad-based economic growth (\$2,853,000), stabilizing population growth (\$550,000), building democracy (\$163,000) and protecting the environment (\$15,000).

USAID Mission Director: Howard R. Handler

BURKINA FASO FY 1995 SUSTAINABLE DEVELOPMENT REQUEST: \$4,422,000

Burkina Faso, in the initial stages of transition to a multiparty democracy, has an Extended Structural Adjustment Facility (ESAF) in place. USAID bilateral presence is scheduled for phaseout by the end of FY 1995, with some sustainable activities possibly continuing under Washington or regional management.

USAID SUSTAINABLE DEVELOPMENT AND MISSION STRATEGIC OBJECTIVES (MSOs) _____

BROAD-BASED ECONOMIC GROWTH:

INCREASE AGRICULTURAL PRODUCTIVITY AND IMPROVE RURAL INCOMES. Degradation of Burkina's natural resource base, which is intimately tied to food security, has accelerated over the past decade due to over-exploitation of farm, forest, and grazing lands arising from population increases and migrations, and inappropriate production technology. USAID assistance helps address this problem by developing local institutional capacity to test and adapt new technologies, and by easing other farm-level constraints to sustainable agriculture.

STABILIZING POPULATION GROWTH:

LOWER FERTILITY RATES. Half the Burkinabe population still has no access to family planning services. USAID, as the lead donor in family planning, is helping to lower fertility rates while at the same time improving the delivery and management of health services. Integrated family planning and child survival activities are carried out at the local-level through private voluntary organizations (PVOs).

BUILDING DEMOCRACY:

USAID assistance to help improve democratization and good governance relies on training and seminars that strengthen decentralization. The PVO/NGO community also works with local organizations, particularly in formulating land-use management plans and mobilizing resources for community investment.

PROTECTING THE ENVIRONMENT:

USAID activities help Burkina's researchers and planners link agricultural production policy and natural resource management. The research is participatory, with programs developed through consensus among farmers and environmental professionals.

USAID MISSION RESULTS _____

BROAD-BASED ECONOMIC GROWTH:

INCREASE AGRICULTURAL PRODUCTIVITY AND IMPROVE RURAL INCOMES. Adoption of improved on-farm technologies (soil, water, plants) have increased yields in areas of reliable rainfall and have begun to reduce rates of soil degradation. Regional research centers financed by USAID have also shown success in developing drought-resistant varieties of sorghum and millet that have increased cereal production. Increased income is mainly the result of better cattle feeding and marketing opportunities.

STABILIZING POPULATION GROWTH:

LOWER FERTILITY RATES. There has been a substantial increase in the quality and availability of family planning services during the past five years. Contraceptive prevalence rates have increased in urban areas, whereby hundreds of commercial outlets now market condoms. Community-level committees are now helping to manage, monitor, and finance a range of health services.

BUILDING DEMOCRACY:

The Burkinabe Government is pursuing decentralization of local administration and services delivery with increasing direct participation at the village and district levels. Training is a key element in this process.

PROTECTING THE ENVIRONMENT:

Collaborative research support has strengthened research in agriculture and natural resources management at the village level. Nascent PVOs have begun to work with researchers to find the best means to link research on the station and results on the farm.

OTHER FY 1995 USAID-MANAGED ACTIVITIES _____

USAID, through a grant to Catholic Relief Services, manages a P.L. 480 Title II monetization program which provides \$6-\$7 million annually for school feeding and maternal and child health activities. The planning level for the FY 1995 P.L 480 Title II program is \$8,315,000.

OTHER DONORS _____

In 1992, the United States provided 2.9% of all donor contributions to Burkina Faso. Other major donors were France, Germany, the Netherlands and the European Economic Community.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST _____

USAID requests \$4,422,000 in Sustainable Development funds in FY 1995 to provide both incremental funding for activities in support of broad-based economic growth (\$3,076,000), stabilizing population growth (\$1,071,000), and building democracy (\$275,000); and to implement activities associated with USAID close-out.

USAID Representative: Thomas C. Luche

BURUNDI **FY 1995 SUSTAINABLE DEVELOPMENT REQUEST: \$15,672,000**

In October 1993, a failed military coup plunged Burundi into prolonged violence and political turmoil. Progress made during the year in promoting broad-based economic growth, meeting structural adjustment objectives, supporting democratic institutions, and strengthening de-centralized health and family planning services was largely wiped out during the last three months of the year as tens of thousands of Burundians were killed, over a million fled their homes, and economic production fell. During this crisis, USAID played a pivotal role in providing emergency humanitarian relief, and supporting Burundi's democratic government. While humanitarian relief needs are expected to decline, strengthening Burundi's democratic institutions will be an increasingly important aspect of USAID's program and will buttress the strategy for broad-based economic growth and stabilization of population growth.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOs)_____

BROAD-BASED ECONOMIC GROWTH:

INCREASE THE VALUE OF AGRICULTURAL PRODUCTION. Burundi's agriculture-based economy is kept afloat by large volumes of donor aid, without which the country could not achieve its structural adjustment goals. Sustainable, broad-based growth will not occur without stimulating agricultural productivity and forging entrepreneurial relationships between the rural sector and the industrial-entrepreneurial sector. USAID's strategy is to develop markets for agricultural inputs and produce in order to increase the value of production by smallholder farmers. In carrying out this strategy, USAID assistance has promoted recent economic and political reforms which, prior to the civil conflict, resulted in a much improved environment for economic development, but with little response yet evident in the agriculture sector.

STABILIZING POPULATION GROWTH:

INCREASING THE CONTRACEPTIVE PREVALENCE RATE. Burundi is a small, overpopulated rural country with limited options for growth. The USAID strategy focuses on improving the provision of private and public sector integrated family planning and basic health care services in order to increase the contraceptive prevalence rate and curb population growth.

BUILDING DEMOCRACY:

IMPROVING DEMOCRATIC GOVERNANCE. The tragic events of October 1993 have brought USAID's building democracy strategic objective to the forefront. Burundi's immediate pre-requisite to stability and broad-based growth is stable, functioning democratic institutions of governance. USAID will continue to take a leading role in promoting ethnic and political dialogue as well as programs to strengthen democratic governance at all levels of society.

USAID MISSION RESULTS_____

BROAD-BASED ECONOMIC GROWTH:

INCREASE THE VALUE OF AGRICULTURAL PRODUCTION. Over the past four years, USAID has assisted the Government of the Republic of Burundi to create a policy environment conducive to private sector development through the Burundi Enterprise Support and Training Program, the Burundi Enterprise Promotion Program, and the Burundi Human Resource Development Project. USAID currently focuses on reforms specific to development of agricultural enterprises. USAID's project with the National Cooperative Business Association, a U.S. private voluntary organization, will broaden participation of the rural population in the definition and conduct of reforms and cooperative economic activities. Measurable targets are being developed.

STABILIZING POPULATION GROWTH:

INCREASING THE CONTRACEPTIVE PREVALENCE RATE. Since 1991 there has been a tripling of condom distribution. A demographic and health survey scheduled in 1994 will allow quantification of results of the USAID program and provide the baseline data for the new Burundi health systems support project to be implemented in FY 1995 with the completion of the Burundi population project.

BUILDING DEMOCRACY:

USAID programs provided training for journalists, newly elected parliamentarians, and important consensus building activities after the attempted coup, such as seminars and workshops. A grant was awarded to the National Democratic Institute to strengthen both the new democratic institutions in Burundi and civic associations and public interest groups.

HUMANITARIAN ASSISTANCE:

USAID was the leading donor in providing over \$20 million in humanitarian assistance to Burundian refugees in neighboring countries and the wounded and displaced within Burundi. Through grants to World Food Program, Catholic Relief Services, Adventist Development Relief Agency, International Committee of the Red Cross and other international humanitarian assistance organizations, USAID provided food, seeds, shelter and emergency medical care.

OTHER FY 1995 USAID-MANAGED ACTIVITIES _____

None.

OTHER DONORS _____

In 1992, the United States provided 5% of all donor contributions to Burundi. Other leading donors were the European Development Fund, Belgium, the World Bank, and France.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST _____

USAID requests \$15,672,000 in Sustainable Development funds in FY 1995 to support broad-based economic growth (\$9,452,000), stabilizing population growth (\$4,086,000), building democracy (\$1,704,000) and protecting the environment (\$430,000).

USAID Mission Director: Myron Golden

CAMEROON **FY 1995 SUSTAINABLE DEVELOPMENT REQUEST: \$2,417,000**

In October 1993, the U. S. Government notified the Government of the Republic of Cameroon (GRC) of the decision to unilaterally terminate the economic assistance program of USAID in Cameroon. Cameroon's economic performance and progress on democratization have, regrettably, failed to match those of many African countries. Cameroon's macroeconomic situation has been in crisis for over eight years, with many overdue reforms still pending. Political reform following the flawed presidential elections in late 1992 has advanced little, despite earlier statements by the GRC proposing broad-based dialogue on constitutional reform. Arrests and intimidation of journalists and opposition supporters have continued, as have abuses of authority by security forces. These developments reflect continued disrespect for human rights on the part of the GRC. Close-out of the Cameroon program is to occur during FY 1995.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES: (MSOs)_____

In the midst of political uncertainties, a new strategy for Cameroon was approved in June 1993. USAID's program was to have been consolidated within the key MSOs of health, population growth, and natural resources management. A proposed private sector-agribusiness MSO was suspended due to the political and economic environment in Cameroon and, with the announcement of close-out, design work on a natural resources management project was halted.

BROAD-BASED ECONOMIC GROWTH:

REDUCE INFANT AND CHILD MORTALITY. USAID's major objective in the health sector was to effect a sustained improvement in health standards for approximately 2.5 million persons living in the Adamaoua, South and Far North provinces. This objective was achieved by implementing a comprehensive health sector reform program which had the following elements: community co-financing and co-management of health services; the establishment of self-sufficient provincial medical supply systems; and the full integration of preventive and curative services and of health management systems.

STABILIZING POPULATION GROWTH:

As part of USAID's program in maternal child health and child survival, USAID was supporting GRC efforts through a primary health care project aimed at ensuring that a greater percentage of the populace had the means to plan their families. To achieve this, USAID assisted the GRC to promote child spacing as part of comprehensive maternal and child health services.

USAID MISSION RESULTS_____

Although USAID will be closing, there have been notable results in health and population, private markets and agriculture sectors.

BROAD-BASED ECONOMIC GROWTH:

INCREASE AGRICULTURAL PRODUCTIVITY. In the agricultural and natural resource sectors, USAID has contributed significantly for more than 15 years to national and regional food security, agribusiness development, trade and the sustainable management of natural resources. USAID has placed major emphasis on strengthening the capacity of several key GRC institutions, such as the national agricultural research institution, the University Center of Dschang and the Ministries of Agriculture, Livestock and Plan, and nongovernmental organizations to provide essential services to the agricultural and rural sectors. USAID has also made major contributions in privatizing agricultural and product markets and providing assistance toward the development of rural savings and credit cooperatives. One significant achievement from USAID's long involvement in working to provide higher-yielding, disease-resistant varieties and improved production techniques is the substantial increase in food crop production during the 1980's. Maize production increased from 300,000 tons in 1980-81 to 600,000 tons in 1987-88; hulled rice from 45,000 tons to 90,000 tons, and sorghum and millet from 275,000 tons to 500,000 tons.

USAID has made a significant impact by liberalizing and privatizing the fertilizer and arabica coffee markets. As a result of the growing fertilizer distribution system, farmers are now receiving the right type of fertilizer when and where they need it, at competitive prices. Coffee farmers now profit from price increases in the world market, where they achieved an outstanding sales performance for FY 1993 in what is essentially a depressed market, and producers will get bonuses for the first time ever. In the area of financial services, there has been an increased number of credit unions, members and share savings. USAID's involvement with rural savings and credit cooperatives resulted in a significant increase in the number of credit unions and groups, membership and financial assets from 65 groups, 4,000 members and total financial assets of \$60,000 in 1969 to 253 credit unions, over 74,000 members (over one-third women), and \$42,150,000 in financial assets in 1993. In the export processing sector, the number of companies which have special industrial free zone status has increased and, as a result, generated further employment by providing an additional 1,000 jobs. A solid foundation has been established for the expanded role of the private sector, cooperatives, and private and nongovernmental organization in agricultural and rural development.

REDUCE CHILD AND INFANT MORTALITY. In the health sector, USAID's major achievement has been to contribute to a multi-donor effort to develop a financially sustainable, effective, and efficient primary health care system to provide basic preventive and curative services to the population of Cameroon. USAID has also provided long-term assistance for the integration of family planning, diarrheal disease control and AIDS prevention programs into the primary health care system. USAID has shown a significant increase in childhood vaccination, well-child care, prenatal care and family planning services as well as the regular availability of low-priced essential drugs.

CONTROL THE SPREAD OF AIDS. In terms of AIDS control, annual sales of condoms increased 20% to 5.7 million pieces in FY 1993, with approximately 15% of these sold to high-risk individuals. Continued high use of condoms by high-risk persons is expected to result in the containment of the Cameroon AIDS epidemic at a much lower rate than neighboring countries.

STABILIZING POPULATION GROWTH:

During FY 1993, as a result of USAID assistance, the number of health facilities offering family planning information and services increased from 75 to 151 sites, increasing basic health care coverage from just 13% in 1992 to over 30% in 1993. Contraceptive prevalence, as estimated by the indicator "couple years of protection," increased by over 30% since last year. Significant progress was made in integrating family planning into community co-financed and co-managed health facilities, the first mass media family planning campaigns were launched and Norplant was successfully introduced on a trial basis into health facilities.

PROTECTING THE ENVIRONMENT:

USAID has supported several initiatives, mainly through NGOs and PVOs, to enhance public awareness and knowledge of environmental issues, develop better understanding of select ecosystems, and promote adoption of on-farm natural resources management techniques. A national network of environmental NGOs has been established, and NGOs have received technical and management training.

The USAID supported biodiversity inventory and research activities in the Korup National Park have provided invaluable information on the role of forest elephants in forest ecology, the diversity and medicinal value of fauna in Korup and wildlife management techniques for ensuring sustainable utilization of bio-diversity. Studies are being carried out on the potential to develop new drugs from the plant life in the rain forests which may produce treatments for diseases like cancer and AIDS.

OTHER FY 1995 USAID-MANAGED ACTIVITIES _____

None.

OTHER DONORS _____

In 1992, the United States provided 5.4% of donor assistance; other donors included France, the European Community, Germany, and Canada.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST

USAID requests \$2,417,000 in Sustainable Development funds for FY 1995 to provide incremental funding of ongoing activities in support of broad-based economic growth (\$1,793,000), stabilizing population growth (\$279,000), building democracy (\$45,000), and protecting the environment (\$300,000).

USAID Mission Director: Peter Benedict

CAPE VERDE FY 1995 SUSTAINABLE DEVELOPMENT REQUEST: \$3,749,000

In 1991, Cape Verde made a successful transition to multiparty democracy and undertook a program of economic liberalization. USAID is currently developing a new strategy which meets the needs for a scheduled FY 1996 phase-out of the program and allows the possibility of sustainable activities to continue under Washington or regional management.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOs) _____

BROAD-BASED ECONOMIC GROWTH:

EXPAND PRIVATE SECTOR DEVELOPMENT. The Government of Cape Verde (GOCV) has a market-based economic growth program emphasizing development of export-oriented industries. This takes advantage of Cape Verde's central location and relatively well-educated population, and provides the means to earn foreign exchange for food and other essential imports. The proposed strategy will continue USAID's support for technical assistance to the Investment Promotion Organization, policy dialogue with the GOCV, studies and training.

STABILIZING POPULATION GROWTH:

REDUCE POPULATION GROWTH. A major problem facing Cape Verde is its high annual population growth rate (2.7%), given its food-deficit status and current constriction of its traditional emigration outlets. In FY 1995, USAID's proposed strategy will support activities which focus on quality reproductive health services, with emphasis on training, information dissemination and the social marketing of contraceptives. Targets for contraceptive prevalence will be set in 1994.

PROTECTING THE ENVIRONMENT:

PROMOTE SUSTAINABLE AGRICULTURAL PRODUCTION THROUGH WATERSHED DEVELOPMENT AND MANAGEMENT. Cape Verde, with one of Africa's most fragile environments, is able to grow only 20% of its food grains in the best of years. USAID has long provided assistance in watershed management and agricultural research aimed at developing crops best suited for the Cape Verdean environment. Efforts will be made to coordinate and institutionalize the results of these programs so that they can be managed by the Cape Verdeans without further USAID support.

USAID MISSION RESULTS _____

BROAD-BASED ECONOMIC GROWTH:

EXPAND PRIVATE SECTOR DEVELOPMENT. USAID's role in promoting exports and foreign investment has been instrumental in putting in place needed legislation and an export promotion agency. Several investments, with the potential to create a total of 1,200 new jobs, have been made or are anticipated, with possibilities for further investments (primarily from Asia and Europe) focused on light industry, fisheries and tourism.

STABILIZING POPULATION GROWTH:

REDUCE POPULATION GROWTH. Results of this new activity will not be achieved until FY 1995.

PROTECTING THE ENVIRONMENT:

PROMOTE SUSTAINABLE AGRICULTURAL PRODUCTION THROUGH WATERSHED DEVELOPMENT AND MANAGEMENT. USAID has helped the National Institute for Agrarian Research develop crops best suited for the local environment. Support has been given to construction of dams and irrigation canals, and for tree planting (over 5.3 million planted over 8 years) to help stabilize soils and protect the environment. Employment provided for 3,000 rural workers per year has also helped stem rural-urban migration. Planned activities will help consolidate and institutionalize these achievements.

OTHER FY 1995 USAID-MANAGED ACTIVITIES _____

USAID, through the private voluntary organization, Agricultural Cooperative Development Incorporated, manages a P.L. 480 Title II monetization program designed to help meet Cape Verde's chronic food deficit. The planning level for the FY 1995 P.L. 480 Title II program is \$2,500,000.

OTHER DONORS _____

In 1992, the United States provided 3.9% of all donor contributions to Cape Verde. Other major donors were Portugal, Germany, Sweden and the European Economic Community.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST _____

USAID requests \$3,749,000 in Sustainable Development funds in FY 1995 to provide both incremental and new funding for activities in support of broad-based economic growth (\$2,438,000), stabilizing population growth (\$1,246,000), and building democracy (\$65,000), and to implement activities associated with USAID close-out.

USAID Representative: Barbara Kennedy

CENTRAL AFRICAN REPUBLIC FY 1995 SUSTAINABLE DEVELOPMENT REQUEST: \$3,942,000

The Central African Republic (CAR), governed since 1981 under military rule, made a peaceful transition from a military regime to a democratically elected Government on September 19, 1993. Ange-Felix Patasse was elected as President. A new National Assembly was elected which represents multiple political parties and viewpoints.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOs)_____

BROAD-BASED ECONOMIC GROWTH:

SUSTAINABLE CHILD SURVIVAL AND HIV/AIDS PREVENTION. As in many other parts of Africa, the population of the CAR is predominately young with 45% under 15 years, of which 18% are under 5 years, and 5% are under one year of age. CAR population has a poor health status even by African standards, with an infant mortality rate of 143 per thousand and a low life expectancy. USAID is committed to the extension and expansion of child survival interventions and HIV/AIDS reduction activities in the CAR. Specifically, USAID plans to (1) reduce infant mortality rate, other than from AIDS, by 10% in 1995, and by at least 5% in the remotest health region; (2) stabilize HIV/AIDS transmission rates or reduce transmission rates by 5% in areas where saturation levels have already been reached; and (3) establish cost-recovery systems, functioning effectively at national, regional, and prefectural hospitals, and in the process of being introduced in at least 15% of the sub-prefectural health centers. USAID will increase the accessibility to health services through a comprehensive immunization program, diarrheal and malaria control interventions, treatment of acute respiratory illnesses, birth spacing consultations and HIV/AIDS programs. Approximately 1,000,000 people will benefit from these services by 1995. Activities will be implemented in the areas of primary health care, child survival, cost recovery and condom social marketing, the treatment of sexually transmitted diseases to combat HIV/AIDS and long term training.

USAID MISSION RESULTS_____

BROAD-BASED ECONOMIC GROWTH:

SUSTAINABLE CHILD SURVIVAL AND HIV/AIDS PREVENTION. Over the past ten years, USAID investments in the health system's immunization program resulted in significant reductions in child mortality. This accomplishment was recognized in 1990, when the National Council for International Health awarded its Child Survival Award to CAR for the progress made in child survival. USAID is building on these investments through the continued support to child survival activities. Results have been noted following the first year of implementation activities: two sexually transmitted diseases and human immunodeficiency virus (STD/HIV) fee-for-service clinics have been established and are operating using revised treatment protocol (60% case load is female); 40% cost reduction has been noted for STD/HIV treatment for early treatment cases; concentration efforts in immunization activities have produced 51% complete immunization coverage for children age 12-23 months in spite of a general public strike during the last year which greatly reduced health service provision; 71% of women with children under the age of 12 months received some degree of prenatal care; 48% of live births were protected against neonatal tetanus; 70% of women indicated a willingness to pay for immunization service; and a potential measles epidemic was avoided through concentrated immunization activities. Additionally, recent survey results and program review have prompted the CAR to focus its immunization policies emphasizing polio eradication, elimination of neonatal tetanus, decentralization of immunization implementation and improved program management responsibilities and practices; a pilot program baseline survey has been completed and implementation plans have been articulated; a field review of pilot health cost-recovery systems at village, regional and national level completed and national policy options developed for CAR review; and 1,000,000 condoms were distributed.

OTHER FY 1995 USAID-MANAGED ACTIVITIES_____

None.

OTHER DONORS_____

In 1992, the United States provided 1.7% of total donor assistance; other donors were France, Japan, the International Development Association, the African Development Bank Fund, and Economic Development Fund.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST_____

USAID requests \$3,942,000 in Sustainable Development funds in FY 1995 to provide incremental funding for ongoing activities in support of broad-based economic growth (\$2,987,000), building democracy (\$55,000), and protecting the environment (\$900,000).

Office Director: Donald Clark, Office of Central and Coastal West Africa

Chad, now in the initial stages of democratic transition, currently has an International Monetary Fund stand-by agreement through 1994. USAID presence is scheduled for phase-out by the end of FY 1995, with some sustainable activities possibly continuing under Washington or regional management.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOs) _____

BROAD-BASED ECONOMIC GROWTH:

IMPROVE THE EFFICIENCY OF THE AGRICULTURAL MARKETING SYSTEM. Besides unreliable rainfall, the two most critical constraints to sustainable increases in agricultural production are low farmer efficiency in producing and marketing farm products, and weak private sector participation in domestic and export marketing systems. USAID will address this problem by identifying and introducing appropriate production and post-harvest technologies, providing credit for up to 130 small-to-medium enterprises, and helping improve policies that constrain market efficiency.

IMPROVE THE HEALTH STATUS OF CHADIAN INFANTS, CHILDREN AND WOMEN OF CHILD-BEARING AGE. More than 30 years of internal and external conflict have made the delivery of health services to areas outside N'Djamena inadequate. With one of the highest infant (129/1000), child (190/1000), and maternal (800/100,000) mortality rates in the world, Chad relies on USAID assistance for maternal and child survival service delivery, training in health care delivery, and health information systems. Activities are in the prefectures of Moyen Chari, Salamat, and Logone Oriental.

STABILIZING POPULATION GROWTH:

PROMOTE FAMILY PLANNING. USAID is the lead donor in promoting family planning in Chad which has a population growth rate of 2.3% per year and a contraceptive prevalence rate of less than 1%. Provision of contraceptives, training of public health workers and local NGOs, and information-education-communication activities are the main priorities in this early state of program implementation.

USAID MISSION RESULTS _____

BROAD-BASED ECONOMIC GROWTH:

IMPROVE THE EFFICIENCY OF THE AGRICULTURAL MARKETING SYSTEM. In four years, USAID has helped 2,000 farmers adopt improved cultural and post-harvest technologies that have increased the marketed quantity of agricultural commodities by as much as 75%. In 1993, nearly 1,700 loans were made for the creation and expansion of small and micro enterprises, of which more than 70% went to women. Repayment is an impressive 95% to date. USAID also supported policies that removed most illegal internal custom collections as well as taxation on the regional movement of agricultural products. The latter is expected to reduce regional transportation costs by 20%.

IMPROVE THE HEALTH STATUS OF CHADIAN INFANTS, CHILDREN AND WOMEN OF CHILD-BEARING AGE. Since 1990, USAID assistance in rehabilitating health clinics, building a training center, and training health care workers in acute respiratory infection, diarrhea and malaria treatment have helped some 20,000 people receive quality health care. Surveys in 1994 will help determine the effect on reducing infant, child and maternal mortality in the project area.

STABILIZING POPULATION GROWTH:

PROMOTE FAMILY PLANNING. Annual provision of some 1.5 million contraceptives, along with excellent logistical support from an active private family planning association, are helping to keep the population growth rate stable at 2.3%. A 2% contraceptive prevalence rate is planned for 1995.

OTHER FY 1995 USAID-MANAGED ACTIVITIES _____

None.

OTHER DONORS _____

In 1992, the United States, with 10% of all donor contributions, was the third largest donor to Chad. Other major donors were France, Germany and the African Development Bank.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST _____

USAID requests \$2,997,000 in Sustainable Development funds in FY 1995 to provide incremental funding for activities in support of broad-based economic growth (\$2,947,000) and stabilizing population growth (\$50,000); and to implement activities associated with USAID close-out.

CONGO **FY 1995 SUSTAINABLE DEVELOPMENT REQUEST: \$2,320,000**

The Republic of Congo, one of Africa's first democracies, is currently plagued by too many guns and too little experience with multi-party politics. The current President and the opposition leader are locked in a conflict that began as a dispute over parliamentary elections and has escalated into ethnic bloodshed. Ethnic clashes in Brazzaville have killed up to 1,500 since November 1993 and over 200,000 have been displaced by the fighting. A peace accord signed in January 1994 has taken tenuous hold.

USAID SUSTAINABLE DEVELOPMENT GOAL AND MISSION STRATEGIC OBJECTIVES (MSOs)_____

PROTECTING THE ENVIRONMENT:

FOREST AND WILDLIFE CONSERVATION. With barely 5% of Africa's forests currently protected, conservation is a biological imperative for the forest's plant and animal species and an economic imperative for the human population that rely on them. Central Africa contains the second largest contiguous expanse of moist, tropical forest in the world. Parts of Northern Congo are included in this forest which is home to forest elephants, lowland gorillas and other endangered species. Uncontrolled destruction of this forest area is a significant factor in decline of these species as well as global greenhouse gas emissions. USAID is committed to supporting conservation activities which address a more rational forest use and through which USAID contribute significantly to the conservation and sustainable development of the region. USAID is assisting in the creation and management of a large national park in the northern Nouabale-Ndoki region of the country, developing ways for local people to earn a living from the forest as well as rational means for the country to profit from the forest without destroying it.

USAID MISSION RESULTS_____

PROTECTING THE ENVIRONMENT:

FOREST AND WILDLIFE CONSERVATION. USAID's assistance has resulted in the legal creation of the Nouabale-Ndoki Forest Park, the first national park to be created by Congo since its independence from France in 1960. Other results have been: collection of forestry data and wood samples (some 700-800 years old); reconnaissance missions of forest prospecting teams in anticipation of large-scale forest dynamics research program; ground work to set up future forest elephant research at the Mbeli clearing; completion of a large study on flora species and related drying of the forests of northern Congo; a preliminary survey of the birds of the Nouabale-Ndoki Park; establishment of a substantial base in Brazzaville to provide administrative and logistical infrastructure as well as a focal point for much of the conservation activities in Congo; establishment of a base camp adjacent to the park; installation of a transport infrastructure in northern Congo which included reopening, by hand, of a 32 kilometer access road to the park; clearing and construction of research camps; assignment of Congolese counterpart personnel; establishment of a research agenda involving American and Congolese personnel and trainees; and a framework for international cooperation relating to the development of the Nouabale-Ndoki Park project.

OTHER FY 1995 USAID-MANAGED ACTIVITIES_____

None.

OTHER DONORS_____

In 1992, the leading donors were France, Germany, Italy, Belgium, and the European Development Fund. The United States provided less than \$1,000,000.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST_____

USAID requests \$2,320,000 in Sustainable Development funds in FY 1995 to support broad-based economic growth (\$504,000); building democracy (\$99,000); and protecting the environment (\$1,717,000).

Office Director: Donald Clark, Office of Central and Coastal West Africa

COTE D'IVOIRE **FY 1995 SUSTAINABLE DEVELOPMENT REQUEST: \$8,732,000**

After a period of sustained economic decline, the Government of the Côte d'Ivoire (GOCI) has just agreed to an International Monetary Fund-sponsored enhanced structural adjustment program, or ESAF. The CFA franc has recently been devalued by 50%. In addition, the country has just witnessed a peaceful transition of power to a new head of state following the death of the country's President since independence in 1960, Felix Houphouët-Boigny. Faced with a FY 1994 Mission close-out, USAID is currently reviewing a number of options for maintaining operational the family planning and HIV/AIDS components of the program.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOs) _____

STABILIZING POPULATION GROWTH:

INCREASED USE OF MODERN CONTRACEPTIVES AND ESSENTIAL HEALTH SERVICES. USAID support is focused on establishing high-caseload clinics devoted exclusively to the provision of family planning services in the country's three largest cities, measuring community-based distribution of contraceptives in the catchment areas of these clinics and a mass media program that includes information to dispel negative folklore about contraceptive methods. The project also contains a logistics program for the importation and distribution of contraceptives to clinics operated by AIBEF, a local nongovernmental organization and Ministry of Health (MOH) clinics, a training program for AIBEF and MOH personnel, and a research and evaluation program.

USAID MISSION RESULTS _____

BROAD-BASED ECONOMIC GROWTH:

IMPROVED GOVERNANCE AT LOCAL AND CENTRAL LEVELS. The National Assembly instituted a 10% increase (from 25 to 35%) in the percentage of locally generated property taxes that must be returned to the municipalities by the government. With USAID assistance, the GOCI is undertaking simplified cadastral surveys using its own resources in other Ivorian municipalities, including some with the largest populations. A total of 14 had been completed by the end of January 1994. On average, these surveys increased the municipal tax bases by 50% to 100% in cities where surveys were updated and between 500 and 1000% in cities being surveyed for the first time. Commensurate increases in tax revenues should be available to the municipalities.

STABILIZING POPULATION GROWTH:

INCREASED USE OF MODERN CONTRACEPTIVES AND ESSENTIAL HEALTH SERVICES. Preliminary figures indicate that the number of women served by private family planning clinics is estimated to have grown by 40% during the first year of operations. The number of condoms distributed through the project's social marketing component is now at 700,000 per month. Moreover, as a direct result of the Health and Family Planning project, the MOH has established a national family planning coordinator's office at a high level within the ministry to underline the importance of family planning and coordinate national efforts to increase awareness and make contraceptives and services widely available. In addition, the import and distribution of contraceptives has been simplified through the concentration of these functions in AIBEF and an American private voluntary organization, Population Services International. In effect, the GOCI has "contracted out" the importation and distribution of USAID-supplied contraceptives to the private sector, which should lead to greater efficiency, fewer stock-outs, and reduced waste. At present, USAID supplies about 95% of all donor-supplied contraceptives in Côte d'Ivoire. Finally, the project has begun establishing family planning services in ten MOH clinics in urban centers nationwide.

OTHER DONORS _____

In 1992, the United States provided 2.9% of donor assistance; other donors were France, Germany, the European Community and the World Bank.

OTHER FY 1995 USAID-MANAGED ACTIVITIES _____

None.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST _____

USAID requests \$8,732,000 in Sustainable Development funds in FY 1995 to provide incremental funding for broad-based economic growth (\$5,421,000) and for stabilizing population growth (\$3,311,000).

ERITREA **FY 1995 SUSTAINABLE DEVELOPMENT REQUEST: \$7,105,000**

Following a referendum, Eritrea declared its independence in May 1993. Thirty years of civil war have destroyed and damaged much of the country's infrastructure and caused massive displacement of the population of Eritrea. In response, USAID launched its first development assistance program in Eritrea in late FY 1993.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOs)_____

BROAD-BASED ECONOMIC GROWTH:

IMPROVE HUMAN INSTITUTIONAL RESOURCE CAPABILITY. In late FY 1993, USAID provided assistance to the Government of Eritrea (GOE) to help identify its development priorities and begin building the institutional and human resource capabilities to respond to these priorities.

PROTECTING HUMAN HEALTH. Thirty years of civil war and chronic famine have resulted in an infant mortality rate of 135 per 1,000 and a life expectancy of 46 years. The GOE is committed to improving the health of all Eritreans in an equitable and cost-effective fashion. A review of USAID program options for Eritrea in the summer of 1993 led to a recommendation for a strategic objective in health and child survival. In FY 1994, USAID will design and approve a health services development program.

DEMOBILIZATION: The health program will include a component to train demobilized soldiers as health service workers and medical technicians. This training serves as a carry-over from their prior military experience.

STABILIZING POPULATION GROWTH: USAID will be working with the GOE in determining needs in this area in conjunction with the health and child survival strategic objective.

USAID MISSION RESULTS_____

Impact to date has been limited due to the recent start-up of USAID-funded activities. USAID is designing a longer-term development strategy for approval in FY 1994.

BROAD-BASED ECONOMIC GROWTH:

PROTECTING HUMAN HEALTH: USAID, through a grant to the United Nations Children's Fund (UNICEF), is supporting the rehabilitation of rural health care clinics.

PROGRESS ON THE DEMOCRATIC TRANSITION PROCESS: USAID provided funds to support the referendum on independence in Eritrea, which by all accounts was free and fair.

OTHER FY 1995 USAID-MANAGED ACTIVITIES_____

A P.L. 480 Title II program is separately proposed (\$1,322,000). If crop failure occurs in FY 1995, as has tended to occur in previous years, significant additional emergency food assistance may be required.

OTHER DONORS_____

In FY 1993, the United States provided 5% of bilateral contributions. Leading bilateral donors were Italy, Germany, Sweden, Denmark and Norway.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST_____

USAID requests \$7,105,000 in Sustainable Development funds in FY 1995 to provide incremental funding in support of broad-based economic growth (\$6,450,000) and building democracy (\$655,000).

USAID Representative: George Jones

Ethiopia is one of the poorest countries in the world. Half of its growing population of over 50 million inhabitants lives in abject poverty. Widespread chronic hunger, high unemployment, very poor health conditions, minimal infrastructure, wretched housing and an absence of basic services for four-fifths of the population are a daily reality.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOs) _____

BROAD BASED ECONOMIC GROWTH:

INCREASED AVAILABILITY OF STAPLE FOODS WITH EMPHASIS ON DOMESTIC PRODUCTION. For most of the past decade, Ethiopia has been heavily dependent on the outside world to feed itself. In FY 1994, Ethiopia has estimated emergency food needs of 448,000 metric tons. Major structural weaknesses in agriculture need to be overcome to make the country more self-reliant in staple food production. Through an agricultural sector assessment to be conducted in FY 1994, USAID will identify key intervention points in the agricultural system in order to increase the availability of staple food that is the critical base for sustained economic growth.

INCREASED USE OF RE-ORIENTED HEALTH SERVICES IN SELECTED AREAS. Two decades of civil war and famines and a devastated health system have left Ethiopia with some of the worst health conditions in sub-Saharan Africa, including a child mortality rate of 220 per 1,000 and a life expectancy of only 52 years. In response, USAID is currently designing a new health project. This project will provide support to the government in translating its new health strategies into operationally effective programs. This project is expected to lay the groundwork for improving child survival rates, reducing the rate of transmission for AIDS, and increasing access to family planning services.

QUALITY AND EQUITY OF PRIMARY EDUCATION IMPROVED IN AN EXPANDED SYSTEM. USAID has identified the creation of high quality and accessible primary education as critical to long-term development. In particular, there is a correlation between increased female literacy and decreased fertility rates. However, Ethiopia has only a 38% primary and 15% secondary school enrollment rate. USAID will work on key issues at the central level and focus on directly upgrading and assisting primary systems in selected regions of the country through a basic education project that is currently under design.

STABILIZING POPULATION GROWTH:

REDUCE FERTILITY. Ethiopia has a fertility rate of 7 children per woman and a contraceptive prevalence rate of less than 2% in rural areas. Under the proposed health project, USAID will work intensively in selected areas of the country at the regional and local level to re-establish and invigorate sustainable population programs through the provision of contraceptives, training and technical assistance.

BUILDING DEMOCRACY:

INCREASED ACCESS TO AND PARTICIPATION IN A CONCILIATORY DEMOCRATIC TRANSITION PROCESS. Ethiopia has emerged from 17 years of Marxist dictatorship under a coalition government committed to introducing democratic procedures for the first time in the country's history. USAID is supporting the democratization process by strengthening government institutions and civic organizations through technical assistance, training, symposiums and workshops.

USAID MISSION RESULTS _____

BROAD-BASED ECONOMIC GROWTH:

INCREASED AVAILABILITY OF STAPLE FOODS WITH EMPHASIS ON DOMESTIC PRODUCTION. Through a combination of steps to deregulate and liberalize fertilizer marketing, private sector participation in fertilizer retail and wholesale markets has increased in two years from virtually zero to 67% of the total fertilizer marketed in Ethiopia. Future adjustments include broadening private sector wholesale distribution, abolishing uniform nationwide pricing, and reducing fertilizer subsidies.

USAID together with other lead donors had strong expectations of rapid progress by the Transitional Government of Ethiopia (TGE) in privatizing the large parastatal sector in Ethiopia. For a variety of reasons, some not well understood, no privatizations have occurred as yet. A new Ethiopian agency has been established to take the lead in this critical area, and it is hoped that progress will accelerate considerably.

CONTROL THE SPREAD OF AIDS. In order to reduce the rate of transmission of AIDS and other sexually transmitted diseases (STDs), the TGE established the Department of AIDS Control (DAC). In response, USAID has supported the TGE's efforts through the provision of 9 million condoms since June 1990 and technical assistance to the DAC and nongovernment organizations to implement AIDS prevention programs and STD treatment services.

REINTEGRATION OF FORMER GOVERNMENT SOLDIERS INTO THE PRODUCTIVE SECTOR. At the end of the civil war, Ethiopia was left with 250,000 of the Mengistu regime's soldiers. These soldiers needed to be reintegrated into the productive sector. USAID supported the demobilization process by providing needed equipment to the TGE's demobilization commission as well seeds and related supplies to ex-soldiers who wished to become coffee farmers.

BUILDING DEMOCRACY:

AGGRESSIVE PROGRESS ON REGIONALIZATION. The TGE has launched a radical program of decentralizing authority to regions that are primarily based on ethnic distinctions within the country. This promises to bring the average citizen much closer to decision-making processes of their government and to offer new horizons for cultural and linguistic expression.

LAYING THE FRAMEWORK FOR A DEMOCRATIC SYSTEM. With the strong support of USAID and other donor and nongovernment agencies, the TGE has undertaken drafting and publicly debating a new constitution. Extensive neighborhood meetings have been taking place throughout the country to carry out an open and informed debate of the proposed constitution before it will be submitted for popular vote later this year.

OTHER FY 1995 USAID-MANAGED ACTIVITIES

USAID manages a P.L. 480 Title II program (\$30,218,000) that focuses on infrastructure generation in order to enhance food security. In addition, USAID will continue to respond to emergency food needs as necessary.

OTHER DONORS

In 1992, the United States was the fifth largest donor, providing 5.6% of all donor contributions to Ethiopia. Other leading donors are the European Development Association, World Food Program, Germany and the World Bank.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST

USAID requests \$37,680,000 in Sustainable Development funds in FY 1995 to provide incremental funding for activities in support of broad-based economic growth (\$27,420,000), stabilizing population growth (\$2,620,000), building democracy (\$3,625,000) and protecting the environment (\$4,015,000). There is a separate request for a P.L. 480 Title III program (\$24,000,000).

USAID Mission Director: Margaret P. Bonner

THE GAMBIAFY 1995 SUSTAINABLE DEVELOPMENT REQUEST: \$9,025,000

The Gambia, one of Africa's oldest and most stable multiparty democracies, spearheaded one of the more successful structural adjustment programs in Africa. USAID focuses on promoting increased employment, sustainable agricultural production, and exports as the key to increased private sector investment and overall economic growth.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOs)

BROAD-BASED ECONOMIC GROWTH:

INCREASE PRIVATE SECTOR INVESTMENT. The Government of The Gambia (GOTG), after successfully completing a 1985-1991 Economic Recovery Program which abolished price controls, adopted a floating exchange rate system, eliminated interest rate and credit controls, reduced government employment, and privatized most parastatals. The GOTG has moved to a new stage of development and modernization and is expanding business in a free-market, export-oriented economy. USAID focuses on helping the GOTG increase investment to 20% of the gross domestic product (GDP) by 1995, while improving the efficiency of the financial, legal and regulatory systems.

BUILDING DEMOCRACY:

The Gambia is a well-established democracy. Democratization and good governance are cross-cutting themes in the USAID program. USAID is helping the GOTG modernize its legislative and judicial functions, adjudicate commercial cases, and improve the efficiency of the country's legal and regulatory environment. Empowerment of local villagers through land management agreements that serve to decentralize land control and improve tenure conditions is another mechanism that supports these themes.

PROTECTING THE ENVIRONMENT:

SUSTAINABLE INCREASES IN AGRICULTURAL PRODUCTION IN AREAS UNDER IMPROVED NATURAL RESOURCE MANAGEMENT PRACTICES. Despite increases in area cultivated, food production per agricultural laborer has remained static over the past decade. USAID assistance aims to strengthen the policy and institutional systems governing natural resources; create an enabling framework to allow villagers to assume management and financial control of local land-based resources; and promote the adoption of improved natural resource technologies. Baseline information for measuring performance, such as area under improved natural resource management practices, is being developed.

USAID MISSION RESULTS

BROAD-BASED ECONOMIC GROWTH:

INCREASE PRIVATE SECTOR INVESTMENT. In the past two years, USAID has helped the GOTG privatize the Gambia Commercial and Development Bank and The Gambia's largest manufacturer (the peanut processing parastatal). USAID was also successful in supporting the elimination of credit ceilings. Laws affecting debt collection (Insolvency and Mortgage Acts) and the enforcement of court decisions (Sheriffs Act) have been modernized, with numerous other legal reforms in the final stages of passage. These activities have all improved the investment climate, with gross domestic investment increasing to 19.2% of gross domestic product (GDP) in 1993.

BUILDING DEMOCRACY:

USAID is introducing computerized court reporting to accelerate the hearings process, and has put modern systems in place for better customs and tax compliance. USAID has also helped establish an Asset Management Recovery Company, which is collecting outstanding nonperforming loans of the newly privatized bank.

PROTECTING THE ENVIRONMENT:

SUSTAINED INCREASES IN AGRICULTURAL PRODUCTION IN AREAS UNDER IMPROVED NATURAL RESOURCE MANAGEMENT PRACTICES. In the last decade, USAID programs have helped decrease soil erosion and put in place improved land reclamation techniques that benefited nearly 20,000 farmers -- 90% of whom were women. Total acreage and yields increased as villagers began to see themselves as land- and resource-owners. The current program, just underway, promotes participatory community resource management agreements which give villagers management and financial control of land-based resources. Major policy milestones include the adoption of the National Environmental Action Plan, which demonstrates the GOTG's commitment to environmental protection, and the completion of a natural resources policy agenda that identifies policy gaps and analysis needs.

OTHER FY 1995 USAID-MANAGED ACTIVITIES

USAID, through a grant to Catholic Relief Services, manages a P.L. 480 Title II monetization program designed to improve the nutritional and economic status of rural women and children. The FY 1995 P.L. 480 Title II planning level is \$2,157,000.

OTHER DONORS

In 1992, the United States, with 7.8% of all donor contributions, was the fifth largest donor to The Gambia. Other major donors were the United Kingdom, the European Economic Community, and the African Development Bank.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST

USAID requests \$9,025,000 in Sustainable Development funds in FY 1995 to provide incremental funding for activities in support of broad-based economic growth (\$3,976,000), building democracy (\$1,021,000), and protecting the environment (\$4,028,000).

USAID Representative: Bonnie A. Pounds

GHANA **FY 1995 SUSTAINABLE DEVELOPMENT REQUEST: \$39,030,000**

Ghana began its Economic Recovery Program in 1983 and in 1992, after 11 years of military rule, began the complex process of returning to participatory democracy. The USAID strategy, focusing on promoting economic growth and stabilizing population growth, was approved in January 1992.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOs)_____

BROAD-BASED ECONOMIC GROWTH:

INCREASED PRIVATE SECTOR NON-TRADITIONAL EXPORTS. USAID assistance supports policy reforms to improve the enabling environment for non-traditional exports, builds capacity to facilitate private sector development within the Government of Ghana, and provides direct support to private sector exporters, potential exporters and business associations. The program is expected to cause growth in non-traditional exports from a 1990 baseline of \$62,300,000 to a 1997 target value of \$250,000,000.

IMPROVED QUALITY OF PRIMARY EDUCATION: Ghana once had one of the best education systems in Anglophone Africa, but spending on education declined from 6.4% of gross domestic product in 1976 to 1.5% in 1983. The system deteriorated to the point where only 10% of primary school children had textbooks and only half of the primary school teachers had been trained to minimum standards. This deterioration needs to be reversed if Ghana is to have the strong human resource base (a productive labor force) necessary to foster sustained economic development. Basic literacy and numeracy are essential qualities of a productive labor force. In 1990, the adult literacy rate was estimated to have been 60%. USAID assistance supports the provision of textbooks, improved access, teacher training and improved administration in the primary school system. After 1995, the program will add one percentage point per year to the rate of adult literacy.

STABILIZING POPULATION GROWTH:

REDUCE FERTILITY. Ghana's population growth rate of 3.1% and fertility rate of 6.0% are high relative to other developing countries. These rates put pressures on social and economic infrastructure and inhibit growth in per capita income. Ghana's emergent family planning program suffered serious setbacks during the country's economic deterioration in the early 1980s. USAID assistance supports the development and expansion of family planning and HIV/AIDS services in both the public and private sectors. The USAID program is placing greater reliance on private sector services and long-term contraceptive methods.

USAID MISSION RESULTS_____

BROAD-BASED ECONOMIC GROWTH:

INCREASED PRIVATE SECTOR NON-TRADITIONAL EXPORTS. The USAID program conditionality has supported policy reforms to improve foreign exchange retention and duty drawback for exporters. USAID has assisted seven projects to raise \$14 million in new investment, to export \$10 million in 1994 and has developed a new investment code, which is under review by Ghana's parliament. Over 1,000 kilometers of feeder roads have been rehabilitated in areas with potential to produce for export, resulting in reduced transport costs and improving price competitiveness by as much as 25%. Non-traditional exports increased by 10% in 1993.

IMPROVED QUALITY OF PRIMARY EDUCATION: USAID has supported the establishment of a fund to ensure the provision of textbooks for primary school children. About 71% of all primary school children now have a complete set of English, mathematics, social studies and science textbooks. The USAID program has provided training to 84% of primary school teachers. Pilot programs have raised enrollment by up to 40%.

STABILIZING POPULATION GROWTH:

REDUCE FERTILITY. The USAID program has successfully developed and moved Ghana's family planning program through its "launch" phase, during which the contraceptive prevalence rate has tripled from 5.2% in 1988 to 14.8% in 1993. Awareness of HIV/AIDS has risen from 89% of the population in 1992 to 95% in 1993. There has been a twenty-fold increase in the use of condoms between 1988 and 1993. The fertility rate has declined from 6.4 in 1988 to 6.0 in 1993.

OTHER FY 1995 USAID-MANAGED ACTIVITIES_____

USAID manages a P.L. 480 Title II program involving three U.S. private voluntary organizations and separately requests \$7,379,000 in P.L. 480 Title II commodities and freight.

OTHER DONORS

In 1992, the United States provided 4.4% of total donor funding. Other leading donors were the World Bank, Japan, the European Union, the United Kingdom, and France.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST

USAID requests \$39,030,000 in Sustainable Development funds in FY 1995 to provide incremental funding of ongoing activities in support of broad-based economic growth (\$23,645,000), stabilizing population growth (\$ 9,700,000), building democracy (\$2,210,000), and protecting the environment (\$3,475,000). Separate funding is also requested to continue a P.L. 480 Title III program (\$7,000,000) in support of USAID's strategic objectives.

USAID Mission Director: Joseph B. Goodwin

Guinea has made some impressive progress on the road to democratic reform, including the holding of its first presidential elections in December 1993. While voter turnout was remarkably high, the election was marred by last minute government manipulation of the final results. Legislative elections are set for 1994. Guinea is working on policy reforms and improving economic management under an International Monetary Fund "shadow program."

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOs) _____

BROAD-BASED ECONOMIC GROWTH:

INCREASE AGRICULTURAL PRODUCTIVITY. After independence, Guinea became overly dependent on its rich bauxite mining industry and neglected removing constraints to broader development, including poor policies towards its promising agricultural sector, inadequate infrastructure and high illiteracy rates. Within this MSO, USAID seeks to increase growth and efficiency in agricultural markets through improving rural infrastructure, increasing credit to agri-businesses and rural enterprises, and creating the legal and institutional frameworks conducive to agricultural growth, (e.g., land tenure reform.)

INCREASING PRIMARY SCHOOL ENROLLMENT. Given the close and positive connection between literacy, productivity and reduced fertility, USAID also will facilitate increasing rural children's access to primary education, with a special emphasis on increasing enrollment of young girls. With an estimated literacy rate of about 29%, lack of education is one of the key constraints to development in Guinea. USAID's programs seeks to help increase the literacy rate to 33% by 1995.

STABILIZING POPULATION GROWTH:

REDUCE FERTILITY. Guinea has an estimated population growth rate of 2.8% and the contraceptive prevalence rate was estimated at less than 2% in 1990. USAID's primary assistance in this MSO is to distribute family planning commodities through the public and private sectors, and to promote awareness of family planning options through mass media information campaigns.

PROTECTING THE ENVIRONMENT:

Watersheds in the Fouta Djallon Highlands of Guinea are the source of headwaters for three major rivers flowing through Guinea's neighboring countries. It is also an area where soil erosion, depletion of water resources and deforestation are evident. USAID works with rural populations in three Fouta Djallon watersheds in order to improve the management of natural resources for profitable and sustainable agriculture. Interventions include testing, evaluating and transferring soil-water related technologies, crop management technologies, livestock interventions and forestry-related (e.g., tree nurseries) activities. There are also components related to training and improving environmental policies. Direct beneficiaries are 8,600 inhabitants of the three pilot watersheds, while secondary beneficiaries will be other Fouta Djallon inhabitants benefitting from environmental stabilization interventions and inhabitants down stream who can benefit from improved water levels and river flows.

USAID MISSION RESULTS _____

BROAD-BASED ECONOMIC GROWTH:

INCREASE AGRICULTURAL PRODUCTIVITY. While USAID projects are relatively new in the agricultural sector, initial results are promising. There has been a three-fold increase in credit to small holders and rural enterprises; an Agricultural Marketing Foundation, a non-profit organization serving and representing private sector producers and traders, has been founded; a land tenure code has been established; over 152 kilometers of rural road have been completed and an additional 1,150 kilometers are programmed for improvements by 1996; and improved financial and administrative systems are in place in the Ministry of Agriculture. These efforts are expected to contribute to a 10% annual increase in agricultural exports between 1995 and 2000 and increased food security as the growth in rice production surpasses population growth.

INCREASE PRIMARY SCHOOL ENROLLMENT. There has been dramatic impact in the education sector, with an over 30% increase in primary school enrollment over the least three years. The growth rate of girls' enrollment, a primary focus of the USAID program, has outpaced that of boys in three of the four rural regions of the country by up to 8%. There have been major reforms in the Ministry of Education's financial and administrative sections, including the redeployment of almost 2,000 teachers from secondary to primary school and improved, transparent budgeting.

STABILIZING POPULATION GROWTH:

REDUCE FERTILITY. With technical assistance from USAID, Guinea adopted a progressive national population policy in 1992. While it is too early to determine the impact of USAID's program on contraceptive prevalence rates, it is clear that more Guineans have access to family planning services than ever before. There has been a 3-fold increase in public health centers and a 1.5-fold increase in private centers with family planning information and commodities. The private sector is playing an important role in condom distribution; over 4 million condoms have been distributed to wholesalers and retailers since late 1991. Television and radio ads, billboards and promotional and educational materials are being used to increase awareness of family planning, especially in urban areas. The condom distribution campaign also incorporates an AIDS prevention message.

PROTECTING THE ENVIRONMENT:

USAID's program has initiated information campaigns and improved water and soil conservation techniques in three watersheds in the Fouta Djallon. Ongoing activities include the development of private nurseries, the introduction of new seed varieties, reconstruction of watershed water systems, the capping of spring wells and the introduction of traction animals and equipment to watershed farmers.

OTHER FY 1995 USAID-MANAGED ACTIVITIES _____

None.

OTHER DONORS _____

In 1992, the United States provided 3.3% of donor contributions; other donors were France, Japan, World Bank, European Economic Community, and African Development Bank.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST _____

USAID requests \$24,727,000 in Sustainable Development funds in FY 1995 to provide incremental funding to broad-based economic growth (\$20,698,000), stabilizing population growth (\$1,660,000), building democracy (\$1,149,000) and protecting the environment (\$1,220,000).

USAID Mission Director: Wilbur Thomas

GUINEA-BISSAU **FY 1995 SUSTAINABLE DEVELOPMENT REQUEST: \$6,301,000**

Guinea-Bissau is moving from a closed command economy controlled by a single-party state to an open, market and export-oriented economy with a participatory, elected government. USAID and the current International Monetary Fund "shadow program" both focus on good governance as the main vehicle for increasing private sector growth.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOs) _____

BROAD-BASED ECONOMIC GROWTH:

INCREASE PRIVATE SECTOR TRADE AND INVESTMENT THROUGH IMPROVED GOVERNANCE: USAID has just started a trade and investment program designed to promote private sector participation in the economy. Targets now being set will focus on improving and making more participatory the policy, legal and regulatory environment; improving the adjudication of conflicts through reform of the judicial system; and improving the ability of private sector associations to engage in an effective dialogue with the government on formulation of policy and legal changes.

USAID MISSION RESULTS _____

BROAD-BASED ECONOMIC GROWTH:

INCREASE PRIVATE SECTOR TRADE AND INVESTMENT THROUGH IMPROVED GOVERNANCE: USAID has been effective in promoting public, private and donor dialogue and growth in a number of private associations critical to a thriving civil society. USAID was instrumental in developing a Chamber of Commerce which now has national membership of 550 small-to-medium businesses in seven geographic regions; as well as other civic organizations, notably jurists, agricultural producers, and entrepreneurs. Their dialogue with the government has already resulted in an export tax reduction for cashews, the principal foreign exchange earner. The program has also been effective in promoting the reform of the judicial system, resulting in a constitutional revision and a series of laws to implement independent courts.

OTHER FY 1995 USAID-MANAGED ACTIVITIES _____

USAID, through AFRICARE, manages a P.L. 480 Title II monetization program designed to increase small enterprise development in rural areas. The proposed FY 1995 P.L. 480 Title II program is \$631,000.

OTHER DONORS _____

In 1992, the United States provided 3.7% of all donor contributions to Guinea-Bissau. Other major donors were Portugal, the African Development Bank, the Netherlands and Sweden.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST _____

USAID requests \$6,301,000 in Sustainable Development funds in FY 1995 to provide incremental funding for activities in support of broad-based economic growth (\$2,979,000), building democracy (\$1,715,000), and protecting the environment (\$1,607,000).

USAID Representative: Michael F. Lukomski

KENYA FY 1995 SUSTAINABLE DEVELOPMENT REQUEST: \$30,599,000

Kenya, one of the best economic performers in Africa, has the potential to break through to sustained, broad-based, export-led growth based on rapid industrialization and expanded agricultural exports. Multi-party elections, while imperfect, were held in Kenya in December 1993, increasing opposition members in Kenya's Parliament. In November 1993, the Kenyan Government successfully negotiated a Policy Framework Paper and an Enhanced Structural Adjustment Facility program with the World Bank and the International Monetary Fund.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOs) _____

BROAD-BASED ECONOMIC GROWTH:

INCREASE AGRICULTURAL PRODUCTIVITY AND FARM INCOMES. Given the critical role of agriculture in Kenya's economy, sustainable economic growth will depend on the development of the agricultural sector. USAID seeks to increase the productivity and efficiency of this sector through support for technology development and transfer, fertilizer and grain market liberalization, and policy research. USAID's focus is on high and medium potential agricultural areas encompassing 40% of land area and 90% of rural population. This area produces virtually all of the major agricultural commodity outputs for Kenya. Progress is expected in, and will be measured against, the increase of transference of technologies and improvements in the agricultural and fertilizer markets. High yielding varieties of maize under smallholder production are expected to rise from 80% in 1989 to 85% in 1995.

INCREASE PRIVATE ENTERPRISE EMPLOYMENT. The tradition of private sector involvement is embedded in the Kenyan economy. Private sector farms and firms account for three-quarters of total output and nearly 90% of total employment. With rapid population growth and an expanding labor force, one of the greatest tasks facing Kenya is productively employing those entering the labor force. USAID's strategy seeks to create new jobs for the 490,000 people entering the Kenyan labor force each year by stimulating and supporting growth among two high-potential groups of private enterprises: (1) exporters of non-traditional products and (2) small and medium enterprises. USAID's support will enable Kenyan institutions, primarily nongovernmental organizations, to provide support services to small-scale entrepreneurs and, simultaneously, serve an advocacy function for their members and clientele.

REDUCE THE INCIDENCE OF SEXUALLY-TRANSMITTED HIV IN SELECTED TARGET POPULATIONS. USAID-funded family planning service will deliver HIV/AIDS/sexually transmitted disease prevention services in targeted high HIV-seroprevalence areas.

STABILIZING POPULATION GROWTH:

REDUCE NATIONAL FERTILITY. USAID's strategy focuses on increasing modern contraceptive use and improving availability of sustainable family planning services.

USAID MISSION RESULTS _____

BROAD-BASED ECONOMIC GROWTH:

INCREASE AGRICULTURAL PRODUCTIVITY AND FARM INCOMES. Over the years, USAID's technical assistance to the Kenya Agricultural Research Institute has supported the breeding, testing, and extension of high-yielding hybrid maize varieties. USAID assistance in this area has had a significant impact on Kenya's agricultural and economic growth. This is especially true for Kenya's key staple, maize. Maize contributes approximately 20% of total agricultural output, 35% of total agricultural employment and 55% of per capita calories. Since 1962, the area under hybrid maize has increased from 2% of total maize acreage to 81% in 1992. Fertilizer, maize, and bean markets have now been liberalized, allowing prices to be determined by supply and demand. Smallholders dominate the high potential areas accounting for an estimated 75% of total production and 60% of marketed output.

INCREASE PRIVATE ENTERPRISE EMPLOYMENT. Private sector employment has been increasing at a faster rate than the labor force. Since USAID initiated its first private enterprise program in 1985, private sector employment has grown by an average of 6.3% per year which accounted for some 1.4 million jobs. Over the last seven years, USAID-assisted private sector firms have increased and generated some 470,000 jobs. The private sector now accounts for 91% of the net increase in jobs outside the small-scale farming sector. This past year, the value of non-traditional exports grew from 44% to 46% of total export earnings.

REDUCE THE INCIDENCE OF SEXUALLY TRANSMITTED HIV IN SELECTED TARGET POPULATIONS. Kenya is one of eight AIDS Control and Prevention Project (AIDSCAP) priority countries in Africa. In September 1993, the AIDSCAP Africa Regional Office in Kenya became fully operational and is currently providing technical and programmatic support for the region.

USAID plays an influential role in shaping the Government of Kenya policy on AIDS control and prevention. The USAID-funded health care financing program has resulted in a national health care policy reform affecting patient user fees and increased levels of insurance reimbursements to recipients of health care services.

STABILIZING POPULATION GROWTH:

REDUCE NATIONAL FERTILITY. After two decades of USAID work in the family planning sector, Kenya has achieved dramatic results. Kenyan women have reduced the average number of children they bear from 8.1 in 1977 to 6.7 in 1989 and now 5.4 in 1993. The 20% decline in fertility in the past four years is one of the most precipitous ever recorded. The rate of population growth has decreased from 4.1% in 1984 to 3.8% in 1989 to the current estimate of 3.4% in 1992. The reduction in fertility is the single most important factor responsible for this decline.

BUILDING DEMOCRACY:

PROMOTION OF DEMOCRACY AND GOVERNANCE IN KENYA: Despite widespread violence and irregularities, multi-party elections were held in Kenya in December 1992 which significantly increased the number of opposition members in Parliament. Kenyan campaign and election observation missions undertaken by the International Republican Institute were USAID-funded. The future of Kenya depends largely on the liberalization of the current government but the 1992 elections were the beginning of Kenya's turn toward democratic rule.

OTHER FY 1995 USAID-MANAGED ACTIVITIES _____

A USAID managed P.L. 480 Title II program is proposed at \$4,558,000 in FY 1995.

OTHER DONORS _____

In 1992, the United States provided 4.8% of all donor contributions to Kenya. Other leading donors include the World Bank, International Monetary Fund, Japan, the European Economic Community, World Food Program, United Kingdom, and Germany.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST _____

USAID requests \$30,599,000 in Sustainable Development funds in FY 1995 to support broad-based economic growth (\$14,761,000), stabilizing population growth (\$12,370,000), building democracy (\$1,093,000) and protecting the environment (\$2,375,000).

USAID Mission Director: John R. Westley

LESOTHOFY 1995 SUSTAINABLE DEVELOPMENT REQUEST: \$5,040,000

Lesotho held its first multi-party elections in 1993, and appears to be making a successful transition to democracy. USAID's bilateral presence is scheduled to phase out by the end of FY 1995.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOs) _____

BROAD-BASED ECONOMIC GROWTH:

Improved Quality and Efficiency of Primary Education. USAID supports basic education reform as a means to develop the human resources necessary for achieving broad-based economic growth in Lesotho. Over the past 15 years, USAID has been involved in the education sector in Lesotho, moving from project interventions to sector reform and from bilateral projects to a coordinated, multi-donor approach. In recent years, USAID has concentrated on improving primary education.

Sustain and Improve Output and Productivity in Selected Agricultural Subsectors. USAID supports improved land use practices by establishing and strengthening institutions to manage rangelands at sustainable carrying capacities, assisting in the implementation of national policies related to livestock and rangeland management, and by assisting in the implementation of measures to reduce the imbalance between the number of livestock and resource carrying capacity. USAID has focused on participation of local grazing associations in rangeland management.

USAID MISSION RESULTS _____

BROAD-BASED ECONOMIC GROWTH:

Improved Quality and Efficiency of Primary Education. The Government of Lesotho, with the assistance of USAID, has embarked on a primary education improvement program which has successfully increased access to primary education from 70% in 1985 to 77% in 1990; and has made substantial progress in implementing specific reforms, including a 57% increase in real education financing in 1992 and the development of a restructuring plan to improve management and encourage decentralization of the educational system. Since the program requires major policy changes, significant improvements in achievement levels will not be evident until 1997; however, as a result of the program, approximately 100 teachers per year are graduating from the National Teacher Training College, and 260 new teacher posts are being created each year. Four hundred fifty teachers have enrolled in an upgrading program, now in its second year of operations; additional curriculum materials in English, agriculture, and mathematics have been prepared; distribution of desks for 850 new and 900 existing school classrooms lacking in furniture will begin in early 1994.

Sustain and Improve Output and Productivity in Selected Agricultural Subsectors. With the assistance of USAID, the Government of Lesotho has developed four range management areas (RMA). Data from the first RMA, established in 1983, show a significant checking and reversal of range deterioration and a substantial increase in the quality of animals. Measurements of range quality in the oldest RMA show a nearly 75% reduction in the surface area exposed to erosion by rainfall, and related increases in forage quality and quantity. The RMAs established with USAID assistance cover 133,000 hectares and provide a livelihood for over 17,000 people.

OTHER FY 1995 USAID-MANAGED ACTIVITIES _____

None.

OTHER DONORS _____

The United States provided 8.46% of Lesotho's bilateral assistance in FY 1992, and was the fifth largest donor. The major international donor to Lesotho was the European Community, followed by the African Development Fund, Germany, and the World Food Program.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST _____

USAID requests \$5,040,000 in FY 1995 Sustainable Development funds in support of broad-based economic growth (\$4,971,000) and building democracy (\$69,000).

USAID Mission Director: F. Gary Towery

MADAGASCAR FY 1995 SUSTAINABLE DEVELOPMENT REQUEST: \$31,042,000

In 1993, a new democratically-elected president and legislative body took office in Madagascar, ending 20 years of socialist government and a state-directed economy. The new government is negotiating a revised economic reform program with the Bretton Woods institutions.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOs) _____

BROAD-BASED ECONOMIC GROWTH:

ESTABLISH A COMPETITIVE PRO-BUSINESS CLIMATE. The major constraint is a policy and regulatory environment that limits market and financial sector development. USAID activities will improve business and investment environment, increase resources available to private sector, and expand business support services.

INCREASE TRADE IN HIGH POTENTIAL ZONES. Markets linking surplus-producing areas, the rest of the country, and world markets are extremely weak. This critical constraint to enterprise, employment generation, and development will be addressed via provision of inputs needed in two high potential zones to stimulate production and develop market infrastructure and services.

STABILIZING POPULATION GROWTH:

REDUCE TOTAL FERTILITY. A population growth rate of 3.2% will double Madagascar's population in 22 years. To reduce fertility, the USAID program finances family planning education and services to help increase the use of modern contraceptive methods.

PROTECTING THE ENVIRONMENT:

PROMOTE SUSTAINABLE NATURAL RESOURCE USE. Madagascar's natural resource base is severely threatened. The scale and intensity of environmental degradation are unprecedented and without change in patterns of exploitation, the remaining forest will disappear in 20 years. USAID is supporting Madagascar's innovative National Environmental Action Plan to effect policy, institutional, and behavioral reform to conserve biodiversity in specific target areas, improve the management of forests and protected areas, and increase income for farm families.

USAID MISSION RESULTS _____

BROAD-BASED ECONOMIC GROWTH:

ESTABLISH A COMPETITIVE PRO-BUSINESS CLIMATE. Under the Export Liberalization Support project, export promotion plans have been drawn up for five agricultural sub-sectors. Though hard statistics are difficult to come by, both the numbers of exporters and the volume of exports have increased since 1992. Rate of gross domestic product (GDP) increase rose from 1.1% in 1992 to 1.9% in 1993, sparked in part by the peaceful transition to democracy. The reform of Madagascar's financial markets is underway, supported by a project approved in September 1993. Activities will reform Central Bank operations and reinvigorate the Postal Savings Bank, used mainly by low-income savers. A project providing assistance for business associations and producer cooperatives will begin in late FY 1994. USAID studies during project design on legal, regulatory, and the judicial framework for private investment have informed the debate and been widely disseminated and discussed.

INCREASE TRADE IN HIGH POTENTIAL ZONES. This is a new objective and results attributable to USAID efforts are not yet readily available. In the past two years, however, the number of agricultural product collectors have increased substantially--for example, by 66% in 1992. Over 100 Malagasy have been trained in the U.S. and Madagascar on developing markets for a diversified array of agricultural products. Some firms have significantly benefitted from USAID training, both for exports and internal trade. For example, one company went from 0 to 1,000,000 stems of cut flowers exported to France. Two new projects scheduled to begin in 1994 will improve market infrastructure and services, thereby promoting increased production and marketing of crops and livestock in and between the Mahajunga and Fianarantsoa high potential zones.

STABILIZING POPULATION GROWTH:

REDUCE TOTAL FERTILITY. USAID support of family planning expansion over the past five years contributed to change in total fertility from 6.6 to 6.1. The contraceptive prevalence rate rose from 3% to 5% from 1992 to 1993. Couple year protection (CYP) increased by 10% from 1992 to 1993. An increase in the number of condoms furnished--from 120,000 in 1990 to over 1 million in 1993--suggests increased contraceptive use. The 1992 demographic and health survey provided the first solid demographic and health data since 1975. USAID and the Government of Madagascar have formed partnerships with local nongovernmental organizations to provide family planning services.

PROTECTING THE ENVIRONMENT:

PROMOTE SUSTAINABLE NATURAL RESOURCE USE. One new national park has been established with support from USAID. The establishment of 50 tree nurseries with 600,000 trees has begun. Six innovative conservation and development programs operate in protected areas, financing partnerships between local and U.S. nongovernmental organizations. A recent evaluation demonstrated the validity of targeting national parks as a means to improve the protection of the remaining natural habitat and conserve biodiversity. Training and engaging farmers who live in and around protected areas in alternative uses and management of protected areas have begun to decrease the non-sustainable use of natural resources and increase farm incomes from new sources. Training 375 local forest agents has helped change farmer behavior. Successful implementation of the National Environmental Action Plan will result in rational management or preservation of 3,600,000 hectares of Malagasy forest.

OTHER FY 1995 USAID-MANAGED ACTIVITIES

During the recent southern Africa drought, which severely affected Madagascar as well as the continent, USAID successfully delivered food aid to 1,000,000 people through an innovative partnership between the at-risk population and NGOs. In FY 1995, the proposed P.L. 480 Title II assistance (\$3,316,000) is to be programmed by Catholic Relief Services for maternal and child health and school feeding programs.

OTHER DONORS

USAID provided 3.1% of donor assistance; other donors were France, World Bank, European Community, the African Development Bank, and Switzerland.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST

USAID requests \$31,042,000 in FY 1995 Sustainable Development funds in support of broad-based economic growth (\$12,462,000), stabilizing population growth (\$6,300,000), building democracy (\$940,000) and protecting the environment (\$11,340,000).

USAID Mission Director: George Carner

MALAWI **FY 1995 SUSTAINABLE DEVELOPMENT REQUEST: \$40,166,000**

In May 1993, the Government of Malawi successfully completed a referendum on multi-party democracy, thereby restoring donor confidence that it is serious about democratic governance. At restored bilateral aid levels, USAID is continuing assistance to improve the living standard of Malawians.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOs) _____

BROAD-BASED ECONOMIC GROWTH:

INCREASE AGRICULTURAL PRODUCTIVITY. Poor technologies, lack of inputs, and limited marketing options have kept farm incomes to just \$100 per annum for most of the last decade. USAID plans policy dialogue and project assistance to increase maize productivity to 1.4 tons per hectare by 1995, increase smallholder use of improved seed and fertilizer, increase private sector purchases of smallholder cash crops, and increase cash incomes for at least 20,000 farm families. As the program expands, some 40,000 farm families are expected to be affected by the mid 1990s.

REDUCE INFANT AND CHILD MORTALITY. USAID is committed to reducing the infant mortality rate from 151 deaths per 1,000 in 1984 to 100 in 1998, and the under-five mortality rate from 258 deaths per 1,000 to 150 in 1998. Malawi has one of the highest infant and child mortality rates in the world. Since the United Nations Children's Fund (UNICEF) supports a comprehensive immunization program and much of the population has access to safe water, USAID focuses on new killers -- a virulent form of malaria and pediatric AIDS.

CONTROL THE SPREAD OF AIDS. Roughly 11% of the adult population is sero-positive, with one to two percent of adults becoming infected annually. More than a half million people will die of AIDS by 2005; life expectancy has been reduced by nearly eight years (14%) due to the disease, and pediatric AIDS is becoming a leading cause of death among young children. USAID will work to increase awareness and prevention of the disease, increase condom use and eventually decrease sero-positivity.

STABILIZING POPULATION GROWTH:

REDUCE FERTILITY. Malawi is noted for its high fertility, low contraceptive prevalence rates, low female literacy rates, and high infant mortality rates. USAID intends to help reduce the total fertility rate from 7.6 % in 1984 to 6% in 1998. To accomplish this, USAID will focus on increasing the contraceptive prevalence rate to 20% in 1998; increasing the supply of child-spacing services through augmenting the number of health facilities to 35 in 1998; and increasing girls' access to education.

USAID MISSION RESULTS _____

BROAD-BASED ECONOMIC GROWTH:

INCREASE AGRICULTURAL PRODUCTIVITY. Average annual farm cash incomes increased by nearly \$600 for 20,000 farm families, as 83% of this group sold their crops through competitive private markets instead of public marketing agents. Such sales were illegal until the USAID program opened up this marketing option in 1991. The cash was used to buy improved maize seed (up nearly five-fold since 1985) and fertilizers (more than doubled from 1985), increasing national productivity to 1.5 tons per hectare, 25% over 1985 levels.

REDUCE INFANT AND CHILD MORTALITY. Infant and child mortality rates have dropped only slightly due to AIDS rapidly becoming the leading cause of death for under-five year olds. The infant mortality rate is down from 138 to 134 deaths per 1,000 live births. However, without USAID's efforts, the number of deaths would be even greater. Under five mortality is reported at 234 as compared with 246 five years earlier. Recent evidence shows that fluid and food supplementation is practiced widely, and an increasing portion of the population has access to safe water.

CONTROL THE SPREAD OF AIDS. As a result of USAID activities, few in Malawi do not know about AIDS and how it is transmitted. Noticeable are an increased, but still low, use of condoms. A sample survey showed that 18.6% and 15.4%, of HIV-positive and HIV-negative men, respectively, occasionally used condoms, while 1.8% of HIV-positive men used condoms all of the time compared to 0.4% of HIV-negative men. While these numbers are extremely low, they represent a slow upward trend which USAID plans to accelerate with regular widespread marketing of condoms. Other impacts are improved treatment of sexually transmitted diseases and increased access to AIDS education. AIDS workshops are commonplace now and more direct radio programs on AIDS are heard regularly, indicating a significant change in social attitude. The Government, reversing its denial of the problem, is working with religious and nongovernmental organizations to improve public information and awareness; introducing an AIDS education component to school curricula; and allowing more direct and explicit condom marketing and AIDS prevention messages on public radio.

STABILIZING POPULATION GROWTH:

REDUCE FERTILITY. Malawi is beginning the demographic transition to lower fertility. The contraceptive prevalence rate has increased from 1% in 1984 to over 7% in 1992, and shows signs of further increase. The total fertility rate declined from 7.2 in 1984 to 6.7 in 1992. The majority of married women (61%) now wish either to space their next child or end childbearing. The increase in number of women with basic education (now at 35%) further enhances demand for smaller families, leading to slower population growth. The Government of Malawi is actively supporting family planning through the adoption of three specific public policy strategies: the Child Spacing Policy and Contraceptive Guidelines, the National Population Policy, and the National Family Planning Strategy.

PROTECTING THE ENVIRONMENT:

USAID has initiated with the Government of Malawi an environmental monitoring activity to assess on a continuing basis the impact of agricultural activities on five watershed areas. These monitoring activities will result in interventions to improve soil conservation, forestation, and water quality which will benefit the population in the immediate watershed areas and downstream. Also, USAID has initiated an agro-forestry extension activity which is initially working with 207 farm families to improve production efficiency through agro-forestry techniques. The number of farm families participating is expected to increase to 400 by 1995.

OTHER FY 1995 USAID-MANAGED ACTIVITIES _____

None.

OTHER DONORS _____

In 1992, the United States provided approximately 5% of all donor contributions to Malawi. Other major donors were the European Community, World Food Program, Germany and the United Kingdom.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST _____

USAID requests \$40,166,000 in Sustainable Development funds in FY 1995 to support broad-based economic growth (\$36,225,000), stabilizing population growth (\$3,507,000), building democracy (\$90,000) and protecting the environment (\$344,000).

USAID Mission Director: Cynthia F. Rozell

Mali became a multiparty democracy in June 1992. USAID, through programs in the productive and social sectors, seeks to improve economic growth by increasing private investment, particularly in agricultural-based activities; and the quality and delivery of health care, family planning, and educational services.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOS) _____

BROAD-BASED ECONOMIC GROWTH:

INCREASE INCOMES IN AREAS OF HIGH PRODUCTIVE POTENTIAL; INCREASE PRIVATE SECTOR PARTICIPATION IN THE ECONOMY.

Until recently, much of Mali's donor assistance was channeled to public and parastatal enterprises, most of which became non-sustainable. USAID's growth scenario focuses on developing private initiatives and production and marketing networks through cereals market liberalization, agricultural research, microenterprise development, and livestock production. The goal during the 1989-1995 period is to increase private sector investment 80%, the value of agricultural production 4%, and agricultural exports 100%.

IMPROVE THE DELIVERY OF HEALTH SERVICES. Inadequate public health care delivery and insufficient funding have hampered the development of good health care in Mali. USAID seeks to redress this by helping the Mali government decentralize and privatize health care delivery. Activities focus on increasing the numbers of health centers, infants fully vaccinated (65% by 1995), village pharmacies stocked with essential drugs (50% by 1998), and private health practitioners. USAID also assists in AIDS prevention activities by targeting high-risk groups in urban areas.

IMPROVE THE DELIVERY OF EDUCATIONAL SERVICES. Literacy rates hovering at 20% for men and 15% for women, primary school attendance barely 30%, and an increasing share of public resources going to secondary and tertiary education, prompted USAID to focus on improving basic education in Mali. This multi-donor effort is designed to increase sixth grade completion rates, especially girls, by 60% from 1990-1995. This will be done by improving infrastructure and teacher quality; decreasing repeater rates and student-teacher ratios; and increasing performance levels in core subject areas, as well as the allocation of public resources to basic education.

STABILIZING POPULATION GROWTH:

IMPROVE THE DELIVERY OF FAMILY PLANNING SERVICES. Inattention to high population growth rates, coupled with a lack of knowledge and availability of modern contraceptives, have slowed the spread of family planning technologies in Mali. USAID is working with public and private sector institutions to increase the national contraceptive prevalence rate to 7% by 1995. Innovative health care financing systems which emphasize cost recovery and local management are key elements of USAID's assistance.

BUILDING DEMOCRACY:

PROMOTE GOVERNANCE AND PARTICIPATION: Mali has a nascent democracy, with the government experiencing difficulty in trying to ensure continuation of the democratic process and the need for economic structural adjustment policies. To help this effort USAID assistance aims at improving governance, encouraging greater civic responsibility, and effectively integrating women and other disadvantaged groups into the development process.

PROTECTING THE ENVIRONMENT:

PROMOTE SUSTAINABLE TECHNOLOGIES AND PRODUCTION: Excessive population pressures on the land together with a steady decline in rainfall over the past 30 years have exacerbated environmental degradation in Mali. The impact has been compounded by mismanagement of natural resources, due largely to inappropriate public sector policies. USAID supports an improved policy environment, land management practices, the technologies needed to slow desertification, regenerate depleted soils, and increase tree production for sustainable harvesting and marketing of forest products.

USAID MISSION RESULTS _____

BROAD-BASED ECONOMIC GROWTH:

INCREASE INCOMES IN AREAS OF HIGH PRODUCTIVE POTENTIAL; INCREASE PRIVATE SECTOR PARTICIPATION IN THE ECONOMY.

USAID's assistance to agricultural research, cereals market liberalization, microenterprise development, and livestock export promotion has kept real gross domestic product (GDP) growth ahead of population growth since 1986 and, since 1989, has increased the purchasing power of 80% of Malians by 34%, and average annual grain production by 8.3%.

IMPROVE THE DELIVERY OF HEALTH SERVICES. USAID has been instrumental in getting 94 community health centers operational -- starting with only three in 1989. Infant immunization rates have increased from 5% in 1989 to 52% in 1993, as have the number of post-natal consultations within the public health system (15% in 1990 to 35% in 1993). Private health practitioners have increased ten-fold since 1990, with access to 300 fully stocked pharmacies. Impact on infant and child mortality will be determined in 1995.

IMPROVE THE DELIVERY OF EDUCATIONAL SERVICES. Basic education improvements are on the rise, with total primary school enrollment increasing 41% since 1989. The percentage of girls attending primary school rose to 38% in 1993, representing 150,000 girls (up from 115,000 in 1989). Drop-out rates decreased from 11% in 1991 to 7% in 1993. USAID's 1992 distribution of textbooks now has 84% of teachers using texts -- up from 10% in 1991. The percentage of public funds allocated to primary education (31% in 1993) is still relatively low.

STABILIZING POPULATION GROWTH:

IMPROVE THE DELIVERY OF FAMILY PLANNING SERVICES. USAID funding for modern family planning technologies and contraceptives, along with community health centers and essential pharmaceuticals, have helped double the contraceptive prevalence rate since 1989, which is now approaching 5% nationwide. A new and expansive social marketing program, along with support from religious leaders and participation of private groups, promises to increase this rate and extend services to rural areas.

BUILDING DEMOCRACY:

PROMOTE GOVERNANCE AND PARTICIPATION: The Mali government has put in place the legal and policy framework necessary for decentralization and local self-government. Support to private voluntary organizations, nongovernmental organizations (NGOs) and local communities -- particularly in natural resources management, health and population, microenterprise development, and literacy -- is increasing decision-making and public advocacy in both urban and rural areas. A Malian consortium of over 200 NGOs is spearheading efforts to increase NGO capacity in sustainable development areas.

PROTECTING THE ENVIRONMENT:

PROMOTE SUSTAINABLE TECHNOLOGIES AND PRODUCTION: Adoption of improved technologies has significantly increased among Malian farmers. Tree harvesting in 1992 led to increases of \$200 per hectare, raising incomes of some 9,000 households. The 1993 revision and adoption of the Forestry Code, which will enable local communities to manage their natural resources, has already led to new management agreements for 12 village associations.

OTHER FY 1995 USAID-MANAGED ACTIVITIES _____

USAID, through World Vision Relief and Development, manages a P.L. 480 Title II monetization program designed to improve the nutrition and overall health status of women and children in the more remote northern regions. The proposed FY 1995 P.L. 480 program is \$310,000.

OTHER DONORS _____

In 1992, the United States, with 6.8% of all donor contributions, was the fifth largest donor to Mali. Other major donors were France, the Netherlands and the European Economic Community.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST _____

USAID requests \$38,241,000 in Sustainable Development funds in FY 1995 to provide both incremental and new funding for activities in support of broad-based economic growth (\$24,711,000), stabilizing population growth (\$4,800,000), building democracy (\$2,288,000), and protecting the environment (\$6,442,000).

USAID Mission Director: Charles Johnson

MOZAMBIQUE FY 1995 SUSTAINABLE DEVELOPMENT REQUEST: \$42,125,000

USAID's post-conflict strategy will incorporate certain longer-term elements of the 24-month transition program, which supported Mozambique's shift from conflict-restricted, emergency-based programs to reconstruction and longer-term development. Mozambique's recovery from the horrendous human suffering and destruction of its 16-year war will depend on reconstruction of key economic and social infrastructure.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOs) _____

USAID is developing a new country program strategic plan, and currently anticipates that the major strategic focus areas will be those discussed below.

BROAD-BASED ECONOMIC GROWTH:

MARKET-BASED, PRIVATE SECTOR-LED, AND AGRICULTURE-LED INCREASES IN PRODUCTIVITY AND PRODUCTION. Since 1987, the Mozambican Government has actively and largely successfully pursued a structural adjustment program. Because of the war, however, the growth has been skewed to urban and peri-urban areas and toward short-term commercial transactions. Using policy dialogue, selected capital investments, targeted sector assistance, and building on the transition program's support to reintegration and rehabilitation; USAID will focus bilateral and regional resources on improving the policy environment for the private sector, rehabilitating market infrastructure linking the productive rural areas to urban markets, and providing incentives to increase agriculture and rural enterprise productivity and production.

REHABILITATION AND RECOVERY OF SOCIAL INFRASTRUCTURE. As a result of the war's devastation, more than one-third of Mozambique's population was either internally or externally displaced. Over half of the country's health facilities and schools were destroyed. Health care and access to education were largely restricted to urban areas. Priorities in the recently developed National Reconstruction Plan are primary health care (including family planning and AIDS prevention) and basic education, especially for the worst-affected rural areas. During FY 1994, USAID will determine the sectors where USAID resources are most needed and will have the greatest impact.

BUILDING DEMOCRACY:

INCREASED CIVIL SOCIETY PARTICIPATION AND EFFECTIVENESS OF GOVERNANCE. USAID will build on its democratic initiatives project which provided assistance to Mozambique's first multiparty elections, development of civil society, reform of the legal sector, and research on traditional authorities. Post-elections, Mozambique's new government will need to confront serious questions on the role and effectiveness of government, reinforcement of the legislative and legal underpinnings of the post-war government, and broadening the participation of citizens in the country's governance. USAID will provide assistance to address these challenges.

USAID MISSION RESULTS _____

BROAD-BASED ECONOMIC GROWTH:

DEMOBILIZATION. While progress on demobilization has been slower than anticipated, about one-third of the total estimated troops are now in assembly areas. The cease-fire has held. Reintegration programs specifically for the demobilized have been formulated, with implementation expected to begin in late February 1994.

MINE CLEARANCE. Training for 180 mine clearers (mostly demobilized soldiers) and 12 of 36 dogs has begun.

VULNERABLE GROUPS. The World Health Organization, under a USAID grant, has opened primary health care facilities in 18 of 20 assembly areas to service formerly rebel-controlled populations, benefitting 30,000 people.

NON-FOOD EMERGENCY ASSISTANCE. Due to USAID's emergency procurement of tarps, cooking pots and generators, assembly areas were able to receive demobilized soldiers immediately upon initiation of demobilization.

REINTEGRATION AND REHABILITATION: Through extensive use of private voluntary organizations (PVOs), USAID responded to the aftermath of drought and war, and the urgent needs of displaced and returning Mozambican refugees. During FY 1993, through USAID/Mozambique-financed PVOs, 435,000 people benefited from seed distribution and 137,000 from potable water interventions. In one of the areas most affected, global acute malnutrition dropped from a high of 30.1% to 2.5% from November 1992 to 1993.

OTHER FY 1995 USAID-MANAGED ACTIVITIES

None.

OTHER DONORS

In 1992, the United States provided 3.5% of all donor contributions to Mozambique. Other major donors were Italy, Portugal, the World Bank, the World Food Program, and Sweden.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST

USAID requests \$42,125,000 in Sustainable Development funds in FY 1995 for broad-based economic growth (\$36,175,000), building democracy (\$5,750,000), and protecting the environment (\$200,000). P.L. 480 Title III resources totaling \$12,000,000 are requested separately for a market-based food security program in support broad-based economic growth.

USAID Mission Director: Roger D. Carlson

NAMIBIA **FY 1995 SUSTAINABLE DEVELOPMENT REQUEST: \$12,934,000**

USAID's assistance program to Namibia began in 1991, one year after the country's independence. USAID's program is designed to assist Namibia to consolidate and strengthen their democratic and human resource foundations.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOs) _____

BROAD-BASED ECONOMIC GROWTH:

BASIC EDUCATION REFORM. Education and human resources development is a major priority of the Government of the Republic of Namibia (GRN), consuming over 25% of its national budget. The bulk of USAID's resources support the GRN's education reform program, whose education and training programs will facilitate empowerment of disadvantaged Namibians.

BUILDING DEMOCRACY:

STRENGTHENING INSTITUTIONS OF GOVERNANCE AND CIVIL SOCIETY. Fundamental weaknesses in key GRN political institutions and in the state-society relationship in Namibia will affect the sustainability of Namibia's new multiparty democracy as well as Namibia's investment environment and its prospects for economic growth. USAID plans to develop a program of assistance in 1994 targeted at strengthening Namibia's new representative institutions.

USAID MISSION RESULTS _____

BROAD-BASED ECONOMIC GROWTH:

BASIC EDUCATION REFORM. USAID is assisting the GRN to make a more effective, efficient and sustainable basic education system accessible to significantly more Namibian children. Results of this GRN priority are beginning to be evident: school enrollment in Namibia has increased 26% since 1989. A recent midterm evaluation showed that substantial progress has been made on a number of fronts, including: increased awareness and support of the reform program; unification and decentralization of the school system; improved access to schools in rural areas; a new English language instruction policy; improved teacher training; personnel rationalization and restructuring of the Ministry of Education; and curriculum reform.

OTHER FY 1995 USAID-MANAGED ACTIVITIES _____

None.

OTHER DONORS _____

In 1992, the United States provided 2% of all donor contributions to Namibia. The major bilateral and multilateral donors to Namibia included the European Economic Community, Germany, Sweden, Norway, and Finland.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST _____

USAID requests \$12,934,000 in Sustainable Development funds in FY 1995 to support broad-based economic growth (\$9,756,000), building democracy (\$205,000) and protecting the environment (\$2,973,000).

USAID Representative: Edward Spriggs

NIGERFY 1995 SUSTAINABLE DEVELOPMENT REQUEST: \$20,472,000

Niger, which successfully completed multiparty elections and installed a democratic government, has begun the difficult process of economic reform. A new International Monetary Fund (IMF) Stand-By Agreement will help reduce government intervention in growth sectors while at the same time increase public expenditures in the social and environmental sectors.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOs)_____

BROAD-BASED ECONOMIC GROWTH:

INCREASE THE QUALITY, COVERAGE AND USE OF MATERNAL AND CHILD HEALTH SERVICES: Inadequate infrastructure, outmoded policies, insufficient public funding, and chronic shortages of essential drugs have hampered health care service delivery in Niger. To help redress this situation, USAID is promoting the adoption of policy changes which favor decentralized health care, privatized pharmaceutical procurement, and cost recovery. USAID also works with other donors and Private voluntary organizations (PVOs) and nongovernmental organizations to increase the number of operational health care facilities, particularly in rural areas. Targets over the next three years include reducing child malnutrition by one-third, increasing measles immunizations from 19%-35%, increase use of oral rehydration salts from 13%-25% in rural areas and from 41%-65% in urban areas.

STABILIZING POPULATION GROWTH:

INCREASE THE QUALITY, COVERAGE, AND USE OF FAMILY PLANNING SERVICES. USAID is helping the Government of Niger (GON) slow a population growth rate approaching 3% per year. Population activities emphasize the provision of integrated family planning and maternal-child health services. Reproductive health care delivery will continue to stress structural reform, cost recovery, decentralization and participation by the private sector and PVOs. The goal is to increase couple-year protection from 30,000 in 1990 to 153,000 in 1995.

BUILDING DEMOCRACY:

PROMOTE GOVERNANCE AND PARTICIPATION: Democratization and good governance are cross-cutting themes in USAID's portfolio. Activities in support of health, natural resources management, and disaster mitigation all focus on local-level empowerment through the decentralization of government services and the provision of increased decision-making authority and control of resources at the village and community levels.

PROTECTING THE ENVIRONMENT:

INCREASE THE OPPORTUNITIES FOR SUSTAINABLE AGRICULTURAL PRODUCTION AND RURAL ENTERPRISES. USAID efforts in Niger have concentrated on helping protect the environment while promoting individual and community management and control of natural resources. USAID programs will continue to support GON reforms related to natural resource management policy, environmental planning and the overall institutional environment as well as project activities, mainly carried out by PVOs, that encourage adoption of sustainable technologies and the development of micro and small scale rural enterprises. Targets are being established for land use management by farmers and pastoralists. Rural enterprise activity is expected to create 12,000 new businesses and 18,000 new members by 1995.

USAID MISSION RESULTS_____

BROAD-BASED ECONOMIC GROWTH:

INCREASE THE QUALITY, COVERAGE AND USE OF MATERNAL AND CHILD HEALTH SERVICES: Distribution of essential pharmaceutical supplies has increased 30% annually and these are now available in much of rural Niger. Infants vaccinated against measles increased to 25% in 1993. The number of public health facilities providing a full range of maternal-child health services doubled between 1989-1992. The number of operational primary health care facilities increased from zero in 1990 to 51 in 1993, of which 18 have cost-recovery systems in place.

STABILIZING POPULATION GROWTH:

INCREASE THE QUALITY, COVERAGE, AND USE OF FAMILY PLANNING SERVICES. Population Action International recently cited Niger as one of 13 countries worldwide to have made the most progress in its family planning program. With a National Population Policy and Family Planning Strategy in place, contraceptive availability and coverage through both public and private channels has greatly increased. 1992 showed couple-year protection at 48,000, with 117,000 projected for 1993.

BUILDING DEMOCRACY:

PROMOTE GOVERNANCE AND PARTICIPATION: In addition to the local-level participatory activities mentioned above, strong USAID support helped Niger successfully complete the transition to a multi-party democratic system. Highlights were the inauguration of an elected executive and legislature, along with a substantial increase in the number of newspapers and nongovernmental organizations.

PROTECTING THE ENVIRONMENT:

INCREASE THE OPPORTUNITIES FOR SUSTAINABLE AGRICULTURAL PRODUCTION AND RURAL ENTERPRISES. On the policy and institution-building side, the GON has passed a progressive and "enabling" Rural Code which focuses on land use, tenure rights and decentralized land ownership. USAID has also been instrumental in helping villagers increase the number of hectares in community-controlled woodlands (from 1,500 in 1986 to 73,000 in 1993), and identify promising market opportunities for forest products. There has also been a six-fold increase in rural microenterprise development during the same period (24,000 new members, of which 9,000 are women), with 10,000 new businesses receiving financing in 1993 (up from 2,000 in 1991).

OTHER FY 1995 USAID-MANAGED ACTIVITIES _____

None.

OTHER DONORS _____

In 1992, the United States, with 8.2% of all donor contributions, was the fourth largest donor to Niger. Other major donors were France, Germany, Japan and the European Economic Community.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST _____

USAID requests \$20,472,000 in Sustainable Development funds in FY 1995 to provide both incremental and new funding for activities in support of broad-based economic growth (\$13,668,000), stabilizing population growth (\$2,600,000), building democracy (\$130,000), and protecting the environment (\$4,074,000).

USAID Mission Director: James Anderson

NIGERIA **FY 1995 SUSTAINABLE DEVELOPMENT REQUEST: \$30,997,000**

Nigeria has not completed its political transition from military rule to a civilian government rule. After successfully undertaking elections for local and state leaders and the national assembly, the transition came to a halt when the June 1993 presidential election, believed by most Nigerians and external observers to have been generally free and fair, was annulled by the military government. The joint military-civilian transition government installed for this period was ineffective and was deposed by a bloodless coup d'etat in November. The latest military government dissolved all elected bodies. Although Nigeria is currently under military rule, an air of stability has returned to the country and plans are being made for a new constitution to be written and a national conference to be called that will eventually lead to a democratic government.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOs)_____

BROAD-BASED ECONOMIC GROWTH:

IMPROVED MATERNAL AND CHILD HEALTH CARE PRACTICES. Nigeria continues to have one of the highest maternal mortality rates in the world (15/1,000 births.) Nigeria also has high rates of infant (90/1,000) and child mortality (115/1,000) with the great majority of these deaths resulting from preventable conditions. These rates are worse than in surrounding countries such as Cameroon, Togo and Ghana. The USAID program will implement planned interventions in nine selected focus states in the following preventive areas: immunization; case management of diarrhea, malaria and acute respiratory infections; infant and maternal nutrition; safe motherhood and child spacing. The program plans to reduce the infant mortality rate to 85/1,000 in 1995, to increase correct home case management of "fever" by child caretakers to 68%, to decrease the rate of high risk births to 38%, and to increase the portion of postpartum women who receive family planning services to 15%.

IMPROVED HIV/AIDS/SEXUALLY TRANSMITTED DISEASE (STD) PREVENTION AND CONTROL. (Target of Opportunity.) Nigeria, to date, has remained low on the list of HIV/AIDS afflicted countries but this is probably due to lack of data. The country exhibits all of the risk factors for a major epidemic. The rate of infection among commercial sex workers varies from 40% to 50%. Lack of blood screening equipment continues to be a major impediment both to obtain data and to stop the spread of disease. USAID's response will be to: a) continue data collection efforts to better quantify the actual situation, b) continue expansion of the national condom social marketing program, c) continue to develop indigenous nongovernmental organizations (NGOs) working in the private sector in HIV/AIDS prevention, and d) continue intensive preventive efforts among high-risk populations in three representative states of Nigeria. In 1995, the program will increase the availability of condoms; improve knowledge, attitudes and behavior concerning HIV transmission and increase identification and treatment of HIV/AIDS/STD cases.

STABILIZING POPULATION GROWTH:

INCREASED VOLUNTARY USE OF FAMILY PLANNING. Nigeria has the largest population in sub-Saharan Africa with an annual growth rate of 3.1%. The high fertility rate coupled with the size of Nigeria's population, 88.5 million in 1991, has diminished its economic and social gains, and overwhelmed the health and education systems and the general infrastructure. The USAID program will make a significant contribution to reducing the total fertility rate from the current 6.0 to 5.5 in 2000. To accomplish this, the program will provide assistance to the public and private commercial sectors, and achieve the following in 1995: a) increase the contraceptive prevalence rate for modern methods to 10% in 1995, b) increase couple years of protection to 3 million, c) increase the portion of men and women knowledgeable about family planning to 60%, d) increase the portion of men and women knowledgeable about a source of family planning to 45%, and e) increase the volume of imported contraceptives to 45 million condoms, 6 million cycles of oral contraceptives, and 100,000 inter-uterine devices (IUDs) annually.

USAID MISSION RESULTS_____

BROAD-BASED ECONOMIC GROWTH:

IMPROVED MATERNAL AND CHILD HEALTH CARE PRACTICES. The child mortality rate is down from a reported 204 per 1,000 in 1960 to a still high rate estimated at 115 per 1,000 in 1993. Measles and pertussis disease incidence rates have declined by 26% and 21% respectively. The USAID child survival project has introduced a multi-disciplinary case management approach to child survival programs, emphasizing the areas of diarrheal disease control, acute respiratory infections and malaria. Significant training activities have been carried out for health personnel which should help to lower the high child mortality rates in the future.

REDUCING THE INCIDENCE OF RIVER BLINDNESS: USAID is also involved in reducing the incidence of river blindness (onchocerciasis) in two of the most seriously stricken states in Nigeria through a private voluntary organization (PVO) grant. Ivermectin, a medication used for fighting river blindness, was distributed to over 84,000 people, reaching all targeted endemic

areas. To date, an estimated 86% of the estimated eligible persons in target communities were treated. It is too early to estimate how many cases of blindness may have been prevented but the number is expected to be significant. The project has had some success with institutionalizing the program within the Ministry of Health.

IMPROVED HIV/AIDS/STD PREVENTION AND CONTROL. USAID was instrumental in gaining the approval of the Government of Nigeria for a national HIV/AIDS control program which specifically encourages the active participation of the private sector. A USAID grant to AFRICARE has established this PVO organization as a leader in mobilizing the private sector in Nigeria to join in the fight against the AIDS pandemic which is now spreading throughout the country. In a recent survey, 54% of Nigerians indicated that they have made changes in their life style to avoid contacting HIV/AIDS.

STABILIZING POPULATION GROWTH:

INCREASED VOLUNTARY USE OF FAMILY PLANNING. The total fertility rate for Nigeria was estimated at 7.5 children per woman in 1982 and is now estimated at 6.0. The contraceptive prevalence rate for modern methods is up from 1% in 1981 to 3.5% in 1990 and to 7.8% in 1993. Couple years of protection (CYP) have doubled between 1990 and 1992.

BUILDING DEMOCRACY:

USAID assistance to help improve democratization and good governance relies on training and seminars to strengthen decentralization. USAID has funded sub-projects implemented by U.S. Information Agency (USIA) to strengthen ties between the United States and Nigeria in a wide variety of fields and endeavors essential to a functioning democracy. USAID has funded seven democracy sub-projects implemented by USIA. These sub-projects are on-going with the objective of providing training, exchange visits and development of institutional linkages between Nigeria and the United States in fields essential to the development and maintenance of democracy, good governance, human rights and civic education. Participants include leaders of women's organizations, political and economic journalists, local public administrators and policy makers, members of legal organizations, state legislators and members of their staffs, business association members and leading economists. The impact of this project will be strengthened ties between the United States and Nigeria in a wide variety of fields and endeavors essential to a functioning democracy and heightened awareness among the Nigerian populace on public accountability and how democracy can eventually succeed in their country.

OTHER 1995 USAID-MANAGED ACTIVITIES: _____

None.

OTHER DONORS _____

In 1992, the United States provided 2.8% of donor assistance; other donors were the International Development Association, Japan, European Development Fund, and the United Kingdom.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST _____

USAID requests \$30,997,000 in Sustainable Development funds in FY 1995 to support broad-based economic growth (\$11,098,000), stabilizing population growth (\$19,700,000) and building democracy (\$199,000).

USAID Affairs Officer: Eugene R. Chiavaroli

RWANDA **FY 1995 SUSTAINABLE DEVELOPMENT REQUEST: \$19,264,000**

With the signing of a Peace Accord in August 1993, Rwanda's costly three-year civil war ended. The arrival of the United Nations military observer force in October 1993 helped launch the complex processes of creating a new multi-party government which includes the rebels, demobilizing 30,000 soldiers, reinstalling 380,000 Rwandans displaced by the fighting and an undetermined number of exiled Rwandans, and preparing for democratic elections. Political and economic liberalization begun in 1990 continues, and remains Rwanda's best prospect for addressing its economic development problems, currently complicated by the presence of 270,000 Burundian refugees and significant drought conditions in parts of the country.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOs) _____

BROAD-BASED ECONOMIC GROWTH:

INCREASING COMMERCIAL OUTPUT BY MEDIUM AND SMALLER-SCALE ENTERPRISES. Rwanda's negative agricultural growth through the 1980s indicates that private sector generation of off-farm employment is the only solution to Rwanda's dilemma. The informal sector and medium and smaller-scale enterprises, encompassing both manufacturing and services, offer the best opportunity for sustained growth. This MSO builds upon USAID's long involvement in the cooperative and small enterprise sector. Using a new umbrella project, funds are being channelled to Rwandan and American nongovernmental organizations (NGOs) to assist the further development of cooperatives, associations and smaller entrepreneurs to increase employment and income.

REDUCING POPULATION GROWTH:

INCREASING THE USE OF MODERN CONTRACEPTIVES. Over-population is Rwanda's most pervasive problem. The country already has the highest population density in Africa, with over 90% of the people living on farms whose average size is a hectare. Since 1981, USAID has been the most active donor in the population and family planning services sector. As part of the 1991 Country Program Strategic Plan, USAID focused its population portfolio on both the supply and demand side of family planning and reproductive health to increase the contraceptive prevalence rate.

BUILDING DEMOCRACY:

INCREASING ACCOUNTABILITY OF GOVERNMENT ON SOCIAL AND ECONOMIC POLICIES. With the outbreak of the civil war in 1990, political stability has been Rwanda's major problem. USAID's strategy focuses on providing Rwandans with the tools to identify, evaluate, and select principles and rules that can lead to a transparent and accountable system of democracy and governance where people understand their rights and responsibilities. A USAID project, begun in late 1993, works with the National Assembly, the media, the Government, and NGOs.

USAID MISSION RESULTS _____

BROAD-BASED ECONOMIC GROWTH:

INCREASING COMMERCIAL OUTPUT BY MEDIUM AND SMALLER-SCALE ENTERPRISES. According to a 1993 evaluation, USAID assistance to the national cooperative association over the past eight years has resulted in the building of a local institution that has helped cooperatives throughout Rwanda develop and has encouraged member participation. Indirectly, this MSO has supported, and is expected to continue to support, USAID's democracy MSO. Measurable indicators are being developed.

REDUCING POPULATION GROWTH:

INCREASING THE USE OF MODERN CONTRACEPTIVES. Family planning is where USAID has its most measurable success. Survey data show that the total fertility rate has declined from 8.5 in 1983 to 6.2 in 1992. These data now confirm Rwanda's progress toward a demographic transition. The drop in fertility is directly related to USAID activities that have helped increase the contraceptive prevalence rate from 1% in 1981 to 10% in early 1994.

BUILDING DEMOCRACY:

INCREASING ACCOUNTABILITY OF GOVERNMENT ON SOCIAL AND ECONOMIC POLICIES. Implementation of USAID's first major project intervention in this MSO began in October 1993 with support for activities encouraging popular participation in the emerging political process.

OTHER FY 1995 USAID-MANAGED ACTIVITIES

None.

OTHER DONORS

In 1992, the United States provided 2% of all donor assistance; other donors were the European Development Fund, Belgium, and Germany.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST

USAID requests \$19,264,000 in Sustainable Development funds in FY 1995 to support broad-based economic growth (\$7,003,000), stabilizing population growth (\$3,745,000), building democracy (\$8,169,000) and protecting the environment (\$347,000).

USAID Mission Director: Gary L. Nelson

SENEGAL **FY 1995 SUSTAINABLE DEVELOPMENT REQUEST: \$23,718,000**

One of Africa's oldest multiparty democracies, Senegal held successful presidential and legislative elections in 1993. USAID's program, focused on increasing private sector incomes derived from natural resources, is also helping Senegal make progress in economic liberalization and democratic governance in this post-election and post-devaluation climate.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOs) _____

BROAD-BASED ECONOMIC GROWTH:

INCREASE CROP PRODUCTIVITY; INCREASE MARKET LIBERALIZATION. USAID's 1992-1997 growth strategy for Senegal seeks to minimize government regulation and expand private sector activity in domestic rice markets, transfer improved agronomic technologies to 45,000 rural households, expand annual cereal production to 1.3 million tons in reliable rainfall zones, and raise incomes of 50,000 households through the sale of cereals and forest products.

DECREASE INFANT AND CHILD MORTALITY. USAID's child survival program, now active for nearly 15 years, strives to decrease mortality mainly through the control of diarrheal disease. This is being done by establishing oral rehydration units in over 200 health care facilities and providing oral rehydration salts (ORS) nationwide. Strengthening primary health care also helps control preventable diseases and promote equity and efficiency in the health system.

CONTROL THE SPREAD OF AIDS. The HIV seroprevalence rate in Senegal, at 1% and relatively low in comparison to other African countries, nonetheless shows an increase of HIV positive cases of 10% annually, with the potential for an alarming epidemic. To counter this, USAID is targeting high-risk urban groups for behavioral changes, reductions of sexually transmitted diseases (STD), and increased distribution of condoms. USAID also influences the Government of Senegal's policy to achieve and maintain an environment conducive to AIDS prevention activities.

STABILIZING POPULATION GROWTH:

DECREASE FAMILY SIZE. Senegal's strategy for slowing down a 2.9% annual population growth rate and 6.0 fertility rate is to increase the use of both public and private family planning services. Rural-urban differences in income, employment, literacy, breast-feeding practices and fertility traits have shaped a two-pronged program designed to improve service delivery in urban areas and increase family planning awareness in rural areas.

PROTECTING THE ENVIRONMENT:

INCREASE THE VALUE OF TREE PRODUCTION. Rapid population growth and a deteriorating resource base are major constraints to growth in crop production, with new lands brought under production offset by land lost to erosion and reduced rainfall. To reverse this trend USAID is helping the Senegalese plant 3 million trees by 1997, increase the annual value of tree production by \$2 million, and manage 200,000 hectares for natural regeneration.

BUILDING DEMOCRACY:

PROMOTE GOVERNANCE AND PARTICIPATION. Promoting democratic governance is a cross-cutting theme in the USAID program. Having provided support for 1993 elections, USAID is furthering participatory and integrative development -- mainly by increasing the involvement of the private voluntary organization and nongovernmental organization (PVO/NGO) community in natural resources management, health and family planning activities.

USAID MISSION RESULTS _____

BROAD-BASED ECONOMIC GROWTH:

INCREASE CROP PRODUCTIVITY; INCREASE MARKET LIBERALIZATION. Land reclaimed and protected for rice production has doubled since 1992, resulting in a 10% increase in rice yields. Total cereals production for 1993 was 1.1 million tons; 50% of rural households are now using new agronomic technologies. The privatization of long-grain rice in 1993 under the P.L. 480 Title III program, coupled with final negotiations on a comprehensive rice structural adjustment program, are increasing the access to and efficiency of major domestic rice markets.

DECREASE INFANT AND CHILD MORTALITY. A 1993 health survey shows that USAID's child survival activities, which are coordinated closely with other donors' and especially UNICEF's vaccination program, have over the past five years helped decrease infant mortality (0-1 year) from 84/1,000 to 68/1,000, and overall child mortality (0-4 years) from 184/1,000 to 131/1,000. Though it is not possible to determine what percentage of the decrease is due to diarrheal disease control, it is clear that ORS treatment is now available and used in most rural clinics and village health posts.

CONTROL THE SPREAD OF AIDS. Senegal has recognized the potential threat of AIDS early on, as evidenced by its creation in 1986 of a National Committee for the Prevention of AIDS and the launching of a National AIDS Control Program. Senegal also boasts the most advanced AIDS laboratory in West Africa whose researchers, in collaboration with Harvard University, discovered the HIV II strain. Prevention activities are showing success in Senegal's four major urban areas, with prevalence rates, STD incidence, and condom use monitored regularly.

STABILIZING POPULATION GROWTH:

DECREASE FAMILY SIZE. The 1986-1993 period witnessed a 10% decrease (6.6 to 6.0) in Senegal's total fertility rate -- a level initially targeted for 1997. Though part of the decrease is due to cultural factors, i.e., delayed first marriages, part is due to progressive family planning programs which have increased urban contraceptive prevalence (covering 40% of Senegal's population) to 14%, with corresponding increases in rural knowledge of modern contraceptive methods.

BUILDING DEMOCRACY:

PROMOTE GOVERNANCE AND PARTICIPATION: Besides electoral assistance, USAID has now anchored the PVO/NGO community in each of its strategic areas, working with local-level governments and organizations to increase empowerment and resource mobilization. While focused on enterprise development, technology transfer and service delivery, USAID programs are increasingly building capacity for grass-roots groups to take on policy analysis and advocacy functions.

PROTECTING THE ENVIRONMENT:

INCREASE THE VALUE OF TREE PRODUCTION. Thirty eight percent of the marketed value of tree products accrued to rural households in 1993 -- 3% more than expected. Total tree plantings (3,600,000) have now exceeded 1997 targets, as has the percentage of trees surviving (now 58% nationwide, compared to a 1997 40% target). Hectares managed for forest regeneration increased 16% -- surpassing the 1993 target by 700 hectares. Adoption of a new Forestry Code (P.L. 480 Title III conditionality) reinforced the government's commitment to environmental protection.

OTHER FY 1995 USAID-MANAGED ACTIVITIES _____

None.

OTHER DONORS _____

In 1992, the United States provided 4.5% of all donor contributions to Senegal. Other major donors were France, Japan, Italy and the European Economic Community.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST _____

USAID requests \$23,718,000 in Sustainable Development funds in FY 1995 to provide both incremental and new funding for activities in support of broad-based economic growth (\$11,416,000), stabilizing population growth (\$3,821,000), building democracy (\$1,695,000), and protecting the environment (\$6,786,000). USAID also requests separately \$8,000,000 for a P.L. 480 Title III Natural Resources Management and Environment Program.

USAID Mission Director: Julius E. Coles

SOMALIA FY 1995 SUSTAINABLE DEVELOPMENT REQUEST: \$12,000,000

Somalia is still very much an emergency relief situation -- which is likely to continue for some time. That said, sustainable development assistance is planned in several regions of the country that have environments in which USAID assistance can be committed. These are regions that appear to have relatively good security, capable local authorities, demonstrated commitment to rehabilitation and reconstruction, and prospects of adequate nongovernment organizational capacity to assist in program implementation. At present, eight of the eighteen regions appear to provide that kind of environment. USAID, in coordination with other donors, will concentrate its efforts on providing rehabilitation assistance to a number of these regions.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOs)_____

BROAD-BASED ECONOMIC GROWTH:

Major areas of program concentration will be rehabilitation projects in agriculture including livestock, projects to assist the reconstruction of local health delivery services, and income generation projects aimed at creating jobs.

USAID MISSION RESULTS_____

HUMANITARIAN ASSISTANCE:

Over the past one year of U.S. Government intervention, in which USAID played a major role by assisting in the provision of emergency food aid and medical supplies, thousands of deaths were averted. In mid-1992, an estimated 4.5 million Somalis were in need of external food aid, including approximately 1.5 million people at severe risk of starvation. Somalis were dying at the rate of 1,000 to 3,000 a day. Today, widespread malnutrition has decreased dramatically, and health conditions have improved due to the distribution of food and medical supplies to the Somali population.

OTHER FY 1995 USAID-MANAGED ACTIVITIES_____

In FY 1993, total emergency food and disaster assistance was \$139,000,000. While USAID does not expect as high a level of emergency food assistance in FY 1995, a substantial requirement nevertheless is anticipated as the country works through the transition to a national government and longer-term stability.

OTHER DONORS_____

In FY 1992, the United States was the largest bilateral donor, providing 26% of all donor assistance. Other donors were the World Food Program, the European Development Fund, and the Netherlands.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST_____

USAID requests \$12,000,000 in Sustainable Development funds in FY 1995 to fund a program in transition from humanitarian to development assistance which will support broad-based economic growth (\$10,860,000) and building democracy (\$1,140,000).

USAID Mission Director: Mark G. Wentling

SOUTH AFRICA FY 1995 SUSTAINABLE DEVELOPMENT REQUEST: \$82,203,000

South Africa is in the final stages of a difficult political transition from minority rule to a true democracy. To date, USAID's assistance has been made available through nongovernmental organizations (NGOs) rather than through government-to-government grants. After the nation's first non-racial elections are held in April 1994, USAID assistance also will include activities designed to address the development priorities of the new Government.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOs) _____

BROAD-BASED ECONOMIC GROWTH:

INCREASE BROAD-BASED BLACK OWNERSHIP, EMPLOYMENT AND PARTICIPATION AT ALL LEVELS OF THE ECONOMY. South Africa's apartheid system established a high concentration of the country's wealth and resources in the hands of the minority population. Activities under this MSO support training and financing of small- and medium-scale enterprise development by black entrepreneurs, the development of majority-owned companies, and the establishment of linkages between U.S. and South African black businesses.

HELP ESTABLISH A MORE EQUITABLE AND EFFECTIVE EDUCATION SYSTEM . The apartheid system established separate and unequal educational systems. The political transition will provide the opportunity to rationalize and reform the educational system to better serve the majority population. USAID's activities train individuals of the majority community in key skills areas and will support the reform of the educational system; indicators are being developed.

BUILDING DEMOCRACY:

MAJORITY POPULATION PARTICIPATES MORE FULLY IN POLITICAL DEVELOPMENT AND GOVERNANCE OF A DEMOCRATIC, HUMAN RIGHTS-BASED SOUTH AFRICA. The apartheid system has denied basic political participation and human rights to South Africa's majority population. USAID's grants to NGOs support the establishment, enforcement and monitoring of political and human rights. These grants also provide support for the country's first elections to be held under universal suffrage, and will help consolidate democracy following the elections.

USAID MISSION RESULTS _____

BROAD-BASED ECONOMIC GROWTH:

INCREASE BROAD-BASED BLACK OWNERSHIP, EMPLOYMENT AND PARTICIPATION AT ALL LEVELS OF THE ECONOMY. USAID has provided credit and technical support for majority-owned small and medium enterprises, enabling them to expand and generate more income and employment opportunities for black South Africans. USAID sponsored a franchising fair which brought together 15 American franchisors and 200 black South African potential franchisees, and is co-sponsoring with the Overseas Private Investment Corporation a series of investment missions by U.S. businesses interested in establishing links with black South African enterprises. USAID currently supports six micro-enterprises through grants for loan capital, training programs, and administrative costs.

HELP ESTABLISH A MORE EQUITABLE AND EFFECTIVE EDUCATION SYSTEM. USAID finances the university studies of some 400 South African students per year. Working through NGOs, USAID grants have supported the development of innovative approaches to basic education, the distribution of primary school materials, and adult literacy programs. In FY 1994, USAID will begin supporting reforms in the tertiary education system and linkages between historically black tertiary education institutions in South Africa and Historically Black Colleges and Universities in the United States.

BUILDING DEMOCRACY:

MAJORITY POPULATION PARTICIPATES MORE FULLY IN POLITICAL DEVELOPMENT AND GOVERNANCE OF A DEMOCRATIC, HUMAN RIGHTS-BASED SOUTH AFRICA. USAID support to elections has resulted in, *inter alia*, (1) the development of an elections kit composed of training materials now being used all over the country for voter-education, (2) conferences on different aspects of elections and (3) over sixty grants to NGOs and community-based organizations to develop their capacity to educate and encourage participation in democratic elections. USAID assistance has also established programs in voter documentation, conflict resolution, violence mitigation and election and human rights monitoring.

OTHER FY 1995 USAID-MANAGED ACTIVITIES _____

None.

OTHER DONORS

In 1992, the United States, with approximately 34% of the bilateral contributions, was the largest bilateral donor and the second largest donor overall, with 23% of total donor funding. Other major donors are the European Union, Sweden, United Kingdom, Germany, Denmark and Italy.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST

USAID requests \$82,203,000 in Sustainable Development funds in FY 1995 to support broad-based economic growth (\$61,586,000), building democracy (\$20,537,000) and protecting the environment (\$80,000).

USAID Mission Director: Leslie A. Dean

Swaziland continues to make strides in its efforts to strengthen and diversify its economy and to open up opportunities to domestic and foreign investment and trade. USAID's program is supporting this thrust through improving the human resource base and promoting equitable, sustainable economic growth.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOs)_____

BROAD-BASED ECONOMIC GROWTH:

INCREASE THE NUMBER OF SWAZIS WHO DIRECT, MANAGE AND PARTICIPATE IN NATIONAL DEVELOPMENT. The program focuses on improving the quality of basic education, upgrading the quality and expanding the number of Swazis with administrative and managerial skills, strengthening business and accountancy training in tertiary institutions, and encouraging traditional leaders to actively promote development activities. Additionally, the program plans to improve Swazi management of the economy by supporting soil and water conservation activities.

INCREASE THE NUMBER AND SIZE OF VIABLE SWAZI-OWNED BUSINESSES. With a rapidly growing work force, Swaziland needs to accelerate the creation of employment and income-generating opportunities. USAID is applying resources to create an environment supportive of small formal and informal business development, to improve business management skills, and to increase access to credit and markets.

STABILIZING POPULATION GROWTH:

INCREASE CONTRACEPTIVE PREVALENCE. With one of the highest population growth rates in the world, Swaziland must improve the reach and effectiveness of family planning information and education. USAID is working to increase contraceptive prevalence from 17% to 25% by broadening the commercial availability of contraceptives, increasing community-based distribution and sales, increasing public sector and industry-based family planning services, and increasing knowledge and changing attitudes about family planning.

USAID MISSION RESULTS_____

BROAD-BASED ECONOMIC GROWTH:

INCREASE THE NUMBER OF SWAZIS WHO DIRECT, MANAGE AND PARTICIPATE IN NATIONAL DEVELOPMENT. Swazis are beginning to participate in the national economy in greater numbers. Swazi small-scale farmers are beginning to market their vegetable crops in three marketing centers in South Africa, and to supply some of the emerging markets in Mozambique. Swazi small-scale contractors have demonstrated their ability to perform much of the construction work which had been awarded to large South African firms. From January 1992 to September 1993, 26 firms increased their total contract awards from \$1,300,000 to \$9,100,000.

INCREASE THE NUMBER AND SIZE OF VIABLE SWAZI-OWNED BUSINESSES. Seventy percent of the self-employed businesses have expanded their enterprises and employ 235 more people, an average increase of 2.5 employees per enterprise. Seventy-three percent of the assisted small businesses have increased their net worth, and profits have increased an average of 44%.

STABILIZING POPULATION GROWTH:

INCREASE CONTRACEPTIVE PREVALENCE. From 1988 to 1992, the contraceptive prevalence rate in Swaziland increased from 17% to 22%. By the end of 1993, over 7,000 new acceptors of family planning participated in these clinic programs. The strengthened public information and education campaign has begun to show results with increasing media attention to the problems of rapid population growth and a marked increase in government official support for family planning.

OTHER FY 1995 USAID-MANAGED ACTIVITIES_____

None.

OTHER DONORS_____

In 1992, the United States was the largest donor to Swaziland, providing almost 22% of all donor contributions. Other major donors were the European Community, World Food Program, and the United Kingdom.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST_____

USAID requests \$7,030,000 in Sustainable Development funds in FY 1995 to support broad-based economic growth (\$4,092,000), stabilizing population growth (\$1,580,000), building democracy (\$158,000), and protecting the environment (\$1,200,000).

TANZANIA FY 1995 SUSTAINABLE DEVELOPMENT REQUEST: \$34,048,000

Tanzania, once a leading proponent of East European-style socialism in Africa, has continued its revolutionary transformation to a market-oriented economy. The policy adjustment process, begun in 1986, is largely complete, and the attention of government and donors in 1993 shifted increasingly to matters of implementation. Successful initial multi-party elections at the local level, the appointment of highly qualified technicians rather than politicians to senior-level positions, the emergence of a strong free press, and increasing public sector transparency are among the many promising signs as Tanzania moves towards greater political pluralism and stronger civil society.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOs) _____

BROAD-BASED ECONOMIC GROWTH:

MORE EFFECTIVE INFRASTRUCTURE SERVICES DELIVERED. Tanzania's entrepreneurs and farmers are weighed down in their efforts to succeed by dilapidated, under-financed and poorly managed public infrastructure, the result of a quarter century of centrally-planned socialist development. Tanzania has embraced market-based strategies, and USAID has initiated private sector solutions for infrastructure constraints in rural transportation and telecommunications. Targeted improvements for 1993 included a six-fold increase in the rural road mileage to be rehabilitated, and a 65% increase in government funding for such. These improvements are being addressed through policy reform, institutional strengthening, and the provision of foreign exchange for import financing. The emphasis is on demonstrating how specific public services may be viably provided by the private sector.

INCREASED FORMAL PRIVATE SECTOR PARTICIPATION IN THE ECONOMY. Tanzania's economy needs to grow rapidly to provide well-paying, productive jobs for a burgeoning rural population and the urban unemployed. This MSO directly addresses practical impediments to financial and business development, and the policy constraints which inhibit private sector growth. The policy dialogue has been expanded beyond the usual MSO parameters to include the effects of corruption, the indigenization debate, and the private ownership of land and homes. Financial sector reforms were targeted in 1993, with implementation concentrated through the private sector. USAID efforts include the provision of direct private business support services, and emphasize rebuilding of the newly privatized financial sector. USAID's long-term objective in protecting the environment targets eventual privatization of conservation and utilization of Tanzania's rich natural resources. Another goal is to strengthen the Government of Tanzania's (GOT's) capacity to manage its wildlife resources, through assisting the GOT Wildlife Division to prepare sector management plans, and to improve its information and evaluation systems.

STABILIZING POPULATION GROWTH:

INCREASED USE OF FAMILY PLANNING AND HIV/AIDS PREVENTIVE MEASURES. Tanzania's annual population growth rate of 2.8% continues to severely erode the hard-earned gross domestic product (GDP) gains of recent years. Population increases have already overwhelmed the GOT's capacity to maintain health and education services. Approximately 5% of the total population is HIV positive. The disease is currently affecting individuals during the most productive periods in their lives. USAID's objective is to lower fertility through increasing the contraceptive prevalence rate one percentage point each year, from a baseline of 7%. USAID will also focus on strategies to prevent the spread of AIDS and mitigate its effects, particularly on orphans, estimated to number in excess of 500,000 by the year 2000. The growing numbers of orphans threatens the traditional extended-family structure. Mobilizing participation and resources of the private sector and nongovernment organizations are key aims.

USAID MISSION RESULTS _____

BROAD-BASED ECONOMIC GROWTH:

MORE EFFECTIVE INFRASTRUCTURE SERVICES DELIVERED. USAID's rural roads program has reduced vehicle operating costs by 31%, more than doubled local business activity, increased farm income by 25% and improved access to health services and schools within the zones of influence for rehabilitated roads. The program has created a new private sector road construction industry, introduced a more transparent contracting system, led the GOT to establish a user-financed road fund that achieved double its current target in providing an increasing share of the resources needed for program sustainability, and exceeded by 10% the 1993 target for rehabilitated road mileage.

INCREASED FORMAL PRIVATE SECTOR PARTICIPATION IN THE ECONOMY. Assistance in restructuring the financial sector enhanced the technical and managerial skills of the Central Bank and increased its independence in 1993. In turn, the Central Bank prepared the groundwork for a private sector insurance industry, facilitated the opening of two new private commercial banks, and introduced a completely market-based foreign exchange system. USAID's newly established Business Services Center has been welcomed as a practical approach to resolving technical, marketing and capital problems

inhibiting private sector growth. USAID has also established Tanzania's first venture capital fund and a separate \$36,000,000 enterprise trust fund. Results under the target of opportunity to protect the environment have provided the first-ever management plans for four important groups: the live bird trade, crocodiles, ostriches, and rhinos, placing Tanzania on the list of countries that are ensuring conservation of endangered species.

STABILIZING POPULATION GROWTH:

INCREASED USE OF FAMILY PLANNING AND HIV/AIDS PREVENTIVE MEASURES. Technical assistance has provided Tanzania's Ministry of Health with its first reliable family planning (FP) database, facilitating improved management of the National FP Program. Once scarce, contraceptive commodities and equipment are now available nationwide allowing the FP effort to provide a variety of modern services. The demand for voluntary surgical contraception, introduced in 1989, has now outstripped the capacity of service providers. Contraceptive use is up sharply in clinics served by recently trained health attendants. Despite the relative newness of the AIDS project, the program is promoting condom use among high-risk groups, and condom supplies are more readily available throughout the country.

OTHER FY 1995 USAID-MANAGED ACTIVITIES

None.

OTHER DONORS

In 1992, the United States provided 2% of donor assistance; other major donors were the World Bank, the Economic Development Fund, the United Kingdom, Sweden, Norway and Japan.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST

USAID requests \$34,048,000 in Sustainable Development funds in FY 1995 to support broad-based economic growth (\$22,225,000), stabilizing population growth (\$6,900,000), building democracy (\$2,306,000), and protecting the environment (\$2,617,000).

USAID Mission Director: Dale P. Pfeiffer

TOGO **FY 1995 SUSTAINABLE DEVELOPMENT REQUEST: \$2,099,000**

Close-out of the Togo program is to occur during FY 1994 due to the deteriorating political situation, which in 1993 witnessed the seizure by the military of the interim parliament.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOs)_____

BROAD-BASED ECONOMIC GROWTH:

IMPROVED MATERNAL AND CHILD HEALTH STATUS ON A SUSTAINABLE BASIS. At present, all direct support to the government has been eliminated and two studies have been carried out to determine the possibility of working through private voluntary organizations (PVOs) in order to continue to provide essential child survival support and consolidate the gains made in health status of children and mothers over the past decade. The recent socio-political unrest has created even more economic hardships on a greater percentage of the population and has further heightened the lack of food security. USAID has been providing P.L. 480 Title II program support.

STRENGTHEN THE NATIONAL CREDIT UNION MOVEMENT. The recent political, social and economic crisis of Togo has been a window of opportunity for the credit union movement in Togo. Most of the credit unions remained open and functioning during the general strike, on a somewhat reduced scale. In rural areas, agriculture and other small economic activities continued at near normal levels. Rural groups and individual savers turned to credit unions for financial services. A project evaluation showed that credit union membership and savings have grown beyond the original projections.

STABILIZING POPULATION GROWTH:

REDUCE FERTILITY. Family planning and population is one of the most active sectors in Togo and USAID has played the leading role among donors in-country. USAID furnishes almost all of the contraceptives used in the country and coordinates its program through centrally funded projects and a local PVO.

USAID MISSION RESULTS_____

BROAD-BASED ECONOMIC GROWTH:

IMPROVED MATERNAL AND CHILD HEALTH STATUS ON A SUSTAINABLE BASIS. The infant mortality rate in Togo has been reduced dramatically since 1977 due to the increased resources and efforts invested in health care. However, the rate of infant mortality in rural areas (86.9) is still higher than in urban areas (72.8). The under five mortality rate has remained constant since 1985 and exhibits the same rural and urban tendencies. Due to an aggressive vaccination campaign, the incidence of measles has been greatly reduced.

STRENGTHEN THE NATIONAL CREDIT UNION MOVEMENT. According to a recent evaluation, credit union membership and savings have grown beyond the original projections. Rural savings increased by 400% and money loaned increased more than 300%. The number of credit unions grew by 62%. At present, there are 36,000 members of democratically run credit unions with a total savings of over \$12.5 million. Their importance to the informal and rural economies is irrefutable.

STABILIZING POPULATION GROWTH:

REDUCE FERTILITY. Preliminary figures indicate that contraceptive prevalence has more than doubled during the past five years, increasing from 3% in 1988 to 8% at present. USAID furnishes almost all of the contraceptives used in the country. However, the total fertility rate has remained essentially constant at 6.6 births per woman of reproductive age since 1961.

OTHER DONORS_____

In 1992, the United States provided 2.2% of the total donor funding. Other donors were France, Germany, International Development Assistance, and the European Community.

OTHER FY 1995 USAID-MANAGED ACTIVITIES_____

A P.L. 480 Title II program is proposed separately at \$2,527,000.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST_____

USAID requests \$2,099,000 in Sustainable Development funds in FY 1995 for broad-based economic growth (\$1,828,000) and stabilizing population growth (\$271,000).

Uganda has nearly completed its period of recovery and stabilization and is beginning the long-term process of real growth.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOs)_____

BROAD-BASED ECONOMIC GROWTH:

INCREASING RURAL MEN'S AND WOMEN'S INCOMES FROM AGRICULTURAL EXPORTS. USAID has focused on improving the enabling environment for non-traditional agricultural exports. USAID's strategy will continue to increase non-traditional exports, the value of which was \$37,700,000 in 1991, and is anticipated to reach close to \$100,000,000 by 1997. These contributions will have a positive impact on men's and women's incomes as the returns for leading non-traditional exports are expected to grow by 10% per year.

IMPROVING THE QUALITY AND EFFICIENCY OF BASIC EDUCATION. Uganda's education system is afflicted by limited access and falling quality. The percentage of students that completed primary school declined from 90% in 1981 to 35% in 1991. USAID is assisting the Government of Uganda (GOU) to deter this decline through a national Primary Education Reform Program. USAID's strategy is to increase student achievement levels by improving teachers' performance. Teachers' competence will be increased through in-service training. It is expected that the number of teachers who will receive in-service training will increase from 800 in 1993 to 9,000 in 1996. Teacher retention will be increased by improved teachers' terms and conditions of service. Teachers' ability to perform and students' ability to learn will be enhanced by increasing classroom availability of textbooks and teaching materials to a minimum of one set of textbooks for every three pupils. Enrollment, particularly by girls and orphans, will be increased by greater community participation in school management. It is expected that by 1996, 30% of the girls beginning primary school will enroll in their final year, an increase of 6% since 1990.

STABILIZING THE HEALTH STATUS OF UGANDANS. Ugandans' health is among the worst in Africa. One in five children dies before reaching his or her fifth birthday. Malaria, tuberculosis and acute respiratory infections are on the rise and the AIDS pandemic continues to hit Uganda harder than virtually anywhere else in the world. Stabilizing the health status of Ugandans is a daunting challenge given the expense of the interventions necessary to address the major diseases. USAID's efforts focus on AIDS and family planning. Nationwide, 14% of the adult population is infected with HIV. In Kampala, 25%-30% of pregnant women are sero-positive. As a result, pediatric AIDS is a growing problem contributing to a rising incidence of infant and child mortality. Reduced HIV prevalence will result from increasing condom use which was less than one million in 1992 and rose to over four million in 1996. This increase as well as the reduction of casual sexual partners will significantly reduce the incidence of other sexually transmitted diseases, which substantially also contributes to the possibility of contracting HIV.

STABILIZING POPULATION GROWTH:

Uganda has one of the highest population growth rates in the world. Only 2.5% of adult women in union are using any form of modern contraceptive. Family planning interventions will bring the total number of children a woman bears from 7.4 (1988) to 6.9 (1996).

PROTECTING THE ENVIRONMENT:

STABILIZING BIODIVERSITY IN TARGET AREAS. In Uganda, the linkages between communities and protected areas are numerous. USAID intends to find the balance between sustainable utilization and the conservation of natural resources. USAID's strategy includes working with private organizations to promote long-term sustainable use of protected areas. Ten areas are currently undergoing rehabilitation. The number of men and women employed by parks and reserves is expected to increase from zero in 1989 to 10,000 by 1996. The number of target parks and reserves offering community conservation education programs is expected to increase from two in 1992 to 10 by 1996.

USAID MISSION RESULTS_____

BROAD-BASED ECONOMIC GROWTH:

INCREASING RURAL MEN'S AND WOMEN'S INCOMES FROM AGRICULTURAL EXPORTS. Non-coffee exports were up for the first half of 1993 by approximately 50%. Rural incomes have improved; returns to rural producers' labor from major non-traditional agricultural exports increased at an average annual rate of about 30% between 1990 and 1992. The USAID non-traditional agricultural export program has yielded significant results in policy reform, including liberalization of the foreign exchange regime. Led by 9% growth in the agriculture sector, gross domestic product (GDP) growth in 1993 was 7%, up from 3% in 1992. The June 1993 inflation rate was zero after 66% inflation the previous year.

IMPROVING THE QUALITY AND EFFICIENCY OF BASIC EDUCATION. USAID's new education program has made tangible progress. Teachers' terms and conditions of service are improving. Teachers received real salary increases of 147% in FY 1993; a level four times greater than increases received by regular civil servants. The GOU has new policies for procuring textbooks that replace a closed system with free competition among private sector publishers, and for rewarding schools which boost quality and access especially for disadvantaged groups. These reforms lay the groundwork for sustainable improvements in education in Uganda.

STABILIZING THE HEALTH STATUS OF UGANDANS. Over 80% of the adult population in Uganda now understand that HIV is primarily sexually transmitted. USAID interventions have also leveraged behavior change. When surveyed six months after learning they were HIV-positive, 74% of women reported that they were abstaining from sex. An evaluation showed condom use among HIV-positive clients increased from 10% to 80% six months after entering the USAID HIV testing and counseling program. From 1992 to 1993, condom sales through the USAID social marketing program increased by 30% to 1,550,000. Distribution of free condoms also increased during the same period from 1,000,000 to 2,600,000. A new project started in 1993 will expand integrated services for family planning, AIDS prevention, HIV testing, and sexually transmitted disease treatment.

BUILDING DEMOCRACY:

ASSISTING UGANDA TO IMPLEMENT A DEMOCRATIC CONSTITUTION. A draft constitution has been published and elections for a constituent assembly to review and ratify it are scheduled for March 28, 1994. Approximately 85% of the eligible voters have registered. The African-American Institute is advising Uganda on the process of constitution ratification.

PROTECTING THE ENVIRONMENT:

STABILIZING BIODIVERSITY IN TARGET AREAS. Six new national parks have been created since 1992, spawning at least 630 new park system jobs. Ecotourism has increased significantly. People living in buffer zones have adopted improved conservation practices. Community participation has been incorporated into the park management and planning process as a result of the USAID program. This progress should be furthered by GOU adoption in 1994 of the new national environmental action policy.

OTHER FY 1995 USAID-MANAGED ACTIVITIES _____

None.

OTHER DONORS _____

In 1992, the United States provided 3.1% of all donor contributions to Uganda. Other major donors were the European Economic Community, the International Monetary Fund, the United Kingdom, and Denmark.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST _____

USAID requests \$37,220,000 in Sustainable Development funds in FY 1995 to provide incremental funding for activities in support of broad-based economic growth (\$29,038,000), stabilizing population growth (\$3,950,000), building democracy (\$905,000), and protecting the environment (\$3,327,000). P.L. 480 Title III resources totalling \$7,000,000 are requested separately.

USAID Mission Director: Keith W. Sherper

ZAMBIA **FY 1995 SUSTAINABLE DEVELOPMENT REQUEST: \$42,849,000**

USAID's program aims to support the new government's efforts to achieve a market-oriented economy with broad participation and sustainable improvements in general health status.

USAID MISSION SUSTAINABLE DEVELOPMENT GOALS AND STRATEGIC OBJECTIVES (MSOs) _____

BROAD-BASED ECONOMIC GROWTH:

STATE REMOVED FROM THE PROVISION OF PRIVATE GOODS AND SERVICES. The first steps in reviving private sector investment will be the abolition of inappropriate policies of the past and extraction of the state from what should be private markets. Parastatals currently dominate 80% of economic activity. USAID promotes economic restructuring through policy dialogue.

APPROPRIATE POLICIES, LAWS AND REGULATIONS PROMULGATED AND ENFORCED FOR INCREASED AGRICULTURAL PRODUCTION. Only 20% of Zambia's arable land resources are being utilized. To achieve a market-oriented agricultural economy with broad participation by large numbers of producers, the structure of incentives to increase production and marketing must become more positive and remunerative. USAID will assist the Government of Zambia in designing and implementing appropriate policies, laws and regulations.

IMPROVED HIV/AIDS/STD CONTROL PRACTICES BY HIGH-RISK GROUPS. The AIDS epidemic in Zambia is among the world's worst. USAID resources are directed to improved public health education, greater access to condoms, reduced HIV transmission through cost-effective, sexually-transmitted diseases (STD) treatment, and strengthened support for implementation of the National AIDS Prevention and Control Program.

STABILIZING POPULATION GROWTH:

INCREASED USE OF MODERN CONTRACEPTIVES. Zambia's population is growing at 3.2% annually. The 1992 Demographic and Health Survey indicates that knowledge of contraception is high, but only 15% of married women use any method, and only 9% use a modern one. The Government of Zambia adopted a population policy in 1989 which specifies the reduction of population growth to 2.5% by the year 2015, and a decline in total fertility from 7.2 births to 6.0 and 4.0 by the years 2000 and 2015 respectively. USAID assistance in this area began at the end of FY 1993. This assistance is targeted to increasing demand for, improving access to, and improving the quality of family planning services.

USAID MISSION RESULTS _____

BROAD-BASED ECONOMIC GROWTH:

STATE REMOVED FROM THE PROVISION OF PRIVATE GOODS AND SERVICES. Of the total 170 parastatal companies, an initial eight were privatized in 1993.

APPROPRIATE POLICIES, LAWS AND REGULATIONS PROMULGATED AND ENFORCED FOR INCREASED AGRICULTURAL PRODUCTION. Bumper grain crops were harvested in 1993. A significant increase in hectareage planted was a positive response by farmers to sectoral policy adjustments, but after 25 years of state control of marketing structures, the private sector was ill-prepared to move the crop from farm to market. USAID is supporting second-generation reforms and policy development to address constraints and prevent policy reversals.

IMPROVED HIV/AIDS/STD CONTROL PRACTICES BY HIGH RISK INDIVIDUALS. In FY 1992, The Morehouse School of Medicine was awarded a cooperative agreement to implement this activity. More than 4.2 million condoms were marketed in the first year of the social marketing campaign.

BUILDING DEMOCRACY:

IMPROVED DEMOCRATIC GOVERNANCE. President Chiluba's Movement for Multi-party Democracy assumed power in free and fair elections in late 1991. Constitutional reform is the basis on which the new government is guaranteeing basic human rights and democratic processes. Work in the areas of civic education, media law reform and cabinet office strengthening has begun, with satisfactory progress.

OTHER FY 1995 USAID-MANAGED ACTIVITIES

None.

OTHER DONORS

The United States, a relatively small contributor in terms of annual disbursement levels (approximately 6.86% of total assistance to Zambia), is a lead donor owing to in-country presence and high profile program composition. The World Bank, Japan, United Kingdom, and the European Economic Community are lead donors.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST

USAID requests \$42,849,000 in Sustainable Development funds in FY 1995 to provide incremental funding for activities in support of broad-based economic growth (\$32,904,000), stabilizing population growth (\$7,700,000), building democracy (\$500,000) and protecting the environment (\$1,745,000).

USAID Mission Director: Fred E. Winch

ZIMBABWE **FY 1995 SUSTAINABLE DEVELOPMENT REQUEST: \$29,806,000**

Since 1991, Zimbabwe has implemented an ambitious structural adjustment program. While the program has yielded positive changes in the macro-economic environment, it has not yet yielded significant supply side response or benefits. USAID is assisting Zimbabwe to obtain this response.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSIONS STRATEGIC OBJECTIVES (MSOs) _____

BROAD-BASED ECONOMIC GROWTH:

INCREASED HOUSEHOLD FOOD SECURITY IN COMMUNAL AREAS. Approximately, 35% of the population subsists on marginal lands unsuitable for traditional crop patterns. USAID is helping to maximize the productivity of the land, identify alternative income sources and ensure equal access to marketed food. USAID will increase the amount of food grain available to households, the amount of production retained for household consumption, and the amount of household food grain purchases, all to improve food security at the household level.

INCREASED BLACK OWNERSHIP AND INVESTMENT AT ALL LEVELS OF ZIMBABWE'S ECONOMY. Access to economic assets and economic empowerment has been disproportionately vested in the white population (1% of the total population) and Government itself. USAID will facilitate investment and economic growth and increase competition and efficiency by broadening access to economic assets, de-controlling the enabling environment, and improving infrastructure. USAID's program will lead to increased number of homes owned by black Zimbabweans, the number of homes owned by black women, the total of businesses owned by blacks, and the total of businesses owned by black women.

PROTECTING HUMAN HEALTH: DECREASED HIV HIGH RISK BEHAVIOR BY SELECTED OCCUPATIONAL GROUPS. USAID is utilizing work place interventions to target those people most at risk of getting or spreading AIDS.

STABILIZING POPULATION GROWTH:

SUSTAINABLE DECREASE IN TOTAL FERTILITY RATE. In spite of significant progress in increasing contraceptive prevalence, fertility rates remain high due to the high reliance on oral contraception. USAID will promote a broader range of contraceptive use and sustainable financing of the family planning delivery system.

PROTECTING THE ENVIRONMENT:

INCREASED HOUSEHOLD INCOME GENERATED BY COMMUNITY-BASED NATURAL RESOURCES MANAGEMENT ACTIVITIES. USAID is expanding activities to promote environmentally sustainable methods of conserving and utilizing the natural resources available to communities living in the drought-prone zones.

USAID MISSION RESULTS _____

BROAD-BASED ECONOMIC GROWTH:

INCREASED HOUSEHOLD FOOD SECURITY IN COMMUNAL AREAS. As a result of technical support provided by USAID and Government policy reform measures significant progress has been made in liberalizing grain marketing. The Grain Marketing Board is now autonomous. The majority of movement restrictions and the monopoly on the grain trade have been eliminated. The commercial maize production subsidy has been abolished, allowing the entry of black small-scale maize traders and hammermills. This has led to consumer maize price declines as competition by the new small mills has increased.

INCREASED BLACK OWNERSHIP AND INVESTMENT AT ALL LEVELS OF ZIMBABWE'S ECONOMY. Two years into its Economic Structural Adjustment Program, the Government of Zimbabwe has taken significant steps to correct imbalances in the economy. With regard to domestic de-regulation, USAID assistance in the housing finance section has resulted in low cost housing ownership becoming more accessible and affordable: the minimum plot size for low-income housing was halved, the excessive standard for a minimum house was reduced, and road and school size standards were altered to decrease the cost of housing for the potential low income homeowner.

DECREASED HIV HIGH RISK BEHAVIOR BY SELECTED OCCUPATIONAL GROUPS. A recent survey confirmed an increase from 18% to 80% in condom use among clients of prostitutes over a 3-year period. Urban blood transfusion centers with increased capacity are now testing for AIDS. Selected drama groups are now able to present HIV/AIDS information to target populations.

STABILIZING POPULATION GROWTH:

SUSTAINABLE DECREASE IN FERTILITY. USAID assistance has supported a fairly comprehensive family planning program, that has achieved significant results including a 43% contraceptive prevalence rate, a 30% increase in laparotomies performed in 1993; Norplant trials undertaken by a pool of volunteers and Depo-Provera, long proscribed in Zimbabwe, was introduced on the local market.

PROTECTING THE ENVIRONMENT:

INCREASED HOUSEHOLD INCOME GENERATED BY COMMUNITY-BASED NATURAL RESOURCES MANAGEMENT ACTIVITIES. USAID's strategy to transform wildlife from a livestock-raiding liability to a productive asset has led to community-based natural resources management activities providing an important source of income to participants in the pilot program, or about one-eighth of the population in communal areas. Per-capita caloric intake has increased and the area is more food-secure.

OTHER FY 1995 USAID-MANAGED ACTIVITIES _____

None.

OTHER DONORS _____

In 1992, the United States was the largest donor, providing almost 11.5% of all donor contributions. Other major donors were the International Monetary Fund, United Kingdom, World Bank, and Sweden.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST _____

USAID requests \$29,806,000 in Sustainable Development funds in FY 1995 for supporting broad-based economic growth (\$16,816,000), stabilizing population growth (\$8,100,000), building democracy (\$110,000), and protecting the environment (\$4,780,000).

USAID Mission Director: Ted D. Morse

AFRICA REGIONAL PROGRAM **FY 1995 REQUEST: \$143,724,000**
FY 1995 SUSTAINABLE DEVELOPMENT REQUEST: \$123,724,000
FY 1995 BUILDING DEMOCRACY REQUEST: \$20,000,000

Africa Regional Programs undertake research and analysis for the development of Africa-specific strategies and policies, support regional institutions and innovative new programs, provide resources to monitor program impact, and assist a wide array of countries and field Missions with technical services, training and skill transfers. While diverse in nature, these activities have in common their consistency with USAID goals and objectives in Africa, as well as their support of USAID mission programs.

A great proportion of these activities directly support individual USAID country programs. That is, funding will be used in conjunction with specific USAID mission portfolios to further overall USAID program goals. This includes activities such as training, democracy-building assistance, child survival, family planning support, the African Economic Policy Reform Program, and private enterprise development. The remainder of Africa Regional Program activities promote the achievement of USAID and Africa Bureau goals across the board. Both types of activities clearly have had a positive impact on USAID assistance.

The major goals of the Africa Regional Programs follow.

IMPROVING THE EFFICIENCY OF DEVELOPMENT POLICIES, PROGRAMS AND RESOURCE ALLOCATION THROUGH REGION-SPECIFIC RESEARCH, ANALYSIS AND INFORMATION DISSEMINATION:

The objective of research and capacity building is to increase the effective use of analysis and research by those individuals and institutions responsible for deciding upon public and private resource allocation in health care, child survival, family planning, basic education, agriculture, the environment and natural resource management, and management of the overall economy. These activities contribute significantly to the four USAID goals -- broad-based economic growth, stabilizing population growth, protecting the environment, and building democracy. To date, results have been significant.

For example, the Regional Programs have influenced policy on HIV/AIDS by identifying the extent of this disease's socioeconomic impact on African communities. Regional Programs have also supported the United Nations Children's Fund's response to falling immunization rates affecting children in specific regions of Africa, and has helped persuade the Ugandan government to institute a nutrition policy. To ensure the success basic education programs in Africa, Regional Programs have identified critical policy changes which USAID missions have incorporated into country assistance programs. Further, Regional Programs have engaged African institutions in promoting a range of policy changes in family planning, education and health.

Regional Programs have also made major contributions to USAID's economic growth and environment strategies in Africa, as well as to food security objectives. Agriculture remains the engine of growth in most African countries, and regional research and analysis has improved agricultural productivity, the efficiency of markets and food security. Regional studies, for example, have demonstrated high payoffs from investments in agricultural research, radically changing the conventional wisdom that such investments have not been paying off; resulting regional project support to new food crop varieties are increasing farmers' yields in many countries. One activity contributed to increasing potato production in east and central Africa by an estimated amount of \$54 million, a 91% rate of return on the investment. Regional activities also support environmental protection, specifically wildlife and biodiversity, tropical forests, and soil and water conservation. Under one activity, over 350 managers of national parks have been trained to better protect Africa's unique wildlife. As a result of these regional activities, food production is up in some countries, markets for agricultural inputs and outputs are becoming more competitive, the private sector is increasing its investments and there is a growing awareness and willingness to adopt improved natural resource management practices in Africa.

Regional Program research and analysis has been incorporated into bilateral projects designed to open trade regimes and foreign exchange markets; decontrol prices and liberalize markets; improve the efficiency of resource use; and diminish the role of the state in African economies. These are all key aspects of USAID's economic growth strategy. Regional Programs have also increased the capacity of African economists and institutions to do policy-relevant research; disseminated state-of-the-art information on economic development; and established an empirical basis for refuting the claims of critics that structural adjustment has had a devastating effect on Africa's poor. Instead, research has enabled governments to identify affected groups and take appropriate measures to cushion the impact of adjustment.

PROMOTING CONTACT AND COORDINATION WITH AND SUPPORT TO PRIVATE SECTOR ENTITIES, INCLUDING PRIVATE VOLUNTARY ORGANIZATIONS, OPERATING IN AFRICA:

Regional Programs fund private sector initiatives that promote policy, legal and regulatory reforms; strengthen leadership and technical capabilities; provide formal and non-formal education and training; and support participation of U.S. and African nongovernmental organizations, including women's groups, in policy formation and change.

To achieve this objective -- which supports the Agency goal of promoting broad-based economic growth -- private sector assessments have been carried out in Senegal, Zambia, and South Africa. Regional Programs have also promoted agribusiness activities in a variety of countries, resulting in employment for 350,000 herders and growers. Regional Programs have provided public and private sector training for individuals from many African countries which has increased the number of trained individuals available in areas critical to their countries' growth and development, and identified U.S. private sector investment opportunities in Tanzania, Ghana and South Africa. Support for these and similar activities is to be continued.

Regional Program-funded activities have resulted in the upgrading of capital and managerial expertise for businesses ranging from small, informal sector microenterprises to large businesses seeking international markets. Regional Programs have also assisted governments in divestiture of state-owned enterprises, leading to increased competition, reduction in public subsidies, and expansion of the private sector.

SUPPORTING TARGETED DEMOCRACY AND GOVERNANCE INITIATIVES:

Regional Program activities promote democracy and good governance in several ways. The capacity of such USAID missions as Ghana, Mali and Tanzania to consult with Africans in strategy development has been expanded. Support for human rights, legal reforms, or the administration of justice has been provided in more than 35 countries. Niger, Madagascar and Senegal have been assisted in organizing and conducting free and fair elections, and in meeting problems of the post-election consolidation period. The empowerment of local communities and groups has improved implementation of regulatory and institutional reforms, notably forestry codes and community land tenure. Finally, Regional Programs have helped host countries deal with the problems of sustaining economic, social and political relationships after they are achieved. This type of support for strengthening democracy and improving governance in Africa will be continued.

RESOLVING ISSUES REQUIRING COORDINATED RESPONSES ACROSS NATIONAL BOUNDARIES:

A number of Africa Regional activities address transnational problems, varying from health and population to desertification, tropical forests and famine:

Regional Programs participation in the multi-donor Onchocerciasis Control Program has contributed to a significant reduction both in the number of cases of river blindness and of foci for this crippling infection in Central and West Africa. Regional Programs have also supported UNICEF in increasing the numbers of children immunized against diseases such as smallpox and measles and in reducing the incidence and spread of these diseases.

Through the Regional Program-supported Famine Early Warning System (FEWS), USAID is making important and timely contributions to famine risk prediction, thus enhancing early response capability of threatened countries and donors and potentially reducing famine impact. (The early warning system now in place provided the earliest alert on last year's locust outbreak in the Sahel.) This activity also enhances the ability of USAID missions to plan strategies which reduce the longer-run threats of famine, helping decision-makers identify the costs associated with governmental interference with markets and indicating alternative ways for governments to respond should famine threats develop.

Regional Programs will also continue efforts to provide immediate and long-term support for managing outbreaks of migratory and endemic pests (e.g., locusts, grasshoppers, rats, gerbils, and armyworms). In addition to existing modes of assistance, Regional Programs are exploring alternative control tactics that are increasingly cost-effective and reduce adverse environmental impacts. Averting these economically destabilizing and potentially disastrous pest outbreaks serves to protect USAID's longer-term investment in promoting growth across many sectors. Further, averting catastrophic pest outbreaks, by reducing the threat of famine, will help to empower African countries economically.

The Congo Basin is the world's second largest lowland tropical forest, a unique watershed of local, regional and global significance. USAID's knowledge about the extent of the forest and the rate and cause of its exploitation is limited; its global importance, in terms of biodiversity and climate change relative to other regions, is not fully understood. To address this unique problem, the Africa Bureau is proposing a new, long-term activity, the "Central African Regional Program for the Environment." This activity will provide USAID with the technical support, planning and global perspective which will be needed to take a leadership role and provide coordination with the donor community in promoting the sustainable use of the forest resources in central Africa.

OTHER ACTIVITIES SUPPORTED THROUGH THE AFRICA REGIONAL PROGRAM:

AFRICAN ECONOMIC POLICY REFORM PROGRAM. Between 1985 and 1993, USAID funded 34 economic policy reform programs in 23 African countries. These programs helped bring about critical policy changes in important sectors, combining technical assistance, studies, dollars and local currencies in a coherent package, with dollar disbursements linked to the satisfaction of specific conditions. Recent achievements of this program include:

- The Mali Policy Reform Program has reduced many regulatory constraints confronting the Malian private sector. Prices were decontrolled; a number of business taxes were lowered; a new commercial code was introduced; and restrictions on import and export trade were relaxed. These reforms liberalized the economy and have facilitated private sector development.
- As a result of the Tanzania Agricultural Transport program, the Government of Tanzania has: increased the national budget allocated to the transport sector; awarded road rehabilitation contracts competitively to private sector or parastatal firms without preference; and continued to increase the priority and extent of rural roads. Further, the capacity of the Tanzanian private sector to design and rehabilitate rural roads has increased, and the country's trucking capacity has increased as a result of importing trucks and spare parts. Overall, the rural population with access to markets has nearly doubled, greatly to the benefit of the national economy.

SMALL COUNTRY PROGRAM. USAID has made it a policy to concentrate assistance in countries where it is most likely to have the greatest development impact. Certain small countries with special needs in priority areas such as agriculture and natural resources management, enterprise development and training receive limited assistance without direct-hire staff presence. These programs are managed regionally or from Washington and implemented by various intermediaries. Countries served by this program include the Comoros, Congo, Sao Tome and Principe, and Sierra Leone. Some bilateral programs which are being phased out will continue to receive limited assistance and oversight from Regional Programs until actually terminated.

OTHER ACTIVITIES. Finally, regional programs support the institutionalization of family planning goals in Africa through the Center for Family Studies; contribute to strengthen the African Development Bank, particularly in the areas of the environment, private sector and women in development; and provide support to USAID missions for strategy and project development, evaluations and special studies. Also included is substantial development assistance to several small African countries (such as Comoros, Djibouti, Equatorial Guinea, and Sierra Leone). Sustainable Development Assistance funds are used to support selected small indigenous activities through the Ambassadors' Special Self-Help Funds; small scale democracy and governance efforts through the Democracy and Human Rights Fund; and participation in the USAID-wide support for Peace Corps efforts.

In sum, the Africa Bureau's Regional Program provide an efficient, cost-effective way to support activities that address a variety of critical needs directly related to Agency and regional sustainable development goals without requiring a large staff presence in the field.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST

USAID requests \$123,724,000 in Sustainable Development funds in FY 1995 for Regional Programs for activities in support of broad-based economic growth (\$60,716,000), stabilizing population growth (\$17,676,000), building democracy (\$31,435,000), and protecting the environment (\$13,897,000). In addition \$20,000,000 is requested in Building Democracy funds for regional electoral assistance.

SOUTHERN AFRICA REGIONAL PROGRAM

..... FY 1995 SUSTAINABLE DEVELOPMENT REQUEST: \$4,872,000

The USAID Southern Africa Regional Program (SARP) supports regional efforts to achieve economic growth through human resource development, infrastructural improvements in transportation and telecommunications, agricultural research and food security, private sector development, and natural resource management. Additionally, SARP is supporting activities which stimulate open, democratic discussions of future development options for the region.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOs) _____

BROAD-BASED ECONOMIC GROWTH:

IMPROVE THE PHYSICAL TRANSPORT INFRASTRUCTURE NEEDED BY PRODUCERS TO ACCESS NEW AND EXPANDING MARKETS AND ENHANCE MANAGEMENT AND EFFICIENCY OF SUCH INFRASTRUCTURE. Sound infrastructure is a necessary ingredient for sustainable economic growth in the region. Seventy percent of SARP funds have been dedicated to transport and infrastructure projects. SARP's historic focus has been to increase the capacity and operational efficiency of the regional transport outlets. Now that the region's backbone transport system is largely in place, the focus is shifting from investment in capacity to improvements in efficiency to promote competitive costing of transport in the region and improved reliability. Efficiency activities now are encompassing telecommunications.

INCREASE THE POTENTIAL FOR SUSTAINABLE FOOD SECURITY. Twenty-two percent of the SARP budget has financed food, agriculture and natural resources projects. SARP supports efforts to overcome transitional threats to environmental degradation through agricultural research to address food security in drought-prone areas and community-based natural resources management, and to demonstrate that natural resources utilization can be a viable alternative to traditional land use in agriculturally marginal areas. In food security, the emphasis is on dissemination and on-farm utilization of research technologies development.

SUPPORT ECONOMIC POLICY REFORM TO FACILITATE TRADE AND BUSINESS DEVELOPMENT. Southern Africans recognize that exports and investment are critical to their economic futures. SARP is promoting trade liberalization and entrepreneurship development for export promotion and economic growth in the region.

BUILDING DEMOCRACY:

SUPPORT DISCUSSION OF FUTURE DEVELOPMENT OPTIONS FOR THE REGION. With the emergence of democratic pluralism, a renewed respect for human rights and demands for better governance are accompanying dramatic economic changes in the region. SARP is supporting regional dialogue on these topics.

A NEW INITIATIVE:

USAID will undertake a significant new initiative in southern Africa. The imminent transition to majority rule in South Africa offers prospects for overall growth and development in the entire southern Africa region. Efforts are underway to restructure regional relations to promote sustained economic growth and mutually beneficial cooperation among various countries. Guided by African input and in close collaboration with other donors, USAID will undertake programs to foster sustainable development of market economies and democratic institutions.

USAID MISSION RESULTS _____

BROAD-BASED ECONOMIC GROWTH:

IMPROVE THE PHYSICAL TRANSPORT INFRASTRUCTURE NEEDED BY PRODUCERS TO ACCESS TO NEW AND EXPANDING MARKETS AND ENHANCE MANAGEMENT AND EFFICIENCY OF SUCH INFRASTRUCTURE. Rail projects have been carried out in Zimbabwe, Swaziland, Malawi, Mozambique and Zambia. Considerable progress has been achieved. The region's backbone transportation system is largely in place. Beira Corridor traffic (connecting Zimbabwe to the Indian Ocean off Mozambique), excluding petroleum, increased 31% from 1989 to 1990; shipping of SADC overseas trade by rail through ports of South Africa dropped from 75% in 1987 to 53% in 1993, rendering transport more efficient.

INCREASE THE POTENTIAL FOR SUSTAINABLE FOOD SECURITY. The impact has been notable. Improved drought-resistant varieties of sorghum and millet have been developed. Dissemination of these new seed varieties enabled 50,000 farm households, ravaged by drought, to grow these new varieties to meet their household food needs. Participation in natural resources management utilization schemes has exploded in the region -- from 8,700 to 51,000 from 1989-1993 in Zimbabwe alone, while yielding additional income for household participants while conserving wildlife.

SUPPORT ECONOMIC POLICY REFORM INITIATIVES TO FACILITATE TRADE AND BUSINESS DEVELOPMENT. SARP has recently started a regional transport efficiency initiative to stimulate trade and investment in the region. USAID's support for UNCTAD has promoted trade facilitation through greater standardization of shipping documentation required for cross-border trade.

BUILDING DEMOCRACY:

SUPPORT DISCUSSION OF FUTURE DEVELOPMENT OPTIONS FOR THE REGION, IN LIGHT OF CHANGING ECONOMIC AND POLITICAL REALITIES. USAID is responding to multiple requests to facilitate regional dialogue, study SADC relations with the Common Market for East and Southern Africa, and examine post-apartheid South Africa and southern Africa community relations. Regional dialogue is soliciting and garnering the views of southern Africans on effective means to stimulate and achieve sustainable, regional, broad-based, economic growth and development. As activities under this objective were just initiated, no results can be reported.

OTHER FY 1995 USAID-MANAGED ACTIVITIES _____

None.

OTHER DONORS _____

Other donors who have historically supported regional approaches in southern Africa are the European Community, Canada, Sweden, Germany, United Kingdom, and Norway.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST _____

USAID requests \$4,872,000 in Sustainable Development funds in FY 1995 to support broad-based economic growth (\$4,340,000) and to protect the environment (\$532,000).

USAID Mission Director: Ted D. Morse

ASIA AND THE NEAR EAST

**Margaret Carpenter
Assistant Administrator
Bureau for Asia and the Near East**

ASIA AND NEAR EAST FY 1995 SUSTAINABLE DEVELOPMENT REQUEST: \$401,623,000
FY 1995 BUILDING DEMOCRACY REQUEST: \$24,546,000
FY 1995 PROMOTING PEACE REQUEST: \$2,127,200,000

INTRODUCTION

The developing countries of Asia and the Near East are the locus of most of the poverty in the Third World, and also most of its economic dynamism. Spanning well over half the globe, the region's countries exhibit enormous diversity in size, economic performance, governance, social indicators, language, culture, religion, and natural resource endowment. There are also major inequities, within and between countries, in popular access to the building blocks of sustainable development, by gender, ethnicity, and income.

USAID's sustainable development goals in the region are grouped under broad-based economic growth, stabilizing population growth, building democracy, and protecting the environment. In order to maximize our development impact, some two-thirds of the sustainable development resources requested for bilateral programs are planned for four country programs: Bangladesh, India, Indonesia, and the Philippines.

BROAD-BASED ECONOMIC GROWTH

After years of human and capital investment by USAID, programs promoting economic growth in Asia and the Near East are having substantial and tangible impact on the lives of many of the region's poor. USAID and other donor policy advice and technical and financial assistance have helped Bangladesh, which had been considered a "basket case" when the nation was formed, to achieve rice self-sufficiency in 1993. Rural income in one Nepal project area increased five-fold from 1979-1989, and is expected to have doubled again in 1994. USAID and other donor policy efforts in Indonesia supported economic growth of 6.3% in 1993. A Sri Lanka program helped create 1,350 small enterprise jobs and 7,500 medium and larger enterprise jobs in target areas. Past activities in Lebanon focussed on rehabilitation and reconstruction. With the end of civil strife, and on-going political and economic stability, U.S. private voluntary organizations and Lebanese non-governmental organizations are assisting local communities to expand community-level reconstruction efforts. USAID will provide technical assistance and training in public administration to increase public sector efficiency and attract Lebanese and foreign investment. USAID assistance has helped Morocco, among other things, to diversify its exports and increase Moroccan exports to non-traditional markets.

STABILIZING POPULATION GROWTH

Most of the world's population growth takes place in the Asia and Near East region. Nonetheless, significant progress in stabilizing population has been made in the region. In Indonesia, a major worldwide success story, the fertility rate declined from 5.6 to 3.1 between 1971 and 1991; contraceptive use among married women of reproductive age went from one-tenth to nearly one-half; and infant mortality was cut nearly in half. In Bangladesh, where half of program funding for family planning and maternal and child health, the average number of births per mother has dropped from 7.0 to 4.2 since 1970, and infant deaths dropped from 200 to 87/1,000 between 1970 and 1993. A new project in India's largest state is working with indigenous nongovernmental organizations using social marketing techniques to reduce fertility by doubling the use of modern contraception over a ten-year period. In the Philippines, contraceptive prevalence has increased from 20% to 25% between 1988 and 1993, and delivery of child survival services has increased dramatically, with immunization rates increasing from 65% in 1989 to 90% in 1993. USAID assistance in Egypt has contributed to a 26% decline in total fertility rates, from 5.3 in 1979 to 3.9 in 1992. USAID and other donor assistance has supported an even more dramatic 52% decline in Egyptian infant mortality rates from 1983 to 1992. In Jordan, a national birth spacing plan, developed by the National Population Commission with USAID

funding, was recently approved by the government. USAID assistance has reached the grassroots level and is helping 270 pharmacies to provide family planning devices to couples in their neighborhoods. USAID, as the principal donor supporting family planning activities in Morocco, has contributed to a 32% decline in the total fertility rate, from 5.9 in 1979 to 4.2 in 1992. Over the same time frame, the infant mortality rate declined from an estimated 89 deaths per 1,000 live births to 57, and contraceptive prevalence has increased from approximately 19% to 41.5%. USAID was one of the principal donors to alert Yemen to its impending population crisis and to encourage it to develop and implement a population strategy and action plan.

BUILDING DEMOCRACY

The burgeoning populations in the Asia and Near East region are placing greater demands on their governments. The demands are for increased government accountability and transparency, greater citizen participation in national and local development, increased respect for the rule of law and human rights, especially among women and minority groups, and regular elections to enforce accountability. USAID's democracy program seeks to promote and strengthen democratic institutions and processes in the region. Programs supporting fiscal decentralization in the Philippines have resulted in internal revenue allotments to local governments increasing seven-fold from 1989 to 1993 and Private Voluntary Organization (PVO) representation on local government planning boards. In Mongolia, Nepal, Bangladesh, and Cambodia, political institutions including political parties, parliamentary staff, and the legal system, have received training in how to function in support of operational democracy. Innovative programs in clinical legal services and mediation and arbitration have been supported, as well as traditional electoral assistance. A number of the region's countries have had their first successful (i.e. relatively peaceful and honest) democratic elections in recent years; USAID has provided electoral assistance to several. USAID institutional support to increase the capacity of the parliaments in Yemen, Egypt, Jordan, Tunisia and Lebanon is resulting in their becoming a focal point for political reform. Assistance to enhance the capacity of trade unions has enabled them to participate effectively in the formulation of national policies and to represent workers' interests.

PROTECTING THE ENVIRONMENT

USAID's largest environmental program in the region, the United States Asia Environmental Partnership, is a unique regionally funded partnership initiative. It brings together Asian and American national and local governments, nongovernmental organizations and industries to leverage public and private sector resources, bringing U.S. environmental experience, practice, and technology to bear on Asian environmental problems. Bilateral programs have supported biodiversity and clean energy technologies in India, a logging ban and forest management plans and organizations in the Philippines, initiated a program (with the World Bank) to train 800,000 Indonesian farmers in pest control techniques without pesticides, and supported Sri Lankan environmental impact assessments, environmental licensing and auditing programs, public and private sector professional training, and participatory systems of farmer irrigation management. Regional activities in the Near East emphasize capacity building of regional nongovernmental organizations (NGOs) and expanding networks with national NGOs, private sector environmental improvement efforts (pollution prevention), water quality management, public sector environmental policy and environmental awareness. In the area of water, regional activities will promote optimal water management strategies, water use efficiency, health and environment, and policies in those countries facing serious water shortages.

PROMOTING DEMOCRACY

USAID's economic assistance to democracy will promote and strengthen institutions and processes that provide the essential support for the development of stable democracies. Regional activities address humanitarian needs, help rebuild infrastructure, support development of open market economies, and support skills training.

PROMOTING PEACE

Assistance to promoting peace allocates resources to the continuing efforts for security and stability in the Near East region and to the 1987 South Pacific Tuna Treaty. Activities address constraints facing the countries which impeded their continued stability and growth.

MANAGEMENT CHALLENGES AND ISSUES

Declining program and personnel resources have obliged USAID increasingly to concentrate and focus its sustainable development programs and overseas presence in Asia and the Near East. Consequently, the Afghanistan program will be terminated with no new program funding allocated in FY 1994. The South Pacific Regional Program will also be terminated in FY 1994 due to the relatively high per capita income of the 10 countries encompassing the region. Policy reform efforts undertaken by Thailand and Tunisia over the years have resulted in sustainable economic growth, permitting the graduation of these USAID country programs in FY 1995.

At the same time, over the past year, most of the country programs in Asia and the Near East have been undergoing major strategic planning exercises, whereby strategic objectives are carefully examined, and permitted to continue only where clear indicators of program impact and goal achievement can be identified and documented. This ongoing planning process is resulting in a more limited number of program objectives and should lead to more concrete evidence of accomplishment.

Organizationally, decreasing staff resources have led to a decision to establish a regional technical support office in Thailand. This office provides cost-effective support for our programs in Mongolia and Cambodia. This office may provide some support for global programs in the region as well as for evolving programs in Indo-China which may require short or longer-term support.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST

In FY 1995, USAID requests \$401,623,000 in Sustainable Development funds for Asia and Near East country programs, in support of broad-based economic growth (\$129,112,000), stabilizing population growth (\$168,285,000), building democracy (\$23,500,000), and protecting the environment (\$80,726,000). In addition, \$120,406,000 of P.L. 480 Title II resources and \$60,000,000 of P.L. 480 Title III resources will support economic growth objectives in FY 1995 in the Asia and Near East region. The Administration also requests \$2,127,200,000 of Promoting Peace funds to assist countries that support the Middle East peace process.

U.S. assistance to Bangladesh goes to both public and private organizations to help poor people escape poverty, to slow down population growth and to strengthen democratic institutions.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOs)_____

STABILIZING POPULATION GROWTH: REDUCE FERTILITY AND INFANT CHILD AND MATERNAL MORTALITY. USAID is a major partner in Bangladesh's family planning program. Diarrhea, dehydration and communicable diseases are widespread and cause death of infants, children and adults. Both private and public sector capabilities in family planning and basic health services need to be strengthened.

BROAD-BASED ECONOMIC GROWTH: INCREASE PRODUCTIVITY AND COMPETITIVENESS IN AGRICULTURE, FINANCIAL AND INDUSTRIAL SECTORS AND INCREASE THE CAPACITY OF THE POOR TO PARTICIPATE IN AND BENEFIT FROM A PRODUCTIVE ECONOMY. Economic growth of 6% is needed to encourage a pattern of sustainable economic growth based on efficient use of resources and thereby to increase the proportion of Bangladesh's people escaping poverty. Strengthened free markets in agriculture, finance and industry are needed. Technological and production gains must be made through agribusiness and small enterprise credit projects. Illiteracy, malnutrition and poor health affect the majority of Bangladesh's population, as do disastrous floods and cyclones. By increasing the effectiveness of public investment in human capital and expanding environmentally sound rural infrastructure, USAID expects to improve the government's ability to improve conditions of illiteracy, malnutrition and poor health.

BUILDING DEMOCRACY: INCREASE ACCOUNTABILITY OF DEMOCRATIC GOVERNMENT. In 1991, Bangladesh returned to multi-party democracy. Systems in place are fragile. USAID helps to render both the government's budgetary and parliamentary processes more effective and accountable.

USAID MISSION RESULTS_____

STABILIZING POPULATION GROWTH: REDUCE FERTILITY AND INFANT AND CHILD MORTALITY. USAID has worked closely for over 20 years with BDG and other donors to forge effective family planning and health policy. About half of USAID's program is for voluntary family planning and maternal and child health measures. Yearly population growth is 2.3%, down from 3.0% in 1970. The average number of births per mother dropped from 7.0 to 4.2 since 1970. Infant deaths declined from 200/1,000 in 1970 to 87/1,000 in 1993, significantly due to oral rehydration therapy and vaccinations.

BROAD-BASED ECONOMIC GROWTH: INCREASE PRODUCTIVITY AND COMPETITIVENESS IN AGRICULTURE, FINANCIAL AND INDUSTRIAL SECTORS AND INCREASE THE CAPACITY OF THE POOR TO PARTICIPATE IN AND BENEFIT FROM A PRODUCTIVE ECONOMY. USAID has provided policy advisors, fertilizer and training for Bangladesh businessmen, bankers and farmers in a long-term program to bring about sustained change. Fertilizer distribution was privatized. More fertilizer is available to farmers at lower costs; their improved productivity helped Bangladesh become self-sufficient in rice in 1993. With increased production, rice prices dropped, benefitting poor consumers. Removal of fertilizer subsidies saves the BDG \$140 million each year. In over ten years of USAID-funding of equipment and technical assistance from the U.S. National Rural Electric Cooperatives Association, 48,000 kilometers of lines serve 750,000 families and businesses; greater access to electricity has led to increased rural incomes and agricultural production through pump irrigation. Using P.L. 480 Title II wheat in food-for-work programs, USAID rehabilitated 60,000 miles of rural roads and built over 1,000 bridges. Better information systems about food deficits help the Bangladesh government to better target public investments to poor people.

BUILDING DEMOCRACY: INCREASE ACCOUNTABILITY OF DEMOCRATIC GOVERNMENT. USAID makes grants of \$250,000 or less to U.S. and Bangladesh nongovernmental organizations (NGOs), such as The Asia Foundation, to strengthen democratic institutions. Members of Parliament receive policy research and legislative drafting support from NGO. Media coverage of policy issues is improving. Legal rights education and greater reliance on mediation and arbitration help to strengthen links between citizens and government.

OTHER FY 1995 USAID-MANAGED ACTIVITIES_____

P.L. 480 Title II request of \$16,880,000 generates employment and promotes basic human services.

OTHER DONORS_____

In 1992, the United States was the second bilateral donors (12% of such aid) and fifth among all donors (6% of total aid).

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST_____

USAID requests \$55,624,000 in FY 1995 Sustainable Development funds to provide funding to broad-based economic growth (\$15,922,000), stabilizing population growth (\$36,300,000), building democracy (\$719,000), and protecting the environment (\$2,683,000). The Administration also requests \$40,000,000 in P.L. 480 Title III food aid.

The United States' interest in Cambodia is to support the transition to democracy and the establishment of a peaceful, democratic, market-oriented government. Our assistance reinforces the U.S. commitment to this transition so that the benefits of democracy will continue to accrue to all of Cambodia's citizens.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOs)_____

BROAD-BASED ECONOMIC GROWTH: STRENGTHEN THE INSTITUTIONAL CAPACITY OF GOVERNMENT SECTOR TO MANAGE AND IMPLEMENT CAMBODIA'S TRANSITION TO A FREE MARKET ECONOMY. Cambodia's physical infrastructure and human resources have been severely depleted by years of war. The Government of Cambodia is newly installed and in need of significant assistance in developing analytical capacity and decision-making mechanisms to establish systems for management of government. USAID aims to strengthen capacity in management of fiscal and monetary policy; the provision of basic services; the upgrading of professional, management, and technical skills; the rehabilitation of national highways and rural roads; and the reduction of land mines.

BUILDING DEMOCRACY: STRENGTHEN THE CAPACITY OF PUBLIC AND PRIVATE INSTITUTIONS TO FACILITATE THE TRANSITION TO A DEMOCRATIC SOCIETY. As a follow-on to the significant progress which Cambodia has made in laying the foundation for a democratic society, there is now a need for assistance in establishing mechanisms for governance. The elected constituent assembly has written and approved the Cambodian constitution and now needs help in setting up systems for developing operating systems and procedures; USAID assistance will work closely with the legislature in establishing systems for governance. USAID also aims to strengthen capacity in the legal services sector, independent media, and human rights organizations, and to continue assistance to democratic political parties.

STABILIZING POPULATION GROWTH: STRENGTHEN THE CAPACITY OF PUBLIC AND NONGOVERNMENTAL ORGANIZATIONS TO PROVIDE SUSTAINABLE FAMILY SERVICES. The country's infant mortality rate and the rate of maternal deaths at birth are both extremely high and 25% of the population is under the age of four. USAID's program will strengthen the capacity of the government and nongovernmental organizations (NGOs) to provide sustainable family health services and to improve the health of Cambodian women through greater access to and use of reproductive health and child spacing services. USAID will support programs to improve quality and accessibility of services and work to rationalize NGO services within the national service delivery structures. In addition USAID will assist the government in establishing national population policy. Specific targets will be established in 1994. USAID expects to assist the Ministry of Health in developing and strengthening local capacity for delivering reproductive health and child spacing services with indicators to measure accomplishments.

USAID MISSION RESULTS_____

BROAD-BASED ECONOMIC GROWTH: STRENGTHEN THE INSTITUTIONAL CAPACITY OF GOVERNMENT SECTOR TO MANAGE AND IMPLEMENT CAMBODIA'S TRANSITION TO A FREE MARKET ECONOMY . USAID has de-mined and reopened 500 kilometers of roads throughout northwestern Cambodia. The rehabilitation of these roads has greatly facilitated the repatriation of refugees and the reactivation of the national economy. After the construction of these roads, refugees immediately moved into the newly-accessible areas, built houses, cultivated the land, started small enterprises, and established local markets. The United Nations Development Program (UNDP) reported that the income of farmers in these areas has doubled. USAID is in the planning stages of rebuilding the main highway between Phnom Penh and Sihanoukville, the country's only deep-water port. In addition, USAID has worked with many private voluntary organizations to conduct skills training programs in urban areas. Finally, USAID has just begun to provide technical assistance in macroeconomic planning to the new government with the drafting of strategy papers that will guide the government in its management of international donor resources.

BUILDING DEMOCRACY: STRENGTHEN THE CAPACITY OF PUBLIC AND PRIVATE INSTITUTIONS TO FACILITATE THE TRANSITION TO A DEMOCRATIC SOCIETY. USAID worked with the National Democratic Institute (NDI) and the International Republican Institute (IRI) to train the leadership and staffs of the 20 political parties that participated in the elections. These training projects contributed to the huge turnout in the elections (over 90% of those eligible voted). After the elections, USAID supported NDI and IRI in training the victors on the role of political parties in the new National Assembly. In addition, USAID is working with the Asia Foundation on reforming and building the capacity of the legal system (including projects in the court system, the National Assembly, and the Ministries of Justice and Education) and in building the capacity of local NGOs involved in media and human rights.

STABILIZING POPULATION GROWTH: STRENGTHEN THE CAPACITY OF PUBLIC AND NONGOVERNMENTAL ORGANIZATIONS TO PROVIDE SUSTAINABLE FAMILY SERVICES. USAID has worked with numerous U.S. and international PVOs as well as international organizations to establish services in maternal and child health through immunization and family planning.

OTHER FY 1995 USAID-MANAGED ACTIVITIES_____

USAID will manage \$10,000,000 of building democracy funds.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST

USAID requests \$66,537,000 in Sustainable Development funds in FY 1995 to provide incremental funding of \$14,389,000 in broad-based economic growth, \$35,200,000 in stabilizing population growth and \$16,948,000 in protecting the environment.

--USAID/India Mission Director: W.G. Bollinger

INDIA FY 1995 SUSTAINABLE DEVELOPMENT REQUEST: \$66,537,000

India has taken major steps to liberalize its economy and integrate it with world markets after decades of pursuing inward looking, socialist policies. It is modernizing family planning programs and attempting to address environmental concerns. Performance indicators are currently being developed for the USAID program.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOs)

BROAD-BASED ECONOMIC GROWTH: ACCELERATE BROAD-BASED ECONOMIC GROWTH. USAID activities are targeted on areas which will have the greatest impact on growth and employment - strengthening India's financial markets; supporting enterprise deregulation; and providing access to technology and business skills for small to medium size companies.

STABILIZING POPULATION GROWTH: STABILIZE POPULATION GROWTH. India's population of 880 million is growing at a rate of 2.1% per year and is expected to reach one billion by the year 2000. USAID will help India stabilize population growth in the north, the area where the birth rate is the highest, by empowering women to have greater control of their productive and reproductive lives, by introducing innovations in family planning services and by upgrading child survival programs.

PROTECTING THE ENVIRONMENT: PROTECT THE ENVIRONMENT. India's large population, limited natural resources and extensive industrial base, cause pollution problems of global dimensions. USAID will help India protect its environment by improving air quality; enhancing efficiency in energy generation, management and use; and strengthening biodiversity preservation.

USAID MISSION RESULTS

BROAD-BASED ECONOMIC GROWTH: ACCELERATE BROAD-BASED ECONOMIC GROWTH. USAID has contributed significantly, through various resources including Housing Guaranty funds, to the expansion of the national housing finance system. This system has provided a highly visible example of successful market-rate lending which has benefitted lower-income groups and was often cited in government discussions that have resulted in the gradual deregulation of interest rates for the entire financial sector. USAID efforts are increasing the transparency and efficiency of India's capital markets through regulatory reform, operational efficiencies and introduction of new capital market instruments. USAID helped establish India's growing venture capital industry. USAID programs promote deregulation and address particular features of India's relations with the outside world; one initiative focuses on promoting private foreign and domestic investment in the power sector while, at the same time, promoting deregulation of the state-controlled electricity boards. Under the P.L. 480 Title III program, USAID has contributed to establishing a social safety net in support of enterprise restructuring and deregulation and labor law reform. A more transparent and efficient financial system and a deregulated and privatized policy environment establish important conditions for sustained development. As an indicator of success, Indian foreign investment approvals increased from \$0.18 billion in 1991 to \$3.0 billion in 1992.

STABILIZING POPULATION GROWTH: STABILIZE POPULATION GROWTH. USAID has begun work with independent, indigenous nongovernmental organizations to assist India's largest state, Uttar Pradesh, to reduce fertility by effectively doubling the use of modern contraception over a ten-year period. The new program also supports state-wide social marketing in the \$140 million state focused on making family planning information and services available to couples living in small towns and villages and builds upon previous USAID assistance in contraceptive development and research. High infant mortality and malnutrition adversely impact on decisions on family size. USAID's Cooperative for American Relief Everywhere (CARE) and Catholic Relief Services P.L. 480 Title II food, nutrition and health care programs are targeted on high-risk children, pregnant and lactating mothers and reach over seven million people in ten states.

PROTECTING THE ENVIRONMENT: PROTECT THE ENVIRONMENT. USAID has improved the market in India for environmental services and technology, and is conserving crop-related biodiversity. USAID support has also built up India's national plant genetic resources system by which the rich biodiversity of India's many crop species is now being conserved. The system will soon be strengthened by involving local communities' knowledge for conserving those resources. Indian and U.S. partners are developing clean private power generation projects, clean technologies for coal preparation and combustion, renewable energy generation projects, technologies and techniques to reduce energy-sapping losses in power transmission and distribution, and marketable products and services for waste minimization and pollution prevention.

OTHER FY 1995 USAID-MANAGED ACTIVITIES

USAID will manage a P.L. 480 Title II food aid program of \$88,742,000 and Housing Guaranty program to support the above strategic objectives.

OTHER DONORS

In 1992, the United States was second largest bilateral donor behind the United Kingdom and the 9th largest overall donor (2%).

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST

USAID requests \$66,537,000 in Sustainable Development funds in FY 1995 to provide incremental funding of \$14,389,000 in broad-based economic growth, \$35,200,000 in stabilizing population growth and \$16,948,000 in protecting the environment.

--USAID/India Mission Director: W.G. Bollinger

With small dollar contributions, U.S. assistance to Indonesia can favorably influence democratic development, environmental management, and expand economic opportunities within a major emerging world trading partner.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOs) _____

BROAD-BASED ECONOMIC GROWTH: DEVELOP A MORE COMPETITIVE, PARTICIPATORY ECONOMY. USAID's strategy is to help Indonesia achieve newly industrialized country (NIC) status through policy assistance which strengthens markets and improves access and opportunity. To achieve this, USAID's focus is on policies which support economic deregulation, improved operation of financial markets and commercial law and increased capacity of the public and private sectors to finance basic services. Policy assistance is ensuring the rationalization and sustainability of public and private sector health service delivery.

STABILIZING POPULATION GROWTH: INCREASE USE OF EFFECTIVE FAMILY PLANNING AND SELECTED HEALTH SERVICES. USAID is promoting even greater use of contraception, particularly long-term methods, to ensure continued fertility rate declines as well as supporting the development of national AIDS policy and appropriate prevention practices. Indicators include a 100% increase in condom sales outlets and reported condom use in demonstration areas.

PROTECTING THE ENVIRONMENT: REDUCE RATE OF DEGRADATION OF NATURAL RESOURCES AND THE ENVIRONMENT IN TARGETED SECTORS. Indonesia's sustainable economic growth relies heavily on prudent management of the natural resource base. To reduce the rate of degradation, USAID seeks policy and institutional change in biodiversity conservation, forest and marine resource management and urban environmental infrastructure. Targets include a 50% decline in the rate of deforestation, reduction of pollution among 1,400 companies and increased investment in biodiversity conservation and urban environmental infrastructure.

BUILDING DEMOCRACY: INCREASE EFFECTIVENESS OF KEY INSTITUTIONS SUPPORTING CITIZENS' RIGHTS AND BROADER CIVIC PARTICIPATION. USAID's strategy strengthens key institutions in and outside government, increasing their accountability and effectiveness in ensuring the basic rights of Indonesian citizens and promoting greater participation in decision-making at all levels. USAID is targeting assistance toward East Timor to highlight U.S. Government concern with the human rights and development situation in the province.

USAID MISSION RESULTS _____

BROAD-BASED ECONOMIC GROWTH: DEVELOP A MORE COMPETITIVE, PARTICIPATORY ECONOMY. USAID's policy assistance resulted in implementation of policies and programs that increase domestic tax collection, a decision to establish a bond rating agency, and helped to ensure the issuance of a fiscally sound five-year budget. USAID policy advice also contributed to Government of Indonesia (GOI) compliance with General Agreement on Tariffs and Trade (GATT), improved Central Bank monetary management and substantially increased resources for essential urban infrastructure. By creating university job placement centers, USAID improved the linkage of education to jobs. USAID and other donors' interventions supported economic growth of 6.3% in 1993.

STABILIZING POPULATION GROWTH: INCREASE USE OF EFFECTIVE FAMILY PLANNING AND SELECTED HEALTH SERVICES. From 1971 to 1991, USAID has supported GOI programs leading to a decline in the fertility rate from 5.6 to 3.1, an increase in contraceptive use among married women of reproductive age from 10% to 49.7% and a decrease in the infant mortality rate from 132/1,000 to 68/1,000. Health sector financing reforms have made better use of health resources and established models for managed care insurance programs. A new policy on pharmaceutical use now emphasizes generic drugs.

PROTECTING THE ENVIRONMENT: REDUCE RATE OF DEGRADATION OF NATURAL RESOURCES AND THE ENVIRONMENT IN TARGETED SECTORS. Collaborating with the GOI and Japan, USAID designed an independent Indonesian foundation to mobilize funding and to award grants to nongovernmental organizations (NGOs) and scientists for conserving biological diversity. USAID, with World Bank co-financing, initiated a program to train 800,000 rice farmers in techniques to control pests while greatly reducing pesticide use. With policy assistance, local government revenues for urban environmental infrastructure increased 40% in the last three years.

BUILDING DEMOCRACY: INCREASE EFFECTIVENESS OF KEY INSTITUTIONS SUPPORTING CITIZENS' RIGHTS AND BROADER CIVIC PARTICIPATION. USAID's NGO program has assisted NGOs to more effectively advocate for change. U.S. assistance to East Timor has expanded quickly, demonstrating our commitment to human rights.

OTHER FY 1995 USAID-MANAGED ACTIVITIES _____

USAID will monitor a \$25,000,000 Housing Guaranty (HG) Program and a P.L. 480 Title II food aid program of \$4,784,000.

OTHER DONORS _____

In 1992, U.S. aid represented approximately 1% of the total contributions of \$5.1 billion to Indonesia. Over 80% of the donor total comes from the World Bank, the Asian Development Bank and Japan.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST

USAID requests \$62,817,000 in Sustainable Development funds in FY 1995 to provide incremental funding of \$15,960,000 in broad-based economic growth, \$18,525,000 in stabilizing population growth, \$22,578,000 in protecting the environment, and \$5,754,000 in building democracy.

--USAID/Indonesia Mission Director: C.F. Weden

MONGOLIA **FY 1995 SUSTAINABLE DEVELOPMENT REQUEST: \$9,961,000**

United States assistance to Mongolia supports the transition to a free market and democracy.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOs)_____

BROAD-BASED ECONOMIC GROWTH: SUPPORT ECONOMIC GROWTH IN PRIVATE SECTOR. The objectives are to assist the government of Mongolia to implement and strengthen: the economic reforms which encourage the rapid growth and profitability of small and medium enterprises; the policy and institutional enabling environment for commercial banking; and the development of a medium-term transition strategy that focuses on energy conservation and the management of energy demand.

BUILDING DEMOCRACY: SUPPORT DEVELOPMENT OF POLITICAL DEMOCRACY. The objectives are to encourage and strengthen the process of democratization in Mongolia by: strengthening the governing capacity of Parliament; strengthening and assuring the independence of the judicial branch; and strengthening the operating capacity of new political parties. USAID is promoting the decentralization of selected functions within the lower levels of the central government, increasing involvement of local government, and encouraging greater public participation in civic affairs.

USAID MISSION RESULTS_____

BROAD-BASED ECONOMIC GROWTH: SUPPORT ECONOMIC GROWTH IN PRIVATE SECTOR. USAID has provided key technical assistance to principal Government of Mongolia (GOM) financial ministries to help prepare for and implement the economic transition process underway. Specific emphasis has been given to reducing government direct involvement in private sector activities and increasing the role of small and medium enterprises. USAID has provided technical assistance and training to strengthen Mongolia's banking sector, and was instrumental in establishing a Mongolian Bankers' Association and a Mongolian Banking Training Institute.

USAID has been the leader in the energy sector and is largely responsible for keeping the heat and electricity operational in major urban areas, despite continuing shortages of critical spare parts for coal mines and power plants as well as several fires, explosions and plant breakdowns. USAID has provided badly needed critical spare parts from the United States for the power plants and the coal mines, several times by emergency airlift. USAID has provided on-the-ground technical expertise to locate, purchase, and help install spare parts and equipment. U.S. experts have assisted Mongolia to better assess its energy needs and to improve its planning to meet future requirements.

BUILDING DEMOCRACY: SUPPORT DEVELOPMENT OF POLITICAL DEMOCRACY. USAID funded the training of members of Mongolia's newly formed political parties in internal organizational methods, office management techniques, and guidance to the various Mongolian political parties. Both the National Democratic Institute and the International Republican Institute were involved in these USAID-funded efforts. USAID also funded The Asia Foundation to help the Mongolian Parliament expand its capabilities and professionalism. These efforts supported the establishment of standing committees in Mongolia's new Parliament and implementation of various training programs for Parliament members. Key topics have included improving the effectiveness and efficiency of the secretariat and the budget and appropriation processes of the Parliament. USAID support also extended to the legal sector--working with Mongolian lawyers and judges to improve their understanding of Western judicial processes and procedures and to begin making changes in the method and content of legal training in Mongolia.

OTHER FY 1995 USAID-MANAGED ACTIVITIES_____

None.

OTHER DONORS_____

Current estimates show that U.S. contributions are comparable to other major donors such as Japan and Germany.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST_____

USAID requests \$9,961,000 in Sustainable Development funds in FY 1995 to provide funding for broad-based economic growth \$9,397,000 and \$314,000 for building democracy and \$250,000 for protecting the environment.

--USAID/Mongolia Representative: W.B. Nance

MOROCCO **FY 1995 SUSTAINABLE DEVELOPMENT REQUEST: \$22,139,000**
..... **FY 1995 PROMOTING PEACE REQUEST: \$1,300,000**

Morocco continues to play an important constructive role on such key issues as the peace process. Morocco has supported the United States on important United Nations issues concerning the Middle East.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOs) _____

BROAD-BASED ECONOMIC GROWTH:

EXPANDED BASE OF STAKEHOLDERS IN THE ECONOMY. To increase employment and income, and enhance broader economic participation, USAID will assist in the development and expansion of small and medium enterprises by increasing the number of new business registrations from 5,000 per year in 1993 to 7,000 per year in 1997; improving their access to finance, in part by increasing the value of commercial paper issued by 15% per annum but also by making bank credit more available to small firms; increasing buyers of initial offerings of privatized companies from 15,000 in 1993 to 50,000 by 1997; expanding and strengthening small and medium enterprises by reducing the number of steps to establish new business, simplifying registration, revising the commercial code, adopting national accounting and auditing standards; and improving the policy environment for private investment by increasing financial resources to private sector from non-bank sources by 25%. In addition, USAID will work with farmer associations and assist the poor in obtaining shelter, all toward increasing the numbers of stakeholders in the economy.

INCREASED COMPETITIVENESS OF MOROCCAN FIRMS IN SELECTED EXPORT MARKETS. To increase employment and income, and improve export performance, USAID will initiate projects to increase the competitiveness of firms by increasing market share in selected European Community (EC) export markets from 3% to 5% by 1997; increasing new markets as a percentage of total exports from 28% in 1992 to 40% by 1997, and by reducing tariffs for industrial goods from 47.5% in 1993 to 37.5% in 1997 and for basic agricultural commodities from 70%-100% in 1993 to 50%-75% by 1997. Through U.S.-Moroccan institutional linkages, scientific, technological and commercial interactions will be facilitated.

INCREASED AVAILABILITY OF AFFORDABLE HOUSING AND SERVICES FOR LOW-INCOME URBAN FAMILIES. To improve the quality of life, as well as increase the numbers of stakeholders in the economy, USAID will continue to work with Moroccan local governments and the National Housing Upgrading Agency to increase the quantity of affordable and decent housing for low-income families and to reduce the number of families living in shantytowns. To this end, USAID will reduce the number of households living in slum conditions in the total urban population from 6.3% in 1993 to 5.8% in 1994; increase the number of households newly served by infrastructure under the program from 14,000 in 1993 to 27,800 by 1997; and increase the number of serviced plots under the program from a total of 32,820 in 1992 to 103,500 in 1997.

STABILIZING POPULATION GROWTH:

IMPROVED HEALTH OF CHILDREN UNDER FIVE AND CHILD-BEARING AGE WOMEN. USAID will encourage continued development of a sustainable health care system accessible to all Moroccans, while minimizing the cost to the Moroccan Government. The USAID strategy will contribute to a reduction in the total fertility rate from 4.2 in 1992 to 3.7 in 1997, and reductions in infant mortality from 57 to 50 and child mortality from 20 to 17 over the same time period. The program emphasizes increasing access to higher quality services and diversifying the service delivery structure. USAID is focusing increasingly on rural areas, since service is adequate in urban areas. USAID intends to increase the contraceptive prevalence rate by 7 percentage points, with an emphasis on increasing the use of longer-term methods. USAID also intends to increase the percentage of pregnant women receiving prenatal care and to increase the use of oral rehydration salts (ORS) in treating diarrhea in children. USAID is trying to increase the role of the private sector in part by shifting 10% of the family planning users from the public sector to the private sector.

USAID MISSION RESULTS _____

The current strategy began in FY 1993. USAID will not report on performance against the strategy until late 1994 when data for 1993 become available.

BROAD-BASED ECONOMIC GROWTH:

EXPANDED BASE OF STAKEHOLDERS IN THE ECONOMY. USAID assistance to the Government of Morocco's (GOM) privatization effort has thus far resulted in the privatization of 10 firms and the preparation of an additional 45 firms, now in various stages of divestiture, for eventual privatization. Transparency and broad-based share ownership are being given full attention and priority. USAID activities provide a means of influencing GOM thinking on privatization policy, financial sector policy, and agriculture pricing and trade policy. For example, a recent study resulted in several changes in a draft law governing the stock market, and a USAID-sponsored seminar resulted in a Moroccan position more disposed to reducing agricultural protection, which supports the World Bank's structural adjustment program. About 15 regional small business associations, involving approximately 300 small-micro business members, have been developed. The Moroccan Business Center in Casablanca has just opened and has worked with the Ministry of Commerce, Industry and Privatization in the development of a proposal on how to reduce red tape to facilitate business start-ups in Morocco.

INCREASED COMPETITIVENESS OF MOROCCAN FIRMS IN SELECTED EXPORT MARKETS. Results include: diversification of Moroccan exports to include spices and cut flowers; increased Moroccan exports to non-traditional markets such as Canada; introduction of

U.S. seed varieties for export crops which, in initial tests, have stimulated demand for increased supply of U.S. seeds; sourcing of Moroccan melons by a U.S. melon production and marketing firm for export to Europe; and a joint venture between a U.S. and Moroccan firm for licensing and co-production of U.S. technology to lower the cost and improve the quality of fresh produce for export.

INCREASED AVAILABILITY OF AFFORDABLE HOUSING AND SERVICES FOR LOW-INCOME URBAN FAMILIES: Housing programs have resulted in sales to low-income families of nearly 15,000 new housing lots with legal title and basic infrastructure (water, sewer, and electricity); inducement of private investment in housing and urban development, with a ratio of up to 10:1 private and public funds; provision of environmental infrastructure and services to some 100,000 people in unserved neighborhoods in the city of Tetouan; and, due to the public health benefits of urban environmental upgrading, reduced incidence of hygiene-related diseases such as cholera, which have dropped dramatically in participating neighborhoods. More than 90,000 people will also have the opportunity to legalize their insecure squatter status through a title buy-back scheme.

STABILIZING POPULATION GROWTH

MATERNAL AND CHILD HEALTH. Assistance by USAID, by far the principal donor supporting family planning activities in Morocco, has contributed to a 32% decline in the total fertility rate, from 5.9 in 1979 to 4.2 in 1992. Over the same time frame, the infant mortality rate has declined from an estimated 89 deaths per 1,000 live births to 57, and contraceptive prevalence has increased from approximately 19% to 41.5%.

OTHER FY 1995 USAID-MANAGED ACTIVITIES

None.

OTHER DONORS

The United States is not a major financial contributor to Morocco. Significant resources are provided to Morocco by the World Bank, the International Monetary Fund, France, Spain, several other European countries and a number of Arab countries. USAID maintains close working relationships with the multilateral donors and informal coordination with other bilateral donors, including private voluntary organizations (Helen Keller International, American Middle East Foundation, Catholic Relief Services) and Peace Corps.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST

The Administration requests \$22,139,000 million in Sustainable Development funds for: broad-based economic growth (\$8,974,000); population (\$10,425,000), environment (\$840,000); and democracy (\$1,900,000). In addition, \$1,300,000 in Promoting Peace funds for regional activities are requested.

USAID/Rabat Mission Director: Martin Dagata

NEPAL FY 1995 SUSTAINABLE DEVELOPMENT REQUEST: \$27,702,000

USAID assistance is critical in breaking new ground in democracy, economic development and population and health during a pivotal period in Nepal's transition to a constitutional democracy and reduced statist control over the economy.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOs)_____

BROAD-BASED ECONOMIC GROWTH: INCREASE CONTRIBUTION OF THE PRIVATE SECTOR TO INCOME GROWTH. USAID is helping to increase the contribution of the private sector to Nepal's economic growth. USAID supports privatization of state industries; liberalization of regulations which inhibit the growth of private businesses; and policy dialogue and program activities aimed at a wide range of producer groups, business organizations and financing institutions. USAID's strategy focuses on infant and child survival interventions that prove effective: diarrheal disease control, acute respiratory infection control, Vitamin A distribution, and malaria control.

STABILIZING POPULATION GROWTH: INCREASE FAMILY PLANNING, CHILD SURVIVAL, AND MALARIA CONTROL SERVICES. Nepal's population of 18.5 million is growing at a rate estimated between 2.3% and 2.5% per annum and will double in less than 30 years if this rate continues unabated.

BUILDING DEMOCRACY: INCREASE PLURALISM AND STRENGTHEN DEMOCRATIC PROCESSES. USAID is responding vigorously to support Nepal's recently reinstated democracy. Essential institutions are weak and leaders are inexperienced. Our activities promote effectiveness and responsiveness of new democratic institutions: Parliament, the Judiciary, selected local governments and advocacy nongovernmental organizations (NGOs). Our activities also promote adoption and implementation of democratic reforms and practices with respect to women and disenfranchised groups.

USAID MISSION RESULTS_____

BROAD-BASED ECONOMIC GROWTH: INCREASE CONTRIBUTION OF THE PRIVATE SECTOR TO INCOME GROWTH. Private sector investment as the percentage of the total investment has increased from 47% in 1990 to 63% in 1993 due in part to USAID support of private sector activities. The government has privatized eight state-owned enterprises in 1993 and 14 more are targeted for privatization in 1994. Through USAID efforts, forest land turned over to community groups increased from 70,000 hectares in 1991 to 100,000 hectares in 1993. Rural income in project area surveyed by USAID increased five-fold from 1979 to 1989, and is expected to double again by 1994. Transfer of irrigation management from the government to user groups increased the project area under cultivation from 40% to 90%.

STABILIZING POPULATION GROWTH: INCREASE FAMILY PLANNING, CHILD SURVIVAL, AND MALARIA CONTROL SERVICES. The contraceptive prevalence rate in the USAID-supported districts increased from 26% in 1991 to 32.7% in 1992, with an expected increase to 35% by 1995. Contraceptive sales in the target area increased by 20% from 1992 to 1993. With USAID assistance, vitamin A distribution has increased from 0% to 5% and the malaria control program has effectively contained the annual parasite incidence both within USAID's respective target areas.

BUILDING DEMOCRACY: INCREASE PLURALISM AND STRENGTHEN DEMOCRATIC PROCESSES. As a result of USAID technical assistance and support, the number of parliamentary standing committees has been increased from five in 1992 to seven in 1993. A USAID-funded opinion survey showed 26% men and 30% women believed that democracy has been strengthened, and 21% men and 19% women believed that parliament is effective and responsive. A training manual was developed for increasing the effectiveness of local government officials and will soon be used by the government officials.

OTHER FY 1995 USAID-MANAGED ACTIVITIES_____

None.

OTHER DONORS_____

In 1992, the largest bilateral donor was Japan at \$42,000,000 followed by the United States at \$20,000,000. Denmark, third largest donor at \$18,000,000, is planning a 60% increase in its levels of assistance.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST_____

USAID requests \$27,702,000 in Sustainable Development funds in FY 1995 to provide incremental funding to broad-based economic growth \$12,345,000 and \$9,500,000 in stabilizing population growth and \$2,434,000 in building democracy and \$3,423,000 in protecting the environment.

--USAID/Nepal Mission Director: P.M. Gary

PHILIPPINES **FY 1995 SUSTAINABLE DEVELOPMENT REQUEST: \$61,652,000**

USAID makes an important contribution to strengthen a pre-eminent Asian democracy, to capitalize on a historic opportunity for major change in Filipino family planning and to institutionalize economic policy formulation.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOs)_____

BUILDING DEMOCRACY: PROMOTE MORE RESPONSIVE, DEMOCRATIC INSTITUTIONS WITH GREATER CITIZEN PARTICIPATION. Efforts are focused on private voluntary organizations (PVOs) and local government (LG) units, the two most important institutional vehicles of voice and choice in the Philippines that offer the opportunity for disadvantaged groups to participate more effectively in the democratic process. USAID will support the creation of a climate for reform and greater accountability of government institutions through PVO public information activities.

STABILIZING POPULATION GROWTH: REDUCE POPULATION GROWTH RATE AND IMPROVE HEALTH. USAID supports the rapid expansion of family planning.

BROAD-BASED ECONOMIC GROWTH: INCREASE PRODUCTIVE INVESTMENT. Provide coordinated and highly targeted technical assistance in the areas of trade, fiscal and monetary reforms. Provide support to ensure participatory development in the areas of skills training, employment and income opportunities and credit expansion programs for marginalized groups nationwide. Maternal and child health services and the Government of Philippines (GOP) efforts are combining to control the spread of AIDS.

PROTECTING THE ENVIRONMENT: ENHANCE MANAGEMENT OF RENEWABLE NATURAL RESOURCES. While maintaining a strong industrial forestry program, expand the program into the coastal regions as USAID's work in reforestation is increasingly supported by other donors.

USAID MISSION RESULTS_____

BUILDING DEMOCRACY: PROMOTE MORE RESPONSIVE, SELECTED DEMOCRATIC INSTITUTIONS WITH GREATER CITIZEN PARTICIPATION. Through technical assistance, USAID was instrumental in bringing about fiscal decentralization. The internal revenue allotments to LGs in 1993 increased by seven times over their 1989 levels. LGs passed a revenue code to increase tax collections. The LGs are assuming responsibility for 70,000 government employees. PVOs have become members of LG planning bodies. PVO grants have facilitated empowerment of microenterprises, provided legal assistance to disadvantaged indigenous groups, and supported advocacy of sound social, economic and environmental causes.

STABILIZING POPULATION GROWTH: REDUCE GROWTH RATE AND IMPROVE HEALTH. A nation-wide contraceptive distribution system and a private sector contraceptive social marketing program have been established, over 10,000 government health workers have been trained in family planning services provision, and family planning services were introduced in more than 100 industries. The contraceptive prevalence rate has increased from 20% to 25% between 1988 and 1993. Delivery of child survival services has increased dramatically -- immunization rates have increased from 65% in 1989 to 90% in 1993. An HIV surveillance system was designed and a national AIDS prevention communication strategy is in place.

BROAD-BASED ECONOMIC GROWTH: INCREASE PRODUCTIVE INVESTMENT. As a result of policy studies and technical assistance, USAID has supported trade and investment policy formulation and implementation, tax administration improvement, organizing the new Central Bank, inter-island shipping deregulation, setting up duty drawback systems for exporters, capital budgeting and basic statistics on trade and investment flows and their impacts. Business oriented NGOs have been mobilized in advocacy to implement gains from these areas. Trade offices have been established in Davao, Cebu and Manila with technical support to utilize available information systems. Capital markets policy with technology transferred from the United States Security Exchange Commission is fueling domestic capital formation to promote financial intermediation outside traditional banking sources.

PROTECTING THE ENVIRONMENT: ENHANCE MANAGEMENT OF RENEWABLE NATURAL RESOURCES. USAID policy dialogue resulted in a logging ban. Ancestral lands are being identified for preservation. Seventeen PVOs and five Forest Service Organizations have been mobilized for rational management of natural forests -- three management plans have been completed. Through a debt swap, a \$22 million endowment was established for the Foundation for Philippine Environment. An industrial environmental risk assessment, three policy studies, and 35 industrial pollution management appraisals were completed in 1993.

OTHER FY 1995 USAID-MANAGED ACTIVITIES_____

USAID will manage a P.L. 480 Title II program of \$10,000,000 to support the above strategic objectives.

OTHER DONORS_____

In 1992, Japan continues to lead as the largest bilateral donor with \$1.2 billion of new official development assistance loans. The United States remains as the largest grant assistance donor, followed by Germany, France, and Canada.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST

USAID requests \$61,652,000 in Sustainable Development funds in FY 1995 to provide incremental funding to broad-based economic growth \$15,504,000, building democracy \$7,334,000, stabilizing population growth \$26,131,000, and protecting the environment \$12,683,000.

--USAID/Philippines Mission Director: T. Stukel

SRI LANKA FY 1995 SUSTAINABLE DEVELOPMENT REQUEST: \$14,723,000

USAID assistance favorably increases competitiveness and growth of markets and enterprises, improves practices for sustained productivity of natural resources and supports greater empowerment of a broad range of citizens.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOs) _____

BROAD-BASED ECONOMIC GROWTH: INCREASE COMPETITIVENESS AND GROWTH OF MARKET ENTERPRISES. USAID will support reduced government control of productive resources and increased private sector investment to promote improved business technologies, more diverse products and new markets, and more accessible and efficient markets.

PROTECTING THE ENVIRONMENT: IMPROVE PRACTICES FOR SUSTAINED PRODUCTIVITY OF NATURAL RESOURCES. USAID will support activities resulting in improved legal, regulatory and policy structures, increased public awareness of and involvement in environmental issues, and increased local management and shared control of natural resources.

BUILDING DEMOCRACY: PROMOTE GREATER EMPOWERMENT OF BROAD RANGE OF CITIZENS, INCLUDING VULNERABLE GROUPS TO PARTICIPATE IN DEVELOPMENT AND DEMOCRACY. USAID will support a viable and effective local nongovernmental organization (NGO) movement and increased public awareness, advocacy and participation.

USAID MISSION RESULTS _____

BROAD-BASED ECONOMIC GROWTH: INCREASE COMPETITIVENESS AND GROWTH OF MARKET ENTERPRISES. Assistance to Central Bank and Ministry of Finance officials led to improve economic policy research and institutionalized capacity for privatization. Thirty state-owned enterprises have been privatized. Capital market interventions improved performance of the Colombo Stock Exchange, and increased availability of private sector capital. Due to USAID input, 188 private sector grantees have increased annual sales by 20% and value added per employee by 5%. Six formal linkages with U.S. and foreign companies have been established, with U.S. imports to assisted companies increasing by more than 300%. As a result of USAID inputs, 1,350 small enterprise jobs have been created, and medium and large enterprises have created an estimated 7,500 new jobs within target areas.

PROTECTING THE ENVIRONMENT: IMPROVE PRACTICES FOR SUSTAINED PRODUCTIVITY OF NATURAL RESOURCES. As a result of USAID emphasis on environmental protection, new industrial regulations have been implemented, 20 environmental impact assessments were conducted, an environmental licensing program was established, and a pollution prevention and environmental auditing program was implemented. The USAID environmental focus led to the development of a cadre of environmental professionals in the public and private sectors and a multi-disciplinary environmental curriculum has been formulated. Environmental partnerships have extended to the farmers and have resulted in the establishment of centers for participatory management of farmer irrigation systems and agri-business promotion.

BUILDING DEMOCRACY: PROMOTE GREATER EMPOWERMENT OF BROAD RANGE OF CITIZENS, INCLUDING VULNERABLE GROUPS TO PARTICIPATE IN DEVELOPMENT AND DEMOCRACY. USAID's participatory democracy program has strengthened 34 NGOs, 33 environmental and human advocacy groups, 23 business and trade associations and 230 farmer organizations. Democracy efforts have supported women-owned microenterprises, NGO human rights information center, and NGO analysis of rules governing human rights.

OTHER FY 1995 USAID-MANAGED ACTIVITIES _____

None.

OTHER DONORS _____

In 1992, the United States, with about 19% of bilateral contributions, was the second largest bilateral donor (behind Japan), and the fourth largest overall, with about 12% of total donor funding. Leading donors are the World Bank, the Asian Development Bank, and the International Monetary Fund.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST _____

USAID requests \$14,723,000 in Sustainable Development funds in FY 1995 to provide incremental funding to broad-based economic growth \$7,836,000, protecting the environment \$4,458,000, and building democracy \$2,279,000 and \$150,000 in stabilizing population growth. The Administration also requests funding of \$20,000,000 for the ongoing P.L. 480 Title III program.

--USAID/Sri Lanka Mission Director: D. Cohen

The Republic of Yemen is one of the most populous countries in the region in the Near East region with over 12 million people and the poorest, with per capita gross national product (GNP) at approximately \$540 in 1991. In development terms, Yemen has great need for economic assistance, particularly in the categories on which the USAID program focuses. It is a country faced with formidable economic problems which have reached near-crisis proportions--inflation is over 50%, the fiscal deficit is 20%-25% of GDP, total debt is 200% of gross domestic production (GDP) and unemployment is over 35%.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOs)

BROAD-BASED ECONOMIC GROWTH:

INCREASED PARTICIPATION BY YEMENI WOMEN AND THEIR FAMILIES IN EXPANDED EDUCATIONAL, HEALTH AND ECONOMIC SERVICES IN PROJECT AREAS. Women have traditionally played an invisible role in Yemen's society. Providing women with the tools to compete in an economic environment will empower them to have greater control over their own lives as well as that of their families and provide a greater contribution to Yemen's economic and societal development. USAID is working with a women's development nongovernmental organization (NGO) to provide training and income generation opportunities. A small loan program is also being initiated and, of those women granted loans, over 200 will still be employed 12 months after receiving their loan. Ninety percent of the borrowers will repay their loans within the required period. In addition, 480 women will participate in NGO-provided management training by 1997, including literacy training. Twenty-two percent of the NGOs' regional centers will offer a standard package of training to women in their catchment area by 1997. While the actual number of beneficiaries from this program are expected to be small, it is the demonstration nature of the program that is so important. This is the first program of its kind in Yemen. If it succeeds, USAID expects that additional resources from other donors and perhaps the Yemen Government will be devoted to similar efforts. USAID will track those resources and related activities which its own funds are able to leverage.

STABILIZING POPULATION GROWTH :

INCREASED PARTICIPATION BY YEMENI WOMEN AND THEIR FAMILIES IN EXPANDED EDUCATIONAL, HEALTH AND ECONOMIC SERVICES IN PROJECT AREAS. Yemen has one of the world's highest average fertility rates (7.6 children per family) and the most dangerous child and maternal mortality rates: 190 per 1,000 live births and 1,000 per 100,000, respectively. In addition, the country's high population growth is outpacing the economy's ability to support its population. USAID has integrated family planning with maternal and child health to bring the strongest technical forces to bear on this deep-seated problem by assisting in the development of more supporting national policies and improvements in service delivery. USAID will increase the number of new family planning users at project-assisted clinics from 4,500 in 1993 to over 14,000 in 1997. USAID is promoting the development of an integrated model of maternal and child health and family planning services for rural clinics, and will track the diffusion of this model to centers other than those which USAID is assisting. The percentage of targeted primary health care clinics meeting quality criteria will increase from 0% to 65%. USAID will also increase the availability of contraceptives at pharmacies by 50%. In addition, treatment of diarrhea with oral rehydration salts will increase. USAID is working with the new National Population Council to develop policies that encourage the expansion of family planning.

BUILDING DEMOCRACY:

MORE EFFICIENT AND ACCOUNTABLE GOVERNANCE. Assistance to Yemen is provided under the Bureau's strategic objective to achieve more efficient and accountable governance. Serious social and economic upheaval followed the unification of the former North and South Yemens. In the midst of daunting problems, Yemen produced a successful experiment in democratic pluralism in the 1993 parliamentary elections. Yemen is today the only country in the Arabian Peninsula with a multiparty system, universal suffrage and a free press. The USAID strategy for this objective is being updated and will provide a new set of indicators later in FY 1994.

USAID MISSION RESULTS

USAID's current strategy began in FY 1993. USAID will not have quantified reports on performance against the strategy until late 1994 when data for 1993 become available.

BROAD-BASED ECONOMIC GROWTH:

INCREASED PARTICIPATION BY YEMENI WOMEN AND THEIR FAMILIES IN EXPANDED EDUCATIONAL, HEALTH AND ECONOMIC SERVICES IN PROJECT AREAS. USAID is working with a Yemeni NGO, the "Yemeni Women's Association," to improve and expand women-specific services offered by its branches. Services include grass-roots support to further develop older girls' and women's literacy as well as enable them to become economically independent through the creation of small and micro enterprises. Literacy training includes learning useful skills in health and nutrition, and learning how to plan and organize an economic enterprise. USAID is also helping increase the availability of selected maternal and child health services. In 1990 and 1991, USAID supported a nationwide immunization campaign against childhood diseases that reached over 85%

of infants. Coverage has dropped since the campaign but remains around 40% in rural areas, well above the pre-campaign level of 15%.

STABILIZING POPULATION GROWTH:

INCREASED PARTICIPATION BY YEMINI WOMEN AND THEIR FAMILIES IN EXPANDED EDUCATIONAL, HEALTH AND ECONOMIC SERVICES IN PROJECT AREAS. While it will likely be several years before family planning programs in Yemen will show an impact on population growth rates, studies indicate that pent up demand exists for such services. In dealing with the population growth problem, USAID has assigned high priority to the improved planning of population programs and the increased availability of quality family planning services in project areas. USAID was one of the principal donors to alert the Yemeni Government to its impending population crisis and to encourage it to develop a population strategy and action plan. USAID guided the integration of maternal and child health into the strategy. This integration assures that the provision of family planning services takes advantage of institutional health facilities familiar to women and their families.

BUILDING DEMOCRACY:

MORE EFFICIENT AND ACCOUNTABLE GOVERNANCE. USAID assisted the 1993 elections, the first in the Arabian peninsula, by providing the services of the International Foundation for Electoral Systems, the International Republican Institute and the National Democratic Institute, as well as essential election equipment, that supported the election process. USAID has also provided a computerized voting system and initial operation and maintenance support services for the parliament chamber as well as enhanced administrative services to run the system.

OTHER FY 1995 USAID-MANAGED ACTIVITIES _____

None.

OTHER DONORS _____

In 1992, the United States provided about 4% of total donor funding. The leading donors were the World Bank, the Netherlands, Japan, Germany and France.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST _____

The Administration requests \$10,575,000 in Sustainable Development funds for: broad-based economic growth (\$725,000); population (\$8,910,000); and democracy (\$940,000).

USAID Representative: William D. McKinney

ASEANFY 1995 SUSTAINABLE DEVELOPMENT REQUEST: \$6,055,000

The member nations of Association of South East Asian Nations (ASEAN) comprise some of the most successful of the world's developing economies. It includes Indonesia, Malaysia, Thailand, Singapore, the Philippines and Brunei. Rapid economic growth and industrial and urban waste pollution problems have arisen. Problems in wildlife habitat and the marine environment are also of increasing concern. The ASEAN program seeks to assist the member nations in dealing with such problems through training, and the use of U.S. products, expertise, and technology.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOs)_____

PROTECTING THE ENVIRONMENT: REDUCE ENVIRONMENTAL POLLUTION. As part of the U.S. Government's ongoing dialogue with ASEAN member countries, USAID funds programs designed to assist regional ASEAN environmental policy and regulatory improvements. Support is provided for training and technical assistance in the management of urban and industrial pollution controls and in the resolution of industrial pollution problems.

USAID MISSION RESULTS_____

PROTECTING THE ENVIRONMENT: REDUCE ENVIRONMENTAL POLLUTION. Under an environmental improvement activity, USAID has developed guidelines for assessment of waste reduction in selected industries; has begun screening of local environmental product manufacturing firms to upgrade product technology in more environmentally sound ways; and has undertaken a comparative assessment and improvement of environmental impact assessment systems.

OTHER FY 1995 USAID-MANAGED ACTIVITIES_____

None.

OTHER DONORS_____

The United States' contribution to ASEAN is minimal and is provided primarily to leverage policy discussions with the ASEAN nations related to trade and regional security.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST_____

USAID requests \$6,055,000 in Sustainable Development funds in FY 1995 to provide funding for protecting the environment.

--USAID/ASEAN Director: G. Morris

ASIA AND NEAR EAST REGIONAL ACTIVITIES

SUSTAINABLE DEVELOPMENT PROGRAMS **FY 1995 REQUEST: \$26,535,000**
BUILDING DEMOCRACY PROGRAMS **FY 1995 REQUEST: \$14,546,000**

INTRODUCTION

USAID Sustainable Development Goals: The Asia and Near East Regional portfolio reinforces USAID bilateral strategies in the region-- in economic growth, environment, population and democracy. The portfolio is managed on a regional basis for reasons of economies of scale, staff savings, or administrative convenience.

BROAD-BASED ECONOMIC GROWTH

Economic growth goals are pursued by a variety of projects and including: efforts to strengthen the regional agribusiness market and ensure its transparency; support for regional human resource development under the auspices of the Asian-Pacific Economic Cooperation; and the A.I.D.-Israel Cooperative Development Program, which supports economic growth through the identification and delivery of Israeli technical assistance and training to address development problems in a number of countries worldwide. In Asia, the health request will support the Asia HIV/AIDS Strategic Action Plan. The Plan takes a close look at the characteristics of the emerging Asian epidemic and prescribes a technical approach. It identifies "areas of affinity" which are areas that exhibit cross-border cultural/behavioral similarities and thus require a transnational approach given the HIV virus' disregard for national borders. Funds requested will be used to support the regional AIDS office in Bangkok in the areas of training, regional epidemiological data collection and policy analysis related to AIDS activities.

STABILIZING POPULATION GROWTH

Assistance for child spacing, business plans, training, education and communication as well as technical assistance for service delivery and data collection will be provided. Funding in the Near East region will be used for population research, the analysis of population trends, comparison of population program performance among countries and continued support for child-spacing activities in Oman.

BUILDING DEMOCRACY

For Asian countries, democracy funds will provide support to carry out the Administration's new democracy strategy using the recently-adopted implementation guidelines. Support will be provided to regional efforts which promote democratic development through the promotion of civil society, citizen participation (especially of women), the development of labor forums or the broadening of NGO empowerment. For Near East countries, democracy funds will be used for activities to strengthen the legal position of women, support the development of democratic political and legal institutions that contribute to policy reforms, and improved policy implementation in order to achieve more efficient and accountable governance. Regional activities address humanitarian needs, help rebuild infrastructure, support development of open market economies, and support skills training.

PROTECTING THE ENVIRONMENT

Given the distinctive character of the development process in Asia, greater emphasis is being given to the coordination and integration of environmental programs in the region. This emphasis is reflected in the coordination of regional environmental activities under the umbrella of the United States-Asia Environmental Partnership (US-AEP) and the related resources available through other agencies of the

United States Government, state governments, nongovernmental organizations, and the environmental industry in the United States. Working through expanding international technology networks, and continuing USAID's emphasis on capacity building of nongovernmental organizations, the US-AEP looks forward to self-sustaining environmental initiatives in the region. Emphasis is given to pollution prevention, environmental infrastructure, biodiversity conservation, improvements to resource and land tenure management, public awareness and education, and methodologies for setting national priorities and carrying out related environmental policy initiative. Funding will provide technical support to Near East missions on U.S. environmental regulations. Technical assistance will address regional water resources management issues, including wastewater treatment.

THE EAST ASIA REGIONAL PROGRAM

This program supports a variety of sustainable development activities in Cambodia and other eligible countries in East Asia, focusing on the environment and integrated maternal and child health and population activities, funded from the Sustainable Development and Building Democracy accounts.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST

Asia and the Near East Regional programs will need \$26,535,000 in Sustainable Development funds and \$14,546,000 in Building Democracy funds in FY 1995 to fund the programs described above in support of bilateral efforts in economic growth (\$11,825,000), stabilizing population growth (\$5,550,000), environmental protection (\$8,788,000), and building democracy (\$372,000).

LATIN AMERICA AND THE CARIBBEAN

**Mark L. Schneider
Assistant Administrator
Bureau for Latin America and the Caribbean**

LATIN AMERICA AND THE CARIBBEAN

FY 1995 Sustainable Development Request: \$382,350,000

FY 1995 Building Democracy Request: \$75,000,000

FY 1995 Promoting Peace Request: \$58,000,000

Hemispheric Development Challenges

The stability and prosperity of the Western Hemisphere remain an enduring and fundamental U.S. interest in the post-Cold War period. Significant poverty still exists in large swaths of the region. Democracy is still fragile and in its formative stage in many Latin American and Caribbean (LAC) countries. Central America's recovery from violence and turmoil is still being pursued. Haiti's return to a democratically elected government still must be achieved. Cuba still remains outside the world of democratically governed nations. Environmental degradation in its many forms continues. Illegal drugs and HIV/AIDS continue to threaten the whole Hemisphere. If the United States allows a pattern of indifference to develop regarding the region's already impressive but fragile successes, we risk reversals such as collapsing democracies, economic chaos, lost trade and American jobs, increased poverty, and greater illegal immigration pressures at the U.S. border. Addressing hemispheric problems now, while they are not insurmountable, will avoid far more costly remedial actions by the next generation.

This last decade of the twentieth century offers the United States a unique historical opportunity to advance the economic and social development of the nations of Latin America and the Caribbean. The end of the Cold War has redefined the political landscape of the region, affording opportunities for dialogue and consensus that were unthinkable only a few years earlier. Sound economic policies are increasingly guiding national economies toward recovery from the sharp downturns of the 1980s. Democratic government has become the norm within the region. Hemispheric tensions are dissipating, as shared values become the standard. Shared global issues such as trade, environment, and HIV/AIDS are leading to more hemispheric discussion and cooperation. The North American Free Trade Agreement (NAFTA) and various sub-regional trade mechanisms testify to the desire for free trade within the region.

Three major sustainable development challenges face the region: alleviation of poverty, human capital development, and consolidation of democracy. National governments must demonstrate that broad-based economic growth can meet popular demands for improved living standards. This requires both more attention to special programs mitigating the effects of economic restructuring, as well as to longer-term human capital development investments in education, health, and other social services. Such investments will allow the poor to succeed in competitive and changing economies. Similarly, the preservation and strengthening of the very significant democratic gains of recent history requires continued support. The gains achieved thus far in the region will be jeopardized if broadly based growth and participatory democracy are not realized.

U.S. national interests require that we take a leadership role in meeting these challenges to our Hemisphere. USAID's strategy for confronting these challenges is sustainable development -- economic and social growth that does not exhaust the resources of a host country; that respects and safeguards the economic, cultural, and natural environment; that creates streams of income and chains of enterprise; that is nurtured by an enabling policy environment; and that builds indigenous institutions that involve and empower the citizenry.

Operationally, USAID's approach will be based on participation of ordinary people in political, economic, and social decision-making processes; partnerships involving donors, nongovernmental organizations, and host country institutions; and integrated approaches and methods that take into account the totality of development problems confronting society.

Closely linked to the sustainable development challenges are other challenges to the Region: the transition from war to peace in Central America, where significant progress has been achieved but which demands continued attention; narcotics production which threatens the prosperity and stability of Andean countries, poses a concern for the Hemisphere and is the focus of the Andean counternarcotics effort; and the political crisis in Haiti where humanitarian assistance is mitigating the effects on the poor. In El Salvador and Nicaragua, Sustainable Development resources support Building Democracy funded activities to help in their transition to peaceful, democratic and more prosperous societies. In Bolivia and Peru, where narcotics trafficking remains a problem, Sustainable Development resources will be complemented by Promoting Peace counternarcotics funds to support the economic, social and institutional changes which will reduce narcotics production. In Haiti, humanitarian assistance will complement Sustainable Development and Building Democracy resources to mitigate the adverse impacts on the population of the political transition crisis and permit the country to address fundamental sustainable development constraints once the crisis ends. USAID support to address these problems is reflected in the allocation of 50% of the Sustainable Development funds requested for these countries.

Managing for Results

The USAID country programs and resources in the region will focus on countries where the commitment and conditions permitting sustainable development are present. Such assistance will be based on an integrated country strategy with clearly defined strategic program objectives and performance targets. Sustainable development countries include: El Salvador, Nicaragua, Honduras, Guatemala, Bolivia, Peru, Ecuador, Paraguay, Jamaica, Guyana and the Dominican Republic. Almost 65% of the proposed FY 1995 Sustainable Development resources will be concentrated in these countries. Where there is a significant U.S. foreign policy interest, USAID program objectives will support that policy interest -- in Panama, where USAID objectives support the implementation of the Canal Treaties; and Haiti, where the political crisis continues to hamper a return to the sustainable development path. USAID will also provide limited and highly focused assistance to selected countries such as Mexico and Brazil where environmental and population problems have significant national and transnational dimensions. USAID will also help build networks among organizations in the Hemisphere, particularly in the democracy area, so that more advanced countries can share best practices with their neighbors.

USAID will emphasize the following four strategic priorities for focused efforts at the bilateral, subregional, and hemispheric levels:

- **Encouraging broad-based growth** aimed at ensuring that, while economic reform and growth continue, effective efforts are made to expand incomes and opportunities for the poor;
- **Supporting the deepening of democracy** aimed at respect for human rights, increasing the transparency, accountability, effectiveness and decentralization of governance, and strengthening citizenship and civil society;
- **Ensuring access to basic health and family planning** aimed at bringing these fundamental services to the vast majority of populations -- eventually on a self-sustaining basis -- and assuring that critical health challenges threatening the Hemisphere will be addressed; and,
- **Maintaining a viable balance between guarding the environment and meeting the needs of economic and human growth** aimed at increasing awareness and access to mitigating approaches which limit pollution, health hazards and destruction of the environment.

Phase-out Countries

USAID has responded to U.S. budget imperatives and the need to focus resources by initiating the closing of six bilateral LAC country programs: Argentina, Belize, the Eastern Caribbean, Chile, Costa Rica and Uruguay). These close-outs will be completed during FY 1996 and will allow the Agency to further focus its development assistance resources in the region and manage for results. Because activities in Argentina and Uruguay are scheduled for 1995 phase-out, FY 1995 Sustainable Development funds are not requested for these countries. In the remaining phase-out countries, FY 1995 Sustainable Development funding is requested to carry out the orderly completion of ongoing activities. LAC expects that by the scheduled USAID phase-out date, some activities will be sustained by local implementing entities, while others will continue to receive support from other donors. Regional and central activities supporting mission strategic objectives in the phase-out countries, particularly in the democracy and environmental area, will likewise support the orderly phase-out process in these countries.

Performance

While considerable developmental progress has been achieved as a result of USAID assistance in the LAC region, persistent sustainable development constraints remain in achieving USAID's sustainable development goals.

Broad-based Economic Growth. Policy reforms to liberalize trade, improve government fiscal management have resulted in fiscal solvency and lowered inflation -- the insidious "tax" on the poor and those on fixed incomes. For example, inflation has declined in Costa Rica, Nicaragua, Peru and the Dominican Republic -- in some cases from triple and four digit levels. A similar pattern is evident throughout the region. Privatization of state firms, which drained government resources away from other priority areas, moved forward in Honduras, Nicaragua, Jamaica, El Salvador and Costa Rica. However, these "saved" resources are only slowly being redirected to social sectors to address the critical needs of the disadvantaged. Support for small and microenterprises demonstrated a capacity to create jobs in the Dominican Republic, Costa Rica, and El Salvador. While in Bolivia, a microenterprise lending operation supported by USAID formed its own bank to access additional capital for its lending operations. These efforts have increased participation by the disadvantaged, including women. In Honduras, small farmer organizations, credit unions and cooperatives have demonstrated dramatic growth in membership: out of 55,000 members, 14,000 are women, and 55% of small business borrowers are women. In basic education, enrollments are increasing in the Dominican Republic, Guatemala, Honduras and El Salvador, but the quality of education is at risk and the disadvantaged and girls bear the brunt of weaknesses in the management and level of resources allocated to primary education systems.

Since late 1991, no case of indigenous transmission of wild poliovirus has been reported in the region. Reported cases of measles dropped from 23 cases per 100,000 in 1991 to 12 per 100,000 in 1992. Vaccination coverage of children before their first birthday reached 76% or higher for each of the six common childhood diseases prevalent in LAC. Likewise, infant mortality rates have improved significantly in the Dominican Republic, Peru, Bolivia and in other LAC countries as a result of child survival interventions such as vaccination campaigns and use of oral rehydration therapy. Nevertheless, these successes can only be described as fragile because the disadvantaged still lack access to basic health services. Further, governments have depended on donors and nongovernmental organizations (NGOs) to provide these services, while their own contributions to social sectors have increased slowly or not at all. Health system management and resource allocation reforms are needed to sustain these gains.

Stabilizing Population Growth. Overall contraceptive rates have increased steadily in Honduras, El Salvador and Peru as well as other countries; and NGOs have played an increasing role in the

delivery of family planning services. Broader access to family planning services is still required; stabilizing population growth remains a key factor for sustainable development.

Building Democracy. USAID support of the Organization of American States, the Council of Freely Elected Governments of the Carter Center, the National Democratic and International Republican Institutes, Southwest Voters, and other regional and U.S. technical assistance has helped provide election monitoring, voter registration and education, international observers, and strengthening of local NGOs and election tribunals where needed to ensure more open and participatory elections. This support has proved key to critical transition elections in countries such as Guyana, Paraguay, Peru and El Salvador. USAID strengthened local NGO election monitoring and voter education during a tense election in Venezuela.

The Inter-American Institute for Human Rights (IHR), located in Costa Rica which USAID helped establish and continues to fund, has become the premier Latin American institution conducting research and education in human rights. Last year, IHR's Director received the United Nation's International Human Rights prize for contributions to the cause of human rights. Over the past year, the judicial reform movement has made significant progress with USAID leadership and the close collaboration with the Inter-American Development Bank and the World Bank. Results include criminal procedure reform in Guatemala and Ecuador and the initiation of alternative dispute resolution mechanisms in countries such as Colombia, Argentina and Bolivia.

One of the many reforms sweeping the Hemisphere is the call for good governance. USAID supported programs have helped initiate financial management reform programs in Bolivia, Nicaragua, Panama, and El Salvador, and trained Venezuelan prosecutors in the detection and prosecution of corruption cases. Decentralization programs have increased local responsibility and expanded mechanisms for citizen participation in El Salvador and Honduras. In the Dominican Republic, citizens have organized themselves, with USAID support, to analyze, debate, and make recommendations with respect to reforming their democratic processes; and local non-governmental organizations (NGOs) are being used as channels to implement activities in family planning, health and education. In Nicaragua, USAID supported the work of a politically diverse group to reach agreement on what and how, their school system should teach Nicaraguan children about democracy. While there is progress in working to improve the institutional capacity of key democratic institutions such as the judicial systems, executive branch accountability and legislatures, there is a clear need to expand support for local governance and citizen participation that can encourage more responsive democratic institutions.

Protecting the Environment. Honduras, Guatemala and Panama have increased the number of forested areas under improved management or protection. Local communities are becoming involved in protection and management of fragile environments in Jamaica, El Salvador, Guatemala and Ecuador. USAID has played an important role in the development of natural resource protection laws in Bolivia, Honduras and Belize. Performance thus far has focused on legal and regulatory changes which are a prerequisite for future progress in environmental and natural resource protection and effective institutional strengthening.

FY 1995 Request

The trend for U.S. assistance to the Hemisphere has been declining in recent years, reflecting U.S. budgetary constraints, shifting geopolitical requirements, and success within the Hemisphere. The levels requested in this presentation reflect the minimum needed to maintain a position of U.S. leadership in resolving key problems in America's own neighborhood.

In summary, a total of \$682,495,000 in foreign assistance is requested for the Latin America and Caribbean country and regional programs from the following funding sources: Sustainable Development \$382,350,000; Building Democracy \$75,000,000; Promoting Peace \$58,000,000; P.L.480 Title II \$119,145,000; and \$48,000,000 in P.L.480 Title III.

BELIZE **FY 1995 SUSTAINABLE DEVELOPMENT REQUEST: \$2,688,000**

USAID will end assistance to Belize in FY 1996. Sustainable Development funds will focus on the orderly completion of USAID activities, particularly those under the environmental strategic objective, and to complete activities related to economic growth and democracy.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOs)_____

PROTECTING THE ENVIRONMENT:

USE OF TERRESTRIAL RESOURCES IMPROVED. The economic growth now underway in Belize may not be environmentally sustainable as forests are cleared for agriculture, and mangroves give way to construction of homes and tourist facilities. USAID is helping Belize address the issues of environmental protection and natural resource management that allows economic growth to continue without destruction of the natural resource base. USAID activities support the strengthening of environmental planning and monitoring, the introduction of sustainable agriculture practices in sensitive areas, improvement in protection of forests, and increased local capacity to plan and manage tourism growth to mitigate adverse environmental impacts. By 1996, Government of Belize (GOB) environmental institutions should have an increased capacity to plan for and monitor environmental impacts that may be associated with growth. In both natural resource management and tourism, public and nongovernmental organization (NGO) capacity to plan policy and programs, as well as to monitor impact of economic development and tourism activities on the environment, will be strengthened. By 1996, average income from sedentary agriculture in targeted areas is expected to increase 20% at the same time that the index of protection for 35 critical habitats will increase. Local NGOs will increase capacity to influence environment policy and the Ministry of Tourism and Environment and the Natural Resource Ministry will have tourism management and land-use systems installed and in use.

USAID MISSION RESULTS_____

PROTECTING THE ENVIRONMENT:

USE OF TERRESTRIAL RESOURCES IMPROVED. Recently, major USAID support for this objective has begun. Significant accomplishments are: USAID policy dialogue influenced the GOB decision to improve existing legislation strengthening the legal basis for environmental protection and land-use management; to extend secure land-use tenure of the country; and to increase staff and initiate training programs in key institutions with environmental responsibilities. The Belize Tourism Industry Association played the lead role in development of the GOB's Cruise Ship Policy, and continues to work with the GOB on the Environmental Conservation Fee and tourism legislation. The Environmental Protection Act was passed, and eight community protected areas have been established -- one over the original target.

OTHER FY 1995 USAID-MANAGED ACTIVITIES_____

None.

OTHER DONORS_____

In 1992, the United States was the largest bilateral donor. Other major donors are the Inter-American Development Bank, World Bank, the Caribbean Development Bank, United Kingdom, and European Economic Community.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST_____

USAID requests \$2,688,000 in Sustainable Development funds to support protecting the environment activities (\$1,154,000) and to close out ongoing rural infrastructure and training activities in economic growth (\$1,257,000) and Democracy (\$277,000).

USAID/Belize Representative: Barbara P. Sandoval

Bolivia is one of the least developed countries in the region. Sustainable Development and Promoting Peace funding support expanded economic opportunity and access country-wide in order to promote sustainable development and stem narcotics production and trafficking.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOS)_____

BUILDING DEMOCRACY:

IMPROVED EFFECTIVENESS AND ACCESS TO KEY DEMOCRATIC INSTITUTIONS AND PRACTICES. USAID seeks to strengthen justice and public defender systems, executive branch oversight and internal management of the Bolivian Congress, and financial management of public institutions. National public opinion surveys will be conducted annually on fairness/effectiveness of law courts. Through 1997, legislative support services will be expanded for use by 10 key Congressional committees; the number of financial audits implemented by the Controller General will be increased annually.

BROAD-BASED ECONOMIC GROWTH:

EXPANDED OPPORTUNITY/ACCESS. USAID assistance seeks to increase non-coca employment and foreign exchange earnings throughout the country; reform financial markets; and increase non-coca economic opportunities in the Chapare (the principal source of illicit coca) and associated areas. Bolivia's social indicators remain among the lowest in the hemisphere. By 1997, private investment will increase to 8% of gross domestic product and non-traditional exports will increase to \$584 million or 6.2% of GDP. By 1995, USAID will help leverage a pension reform law through policy dialogue, thereby creating increased funds for private investment and greater social security. By 1997, as the Bolivian economy expands, the number of Bolivian poor participating each day in urban food-for-work programs will have declined to about 200,000.

IMPROVED FAMILY HEALTH. USAID assistance seeks to improve health policy; institutional capabilities in service delivery; and health knowledge, attitudes and practices.

STABILIZING POPULATION GROWTH:

IMPROVED FAMILY HEALTH. USAID activities support improved private and public institutional capabilities to deliver family planning services. Contraceptive prevalence is targeted to increase from about 35% currently to about 38% in 1995. A new demographic health survey will be carried out and will provide improved family health progress indicators, including indicators for maternal mortality.

PROTECTING THE ENVIRONMENT:

REDUCED DEGRADATION OF NATURAL RESOURCES AND PROTECTED BIOLOGICAL DIVERSITY. USAID seeks to increase public and private institutional capacity for sustainable resource use/environmental protection; forest value to discourage destruction; and public awareness of environmental protection and sustainable resource management issues. By 1997, 50,000 hectares will be under improved management in order to maintain biodiversity, decrease deforestation, and improve the soil and water quality and quantity. Twenty-five thousand natural resource users will have improved knowledge of environmental protection.

USAID MISSION RESULTS_____

BUILDING DEMOCRACY:

IMPROVED EFFECTIVENESS AND ACCESSIBILITY OF KEY DEMOCRATIC INSTITUTIONS AND PRACTICES. Bolivia conducted its fourth consecutive free and fair national election in June 1993. USAID provided key assistance for voter registration and counting. An operating prosecutor training unit provided assistance to the Attorney General's office and a nonpartisan Congressional Budget Office was established.

BROAD-BASED ECONOMIC GROWTH:

EXPANDED ECONOMIC OPPORTUNITY AND ACCESS. After less than two years, the USAID-assisted Banco Solidario has assisted over 40,000 micro-clients, making more loans than the rest of the banking system. Activities in the Chapare have dramatically increased cultivation of non-coca crops. Due to product and market development and road improvements, several private firms marketed small farmer crops. The farmer's price for bananas increased by 50%.

IMPROVED FAMILY HEALTH. USAID carried out a vital study of groups at high risk for AIDS and other sexually transmitted diseases. A new health system referral clinic recovered more than 35% of its costs in the first month. The infant mortality rate declined from 100/1,000 to 89/1,000 since 1986, but the rate is still among the highest in the region.

STABILIZING POPULATION GROWTH:

IMPROVED FAMILY HEALTH. USAID launched a major health sector policy initiative and reproductive health services project, including strengthening provision of family planning services. Substantial technical assistance in population, family health and sustainability of health services was provided.

PROTECTING THE ENVIRONMENT:

REDUCED DEGRADATION OF NATURAL RESOURCES AND PROTECTED BIOLOGICAL DIVERSITY. USAID is a lead donor in improving public and private sector institutional capacity for improved forestry and environmental management. As part of Bolivia's innovative debt-for-nature initiative, a \$21.8 million environmental fund was established under which 24 grants have been awarded to grass-roots organizations for environmental activities.

OTHER FY 1995 USAID-MANAGED ACTIVITIES

USAID will manage a total of \$38,000,000 of Promoting Peace (counternarcotics) funds supporting agricultural research extension and marketing and infrastructure for the Chapare's sustainable non-coca growth and to prevent migration to coca-growing areas; job and income creation elsewhere in the economy; an Administration of Justice activity; and activities in drug awareness and prevention. Separately, \$20,805,000 is requested for a P.L. 480 Title II food aid program.

OTHER DONORS

In 1992, the United States was the largest bilateral donor, followed by Japan, Germany and Spain. Other donors were the Inter-American Development Bank, Andean Development Corporation, World Bank, United Nations and European Community.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST

USAID requests \$35,777,000 in Sustainable Development funds for democracy (\$1,871,000), broad-based economic growth (\$13,915,000), population (\$17,183,000), and environment (\$2,808,000). Separately, \$7,000,000 is requested for a follow-on P.L. 480 Title III program in support of the four MSOs and food security.

USAID/Bolivia Mission Director: C.H. Leonard

USAID assistance to Brazil addresses development problems with global dimensions, including global climate change from Amazonian deforestation, stabilizing population growth, and assisting in stemming the AIDS epidemic.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOS)_____

PROTECTING THE ENVIRONMENT:

ENVIRONMENTALLY AND SOCIO-ECONOMICALLY SUSTAINABLE ALTERNATIVES TO DEFORESTATION ADOPTED BEYOND TARGET AREAS. USAID has provided approximately \$2.5 million annually for the Global Climate Change (GCC) program to reduce Brazil's contribution to the global emission of greenhouse gases by abating deforestation in the Amazon. The GCC program is promoting the development of ecologically and economically sustainable policies and activities with smallholders to manage forest resources in the Amazonian States. The program comprises activities in applied research and practical demonstration of ecologically and economically sustainable forest management and conservation practices, human resources training and institutional strengthening, and policy analyses and environmental impact assessments. USAID is developing targets for this objective which has global climate change dimensions.

STABILIZING POPULATION GROWTH:

INCREASED ACCESS TO CONTRACEPTIVE METHODS AND INTEGRATED FAMILY PLANNING SERVICES IN ORDER TO IMPROVE WOMEN'S REPRODUCTIVE HEALTH IN TARGET AREAS. USAID supports Brazilian voluntary family planning programs. The program concentrates on expanding the limited range of methods, increasing the information available in Brazil about reproductive health care, and ensuring that viable service delivery systems for the disadvantaged are in place in target areas (the states of Bahia and Ceara) by 1999, when USAID population assistance for Brazil will end. The contraceptive prevalence rates in the USAID-assisted areas are expected to increase vis a vis other non-targeted areas; USAID will develop this information with Brazilian counterpart nongovernmental institutions.

BROAD-BASED ECONOMIC GROWTH:

REDUCED INCIDENCE OF SEXUALLY TRANSMITTED HIV INFECTION IN TARGETED POPULATIONS IN TWO GEOGRAPHIC REGIONS OF BRAZIL. Brazil has the fourth highest number of AIDS cases in the world, despite significant under-reporting. Heterosexual transmission is growing rapidly. USAID's strategy to combat AIDS concentrates education efforts on high-risk groups in Rio and Sao Paulo. Implementation is provided by the AIDS Control and Prevention program (AIDSCAP), a USAID centrally funded, worldwide program which will develop targets for Brazil.

USAID MISSION RESULTS_____

PROTECTING THE ENVIRONMENT:

ENVIRONMENTALLY AND SOCIO-ECONOMICALLY SUSTAINABLE ALTERNATIVES TO DEFORESTATION ADOPTED BEYOND TARGET AREAS. Cooperation among U.S. government agencies, private voluntary organizations, universities, and Brazilian government and nongovernmental organizations (NGOs) has been encouraging. Applied research program results are influencing forestry policies. Formulation of a research and development strategy for viable alternatives to slash-and-burn agriculture worldwide is underway in key regions in the Amazon. Technical assistance and training to Brazilian institutions and NGOs focus on their ability to plan, manage activities, and obtain funds. An integrated forest management training program is underway to promote more efficient use of natural resources. USAID participated in the design of the Group of Seven (G-7) Amazon pilot program, managed by the World Bank, using Global Climate Change agroforestry and fragile lands projects and applied research programs as models.

STABILIZING POPULATION GROWTH:

INCREASED ACCESS TO CONTRACEPTIVE METHODS AND INTEGRATED FAMILY PLANNING SERVICES IN ORDER TO IMPROVE WOMEN'S REPRODUCTIVE HEALTH IN TARGET AREAS. Brazil has achieved a high rate of contraceptive prevalence (66%). However, Brazilian women continue to have a very restricted choice of family planning methods and a heavy reliance on sterilization. USAID is coordinating with the United Nations Population Fund (UNFPA) on a new reproductive health program to address these issues. Brazil's largest health management organization is now offering family planning services in pilot clinics in the poverty-ridden northeast region.

BROAD-BASED ECONOMIC GROWTH:

REDUCED INCIDENCE OF SEXUALLY TRANSMITTED HIV INFECTION IN TARGETED POPULATIONS IN TWO GEOGRAPHIC REGIONS OF BRAZIL. Surveys show that knowledge about AIDS is now high, but that behavioral change to avoid AIDS is only beginning. An implementation plan for AIDSCAP and eight sub-projects are underway in two target states. USAID-funded technical assistance has ensured that social marketing and contraceptive logistics systems are key elements of a \$250 million World Bank loan now under design for AIDS prevention.

OTHER FY 1995 USAID-MANAGED ACTIVITIES

None.

OTHER DONORS

The World Bank and the Inter-American Development Bank are the major donors.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST

USAID requests \$11,685,000 in Sustainable Development funds for environment (\$2,900,000), stabilizing population (\$4,525,000), and economic growth (\$4,260,000).

USAID/Brazil Representative: John Pielemeier

CHILE **FY 1995 SUSTAINABLE DEVELOPMENT REQUEST: \$3,598,000**

The USAID Representative's Office will close in FY 1996. Sustainable Development funds will be used for the orderly completion of activities supporting the strategic objectives.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOS)_____

BUILDING DEMOCRACY:

INCREASED RESPONSIVENESS OF KEY INSTITUTIONS TO CITIZENS NEEDS. USAID supports Chile's continuing transition to a fully functioning democracy and for its renascent and renewed democratic institutions. Activities include improving the judicial function and access to justice, improving congressional analytic capacity and access to consultative services, support of Chile's new decentralization process, and improving participation in the electoral process.

BROAD-BASED ECONOMIC GROWTH AND PROTECTING THE ENVIRONMENT:

SUPPORT FREE TRADE AGREEMENT (FTA)-RELATED ENVIRONMENTAL OBJECTIVES. USAID environmental support focuses on public policy, specific marketplace issues, non-government capacity building, and a possible free trade agreement. This objective, therefore, also addresses USAID's objective of protecting the environment. These projects support Chile's effort to build an environmentally responsible, sustainable economic model. USAID works with Chile's environmental protection agency, CONAMA, to build its preeminence as the Chilean public policy institution with a capacity to protect the environment, effectively manage resources, and to respond to Chile's environmental problems. Activities include environmental pollution prevention at the plant level, environmental protection and conservation at the community level, and development of non-partisan technical information to promote public policy dialogue on the FTA.

USAID MISSION RESULTS_____

BUILDING DEMOCRACY:

INCREASED RESPONSIVENESS OF KEY INSTITUTIONS TO CITIZENS NEEDS. USAID works closely with non-governmental organizations (NGOs) to promote citizen participation and democratic institution building. Studies describing the relationship between the poor and the justice system are being used to draft a reform bill for a legal assistance system. Pilot efforts in alternative dispute resolution are specifically focused in poor areas. A USAID-supported non-governmental organization (NGO) published Chile's first national survey of the legal needs of the poor and women. This study is the basis for a proposed national legal assistance service. A civic education NGO organizes voter registration drives and education campaigns in every Chilean election. The program materials and courses are specifically focused to include poor people in the political process. As a result of USAID's piloting efforts in voter education, judicial reform and legislative support, the Inter-American Development Bank (IDB) is planning a \$12 million project. The World Bank has followed USAID's initial work with CONAMA with a \$11.2 million loan for further institutional development and a regionalization of CONAMA's programs. USAID's initial investments in two institutions which support microenterprise are now being supported by multilateral donors.

BROAD-BASED ECONOMIC GROWTH AND PROTECTING THE ENVIRONMENT:

SUPPORT FTA-RELATED ENVIRONMENTAL OBJECTIVES. As a result of USAID's work with CONAMA major new environmental legislation has been enacted. A new activity to reduce industrial pollution, led not only to reduced pollution, but also to tremendous savings for plant owners. A Chilean environmental NGO published the first environmental newsletter aimed at municipal officials and local NGOs. USAID established a competitive, small funding facility which encourages and promotes public policy dialogue on the environmentally sustainable development aspects of a potential free trade agreement.

OTHER FY 1995 USAID-MANAGED ACTIVITIES_____

None.

OTHER DONORS_____

The Inter-American Development Bank and World Bank are the major donors in Chile.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST_____

USAID requests \$3,598,000 in Sustainable Development funds for building democracy (\$1,663,000), broad-based economic growth (\$935,000), and environment (\$1,000,000).

- USAID/Chile Representative: Thomas Nicastro

Sustainable Development funds support the objective of stabilizing Colombia's population growth. Prior year counternarcotics funds support an improved administration of justice system.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOS)_____

STABILIZING POPULATION GROWTH:

ASSURE FINANCIAL SELF-SUFFICIENCY FOR PRIVATE FAMILY PLANNING SERVICES AND DECENTRALIZATION OF PUBLIC SECTOR FAMILY PLANNING SERVICES. USAID is in the process of phasing out centrally funded support to family planning in Colombia to concentrate program focus on justice sector reform activities. The USAID population program in Colombia, however, has been instrumental in the development of a world-recognized national private service delivery system by PROFAMILIA which is now approaching self-sufficiency. The planned reduction of USAID assistance is being structured in a way which will prevent disruption to the very effective Colombian family planning and reproductive health services programs which have served as a model for development of such services in other countries. USAID has also provided some limited public sector support to help decentralize public sector services to the state and municipal level.

BUILDING DEMOCRACY:

IMPROVE THE EFFECTIVENESS OF THE COLOMBIAN CRIMINAL JUSTICE SYSTEM WITH EMPHASIS ON THE REGIONAL AND OTHER SELECTED PROSECUTORIAL UNITS AND CRIMINAL COURTS. Generic problems in the judicial system have become acute during the last ten years, due to the increase in power of narcotraffickers and the associated escalation in levels of violence. Colombian courts have been unable to enforce justice, administrative systems are weak and the justice sector lacks adequate training and resources in investigative, prosecutorial and administrative functions. The justice sector reform program is helping improve the effectiveness of the Colombian criminal justice system, a fundamental democratic institution, and strengthen the Government of Colombia's capability to bring major narcotraffickers to justice. The program focuses on activities to improve the investigation and prosecution of serious crimes; the operation and administration of the court system; the access, fairness and public perception of the judicial system; overall justice sector planning and monitoring capabilities; and judicial protection and threat assessment capabilities.

USAID MISSION RESULTS_____

STABILIZING POPULATION GROWTH:

ASSURE FINANCIAL SELF-SUFFICIENCY FOR PRIVATE FAMILY PLANNING SERVICES AND DECENTRALIZATION OF PUBLIC SECTOR FAMILY PLANNING SERVICES. The phase-out of assistance supports an endowment to PROFAMILIA with interest generated supporting a portion of PROFAMILIA operations; efforts by PROFAMILIA to expand revenue-generating services into other areas related to reproductive health and family planning; and expansion of PROFAMILIA family planning services to low-income populations and services through clinics in rural and other marginal areas; and assistance to the public sector in decentralizing their family planning services.

BUILDING DEMOCRACY:

IMPROVE THE EFFECTIVENESS OF THE COLOMBIAN CRIMINAL JUSTICE SYSTEM WITH EMPHASIS ON THE REGIONAL AND OTHER SELECTED PROSECUTORIAL UNITS AND CRIMINAL COURTS. USAID has been instrumental in assisting Colombia to meet immediate justice sector reform needs, such as equipment to improve security of judges and other senior government officials and training to improve the effectiveness of the investigation of major narcotics trafficking and terrorist crimes. USAID also assisted the development of a long-term plan for restructuring justice sector organizations, improve the effectiveness of the judicial branch and prosecutorial functions, improve access to the judicial system and expand judicial protection capabilities. USAID assisted the government to carry out the operational aspects of the constitutional reforms, particularly the creation of functioning institutions established by the constitution such as the prosecutor general's office; and development of the criminal procedures code. Specific accomplishments included development of an implementation plan for the new prosecutor general's office, which began functioning in July 1992 and now has 10,000 employees, and development of a nation-wide training program for prosecutors on investigative and prosecutorial skills. In addition, assistance was provided to the Supreme Court for nation-wide seminars to train magistrates and judges on the new criminal procedures code.

OTHER FY 1995 USAID-MANAGED ACTIVITIES_____

None.

OTHER DONORS_____

The World Bank and the Inter-American Development Bank are the principal donors in Colombia.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST

USAID requests \$5,496,000 in Sustainable Development funds for stabilizing population growth (\$5,235,000) and democracy (\$261,000).

USAID/Colombia Mission Director: Edward L. Kadunc

USAID will phase out operations at the end of FY 1996, ending 50 years of U.S. development assistance to the country. Sustainable Development funds will be used for the orderly completion of activities supporting USAID strategic objectives.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOS)_____

BROAD-BASED ECONOMIC GROWTH:

IMPROVED ECONOMIC COMPETITIVENESS. While the Government of Costa Rica (GOCR) successfully complied with the policy reform conditionality of past Economic Support Fund agreements, further GOCR reforms are necessary in the financial sector. USAID will continue to work with the GOCR for additional financial sector reforms leading to improved access to financial services by small producers and savers and will support the efforts of other donors to lead in these initiatives. Activities under this MSO will have a direct impact on the poor by promoting policies to facilitate the access of approximately 5,000 additional small and rural producers to credit and related services.

BUILDING DEMOCRACY:

A MORE STREAMLINED, EFFICIENT AND RESPONSIVE GOVERNMENT. USAID is focusing on strengthening democratic institutions by improving the efficiency of Costa Rica's institutions and facilitating access by other LAC countries to the Costa Rican experience through regional democracy institutions based here. Ongoing activities focus on administrative reform in the Costa Rican Legislature and Supreme Court.

PROTECTING THE ENVIRONMENT:

THE MAINTENANCE OF NATURAL FOREST HABITAT. Activities contribute directly to the Agency's strategy for conserving the planet's biologically richest ecosystems by promoting the adoption of sustainable forest management practices, strengthening the country's system of national parks and protected areas, and encouraging effective natural resource conservation policies. The deforestation rate will drop from 30,000 hectares in 1992 to 4,000 hectares in 1995. Furthermore, a majority of USAID environmental activities support the efforts of nongovernmental, nonprofit environmental groups.

USAID MISSION RESULTS_____

BROAD-BASED ECONOMIC GROWTH:

IMPROVED ECONOMIC COMPETITIVENESS. USAID initiatives have resulted in economic policy reform, trade development and expanded financial services. Economic performance has continued to improve as shown by an over 7% increase in gross domestic product (GDP) during 1992 and a 6.3% increase in 1993, an unemployment rate below 4%, real per capita GDP growth of 4.0%, a consolidated government budget deficit of 1.2% of GDP (surprisingly low for the year before national elections), 15% growth in non-traditional export revenues, 29% growth in gross revenues from tourism, and a 17% growth in merchandise imports. The incidence of poverty among families fell from 21% over the years 1988 to 1992 to 17.4% in mid-1993. Net international reserves increased from \$354 million on January 1, 1993, to above \$440 million.

BUILDING DEMOCRACY:

A MORE STREAMLINED, EFFICIENT AND RESPONSIVE GOVERNMENT. USAID efforts supported successful GOCR initiatives that: (1) reduced the number of public sector employees (6500 employees removed from public payrolls), (2) automated several customs houses and restructured the customs service, (3) privatized state-owned enterprises, and (4) supported budget reform. Support for judicial reform resulted in the establishment of a national judicial commission, the development of a computerized data base of all legislation in force, and the establishment of system-wide professional education and training program within the court judicial school.

PROTECTING THE ENVIRONMENT:

THE MAINTENANCE OF NATURAL FOREST HABITAT. Discussions with the leadership of the Costa Rican national park system resulted in the GOCR agreeing to use park entrance fees to meet recurrent park operating costs. USAID efforts to promote the adoption of sustainable forest management practices were successful, as evident by a 31% increase from 1992 in the number of sustainable forest management plans submitted for government approval. The groundwork has been laid for a major forestry sector project to be financed by the Inter-American Development Bank (IDB).

OTHER FY 1995 USAID-MANAGED ACTIVITIES_____

None.

OTHER DONORS

In 1992, the United States contributed about 11% of total bilateral assistance; Germany, the Netherlands and European Community followed Japan, the largest bilateral donor. The IDB and United Nations were the major multilateral donors.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST

USAID requests \$6,329,000 in Sustainable Development funds to provide funding for broad-based economic growth (\$1,717,000), building democracy (\$2,702,000), and environment (\$1,910,000).

USAID/Costa Rica Mission Director: Steve Wingert

DOMINICAN REPUBLIC **FY 1995 SUSTAINABLE DEVELOPMENT REQUEST: \$15,582,000**

The Dominican Republic continues to implement its economic reform program which has resulted in lower inflation and increased economic growth. However, significant sustainable development constraints remain, such as limited participation by the disadvantaged in the economy and in their access to social services, and weak democratic institutions and participatory democratic processes.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOS)_____

BROAD-BASED ECONOMIC GROWTH:

SUSTAINED ECONOMIC GROWTH WITH EQUITY. USAID is assisting the Government of the Dominican Republic (GODR) to continue the economic reform program, increase and diversify trade, and develop human resources needed for economic development which will lead to greater participation by the disadvantaged in the economy. More open economic reforms, support for the microenterprise sector and improved quality of primary education will result in reduced rural and urban poverty rates. As a result of policy reforms, private investment is expected to increase from about \$1.3 billion in 1992 to \$1.8 billion in 1997 and non-traditional exports are projected to increase from 18.5% to 25% of total exports. New jobs created in micro and small enterprises are expected to increase from 1,500 to 28,500 by 1997.

STABILIZED POPULATION GROWTH AND IMPROVED HEALTH STATUS. USAID is expanding efforts to support Dominican initiatives in child survival and is greatly increasing support for AIDS prevention and control activities to help reduce the incidence of HIV, an increasing concern for the Dominican Republic. By 1997, the infant mortality rate should fall from 43/1,000 to 38.5/1,000 births. HIV prevention targets will be set in 1994.

STABILIZING POPULATION GROWTH:

STABILIZED POPULATION GROWTH AND IMPROVED HEALTH STATUS. USAID activities under this MSO support improved delivery and access to family planning services. By 1997, the contraceptive prevalence rate is expected to increase from 33.9% to 46%.

BUILDING DEMOCRACY:

PARTICIPATORY DEMOCRATIC REFORM. USAID focuses on strengthening democratic institutions and bringing transparency and accountability to government, including electoral reform. The democratic education component seeks to increase citizen awareness of the advantages of participatory democracy, bring significant democratic reform issues to formal negotiation, implement labor reforms, and support political consensus. USAID emphasizes empowerment and participation of community-based democratic organizations and institutions. Major indicator targets will be set based on a survey to be completed in 1994. However, voter registration is expected to increase from approximately 82% to 90% and voter participation from approximately 60% to 75% by 1998.

PROTECTING THE ENVIRONMENT:

INCREASED AVAILABILITY OF WATER NEEDED FOR SUSTAINED ECONOMIC DEVELOPMENT. USAID activities support improved public sector and nongovernmental organization (NGO) capacity to promote environmentally sound water management policies and practices in selected sites. USAID is working on the development of specific targets for this environmental MSO.

USAID MISSION RESULTS_____

BROAD-BASED ECONOMIC GROWTH:

SUSTAINED ECONOMIC GROWTH WITH EQUITY. USAID, working with other donors, supported GODR reforms that have dramatically turned around the economy. The GODR negotiated its foreign debt, reduced tariff schedules, and approved a new labor code which offers additional benefits to workers. Inflation was slashed from 100% in at the end of 1990 to 5% during 1992 and has remained relatively stable since then. With other donors, USAID supports the privatization of the electric system to increase access to electricity by the urban and rural poor and microenterprises. For primary education, a ten-year education reform plan was developed with USAID support.

STABILIZED POPULATION GROWTH:

STABILIZED POPULATION GROWTH AND IMPROVED HEALTH STATUS. Infant mortality in the Dominican Republic dropped from 75/1,000 in 1986 to 43/1,000 in 1993. While nationwide only 9.5% of all mothers practice exclusive breast-feeding, data from some areas where USAID is active show up to 78% of mothers are using exclusive breast feeding.

BUILDING DEMOCRACY:

PARTICIPATORY DEMOCRATIC REFORM. USAID is promoting broadened citizen participation in the political process through Dominican NGOs -- public interest groups, community organizations, and intermediary institutions. The new electoral reform law has been universally perceived as leading toward free and fair general elections in May 1994. A Central Elections Board has implemented reforms, including a new electoral registration system. Local groups received subgrants for democratic education under a grant administered by a Dominican organization.

PROTECTING THE ENVIRONMENT:

INCREASED AVAILABILITY OF WATER NEEDED FOR SUSTAINED ECONOMIC DEVELOPMENT. Water user associations are being expanded; a new water law was enacted and reforestation incentives were established. Targets for the indicators will be set as this activity is redefined in 1994.

OTHER FY 1995 USAID-MANAGED ACTIVITIES

\$2,893,000 is requested separately for a P.L. 480 Title II food assistance program supporting maternal and child health, family planning and urban food-for-work activities.

OTHER DONORS

In 1992, the United States, with about 23% of bilateral contributions, was the second largest bilateral donor and the fifth largest overall. The World Bank, United Nations Development Program, Italy, Japan and Germany are other leading donors.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST

USAID requests \$15,582,000 in Sustainable Development funds for broad-based economic growth (\$6,698,000), population (\$3,108,000), democracy (\$2,638,000), and environment (\$3,138,000).

USAID/Dominican Republic Mission Director: Raymond F. Rifenburg

Ecuador introduced an impressive package of economic reforms in late 1992. However, the pattern of low economic growth has not been broken. The Government of Ecuador has been unable to maintain quality and increase access to social services. According to the United Nations Children Fund (UNICEF), 50% of the population falls below the poverty line. Democratic institutions also need strengthening to better respond to citizen needs. The country's rich and biodiverse natural resource base is threatened by inappropriate productive and extractive practices.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOS)_____

BROAD-BASED ECONOMIC GROWTH:

INCREASE SUSTAINABLE ECONOMIC GROWTH FOR A BROAD BASE OF THE POPULATION. To achieve higher economic growth, USAID assists local nongovernmental organizations (NGOs) to expand employment and incomes by increasing private investment and exports. USAID expects to increase from 89 to 110 the number of exported non-traditional products with annual freight on board value over \$500,000. Employment in microenterprises and small businesses, and in sectors with strong nontraditional exports, will be increased by 250%. NGOs, with support of the Central American Institute of Business Administration (INCAE), will also continue to promote policy reforms to improve the economic climate. USAID supports an NGO "think tank" and the Ministry of Agriculture to enhance Ecuador's policy analysis capability to improve small farmer incomes.

INCREASED USE, EFFECTIVENESS AND SUSTAINABILITY OF FAMILY PLANNING AND SELECTED HEALTH SERVICES. USAID is also supporting child survival and health education efforts of the Government of Ecuador. USAID is redesigning its child survival project to give greater emphasis to Private Voluntary Organizations (PVOs) as implementing organizations and, with those PVOs, will be calculating targets for activities from 1995 on. The infant mortality rate is expected to fall to 50/1,000 in 1994.

STABILIZING POPULATION GROWTH:

INCREASED USE, EFFECTIVENESS AND SUSTAINABILITY OF FAMILY PLANNING AND SELECTED HEALTH SERVICES. USAID activities build on its history of assisting local family planning NGOs to become sustainable, expand coverage of services and advocate improved population policies. In 1997, contraceptive prevalence will increase to 60% (from 53% in 1989), and the total fertility rate will fall to 3. The level of cost recovery of NGO clinics will increase from 30% to 65% by 1997.

BUILDING DEMOCRACY:

IMPROVE RESPONSIVENESS OF SELECTED DEMOCRATIC INSTITUTIONS WITH GREATER CITIZEN PARTICIPATION. USAID's democracy initiative is focused on supporting implementation of judicial reforms and promoting democratic leadership. USAID is working with both the public and private sectors to promote greater understanding and support for a coherent judicial sector reform process that can also merit support from other donors. Baseline data for a number of indicators of progress in this sector will be collected in 1994-95.

PROTECTING THE ENVIRONMENT:

PROMOTE THE SUSTAINABLE USE OF THE NATURAL RESOURCE BASE. USAID's environmental activities are directed at improving natural resource policies and demonstrating more effective resource management practices in local communities. The number of participating local organizations with effective stewardship over resources will increase from virtually zero in 1993 to 10 in 1995; additional specific targets for this MSO are being developed. USAID is also assisting the Government of Ecuador and local and U.S. NGOs to develop an environmental action plan that will serve as the basis for attracting other donor resources to the sector.

USAID MISSION RESULTS_____

BROAD-BASED ECONOMIC GROWTH:

INCREASE SUSTAINABLE ECONOMIC GROWTH FOR A BROAD BASE OF THE POPULATION. USAID efforts have led to the adoption of new agricultural reform policies, decrees that improve greatly the investment climate, and privatization of state-owned enterprises. To reach the most disadvantaged Ecuadorians, USAID has a small development activities program giving grants to grass-roots organizations.

INCREASED USE, EFFECTIVENESS AND SUSTAINABILITY OF FAMILY PLANNING AND SELECTED HEALTH SERVICES. The percentage of Ministry of Health (MOH) services in provinces and health areas with an established and effective user fee system went from zero in 1992 to approximately 20 in 1994. These figures will be confirmed with special surveys at the end of FY 1994.

STABILIZING POPULATION GROWTH:

INCREASE THE USE, EFFECTIVENESS AND SUSTAINABILITY OF FAMILY PLANNING AND SELECTED HEALTH SERVICES. Since the USAID's family planning activities began, the contraceptive prevalence rate has increased from 35% to 55%, while Ecuador's population growth rate dropped from 3% to 2.3%. Institutionally, the implementing NGOs have made huge strides toward self-sufficiency, with a cost-recovery rate of 50% through fee structures and cross-subsidies, while simultaneously expanding coverage to a national level with over 40 clinics.

BUILDING DEMOCRACY:

IMPROVE THE RESPONSIVENESS OF SELECTED DEMOCRATIC INSTITUTIONS WITH GREATER CITIZEN PARTICIPATION. USAID efforts in administration of justice led to an unprecedented constitutional reform which began a process of restructuring the court system and is providing the basis for an independent judiciary. USAID also helped to establish a new judicial advocacy NGO, independent "working groups" of private lawyers to advance sectoral reforms and participate with the Ecuadorian Congress in drafting and promoting enabling legislation.

PROTECTING THE ENVIRONMENT:

PROMOTE THE SUSTAINABLE USE OF THE NATURAL RESOURCES BASE. USAID has contributed to the institutional strengthening of Ecuadorian environmental institutions. A Presidential Environmental Commission has been established in the Presidency, as well as an environmental unit in the Planning Commission, and a national environmental action plan is being developed. A monitoring plan for oil field road-building activities has also been completed.

OTHER FY 1995 USAID-MANAGED ACTIVITIES _____

None.

OTHER DONORS _____

In 1992, the United States, with about 9% of bilateral contributions, was the fourth largest bilateral donor. Other leading donors include the Inter-American Development Bank, the World Bank, France, Japan and Germany.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST _____

USAID requests \$13,970,000 in Sustainable Development funds for broad-based economic growth (\$6,036,000), population (\$3,250,000), democracy (\$1,698,000) and environment (\$2,986,000).

USAID/Ecuador Mission Director: J. A. Sanbrailo

Sustainable Development and Building Democracy funded activities both support the open participation of Salvadorans in the country's recovery from war and in addressing constraints to sustainable development by strengthening participatory democratic processes and institutions, population growth, broader access to effective social services, and natural resource management.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOS) _____

BROAD-BASED ECONOMIC GROWTH:

ASSIST EL SALVADOR TO MAKE THE TRANSITION FROM WAR TO PEACE; AND INCREASED EQUITABLE ECONOMIC GROWTH. USAID activities support expanded employment, broader access to basic services, and increased local-level civic participation throughout the country. USAID also supports economic and sectoral policies and small business and microenterprise activities to expand participation in economic growth. By 1997, the proportion of the urban population below the poverty line will decrease from 55.5% to 52.5%. Total value of nonagricultural exports will increase from \$210 to \$596 million by 1997. In national reconstruction zones, clients receiving microenterprise loans will increase from 350 in 1991 to 14,980 in 1997. Cantones participating in the Municipalities Action Program will increase from 50% in 1992 to 100% in 1994.

HEALTHIER, BETTER EDUCATED SALVADORANS. Through nongovernmental organizations (NGOs) and the public sector, USAID supports increased efficiency and effectiveness of primary education, child survival, and better access to health services by the disadvantaged. By 1997, the percentage of students who complete sixth grade will increase from 70% to 76% percent. Infant mortality rates will decrease from 55 to 39/1,000.

STABILIZING POPULATION GROWTH:

HEALTHIER, BETTER EDUCATED SALVADORANS. Activities under this MSO also promote improved access to family planning services through NGOs and the public sector. Overall contraceptive prevalence will increase from 47% to 54% by 1997.

PROTECTING THE ENVIRONMENT:

IMPROVE ENVIRONMENTAL AND NATURAL RESOURCE MANAGEMENT. USAID supports the creation and implementation of a policy and legal framework for increased natural resource use, increased public awareness of environmental problems, and environmentally sound productive activities by small farmers. By 1997, as a result of technical assistance and training in pilot areas, over 17,000 small farmers will be using improved productive agricultural practices on their land. Forest cover will increase by 5%.

BUILDING DEMOCRACY:

PROMOTE ENDURING DEMOCRATIC INSTITUTIONS AND PRACTICES. USAID supports increased citizen participation in the electoral process, improved protection of human and civil rights by the justice system, and improved public sector financial accountability. By 1997, active participation in day-to-day governance, as indicated by towns participating in open town meetings, will increase from 63% to 100%. The criminal justice system's treatment of indigent detainees will have improved, providing adequate representation (public defenders) and reducing backlog (by 50 percent) to allow cases to be processed more rapidly (reduction from 2.6 years to 1 year) thus guaranteeing basic civil rights of due process and equal protection.

USAID MISSION RESULTS _____

BROAD-BASED ECONOMIC GROWTH:

ASSIST EL SALVADOR TO MAKE THE TRANSITION FROM WAR TO PEACE; and INCREASED EQUITABLE ECONOMIC GROWTH. Assistance has been provided through 116 local NGOs working in concert with the Government of El Salvador (GOES). To date, over 3,400 beneficiaries have received title to land, 11,000 ex-combatants have received training and 32,000 small farmers have received credit. Educational materials have been delivered to 1,450 schools and 31 health facilities have been reopened. Economic reforms, including improved tax collection, continued to show impressive results as the inflation rate fell to 12% and gross domestic product (GDP) grew by 5% for the second year in a row. Reaching down to the grass-roots, 1,060 village banks were created and 1,980 microenterprise loans granted, benefiting a total of over 29,000 disadvantaged women.

HEALTHIER, BETTER-EDUCATED SALVADORANS. Since 1988, all vaccination rates for children under five years have risen to over 80%; and severe child malnutrition has decreased from 5.3% to 1.3%. Educational curriculum aids for grades kindergarten through 3rd were developed and tested. Almost 1,500 community boards received grants to contract teachers

directly and manage schools; 22,000 workers received vocational training; and 300 individuals were trained to improve educational services.

STABILIZING POPULATION GROWTH:

HEALTHIER, BETTER-EDUCATED SALVADORANS. Since 1988, contraceptive prevalence has increased to 50% from 47%.

PROTECTING THE ENVIRONMENT:

IMPROVE ENVIRONMENTAL AND NATURAL RESOURCE MANAGEMENT. The GOES Secretariat for the Environment produced a national strategy and four new environmental laws; environmental education became part of the primary education curriculum. Seventy-five persons received environmental management training, and 17 environmental NGOs are implementing activities.

BUILDING DEMOCRACY:

PROMOTE ENDURING DEMOCRATIC INSTITUTIONS AND PRACTICES. Due to a massive registration campaign, over 85% of the Salvadoran population of voting age is now registered. Other advances include the passage of the Family Code to protect the rights of women and children, submission to the Assembly of the revised Labor Code, which contains changes proposed by the International Labor Organization (ILO) and drafting of more modern penal and penal procedural codes. To strengthen participation and access to the decision-making process, assistance to 20 local NGOs will enhance NGO participation in civic awareness activities. Through the Municipalities in Action program, 3,000 open town meetings have been held to select community development projects; making participatory democracy a reality in the ex-conflictive zones.

OTHER FY 1995 USAID-MANAGED ACTIVITIES

\$30,000,000 in Building Democracy funds complement development activities to support Salvadoran reintegration and sustainable development.

OTHER DONORS

In 1992, the United States was the largest provider of external finance, with 56% of multi- and bilateral funding. Other leading donors are the World Bank, Inter-American Development Bank, Central American Bank for Economic Integration (CABEI), the European Community, Germany and the United Nations World Food Program.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST

USAID requests \$37,822,000 in Sustainable Development funds in FY 1995 for broad-based economic growth (\$21,890,000), population (\$2,473,000), democracy (\$7,103,000), and environment (\$6,356,000).

USAID/EI Salvador Mission Director: Charles E. Costello

Guatemala's policy reforms have resulted in an expanding economy. However, participatory democracy needs strengthening, including greater attention to human and labor rights. In the social sectors, access to health and education services by the disadvantaged is a constraint to sustainable development. Sound environmental management for sustainable use and protection of the natural resource base similarly needs more support. Guatemala's Sustainable Development-funded activities are complemented by Building Democracy funding that supports broader, more open participation in the Guatemalan economy and society.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOS)_____

STABILIZING POPULATION GROWTH:

SMALLER, HEALTHIER FAMILIES. USAID supports greater access and delivery of family planning services with an increasing emphasis on reproductive health in order to have an impact on overall fertility rates, as well as infant and maternal mortality. The contraceptive prevalence rate should increase from 29% in 1987 to 32.6% by 1997.

BUILDING DEMOCRACY:

SUSTAINED EXERCISE OF INALIENABLE RIGHTS. USAID supports activities to strengthen the administration of justice, human rights observance, civic education and training. USAID also works to safeguard the rights and provide services to at-risk street children. By 1997, more than 40,000 people will have participated in non-formal human rights education seminars. Major reforms of the judicial sector will have been carried out in three key areas. Improved coverage of oral trial proceedings, prosecutors and investigators using improved techniques, and a legal defenders program will be in place. More than 200 leaders from all sectors of society will have participated in an eight-month course to foster civilian-military dialogue on national stability. USAID is in the process of setting more specific targets for this MSO.

PROTECTING THE ENVIRONMENT:

IMPROVED MANAGEMENT OF NATURAL RESOURCE BASE. USAID activities are promoting natural resource management by small farmers and communities with a renewed focus on private sector participation in soil conservation, pesticide control, and watershed management. Environmental protection and alternative, environmentally sound production and extraction activities are being concentrated mainly, but not exclusively, on preserving the Peten's unique resource base. USAID is developing more specific environmental targets for this MSO.

BROAD-BASED ECONOMIC GROWTH:

INCREASED TRADE AND IMPROVED LABOR RELATIONS. With limited resources, USAID emphasizes policy dialogue to establish an appropriate framework to improve and liberalize the climate for foreign and domestic trade and investment with an emphasis on improving labor relations. By 1998, the value of total exports is expected to increase from \$1.1 billion in 1991 to \$1.5 billion with an increase in U.S.-Guatemala trade from \$1.8 billion to \$3.9 billion.

IMPROVED QUALITY, EFFICIENCY AND EQUITY OF PRIMARY EDUCATION SERVICES. The program will increase equity, efficiency, and effectiveness of instruction. Activities include unified, one-room school teaching programs, bilingual education for Mayan students, and improvements to increase girls education. From 1992 to 1997, the percentage of students completing third grade will increase from 47.4% to 50%, and their achievement level from 55% to 62%; the percentage of girls enrolled in third grade will increase from 45% to 49% and Mayan students in bilingual classes will increase from 10% to 20%.

SMALLER, HEALTHIER FAMILIES. USAID activities are focused more on strengthening public policy to encourage greater resource allocation by the Government of Guatemala to preventive and primary health care. Infant mortality rates are expected to decrease from 74.4 per thousand in 1985 to 65/1,000 by 1997.

USAID MISSION RESULTS_____

STABILIZING POPULATION GROWTH:

SMALLER, HEALTHIER FAMILIES. The contraceptive prevalence rate increased from 23% in 1987 to 29% in 1992.

BUILDING DEMOCRACY:

SUSTAINED EXERCISE OF INALIENABLE RIGHTS. USAID helped the Office of the Human Rights Ombudsman establish 21 regional offices to promptly investigate and make public their findings on reported human rights violations and provide civic education and human rights seminars throughout the country. Civilian-military seminars continue to increase dialogue. Major criminal procedures and narcotics legislation were passed.

PROTECTING THE ENVIRONMENT:

IMPROVED MANAGEMENT OF NATURAL RESOURCE BASE. As a result of combined donor and Guatemalan efforts, about 320,000 hectares (of 1.9 million hectares) have been designated legally protected areas. About 10,000 additional hectares are under sustainable agricultural practices and about 800 hectares of watershed areas are being managed.

BROAD-BASED ECONOMIC GROWTH:

INCREASED TRADE AND IMPROVED LABOR RELATIONS. Two-way trade between Guatemala and the United States increased from \$1.2 billion in 1989 to an estimated total of \$2.6 billion in 1993. Between 1989 and 1993, nontraditional exports more than doubled to \$523 million in 1993.

IMPROVED QUALITY, EFFICIENCY AND EQUITY OF PRIMARY EDUCATION SERVICES. A total of 2,700 teachers and 800 promoters were trained in the use of new teaching methodologies and textbooks. A total of 800 bilingual schools now serve approximately 117,000 Mayan children, and 1.5 million bilingual textbooks and guides were printed and distributed. The Ministry of Education made major policy and financial commitments to girls education.

SMALLER, HEALTHIER FAMILIES. More than 6 million immunizations and 3 million oral rehydration treatments of children under five have been provided since 1985. Private voluntary organization (PVO)-administered P.L.480 Title II maternal and child health programs reach nearly 300,000 at-risk individuals annually.

OTHER FY 1995 USAID-MANAGED ACTIVITIES

\$2,000,000 in Building Democracy funding will support greater citizen participation in government. USAID will manage a proposed \$10,532,000 P.L.480 Title II food assistance program in Guatemala.

OTHER DONORS

In 1992, the United States was the major bilateral donor to Guatemala, accounting for 54% of bilateral donor resources. The World Bank, Inter-American Development Bank, United Nations Development Program, Germany and the European Community also provide significant assistance.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST

USAID requests \$23,833,000 in Sustainable Development funds for stabilizing population growth (\$8,717,000), building democracy (\$1,205,000), protecting the environment (\$6,503,000), and broad-based economic growth (\$7,408,000).

USAID/Guatemala Mission Director: William S. Rhodes

In October 1992, Guyana held its first free and fair national elections in over two decades, resulting in the opposition forming the post-election government. USAID is in the process of establishing a mission in Guyana to assist the country's transition to democracy and to promote broad-based sustainable growth. At this time, there is no approved USAID strategy and no approved MSOs. A Guyana interim program strategy, however, has been prepared which proposes two areas of strategic focus.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOS)_____

BROAD-BASED ECONOMIC GROWTH:

IMPROVED BUSINESS ENVIRONMENT WITH INCREASED OPPORTUNITIES FOR THE RURAL AND URBAN POOR. Since the beginning of an International Monetary Fund (IMF)-initiated Economic Reform Program (ERP) in 1989, the Government of Guyana (GOG) has made substantial progress in changing its economy from a state-directed to a market-led orientation. Nonetheless, the country's environment for broad-based participation in the economy is still relatively insecure. USAID is seeking to address these problems by: (1) strengthening the policy reform implementation capability of the GOG and (2) improving the capacity of private sector associations to help create a more open policy and regulatory environment in which rural and urban small- and micro-enterprises will be able to participate in the economy. Specific targets for this MSO will be established during the preparation of the mission program strategy.

BUILDING DEMOCRACY:

STRENGTHENED DEMOCRATIC INSTITUTIONS. Municipal and local elections are scheduled to be held in 1994. USAID sees the current period in Guyana as a unique opportunity to strengthen the capacity of democratic institutions, specifically the judiciary, the legislature and local government to respond effectively to the needs of Guyana's citizenry. Specific targets for this MSO will likewise be established during the preparation of the mission program strategy.

USAID MISSION RESULTS_____

BROAD-BASED ECONOMIC GROWTH:

IMPROVED BUSINESS ENVIRONMENT WITH INCREASED OPPORTUNITIES FOR THE RURAL AND URBAN POOR. With USAID support, a U.S. private voluntary organization is providing technical assistance to small enterprises. The P.L.480 Title III program is providing local currency resources through a nongovernmental organization which supplied credit to more than 2,000 small- and micro-enterprises and created more than 9,000 jobs. Overall, P.L. 480 Title III conditionality and local currency resources have made a substantial contribution to the successful implementation of the economic reform program.

BUILDING DEMOCRACY:

STRENGTHENED DEMOCRATIC INSTITUTIONS. USAID assistance helped make the 1992 national elections, which were declared by international observers as free and fair, a success in Guyana's transition to democracy.

OTHER FY 1995 USAID-MANAGED ACTIVITIES_____

None.

OTHER DONORS_____

With \$9.0 million of program assistance in 1992, the United States was the fourth largest donor to Guyana. Other donors with the largest aid portfolios are the Inter-American Development Bank, the World Bank, Canada and the European Community.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST_____

USAID requests \$3,157,000 in Sustainable Development funds to support broad-based economic growth (\$2,657,000) and democracy (\$500,000). Separately, \$6,000,000 for the ongoing P.L.480 Title III program is being requested.

- USAID/Guyana Mission Director: M. H. Jordan

USAID Humanitarian and Sustainable Development assistance are mitigating the effects of the political crisis on the disadvantaged. When the political crisis is resolved, these resources will be complemented by Building Democracy funds to assist the transition from the crisis.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOS)_____

BUILDING DEMOCRACY:

PROMOTION OF THE RESTORATION OF DEMOCRACY. Haiti's precarious socio-economic situation is directly related to the absence of private and public democratic institutions and processes. The military authorities' refusal to cede power to the constitutional government, despite the July 1993 Governor's Island Accord, further delayed the building of such institutions. USAID activities support nongovernmental organizations (NGOs) promoting participatory democracy. With the restoration of constitutional government, USAID will focus on strengthening public institutions, including fundamental reform of the judicial system with the help of the Department of Justice's International Criminal Investigative Training Assistance Program (ICITAP). USAID will be developing specific targets for this MSO upon resolution of the political crisis.

BROAD-BASED ECONOMIC GROWTH:

ALLEVIATION OF HUMAN SUFFERING. Haiti, the region's poorest country, faces food insecurity and worsening health conditions contributing to high infant and child mortality. Conditions have worsened since the 1991 coup d'etat, with severe deterioration of the country's already inadequate infrastructure and deterioration of basic services. Through an expanded feeding program and extended health services implemented through private voluntary organizations (PVOs), USAID, along with other donors, is providing a safety net to reduce malnutrition and morbidity among Haiti's children, pregnant women and elderly. Until the political crisis is resolved, USAID will continue to maintain feeding and health service delivery programs for Haiti's poorest citizens.

MITIGATION OF ECONOMIC DETERIORATION. Due to fiscal and monetary mismanagement by the de facto authorities, Haiti's economy has continued its downward spiral, registering an annual inflation rate estimated at 45%, a 5% drop in per capita gross domestic product in 1993, and an overall GDP decline of 12% to 14% since the coup. These factors have been exacerbated by the commercial embargo. USAID's assistance strategy under this MSO has been limited to mitigating the effects of economic and social degradation on poor households and on the informal sector generally. Once the political crisis ends, specific targets will be developed for sustainable development activities.

STABILIZING POPULATION GROWTH:

ALLEVIATION OF HUMAN SUFFERING: USAID supports NGOs which provide family planning services along with other health services. Specific targets will be developed by USAID when the political crisis ends.

PROTECTING THE ENVIRONMENT:

MITIGATION OF ECONOMIC DETERIORATION. Activities under this MSO support sustainable natural resource management practices by small farmers including soil conservation measures that also provide income to the farmer. Specific environmental targets will be developed when the political crisis ends.

USAID MISSION RESULTS_____

BUILDING DEMOCRACY:

PROMOTION OF THE RESTORATION OF DEMOCRACY. USAID provided limited support to private democratic institutions that promoted democratic values among private institutions. When the political situation appeared close to resolution, USAID moved quickly to execute agreements with the Aristide government to support reform of the justice system. Agreements were also signed with the U.S. Department of Justice, International Criminal Investigative Training Assistance Program (ICITAP) to train the police force upon completion of separation of the police from the military, and support was provided for a joint Organization of American States/United Nations International Civilian Mission sent to Haiti to monitor human rights abuses. These activities will be fully resumed upon resolution of the political crisis.

BROAD-BASED ECONOMIC GROWTH:

ALLEVIATION OF HUMAN SUFFERING. USAID's feeding program reached 725,000 beneficiaries who received one meal a day. Health services, including child survival and AIDS prevention, and drug abuse awareness programs reached over two million disadvantaged Haitians. These were critical programs given the collapse of the Government of Haiti (GOH) public health services following the coup.

MITIGATION OF ECONOMIC DETERIORATION. Given the political stalemate, USAID efforts were limited to providing short-term employment for up to 63,000 poor workers, and providing 250 small loans to micro-entrepreneurs which allowed the latter to save jobs. When a political resolution neared, USAID approved balance of payments, P.L.480 Title III, and employment generation programs.

STABILIZING POPULATION GROWTH:

ALLEVIATION OF HUMAN SUFFERING. NGOs provided family planning services along with other health services for the poor to maintain service delivery in an uncertain political environment.

PROTECTING THE ENVIRONMENT:

Mitigation of Economic Deterioration. USAID is supporting environmentally sound agricultural practices among 4,000 of Haiti's poorest farmers.

OTHER FY 1995 USAID-MANAGED ACTIVITIES

The Administration also requests \$15,000,000 in Building Democracy funding to support the democratic restoration and broad-based economic growth, and \$18,936,000 of P.L.480 Title II resources to meet the nutritional requirements of the vulnerable groups.

OTHER DONORS

In 1992, the United States provided over 37% of donors' funding in Haiti. Other leading donors include the European Community, France, Canada, Germany, and the United Nations.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST

USAID requests \$44,877,000 in Sustainable Development funds for broad-based economic growth (\$28,214,000), democracy (\$3,019,000), stabilizing population growth (\$10,334,000), and environment (\$ 3,310,000). Separately, \$10,000,000 is requested for a new P.L. 480 Title III program to stabilize food prices, support broad-based economic growth, and safety net programs for the poor.

USAID/Haiti Mission Director: Lawrence Crandall

USAID's program in Honduras focuses on overcoming sustainable development constraints to broad-based economic growth, effective access to health and family planning services, improved basic education, improved natural resources management and strengthening participatory democratic institutions and processes.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOS)_____

BROAD-BASED ECONOMIC GROWTH:

ENHANCED PARTICIPATION AND INCREASED INCOMES OF THE POOR. USAID activities and P.L.480 Title III resources support expanded access and opportunity by empowering the disadvantaged and by improving the functioning of markets, policy reforms that increase participation in the economy. In particular, agriculture is a main focus of the program because of its impact on small farmers; while small and micro-enterprises are also specifically targeted for assistance. USAID-supported nongovernmental organization (NGO) programs will have provided 104,000 loans to small businesses by 1995. USAID also is focusing on improved education and efficient use of resources, with increased community participation in education programs. These efforts should result in an increase in the percentage of girls completing sixth grade from 32.6% in 1986 to 45.2% in 1995; the percentage of boys completing sixth grade will increase from 29.5% in 1986 to 41.7% in 1995.

BETTER HEALTH. Activities promote improved delivery and community participation in provision of health services, water and sanitation. In 1996, the vaccination coverage rate for children under five should reach 95%, and in 1997, the infant mortality rate should drop to 42 per thousand.

STABILIZING POPULATION GROWTH:

BETTER HEALTH. Activities under this MSO promote improved delivery and increased community participation in family planning. By the end of 1995, the contraceptive prevalence rate is expected to reach 51%.

PROTECTING THE ENVIRONMENT:

EFFECTIVE STEWARDSHIP OF KEY NATURAL RESOURCES FOR SUSTAINED ECONOMIC GROWTH. USAID activities, including P.L.480 Title III programs, are supporting the conservation of key resources such as forests, agricultural land, watersheds, and protected areas. Activities are also assisting in the development of environmental policies and laws and in improving the capacity of environmental public and private institutions. By the end of 1995, 180,000 hectares of pine forests will be harvested in accordance with sound management practices.

BUILDING DEMOCRACY:

MORE RESPONSIVE DEMOCRATIC PROCESSES, WITH GREATER CITIZEN PARTICIPATION. Activities under this MSO support strengthened democratic institutions such as the judicial system, the National Elections Tribunal, and the Controller General's office; improving municipal governments' ability to provide services and increasing citizen participation; improving labor and management relations; and providing scholarships for U.S. training, especially to lower-income groups. By the end of 1995, it is expected that public opinion surveys will have increased confidence in the judicial system.

USAID MISSION RESULTS_____

BROAD-BASED ECONOMIC GROWTH:

ENHANCED ECONOMIC PARTICIPATION AND INCREASED INCOMES OF THE POOR. Economic reforms have benefited the agriculture sector. Between 1989 and 1991, the real income of agricultural households grew by 14.7%. Loans to small and microenterprises under USAID-supported NGO programs reached 48,658 in 1993 (70% of borrowers have been women). Nontraditional agricultural exports generated an estimated 29,000 jobs in the agricultural sector. USAID met a key 1995 education target in 1992 when the number of children completing sixth grade in six years increased 40% over the 1986 level.

BETTER HEALTH. Infant mortality decreased from 61 per thousand in 1985 to an estimated 46/1,000 in 1992. Vaccination coverage for children under five exceeded 89% in 1991.

STABILIZING POPULATION GROWTH:

BETTER HEALTH. Contraceptive prevalence reached an estimated 47% in 1991.

PROTECTING THE ENVIRONMENT:

EFFECTIVE STEWARDSHIP OF KEY NATURAL RESOURCES FOR SUSTAINED ECONOMIC GROWTH. The area of pine forests harvested in accordance with sound management practices reached 99,000 in 1993. The new Environmental Protection

Fund promotes sustained resource conservation through grants to NGOs. Nearly 10,000 poor hillside families have adopted sustainable cultivation practices and on-farm natural resources management.

BUILDING DEMOCRACY:

MORE RESPONSIVE DEMOCRATIC PROCESSES, WITH GREATER CITIZEN PARTICIPATION. USAID contributed to free and fair elections in 1989 and 1993. Anti-corruption activities in the judicial sector resulted in indictment of two judges and firing of others. The law giving fiscal and management authority to the local governments is the most advanced municipal legislation in Central America. In 1993, Hondurans voted for mayors separately from the national slate. Over 2,000 Hondurans (80% disadvantaged) have been sent to the United States for studies.

OTHER FY 1995 USAID-MANAGED ACTIVITIES _____

USAID will manage a proposed \$6,763,000 P.L. 480 Title II food aid program in support of increased economic participation and better health and primary education for the poor.

OTHER DONORS _____

In 1992, the United States was the largest bilateral donor to Honduras. Japan and Germany have been the second and third largest bilateral donors, respectively. Since 1990, the Inter-American Development Bank and the World Bank have been the largest overall donors in Honduras.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST _____

USAID requests \$23,829,000 in Sustainable Development Funds to support broad-based economic growth (\$12,932,000), stabilizing population (\$3,910,000), democracy (\$2,328,000), and environment (\$4,659,000). Separately, a follow-on \$5,000,000 P.L.480 Title III program is being requested.

USAID/Honduras Mission Director: Marshall Brown

As a small, import-dependent, island economy, Jamaica's economic sustainability depends on increasing foreign exchange earnings and productive employment through exports and tourism. Jamaica's sustainable development is also at risk if the disadvantaged cannot fully participate in the economy and have access to social services. Adverse environmental impacts also threaten the future of Jamaica's tourism and productive base. USAID also supports a democracy related activity to strengthen the functioning of Jamaica's judicial system which has weakened over the past several years.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOS)_____

BROAD-BASED ECONOMIC GROWTH:

INCREASED FOREIGN EXCHANGE EARNINGS AND EMPLOYMENT. The Government of Jamaica (GOJ) has adopted outward-oriented policies to support tourism and exports including the privatization of its publicly-owned enterprises. USAID is supporting a more open economic environment for broad-based economic growth, increased production of selected exports by small producers, increased private investment, improved tourism product, and training. A related objective is to expand employment through private sector assistance and for disadvantaged Jamaicans through microenterprise and hillside farming support. In the face of budget adjustments, targets for foreign exchange earnings of selected agricultural exports are being revised. By 1997, microenterprises assisted should increase from 4,000 to 5,500 (3,300 women owned); employment in assisted areas is expected to increase by some 30%.

HEALTHY, SMALLER FAMILIES. While, Jamaica has respectable health statistics, there is increasing concern that the health system cannot continue to provide access to services by the disadvantaged without improved management of social service delivery. In addition, AIDS, sexually transmitted diseases (STDs) and drug abuse are significant health problems. USAID supports effective health service delivery so quality services are maintained for disadvantaged Jamaicans, while those with the ability to pay can access private care. USAID also supports AIDS/STD and drug abuse prevention activities.

PROTECTING THE ENVIRONMENT:

IMPROVED ENVIRONMENTAL QUALITY AND NATURAL RESOURCE PROTECTION. Jamaica relies primarily on its bauxite and tourism industries for foreign exchange, and is therefore highly dependent on its fragile natural resource base. It also possesses over 1,000 native species and is the world's fifth most biologically diverse island. USAID is the lead environmental donor, assisting the GOJ, nongovernmental organizations (NGOs) and communities to improve management of environmentally threatened growth areas, to promote sound agricultural land-use practices, to create national parks, and to strengthen public policy on a range of environmental issues. By 1996, environmental enforcement actions will increase from 2 to 20, in order to protect forested areas; water quality targets for Montego Bay are now being revised based on environmental studies completed in 1993.

STABILIZING POPULATION GROWTH:

HEALTHY, SMALLER FAMILIES. USAID is supporting Jamaica's efforts to reduce fertility rates and rationalize the effective provision of public and private family planning services. USAID assistance is designed to ensure that long-term contraceptive methods are adopted.

USAID MISSION RESULTS_____

BROAD-BASED ECONOMIC GROWTH:

INCREASED FOREIGN EXCHANGE EARNINGS AND EMPLOYMENT. The GOJ has put in place the policy and institutional framework for sustained growth. USAID has assisted this process, for example, by co-financing with the United Nations Development Program a Ministry of Finance Fiscal Policy Unit and by assisting with the privatization of 29 state run enterprises since 1989. USAID has supported export development which contributed to new jobs and a 37% growth in nontraditional exports in 1992. USAID microenterprise-lending support enabled the creation of 2,244 jobs in 1993, approximately 50% held by women. A USAID-supported university executive MBA program has placed graduates in over 100 Jamaican firms island-wide.

HEALTHY, SMALLER FAMILIES. In the health sector, the GOJ has instituted a user fee system which has met 9% of hospital costs.

PROTECTING THE ENVIRONMENT:

IMPROVED ENVIRONMENTAL QUALITY AND NATURAL RESOURCE PROTECTION. USAID assisted in establishing Jamaica's first national parks--the Montego Bay Marine Park and the 200,000 acre Blue Mountain National Park--and helped make viable the policy and management authority that oversees resource protection. By 1993, 11,000 low-income hillside farmers had been trained in improved cultivation practices to reduce soil erosion and boost earnings. These farmers have planted over 1 million trees since 1987. USAID also assisted the establishment of industrial discharge permit procedures and helped NGOs carry out local environmental improvement projects.

STABILIZING POPULATION GROWTH. A 1993 survey showed that the contraceptive prevalence target of 62% for the year 2000 has already been attained, condom use has increased by 90%, and the GOJ has begun to finance contraceptive procurement. In 1993, USAID provided assistance to enable the divestment of the GOJ's contraceptive marketing program - a first for USAID-financed projects worldwide. The GOJ assigned a health finance expert to oversee Ministry of Health cost containment, including use of generic drugs.

OTHER FY 1995 USAID-MANAGED ACTIVITIES _____

None.

OTHER DONORS _____

The United States has traditionally been Jamaica's largest bilateral donor. In 1992, the United States provided 52% of bilateral funding. Other leading donors are the World Bank, Inter-American Development Bank, Canada, and the European Community.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST _____

USAID requests \$14,266,000 in Sustainable Development funds to support broad-based economic growth (\$8,818,000), the environment (\$4,034,000), population (\$650,000), and democracy (\$764,000).

- USAID/Jamaica Mission Director: Robert S. Queener

Sustainable Development funds are supporting activities in Mexico to address problems with global dimensions in the environment, related to global climate change and protection of biodiversity, population growth, and issues related to the implementation of the free trade agreement.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOS) _____

BROAD-BASED ECONOMIC GROWTH:

CREATE A CLIMATE FOR ECONOMIC AND SOCIAL PROGRESS UNDER NAFTA. USAID support assisted in the adoption of the North American Free Trade Agreement (NAFTA) through progress in building Mexican capacity in key legal and regulatory areas such as labor and environment. USAID continues to focus on these areas and support activities for wider participation in benefits resulting from the new free trade environment. Expected results include assisting Mexico in changing policies and regulations and to improve their implementation.

PROTECTING THE ENVIRONMENT:

REDUCTION OF CARBON DIOXIDE EMISSIONS IN TARGET AREAS AND ACTIVITIES AND SUSTAINABLE CONSERVATION OF BIOLOGICAL DIVERSITY. USAID's environmental program focuses on global climate change, forest and biodiversity conservation and international pollution. The primary emphasis has been on the reduction of carbon dioxide (CO₂) emissions which may contribute to global climate change; activities to reduce deforestation also indirectly benefit biodiversity conservation. The integrated sustainable development approach is being implemented in the protected areas and buffer zone management projects, simultaneously conserving natural resources and benefiting the local community by fostering economically and environmentally sustainable development activities. Current NAFTA-related environmental activities, often in conjunction with the Environmental Protection Agency, address international, cross-border air and water pollution issues. A Mexican Conservation Fund is being planned and established to provide funding for biodiversity conservation. USAID is developing specific targets for the environmental objective in Mexico.

STABILIZING POPULATION GROWTH:

INCREASED CONTRACEPTIVE PREVALENCE RATE IN TARGET AREAS AND SUSTAINABILITY OF MEXICAN FAMILY PLANNING NON-GOVERNMENTAL ORGANIZATIONS (NGOs). Activities support the expansion of clinical family planning services in specific geographic areas, improved family planning communications, increased participation of private-sector service providers, and increased financial independence of Mexican non-governmental family planning organizations. With this USAID assistance, the contraceptive prevalence rate in target areas is expected to increase from 35% in 1990 to 60% in 1996.

USAID MISSION RESULTS _____

BROAD-BASED ECONOMIC GROWTH:

SUPPORT THE SUCCESSFUL IMPLEMENTATION OF NAFTA. Institutional strengthening activities resulted in a streamlined Patent and Trademark application process, a comprehensive body of Government of Mexico (GOM) environmental laws and regulations for the assessment and mitigation of environmental impacts resulting from NAFTA, technical exchange concerning US/Mexican Labor Laws and Standards, acceptable levels of compliance by Mexican fleets for the protection of sea turtles and dolphins, and a plan for provision of training and technical assistance in plant and animal health.

PROTECTING THE ENVIRONMENT:

REDUCTION OF CARBON DIOXIDE EMISSIONS IN TARGET AREAS AND ACTIVITIES AND SUSTAINABLE CONSERVATION OF BIOLOGICAL DIVERSITY. Results from USAID's environmental programs include improved management of six million hectares of tropical forest, completion of workshops and case studies which address environmental policy and legal constraints to environmental protection and forest conservation, initiation of a project to support and provide initial capitalization for the Mexican Conservation Fund, and establishment of the Youth Conservation Corps for Mexico.

STABILIZING POPULATION GROWTH:

INCREASED CONTRACEPTIVE PREVALENCE RATE IN TARGET AREAS AND SUSTAINABILITY OF MEXICAN FAMILY PLANNING NGOs. USAID and the GOM signed a memorandum of understanding to expand cooperation in family planning. The GOM purchased 50% of program requirements for pills, condoms and inter-uterine devices in 1993. USAID held workshops and provided technical assistance to increase the management capability and financial independence of nongovernmental family planning organizations.

OTHER FY 1995 U.S.-MANAGED ACTIVITIES _____

None.

OTHER DONORS

The World Bank and the Inter-American Development Bank are the major donors.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST

USAID requests \$19,510,000 in Sustainable Development funding to provide incremental funding for broad-based economic growth (\$1,203,000), environment (\$5,863,000) and population (\$12,444,000).

- USAID/Mexico Representative: Arthur Danart

Economic reforms have resulted in dramatically lower inflation and the beginnings of a return to economic growth. However, broad participation in that growth and access to social services by the disadvantaged remain as constraints to sustainable development. Similarly, the transition to democracy is still fragile and requires considerable attention. USAID Sustainable Development activities to support broad-based economic growth and more open participatory democratic processes are complemented by Building Democracy funds to achieve the mission strategic objectives.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOS) _____

BUILDING DEMOCRACY:

GREATER CONSENSUS ON DEMOCRATIC VALUES. USAID addresses extreme political polarization and lack of democratic experience in Nicaragua by: 1) promoting the basic values and attitudes which support sustainable democracy, and 2) strengthening key democratic institutions to improve public confidence in their functions. Activities promote civic education, protection of human rights, improved administration of justice, government accountability, political participation, conflict resolution, and municipal development. Targets will be developed based on data from surveys currently underway.

BROAD-BASED ECONOMIC GROWTH:

INCREASED ACCESS AND MORE PRODUCTIVE USE OF FACTORS OF PRODUCTION; AND IMPROVED MARKET EFFICIENCY AND PERFORMANCE. USAID is helping Nicaragua transform a highly centralized and state-dominated economy to a free market system by promoting a market economy and improving the productivity of key sectors particularly agriculture as well as small and micro-enterprises. USAID technology transfer programs emphasizing small farmers should improve agricultural productivity by more than 10% and as much as 50% for some crops by 1996. The value of nontraditional exports is expected to nearly double by 1996.

IMPROVED QUALITY AND EFFICIENCY OF BASIC EDUCATION. Teacher training and curriculum and administrative reform will help increase the percentage of sixth grade completers from 22% to 33% by 1996.

IMPROVED MATERNAL AND CHILD HEALTH. USAID seeks to improve the now decentralized public health system and support private voluntary organization (PVO) child survival interventions. Policy dialogue associated with P.L. 480 Title III food assistance is supporting greater emphasis on primary health and improved service by the public sector. By 1997 infant mortality is expected to be reduced from 58 per thousand to 50/1,000. The proportion of the Ministry of Health budget that is provided to decentralized health services will increase by more than 30%.

STABILIZING POPULATION GROWTH:

IMPROVED MATERNAL AND CHILD HEALTH. USAID supports improved access to family planning services through PVO and public sector channels that will help reduce the total fertility rate from 4.6 to 4.0 by 1997. The contraceptive prevalence rate will increase from 48.7% to 56% over the 1991 to 1997 period.

PROTECTING THE ENVIRONMENT:

INCREASED USE OF ENVIRONMENTALLY SOUND PRODUCTIVE AND EXTRACTIVE PRACTICES. Projects help protect major tropical forest areas, improve pest management to reduce pesticide applications by up to 50%, promote sustainable agriculture, and strengthen PVO and government institutional capability for resource management. USAID is developing targets for this MSD.

USAID MISSION RESULTS _____

BUILDING DEMOCRACY:

GREATER CONSENSUS ON DEMOCRATIC VALUES. Nicaraguans are now openly debating key issues central to consolidation of democracy in Nicaragua and recognizing the importance of human rights monitoring, civilian control of the military, and government accountability. Peaceful resolution of conflict is growing among key sectors of society. Civic education efforts are reaching large segments of the population through schools and civic organizations.

BROAD-BASED ECONOMIC GROWTH:

INCREASED ACCESS AND MORE PRODUCTIVE USE OF FACTORS OF PRODUCTION; AND IMPROVED MARKET EFFICIENCY AND PERFORMANCE. After years of negative economic growth and long periods of hyper-inflation, low inflation and the first indicators of positive economic growth are visible. Private financial institutions now constitute 30% of the financial system, and privatization of state-owned entities has contributed to improved operation of markets and economic efficiency. Agricultural production is increasing and nontraditional agricultural exports have increased dramatically.

Establishment of a system to resolve property disputes and compensate owners is helping address one of the key factors constraining investment.

IMPROVED QUALITY AND EFFICIENCY OF BASIC EDUCATION. Over 13 million textbooks have been provided to schools nationwide. Ninety newly trained teacher trainers began improving the skills of classroom teachers. Restructuring of the Ministry of Education has begun and personnel operations have been streamlined.

IMPROVED MATERNAL AND CHILD HEALTH. Immunization coverage has increased to over 90% for the most common immuno-preventable childhood diseases. Decentralization of public health infrastructure allows more efficient and locally responsive primary health care; the Ministry of Health now spends 40% of its budget on primary health care.

STABILIZING POPULATION GROWTH:

IMPROVED MATERNAL AND CHILD HEALTH. Availability of family planning services has become more widespread through both public and PVO channels, including two regional family planning facilities and a clinic. The contraceptive prevalence rate increased from 48.7% in 1992 to 51% in 1993.

PROTECTING THE ENVIRONMENT:

INCREASED USE OF ENVIRONMENTALLY SOUND PRODUCTIVE AND EXTRACTIVE PRACTICES. Farmer training has reduced pesticide use on key crops and forestry management policy and regulations are being improved. Local populations are initiating improved management and protection activities in key ecological zones.

OTHER FY 1995 USAID-MANAGED ACTIVITIES

\$12,000,000 in Building Democracy funding will support broad-based economic growth and democracy strengthening.

OTHER DONORS

In 1992, the United States was the largest bilateral donor and ranked third in total resource transfers after the Inter American Development Bank and the World Bank. Sweden, Japan, and Germany were other significant bilateral donors.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST

USAID requests \$33,403,000 in Sustainable Development funds to support democracy (\$6,320,000), broad-based economic growth (\$18,102,000), population (\$3,460,000), and environment (\$5,521,000). Separately, \$10,000,000 is requested for the ongoing P.L. 480 Title III program to support local PVOs, health care reforms, and rural employment and food security.

USAID/Nicaragua Mission Director: Janet Ballantyne

USAID's Sustainable Development program objectives support the successful implementation of the Panama Canal Treaties.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOS)_____

BUILDING DEMOCRACY:

STRENGTHENED COMPETENT CIVILIAN GOVERNMENT INSTITUTIONS AND GREATER CITIZEN PARTICIPATION. The elected government installed in December 1989 was the first civilian administration after 21 years of military dictatorship. USAID is assisting Government of Panama (GOP) efforts to establish a fair justice system, honest and open management of public funds, and a transparent electoral process. By 1996, the amount of public resources that are audited will increase from zero to 50%. By 1994, public confidence in the electoral tribunal should increase by more than 10 to 42%.

PROTECTING THE ENVIRONMENT:

PRESERVATION OF NATURAL RESOURCES. Rapid deforestation threatens one of the world's most complex tropical ecosystems. Environments at risk include the Canal watershed, which is essential for operation of the Canal. USAID activities support GOP and nongovernment organization (NGO) efforts to address these threats and to promote sound management of natural resources. By 1995, the GOP natural resources institute will achieve the highest GOP performance rating for institutional capacity. By 1997, private land reforested in the Canal watershed will increase from zero to 1,500 hectares. Country-wide deforestation will be measured through the geographic information system now being established.

BROAD-BASED ECONOMIC GROWTH:

IMPROVED ECONOMIC POLICIES AND BUSINESS CLIMATE. Tariffs, quotas for import and export, and price controls favored certain businesses and denied open competition in the market place. USAID, along with international financial institutions, has supported elimination of these protectionist measures. Working with private sector counterparts, USAID is identifying policy constraints to increased investment and specifically assisting Panama plan for the utilization of the Canal, Canal lands, and reverted U.S. military bases. By 1995, the annual value of exports should increase from \$341 million to \$532 million.

USAID MISSION RESULTS_____

BUILDING DEMOCRACY:

STRENGTHENED COMPETENT CIVILIAN GOVERNMENT INSTITUTIONS AND GREATER CITIZEN PARTICIPATION. Budgetary resources for the Supreme Court and the Public Ministry have been increased to and maintained at 2.7% of the national budget. A pilot program for case tracking and statistical control was successfully completed and is being implemented nation-wide. The registry of 700,000 eligible voters was updated and verified. A new electoral law was approved and is in effect for the 1994 presidential election. A new public sector accounting system was developed and is being introduced in five GOP institutions. A budget formulation and programming manual was developed and is being used by the GOP in 1994.

PROTECTING THE ENVIRONMENT:

PRESERVATION OF NATURAL RESOURCES. An integrated management plan for the Canal watershed is being developed with the assistance of the U.S. Park Service. Action plans for demarcation and protection of 11 national parks and three reserves is under development. USAID, the GOP and The Nature Conservancy reached a tentative agreement to establish a \$25 million trust fund to provide a source of long-term financing for park protection and sustainable development in the Canal watershed, and involve rural communities in the buffer areas of the National Parks.

BROAD-BASED ECONOMIC GROWTH:

IMPROVED ECONOMIC POLICIES AND BUSINESS CLIMATE. Import tariff levels have been reduced, in most cases, from 90% to 40%-50%. Tariffs for specific products were eliminated. Legislation was drafted and is under debate to establish a streamlined "one-stop" business licensing center. A strategic plan of activities to take place during the transition period leading up to the Canal's transfer is being developed.

OTHER FY 1995 USAID-MANAGED ACTIVITIES_____

None.

OTHER DONORS

In 1992 the United States was the largest bilateral donor with 62% of the total bilateral assistance of \$164.0 million. The other major donors were the Japanese with 37% and Germany with 2% of total contributions. United Nations agencies provided more than \$7 million in assistance.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST

USAID requests \$6,707,000 in Sustainable Development funds for democracy (\$2,726,000), broad-based economic growth (\$2,105,000), and the environment (\$1,876,000).

USAID/Panama Mission Director: Kevin Kelly

PARAGUAY **FY 1995 SUSTAINABLE DEVELOPMENT REQUEST: \$3,886,000**

With its first democratically elected president in 1993, Paraguay continues its own remarkable transition toward democracy and a market economy. However, Paraguay faces significant constraints to sustainable development. Social indicators place it clearly among the poorer nations of South America. Several areas deserve increased attention: improved management and access to social services, strengthening participatory democratic institutions, participation by the disadvantaged in the economy, and addressing growing environmental problems.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOS)_____

BROAD-BASED ECONOMIC GROWTH AND PROTECTING THE ENVIRONMENT:

IMPROVED ENVIRONMENT FOR DIVERSIFIED AGRICULTURE AND MICROENTERPRISE. USAID provides technical assistance to several public and private entities to expand trade and investment within a regional (Argentina, Brazil, Paraguay, and Uruguay) MERCOSUR trade context and to carry out a program of economic policy development activities to support broad-based participatory economic growth. USAID activities will be directed at supporting increased participation in the economy by small farmers and the disadvantaged population. USAID also will expand selected activities in protecting the environment: education, protection of nature reserves and natural resources conservation. Because the environment is one of the main concerns in Paraguay, USAID is in the process of adding an environmental objective. USAID is in the process of developing targets for broad-based economic growth and will be developing targets for the new environmental strategic objective.

BUILDING DEMOCRACY:

STRENGTHENED DEMOCRATIC INSTITUTIONS, SYSTEMS AND PRACTICES. USAID is assisting Paraguay put in place the policy options and tools needed by the new civilian government to solidify the democratic transition. USAID funds technical assistance for electoral reform, strengthening the legislative and the judicial system, improving managerial and financial accountability of the government, municipal development, and civic education. Specific targets are being developed for this MSO including citizen perceptions of the functioning of democratic institutions.

USAID MISSION RESULTS_____

BROAD-BASED ECONOMIC GROWTH AND PROTECTING THE ENVIRONMENT:

IMPROVED ENVIRONMENT FOR DIVERSIFIED AGRICULTURE AND MICROENTERPRISE. A USAID supported nongovernmental organization (NGO) prepared an economic policy framework paper, and trained representatives of all political parties in a social market economy approach to national development, including emphasis on the environment, social justice and the rural sector. The same NGO is completing a series of studies and policy recommendations on the legal impediments to broad-based participatory economic growth for Paraguayan decision-makers. USAID provided technical assistance and scholarship funding to 20 candidates to support the creation of a cadre of Paraguayans well-trained in economic planning and business management, and in other selected development fields. USAID environmental activities include work with a local NGO to disseminate educational material on environmental and sustainable use of natural resources, workshops focusing on individuals who can be agents of change within the community, preparation of a master plan for managing the national parks system of Paraguay, and the establishment of a natural resources conservation center.

BUILDING DEMOCRACY:

STRENGTHENED DEMOCRATIC INSTITUTIONS, SYSTEMS AND PRACTICES. Given the need for comprehensive reform, and acknowledging Paraguay's transition to democracy, USAID assisted in the development and strengthening of the Paraguay judicial system. Accomplishments include: the creation and implementation of a judicial training school and a merit-based judicial appointment system; pilot work in alternative dispute resolution, caseload reduction and use of oral argument; and the installation of a computer-based case tracking system. A Human Rights Documentation Center was funded by USAID to catalogue for the judiciary and public two tons of secret files which chronicle the human rights abuses of the former regime. USAID has also helped the Paraguay Congress modernize its committee structure and procedures, train career staff, and analyze key legislation. Pioneering work in local government has blossomed into substantial investment by other donors.

OTHER FY 1995 USAID-MANAGED ACTIVITIES_____

None.

OTHER DONORS_____

In 1992, Japan, Germany and Spain were the largest bilateral donors followed by the Inter-American Development Bank (IDB) and United Nations Development Program. The IDB and World Bank have lending programs in a number of sectors such as agriculture, infrastructure, education, and health.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST

USAID requests \$3,886,000 in Sustainable Development funds to provide incremental funding for broad-based economic growth (\$1,813,000), democracy (\$883,000), and the environment (\$1,190,000).

- USAID/Paraguay Representative: Richard Nelson

Democracy has a fragile hold and participatory growth still must be achieved in Peru. Sustainable Development funds, complemented by Promoting Peace (counternarcotics) and Building Democracy funding, support increased economic opportunity, access to social services and democratic strengthening to stem coca production and begin sustainable development.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOS)_____

BUILDING DEMOCRACY:

STRENGTHENED DEMOCRATIC INSTITUTIONS THAT SUSTAIN INDIVIDUAL RIGHTS AND FREEDOMS AND ARE RESPONSIVE TO THEIR CONSTITUENCIES. The USAID program supports the restructuring of the justice system, free and fair elections, public sector administrative reform, strengthening municipal and local governments, working with nongovernmental organizations (NGOs) on good governance, and human rights. Key democracy building targets for FY 1995 include continued free and fair presidential and municipal elections and an increase in the proportion of the public expressing confidence in the judiciary from 25% in 1992 to 40% in 1995.

BROAD-BASED ECONOMIC GROWTH:

SUSTAINABLE ECONOMIC GROWTH LED BY THE PRIVATE SECTOR. Broad-based growth is needed to reduce poverty that breeds violence and undermines democracy. USAID focuses on maintaining market-oriented policies, improving private sector efficiency and employment generation, eliminating regulations which hinder broader participation in the economy by the poor, and supporting the emergency social safety net for the poor through P.L. 480 Title II and III programs. Key sustainable economic growth targets for FY 1995 include an increase in private sector investment from 12.7% in 1991 to 18.7% of gross domestic product and divestiture of 10 state-owned enterprises. In addition, nontraditional exports will increase from \$1,013 million in 1992 to \$1,400 million in 1995.

IMPROVE HEALTH STATUS THROUGH ACCESS TO QUALITY PRIMARY HEALTH CARE. Peru's infant mortality rate ranks among the highest in Latin American and 35% of all children under five suffer from chronic malnutrition. USAID focuses on increasing private and public sector capabilities to provide sustainable primary health services for prevention of child mortality (caused by vaccine-preventable diseases, diarrheal disease, low birthweight, and malnutrition), increasing public sector expenditures on health care, and improving public and private sector resource management. Key health targets for FY 1995 include a decrease in infant mortality rates from 55/1,000 in 1991 to 45/1,000 live births and a decrease in childhood malnutrition to 15% of rural children and 5% of urban children under five years of age.

STABILIZING POPULATION GROWTH:

IMPROVE HEALTH STATUS THROUGH ACCESS TO QUALITY PRIMARY HEALTH CARE. USAID activities under this MSO also focus on increased private and public sector delivery of sustainable family planning services. Key family planning targets for FY 1995 include an increase of couple years of protection to 1 million, and an increase in modern contraceptive prevalence rate from 23% in 1986 to 40% by the end of 1995.

PROTECTING THE ENVIRONMENT:

SUSTAINABLE ECONOMIC GROWTH LED BY THE PRIVATE SECTOR. USAID activities under this MSO also support sustainable natural resource management in agriculture and forestry, and to protect the fragile natural resource base in selected areas. The Mission will be developing targets for the environmental elements of this MSO.

USAID MISSION RESULTS_____

BUILDING DEMOCRACY:

STRENGTHEN DEMOCRATIC INSTITUTIONS THAT SUSTAIN INDIVIDUAL RIGHTS AND FREEDOMS AND ARE RESPONSIVE TO THEIR CONSTITUENCIES. Peru has made some progress in strengthening democratic institutions, but more remains to be done. Congressional and municipal elections were monitored by the Organization of American States observers, and certified as free and fair. Peru has begun restructuring the justice sector and a new constitution was adopted by national referendum in October 1993. Responding to U.S. concerns, the Government of Peru (GOP) agreed to address the human rights situation, including, with USAID assistance, establishing a human rights national registry of detainees.

BROAD-BASED ECONOMIC GROWTH:

SUSTAINABLE ECONOMIC GROWTH LED BY THE PRIVATE SECTOR. With USAID support, stabilization and structural reform efforts continued to be successful. Peru remained in compliance with the International Monetary Fund, Paris Club debt was rescheduled, and commercial debt negotiations are underway. Tax administration and collection improved with an

expansion of the taxpayer base and improved customs procedures. The GOP liquidated insolvent financial institutions and is permitting majority private sector investment in public sector companies. A \$25 million asparagus export industry employing 6,000 people was developed with USAID help.

IMPROVE HEALTH STATUS THROUGH ACCESS TO PRIMARY HEALTH CARE. U.S. food aid fed one out of seven Peruvians, preventing even greater increases in malnutrition. Infant mortality dropped from 88/1,00 in 1987 to 55/1,00 in 1991. The highest infant immunization coverage ever (83.1%) was reached with Ministry of Health support. Polio virus free for the past two years, Peru can be certified polio free by the World Health Organization in one more year.

STABILIZING POPULATION GROWTH:

IMPROVE HEALTH STATUS THROUGH ACCESS TO QUALITY PRIMARY HEALTH CARE. Population Action International selected Peru as one of five countries worldwide making the most progress in family planning; the modern contraceptive prevalence rate increased from 23% in 1986 to 33% in 1992.

PROTECTING THE ENVIRONMENT:

SUSTAINABLE ECONOMIC GROWTH LED BY THE PRIVATE SECTOR. The Mission is supporting local and U.S. NGOs in managing a protected area of the Amazonian forest and working with communities in the zone to manage their natural resources.

OTHER FY 1995 USAID-MANAGED ACTIVITIES

USAID manages \$20,000,000 in Promoting Peace counternarcotics funding to expand legal economic opportunities and strengthen democratic institutions and processes, and \$1,500,000 in Building Democracy for local governance. Separately, \$59,216,000 in P.L. 480 Title II is requested for the social safety net.

OTHER DONORS

In 1992, Japan, the Inter-American Development Bank, Germany and the United Nations Development Program were the largest donors.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST

USAID requests \$37,475,000 in Sustainable Development Funds for democracy (\$210,000), broad-based economic growth (\$12,784,000), stabilizing population (\$22,044,000), and environment (\$2,437,000). Separately, \$10,000,000 for an ongoing P.L. 480 Title III program is requested.

USAID/Peru Mission Director: George Wachtenheim

USAID is scheduled to close the Caribbean Regional mission in FY 1996. Sustainable Development funds will support the orderly completion of activities supporting USAID strategic objectives and to complete training programs related to democracy enhancement. Nongovernmental organizations (NGOs) are being asked to participate in projects to ensure that the developmental objectives continue to be addressed beyond the termination of U.S. funding.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOS)_____

BROAD-BASED ECONOMIC GROWTH:

INCREASED AND DIVERSIFIED TRADE. The small economies of the Eastern Caribbean are increasingly challenged as preferential trading arrangements disappear and the North American Free Trade Agreement (NAFTA) erodes the one-way benefits of market access under the Caribbean Basin Initiative. The dependence on a single market, single crop exports and tourism to earn foreign exchange left the region highly vulnerable to external events such as elimination of guaranteed markets for bananas and increasing international competition. The USAID Regional Development Office for the Caribbean (RDO/C) is working with Organization of Eastern Caribbean States (OECS) countries, regional organizations and other donors to identify and address policy constraints to a more open, diversified economy that provide a basis for broad-based sustainable growth. USAID is providing assistance in implementing economic policy, legal and regulatory reforms, and development of additional export agricultural crops and markets that can increase employment. Through these reforms and diversification activities, there will be a greater capacity for OECS countries to continue sustainable growth. Termination of USAID assistance will limit expected impacts. Original planned targets for 1996 include: increase in value of non-traditional exports (excluding tourism) from \$1,083 million to \$1,546 million; the proportion of these exports is expected to increase from 37.1% to 47.1% of total exports.

PROTECTING THE ENVIRONMENT:

IMPROVED MANAGEMENT OF NATURAL RESOURCES. Tourism and agricultural production, the major contributors to gross domestic product (GDP) in the region, are both highly dependent on environmental health. Without clean beaches and attractive landscapes, the Eastern Caribbean will not have comparative advantage in tourism. Without environmentally sound and sustainable agricultural practices, increased and diversified trade in agricultural commodities cannot be realized. USAID is providing assistance to increase awareness of the causes and consequences of environmental degradation, to increase the capacity of governments, and to assist the private sector and community groups in better management of natural resources in economically productive and sustainable ways. By 1996, some of the OECS states, particularly St. Lucia and Dominica, should have strengthened their capacity to manage their natural resources. Lessons learned in implementing site-specific natural resources management activities will be disseminated to other OECS countries. Organizations using environmental analysis in development planning should increase from two to 21 by 1996; OECS countries with environmental action plans should increase from two to six. The proportion of farmers in selected areas using agricultural practices or crops with positive economic returns should increase from 10% to 50%.

USAID MISSION RESULTS_____

BROAD-BASED ECONOMIC GROWTH:

INCREASED AND DIVERSIFIED TRADE. Diagnostic studies to frame policy reform recommendations are nearing completion. Model legislation has been developed in regulatory areas such as formation of companies, bankruptcy, insurance and banking. All six OECS countries have endorsed adoption of a standard automated system for customs data and management. A Joint Regional Marketing Program (JRMP) for nontraditional crops was developed to integrate the production and marketing system to ensure a flow of produce from the farm to the ultimate consumer and improve returns to small farmers. Improved production and post-harvest techniques have been developed for several crops being sold competitively on international markets. OECS growers were provided with grades and standard specifications for 15 crops. As a result, spoilage claims on OECS produce have been reduced from 10% to less than 3%. Commercial shipments of pineapple to the United Kingdom have increased from practically zero to approximately 15 tons weekly. Other crops, such as breadfruit and avocados, have also shown promising results and improved the returns to small producers. Improvements in the production and marketing system have encouraged an American air cargo company to establish a weekly cargo service linking St. Lucia, Dominica, Antigua and St. Kitts to Miami. A shipping line has also introduced 15 additional reefer containers for nontraditional exports on its weekly European service.

PROTECTING THE ENVIRONMENT:

IMPROVED MANAGEMENT OF NATURAL RESOURCES. An environmental monitoring system has been developed. International training of 15 individuals in long-term programs and participation in international workshops for more than 500 people have been completed, and World Wildlife Fund advisors have begun work. Two countries, St. Lucia and Dominica, are the initial focus for the creation of national environmental coordinating committees. Ministries in both countries have begun using environmental analysis for decision-making. In both countries, local site management teams have been established, community awareness has been accomplished, and implementation of local environmental improvement activities is beginning.

OTHER FY 1995 USAID-MANAGED ACTIVITIES

None.

OTHER DONORS

In 1992, the United States, with about 25% of bilateral contributions, was the second largest bilateral donor to the region and fourth largest overall, with about 7% of total donor funding. Other leading donors are the United Kingdom, the Caribbean Development Bank, the European Community, and Canada.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST

USAID requests \$5,354,000 in Sustainable Development funds to support broad-based economic growth (\$3,987,000), protecting the environment (\$930,000), and completion of training programs supporting democracy (\$437,000).

- USAID/Caribbean Regional Mission Director: M. H. Jordan

CENTRAL AMERICAN PROGRAMS FY 1995 SUSTAINABLE DEVELOPMENT REQUEST: \$10,399,000

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOS)_____

Central American Programs (CAP) serve as the interface with the Central American countries and USAID missions on regional issues and constraints to sustainable development in the areas of environment, democracy and more open trade. By working with the bilateral USAID missions in the region and Central American institutions, constraints with global and cross-border impacts can be effectively addressed.

PROTECTING THE ENVIRONMENT:

ENVIRONMENTALLY SOUND AND EFFICIENT PRACTICES IN NATURAL RESOURCE MANAGEMENT. CAP is promoting ecologically and economically sustainable utilization of the rich natural resource base in Central America. CAP is working to protect selected endangered and valuable biodiversity zones; to improve knowledge and skills of natural resource managers, smallholders, and the general public; to promote effective environmental organizations; and to develop a professional cadre of natural resource managers. In environmental policy, CAP will continue to provide technical expertise to the Central America Commission on Environment and Development (CCAD) which coordinates, at the presidential level, policy development and implementation on a regional scale. CAP will contribute to the reduction in deforestation trends and will maintain indicator species at viable population levels in selected sites through 1998.

BUILDING DEMOCRACY:

MORE EFFECTIVE AND DEMOCRATIC LOCAL GOVERNANCE. CAP is working with regional institutions and municipal leaders to promote a consensus in Central America for empowerment of local governments to be more responsive to their citizens and for citizen participation in local decision-making process to increase.

BROAD-BASED ECONOMIC GROWTH:

AN OPEN AND COMPETITIVE REGIONAL ECONOMY. CAP will promote increased trade within the region and between the region and its partners, and encourage a more open trade policy environment paying special attention to such issues as labor relations, intellectual property rights, and the environment, to lead to greater and more equitable regional economic growth. The value of regional trade is expected to increase from \$14.6 billion in 1992 to \$24.5 billion in 1998.

USAID MISSION RESULTS_____

PROTECTING THE ENVIRONMENT:

ENVIRONMENTALLY SOUND AND EFFICIENT PRACTICES IN NATURAL RESOURCE MANAGEMENT. At the policy level, the presidents of all Central American countries endorsed the Central American Agenda on Environment and Development which was prepared by the CCAD. The presidents also signed the Agreement for Conservation of Biodiversity and Protection of Priority Natural Areas in Central America. An environmental policy manual, known as the Green Book, serves as a diagnostic tool to increase knowledge about the impact of government on the environment. Efforts coordinated by USAID with the Environmental Protection Agency, Food and Drug Administration, the Central American chemical industry, Peace Corps, and other Central American institutions, reduced the risks of pesticide use to workers and consumers.

BUILDING DEMOCRACY:

MORE EFFECTIVE AND DEMOCRATIC GOVERNANCE. USAID's Regional Housing and Urban Development Office (RHUDO) contributed to the decentralization process through support to the Federation of Central American Municipalities (FEMICA). Pilot projects in El Salvador and Nicaragua demonstrated the feasibility and efficiency of decentralizing authority to the local level in key social sectors. A municipal finance program has been set up at the Central American Bank for Economic Integration (CABEI), to contribute to the financial independence of municipalities.

BROAD-BASED ECONOMIC GROWTH:

AN OPEN AND COMPETITIVE REGIONAL ECONOMY. The move toward economic integration advanced in the last year with the signing by all Central American countries (including Costa Rica and Panama) of the Protocol to amend the General Treaty of C.A. Economic Integration. The Central American presidents have made clear to President Clinton their desire to work in concert with the U.S. Government to enter into a free trade agreement. Central Americans have implemented an agreement on a common external tariff of 5% to 20%, drastically reducing regional tariff levels. Honduras, Guatemala, El Salvador, and Nicaragua are working to establish a Northern Tier Free Trade area, and negotiations are in process to expand it to other Central American nations.

OTHER FY 1995 USAID-MANAGED ACTIVITIES_____

None.

OTHER DONORS

CAP coordinates closely with the United Nations Development Program, the Inter-American Development Bank, and the European Union on its development assistance program for Central America; it participates in the Regional Consultative Group process led by the Inter-American Development Bank.

FY 1995 SUSTAINABLE DEVELOPMENT REQUEST

USAID requests \$10,399,000 in Sustainable Development funds in FY 1995 to support protecting the environment (\$6,124,000), building democracy (\$1,060,000), and broad-based economic growth (\$3,215,000).

USAID/Guatemala Central American Programs Mission Director: William S. Rhodes

LATIN AMERICA AND CARIBBEAN REGIONAL ACTIVITIES

FY 1995 Sustainable Development Request: \$22,707,000
FY 1995 Building Democracy Request: \$14,500,000

The Latin America and Caribbean (LAC) Regional program is managed and funded from USAID/Washington. Most of the program consists of activities implemented in more than one country, often working through regional institutions, as well as a few activities which are carried out in one country, but managed from Washington. The portfolio also supports a carefully selected group of high-priority or Congressionally mandated regional development initiatives which cannot be effectively managed on a bilateral basis.

The activities of the LAC Regional portfolio support the Agency's new goals of broad-based economic growth, stabilizing population growth, protecting the environment, and building democracy. Regional initiatives reinforce bilateral efforts aimed at addressing selected common development constraints and objectives and encourage cooperation in addressing hemispheric and sub-regional development constraints. LAC Regional activities have an impact in the individual countries where activities take place and where they directly support the achievement of mission strategic program objectives.

Broad-Based Economic Growth

LAC Regional programs support broad-based economic growth by assisting the Agency and missions develop strategies which take into account the unique characteristics of Latin America and the Caribbean, while taking advantage of its regional institutions. For example, in agriculture and natural resources, a broad-based rural growth strategy was developed to provide a technical foundation for Agency and mission approaches to sustainable economic growth. Similarly, in health, regional activities support health sector assessments focus on reducing the missed opportunities to vaccinate and to improve geographic access to immunization services. In education, regional activities promote better investments in human resource development in order to achieve sustainable economic and political development and are working on systemic constraints to public primary education reform to expand access, improve student learning, and lower per pupil costs. These activities support donor coordination efforts in implementing programs and reforms in the region. An LAC regional scholarship program, which recently identified its 20,000th student, continues to help disadvantaged individuals in LAC and improves the human resource base in areas needed to achieve sustainable development. Regional activities support open economies and free trade through a variety of effective mechanisms such as special studies and workshops on market regulations and policies that promote greater participation in the economy.

Stabilizing Population Growth

Regional activities, including health sector assessments and reproductive health program analyses, together with bilateral and central USAID programs, support efforts to stabilize population growth in the region.

Protecting the Environment

Regional environmental activities are closely coordinated with LAC institutions in order to better manage primary tropical forests under the global climate change program. Eight million hectares of primary tropical forest in Mexico, Brazil and Belize are now implementing buffer zone management and sustainable use pilot activities. Twenty-four parks with globally important biological diversity now have programs to improve their protection, financial sustainability, and integration into local communities. Regional programs provide technical assistance that incorporates an understanding of LAC environmental problems, institutions, appropriate policy reforms and support compliance with environmental regulations.

Building Democracy

The regional democracy program complements country activities by building networks among government and non-governmental organizations around the Hemisphere to share knowledge about the state of democratic reforms across borders and reinforce each others' efforts. The regional program provides training on key issues of legal reform, financial management, and human rights. It also supports election assistance, media professionalization, and decentralization support.

In FY 1995, the USAID requests \$22,707,000 in Sustainable Development funds for LAC Regional activities to support democracy (\$6,835,000), environment (\$3,399,000), broad-based economic growth (\$12,260,000), and population (\$213,000). These will include activities that promote increased participation by the disadvantaged in the economy, an initiative to form an alliance for sustainable development in Central America that will respond to the partnership proposed by the Central American presidents to President Clinton, improved health and education system management, further expansion of free trade, and the deepening of democracy in the Hemisphere. This amount is requested to cover the core costs of the LAC Regional program and limited funds for the orderly completion of targets of opportunity in selected sustainable development and phase-out countries. With this latter exception, country field support costs are included in the individual country Sustainable Development requests. Sustainable Development funded regional democracy activities will be complemented by Building Democracy funds totaling \$14,500,000 which will support regional activities to strengthen administration of Justice systems, including International Criminal Investigative Training Assistance Program activities managed by the Justice Department.

MULTILATERAL VOLUNTARY CONTRIBUTIONS

**Douglas J. Bennet
Assistant Secretary
Bureau of International Organization Affairs
Department of State**

MULTILATERAL VOLUNTARY CONTRIBUTIONS*

(in thousands of dollars)

(formerly part of International Organizations and Programs)

	FY 1993 ACTUAL	FY 1994 ESTIMATE	FY 1995 REQUEST
PROMOTING SUSTAINABLE DEVELOPMENT			
Broad-Based Economic Growth	243,279	222,083	289,000
UN Development Program (UNDP)	124,629	116,257	121,800
UN Capital Development Fund (UNCDF)	3,000	3,000	2,000
UNDP Capacity 21	0	3,000	2,000
UN Development Fund for Women (UNIFEM)	1,000	1,000	1,000
UNICEF	99,500	100,000	100,000
World Food Program	2,000	3,000	2,000
Afghanistan Emergency Trust Fund	2,000	2,000	500
International Fund for Agricultural Development (IFAD)	0	271	0
IFAD Special Program for Africa	10,000 1/	0	0
UN Industrial Dev Org/Investment Promotion Service	500	500	500
UN Fellowship Program	250	250	100
ICAO Aviation Security Fund	100 2/	100	100
ICAO KAL-007 Investigation	50 3/	0	0
Int'l Research & Training Inst. for Advment. of Women	250	250	0
Protection of Global Environment	89,300	87,200	100,000
UNEP Environment Fund	21,000	21,000	21,000
UNEP-Related Activities	1,000	1,000	1,000
Montreal Protocol Fund	0	15,000	24,000
HABITAT	400	400	300
Int'l Union for Conservation of Nature (IUCN)	1,000	1,000	1,000
Int'l Tropical Timber Organization (ITTO)	1,000	1,000	1,000
Convntn on Int'l Trade in Endangered Species (CITES)	1,000	1,000	1,000
Ramsar Convention on Wetlands	750	750	750
Intergovernmental Negotiating Committee (INC)	250	250	250
Intergovernmental Panel on Climate Change (IPCC)	300	300	400
Int'l Contribtuns for Scntfc, Educal & Cultural Actvts	2,000	2,000	2,050
World Heritage Fund	450	450	450
World Meteorological Org/Voluntary Cooperation Program	2,250	2,250	2,250
World Meteorological Org/Spl Fund for Climate Actvts	800	800	800
Support for Democratic Participation	12,000	11,000	11,000
OAS Development Assistance Programs	11,000	11,000	11,000
OAS Drug Abuse and Control Fund	0	0	0
OAS Environment Fund	0	0	0
OECD Center for European Economies in Transition	1,000	0	0
Stabilization of World Population Growth	0	40,000	60,000
UN Population Fund (UNFPA)	0	40,000	60,000
PROMOTING SUSTAINABLE DEVELOPMENT - TOTAL	287,479	327,828	357,250

*Refer to the AID summary table and the FY 1995 Security Assistance Congressional Presentation Document for request levels for IAEA and UN and OAS Democracy Programs.

FOOTNOTES:

- 1/ Appropriations transfer from AID's Development Fund for Africa.
- 2/ Reprogrammed funds from UNDP's estimated FY 1993 withholdings.
- 3/ Reprogrammed funds from UNDP's estimated FY 1993 withholdings.

RPO195

UNITED NATIONS DEVELOPMENT PROGRAM (UNDP)

PROGRAM SUMMARY (in millions of dollars)

FY 1993 Actual	FY 1994 Estimate	FY 1995 Request
124.62	9116.2	57121.8

PURPOSE: The United Nations Development Program is a voluntary fund which finances the world's largest multilateral program of grant technical cooperation. UNDP coordinates and funds technical assistance activities implemented by agencies of the UN system with an emphasis on the poorest countries.

BACKGROUND: UNDP was established in 1965 through the UN General Assembly's decision to merge two United Nations organizations: The Expanded Program of Technical Assistance (EPTA), set up in 1949, and the Special Fund which was set up in 1958 to provide pre-investment assistance to relatively large development projects. UNDP was created to improve the coordination and effectiveness of assistance that 35 UN agencies and programs were providing. Coordination has remained at the heart of its functions over the years.

In 1990, UNDP's Governing Council approved Decision 90/34 allocating resources among recipient countries for the fifth cycle (1992-96) and called on UNDP to focus on the six following areas: (1) poverty eradication and grass-roots participation in development; (2) environmental problems and natural resources management; (3) management development; (4) technical cooperation among developing countries; (5) transfer and adaption of technology for development; and (6) women in development.

UNDP support to governments includes entrepreneurship development and the design of supportive policies and institutional and regulatory frameworks that encourage the growth of small and medium-size enterprises. It also assists governments to increase their financial flows through investment promotion and capital market development, as well as the provision of other technical support services. The publication of guidelines for privatization and the establishment of a data base on entrepreneurship development programs are two recent initiatives sponsored by the interregional program.

UNDP's coordinating role within the UN system permits a multi-sectoral approach to the needs of developing countries.

Implementation of UNDP programs, which cover all sectors of economic development, is increasingly focusing on building recipient countries' national capacity to manage their own development, policy planning, human resources development, and environmental protection. UNDP complements the aid programs of the United States, the World Bank, and other important donors. Although its annual program is modest in size (not quite one billion in 1993), public (World Bank loans which leverage indicative planning figures) and private follow-up investment well exceeds the UNDP contribution.

Because UNDP is perceived as a universal and impartial organization by recipient countries, it is in a better position than bilateral donors, who can be perceived as having a vested interest.

Decision 90/34 also established that countries with a gross national product per capita of \$750 or less shall receive 87 percent of indicative planning figure (IPF) resources, and increased the allocation of resources to least-developed countries (LDCs) to 55 percent of country indicative planning figures. This decision ensures that UNDP's grant funds go to those countries most in need. A related decision taken in February 1991 allows more advanced developing countries access to UNDP services, but requires that as their income increases, they pay for a larger share of the cost themselves.

In 1990, the Governing Council adopted a decision which restructured the financial arrangements under which the UNDP reimburses major UN sectoral agencies for the provision of technical, operational, and administrative support to UNDP-funded activities. The objective was to improve program quality and attract greater analytical and technical input for the sectoral agencies to program planning and to project design and backstopping. The 38th Governing Council in 1991 adopted a decision providing additional input into the new arrangements with instructions to implement these guidelines in January 1992. However, as it became apparent that greater provision would have to be made to supplant income earned by the sectoral agencies under the old system guidelines, implementation was delayed until 1992. The new support cost system is presently functioning. The United States joined with other donors in a resolution adopted at the 40th Governing Council meeting in June 1993 asking for a study of the system and its effect on the sectoral agencies to be presented at the next UNDP meeting.

U.S. INTERESTS: Currently, the United States is UNDP's largest donor, contributing approximately 13% of the UNDP's core resources. This amount underscores our interest in maintaining UNDP as the central funding source for UN development assistance.

Since 1985 the United States has taken the lead, along with other major donors, in pressing UNDP to adopt reform measures to improve the Program's governance, quality and management. James Gustave Speth, a United States citizen, was appointed Administrator by the Secretary General in July 1993. He brings to this position a diversified portfolio of leadership experiences in the broad field of development with specialization in environmental affairs.

Unfortunately, just as the United States is moving into position to influence the UN system's long-term social and economic development activities, a decline in resources threatens to deliver a serious blow to UN capacities. However, despite these concerns, UNDP has moved ahead and developed a forward-thinking goals framework with the building of national capacities for sustained human development as its cornerstone. UNDP will try to increase government capabilities and enlist civilian organizational support to guide the development process so that it works for people and the environment and creates jobs. In the case of disasters, natural or man-made as well as other humanitarian emergencies, UNDP will provide special assistance and expertise to countries faced with extraordinary challenges. This operational framework would cover several dimensions of sustainability including: economic, through appropriate policies and efficient and equitable resource allocation; institutional, through sound governance based on broad participation; social, through improved income distribution, gender equity, improved health and education; and environmental, through ecosystem integrity and management of the global commons.

OTHER DONORS: Other major contributors to UNDP include: Japan \$96.2 million; Sweden \$91 million; Denmark \$90.8 million; Netherlands \$88.9 million; and Germany \$83.1 million.

FY 1995 PROGRAM: In 1990, UNDP published the first Human Development Report, in which UNDP asserted that human beings are at the heart of the development process. The concept of measuring progress in terms of human development is new. The 1990 Human Development Report included a Human Development Index (HDI) as a measuring tool for human development. Subsequent reports further refined the HDI, combining national income with adult literacy and life expectancy to give a composite measure of human progress. The Human Development Report and the HDI have brought international recognition of the linkages among economic growth, access to education, health, employment, shelter, and nutrition in achieving human development. In 1991, a Human Freedom Index

(HFI) was added to the Human Development Report, and further refined in the 1992 Report. It attempted to identify the links between human freedom and economic progress. Originally considered controversial, the HF has enabled UNDP to substantially broaden the development dialogue. In addition to projects specifically designed to address environmental issues, UNDP reviews all projects for their possible environmental implications which then are taken into account in programming UNDP resources. Further, in accordance with the role outlined for UNDP in Agenda 21 adopted at the UN Conference on the Environment and Development (UNCED), UNDP has established a special fund, Capacity 21, to assist developing countries to strengthen their institutional capacity to design and implement environmental and developmental programs.

UNITED NATIONS CAPITAL DEVELOPMENT FUND (UNCDF)

PROGRAM SUMMARY (in millions of dollars)

FY 1993 Actual	FY 1994 Estimate	FY 1995 Request
3.0	3.0	2.0

PURPOSE: The United Nations Capital Development Fund (UNCDF) grants capital assistance to least developed countries (LDCs) for small-scale investment in order to provide early, direct and long-term social and economic benefits to lower income groups. UNCDF strives to work through these programs to help the world's most disadvantaged people achieve self-reliance on a national and local level.

BACKGROUND: The General Assembly established UNCDF in 1966 and, in 1967, placed it under the administration of the United Nations Development Program (UNDP), making the Fund subject to policy guidance from the UNDP Governing Council. UNCDF is headed by an Executive Secretary and is supported by a small Secretariat staff. UNCDF's structural link with UNDP allows it to draw on UNDP's central services and to utilize its network of resident representatives in developing countries, thereby keeping operating costs to a minimum.

A combination of special features makes UNCDF's role in the multilateral financing system unique. UNCDF's mandate and operational policies enable it to (a) focus on the poorest of the poor by working at the grassroots level with laborers, small farmers, micro-entrepreneurs, the unemployed, low-income urban dwellers and other vulnerable groups; (b) help meet basic needs for food, safe drinking water, and sanitation as well as develop agricultural and small-scale industries; and (c) invest in small-scale projects (\$200,000 to \$5 million) that are not large enough to be considered by other multilateral financing institutions. The Second Conference on Least Developed Countries (1990) encouraged a 20% annual increase in UNCDF's resources as a means of increasing resources to the LDCs.

A variety of UN agencies, working with host governments, international development banks and private entities, execute UNCDF projects. In 1987, UNCDF amended its project funding process in order to allow expansion in annual new project starts as well as synchronize commitments of project funds more closely with actual annual funding requirements. UNCDF was also given authority in 1987 to establish a loan facility to provide limited and financially viable loans at low interest rates to qualified governments. Project approvals in 1992 amounted to \$50 million.

In June 1993, the UNDP Governing Council reviewed UNCDF's activities and adopted a decision which endorses the continuation of UNCDF's loan facility; endorses UNCDF's proposed area-based program approach (which emphasizes decentralization and increased collaboration with local government institutions and grassroots organizations in the various states of UNCDF-financed development activities); and renews its appeal to all governments to increase substantially their voluntary financial support to UNCDF.

U.S. INTERESTS: UNCDF is a well-managed organization which has effectively reached the grassroots of least developed countries with small capital projects. UNCDF plays a vital role in focusing on and addressing the needs of the population in the world's neediest countries. UNCDF funds such projects as development of improved agricultural methods and infrastructure, providing credit facilities to artisans, supporting private entrepreneurship, and promoting the principles that people must be

responsible for their eco-system and that environmental health is linked to their economic self-interest. UNCDF involves grassroots organizations in its projects to encourage eventual self-reliance.

The Fund also has succeeded in improving the position of women through their projects. The percentage of women involved in new projects has increased from 20 percent in 1989 to more than 38 percent in 1992, and women are becoming increasingly more involved in project leadership.

During this period, there has also been a growing emphasis on poverty reduction. Between 1989 and 1992 the percentage of UNCDF commitments devoted to food production for the lower-income groups has increased from 58% to 68%.

OTHER DONORS: Voluntary contributions and pledges for 1993 amounted to about \$33.8 million, of which the U.S. pledge of \$3.0 million represented 9%. Major pledges to UNCDF in 1993 include Netherlands - \$8.0 million (24%); Denmark - \$6 million (18%); Sweden - \$5 million (15%); and Switzerland - \$3.4 million (10%).

FY 1995 PROGRAM: UNCDF is a well-managed organization which has effectively reached the grassroots of least developed countries with small capital projects. UNCDF plans to use its FY 1995 funds for small scale projects in basic economic infrastructure, agricultural credit and credit for small scale enterprise. Over half of their expenditures are expected to go to Africa.

UNDP CAPACITY 21 TRUST FUND

PROGRAM SUMMARY (in millions of dollars)		
FY 1993 Actual	FY 1994 Estimate	FY 1995 Request
0	3.0	2.0

PURPOSE: Capacity 21 is a United Nations Development Program (UNDP) trust fund to assist developing countries, particularly least developed countries, to strengthen national capacities to formulate and implement policies and programs for sustainable development as defined by Agenda 21. Capacity 21 is meant to increase this absorptive capacity by building the proper expertise and institutional infrastructure for this process to take place.

BACKGROUND: Agenda 21 called on UNDP to take a leading role in assisting recipient countries to build their capacities in support of sustainable development and their capacities to implement Agenda 21. Capacity 21 was formally established in 1992 at the initiation of the UNDP Administrator. To date, UNDP has received \$41 million in contributions and/or pledges to the fund.

A program document presenting specific and detailed proposals for the full implementation of Capacity 21 was submitted to the UNDP Governing Council at its 40th Session in New York in June 1993. Upon review, the Council requested the Administrator of UNDP to proceed with the implementation of Capacity 21 based on the criteria presented in the program document.

U.S. INTERESTS: The United States is interested in exploring multilateral funding mechanisms which have environmental improvement goals. Capacity 21 addresses the problem of institutional capacity building in developing country governments to carry out environmentally sound development programming. The activities funded by Capacity 21 are expected to serve as a catalyst for other donor countries to support similar programs in other countries. Thus, the promotional nature of this fund is significant and would allow us to shape considerably the UN system's response to Agenda 21. Financial and substantive programmatic involvement in the development of this program can enhance overall U.S. policy objectives. Capacity 21 also has a Steering Board which includes as participants the contributors to the fund. This can further serve as an opportunity to influence the direction of the program to enhance USG policy objectives. The Environmental Protection Agency (EPA) has provided technical assistance in review of the planning document. In FY 1995, EPA expects to detail several technical staff members to assist in project implementation.

OTHER DONORS: Japan (\$10 million); Canada (\$2 million); France (\$1.2 million); and Austria (\$1 million).

FY 1995 PROGRAM: A selected number of countries will be assisted in 1995. The program will have two components:

1. A component to promote and support the formulation and implementation of sustainable development strategies and action plans;
2. A component aimed at assisting developing countries in building their capacity to implement Agenda 21 and in developing and absorbing technology transfer and know-how.

The outputs will vary from country to country according to need. However, in order to facilitate

implementation and management, the program is divided into the following four sub-programs:

- A program for identifying capacity building needs and for formulating strategies and plans;
- A program for training of human resources for each country in the priority areas of Agenda 21;
- A program to strengthen institutions for technology transfer and technology development;
- A program to strengthen mechanisms which facilitate public participation (including nongovernmental organizations, and the private sector) in decision-making.

UNITED NATIONS DEVELOPMENT FUND FOR WOMEN (UNIFEM)

PROGRAM SUMMARY (in millions of dollars)

FY 1993 Actual	FY 1994 Estimate	FY 1995 Request
1.0	1.0	1.0

PURPOSE: UNIFEM's purpose is to support the efforts of women in the developing world to achieve their objectives for economic and social development and for equality, and by so doing, to improve the quality of life for all. The Fund works in three key program areas of strategic importance to women: agriculture, trade and industry, and macro policy and national planning. Initiatives here are complemented by technical support for credit, technology transfer, small business development, and training. The approach stresses capacity-building, empowerment, and collaboration with appropriate partners. The Fund also addresses issues which are on the international agenda, and which critically affect women as beneficiaries and contributors to the development process.

Much of UNIFEM's work focuses on ways of linking women at the grassroots level with macro-policy formulation that shapes their future. The Fund directly supports small but creative women's initiatives demonstrating effective development alternatives that can be linked to larger programs designed to stimulate a more enabling policy environment. The comparative advantage of UNIFEM resides at this very intersection of macro-policy and micro-action.

BACKGROUND: The United Nations Voluntary Fund for the UN Decade for Women was created by the UN General Assembly in 1976 (Resolution 31/133) in recognition that women, while usually comprising the poorest sector of their societies, are frequently overlooked in the distribution of large development assistance funds. In 1984, the UN General Assembly, in resolution 39/125, decided that the activities of the Voluntary Fund should be continued beyond the end of the UN Decade for Women. Thus, the Fund was renamed the UN Development Fund for Women, with the acronym UNIFEM. Although UNIFEM is a separate entity, since July 1, 1985, it has had an autonomous association with the UN Development Program (UNDP).

U.S. INTERESTS: In 1973, the United States Foreign Assistance Act was amended to require that U.S. bilateral development assistance programs be administered so as to give particular attention to those programs, projects, and activities, which tend to integrate women into the national economies of their countries, thus improving their status and assisting the total development effort. This requirement, which is known as the "Percy Amendment", gives Congressional endorsement to the increasing concern that women participate fully in the tasks and benefits of economic growth.

UNIFEM is the only UN voluntary fund whose primary concern is the integration of women into the national economies of their countries. Thus, it achieves for multilateral assistance programs what the Percy Amendment achieves for U.S. bilateral assistance programs. UNIFEM plays a unique role in showing how increased access by women to sources of business finance, technology, and related services can be a powerful and effective tool for private sector development.

OTHER DONORS: Voluntary contributions and pledges for 1993 amounted to approximately \$12.9 million, of which the U.S. pledge of \$1 million represented 7.75%. Major pledges to UNIFEM in 1993 include: Netherlands (\$2.8 million), Norway (\$1.3 million), and Canada (\$1.2 million).

FY 1995 Program: UNIFEM's Women, Environment, and Development Program (WED), 1991-1992 has supported both the contributions of grassroots women to ecosystem management and the development of more gender-sensitive policy at all decision-making levels. This linkage of micro-initiatives with macro planning has been successfully demonstrated through a number of regionally based projects and is inherent in UNIFEM's overall approach in advancing women and sustainable development issues. The Fund has made a tangible contribution to the work of the United Nations Conference on Environment and Development (UNCED) by providing a Special Advisor on WED to ensure that women's concerns were given international attention and placed on the agenda of UNCED. Working in partnership with other UN organizations, governments, and NGOs to plan and implement gender-sensitive programs and projects will remain a focus of the Fund's WED programming during 1993-1994.

Building on the successful UNCED experience, UNIFEM has recently developed a new strategy for support to Refugee and Internally Displaced Women. The main elements of this strategy replicate effective past experiences in linking micro-macro initiatives, and in supporting activities which foster partnerships with key institutions. In a multi-pronged approach, UNIFEM has placed a senior African woman with the UN Department of Humanitarian Assistance to mainstream gender in UN policy on refugee questions. The Fund is also collaborating with UNDP to build gender into its disaster management training programs, participating in selected UN High Commissioner for Refugees operations to assist women refugees, and supporting the advocacy efforts of parliamentarians, NGOs, and women activists.

In addition, UNIFEM capitalized on its UNCED experience, its positioning within the UN system, and its links with NGOs, to support efforts which highlighted women's rights as human rights at the World Conference on Human Rights, in Vienna. Activities included promoting the participation of 60 women human rights activists from developing countries at the Conference and at an international tribunal on the violation of women's rights, as well as the preparation of an issues paper and a series of information materials.

The U.S. contribution will be used to support the following types of activities: ensuring that refugee, displaced, and returnee women are active participants in efforts to find solutions to their problems; working with NGOs to strengthen their effectiveness; helping industrial women workers acquire new skills, decentralize production, and improve occupational health and safety; working with organizations that provide credit and training for micro-enterprises; supporting programs that facilitate women's entry into non-traditional occupations; and working with women to protect and improve the environment.

UNITED NATIONS CHILDREN'S FUND (UNICEF)

PROGRAM SUMMARY (in millions of dollars)

FY 1993 Actual	FY 1994 Estimate	FY 1995 Request
99.5	100.0	100.0

PURPOSE: UNICEF encourages and assists the long-term humanitarian development and welfare of children in developing countries. UNICEF does so through education and information programs which make governments, communities, and private groups aware of the plight of children and the possibilities for improving their situation. UNICEF also provides goods and services to help meet basic needs in maternal and child health, sanitation, clean water, nutrition, primary education and social services in support of self-help efforts. UNICEF provides incentives, both technical and financial, to start important programs, but the Governments or NGOs implement them. UNICEF also provides emergency assistance in the event of disasters.

BACKGROUND: The United Nations General Assembly created UNICEF in 1946 to aid impoverished children left in the wake of World War II. Initially an emergency aid program, UNICEF, by 1953, had evolved into a long-term, voluntary development fund aimed at improving conditions for the poorest children of the developing world.

UNICEF currently cooperates in programs in 130 countries. In its work, UNICEF cooperates closely with governments, private groups and local communities in developing nations, as well as with other UN entities and aid donors to protect children and enable them to develop their full mental and physical potential. Individual governments establish their priorities as a result of studies of major needs, and UNICEF assists in implementing mutually agreed-upon programs. In 1993 UNICEF will inaugurate new country programs in eight Central Europe and New Independent States (NIS) of the former Soviet Union.

UNICEF's assistance is allocated on a sliding scale according to such factors as the number of children, the wealth of the country, and, especially, the infant and child mortality rate. Allocations are scaled so that the larger countries do not monopolize most of the assistance and so that the per-child allocation among countries of similar size favors the poorest countries which receive approximately five and a half times as much per child as do the middle-income developing countries.

UNICEF has a small emergency unit that continues to play a key role in many international relief efforts. Because it is careful to maintain an apolitical approach to its work, UNICEF frequently finds acceptance in countries seriously destabilized by civil strife and in 1992 provided emergency assistance in 56 countries. In 1989, UNICEF coordinated Phase I of "Operation Lifeline Sudan," the UN's emergency relief effort in the Sudan. In 1990, UNICEF was called upon to assist the emerging democracies of Eastern Europe in assessing the needs of their children and in 1992 this request was echoed by the New Independent States of the former Soviet Union. UNICEF was also among the first of UN agencies to assist victims of the Gulf conflict, by providing emergency and basic health services for women and children. Such assistance served to meet the urgent needs of vulnerable populations in Iraq and Kuwait at a time when bilateral aid was not possible. UNICEF has assumed primary responsibility for assistance projects in the particularly vulnerable Kurdish area of northern Iraq. Likewise, UNICEF is working to alleviate conflict-induced conditions in the Horn of Africa and in the former Yugoslavia. It

is now working in close coordination with the UN Department of Humanitarian Affairs on humanitarian assistance in new emergencies. UNICEF reports expenditures of over \$167 million on emergency efforts during 1992--a 50% increase over emergency expenditures in 1991 and more than 340% over those in 1990. This figure represents 22% of total 1992 expenditures--a level unprecedented since UNICEF's founding in 1946 as the "UN Children's Emergency Fund." Four staff members lost their lives in emergency situations in 1992.

UNICEF inspired and provided the secretariat for the September 1990 World Summit for Children which was attended by 71 heads of state. The Declaration issued at the Summit endorsed a Plan of Action to guide national efforts to address children's needs. The United States submitted its own National Plan of Action in January 1993. UNICEF is working to sustain the momentum generated by the Summit throughout the coming decade and to meet the midterm goals by 1995. In fulfillment of the Plan of Action, UNICEF is supporting developing countries in the preparation and implementation of national programs of action in pursuit of Summit goals. UNICEF cosponsored or helped plan seven regional conferences on summit follow-up issues in 1992-93. UNICEF also reports regularly to the Secretary General on Summit follow-up activities and in 1993, began publishing an annual publication--the Progress of Nations--to report on progress achieved each year, based on a set of core indicators.

U.S. INTERESTS: UNICEF's approaches have generally been consistent with U.S. humanitarian development assistance priorities and programs. There is a close and continuous dialogue between the United States and UNICEF on technical matters of common interest, and strong cooperation in field activities.

All UNICEF programs are directly related to the welfare of children and mothers. Some programs -- such as clean water and sanitation -- also benefit other members of the community. Programs are designed to involve local communities as much as possible and to use equipment and materials which can be locally obtained and maintained. Such projects are frequently linked to resources from other bilateral and multilateral aid agencies, e.g., the UN Capital Development Fund and the bilateral U.S. Agency for International Development (USAID) program, including child survival activities. UNICEF emergency assistance efforts are also coordinated with those of other agencies and governments, under the leadership of the Undersecretary General for Humanitarian Affairs (DHA). UNICEF traditionally is given sectoral responsibility in major emergencies for essential medical supplies, child needs and water/sanitation work.

The United States has urged continued collaboration between UNICEF and the World Health Organization (WHO) in several areas of mutual interest, including: the development of the Children's Vaccine Initiative and the promotion of breast-feeding and nutrition. In addition, during the 1992 governing body meetings of WHO, UNDP and UNICEF, the United States sponsored resolutions requesting increased interagency collaboration, particularly at the field level, in the fight against AIDS.

At the urging of the United States and other donors, UNICEF is increasing the attention it gives to assure that the programs it supports can be maintained and sustained by local resources over the longer term. UNICEF has also reviewed its external relations activities, and, with the encouragement of its membership, is taking steps to assure these activities (which include advocacy, fund-raising, information and education) are more effectively integrated into its operations, and achieve their intended objectives without diverting resources from those operations. A 1993 State Department informal survey of UNICEF programs due for renewal or approval in 44 countries reflected an increased focus on monitoring and evaluation at the field level. External evaluations of UNICEF programs include a recent United Kingdom review of the "Bamako Initiative" and an overall evaluation by a multi-donor group presented in 1993.

Official U.S. support for UNICEF conforms with the humanitarian ideals of the American people, who have supported UNICEF generously through private donations over the years. U.S. participation enables the United States to serve humanitarian aims in some nations where direct bilateral assistance is not

politically feasible or desirable. The position of UNICEF Executive Director (currently James P. Grant) has always been held by a U.S. citizen.

OTHER DONORS: The United States has always been a strong supporter of UNICEF and is one of its largest contributors. For calendar year 1993, the United States pledged \$100 million, or approximately 28 percent of the \$361 million in total governmental contributions to UNICEF's general resources budget. Other major contributions included: \$44.2 million from Sweden, \$35.0 million from Norway, \$25.9 million from Japan, \$25.5 million from Italy, \$25.4 million from Denmark, and \$20.1 million from the Netherlands.

FY 1995 Program: According to UNICEF publications, approximately 35,000 child deaths occur each day from ordinary malnutrition and disease. A total of 150 million children live with ill health and poor growth. A total of 100 million 6 to 11-year-olds are not in school.

As the acknowledged leader in the field of child survival and development, UNICEF has made major contributions to reducing infant and child mortality rates in developing nations. Perhaps best-known are UNICEF's emphases on childhood immunization and oral rehydration therapy (ORT). Through its Universal Child Immunization program, UNICEF helped countries achieve the seemingly impossible goal of 80% coverage (by WHO and UNICEF estimates) in December 1990. (Funds came from many sources but UNICEF provided the impetus). UNICEF hopes this success will be replicated and improved by attainment by the year 2000 of goals delineated in the World Summit Plan of Action. Among these goals are:

- (a) Reduction of infant and under-5 child mortality rates by one-third (or to 70 per 1,000 live births--whichever is less);
- (b) Reduction of maternal mortality rate by half;
- (c) Reduction of severe and moderate malnutrition among under-5 children by half;
- (d) Universal access to basic education and completion of primary education by at least 80% of primary school-age children; and
- (e) A reduction in the incidence of low birth weight (2.5 kilograms or less) to less than 10%.

UNICEF's programs have a widespread, positive impact on the well-being of the neediest, most vulnerable population groups. A contribution of \$100 million will reinforce the continued U.S. support for the development work of UNICEF which complements our own bilateral assistance efforts through USAID's Child Survival Fund and other bilateral programs. The contribution will also demonstrate U.S. commitment to pursuit of the World Summit goals in developing countries and in newly independent countries that are in a critical transitional stage. Furthermore, it will demonstrate our interest in improving the overall UN emergency relief response to which UNICEF has become a key contributor.

WORLD FOOD PROGRAM (WFP)

PROGRAM SUMMARY (in millions of dollars)

FY 1993 Actual	FY 1994 Estimate	FY 1995 Request
2.0	3.0	2.0

Purpose: As the principal vehicle for multilateral food aid within the UN system, the World Food Program (WFP) uses commodities and cash donated by member countries for social, economic, and environmental development and humanitarian relief.

Background: Sponsored jointly by the UN and the Food and Agriculture Organization (FAO), WFP was established in 1963. WFP operates exclusively from voluntary contributions by member states. Commodities are distributed: (1) to support development projects designed to help development countries produce or purchase their national food requirements, (2) for protracted refugee and displaced persons projects, and (3) as emergency food assistance in situations of natural and man-made disasters. WFP is also one of the largest sources of funding for activities in developing countries aimed at the environment and spends approximately \$1 million a day on projects for afforestation and soil conservation and activities to promote environmentally sustainable agriculture production.

Development projects have traditionally constituted two-thirds of WFP's overall program. That proportion has rapidly declined to less than one-half as emergency and protracted refugee situations have mushroomed. WFP now faces unprecedented demands for emergency humanitarian food aid in various conflict zones, and in the African continent, in response to civil strife and severe drought. The dramatic growth in WFP's responsibilities for emergency feeding programs has increased WFP's administrative costs.

WFP development projects include nutrition programs such as school feeding and programs for pregnant and nursing mothers, as well as food-for-work projects. Food-for-work projects mobilize the unemployed for such tasks as clearing land, planting forests, and building roads, schools, and hospitals. Laborers are paid, at least in part, with foodstuffs. WFP has also targeted food aid to those most adversely affected by reductions in food subsidies to implement structural adjustment programs.

U.S. Interests: WFP is a prime instrument through which the U.S. Government provides multilateral food aid to afflicted populations around the world. Through P.L. 480 and Section 416 (b), the United States donates its surplus agricultural commodities, specifically labelled "a donation from the people of the United States," to the WFP for use in development projects and relief operations. As a highly respected international food aid agency, WFP often helps to achieve humanitarian objectives, such as the distribution of food relief in conditions of civil war, which would not have been possible through U.S. bilateral channels. For example, WFP has and continues to negotiate access rights for food aid deliveries in the Sudan with the Government and rebel groups. Through a memorandum of agreement with UNHCR, WFP has assumed responsibility for provision of food to refugees in areas of conflict, such as Somalia, Iraq, Ethiopia, and the former Yugoslavia. With WFP now under the leadership of an American Executive Director, Catherine Bertini, U.S. reliance on the agency to respond to humanitarian emergencies is increasing.

Other Donors: Total resources in both cash and commodities for 1994-95 are estimated to amount to \$3.9 billion. In addition to the United States, Canada, the European Community (EC), Finland, Denmark, and Germany are major donors to WFP.

FY 1995 Program: The FY 1995 request for \$2 million will assist WFP funding of the planning, operational start-up and transportation costs associated with its increased emergency workload. In addition, portions of the budget would be used to finance logistical operations. Emergency assistance programs, unlike regular development projects, require temporary staff to plan and execute emergency operations; the establishment of new procedures, offices, and contracts; and costly transportation contracts and insurance. Unlike Regular Program food deliveries, transportation of emergency foodstuffs cannot be contracted in advance on advantageous terms. Insurance costs on these emergency shipments, which occur in conditions of civil strife and natural disaster, are also high.

UN AFGHANISTAN EMERGENCY TRUST FUND

PROGRAM SUMMARY (in millions of dollars)

FY 1993 Actual	FY 1994 Estimate	FY 1995 Request
2.0	2.0	.5

Purpose: The Trust Fund was established in June 1988 to provide relief and assistance to the Afghan people as they begin to return to their homes and rebuild their lives and country.

Background: Continuous warfare from 1978 to the present, including nine years of resistance against Soviet occupation, and on-going factional fighting, have left Afghanistan devastated. It is estimated that at least one million Afghans died as a result of the war against the Soviet occupation alone. Approximately three million Afghans fled to Pakistan in the years following the Soviet invasion; another three million fled to Iran. In addition, several million have been displaced within Afghanistan itself, putting significant pressure on the fragile infrastructure and slender food resources of many regions of the country.

In addition to its human losses, Afghanistan has also suffered extensive damage to all sectors of its economy. An estimated 10 million mines were laid by combatants on roads, fields and river banks. Homes, and indeed whole villages, have been destroyed, fields are laced with mines, and irrigation systems vital in arid sections of the country have been severely damaged or have deteriorated through neglect. Health care and educational systems both among the refugees and in many sections of Afghanistan are minimal or non-existent.

The United Nations system is working to meet this massive relief and reconstruction challenge. Sotirios Mousouris, the UN Secretary General's Personal Representative in Afghanistan and Pakistan, serves concurrently as head of the UN Office of Coordination for Humanitarian and Economic Aid to Afghanistan (UNOCHA). UNOCHA is responsible for coordinating the work of the UN agencies involved in Afghan relief and reconstruction efforts (including UNHCR, UNDP, UNICEF and WFP) to ensure adequate, cost-effective and non-duplicative UN actions. In addition, it implements the vital mine-clearing program and seeks donor contributions to the Trust.

At a donors pledging conference on October 12, 1988, \$1.116 billion in cash and in-kind contributions were pledged to the United Nations for humanitarian assistance for Afghanistan. A very large portion of this was a largely unsatisfied Soviet in-kind pledge that remains difficult to realistically value. UNOCHA currently values the in-kind contributions received to date from all sources at \$54.9 million. As its first contribution to the Fund, the United States made available \$16.7 million in food aid in June 1988.

U.S. Interests: The United States seeks the safe repatriation of Afghan refugees and the peaceful emergence of a broad-based government, representative of the Afghan people. Such a government is needed to begin the enormous task of reconstruction, and to promote regional stability, human rights, and counternarcotics programs.

We believe the United Nations must continue to play a major role in mobilizing international resources and expertise to help Afghan refugees and displaced persons to resettle and reconstruct their war-devastated country. While the UN has assisted in the repatriation of over one million refugees from

Pakistan and 1.5 million from Iran, UNHCR reports a current caseload of 1.4 million registered refugees still in Pakistan and 1.9 million in Iran. The Trust Fund administered by UNOCHA is the critical component in this international effort.

U.S. contributions to the Trust Fund serve our interests by giving us an authoritative voice with which to encourage other donor states to contribute to the Trust Fund, and by fulfilling our commitment over the years to support the Afghan people as they rebuild Afghanistan. The United Nations is the most effective channel for humanitarian aid to post-war Afghanistan. This request is designed to meet some key needs of UNOCHA's, such as the vital functions of demining and refugee repatriation.

Other Donors: The U.S., the Soviet Union and other nations have made both in-kind and cash contributions. Other donors have made exclusively cash contributions. The U.S. has contributed almost \$37 million in cash during the 1989-93 period amount. Other major cash donors include: Sweden, Norway, Denmark, and the EC. During the 1989-93 period, the Japanese contributed \$67 million to UNOCHA which can be used for repatriation only.

FY 1995 Program: The Trust Fund program and projects have been defined and developed. UNOCHA coordinates all UN relief efforts inside Afghanistan for internally displaced persons and returning refugees. Two broad phases are envisaged in the overall Afghan project. Phase one, the current phase, is the preparation and implementation of basic relief programs for the refugees as they return to their homes. A mine-education and mine-clearance program is active country-wide. Food aid and agricultural supplies (seed and tools) are being provided. Projects to rebuild Afghanistan's irrigation networks, deliver basic health care and rebuild the education system are being supported. Food and cash for work programs are being initiated to establish and support a fledgling, private sector economy.

Phase two, the longer-term follow-on efforts, will focus on major reconstruction projects. The United States will seek to monitor the emerging program closely to assure that projects are appropriate and make the best use of the scarce resources available.

**UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION
(UNIDO)
INVESTMENT PROMOTION SERVICE (IPS)**

**PROGRAM SUMMARY
(in millions of dollars)**

FY 1993 Actual	FY 1994 Estimate	FY 1995 Request
.5	.5	.5

Purpose: The main function of UNIDO's Investment Promotion Service (IPS) office in Washington is to assist and encourage U.S. private investment in developing countries. IPS identifies possible investment opportunities, matches them with potential U.S. investors, and offers its services as an information broker between the parties. The office also tries to locate sources of American "know how" in response to requests from institutions in developing countries in search of U.S. sources of financial and technical expertise.

Background: UNIDO became a specialized agency of the United Nations on January 1, 1986. Its mandate is to encourage industrial development in developing countries and to support and encourage cooperation on industrial matters among all nations. Investment is increasingly being recognized as a vital ingredient in the industrialization process. The IPS system is at the center of UNIDO's efforts to attract private investment to the developing world.

There are ten host-country financed IPS offices (Washington, D.C., Zurich, Vienna, Cologne, Milan, Paris, Seoul, Tokyo, Warsaw and Athens), and negotiations are underway for three more in 1994-1995. These offices share a mandate to encourage outward investment from the host country to developing nations. In addition, there are two associated Investment Promotion Centers in Moscow and Beijing financed by a combination of host country and foreign investor funds. The two Centers have a split mandate to encourage both outward and inward investment. UNIDO's Industrial Investment Division, which "backstops" the IPS network, also organizes Investment Promotion Forums. The forums are country/region/industry specific gatherings which enable interested investors to meet with those responsible for potential development projects and investment opportunities. Subsequently, the potential projects/investments are promoted by the IPS offices.

Among others, the Washington IPS office works closely with, the Departments of State, Commerce and Agriculture, the Small Business Administration, multilateral lending institutions like the World Bank and the International Finance Corporation, Chambers of Commerce, and regional business associations. One of the IPS goals is to initiate and promote bilateral sector-specific investment meetings. The IPS bilateral mission to Venezuela, co-sponsored with the Department of Agriculture, is a good example. In addition to successful matches of U.S. agri-business investors with Venezuelan projects, discussions started during the mission eventually led to the lifting of a Venezuelan licensing requirement for importing U.S. canned sweet corn. A similar joint UNIDO-Department of Agriculture mission to Poland in June, 1993, resulted in contracts for three investment projects.

Investment missions have generated an average of \$10 to \$16 million per year. 1992 was an exceptional year with the generation of \$331 million due in large part to four hotel projects in Argentina of \$110 million and an Incineration Waste to Energy project in Korea of \$200 million. 1993 investment volume was approximately \$10 million.

IPS has planned three multilateral missions in 1994 to include India in April, China in June and St. Petersburg, Russia in the June/July timeframe. One bilateral mission is planned for Argentina in July to be co-sponsored by the Small Business Administration (SBA). The goal of IPS is to recruit 30-40 American companies to participate in each of these missions.

U.S. Interests: The United States strongly supports UNIDO's growing emphasis on private investment as a development tool evidenced by the growing IPS network and the increasing number of investment forums. In addition, IPS trade missions are also used to support the establishment of free-market economies.

Although U.S. companies of all sizes use the IPS office as a resource, small and medium-sized firms interested in expanding their operations and markets are more likely to use the Washington IPS office to gain access to investment opportunities and expert advice. In line with its outreach program for small and medium-sized companies, the Small Business Administration (SBA) has detailed a full time employee to the IPS office. The arrangement, recently extended until 1997, gives IPS greater access to SBA data on potential investors which should help to increase overall office productivity.

Other Donors: None.

FY 1995 Program: A \$500,000 contribution will sustain the core activities of the office and demonstrate continued U.S. interest in UNIDO's investment promotion activities.

The IPS office's goals include (1) using a successful IPS trade promotion forum held in Bolivia as the model, the initiation of additional bilateral, sector-specific efforts, for example, one such bilateral missions on environmental business opportunities are planned for Argentina in 1994; (2) expansion of its U.S. business contacts; (3) continuation of its efforts to expand its data base in order to identify those American businesses most likely to become foreign investors; and (4) utilization of SBA information to increase the number of American companies on UNIDO's roster of firms eligible to bid on international opportunities.

UNITED NATIONS FELLOWSHIP PROGRAM (UNFP)

PROGRAM SUMMARY

(in millions of dollars)

FY 1993 Actual	FY 1994 Estimate	FY 1995 Request
.250	.250	.100

PURPOSE: The UN Fellowship Program (UNFP) places trainees from developing countries in appropriate training programs in donor countries. It is intended to give nationals employed by their governments the opportunity to broaden their professional knowledge in areas which are of primary importance to the development of their countries.

Funds for this program reimburse U.S. Government agencies for administrative costs incurred in arranging and monitoring the U.S. training of foreign nationals organized through the UN system. The UN agencies that sponsor the fellows handle tuition and other costs.

BACKGROUND: The United Nations Development Program (UNDP), the Food and Agriculture Organization (FAO), the International Labor Organization (ILO), the International Civil Aviation Organization (ICAO), and other organizations of the UN system provide from their resources technical assistance in the form of training of individuals in various countries where pertinent expertise is available. When training is provided in developed countries, it has been the practice of the host governments to cover the administrative costs associated with such training. Until the early 1980s, the U.S. Agency for International Development covered these costs, consolidating this activity with its bilateral training efforts. Since 1982, funds have been provided from the international organizations and programs (IO&P) account managed by the Department of State.

Currently, training for selected nationals from developing countries is provided in the United States through the U.S. Department of Agriculture (USDA), the Federal Aviation Administration (FAA), the Federal Communications Commission (FCC), and the National Marine Fisheries Services (NMFS). In 1992, these agencies trained over 400 fellows with the administrative support costs provided from the IO&P account and supplemented by the four federal agencies involved.

U.S. INTERESTS: U.S. participation in the UNFP complements U.S. bilateral and multilateral development interests. The U.S. training of foreign nationals provides numerous advantages for the United States. First, UN funds are expended in our own training institutions. Second, because the program contributes to human resources development in developing countries, it enhances the capacity of recipient countries to assist with their own development. Third, the fellows learn our techniques and become familiar with U.S. equipment and suppliers, which often in the past has prompted them to purchase U.S. equipment for their own countries. Fourth, in a larger sense, the fellows are exposed to U.S. values, which they may carry home with them. For all of these reasons, the Program can have long-term benefits for the United States.

FY 1995 PROGRAM: The size of the fellowship programs will be determined by the funds available to implement UN programs and by the ability of the United States as the receiving country to cover attendant administrative costs.

INTERNATIONAL CIVIL AVIATION ORGANIZATION (ICAO) AVIATION SECURITY (AVSEC) TRUST FUND

PROGRAM SUMMARY (in millions of dollars)

FY 1993 Actual	FY 1994 Estimate	FY 1995 Request
100.1	.100	.100

PURPOSE: The ICAO Aviation Security (AVSEC) Fund helps ICAO finance programs dealing with problems like terrorism and unlawful interference with civil aviation and its facilities, including the training of security personnel.

BACKGROUND: The AVSEC fund concept grew out of a special ministerial-level meeting of the ICAO Council in February 1989, following the destruction in December 1988 of Pan Am flight 103 over Scotland. At the meeting, the United States was among those calling on ICAO to strengthen its aviation security role. The destruction of UTA flight 771 over Niger later that year further emphasized the urgency of the situation.

U.S. INTERESTS: As the world's leading aviation power, the United States was instrumental in establishing the AVSEC fund, and has played a leadership role in strengthening the fund's aviation security activities.

The improvement of security for international air travel is of great importance to the United States. As the operator of nearly half of the world's air traffic, the United States is especially vulnerable to illegal acts directed against civil aviation. The AVSEC fund provides assistance to countries that do not meet basic ICAO standards in the area of aviation security. Enhancement of aviation security benefits all countries, but is particularly important to nations with poorly developed security systems, due to their higher vulnerability to interference with civil aviation and its facilities. Both the United States and developing nations thus benefit.

OTHER DONORS: France, Belgium, Switzerland, Finland, Germany, Saudi Arabia.

FY 1995 PROGRAM: Evaluation visits to some of the over 65 countries that have requested assistance, instructional seminars, and follow-up missions are planned. ICAO also provides model training courses for aviation security personnel to enable states to achieve self-sufficiency in basic aviation security implementation and training.

Reprogrammed funds from UNDP's estimated FY 1993 withholdings.

UNITED NATIONS ENVIRONMENT PROGRAM (UNEP)

PROGRAM SUMMARY (in millions of dollars)

FY 1993 Actual	FY 1994 Estimate	FY 1995 Request
22.0	22.0	22.0

Purpose: As the UN's principal organ on the environment, UNEP plays a catalytic and coordinating role on international environmental issues. Although UNEP conducts some specific project activities, especially in developing countries, its principal focus is to support the collection, assessment and dissemination of environmentally related information. UNEP also facilitates the use of and response to this information by providing advice and training in environmental assessment, regulation and management.

Background: UNEP was established in January of 1973 as a result of UN General Assembly Resolution 2997 (XXVII), which implemented the institutional recommendations of the UN Conference on the Human Environment, held in Stockholm in 1972. UNEP stemmed from a U.S. initiative, and the United States has been the leading contributor -- both financially and technically -- to the Program since its inception.

The UN Conference on Environment and Development (UNCED), held in Rio de Janeiro in June of 1992, reaffirmed UNEP's role as the principal UN body dealing with the environment. UNCED also reiterated the importance of UNEP's long-standing programmatic efforts in environmental assessment, coordination, management and legal matters. The 17th session of UNEP's Governing Council, held in May of 1993, rearranged UNEP's priorities to put primary emphasis on capacity-building for environmental assessment, regulation and management in developing countries. Also in response to UNCED, UNEP's secretariat is making a detailed estimate of the costs of implementing all the UNCED recommendations in which UNEP would play a major role.

UNEP's headquarters are in Nairobi, and regional offices are located in Bangkok, Geneva, Mexico City and Manama. A UN liaison office is in New York, and specialized offices are found in Paris and Washington. UNEP's Governing Council serves as the Program's executive and policy-setting body; it is composed of 58 member states elected by the UN General Assembly on a regional basis for four-year terms.

U.S. Interests: Environmental problems are often transboundary or international in character, and multilateral action is therefore required to address them adequately. UNEP is uniquely well placed to stimulate, facilitate and coordinate actions at all levels -- national, regional, and international -- in response to ever more pressing environmental issues. In the aftermath of UNCED, UNEP's role will be particularly important in encouraging and supporting the implementation of UNCED's environmentally centered recommendations, as embodied in Agenda 21.

While the United Nations Development Program and its UNCED "seed" fund (Capacity 21) will provide a primary source of leverage to promote the pursuit of UNCED's results, only UNEP -- working closely with UNDP -- is currently capable of serving as the environmental "conscience" at the international level to ensure that the environmental dimension is thoroughly incorporated into developmental efforts.

UNEP's new emphasis on capacity-building for environmental action at national levels fully reflects the post-UNCED emphasis on helping countries to do more for themselves in integrating environmental concerns fully into national development policies and programs.

UNEP will continue to concentrate its activities in five specific environmental areas of broad concern to the United States and the international community: land resource degradation (including desertification and deforestation) and loss of biodiversity; oceans and coastal areas, especially regional seas; fresh water supply and quality; toxic chemicals and hazardous wastes; and atmospheric issues, especially ozone depletion, climate change and acid rain.

UNEP also continues to provide critical administrative and managerial support for the implementation of important international agreements on the environment. The Vienna Convention and the Montreal Protocol address stratospheric ozone depletion; the Basel Convention regulates transboundary movements of hazardous waste; the new Biodiversity Convention which the United States recently signed provides an international framework for efforts to reduce and halt the irreparable loss of wild species of plants and animals.

Other Donors: Total contributions to the Environment Fund in 1993 amounted to \$70 million. In addition to the U.S. contribution of \$21 million (30%), other significant contributions were provided by: Japan - \$9 million; the United Kingdom - \$6.7 million; Germany - \$5.8 million; Finland - \$3.6 million; Sweden - \$2.8 million; Switzerland - \$2.6 million; Norway - \$2.5 million; France - \$2.0 million; Netherlands - \$1.74 million; Italy - \$1.6 million.

FY 1995 Program: In the aftermath of UNCED, and following the establishment of the Commission on Sustainable Development (CSD) to coordinate the implementation of its recommendations, UNEP will be working closely with the Commission and UNDP to ensure the full integration of environmental concerns into all aspects of economic development, so as to achieve sustainable development. UNEP has already revamped its programmatic activities to place primary emphasis on supporting national capacity-building for environmental action in pursuing sustainable development, and will work to mesh its efforts even more closely with UNDP and the multi-year thematic work program set down by the CSD.

Of the \$22 million requested, \$21 million will be contributed to UNEP's Environment Fund, and \$1 million will go to a variety of other related multilateral environmental activities. These include support for the Vienna Convention and Montreal Protocol to combat stratospheric ozone depletion, the Basel Convention on hazardous waste, the Biodiversity Convention, the South Pacific Regional Environmental Program (SPREP), the Cartagena Convention and its Protocol on Specially Protected Areas and Wildlife (SPAW), the Caribbean Environment Program, and specific conferences or meetings that may be held on subjects closely related to UNEP's activities.

MONTREAL PROTOCOL FACILITATION FUND

PROGRAM SUMMARY (in millions of dollars)

FY 1993 Actual	FY 1994 Estimate	FY 1995 Request
0	15.0	24.0

PURPOSE: The Multilateral Fund for the Montreal Protocol on Substances that Deplete the Ozone Layer finances the incremental costs of projects in developing countries to eliminate the production and consumption of ozone-depleting substances.

BACKGROUND: The second meeting of the Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer was held in London in 1990. At that meeting, the Parties agreed on the terms for a Multilateral Fund. The Multilateral Fund was chartered to provide financial and technological assistance to developing country parties, qualifying under Article 5, to enable them to comply with the control measures set out in Article 2 (i.e., the elimination of chemicals which deplete the ozone layer). The Fund is financed by contributions from the developed country parties based upon the United Nations scale of assessments. The permanent Fund was established following the Copenhagen Meeting of the Parties in November 1992.

At their Fifth Meeting in November 1993 in Bangkok the Parties to the Montreal Protocol adopted a three-year budget of \$510 million for the 1994-1996 period. This budget was based upon the needs of the developing country Parties to the Protocol and the capacity and performance of the implementing agencies. Because there are some funds remaining from the last budget cycle and additional contributions are expected, a rollover of \$55 million was applied, resulting in a required replenishment of \$455 million. The annual share for the United States is \$37,916,667. In addition, the United States owes \$19.4 million in back contributions for prior years. In their budget requests, the State Department and EPA have sought funding to each pay half the U.S. contribution to the Multilateral Fund. A mark of \$24 million for State would provide sufficient funding for half the 1995 U.S. contribution and reduce unfunded contributions for prior years by \$5 million.

U.S. INTERESTS: The U.S. was the principal force pushing for international action to protect the ozone layer. Failure to initiate projects at the earliest possible moment will increase peak chlorine loading levels and stretch out the time over which degradation of the ozone layer will occur. Such projects cannot be considered if funding is not available. Additionally, analyses have demonstrated that in almost all countries, early project implementation will ensure less overall demand on fund resources in the longer run.

UN CENTER FOR HUMAN SETTLEMENTS (HABITAT)

PROGRAM SUMMARY
(in millions of dollars)

FY 1993 Actual	FY 1994 Estimate	FY 1995 Request
.400	.400	.300

PURPOSE: The United Nations Center for Human Settlements (HABITAT) helps countries improve their ability to address the growing challenges of rapid urbanization. It focuses on policy and strategy formulation to create and strengthen self-reliant human settlements development and management capacity at both national and local levels. It is a useful forum to address key policy issues and to improve donor coordination. The Center's responsibilities include: coordinating and reviewing all human settlements activities within the UN system; executing human settlements projects; and serving as a focal point for information.

BACKGROUND: HABITAT was created after the 1976 HABITAT Conference in Vancouver. The Center's work addresses shelter and urban development issues, focusing on how well people are housed and the steps that can be taken to improve those conditions. The UN Commission on Human Settlements (UNCHS) is the advisory/governing body of the Center.

At the forty-third session of the UN General Assembly in 1988, the Assembly adopted the Global Strategy for Shelter to the Year 2000 (GSS). The General Assembly requested the Center to coordinate the implementation of the GSS. The basic principle of the Global Strategy for Shelter to the Year 2000 (GSS), accepted by the UN General Assembly in December 1988, is the adoption at both national and international levels of an "enabling" approach.

At the forty-seventh session of the UN General Assembly in 1992, the Assembly approved a second "Worldwide Conference on Human Settlements" (HABITAT II) to be held in Istanbul in June 1996. HABITAT II will make new recommendations for national action, as well as produce recommendations for bilateral and multilateral assistance policies and programs in urban and shelter sectors, which are increasingly recognized as high priority development sectors.

In March 1993, the UN Secretary General, as part of his efforts to streamline and consolidate the UN, placed HABITAT under the leadership of the Executive Director of the UN Environment Program. Under the reorganization, the Center is still responsible for coordinating its activities with those organizations within the UN system also dealing with human settlements issues (e.g., the UN Development Program and the UN Environment Program), as well as other organizations in priority areas designated by the Commission.

U.S. INTERESTS: The United States has played an important role in bringing HABITAT to where it is today. We have participated actively in the governance of HABITAT since its formation; we have worked to keep its focus on important technical and policy issues, and we have been a major participant in the shelter and urban settlements dialogue which HABITAT has supported. In turn, HABITAT has provided a useful forum to address key urban policy issues and improve donor coordination on these issues. HABITAT is a forum in which our views have reached a broad audience. We have established a recognized leadership role in the human settlements sector.

HABITAT's advocacy of private sector involvement stems in large part from U.S. initiatives. The United States has played an instrumental role in helping to define and ensure acceptance of the enabling approach in the GSS and believes that governments must make necessary adjustments in legal and financial frameworks to stimulate and enable the private sector to produce adequate and affordable housing for a broad range of families. Activities supported by HABITAT have improved the impact of bilateral and multilateral shelter/urban programs by providing greater consistency and sharper policy focus.

OTHER DONORS: Close to 65 percent of the financing for HABITAT's technical cooperation projects comes from the United Nations Development Program (UNDP). Other sources of funding include government and third-party cost sharing, trust funds, and the United Nations Habitat and Human Settlements Foundation (mainly for preparatory assistance to help mobilize other sources of financing). In addition to the United States, major donors to HABITAT and the Human Settlements Foundation for the 1992-1993 period include Finland, \$2,646,000; Netherlands, \$2,213,000; Japan, \$1,600,000; and Sweden, \$1,457,000.

FY 1995 PROGRAM: The overall human settlements objective of HABITAT is to improve the social, economic and environmental quality of human settlements and the living and working environments of all, in particular the urban and rural poor.

Among the key activities to be addressed in the program are the human settlements dimensions of UNCED'S Agenda 21, as found in Chapter 7, which is entitled "Promoting Sustainable Human Settlements Development", as well as relevant sections of other Chapters relating to local government, coastal area management, protecting freshwater supplies, and solid waste management.

THE WORLD CONSERVATION UNION (IUCN)

PROGRAM SUMMARY (in millions of dollars)

FY 1993 Actual	FY 1994 Estimate	FY 1995 Request
1.0	1.0	1.0

Purpose: The International Union for the Conservation of Nature (IUCN) Program has three basic goals: (a) the development of understanding of the nature of the Earth's living systems, their responses to human impact, and their capacities to withstand human use; (b) the definition of the nature and causes of human impact on the environment and on ecosystems, and of the social context for sustainability; and (c) the provision of information, advice, methods, demonstrations and services that will help communities achieve sustainable living.

Background: The focus of IUCN's work is in the broad field of applied ecology. The organization, both through its network of expert volunteers working within the Commission system and through its Secretariat, brings together a unique assemblage of knowledge about the world's ecosystems and species, their dynamics, status and potential to support human needs. No other organization in the world brings together expertise on species conservation and on the management of protected areas as IUCN does. The maintenance of this core of specialist knowledge is an important part of its overall program strategy.

U.S. Interests: The United States has a vital interest in helping the developing nations stabilize their economies and become full and effective trading partners in the international marketplace. To achieve this goal, the developing nations must implement land and water management practices based on sustainable use principles. The United States also has a vital interest in conserving the integrity and diversity of the natural world and to ensure that human use of natural resources does not threaten the long term viability of the human community. In many areas of the world, local and even national economies are in severe stress as a result of the unsustainable exploitation of natural resources.

Desertification and mass migration have resulted from overgrazing and excessive groundwater exploitation. Flooding and the associated destruction of agricultural production has resulted from deforestation. Inappropriate surface water development has increased flooding losses, increased human health problems, destroyed commercial fisheries, and reduced agricultural production. Wetland drainage directed to increasing agricultural production has often produced short term gains and long term losses as a result of decreased groundwater recharge, increased soil erosion, and decreased soil fertility. In addition, because wetlands often are nurseries for commercial fisheries as well as the source of other commodities, economic activity is often further reduced. IUCN's program, aimed at securing the

conservation of nature, particularly its biodiversity, and helping communities achieve stable, productive, and sustainable economies, is also a primary goal of the United States. IUCN's recent work has contributed to this goal by helping developing countries design their National Conservation Strategies and devise and demonstrate methods for the sustainable use of national environmental resources. This has included programs to improve environmental impact assessment, development of environmental law, environmental education, and site specific and country specific land and water use management planning.

FY 1995 Program: IUCN has identified three major issues which will be addressed:

Planning for conservation and sustainable development.

- a. Conservation Strategies.
- b. Promoting understanding of gender roles in natural resources management.
- c. Promoting and enhancing the integration of population and natural resources issues.
- d. Evaluating the impact of global change.

Conserving biological diversity.

- a. Preparing and implementing strategies for conservation of biological diversity.
- b. Conserving species.
- c. Conserving and managing wetlands, forests and coastal and marine habitats.
- d. Establishing and managing protected areas.
- e. Translating ecological processes into practical tools for conservation sustainable management and restoration.

Providing conservation services.

- a. Environmental Impact Assessment.
- b. Developing Environmental Law.
- c. Biodiversity Information and Monitoring.

IUCN has site specific and country specific programs and projects which address the above objectives. The programs and projects are located throughout the developing world.

INTERNATIONAL TROPICAL TIMBER ORGANIZATION (ITTO) PROJECT ACCOUNT

PROGRAM SUMMARY (in millions of dollars)

FY 1993 Actual	FY 1994 Estimate	FY 1995 Request
1.0	1.0	1.0

PURPOSE: The International Tropical Timber Organization (ITTO) is the only international forum for engaging both producing and consuming countries in efforts to address all aspects of the tropical timber economy, including sustainable management of production forests.

Background: The text of the International Tropical Timber Agreement (ITTA) was established by the 1983 United Nations Conference on Tropical Timber to provide a forum in which producing and consuming countries cooperate in finding solutions to problems facing the tropical timber economy. The United States was active in negotiating the ITTA, which entered into force in April 1985, becoming the first commodity agreement to have a conservation mandate. There are currently 50 member states (including the EC) representing 90 percent of world trade in tropical timber and 80 percent of the earth's tropical rainforests. The United States is actively involved in the negotiation of a successor agreement to the ITTA, which expires in April 1994.

The Agreement is administered through the International Tropical Timber Organization (ITTO), which seeks to promote improved forest management, better market transparency, and efficient forest industry. U.S. priorities include increasing transparency of the tropical timber market; promoting research, development and implementation of practices for sustainable management of sources for internationally traded tropical timber; and encouraging national policies aimed at sustainable use and conservation of tropical forests and their genetic resources.

ITTO pursues its objectives through a Council comprised of all member governments and three permanent committees open to all members. The committees correspond to ITTO's priority interest areas of reforestation and forest management, forest industry, and economic information and market intelligence.

ITTO administration is funded by annual assessments on member governments. ITTO carries out its primary operational programs through a special project account supported by voluntary contributions from member countries. Donor countries may determine which projects they will support. To date, the majority of ITTO-funded projects have related to sustainable forest management. U.S. contributions have supported several pilot projects in this area, as well as projects related to training, institution building, inventory of forest resources, and development of forest management plans.

The ITTO also undertakes policy and other non-project activities. The organization is the first to have adopted a definition and criteria for sustainable management of production forests. ITTO also has adopted guidelines for the sustainable management of natural tropical forests, and plantations, as well as guidelines for the conservation of biological diversity in production forests.

U.S. INTERESTS: ITTO uniquely serves U.S. interests as the only international forum for engaging both

producer and consumer countries of tropical timber, as well as forest industry and environmental nongovernment observers, in efforts to improve sustainable management of dwindling tropical "Objective 2000" -- the goal of having all internationally traded tropical timber come from sustainable sources by the year 2000.

President Clinton identified renegotiation of the ITTA and commitment to the ITTO Year 2000 Objective in his Presidential Decision Directive of November 5, 1993, in which he commits the United States to the "national goal of achieving sustainable management of U.S. forests by the year 2000." A new ITTA was successfully negotiated in Geneva in January 1994. At the same time, consuming countries of the ITTO participating in the negotiations released a separate statement committing themselves to the objective of maintaining, or achieving by the year 2000, the sustainable management of their respective forests.

OTHER DONORS: In 1993, cumulative pledges by consumer countries to ITTO's voluntary project account totaled over \$91 million. Japan's pledges exceeded \$60 million. Other major donors include: United States, Switzerland, United Kingdom, Denmark, Netherlands and Sweden.

FY 1995 PROGRAM: In FY 1995, ITTO should begin operations under a better focused and strengthened ITTA. The organization is expected to continue its innovative work toward achieving the objective of having traded tropical timber come from sustainably managed forests by the year 2000. Preparations will be well underway for the Fall 1995 benchmark review of progress toward "Target 2000." In this regard, we expect the controversial issue of country reporting to be clarified and regularized. We also expect the ITTO's unique work to continue in three other important areas: the definition "sustainable management" and its practical application in the tropics; increased transparency in the international market; and the examination of how market-oriented approaches can be used to obtain ecologically sound and sustainable timber production.

CONVENTION ON INTERNATIONAL TRADE IN ENDANGERED SPECIES OF WILD FAUNA AND FLORA (CITES)

PROGRAM SUMMARY (in millions of dollars)

FY 1993 Actual	FY 1994 Estimate	FY 1995 Request
1.0	1.0	1.0

Purpose: The Convention on International Trade in Endangered Species of Fauna and Flora (CITES) provides a mechanism for protection of endangered species of wildlife and plants against over-exploitation through international trade.

Background: CITES resulted from a conference held in Washington, D.C. in 1973 at U.S. invitation to promote conservation of endangered and potentially threatened species of wild flora and fauna. It has since become the key instrument for international wildlife conservation, with 120 countries as parties to the Convention including most major producers and consumers. CITES also is a significant element of U.S. conservation policy and continues to receive broad public support domestically.

CITES' principal achievements are the identification of over-exploited species and establishment of trade controls to protect those species. Other notable accomplishments include: (1) designation of wildlife authorities for the first time in many countries; (2) development of guidelines for the safe shipment of live specimens of plants and animals; (3) preparation of a species identification manual for use by customs officials at ports of entry; (4) improved standardization of documentation, annual reporting on worldwide wildlife trade and information on requirements to amend listings of endangered and threatened species; (5) more effective trade controls for specimens such as elephant ivory, rhinoceros horn, whale products, reptilian leather, exotic plants and rare birds; (6) improved acquisition and exchange of wildlife trade data and statistics; and (7) improved cooperation among Party members in conservation of endangered species.

U.S. contributions to the CITES trust fund support meetings of parties and certain operations of the Secretariat such as enforcement of the Convention's trade regulations and identification of appropriate levels of trade control. The trust fund is administered by the United Nations Environment Program (UNEP), which provides administrative support to the Secretariat.

U.S. Interests: All countries, including the United States, benefit from CITES protection of the endangered and potentially threatened species of wild plants and animals which represent the world's irreplaceable living resources. The United States has been actively involved in CITES since its inception. Such participation provides the primary vehicle for U.S. leadership in an area of wildlife protection having unusually broad international acceptance of common policy goals and complements U.S. implementation of the Convention domestically through the Endangered Species Act. U.S. participation is also a principal means by which U.S.-based conservation and trade organizations exert influence internationally on wildlife issues directly through the U.S. Government. The United States will host the Ninth Conference of the Parties to the Convention in November 1994, which will have more than 2,000 participants from over 100 countries.

In addition, CITES facilitates private American commercial ventures in wildlife. Farming and ranching of some endangered species have resulted in successful breeding of certain animals, such as the American alligator, and their subsequent removal from endangered status. Such actions substantially benefit U.S. producers and traders.

Both the American public and other countries look to the United States to remain in the vanguard of international conservation and preservation of endangered plants and animals.

FY 1995 Program: The U.S. contribution will support Secretariat efforts in several important areas. Most important will be continuing studies of elephants and other animals, such as the South American caiman, and plants, such as some species of cacti which may warrant trade protection under CITES. These studies will clarify the status of subject species and determine levels of trade control, if any, needed. In addition, the Secretariat will pursue its work with producer governments to develop domestic implementing legislation for improved enforcement of trade controls, and will continue to assist member parties with general implementation of convention provisions as necessary.

CONVENTION ON WETLANDS OF INTERNATIONAL IMPORTANCE ESPECIALLY AS WATERFOWL HABITAT (RAMSAR CONVENTION)

PROGRAM SUMMARY (in millions of dollars)

FY 1993 Actual	FY 1994 Estimate	FY 1995 Request
.750	.750	.750

PURPOSE: The RAMSAR Convention seeks to conserve wetlands of international importance as identified by their significance in ecological, botanical, zoological, limnological, or hydrological values.

BACKGROUND: The Convention on Wetlands of International Importance especially as Waterfowl Habitat was adopted in Ramsar, Iran in 1971. The United States became a Contracting Party in 1986. Over seventy nations are now Contracting Parties to the Convention. Under the Convention there is a general obligation for the Contracting Parties to include wetland conservation considerations within their national land-use planning. They are required to formulate and implement this planning to promote, as far as possible, the wise use of wetlands in their territory. The Parties are also to promote the conservation of wetlands through the establishment of nature preserves. A specific obligation under the Convention is the designation of wetlands for inclusion in a "List of Wetlands of International Importance." Particular conservation duties pertain to the listed sites. At least one site must be designated for the List at the time a state becomes a Contracting Party. The RAMSAR Bureau Secretariat maintains the list of wetlands of international importance.

During the last few years the Contracting Parties have recognized that wetlands of international importance are subject to increasing development pressures. This has led the Parties to develop as part of the RAMSAR Bureau efforts new programs to assist the Parties in protecting wetlands. These programs include: (1) the Monitoring Procedure, which is a structured survey method which helps identify the problems related to specific designated wetlands and develop measures to solve such problems; (2) the development of sustainable use management plans for wetlands; and (3) the Wetlands Convention Fund, which provides funds for planning, training, surveying, and other costs associated with the planning and management of wetlands. The Wetlands Conservation Fund is financed by voluntary contributions from the Parties and other interested individuals and organizations.

U.S. INTERESTS: Wetlands have values that benefit the international community. These benefits include fish and wildlife habitat, flood control, groundwater recharge, and water quality maintenance. It is estimated that 80 percent of the world recreational and commercial fisheries are dependent on wetlands for spawning, nursery areas, and food sources. They also serve as natural reservoirs and are important in protection of the quantity and quality of surface and ground water, including those used as a source of drinking water and as a buffer to flooding. As a leader in promoting sustainable development of natural resources, the United States can promote the acceptance of its policies and land use ethics by supporting the RAMSAR Convention. In addition, most of the U.S. migratory birds are, for some portion of their life cycle, dependent on wetlands located in other countries. Also, many of the U.S. commercial fisheries are partially dependent on coastal wetlands in other nations. The RAMSAR Bureau's efforts to promote the conservation and wise use of such wetlands will also promote U.S. interests.

OTHER DONORS: In the 1993 budget year, 70 countries were invoiced for contributions to the RAMSAR core budget. The amount of a particular party's invoice is based on United Nations' criteria (UNGA Resolution 43/223). The United States considers the invoice an invitation to contribute to the Convention, not an obligation. The U.S. voluntary contribution to the core budget is usually equal to the invoiced amount or approximately 25% of the total budget. Japan is the second highest contributor at approximately 11 percent of the core budget. Other major contributors include France, Switzerland, the Netherlands and the EC. In addition to the core budget, the United States contributes to special projects such as the wetlands fund.

FY 1995 PROGRAM: The RAMSAR Bureau programs are well defined and no new programs are anticipated at this time. However, the Bureau is planning a significant expansion of its existing efforts in the areas of monitoring designated wetlands and assistance to those parties which request help in sustainable use planning. The Bureau also plans to expand its efforts in training assistance and in acting as a facilitator for planning the conservation of wetlands that straddle national borders.

INTERGOVERNMENTAL NEGOTIATING COMMITTEE (INC)

PROGRAM SUMMARY (in millions of dollars)

FY 1993 Actual	FY 1994 Estimate	FY 1995 Request
.250	.250	.250

Purpose: The Intergovernmental Negotiating Committee (INC) is serving as the international mechanism to coordinate preparations for the first meeting of the Conference of the Parties to the UN Framework Convention on Climate Change (FCCC), scheduled for March 28-April 7, 1995, in Berlin. The INC was established to serve as the single negotiating forum for development of the FCCC and, subsequently, to prepare for the First Meeting of the Conference of the Parties. One hundred and sixty-one countries and regional economic integration organizations have signed the convention, and fifty-three, including the United States, have ratified it.

Background: In December of 1990, the U.N. General Assembly adopted resolution 45/212 on the "Protection of Global Climate for Present and Future Generations of Mankind," establishing a single negotiating process under the auspices of the General Assembly for the preparation by an Intergovernmental Negotiating Committee of an effective FCCC. Negotiations within the INC began in February 1991 in Washington, and continued with five additional negotiating sessions. As per the UN General Assembly resolution, the negotiations were completed and the convention was adopted by the INC in time for signature during UNCED in June 1992.

The UNGA resolution established an ad hoc secretariat, based in Geneva. It also called on the Head of the Ad Hoc Secretariat to cooperate closely with the Intergovernmental Panel on Climate Change (IPCC) to ensure that the IPCC could respond to the needs and requests for objective scientific and technical advice made during the negotiating process. At the conclusion of negotiations in May 1992, the INC adopted its own resolution calling for continuation of that body and the ad hoc secretariat to prepare for entry into force of the convention and the First Conference of the Parties. The UNGA adopted a resolution during its 47th session to implement the INC's recommendations.

Also in resolution 45/212, the General Assembly decided "that the negotiating process should be funded through existing United Nations budgetary resources, without negatively affecting its programmed activities, and through voluntary contributions to a trust fund established specifically for that purpose for the duration of the negotiations." This trust fund is administered by the Head of the Ad Hoc secretariat under the authority of the

Secretary General of the United Nations. Staff and certain other costs of the INC were funded by the United Nations from its regular budget for both the 1990-1991 and 1992-1993 biennia.

The INC Secretariat estimates on a preliminary basis that an additional \$4.5 million will be needed to meet secretariat expenses in 1994-1995, with \$3.5 million being staff costs and \$1 million being used to meet such costs as equipment and rental facilities, secretariat travel expenses, and consulting services. This is a substantial increase over the previous year because of a projected staffing increase of five persons. Two meetings of the INC are anticipated in FY 1995, as well as the First Meeting of the Conference of Parties in early 1995.

The amount proposed would enable the United States to maintain its leadership role within the INC as the Committee undertakes a broad range of preparatory work that will heavily influence the ultimate direction of the FCCC.

U.S. Interests: The INC's rapid and successful development of the FCCC represents a remarkable achievement and begins a new era of international cooperation on global environmental problems. The United States strongly endorsed efforts to conclude this convention and played a critical role in shaping it.

The United States hosted the first negotiating session to spur development of the convention and played an active role in each of the INC's negotiating sessions. Now, however, the real work has begun. The United States is playing a significant role in the preparatory efforts pending entry into force of the FCCC, and is a guiding force in the development of such key concepts under the Convention as "joint implementation" and "incremental costs."

The Administration and Congress, as well as the U.S. environmental, private sector and academic communities, continue to be intensely interested in this convention and its successful implementation. Actions taken pursuant to the Convention may well affect individual citizens, economic interests, and U.S. trade and competitiveness throughout the world. Continued U.S. support for the INC's preparatory work and for successful implementation of the Convention will be critical to ensure that U.S. interests are protected and U.S. objectives are met.

Other Donors: As of 1993, cumulative pledges of major donors to the trust fund for the negotiating process amounted to: Switzerland (\$395,000); United Kingdom (\$159,000); Commission of the European Communities (\$124,000) and Japan (\$113,000).

INTERGOVERNMENTAL PANEL on CLIMATE CHANGE (IPCC)

PROGRAM SUMMARY (in millions of dollars)

FY 1993 Actual	FY 1994 Estimate	FY 1995 Request
.300	.300	.400

Purpose: The Intergovernmental Panel on Climate Change (IPCC) was established in 1988 to provide an intergovernmental forum to assess changes in the Earth's atmospheric composition as a result of natural and anthropogenic fluxes of greenhouse gases. The IPCC also assesses likely impacts of potential climate change and considers technical and economic aspects of response options. The IPCC contributes to the protection of the global environment by providing scientific and technical information on request to the Intergovernmental Negotiating Committee (INC), the international forum established under the auspices of the UN General Assembly which developed the Framework Convention on Climate Change (FCCC) -- which enters into force March 21, 1994 -- and which is now undertaking preparatory work prior to the First Meeting of the Conference of Parties in early 1995.

Background: Emissions of greenhouse gases, (e.g., water vapor, carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O)), have consequences for every nation and every aspect of human activity because of their potential to trap the Earth's radiated heat in the atmosphere and thus warm the planet. Recognizing the scientific concern about increased atmospheric concentrations of greenhouse gases, the United States took the lead in promoting the establishment of the IPCC under the joint auspices of the World Meteorological Organization (WMO) and the United Nations Environment Program (UNEP).

In August 1990, the IPCC adopted its First Assessment Report on the science, impacts and response options of potential climate change, and in February of 1992 published a supplement to this report. The original IPCC report set the stage for negotiations on the FCCC, which began in February 1991, and the IPCC served as a scientific and technical resource throughout the negotiations. In November 1992, the IPCC was reorganized in preparation for beginning work on its full Second Assessment Report, anticipated to be completed in 1994-95. Certain key assessments are likely to be produced prior to that time. In addition, under the terms of both the FCCC and a resolution regarding interim measures pending entry into force of the Convention, the IPCC will continue to support the INC.

IPCC expenses are estimated at \$1,960,000 in 1994 and \$1,953,000 in FY 1995. The FY 1995 funding request will maintain U.S. leadership in this vital organization. The increase above the FY 1994 level is needed due to a significant expansion in IPCC work on the Second Assessment Report, which will require a number of meetings to coordinate the efforts of over 200 lead authors and contributors from around the world. It will enable the IPCC to serve the needs of the INC and the First Conference of the Parties. The IPCC's role is also expected to grow dramatically as the INC seeks to develop common methodologies (e.g., for inventorying greenhouse gas emissions and estimating the impact of response measures) and begin reviewing national action plans.

U.S. Interests: The IPCC's First Assessment Report in 1990 and its 1992 Supplement provide the most comprehensive and authoritative international statements to date on the science and likely impacts of potential climate change and available response options. The Second Assessment Report, expanded to include critical topics such as cross-cutting economics issues, is expected to provide essential information to the Conference of the Parties as it begins to implement the terms of the FCCC. Supporting the IPCC has become an essential element in U.S. efforts to protect the global environment.

The United States has long maintained that measures to deal with climate change should take into account the state of the world's understanding of the issue and that international efforts to fill the gaps in our understanding should be a fundamental component of any response. The United States has also advocated that the costs and benefits of possible response options must be thoroughly assessed, and that the global response to climate change must be based on this analysis. The IPCC's continuing scientific and technical work furthers these objectives and helps to assure the solid underpinnings of alternatives considered by the parties to the FCCC.

Actions to limit emissions of greenhouse gases (or expand sinks), as well as to adapt to climate change, may have far-reaching implications for national economies and global competitiveness. Thus, the United States must remain at the forefront of international efforts to deal with climate change.

The United States has always been an important leader in the assessment work of the IPCC, and currently co-chairs with Zimbabwe its Working Group II on Impacts, Adaptation and Mitigation. It also is a principal contributor to Working Groups I on Science and Working Group III on Cross-cutting Economics and Other Issues. Over half of the authors of the Second Assessment Report are from the United States.

Other Donors: In addition to the United States, major contributors in 1993 include: Switzerland (\$136,380); United Kingdom (\$130,448); Netherlands (\$102,285); Canada (\$81,828) and Australia (\$67,561).

FY 1995 Program: As discussed above, the IPCC has embarked on its Second Assessment Report, scheduled to be produced by 1995. During 1995, the IPCC will thus need to fund numerous meetings of scientific and technical experts to prepare the chapters in the report. In addition, the IPCC has been given a mandate under the FCCC to provide technical advice to the INC during the interim period prior to the First Meeting of the Conference of the Parties. This will require the organization by the IPCC of several workshops on methodologies -- particularly to develop methodologies on emissions inventories, and to initiate and coordinate development of country studies that will provide the basis for national action plans under the Convention. It is essential that the United States continue to play a lead role in these activities.

INTERNATIONAL CONTRIBUTIONS FOR SCIENTIFIC, EDUCATIONAL AND CULTURAL ACTIVITIES (ICSECA)

PROGRAM SUMMARY (in millions of dollars)

FY 1993 Actual	FY 1994 Estimate	FY 1995 Request
2.0	2.0	2.050

PURPOSE: Through contributions for scientific, educational and cultural activities, the United States continues to support U.S. participation in and U.S. commitments to UNESCO-related organizations engaged in work considered essential and important to U.S. interests.

BACKGROUND: The United States withdrew from the United Nations Educational, Scientific and Cultural Organization (UNESCO) effective December 31, 1984. Beginning in FY 1986, the U.S. Government has supported international cooperation in educational, scientific, cultural, and communication activities through contributions to the ICSECA program, formerly known as International Conventions and Scientific Organizations Contributions (ICSOC). This helps the interested U.S. communities to maintain positions of leadership in multilateral programs and take initiatives to implement new activities that serve U.S. interests.

U.S. INTERESTS: The U.S. withdrawal from UNESCO does not alter the U.S. policy of advancing the protection of the global environment through support for international cooperation in educational, scientific, cultural, and communication activities. The programs proposed for funding not only protect the global environment, but also provide the benefits to American scientific, educational, cultural and business communities formerly derived through membership in UNESCO. The Intergovernmental Oceanographic Commission (IOC), the Man and the Biosphere Program (MAB), the International Hydrological Program (IHP), the International Geological Correlation Program (IGCP), and the Intergovernmental Program for the Development of Communications were of U.S. origin or created with the encouragement of the United States, and we have a continuing interest in their work.

The U.S. contribution to the IOC enables American vessels to gain access to foreign waters for research and makes possible the participation of U.S. oceanographic experts in research workshops, both of which provide access to data otherwise unobtainable.

Largely based on U.S. initiatives and leadership, new global long-range investigations are being implemented to study natural and man-influenced processes effecting change in the earth's environment, to take steps to protect this environment, and to mitigate the effects of natural hazards.

The Intergovernmental Oceanographic Commission coordinates a number of major global and regional marine science programs. A new IOC initiative, strongly supported by the United States, is the establishment of the Global Ocean Observing System (GOOS), which will provide a first-time capability for coordinated satellite and shipboard observations of ocean processes around the globe. The freely shared data will be used for scientific research on climate and global change and for the management of marine resources and pollution.

The International Council of Scientific Unions, in collaboration with other governmental and nongovernmental organizations, is undertaking a major, decade-long, collaborative effort entitled, "The International Geosphere-Biosphere Program--a Study of Global Change." The interplay between global change and ecological complexity is also receiving increased attention as studies examine how changes in biodiversity will influence and be affected by global change.

Through multilateral collaboration during the 1990s, the UN-sponsored International Decade of Natural Disaster Reduction will provide opportunities for nongovernmental scientific, engineering, and social science communities to focus attention on how to reduce loss of life, property damage, and social and economic disruption caused by natural disasters.

Data exchange networks associated with the above efforts provide information on a scale essential for addressing global problems and not available through exclusively bilateral or regional agreements.

An award to the National Academy of Sciences (NAS) supports a variety of U.S. affiliates of international nongovernmental organizations in the educational, scientific, cultural, and engineering sectors engaged in work essential to U.S. interests. The NAS award is made in conformity with the administrative requirements for grant programs contained in Office of Management and Budget (OMB) Circulars A-102 and A-110. The award includes funds to cover NAS overhead in overseeing disbursement, management, and peer review consistent with OMB guidelines.

There has been significant reform in UNESCO's communications program. Once the scene of clamor for a controlled media, UNESCO now promotes a free, independent, pluralistic press. Assistance to UNESCO's private sector communications programs not only reinforces this tendency, but also serves as a cost-effective means to promote free press and support the democratization of developing countries.

THE 1995 PROGRAM: The following items reflect estimates of activity by the United States in these forums.

INTERGOVERNMENTAL OCEANOGRAPHIC COMMISSION (IOC). United States participation in the Intergovernmental Oceanographic Commission continues to be active.

The IOC is responsible for promoting and coordinating international marine science activities of its 117 member states on a global scale. It is a functionally autonomous unit within UNESCO. The IOC has its own program and budget, which is supported not only by UNESCO, but also by IOC member states contributing half the program funding.

A major United States objective that is being carried out through the IOC is the implementation of the Global Ocean Observing System (GOOS), which will collect ocean data for studying climate change and monitoring the environment. In 1992 the IOC, in cooperation with the World Meteorological Organization (WMO) and the UN Environment Program (UNEP), completed a draft implementation plan for this complex system, with the assistance of two staff members that U.S. agencies had seconded to the IOC Secretariat. A third U.S. secondment in 1993 helped staff the IOC's new Global Ocean Observing System Planning Office.

The GOOS is expected to provide the oceanographic component of a Global Climate Observing System as proposed by the Second World Climate Conference and endorsed by the UN Conference on Environment and Development (UNCED). Building on existing programs, GOOS will eventually include a coastal and near-shore component for fisheries research and management, the monitoring of harmful algal blooms, pollution monitoring, and the detection of changes in the level of the sea.

Several IOC programs, including the GOOS, contribute to the U.S. Global Change Research Program (GCRP), which is intended to provide the scientific basis for national and international policy regarding

natural and human-induced changes in the global earth system.

IOC activities that contribute to U.S. goals in the protection of the global environment through climate and global change research include:

- cosponsorship--with the International Council of Scientific Unions (ICSU) and WMO--of the World Climate Research Program;
- the Committee for Ocean Processes and Climate;
- the Intergovernmental Panel for the World Ocean Circulation Experiment (WOCE);
- the Intergovernmental Board for the Tropical Ocean and Global Atmosphere (TOGA) Study; and
- the Joint Committee for Climate Change and the Oceans/Joint Scientific Committee (CCCO/JSC) Ocean Observing System Development Panel;

Other IOC activities of high priority to the United States are the following:

- A new IOC Panel on Harmful Algal Blooms is looking at the world-wide expansion of outbreaks of new toxic organisms that threaten coastal marine ecosystems. Participating countries will share their research and management results, which should provide U.S. fisheries and wildlife managers with new approaches to recurring outbreaks in U.S. waters.
- The IOC Global Investigation of Pollution in the Marine Environment (GIPME) Program coordinates global studies in ocean chemistry and pollution. A new IOC/UNEP program in the Black Sea is underway. It will contribute to the understanding of processes in anoxic (without oxygen) basins, and U.S. researchers will have access to these waters for the first time.
- The IOC International Coordination Group for the Tsunami Warning System in the Pacific (ITSU) coordinates the monitoring of undersea earthquakes and issues timely warnings of resulting tsunamis (so-called "tidal waves"). These warnings directly benefit U.S. coastal interests in the Pacific. At ITSU's 1992 meeting, significant advances were made in enabling more efficient real-time exchange of tsunami information and warnings.
- Active United States leadership in the IOC Technical Committee for International Oceanographic Data and Information Exchange and in the ICSU/IOC World Data Center System for Oceanography provides U.S. agencies and scientists with access to foreign-source data at cost savings of more than \$1 million per year. It also provides a mechanism for establishing international data standards and formats that reduce the cost of exchanging data. The United States hosts the World Data Centers for Oceanography and for Marine Geology and Geophysics.
- The IOC/WMO Integrated Global Ocean Services System (IGOSS) continues the initiative begun in 1990 to improve transmission of operational data for weather forecasting, ship routing, and safety at sea. IGOSS will serve as one of the initial modules of the new Global Ocean Observing System.
- The IOC Global Sea Level Observing System (GLOSS) was expanded in 1991 by the installation of several new stations in the Atlantic and Indian Oceans as part of an ongoing effort to bring system quality for those oceans to the quality level of the Pacific. IOC is coordinating an engineering study to resolve technical difficulties in establishing sea level stations in extreme conditions in the Arctic and Southern Oceans, including Antarctic waters.

A contribution of \$520,000 is necessary to maintain the benefit received by the United States from the key role the IOC plays in support of climate and global change research and the implementation of the Global Ocean Observing System.

MAN AND THE BIOSPHERE PROGRAM (MAB). U.S. MAB plays a significant leadership role in the protection of the global environment and the development of international scientific activities, especially in the creation of an ecological information system to monitor global change. ICSECA funds have been used as seed money to form the core of U.S. MAB's capability to provide this scientific leadership. These funds, along with funding from other federal agencies, allow the U.S. MAB to support many international efforts. These include the establishment of an international ecological information network among 175 biosphere reserves in the 32 nations of Europe and North America through the EuroMAB system, the facilitation of intercommunication within the worldwide scientific community accessing these environmental data bases; the monitoring of the effect of global change on biological diversity; the development of regional networks among managers of the circumpolar Arctic scientific research and monitoring sites; and the promotion of international cooperation, research, and information exchanges among government agencies, multinational agencies, and nongovernmental organizations dealing with tropical forest conservation in Mexico, Guatemala, and Belize.

ICSECA funding enables the U.S. MAB to take the leadership position within the EuroMAB organization (an organization of the European and North American MAB national committees--one of UNESCO MAB's regional geopolitical organizations) to organize and facilitate access to information from the 72 most common environmental data bases, which have been consistently, comparatively, and historically assembled at 175 research sites in the 32 EuroMAB countries. The EuroMAB directory (ACCESS) organizational format has now been adopted by the UNESCO MAB and is being used there to compile a directory of all of the other 125 non-European biosphere reserves in Africa, Asia, and Ibero-America.

ICSECA funds are also enabling the U.S. MAB to develop a standardized format and protocol for reporting the status of biological inventories, climate, and other environmental trend data for the EuroMAB biosphere reserve. Consequently, the MAB network of biosphere reserves is now becoming a truly global system, and will significantly contribute to supporting U.S. policy interests by making possible the development of an effective means of scientific data exchange concerning the effects of global change on the Earth's ecosystems, biological diversity, tropical ecosystem conservation and desertification, and subjects of the transnational agreements signed at the United Nations Conference on Environment and Development (UNCED) in Rio de Janeiro in 1992.

ICSECA funds also enable the U.S. MAB to contribute to the support of the administrative secretariat of the Northern Sciences Network (NSN) and ensure significant U.S. policy representation during its development and implementation of international high latitude ecosystem research projects on a multilateral basis through the NSN. Similarly, ICSECA funds support a U.S.-led project to develop closer communication among the managers of Arctic latitude biosphere reserves and among the managers of natural resources, indigenous peoples, and scientists investigating caribou migrations in both the United States and Canada.

The U.S. MAB is using ICSECA funds to implement U.S. international environmental agreements and policy goals expressed in the U.S. initiative announced at the UNCED conference in the tri-national region of Belize, Guatemala, and Mexico through the Forests for the Future Initiative by promoting communication and coordination among the multiple agencies, governments, nongovernmental organizations (NGOs) and indigenous peoples working on environmental issues in this area. The U.S. MAB's Tropical Ecosystems Directorate is also working to develop additional multilateral North-South cooperation in this region by involving Canada's Model Forest Program in this project and by exploring a potential working relationship with the foreign assistance program of Germany.

U.S. participation in the MAB enables U.S. Government agencies and American scientists to acquire data and cooperate in the development of new resource management techniques for ecosystems of

particular interest to the United States such as tropical forests and ecosystems, Caribbean islands, temperate ecosystems, and high latitude polar regions. Support in the amount of \$385,000 is necessary to maintain U.S. influence on the MAB Secretariat for the direction of MAB research toward programs of interest to the United States.

INTERNATIONAL HYDROLOGICAL PROGRAM (IHP). Since their inception in 1965, UNESCO-sponsored international scientific cooperative programs in water resources have advanced the protection of the global environment by substantially improving the scientific and technological basis for the development of methodology and human capacity for the rational development and management of water resources. Building on the accomplishments of the past 25 years, the fourth phase (1991-1995) of the IHP (IHP-IV) emphasizes the role of water-resources management and applied hydrological science in sustaining development and coping with anticipated changes in climactic and environmental conditions. These are areas of critical concern to U.S. water resource interests. The IHP program undertakes studies and promotes standards and cooperation among UN specialized agencies and nongovernmental organizations that provide the United States with information on water resources worldwide. Although the United States no longer serves on the IHP Intergovernmental Council because of withdrawal from UNESCO, a contribution of \$100,000 per year is necessary for the United States to remain active in important IHP projects.

INTERNATIONAL LIBRARIES, ARCHIVES AND SCIENCE DOCUMENTATION PROGRAM. This activity sets standards for and provides data on international library, information, and archival activities. The U.S. contribution strengthens U.S. participation and leadership in key research areas and in the development of international information policies and standards favorable to U.S. interests. These include trans-border data flow, security of data transmitted internationally, and exchange of scientific and technical information. Other programs include education and training in library, information, and archival sciences and the preservation of cultural records. There has been much progress in the development of standards for information products and services as a result of the U.S. contribution. Continued U.S. participation is of particular benefit to the American information storage and retrieval industry. A contribution of \$175,000 per year is necessary.

UNESCO PRIVATE SECTOR COMMUNICATIONS PROGRAMS. UNESCO's communications program has shown significant progress since the United States left the organization. Rather than calling for a "New World Communications Order," UNESCO is now promoting an independent, pluralistic, free press as a prerequisite for the development and maintenance of democracy. Among the programs being supported by UNESCO is the Central-Eastern European Media Center in Warsaw. The Center was founded to support the transformation of the information systems of the countries of Central and Eastern Europe in accordance with the principles of free and democratic societies and to foster the development independent, pluralistic mass media for communication. A contribution of \$35,000 is necessary to continue support for the Center and for other UNESCO private sector communication programs promoting an independent, pluralistic, free press.

UNESCO's Intergovernmental Program for the Development of Communication also sponsors projects to promote an independent press. In the past, IPDC projects tended to support government controlled, non-independent, media programs and projects. In 1992, however, the IPDC, responding to the Declaration of Windhoek, changed its funding priorities to make "freedom of the press and the pluralism and independence of the media ... a priority concern." The Governing Board then opened up the procedures for submitting projects to allow for NGO submission of projects directly to the IPDC bureau without government sanction; and to allow for two projects from a country, only one of which can be a public sector project.

With these changes and recently proposed projects--especially PDC/13-RAF/03 on development of the independent press in Africa and the FIEJ sponsored PDC/13-INT/02 project entitled "Operation Sponsorship"--funds in trust contributions to specific IPDC projects present a cost-effective way to support multilateral democratization efforts.

The project on development of the independent press in Africa is a direct consequence of the Windhoek Conference. Recent social and political changes in Africa have encouraged the emergence of privately owned newspapers and magazines committed to independence and freedom of expression. This independent press is contributing to greater openness and management of public affairs.

The International Federation of Newspaper Publishers (FIEJ) and Reporters without Borders developed IPDC project PDC/13-INT/02, entitled "Operation Sponsorship." This project aims to establish a sponsorship system between newspapers in the developed world and African publications. Such sponsorship is to facilitate the exchange of information by giving each newspaper the opportunity to draw on the resources of the other, enabling the African partner to use the clout of its Northern sponsor when it needs help, and forging solidarity between sponsors and the sponsored in the event that the sponsored newspaper is subjected to censorship, seizures or legal proceedings. A contribution of \$25,000 is necessary to support this concept and enable the IPDC to expand this program to independent newspapers in other areas of the world.

UNESCO COPYRIGHT The Book and Copyright division of UNESCO has developed a database on copyright legislation. To enable UNESCO develop an English language version of this database, a contribution in the amount of \$35,000 is necessary.

NATIONAL ACADEMY OF SCIENCES. A grant to the National Academy of Sciences in the amount of \$775,000 would support the following programs:

- A. International Council of Scientific Unions (ICSU) and ICSU Bodies. Through the NAS grant, special contributions will provide support to several ICSU activities vital to the protection of the global environment:
 1. **THE ICSU GRANTS PROGRAM.** This program provides support for workshops, training courses, information exchanges, international conferences, and research activities sponsored by the scientific unions of the ICSU and other ICSU bodies. The program supports scientific projects in these areas: The International Lithosphere Program, the ICSU/SCOR Committee on Climate Changes and the Oceans, the ICSU/WMO World Climate Research Program, the ICSU Committee on the Teaching of Science and capacity building activities, the Federation of Astronomical and Geophysical Services, and biodiversity projects (workshops and studies) via IUBS and SCOPE. A contribution of \$235,000 is necessary.
 2. **INTERNATIONAL GEOSPHERE-BIOSPHERE PROGRAM: IMPLEMENTATION AND COORDINATION.** Initiated by ICSU in 1986, this comprehensive, long-term program aims to describe and explain the interactive physical, chemical and biological processes that regulate the total earth system, the unique environment that this system provides for life, the changes that are occurring in the system, and the manner in which these changes are influenced by human actions. The operational phase of the program is being initiated through implementation of a half-dozen multi-disciplinary core projects. There are increasing linkages to the World Climate Research Program (WHO and UNESCO/IOC) and the Human Dimensions of Global Environmental Change Program. Partial support of the international coordination of this program, now budgeted by ICSU at over \$1.0 million per year, would be provided by an award of \$145,000 to the U.S. member of ICSU, the National Academy of Sciences.
 3. **NATURAL HAZARDS PROGRAM (NHP).** This UNESCO program is of major importance to U.S. scientists and has received increased support following the U.N. establishment of the International Decade for Natural Disaster Reduction (IDNDR). In collaboration with other international governmental and nongovernmental organizations, NHP promotes cooperative efforts on the assessment, prediction, and mitigation of natural hazards such as earthquakes, volcanic eruptions, tsunamis, floods and landslides. Support in the amount of \$90,000 is necessary to continue geological/geophysical projects through the appropriate international

scientific unions and the ICSU Special Committee for the IDNDR.

4. **INTERNATIONAL GEOLOGICAL CORRELATION PROGRAM (IGCP).** This program directs the attention of geologists to projects on mineral and petroleum deposits and correlates data on geological strata, sedimentary and quaternary research projects, and standards for geological maps and earth science projects. This program provides important contributions to the IGBP (recovery of environmental records) and the International Space Year (remote sensing activities), both of which are of high interest to the United States. The IGCP, which is managed jointly by the International Union of Geological Societies and UNESCO, oversees some 60 active projects. There are close links to activities of the International Lithosphere Program. A contribution of \$90,000 is necessary for continued participation.

- B. **OTHER NONGOVERNMENTAL SCIENTIFIC BODIES AND THE INTERNATIONAL NONGOVERNMENTAL COOPERATIVE RESEARCH AND TRAINING PROGRAMS.** This continues project support to a number of U.S. professional organizations that advance the protection of the global environment through activities linked to various UNESCO science programs. In certain cases, support goes directly to the international nongovernmental organizations to support a variety of activities of benefit to the United States, including those sponsored by the International Social Science Council, the Microbiological Resources Centers, the Pacific Science Association, the Union of International Technical Associations, the World Federation of Engineering Organizations, the American Chemical Society, the International Clearinghouse on Science and Math Instruction, the International Center for Theoretical Physics, the International Clearinghouse for the Advancement of Science Teaching, the International Organization for Chemical Sciences in Development, the American Association of Museums, the U.S. Committee of the International Commission on Monuments and Sites, the American Council of Learned Societies, and other international scientific, educational, and engineering organizations. A contribution of \$215,000 to support the work of international nongovernmental organizations via U.S. affiliates is necessary.

WORLD HERITAGE FUND

PROGRAM SUMMARY (in millions of dollars)

FY 1993 Actual	FY 1994 Estimate	FY 1995 Request
.450	.450	.450

PURPOSE: The World Heritage Fund (WHF) is established under the Convention Concerning the Protection of the World Cultural and Natural Heritage (Convention) of 1972. The Convention's purpose is to recognize the world's most important and unique heritage sites, from the standpoint of biological diversity and sensitivity, and irreplaceable cultural significance, to influence the actions of governments to assure the protection of these sites, and to provide, through WHF, the financial assistance necessary to assist in this purpose.

BACKGROUND: The Convention was adopted in 1972, as a result of U.S. initiative and leadership. The Convention, whose adoption corresponded to the centennial of Yellowstone National Park, has been called an extension to the international level of the national park idea, a uniquely American contribution to world culture.

By recognizing a shared international interest in unique natural and cultural heritage sites, the Convention brings significant public attention to bear on the status of these properties. The Convention creates obligations for Member States with respect to their own actions toward designated sites in their territories, and with respect to their own actions that may affect designated sites on the territory of other Member States.

In its U.S. implementing legislation (P.L. 96-515), specific additional legal responsibilities are created for the Secretary of the Interior to assure the protection of World Heritage sites in the United States, and their environments. The law obliges the heads of all agencies of the Executive Branch to consider the impacts of their actions on World Heritage sites located in other countries. This is the only specific legislative requirement for environmental impact assessment of U.S. actions in other countries.

The Convention actively monitors the condition and integrity of World Heritage sites, and reports threats to those sites to the Convention's Committee, which the United States currently chairs. Seriously threatened sites are entered on the List of World Heritage in Danger, which is becoming an internationally recognized barometer of the condition of the world's most important ecological and cultural zones.

The International Union for the Conservation of Nature (IUCN), which serves as natural heritage advisor to the Convention has documented 20 examples of protected natural areas in which serious threats have been successfully addressed, and resolved as a result of the Convention's actions.

The World Heritage Fund has provided support to States Parties who desire to conserve their sites. Grants are made for technical cooperation projects, emergency assistance, training of staff, and preparing nominations. Approximately 67% of the 1993 annual budget of the WHF is obligated to site assistance and field level projects, monitoring of the condition of sites, and public information about the Convention's work and issues of site preservation.

In 1992, the 20th anniversary of the Convention, the United States led and actively participated in a substantive review of the Convention's work, and produced a strategic plan to improve its operations in areas of perceived weakness. This document was adopted by the Committee, which was hosted by the United States in December 1992. The Committee is currently incorporating this strategy into its operating procedures.

U.S. INTERESTS: WHF continues to play a vital international role in environmental conservation, advances U.S. interests in these global values, and has been called a keystone of our international environmental conservation program. It is currently the largest membership international conservation Treaty, with 146 member countries. This growth of membership, in just 16 years of operational existence, is unprecedented among conservation instruments.

WHF has rescued from serious threat, and is addressing serious threats at, numerous biologically sensitive sites in all regions of the world. The Convention's combined "carrot and stick" approach, i.e., international recognition of sites and assistance grants with legal obligations of signatories, has proven to be an effective one to date.

In 1993, the WHF played a major role in resolving a threat to the World Heritage site of Glacier Bay National Park and Preserve, a unit of the U.S. National Park System. By raising the international visibility of the site, and by recalling obligations of the Canadian Government as a State Party, the Convention influenced decisions in Canada not to proceed with an open pit mine, whose drainage would have threatened the Park.

OTHER DONORS: In addition to the United States, other major contributors are: Japan (\$381,040); United Kingdom (\$153,590); Germany (\$273,187); and France (\$183,567).

FY 1995 Program: Special experts meetings are underway to regularize procedures for ongoing monitoring of the condition of World Heritage sites. The trend of increased attention to site integrity versus new nominations is expected to continue in 1995.

WORLD METEOROLOGICAL ORGANIZATION (WMO) VOLUNTARY COOPERATION PROGRAM (WMO/VCP)

PROGRAM SUMMARY (in millions of dollars)

FY 1993 Actual	FY 1994 Estimate	FY 1995 Request
2.25	2.25	2.25

Purpose: The World Meteorological Organization's Voluntary Cooperation Program (WMO/VCP) provides training and equipment to help developing countries improve their meteorological and hydrologic services. Developing countries are thereby better able to obtain, use, and share weather data. The WMO/VCP helps developing countries participate in WMO programs, particularly the World Weather Watch (WWW) and the World Climate Program (WCP). The WWW provides real-time, two-way communication of vital atmospheric and oceanic data. This enables meteorological analysis centers (including Washington, D.C.) to incorporate data from remote sites in the development of forecasts which can then be distributed on a regional or global basis. The WWW has promoted the collection of otherwise unavailable information about the world's climate for use in the WCP. The WCP monitors global climate conditions-- including droughts and climate change--and promotes the understanding of climactic trends.

Background: The WMO established the WMO/VCP in 1967 in response to a U.S. initiative to fund meteorological development assistance. The WMO Secretariat, along with donor members, manages the resulting assistance projects in developing countries. Because of WMO/VCP support to the WWW, all nations have the technical ability to become aware of impending problems and natural disasters, such as severe weather and tropical cyclones, that may affect personal safety, crop yield, and water use. The WWW also plays an important role during man-made disasters, such as the accidental release of hazardous materials that occurred during the Chernobyl nuclear incident. Real-time, global meteorological information is essential on a daily basis for civil aviation and marine activities.

Each year, the WMO Executive Council reviews the use of WMO/VCP resources and evaluates requests for new projects. Approval is based on how the requests satisfy the objectives of the WMO, the suitability of the project for the country, and the ability of the country to sustain the project. The WMO maintains close coordination with other international and regional organizations such as the United Nations Development Program (UNDP), the Food and Agriculture Organization (FAO), the United Nations Environment Program (UNEP), and the European Economic Community (EEC) to ensure the WMO/VCP is not duplicating or competing with their efforts.

The bulk of the U.S. contribution to WMO/VCP is spent in the United States for U.S. equipment and expertise which are then provided to developing countries. Only a small part (approximately \$100,000) of the total U.S. contribution is actually transferred to the WMO Secretariat for the WMO/VCP fund, VCP (F), which is managed by the WMO Secretariat, overseen by the WMO Executive Council.

During the past year, U.S. in-kind contributions provided equipment, supplies, and experts to some 50 developing countries. Major training courses in the United States were conducted on tropical storm forecasting, advanced satellite imagery interpretation, hydrological forecasting, drought management,

and aeronautical meteorology. Approximately 65 students from 65 developing countries attended these courses, and ten other students are now studying at U.S. universities.

U.S. Interests: WMO/VCP enables the United States to join with other nations and international organizations to fund and implement projects for the protection of the global environment that are too large for one country to fund alone. For example, one WMO/VCP project is replacing the unreliable and antiquated telecommunication system in the Caribbean and Central America with a modern satellite system. The new system will virtually eliminate communication outages during hurricanes, thus allowing the exchange of weather observations and warnings during periods critical to the United States and neighboring countries. The United Kingdom, France, the Netherlands, and Finland are cooperating with the United States through the WMO/VCP to fund this project. In another case, the World Climate Programs' CLICOM (Climate Computer) project, which was largely developed by the United States using American technology, is providing developing countries with computer hardware and software. These countries can thus better assemble meteorological and hydrological data, and then share this data with other countries.

Through the WMO/VCP, the United States advances protection of the global environment by supporting projects in the detection and forecasting of severe weather conditions, flood forecasting, agricultural and marine meteorology, and the monitoring of air pollution. USAID uses the information from these projects to foster a capacity for the early warning of natural disasters around the world. The U.S. Department of Agriculture uses information from these programs to forecast global agricultural production.

Almost all the equipment the United States contributes is from U.S. manufacturers. This creates a natural market in the recipient countries for the purchase of U.S. spare parts and supplies, and for obtaining training and expert services from the United States.

From the inception of the program until 1992, the United States has been the major WMO/VCP donor, and this has been a key factor in maintaining a leadership role in the WMO. The United States has thus been able to foster program enhancements and management reform. Under U.S. leadership, the WMO has set realistic priorities in granting requests for WMO/VCP support.

Other Donors: WMO/VCP pledges amounted to about \$6 million in 1993, of which the United States contributed \$2.25 million. This is less than the 1992 total because Finland reduced its contribution from \$3.5 million in 1992 to \$1.6 million in 1993. However, Finland is now providing the difference on a bilateral basis to the Baltic countries. This contribution is primarily for the purchase of Finnish weather equipment. The UK has been steadily increasing its VCP support during the past few years. Australia has indicated that it will begin contributing in 1994.

FY 1995 Program: In FY 1995, support is planned in the following areas:

1. The meteorological telecommunication networks in Central and South America, the Pacific, the Far East, and Africa are based on old technology which is unreliable and difficult to maintain. These networks are essential to the operation of meteorological services throughout the world. The WMO/VCP project to replace existing telecommunication systems with satellite systems using U.S. satellites in the Caribbean and Central America is underway. Similar satellite networks for South America, the Pacific, and the Far East are urgently needed. With additional VCP funding, the United States will take the lead in designing and marketing equipment for this technology upgrade.
2. The demand for graduate level education, for specialized training courses (especially in computer and satellite use), and for training in advanced technologies has increased substantially over the past two to three years. The United States should continue to offer this training. Meteorologists and hydrologists from developing countries usually assume positions

of influence when they return to their countries.

3. Enhancing the meteorological capacity of developing countries has become necessary, given the role of the WMO in environmental issues such as ozone monitoring and climate change. Programs provided through the WMO/VCP comprise an effective way to enhance this capacity. The recommended funding for the U.S. contribution to the WMO/VCP should stimulate activity by other donors.

**WORLD METEOROLOGICAL ORGANIZATION (WMO)
SPECIAL TRUST FUND FOR CLIMATE AND ATMOSPHERIC
ENVIRONMENT ACTIVITIES
(CAEA TRUST FUND)**

PROGRAM SUMMARY
(in millions of dollars)

FY 1993 Actual	FY 1994 Estimate	FY 1995 Request
.800	.800	.800

Purpose: The Special Trust Fund for Climate and Atmospheric Environment Activities (CAEA Trust Fund) of the World Meteorological Organization (WMO) enables donors to support, through extra-budgetary means, increased demands for specific scientific activities in climatology and atmospheric studies by the WMO and its associated national meteorological and hydrological services. These activities are primarily related to the global assessments of climate made by the Intergovernmental Panel on Climate Change (IPCC), the implementation of sustainable development activities related to Agenda 21, and the scientific and technical work associated with the international conventions on climate change, ozone, and desertification. The use of the CAEA Trust Fund is directed toward providing support for obtaining special data and information or conducting studies and analyses over time periods which are normally too short to be covered by regular budgeting processes.

Background: The WMO Executive Council established the CAEA Trust Fund in 1989. In 1991 the WMO Congress confirmed the importance of the CAEA Trust Fund and extended it through the eleventh financial period (1992-95). Following the UN Conference on Environment and Development (UNCED), the 45th Session of the Executive Council in June 1993 extended the scope of the CAEA Trust Fund to include scientific and technical activities related to sustainable development and capacity building in developing countries.

Major Programs:

- Support for monitoring, research, and training in areas such as climate variability, climate change, stratospheric ozone depletion, freshwater availability, drought and desertification, and sustainable development.

- Strategic enhancement of global observation networks such as the Global Climate Observation System, the Global Atmospheric Watch, and the World Weather Watch.

- Initiation and coordination of short-term studies and analyses to respond to policy questions related to international conventions on ozone, climate change, and desertification; follow-up to global assessments of climate change by the Intergovernmental Panel on Climate Change; and implementation of Agenda 21.

- Assistance with capacity building in developing countries to enable full participation of all nations in observing and understanding climate and the atmospheric environment.

Recent Accomplishments: The WMO CAEA Trust Fund provided seed money to establish: (a) an international calibration and intercomparison center for total ozone instruments, and (b) a South

American Center for studies and training of personnel in greenhouse gas measurements and in precipitation and aerosol chemistry. The Fund helped support an effort in the Americas to prepare a multi-year cooperative program for climate change and sustainable development activities. The Fund partially supported the initiative by the Intergovernmental Meeting on the World Climate Program (WCP) to develop an integrated, long-term plan for the WCP which can respond to the needs of the IPCC and the Framework Convention on Climate Change (FCCC). The CAEA Trust Fund has helped develop climate data bases through the CLICOM and Data Rescue projects.

U.S. Interests: To advance protection of the global environment, the United States fosters international responsibility in the areas of climate change, stratospheric ozone depletion, drought and desertification, and sustainable development. These issues have important social and economic implications for the United States and other nations. Improving the monitoring, research, and training in related scientific and technical fields is thus a fundamental U.S. goal. The strengthening of national capabilities in these areas not only helps other countries understand their situations, but also makes previously unavailable data available to the U.S. policy structure.

The demand for data and analysis on natural science issues in international policy goes beyond the core programs of the WMO. In the past, the WMO pursued short-term weather information, and this was supported by the WMO regular budget and the Voluntary Cooperation Program. Now, however, there is a focus on the development of a global observation system for measuring the climate (the Global Climate Observing System), with particular attention through the Global Atmospheric Watch to atmospheric constituents such as greenhouse gases and stratospheric ozone. The development of global models requires the participation and cooperation of other nations.

The United States has strongly supported the CAEA Trust Fund since its inception. As scientific and policy issues became intertwined, the recognition emerged that activities in the natural sciences--such as the long-term monitoring, research, and training of professionals--affect the health of the economic and social structure. The CAEA Trust Fund was established to ensure WMO responsiveness to fast-breaking policy needs and to encourage support for cutting-edge projects with long-term benefits.

Other Donors: Since the CAEA Trust Fund was established, Canada, Cyprus, Jamaica, Jordan, Malta, the Netherlands, and the United States have contributed. In 1993, Canada contributed \$800,000 and the Netherlands contributed \$80,000. With the recent addition of sustainable development activities to the charter of the Fund, additional donors likely will be forthcoming.

FY 1995 Program: In FY 1995, the CAEA Trust Fund aims to support short-term scientific and technical activities related to the first meeting of the Parties to the Framework Convention on Climate Change (FCCC); to the conventions on ozone, drought and desertification; to the 1995 Assessment of the Global Climate by the IPCC; and to the implementation of Agenda 21, especially the work of the UN Commission on Sustainable Development (CSD). Support for these international policy mechanisms is specifically requested by governing bodies in order to answer scientific and technical questions with policy significance. These requests often require directed activities or studies of short duration, and these are difficult to predict in advance. Three longer-term projects have priority for FY 1995:

1. Development of internationally agreed global and regional environmental indicators for both climate change and sustainable development. These indicators will be based upon integrated, global observation systems, such as the Global Climate Observing System.
2. Enhancement of efforts to quantify and predict the future availability of freshwater in areas where the WMO shares responsibility within the UN system.
3. Setting international standards and fostering national programs to forecast ultraviolet levels related to the daily amounts of stratospheric ozone.

ORGANIZATION OF AMERICAN STATES (OAS) DEVELOPMENT ASSISTANCE PROGRAMS

PROGRAM SUMMARY
(in millions of dollars)

FY 1993 Actual	FY 1994 Estimate	FY 1995 Request
11.0	11.0	11.0

Purpose: The Organization of American States (OAS) Development Assistance Program contributes to the development and greater integration and cooperation of OAS members, most of whom are underdeveloped countries, and concomitantly strengthen the underpinnings of democratic institutions.

Background: At the United States' initiative, the OAS undertook in the early sixties to assist members in development and enable them to strengthen the economic/social underpinnings of democracy. After creating the Inter-American Development Bank (IDB), the OAS has continued to prepare feasibility studies used by the IDB and other international financial institutions (IFIs) for over \$6.5 billion in public and private financing. Additionally, the OAS allocated funds principally to develop human resources -- education, training, trade promotion, tourism, resource surveys, and scientific and technological research. Over 97,000 students, technicians, and specialists have been trained and they, in turn, have disseminated new work methods and technologies, involving increasing numbers of qualified people and resources in the task of national development.

In keeping with U.S. policy and budgetary austerity and streamlining of management and administration, the OAS began restructuring its secretariat in 1975, leading to a 59% cut in personnel by the end of 1989. To meet new priority demands, some programs were cut, e.g., cooperatives and rural development. The General Assembly decided in 1993 to streamline oversight and administration by the merger of secretariats and funds set aside for technical assistance. With overhead costs sharply reduced, program direction, execution and accountability have been significantly enhanced. The OAS delivers cost-effective technical assistance for priority activities.

U.S. Interests: The United States is making headway strengthening the OAS as a forum for hemispheric issues and for technical cooperation for development. OAS technical cooperation activities promote inter- and intra-regional understanding and a shared interest in solving development problems.

Of special interest to the United States, the following programs stand out: the Inter-American System of Trade Information (SICE), the Hemispheric University Information Network, integral and subregional (cross-border) development, human resource training, and education programs to broaden and improve access and quality of education to disadvantaged groups of the urban, rural, and Indian population. These activities are OAS priorities and are proving highly effective.

Other Donors: Voluntary contributions of OAS members totaled \$14.2 million in 1993, including the U.S. contribution of \$11 million. Voluntary contributions from non-member countries (including Spain, France, Netherlands, Italy, Germany, Israel) totaled \$10.0 million in 1993, bringing the overall total to \$24.2 million.

FY 1995 Programs: Priority areas are the following: skills training and education for work, trade development environmental protection, information networking (universities, scientific institutions,

libraries) and tourism.

--Special Development Assistance Fund (CIES) - \$4.4 million. The focus is on pre-feasibility studies for the integral development and environmental protection of specific regions (Amazon Basin, Central America, etc.) with large-scale projects to be financed by the IDB, other IFIs, and the private sector. The computerized trade information program (SICE) will be extended to include all member countries and the European Community (EC), and tourism and employment generation will also be augmented. The Caribbean is a major target area. Projects are carried out principally by OAS specialists and externally contracted experts. OAS members contributed \$6.5 million in 1993 (\$4.4 million). The budgeted estimate of contributions for 1995 is \$12.0 million.

--Special Multilateral Fund (CIECC) - \$5.4 million. This fund's projects focus on education, science and technology as fields to develop and harness both human and natural resources. Besides concentrating in 1995 on basic education, education for work, and biotechnology, the program will help establish regional information systems facilitating access to scientific and research data essential for development purposes. OAS members contributed \$6.0 million in 1993 (U.S. - \$5.4 million). The budgeted estimate of contributions for 1995 is \$10.6 million.

--Special Projects Fund - \$1 million. Its priorities are the same as for the Special Multilateral Fund, but the method of cooperation permits the more developed countries to pool resources for the benefit of the less developed members. OAS members contributed \$1.3 million in 1993 (U.S. - \$1 million). The budgeted estimate for 1995 is \$3.4 million.

--Special Cultural Fund- \$200,000. A major focus is the preservation and upgrading of traditional artisanal techniques to create jobs and competitive products for export. A network of inter-American centers, with supplemental funding from host countries, is the principal vehicle for carrying out projects. Other projects promote integration of folk culture into formal and informal educational activities as a positive factor in overall development. OAS members contributed \$342,491 in 1993 (U.S. - \$200,000). The budgeted estimate of contributions for 1995 is \$972,000.

UN POPULATION FUND (UNFPA)

PROGRAM SUMMARY (in millions of dollars)

FY 1993 Actual	FY 1994 Estimate	FY 1995 Request
0	40.0	60.0

PURPOSE: The United Nations Population Fund (UNFPA) assists developing countries in dealing with their population problems. UNFPA plays a leading role in the UN system in promoting population programs by responding to national, regional, interregional and global needs in the population and family planning fields.

BACKGROUND: The UN Secretary General established the UN Trust Fund for Population in 1967 as a special trust fund. Renamed the UN Fund for Population Activities (UNFPA) in 1969 and later renamed the UN Population Fund in 1987, UNFPA is second only to the U.S. Government itself as a channel of assistance for population activities in developing countries. UNFPA has been working to devote an increasing ratio of its resources to family planning activities while retaining sufficient flexibility so that assistance can also be provided to address a broader range of population and health needs in recipient countries.

In 1985, Congress passed the Kemp-Kasten amendment to the Foreign Assistance Act which prohibits USAID from providing assistance to any organization which supports or participates in the management of a program of coercive abortion or involuntary sterilization. The USAID Administrator reviewed the UNFPA-funded program in China and made a determination that UNFPA was ineligible for funding under this restriction, in response to reports that local officials of the People's Republic of China forced women to obtain abortions or submit to sterilization procedures. As a result, the United States withheld \$10 million of the \$46 million that was to be allocated to UNFPA. Each year between 1986 and 1993 a similar determination was made with regard to the ineligibility of assistance to UNFPA because of the Kemp-Kasten amendment. In 1993, the USAID Administrator again reviewed the legality of providing assistance to UNFPA under the Kemp-Kasten amendment and determined that such funding would not be in violation of U.S. law.

The Clinton Administration acted to restore full participation of the United States in the multilateral donor community by notifying Congress of the USAID Administrator's determination and the intent to restore funding to UNFPA at a level of \$20 million in FY 1993. A compromise was reached on a smaller contribution of \$14.5 million, which was funded from USAID sources. To continue our leadership role, it is important that U.S. funding be increased in FY 1995 to meet the growing UNFPA program needs.

Nearly half of UNFPA's program expenditures are devoted to family planning and maternal and child health services. UNFPA also assists governments in the development and implementation of population and family life information, education and communication programs. UNFPA supports projects to create awareness and understanding among policy makers and the public at large about the effects of rapid population growth on economic development. UNFPA, the World Bank, and USAID have cooperated in providing census assistance activities in sub-Saharan Africa, co-funding of country costs for specific demographic and health surveys, and discussion of strategies for meeting escalating contraceptive commodity requirements.

U.S. INTERESTS: The \$60 million level requested is likely to restore the U.S. position as the largest donor to UNFPA. UNFPA provides an important focal point in the UN system for work in the population area and helps to build support and legitimization for comprehensive national population programs. The programs of UNFPA complement U.S. bilateral efforts which cover a more limited range of countries. UNFPA also serves to mobilize funding from other donors who otherwise do not have the technical and management resources to undertake bilateral assistance of their own in this area.

OTHER DONORS: Contributions to core resources in 1993 totalled \$216.6 million. The major government contributors included: Japan-\$45.4 million; Netherlands-\$28.3 million; Germany-\$26.2 million; Norway-\$24.8 million; and Denmark-\$20.3 million.

FY 1995 PROGRAM: The \$60 million requested will be made available to UNFPA for programs such as those indicated above. This increase reflects the Administration's commitment to a steady increase in funding for population assistance and recognition of the key role of UNFPA assistance in complementing U.S. bilateral programs.

HUMANITARIAN ASSISTANCE

**M. Douglas Stafford
Assistant Administrator
Bureau for Humanitarian Response**

HUMANITARIAN ASSISTANCE **FY 1995 Request: \$170,000,000**
..... **1995 P.L. 480 Title II: \$773,000,000**

INTRODUCTION

The United States has a long and generous tradition of providing assistance to the victims of man-made and natural disasters. The USAID request for funding for FY 1995 consists of International Disaster Assistance -- \$170 million, including \$20 million for a new Transition Initiative. Through the U.S. Department of Agriculture, we are requesting \$773,000,000 for P.L. 480 Title II activities: \$383 million for emergency food aid and \$390 million for regular development programs.

Humanitarian assistance programs for refugees are administered by the Department of State through the Migration and Refugee Assistance Appropriation and the Emergency Refugee and Migration Assistance Fund and are discussed in a separate Congressional Budget Presentation.

U.S. funding for emergency humanitarian assistance has increased dramatically in recent years. During the 1980s, the median annual level for international disaster assistance was approximately \$51 million. In FY 1993, the total was \$219 million. Between FY 1989 and FY 1993, emergency feeding programs, including both Title II and Sec 416(b) surplus commodities, increased from \$205.8 million to \$590.7 million.

This surge in requirements results in large measure from the increasing number of complex emergencies which the world now confronts--complex because they involve political and even military conflict which impedes the delivery of relief assistance to innocent civilians. Moreover, these man-made disasters are proving very difficult to resolve, so relief requirements can continue for years, rather than the few months of emergency needs which is typical for natural disasters. Bosnia, Sudan, Somalia, Angola, Liberia and Northern Iraq are all examples of this form of disaster. Even natural disasters now appear to have greater impact. As populations grow and people crowd into urban slums and onto marginally viable and unsafe lands, the toll from natural disasters such as earthquakes, floods and prolonged drought increases along with the costs of humanitarian response.

In providing assistance to meet this growing challenge, USAID will continue to give top priority to saving lives and minimizing human suffering. However, it is also important to recognize the interdependence of USAID's humanitarian and development objectives and to develop new assistance instruments to support both. Recent experience has provided four lessons that will guide our programs of humanitarian assistance.

First, humanitarian assistance is integral to the process of promoting sustainable development. Emergency humanitarian assistance relieves suffering and stabilizes nations that have experienced man-made and natural disasters. Longer-term humanitarian assistance such as maternal and child feeding programs can provide a social safety net to relieve the worst aspects of poverty as development takes place. Typical humanitarian crises such as famine, civil conflict, chronic poverty and the inability to respond effectively to natural disasters increasingly result directly from failures of development. Humanitarian assistance is a necessary stop-gap response that helps nations recover to the point where they can address the larger issues of development.

The transition from disaster or civil conflict is itself a crisis. From the political point of view, it is best to address such crises early, before famine and social disorder become established and the momentum of civil conflict becomes irresistible, and before the cost of reconstruction grows geometrically. From the development point of view, it is best to arrest conflict and buttress institutions before social structures collapse.

Second, increasing attention must be given to preparation for man-made and natural disasters and to prevention or mitigation of their effects. Prevention, especially of man-made disasters, requires attention to policy, planning and strengthening local capacities. Disaster preparation also demands careful examination of relief efforts and recovery plans and the assumptions on which they are based--before disaster strikes. Local politics and government policies are the hidden components of all disasters, even natural ones, for they can ease the impact of calamity or make it worse. USAID's field missions, with their close working relationships with host governments, play an invaluable leadership role in helping governments in vulnerable developing countries prepare for disasters and in designing projects that fully reflect the threat from natural and man-made disasters.

Third, the United States cannot bear the burden alone. We must collaborate with other donors and encourage them to contribute their share of the spiraling costs of relief. Multilateral leadership, especially from the United Nations, is frequently essential to resolve underlying conflicts peacefully and to prevent discord from turning into crisis and societal breakdown.

Fourth, USAID's humanitarian activities mandate cooperation at home and abroad. The United States must use its resources carefully and forge partnerships with other providers of humanitarian assistance from the United States, the international donor community and the developing nations themselves. U.S. private voluntary organizations (PVOs), in particular, are essential to successful programs of humanitarian assistance. Indigenous nongovernmental organizations (NGOs) and the local private sector can also be critical partners in formulating and implementing participatory, community-level programs for disaster prevention, mitigation, preparedness, rehabilitation and reconstruction. In the aftermath of disaster, their involvement is essential to the restoration of infrastructure, social services, food security, and local political institutions. Moreover, longer-term rehabilitation and recovery programs to achieve sustainable growth at the national level must build upon grass-roots activities that involve and empower local communities and individuals.

These lessons have clear relevance to relief programs following natural disasters. They also suggest the importance of effectively addressing so-called transitional situations--those cases where countries try to emerge from a national conflict, a significant political transition or a major national disaster such as a prolonged drought. For these countries, the timely provision of assistance can help revitalize society, reinforce institutions, and establish or preserve national order. These countries have special needs that are not addressed by traditional disaster relief or long-term programs of sustainable development: for example, the re-integration of dislocated populations, including demobilized soldiers; restoration of elementary security and infrastructure; and the creation of political institutions. Transitional nations often are poised simultaneously for either growth or chaos. Given the opportunity and the risks--especially from the failure to act quickly and effectively--the donor community must try to respond.

Humanitarian assistance is not an end in itself, but an integral part of an overall strategy for sustainable development. By helping nations acquire the means to prepare for and respond to disasters, and by helping them return to the path of economic and social development, USAID can measurably contribute to a more peaceful and prosperous world.

INTERNATIONAL DISASTER ASSISTANCE FY 1995 Request: \$170,000,000

This program consists of three basic activities:

- disaster relief, including maintenance of adequate stockpiles and expert support staff in Washington and the field;
- disaster prevention, mitigation and preparedness (up to \$10 million of the total may be used for these activities); and

- a new Transition Initiative to provide assistance to countries as they emerge from man-made and long-term natural disasters (\$20 million).

The President has designated the USAID Administrator as his Special Coordinator for Disaster Assistance. As Special Coordinator, the Administrator organizes and oversees the response by agencies and departments of the U.S. Government to foreign disasters. He also coordinates American relief efforts with those of other nations and donors. USAID will work closely with the Department of State and the Department of Defense to plan and implement relief operations, particularly the allocation of resources and the coordination of diplomatic relief efforts.

The USAID Administrator has been assigned this responsibility in recognition of the expertise USAID has developed in delivery of disaster relief. In most natural disasters, relief supplies and services can be delivered within 24 to 72 hours after the natural disaster strikes, drawing from stockpiles in five locations around the world. Based on needs identified by USAID field missions and U.S. Government assessment teams, USAID furnishes emergency relief. Disaster Assistance Response Teams (DARTS), communication support, search and rescue, medical assistance and provisions of shelter, food and potable water may all be supplied as quickly as possible. Once the threat to life and health has been alleviated, rehabilitation assistance is targeted at restoring viability to the stricken community, for example, by helping to restore water power and communication systems.

In the case of prolonged disasters, such as droughts and civil strife, disaster relief activities are frequently combined with emergency feeding programs funded primarily from the P.L. 480 Food for Peace program. In these situations, seeds, fertilizer and simple tools may be supplied to help begin to restore basic food security. In the larger, critical and complex emergencies, DARTs are dispatched to the field to direct and facilitate our emergency response. In addition, proposed new authorizing legislation seeks authority to provide reconstruction and institution-building authority. This request reflects the changing needs of disaster relief programs.

Humanitarian relief to save lives or minimize human suffering will always be USAID's first priority for use of International Disaster Assistance. However, the best way to achieve that objective in the complex disasters and transition situations which we now confront may be through a broader range of activities which include modest reconstruction and institution building. Many of these complex disasters, such as Somalia, Bosnia, Angola, Liberia and Sudan, are based in political conflict. Long-term natural disasters, such as drought in southern Africa and chronic food security problems in Ethiopia and Eritrea, can also create special political problems. These long-term natural and man-made disasters frequently erode vital infrastructure and the basic institutions of society which are necessary for complete recovery. As examples, with this expanded authority, USAID will be able to provide assistance for development of special storage facilities to address food security, restoration of transportation infrastructure, and support for local, nongovernmental organizations--all directed at rapidly returning the country or region to growth and development.

The focus of all International Disaster Assistance is always humanitarian response to a disaster. In many of the complex and prolonged disasters, particularly those with political origins, a transition to new political and economic institutions is essential for effective recovery. To assist in these situations, USAID is proposing a new Transition Initiative. This initiative will provide mechanisms to rapidly assess the political and economic issues associated with the transition, implement on-the-ground programs that answer urgent short-term needs and begin the process of institutional and political recovery, and ensure a coordinated U.S. Government and international donor response.

Examples of specific activities which might be financed under this initiative include:

- demobilization and reintegration of soldiers, including employment, housing and retraining programs;

- electoral preparations, including the establishment of an election commission, civic education, voter registration, election monitor training and international election observation;
- constitutional development, including the formation of a constituent assembly, a referendum on the adoption of a constitution, and related civic education; and
- re-establishment of the rule of law, including local security.

This transition initiative provides tools for a rapid, short-term response as soon as it is clear the transition has sufficient momentum to permit effective action. Once the situation is stabilized, these short-term activities would be phased out and, if appropriate, traditional economic assistance programs begun.

For the long run, it is clear that prevention and mitigation are the most cost-effective ways to deal with both man-made and natural disasters. Over time, effective sustainable development programs can prevent and buffer the impact of disasters. It is also possible to introduce disaster preparedness, mitigation, and prevention programs which sharply reduce the human impact and the costs of disasters. These activities are a priority of USAID and are concentrated in disaster-prone countries. These may include such programs as cyclone warning systems; volcano monitoring and evacuation plans; earthquake risk management; famine mitigation, including early warning, vulnerability mapping, and coping strategies; and professional training in disaster management. Bangladesh is now much better able to cope with cyclones and floods than in the past, due to its own efforts and to programs such as these. In southern Africa, countless lives were saved in the 1992 severe drought because early warning systems enabled USAID to lead an effective early response.

P.L. 480 TITLE II FOOD AID FY 1995 Request: \$773,000,000

Through the P.L. 480 Title II, Food for Peace program, USAID provides agricultural commodities to support both emergency feeding programs and regular development programs. The FY 1995 request for emergencies is \$383 million. The FY 1995 request for regular programs is \$390 million. In most cases, these activities are implemented by private voluntary organizations (PVOs), cooperative development organizations, and by international relief agencies such as the United Nations' World Food Program (WFP). In some emergency situations, Title II food may also be provided directly to governments. In FY 1993, Title II food was shipped to 68 countries around the world.

All Title II programs are designed to contribute to food security. In many cases, food is distributed directly to individuals, as in projects such as direct relief, emergency feeding and disaster assistance. In others, food is combined with other elements of USAID's development or humanitarian assistance programs and targeted to specific beneficiaries. In still other programs, P.L. 480 commodities are imported and sold on the local market (in effect, the food is "monetized"). This provides an additional supply of food locally and generates local currencies that can then be used to support local development efforts and community projects. The Title II program affects food security through a range of mechanisms, such as:

- Title II Food for Work programs, implemented by PVOs, provide food rations in exchange for work contributions to community development and infrastructure projects, thus increasing household food access.
- Direct feeding and emergency assistance programs supported through Title II help provide a "safety net" for the poorest and most vulnerable, including refugees and displaced persons.

- Title II Maternal and Child Health and School Feeding projects, managed by PVOs, provide supplementary food rations as well as primary health care services and nutrition information targeted to women and children.
- Some Title II food is monetized and the monies are used to support and complement food program activities, to support small community projects or microenterprise activities, and to otherwise contribute to sustainable development efforts at a local, grass-roots level.

PVOs who work in partnership with USAID as Title II cooperating sponsors have particular responsibility for program implementation and monitoring. Beginning in 1993, PVOs were also specifically required to define: (1) how their activities are expected to enhance food security, (2) the relationship between the PVO programs and the USAID mission's strategic approach in the country, and (3) a schedule for mandatory periodic impact assessments of the Title II activities.

The World Food Program (WFP) represents another important mechanism through which food aid programs work to enhance food security. In 60 countries around the world, U.S. food is programmed by the WFP along with food from other donors in both development and emergency feeding programs. WFP has its own program implementation, monitoring, and reporting systems for food programs. The U.S. Government attends WFP donor meetings and actively contributes to strategy discussions and program approvals, but relies upon the WFP to implement and monitor the distribution of Title II food. In 1993, WFP managed 40 percent of total Title II tonnage and value.

Emergency food aid is the largest component of overall U.S. disaster relief in most years. Effective management of these programs relies upon well-developed, continuous coordination within the U.S. Government, with multilateral donors, and with host-country governments. As with International Disaster Assistance, reducing the need for emergency feeding programs will depend on effective development programs and on preparedness, mitigation and prevention. The PVO development programs and the programs of USAID missions are all integral to success, and USAID is committed to improved planning and coordination of this overall effort.

For proposed country allocations for Title II, see the Summary Tables Annex of this USAID Congressional Presentation document.

**ADVANCING DIPLOMACY
USAID MANAGEMENT**

**Larry E. Byrne
Assistant Administrator
Bureau for Management**

ADVANCING DIPLOMACY

USAID Operating Expenses	FY 1995 Request: \$ 527,000,000
Operating Expenses of the Inspector General	FY 1995 Request: \$ 40,000,000
Foreign Service Retirement and Disability Fund	FY 1995 Request: \$ 45,118,000

MANAGEMENT IMPROVEMENTS

During the past year USAID has initiated many management improvement efforts some of which were included in the Report of the National Performance Review (NPR) and other studies and reports on Agency management. Among the actions taken, or underway, are a complete rewrite of the Foreign Assistance Act, overhauling the USAID personnel system, redefining and focusing the Agency's mission and priorities, streamlining the procurement process, closing and consolidating overseas missions, rightsizing Washington organizations, improving Agency automation and systems through an information systems plan (ISP), re-engineering USAID's programming process, and consolidating USAID office space. USAID also asked to be a reinvention lab under the NPR. The major management initiatives are discussed in more detail below.

NEW FOREIGN ASSISTANCE LEGISLATION. Proposed new legislation, the Peace, Prosperity and Democracy Act of 1994, has been submitted to Congress to replace the Foreign Assistance Act of 1961. The new legislation represents a major reform of the foreign assistance program, replacing the current system of multiple, often contradictory objectives and mandates with clearly identifiable goals.

STREAMLINING USAID. USAID is in the process of "rightsizing," streamlining its organization, both in Washington and overseas, and simplifying operations. As part of this rightsizing effort, we have announced the closing of 21 posts overseas between FY 1994 and FY 1996. This is the first reduction in the number of overseas posts since the U.S. foreign assistance program was first introduced with the Marshall Plan. Decisions as to which missions to close took into consideration their need for concessional assistance and their track record as partners in development. This decision will enable the Agency to concentrate resources, both personnel and funding, so as to achieve successful development results and reduce our vulnerability in the remaining posts. This is vital if we are to reform and restructure USAID to create an agency that can achieve measurable results. Under the terms of the new legislation being proposed, USAID will assess the commitment and progress of countries in moving toward mutually agreed development objects.

INFORMATION SYSTEMS PLAN. The information systems plan (ISP) is the Agency's roadmap for developing and implementing an integrated set of processes and systems which will serve the needs of all USAID organizations in Washington and overseas. The ISP, when fully implemented, will permit the sharing of data among organizations, reduce costs, and enhance productivity through the reengineering of Agency business processes. Work on the ISP began in response to widespread recognition that current systems and business practices did not adequately meet Agency needs. Existing systems are characterized by redundancy, lack of integration and data sharing, inefficient rekeying of data, poor communication between Washington and the field, inadequate oversight and coordination of systems development, and outmoded and proprietary technology.

In FY 1993, the ISP framework was completed, management approval was secured, and the ISP report was published. USAID has established the technical and management support structures needed to manage this multi-year effort, and has begun the initial roll-out of the technical architecture, i.e., the hardware, software and networks on which all ISP systems will be based. At the beginning of FY 1993, about 31% of USAID missions were linked electronically to Washington, increasing to 87% today, covering about 97% of our overseas staff. All missions are expected to be interconnected by the end of FY 1994.

The other significant effort in FY 1993 was the launch of the first business area analysis, for the procurement function. The core accounting business area continued development under the USAID Washington Accounting and Control System (AWACS) project. AWACS will replace a multitude of outdated, incompatible, stand-alone systems and will permit single source data entry of accounting information, replacing the current mode of operations where the same data must be manually entered into each individual system. The new system will also be easier to maintain, more user friendly, and will enable agency managers to obtain information in the format and style desired instead of having to accept only pre-formatted, "canned" reports.

During the next two years, detailed design and development efforts will be launched in each of the other six business areas. In January 1994, USAID began the process of reengineering the Agency's core operations

business area, and analysis of the annual budgeting process will begin in February 1994. The USAID human resources systems are being completely redesigned, consistent with the recommendations of the NPR. In FY 1995, we will begin development of the property management, communications and guidance areas. Initial systems for the procurement and core accounting areas will be phased in beginning in late FY 1994, with roll-out of an annual budgeting system and some parts of operations beginning in FY 1995. Full implementation of all ISP systems is expected to be completed by the end of FY 1997.

NEW PERSONNEL SYSTEM. USAID has initiated work to develop a new personnel system which will integrate the various systems now in place - separate systems for Civil Service, Foreign Service, Foreign Service nationals, and personal service contractors. In addition, the Agency has started an effort to develop a new performance evaluation system, targeted for completion by March 1994. The new system will shift the emphasis of evaluations toward achievement of USAID program strategic objectives, greater accountability in meeting organizational goals, and empowerment of staff at all levels.

PROCUREMENT REFORM. The Agency has put in place a procurement planning system which will allow us to better manage the procurement workload during the year, installed off-the-shelf software to be used by contracting and project development staff in developing proposals and contracts, and has launched a major effort to recruit, train, and empower procurement staff. Objectives for the balance of FY 1994 are to form an advisory group of external customers who use our procurement system; streamline procurement office procedures; broaden participating of contractors in our proposals; and develop new approaches to developing and awarding grants and contracts. Implementation of these objectives will restore integrity to the procurement process by eliminating organizational conflicts of interest, improving contract administration, and strengthening enforcement of procurement integrity statutes.

REVIEW OF REGULATIONS. The Agency's Quality Council set up an Internal Regulatory Committee to monitor and carry out the 50% regulatory reduction action plan. The first step toward change began with a proposal for a new format and structure for our Agency directives system - 33 handbooks and over 12,000 pages. This proposal will result in a new system which is user friendly, simpler, and which reduces administrative processes. Duplicative, overlapping, and unnecessary regulations will be eliminated, saving staff time, reducing administrative costs of maintaining regulations, and improving Agency efficiency.

In addition, we are converting all handbooks from paper medium to electronic CD-ROM disc. This change alone will result in over \$300,000 annually in savings due to reductions in printing and mailing costs.

NEW OFFICE BUILDING. In November 1993, the agency was selected as one of three federal tenants for the Federal Triangle Building (FTB) under construction at 14th Street and Pennsylvania Avenue, N.W., Washington, D.C. This culminated over 20 months of negotiations with the General Services Administration (GSA) for a new headquarters building that would collocate all of USAID's nine office buildings located in Washington and Rosslyn, Virginia. For the first time, the Agency will be housed together -- a move that will result in improved management effectiveness and employee morale through closer supervisory relationships; improved operations planning and management; and managerial oversight of both administrative and program operations. Phased occupancy of the new building is scheduled to begin the Fall of 1995 and be completed by the Fall of 1996.

USAID OPERATING EXPENSES FY 1995 REQUEST: \$ 527,000,000

The Operating Expense (OE) appropriation finances the salaries and support costs of personnel responsible for managing the sustainable development, humanitarian assistance, and food aid programs of the U.S. Government and programs to support peace and democracy and special initiatives programs in such places as the Middle East, Central and Eastern Europe, and the former Soviet Union and Central America. The FY 1995 appropriation request of \$527,000,000 will support a total cost of operations for USAID in FY 1995 of \$580,000,000, the balance of funds being derived from local currency trust funds, reimbursements, and prior-year funds carried forward to FY 1995. Comparable figures for FY 1993 and FY 1994 are \$585,411,400 and \$577,117,200, respectively. The FY 1995 OE request will fund personnel and support costs required to manage \$7,458,523,000 in programs - an administrative cost of 7.7%. Total FY 1995 resources available for OE, appropriated funds plus other funding sources, are \$2.9 million (0.5%) higher than FY 1994, and are \$5.4 million (0.9%) lower than FY 1993.

The impact of projected Federal pay raises, and annualization of locality pay on FY 1995 will increase funding required for U.S. direct-hire salaries and benefits by about \$10 million over FY 1994. In addition, we are budgeting \$18 million for reinvention costs, a large portion being the information systems plan -- an increase

of \$12 million over FY 1994. As total resource availability in FY 1995 will only be \$2.9 million higher than FY 1994, these two increases, combined with smaller increases proposed for training and other costs and the impact of general inflation on operating costs in Washington and overseas, will require offsetting savings in excess of \$20 million. The savings will be achieved primarily through reductions in personal service contractors and other non-direct hire personnel both overseas and in Washington, combined with the start of savings as missions are closed or reduced in size. We plan to maintain overall U.S. direct-hire staffing levels in FY 1995 at FY 1994 levels, but will use "excess" personnel resulting from mission closings and rightsizings to replace non-direct hire personnel, thus reducing our overall work force.

OPERATING EXPENSES OF THE INSPECTOR GENERAL FY 1995 REQUEST: \$ 40,000,000

The USAID FY 1995 budget request includes \$40,000,000 for operation of the Office of the Inspector General (IG) to maintain an IG work force of 239.0 full-time equivalent positions located in Washington and at six regional offices abroad. This amount represents an increase of \$882,000 above the FY 1994 level and reflects funds required to (1) maintain a consistent level of security measures at 44 USAID posts being designated as critical or high crime-threat posts by the Department of State, (2) sustain the five-year program developed to protect USAID personnel overseas, and (3) meet mandatory fixed-cost increases as well as inflation factors.

Other cost increases are for headquarters and overseas office rents, Department of State Foreign Affairs Administrative Support costs and travel to support the Quality Assurance Program policy directives that require annual inspections of field offices to ensure compliance with existing IG policy and procedures.

The FY 1995 request also includes funds to support increased activity in performing Quality Control Reviews of A-133 reports and continuance and augmentation of Chief Financial Officer operations.

FOREIGN SERVICE RETIREMENT AND DISABILITY FUND FY 1995 REQUEST: \$ 45,118,000

In FY 1974, amendments to the Foreign Assistance Act of 1961, as amended, permitted USAID career foreign service employees to become participants in the Foreign Service Retirement and Disability Fund. The extension of coverage to USAID employees created an unfunded liability in the system. An actuarial determination by the Department of the Treasury shows that, in FY 1995, \$45,118,000 will be required to amortize this liability and the unfunded liability created by pay raises and benefit changes since FY 1974. This appropriation is authorized by Chapter 8 of the Foreign Service Act of 1980.

INSPECTOR GENERAL OPERATING EXPENSES

(Dollars in thousands)

<u>Object Class/Description</u>	<u>FY 1993</u>	<u>FY 1994</u>	<u>FY 1995</u>
11 Personnel Compensation	16,894	16,916	17,454
12 Personnel Benefits	4,339	4,511	4,612
21 Travel and Transportation	3,156	3,689	3,616
22 Transportation of Things	1,463	1,347	1,377
23 Rent, Communications and Utilities	3,776	3,494	3,572
24 Printing	85	82	84
25 Other Services	6,549	6,724	6,875
26 Supplies and Materials	372	390	399
31 Equipment	<u>2,515</u>	<u>1,965</u>	<u>2,011</u>
TOTAL	<u>39,149</u>	<u>39,118</u>	<u>40,000</u>

INSPECTOR GENERAL WORKFORCE LEVELS

<u>Category</u>	<u>FY 1993</u>	<u>FY 1994</u>	<u>FY 1995</u>
Direct-Hire Employees			
U.S. Direct-Hire	251	240	234
Foreign National Direct-Hire	<u>6</u>	<u>5</u>	<u>5</u>
Total Direct-Hire	257	245	239
Personal Service Contractors (PSCs)			
U.S. PSCs	9	11	12
Foreign National PSCs	<u>72</u>	<u>81</u>	<u>76</u>
Total PSCs	81	92	88
 TOTAL EMPLOYEES	 357	 337	 327

NOTE: The FY 1994 estimate of Foreign National PSCs includes 5 who are funded by the Inspector General but who work in the Embassy to provide general administrative support under agreements between the Regional Inspector General and the Embassy.

ALLOCATION OF OE COSTS
OVERSEAS VS WASHINGTON
(DOLLARS IN THOUSANDS)

CATEGORY/LOCATION	FY 1993 <u>Actual</u>	FY 1994 <u>Estimate</u>	FY 1995 <u>Request</u>
Overseas Costs			
USDH Salaries and Benefits	106,294.5	107,675.7	112,717.7
Other USDH Costs	25,526.4	27,993.3	25,934.7
FNDH Salaries and Benefits	18,758.2	17,667.0	14,960.9
Contract Personnel	69,369.2	68,290.8	61,662.1
Housing Costs	32,253.1	32,967.6	30,944.6
Office Operations	56,672.4	56,548.3	54,718.7
Non-Expendable Property	36,503.8	15,108.5	13,539.0
Foreign Affairs Admin. Support	14,053.3	14,896.5	14,896.5
Overseas ADP Maintenance	2,122.1	1,756.4	1,756.4
Staff Training	1,987.1	1,750.0	2,000.0
Support for Dependent Education	1,499.1	1,500.0	1,500.0
Other Payments	4,708.2	6,315.9	5,559.7
Subtotal Overseas Costs	369,747.3	352,470.0	340,190.3
Washington Costs			
USDH Salaries and Benefits	128,048.8	139,355.6	144,457.6
General Support Services	30,369.2	32,113.6	28,854.6
IRM Support Services	28,812.1	19,327.8	21,096.4
Bureaus and Offices	16,860.7	13,997.3	13,807.0
Staff Training	1,987.1	1,750.0	2,000.0
Other Payments	3,301.4	4,162.9	4,089.1
Subtotal Washington Costs	209,379.2	210,707.2	214,304.7
Other Costs			
New Accounting System	3,682.9	2,940.0	1,505.0
Reinvention Costs	0.0	5,000.0	18,000.0
Mission Closing Costs		6,000.0	6,000.0
Real Property Overseas	2,602.0		
Subtotal Other Costs	6,284.9	13,940.0	25,505.0
TOTAL OBLIGATIONS	585,411.4	577,117.2	580,000.0

FUNDING SOURCES FOR USAID OPERATING EXPENSES

(Dollars in thousands)

<u>Category</u>	<u>FY 1993</u>	<u>FY 1994</u>	<u>FY 1995</u>
Appropriated Operating Expenses	512,000	504,760	527,000
Appropriation Transfers	6,000	15,000	
Local Currency Trust Funds	47,016	42,000	40,000
Reimbursements	8,749	6,500	7,000
Prior Year Funds Carried Forward	3,564	8,857	6,000
Program for Operating Expense Authorities	9,190		
Total Funding Availability	<u>586,519</u>	<u>577,117</u>	<u>580,000</u>

USAID WORKFORCE LEVELS

<u>Category</u>	<u>FY 1993</u>	<u>FY 1994</u>	<u>FY 1995</u>
Washington:			
U.S. Direct-Hire	1,886	1,855	1,855
Overseas:			
U.S. Direct-Hire	1,058	1,013	1,013
U.S. PSCs	267	263	231
Foreign National Direct-Hire	877	817	777
Foreign National PSCs	4,250	4,250	4,068
Total Overseas	6,452	6,343	6,089
Total Worldwide:			
U.S. Direct-Hire	2,944	2,868	2,868
U.S. PSCs	267	263	231
Foreign National Direct-Hire	877	817	777
Foreign National PSCs	4,250	4,250	4,068
Total Staff:	8,338	8,198	7,944

NOTE: Data includes only OE funded direct-hire and PSCs.

PART II. OTHER USAID-MANAGED ACTIVITIES

USAID-MANAGED ACTIVITIES FUNDED FROM OTHER SOURCES

OVERVIEW

USAID manages a broad range of programs funded from other than the Sustainable Development and Humanitarian Assistance accounts as proposed in the Administration's foreign assistance reform bill. These programs range from assistance to the New Independent States (NIS) and Central and Eastern Europe, support for the Middle East peace process, to counternarcotics programs. They draw their authority from the Building Democracy and Promoting Peace sections of the proposed legislation. The underlying rationale for activities funded with Building Democracy and Promoting Peace resources may be different than those in the Sustainable Development program, but the economic development techniques and investments necessary for building democracy and promoting peace parallel those of sustainable development.

Economic development and technical assistance can be a critical contribution to building democracy and promoting peace. This is manifest in U.S. objectives for the NIS and Eastern Europe. Likewise, economic assistance is an important element in our counternarcotics efforts, by helping host countries build their own capacity to reduce narcotics production and trafficking. USAID ensures that the programs we manage are developmentally sound and relate to the four Agency-wide sustainable development goals of democracy, population, the environment, and economic growth.

USAID programming and implementation reflect U.S. bilateral foreign policy concerns at all levels, based on close coordination with the Department of State. USAID is a well placed U.S. Government agency to effectively design, deliver, and oversee economic assistance programs. A recognized USAID strength is its field presence, backed up by a track record of responding quickly and innovatively to new demands. Our field presence is unique among other donors. We can't do development by remote control; we must allow all elements of society full participation in problem identification and project design. Our field presence provides a focal point for the local government, the people, other donors, and the nongovernmental organization community to communicate with U.S. representatives. In most cases, our field offices have substantial authority to modify programs to take into account changed circumstances, thus allowing prompt action without reference to Washington.

USAID's capacity was recognized in formulating the U.S. Government response to the transformation of Central and Eastern Europe. The 1989 Support for Eastern European Democracy (SEED) Act authorized a broad range of assistance programs for these emerging democracies. USAID was the agency chosen by the President's coordinator to manage most of the bilateral initiatives for this unprecedented challenge. USAID responded quickly, with an innovative field structure and streamlined procedures to quickly deliver humanitarian and technical assistance.

The NIS posed an even greater challenge: the transformation there is even more stark than Eastern Europe, and the issues, such as defense conversion, nuclear safety, and privatization -- all in the face of political turmoil -- are even more complex. USAID again was the agency of choice. We borrowed from what has worked well in Eastern Europe and adopted our streamlined procedures for the NIS.

The following outlines what USAID will manage under the Building Democracy and Promoting Peace accounts. Country program narratives are presented here, unless they appear in Part I, the Sustainable Development section of this document. These programs are also discussed in the joint Departments of State and Defense and USAID Congressional Presentation documents for Building Democracy and Promoting Peace.

Building Democracy

Under the authority of the FREEDOM Support Act, \$900 million is requested for assistance to the NIS. These funds will support our foreign policy goals of consolidating our improved security; building a lasting partnership with the NIS; and providing access to each other's markets, resources, and expertise. Funds managed by USAID will be directed toward broad-based economic growth (with an emphasis on privatization and reform), democracy building, and protecting the environment. humanitarian assistance, particularly for areas such as Armenia, Georgia, Azerbaijan, and Tajikistan, will be also be provided. (The narrative for the NIS program is contained in the State Department's Congressional Presentation document on Building Democracy.)

Under the authority of the 1989 SEED Act, \$380 million is requested for the development of democracy and market economies in Central and Eastern Europe (CEE). We will continue our programs to build democracies and open markets. As with the NIS, all CEE programs support one or more of the following strategic objectives: broad-based economic growth (with an emphasis on privatization and reform), democracy building, protecting the environment, and humanitarian assistance. (The narrative for the CEE program is contained in the State Department's Congressional Presentation document for Building Democracy.)

In Latin America and the Caribbean, Building Democracy funds will be used to support the re-integration of El Salvador (\$30 million), economic growth and democracy activities in Nicaragua (\$12 million), Guatemala (\$2 million) and Peru (\$1.5 million), and democracy and human rights programs in Haiti (\$15 million). Regional activities in support of administration of justice and improved civil-military relations, totalling \$14.5 million, will complement individual country sustainable development activities. (Narratives for all LAC programs are in Part I of the Congressional Presentation document).

In Africa, regional programs, totalling \$20 million, (narrative in Part I) will continue to promote democracy and good governance. USAID will continue support for human rights, legal reforms, administration of justice, and free and fair elections.

In Asia, \$10 million of Building Democracy funds will support Cambodia's transition to democracy by helping develop the institutions necessary for good governance (narrative in Part I). Also, a \$14.5 million East Asia Regional fund will help countries in that area promote democratic pluralism and support international and indigenous groups to promote human rights both on a country-specific and regional basis. (The narrative for this fund is part of the Asia and Near East regional overview in Part I).

Promoting Peace

The U.S. program in the Middle East is structured around the Camp David Accords and the September 1993 Declaration of Principles, reflections of our vital interests in the security and stability of that region. This assistance will meet the economic and security needs of Israel, Egypt, the West Bank and Gaza, Jordan and Lebanon. The Israel \$1.2 billion cash transfer will support economic restructuring. An additional \$3.6 million from regional cooperation funds will benefit Israel. The Egypt and Jordan programs, totalling \$816.7 million and \$8.75 million, respectively, are cast around the four sustainable development areas of broad-based economic growth, protecting the environment, population and democracy. The \$4.0 million Lebanon program will continue the shift from relief to rehabilitation. A \$78.35 million expanded program in the West Bank and Gaza will improve the economic and social well-being of the Palestinian people. Regional cooperation programs will involve the countries already cited, as well as Morocco (\$1.3 million), Tunisia (\$0.25 million) and Oman (\$0.25 million).

USAID will manage the economic assistance portion of the integrated counternarcotics fund (part of the Promoting Peace account). These programs, formerly funded with Economic Support Funds under

the Andean Drug Initiative, will follow the new Presidential policy determination on counternarcotics. Programs in the source countries of Bolivia (\$38 million) and Peru (\$20 million) (narratives are in Part I) will focus on sustainable development and administration of justice.

Promoting Peace funds will support programs for Turkey, Cyprus, Ireland and the South Pacific. In Turkey, a \$100 million cash transfer will be used for balance-of-payments assistance and an economic reform program. The \$15 million Cyprus program will continue bi-communal projects and a scholarship program. The International Fund for Ireland will receive \$15 million for job creation, new investments, and economic reconstruction in disadvantaged areas of Ireland and Northern Ireland. In the South Pacific, \$14 million will support the 1987 Treaty on Fisheries between the United States and 16 countries.

BUILDING DEMOCRACY

EUROPE AND NEW INDEPENDENT STATES

Thomas A. Dine
Assistant Administrator
Bureau for Europe and the New Independent States

CENTRAL AND EASTERN EUROPE FY 1995 BUILDING DEMOCRACY REQUEST: \$380,000,000

Under the authority of the Support for Eastern European Democracy (SEED) Act of 1989, as amended, a total of \$380 million is requested for the development of democracy and market economies in Central and Eastern Europe (CEE). We will continue programs to build democracies and open markets. All CEE programs support one or more of the following strategic objectives: broad-based economic growth (with an emphasis on privatization, legal and regulatory reform and support for the emerging private sector), democracy building, and improving the quality of life (including protecting the environment, and humanitarian assistance).

USAID develops, manages and implements projects funded under the SEED Act for the nations of Central and Eastern Europe in coordination with the Department of State. A description of U.S. strategic objectives, the duration of the program and USAID's results to date may be found in the joint Departments of State and Defense and USAID Congressional Presentation Document on Building Democracy programs.

NEW INDEPENDENT STATES FY 1995 BUILDING DEMOCRACY REQUEST: \$900,000,000

Under the authority of the Freedom for Russia and Emerging Eurasian Democracies and Open Markets (FREEDOM) Support Act of 1992, a total of \$900 million is requested for assistance to the New Independent States (NIS) of the former Soviet Union. These funds will support U.S. foreign policy goals of consolidating our improved security; building a lasting partnership with the NIS; and providing access to each other's markets, resources, and expertise. Funds managed by USAID will continue to support the following strategic objectives: broad-based economic growth (with an emphasis on privatization, legal and regulatory reform and support for the emerging private sector), democracy building and assistance to redefine the public and private sector roles in the management of social services. Within every area, attention to environmentally sound sustainable growth is an important cross-cutting objective. Humanitarian assistance, particularly for areas of conflict such as Armenia, Georgia, Tajikistan and Azerbaijan, will be provided as well.

USAID develops, manages and implements projects funded under the FREEDOM Support Act for the NIS in coordination with the Department of State. A description of U.S. strategic objectives, the duration of the program, and USAID's results to date may be found in the joint Departments of State and Defense and USAID Congressional Presentation document on Building Democracy programs.

PROMOTING PEACE

ASIA AND THE NEAR EAST

**Margaret Carpenter
Assistant Administrator
Bureau for Asia and the Near East**

INTRODUCTION

Assistance to promote peace is provided to Egypt, Israel, Jordan, Lebanon and the West Bank and Gaza Strip and the South Pacific. Peace related activities that are regional in nature are also funded from this account. Individual country narratives are included in this section. Other countries in the Asia and Near East region for which sustainable development funds are requested are included in Part I of the Congressional Presentation.

Dramatic changes are occurring in the Asia and Near East region. Israel and the Palestine Liberation Organization (PLO) signed a Declaration of Principles in September 1993 heralding a changing environment including the creation of Palestinian authority over the Gaza Strip and Jericho. Assistance provided under the Camp David Accords is ensuring continuing peace between Egypt and Israel. The Government of Lebanon regained control over much of the country and disbanded militias. USAID programs are working to bring peace between Israel and her Arab neighbors closer to reality.

While U.S. political interests are an important feature in providing assistance to the region, many of the programs support activities which are essentially sustainable development. Such programs include activities to address the constraints faced by these countries to their continued stability and growth. Many have inefficient, state-led economies and underdeveloped political and legal institutions which cannot sustain economic growth and create sufficient employment. High population growth and human capital constraints have put future economic and social progress at risk, leading to environmental degradation. Water quality and quantity is a issue of major concern to many of the Near East countries.

The 1987 Treaty on Fisheries between certain Pacific Island countries and the United States resolved differences over rights of U.S. boats to fish for tuna in the exclusive economic zones of 16 countries and include provisions for cash payments to the South Pacific Forum Fisheries Agency required for fishing licenses to U.S. boats.

Promoting peace assistance in the Near East region will be used to continue to build upon the success of the 1978 Camp David Agreement between Egypt and Israel and the 1993 declaration reached between Israel and the PLO. Such assistance will promote economic development and improve the well-being of the people of the West Bank and Gaza; promote the process of resolving conflict and establishing a lasting peace; contribute to the development of institutions of democratic government; and meet economic, political and security needs of countries in the Near East. At this historic juncture, the United States must continue its leadership role in efforts to end conflict and restore harmony to the region. In addition, the 1987 Treaty on Fisheries between certain Pacific Island countries and the United States resolved differences over rights of U.S. boats to fish for tuna in the exclusive economic zones in 16 countries and provides cash payments to the South Pacific Forum Fisheries Agency.

Egypt and Israel continue to be large recipients of aid which is reflective of the importance the United States places on Israel-Arab peace initiatives. The United States continues to support Jordan, whose stable and moderate government is an important partner in the peace process. After many years of strife, Lebanon has now achieved relative stability. Assistance to Lebanon is a demonstration of U.S. concern for the welfare of the Lebanese people. The program is making a transition from emergency relief to rehabilitation, with an emphasis on helping the resettlement of families displaced within Lebanon. From its inception, U.S. assistance to the West Bank and Gaza strip has been focused on improving the economic and social well being of the Palestinian people. With the exciting change in events, assistance has increased substantially and a five year assistance plan is in effect. There are two regional activities funded under the promoting peace account which benefit Egypt, Israel, Jordan and the West Bank and Gaza and Morocco. They are the Middle East Regional Cooperation Program,

which funds scientific, technical or research projects that join scientists and others of the region in cooperative efforts to solve priority development problems, and the Middle East Peace project, which funds activities related to five Middle East Peace Talks multilateral working groups. These funds are used for training and workshops, environmental activities and democracy and have region-wide benefit. The program in the South Pacific is limited to fulfilling tuna treaty agreements.

U.S. STRATEGIC OBJECTIVES

BROAD-BASED ECONOMIC GROWTH

USAID activities focus on improvements in the regulatory and policy environment, diversification and increases in private sector production (particularly for export markets), marketing and privatization. Much of this is accomplished through projects which will improve the policy environment for investment, increase employment, expand small and medium enterprises, and support policy reform. USAID programs focus on increased availability of services, greater involvement of the private sector, improvements in service quality, and increased knowledge of maternal and child health (MCH) preventive measures such as pre-natal care and diarrheal disease control. The tuna treaty operations make it possible for the Pacific Island countries to obtain economic benefits from renewable resources.

STABILIZING POPULATION GROWTH

USAID programs focus on increased availability of services, greater involvement of the private sector, improvements in service quality, and increased knowledge of contraceptive methods.

PROMOTING DEMOCRACY

USAID programs in the region seek to strengthen selected institutions that can improve public accountability of the Executive branch and the legal system.

PROTECTING THE ENVIRONMENT

USAID programs seek to improve the management and pricing of water; to increase wastewater treatment and reuse; to increase use of pollution prevention and minimization techniques; and to promote inter-country dialogue on water sharing issues.

FY 1995 REQUEST

The FY 1995 request of \$2,127,200,000 of Promoting Peace resources is in recognition of the vital interest to the United States of the continued security and stability of the countries in the Near East and the importance of mutual treaty benefits provided by the 1987 South Pacific Tuna Treaty.

EgyptFY 1995 PROMOTING PEACE REQUEST: \$816,700,000
.....FY 1995 SUSTAINABLE DEVELOPMENT REQUEST: \$4,029,000

USAID assistance is crucial to support Egypt's moderating role in the Middle East and to help Egypt confront political and economic problems which could endanger its stability. Assistance supports the historic Camp David peace accord between Egypt and Israel.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOs)_____

BROAD-BASED ECONOMIC GROWTH:

IMPROVED MACROECONOMIC PERFORMANCE. USAID policy reform programs promote macro-economic stability and structural change in the agriculture, trade, fiscal, and the financial sectors which are essential to sustain broad-based growth, along with privatization to encourage investment. Institutional and price reforms in infrastructure and social sectors assist the Government of Egypt's cost recovery and sustainability efforts, reduce its budget deficit, and provide a base for increased production and growth. USAID expects investment as a percentage of gross domestic product (GDP) to increase from 20% to 25% between 1992 and 1997, while the fiscal deficit will decline from 20% to 3.5% during the same period. Through regional programs, Egypt participates in activities which promote economic, scientific and technical collaboration.

INCREASED PRIVATE INVESTMENT AND TRADE. USAID has targeted specific policy reforms and projects which encourage and support increased private investment and trade within a market-oriented framework. USAID will contribute to diversifying the number of financial market instruments from 4 to 6, deepening and broadening the stock exchange from LE 600 million to LE 6 billion (\$1 equals approximately LE 3.38), increasing the number and types of financial intermediaries, and privatizing 23 commercial banks. The number of micro, small and medium enterprises receiving otherwise inaccessible credit will increase from the current level of 22,500 to at least 80,000 by 1997. The new lending institutions set up to provide this credit will achieve financial self-sustainability within two years of the first credit extension. By 1997, 56 state-owned enterprises will be privatized (from a base of zero in 1992), with a total book value of at least \$560 million. The International Executive Service Corps of retired American volunteers will have benefited 1,250 Egyptian clients by 1997 (from a 1992 base of 800). In addition, the Commodity Import Program will encourage trade by increasing access to U.S. goods and technology.

INCREASED PRODUCTION, PRODUCTIVITY AND INCOMES IN THE AGRICULTURE SECTOR. USAID efforts will increase agriculture production and incomes, in part by liberalizing product and input markets. For example, the private sector will market 100% of all fertilizer by 1997, from a baseline of zero in 1990. Sector policy reform will continue improving incentives for production and marketing. Cropping pattern restrictions will be reduced to zero. All remaining price and marketing controls will be removed. USAID will also contribute to the development and adoption of improved technologies in production, processing and marketing for agriculture products, and will increase the efficiency of irrigation water use. Improved economic incentives and provision of technologies will increase the yields of the major agricultural commodities by an additional 5%-15% by 1997, continuing the substantial productivity increases realized since 1989.

IMPROVED MATERNAL AND CHILD HEALTH. USAID emphasizes improved access to higher quality preventive services for maternal and child health. USAID is placing special importance on improved pre-natal and peri-natal care as well as combatting acute respiratory infections and other infectious diseases. USAID efforts will contribute to a drop in the infant mortality rate from 61.5 (1990) to 37 (1997), and a decrease in the child mortality rate from 24.8 to 17. The maternal mortality ratio will drop from 184 (1992) to 130 (1997). USAID is also trying to improve the sustainability of the health care system through its efforts on health financing. For example, the percentage of Egyptians covered by health insurance schemes will rise from 16% in 1993 to 35% in 1997.

STABILIZING POPULATION GROWTH:

INCREASED LEVEL AND EFFECTIVE USE OF CONTRACEPTIVE METHODS. USAID's strategy concentrates on increasing service volume and quality, and improving management. Contraceptive prevalence will rise from 47% in 1992 to 53% in 1997.

BUILDING DEMOCRACY:

DEMOCRACY AND PARTICIPATION. USAID's governance and democracy strategy recognizes the central importance of strengthened democratic systems to sustainable development. The strategy emphasizes support to Egypt's legislature, judiciary, and professional and community organizations to enable these institutions to become more responsible participants in governance. As USAID's current strategy evolves, assistance will be provided to the legislature and judiciary to strengthen their capacities to administer the legal functions of governance. USAID is still working on the formulation of its strategic objective and has not yet established performance indicators and targets.

PROTECTING THE ENVIRONMENT:

ADOPTION OF WATER AND AIR PROTECTION PRACTICES. The strategy focuses on the adoption of air and water pollution prevention practices directly through project assistance and indirectly through pricing reforms which reduce the demand for commodities or services injurious to the environment. For example, USAID has targeted annual increases in the price of electricity to reach 100% of long-run marginal cost (LRMC) by 1997. USAID has also targeted increases in the price of water of 30% per annum and an annual percentage increase of 60% in the wastewater tariffs in selected cities. Infrastructure projects increase access to potable water and sanitation services in urban areas and other projects address energy conservation and other measures that lead to clean air. USAID will avert the number of metric tons (MT) of pollutants entering the Nile and Lake Maryut from 81,000 MT in 1993 to 265,000 MT in 1997. USAID is still collecting and identifying air quality data and will then set targets for achievement. Egypt benefits from regional activities which address the problem of desertification and water issues in the region.

USAID MISSION RESULTS

BROAD-BASED ECONOMIC GROWTH:

IMPROVED MACROECONOMIC PERFORMANCE. Multi-donor economic policy reform, with major support from USAID, has helped the Government of Egypt (GOE) unify exchange rates, liberalize interest rates, reduce tariffs, eliminate most non-tariff barriers to trade, cut the budget deficit from about 20% of gross national product (GNP) to 4.7% of GNP, reduce inflation, and build up substantial international resources.

INCREASED PRIVATE INVESTMENT AND TRADE. USAID funding in power has resulted in the installation and rehabilitation of over 40% of Egypt's total generating capacity and the reduction of subsidies. USAID financed equipment and technology has also resulted in reliable telephone service to over 7 million people in Cairo and Alexandria. Economic infrastructure of this type is essential to private investment and trade. The number of micro, small and medium enterprises accessing credit for the first time grew from 600 in 1990 to 22,500 in 1994 as a result of two new private sector foundations, one commercial bank, and a new private credit guarantee corporation. Three state-owned enterprises have actually been sold with more than 20 brought onto the market for sale over 1993 and 1994. Over 750 private Egyptian firms imported more than 1,000 different commodities from 1,400 U.S. manufacturers and suppliers from 46 states valued in total at approximately \$1 billion since 1986.

INCREASED PRODUCTION, PRODUCTIVITY AND INCOMES IN THE AGRICULTURE SECTOR. USAID efforts in agriculture have resulted in increased yields of between 30%-40% between 1986 and 1992 for cereal grains, and replacement of 19,000 irrigation structures reducing water loss for 2 million farmers.

IMPROVED MATERNAL AND CHILD HEALTH. USAID assistance has helped reduce the infant mortality rate by approximately 50% from 1977, saving 80,000 lives each year.

STABILIZING POPULATION GROWTH:

INCREASED LEVEL AND EFFECTIVE USE OF CONTRACEPTIVE METHODS. Almost 50% of Egyptian couples are now using contraceptives and the total fertility rate has fallen to 3.9 births per woman from a level of 5.3 births in 1980.

BUILDING DEMOCRACY:

DEMOCRACY AND PARTICIPATION. Earlier USAID efforts in local governance and participation provided over 16,000 grants to rural village and urban areas. These grants financed the construction of water, wastewater, road improvements, and renovated schools and clinics in 26 governorates. The basic services provided under these activities benefited over 45 million people. As USAID's democracy strategy is implemented, it will focus on promoting greater transparency and accountability in government and increased participation. Initial efforts will focus on improving the efficiency of Egypt's judicial and legal institutions and improving the impartial delivery of legal and judicial services.

PROTECTING THE ENVIRONMENT:

ADOPTION OF WATER AND AIR PROTECTION PRACTICES. USAID assistance is rehabilitating and expanding urban water and wastewater systems in Cairo and other major cities, directly benefiting 22 million people. USAID-financed industrial energy conservation activities are protecting air quality by reducing toxic emissions.

OTHER FY 1995 USAID-MANAGED ACTIVITIES _____

None.

OTHER DONORS _____

In 1993, the United States, with about 42% of bilateral contributions, was the largest bilateral donor. Other leading donors are the World Bank, International Monetary Fund, Japan, Italy, Germany, France, and the Abu Dhabi Fund.

FY 1995 PROMOTING PEACE REQUEST _____

The Administration requests \$816,700,000 in Promoting Peace funds, of which \$815,000,000 is to promote Egypt's long-term economic growth and \$1,700,000 is support from regionally funded activities which benefit Egypt. Sustainable Development funds of \$4,029,000 from regionally funded activities will support: broad-based economic growth (\$630,000); population (\$3,299,000); and environment (\$100,000).

USAID/Cairo Mission Director: Henry Bassford

The Middle East peace process is well on its way. USAID assistance to Israel helps support and implement the historic Camp David accords which provided for peace between Egypt and Israel. The overall goal for U.S. assistance in Israel is to support and buttress the prospect, implementation, and consolidation of peace in the Middle East region. One of the linchpins of this goal is the economic, military, and political well-being and security of Israel.

USAID SUSTAINABLE DEVELOPMENT GOALS AND STRATEGIC OBJECTIVES (MSOs) _____

BROAD-BASED ECONOMIC GROWTH:

USAID's strategy is to support policy reforms required for financial stability and structural adjustments needed for rapid sustainable growth. Through the ongoing dialogue of the senior policy-level Joint Economic Development Group, the U.S. Government encourages Israeli reforms to reduce government spending and deficits, increase privatization, reform labor markets and continue to liberalize its trade resources. The annual U.S. cash transfer is used by Israel for repayment of debt to the United States, including Foreign Military Sales debt, and purchases of goods and services from the United States.

PROTECTING THE ENVIRONMENT:

Desertification will be taken up by the Middle East Peace Program Working Group on the Environment; regional water issues will be taken up by the Middle East Program Working Group on Water Resources. USAID's strategic objective is to support the efforts of these groups to achieve jointly solutions to such regional environmental problems.

USAID MISSION RESULTS _____

BROAD-BASED ECONOMIC GROWTH:

The Government of Israel (GOI) has been relatively successful in stabilizing the economy in the face of a massive inflow of immigrants which has increased the population by around 10% since the end of 1989. Real gross domestic product (GDP) growth averaged around 6% per year from 1990 through 1992, and 4% in 1993. Employment has risen at an annual rate of 4%, the market-based exchange system has improved export competitiveness, and inflation has been reduced to around 11.5%. However, unemployment increased from 8.9% in 1989 to 11.2% in 1992 before declining to 10.5% in 1993. Expanding business investment and governmental infrastructure investment coupled with sustained export growth are expected to result in a resumption of 6% average annual GDP growth in 1994.

PROTECTING THE ENVIRONMENT:

Through regional programs, Israel will benefit from assistance addressing the problem of desertification and regional water issues. As substantive discussions are not yet concluded, specific results cannot yet be reported.

OTHER FY 1995 USAID-MANAGED ACTIVITIES _____

None.

OTHER DONORS _____

In 1992, the United States, with over 90% of official transfers, was the largest bilateral donor. Germany is the only other major donor.

FY 1995 PROMOTING PEACE REQUEST _____

The Administration requests \$1,203,600,000 in promoting peace funds, of which \$1,200,000,000 is to provide economic support to Israel and \$3,600,000 is support from regionally funded activities which benefit Israel.

USAID/Washington Office Director: Frederick Machmer

Jordan **FY 1995 PROMOTING PEACE REQUEST: \$8,750,000**
..... **FY 1995 SUSTAINABLE DEVELOPMENT REQUEST: \$7,495,000**

U.S. assistance to Jordan supports a stable and moderate government committed to democratization and peaceful solutions for the region's problems. Jordan has consistently advanced the Arab-Israeli peace process.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOs)

BROAD-BASED ECONOMIC GROWTH:

INCREASED FOREIGN EXCHANGE EARNINGS. Jordan's chronic inability to meet its foreign exchange needs impedes economic growth and threatens further human development. USAID plans to increase foreign exchange earnings from light industry excluding minerals by 3% per annum in 1996-1999 and also plans to increase the dollar value of agricultural exports and tourism. USAID targets needed policy reforms, such as the elimination of import and export licensing. Trade associations will grow in membership from 80 in 1992 to 136 in 1997 due to the improved services they offer exporters. Firms will also make accelerated use of production, packaging and marketing technology, which will be measured in part by the annual percentage increase in the importation of capital goods such as factory machinery. The program is also supporting the diversification of financial instruments and procedures, such as the development of an Export Credit Guarantee Company. USAID funds also promote Jordan's participation in collaborative technical assistance and research projects between Israel and its Arab neighbors.

STABILIZING POPULATION GROWTH:

REDUCED FERTILITY. Jordan's persistently high population growth rate threatens to overwhelm the country's efforts to restructure its economy, promote sustainable development, and increase quality of life. USAID, by increasing the use of effective contraceptive methods, will contribute to a reduction in the total fertility rate from 5.6 in 1990 to 3.6 in 1998. Contraceptive prevalence will increase from 35% to 48% during that period. USAID strategy for increasing the use of modern methods includes improving the knowledge of effective methods, increasing access to quality services, and expanding the selection of contraceptives at pharmacies.

PROTECTING THE ENVIRONMENT:

IMPROVED QUALITY AND INCREASED QUANTITY OF WATER AVAILABLE FOR USE. Social progress and sustainable economic growth is critically linked to making good use of limited natural resources. USAID's environmental strategy emphasizes water quality improvement and conservation to help reverse the critical degradation and accelerated depletion and improve the management of Jordan's limited water resources. USAID is in the process of setting achievement targets and collecting baseline data for this component of its strategy.

BUILDING DEMOCRACY:

MORE EFFICIENT AND ACCOUNTABLE GOVERNANCE. Assistance to Jordan is provided under USAID's regional strategic objective to achieve more efficient and accountable governance. No regional strategic objectives have been developed. Building on the successful November 8, 1993 multiparty parliamentary elections, Jordan will be receiving USAID support to carry out democracy-related pilot activities.

USAID MISSION RESULTS

USAID's current strategy began in FY 1993. A report on performance of this strategy is planned for late in 1994 when data become available.

BROAD-BASED ECONOMIC GROWTH:

INCREASED FOREIGN EXCHANGE EARNINGS. USAID assistance has helped the Jordanian Government change policies and regulations that inhibit foreign trade and investment. Jordan has enacted a harmonized system of tariff rates; import and export license requirements have been eliminated; tax incentives for exporters have been increased so that 70% of profits are exempted from taxes, up from a 40% exemption previously in effect; and Jordan has applied for membership in GATT (General Agreement on Trade and Tariffs). USAID activities have led to the formation of two new export associations, which will help their members overcome the problems private firms face in financing, producing and marketing internationally competitive goods. Steps to improve resource management at cultural and environmental sites, such as Madaba, Mount Nebo and Petra, are now underway and support the tourist industry as part of a broad-based attempt to enhance Jordan's foreign exchange earning capacity.

STABILIZING POPULATION GROWTH:

REDUCED FERTILITY. USAID's work at the national level has resulted in increased awareness among policy makers of the negative consequences of rapid population growth. A national birth spacing plan, developed by the National Population Commission with USAID funding, was approved recently by the Government. Family planning services will be

integrated with ongoing health care services offered by government health centers and clinics. U.S. assistance has reached down to the grass-roots level, helping 270 pharmacies provide family planning devices to couples in their neighborhoods. To ensure effective participation by indigenous agencies in USAID-supported birth spacing activities, capacity-building technical assistance is being provided for the National Population Commission and the Jordanian Association for Family Planning and Protection (JAFPP). The number of JAFPP clinics has increased from six to twelve and its annual intrauterine device (IUD) insertions have increased from 12,000 in 1980 to 17,000 in 1993. JAFPP now serves one-third of all IUD clients in the country.

PROTECTING THE ENVIRONMENT:

IMPROVED QUALITY AND INCREASED QUANTITY OF WATER AVAILABLE FOR USE. USAID has introduced a multi-faceted activity to address constraints to water resources management and conservation. Through the regional Project in Development and the Environment (PRIDE) project USAID, through the World Environment Center, has already provided environmental services to 12 Jordanian industries to address industrial pollution problems. The landmark Jordan National Water Strategy was developed with the support of USAID and is serving to marshal the resources of the donor community towards alleviating this key environmental concern. The KfW, Germany's capital investment development agency, has agreed to finance a major infrastructure project that will upgrade Jordan's wastewater treatment capability. Regional and central support has funded environmental education and assessments and pollution prevention audits.

BUILDING DEMOCRACY:

MORE EFFICIENT AND ACCOUNTABLE GOVERNANCE. USAID has already provided support for a parliamentary needs assessment and, based on that assessment, is furnishing computer equipment and software to establish an information and document management system for the Parliament is being provided by USAID. The equipment will be installed in March or April 1994. USAID supported a voter education campaign aimed at Jordanian women in the November 1993 parliamentary elections. Its impact is being assessed, but indications are that women's registration and voting increased as a result. Two electoral opinion polls also were supported.

OTHER FY 1995 USAID-MANAGED ACTIVITIES

None.

OTHER DONORS

In 1992, the United States was the third largest donor with about 16% of total donor funding. Other leading donors are Japan, the World Bank and Germany.

FY 1995 PROMOTING PEACE AND SUSTAINABLE DEVELOPMENT REQUEST

The Administration requests \$8,750,000 in Promoting Peace funds, which includes \$1,550,000 of regionally funded activities, and \$7,495,000 in Sustainable Development funds for: broad-based economic growth (\$60,000), stabilizing population growth (\$6,750,000), protecting the environment (\$640,000) and building democracy (\$45,000).

USAID Mission Director: William T. Oliver

Lebanon **FY 1995 PROMOTING PEACE REQUEST: \$4,000,000**
..... **FY 1995 SUSTAINABLE DEVELOPMENT REQUEST: \$4,795,000**

USAID assistance to Lebanon helps support the Middle East peace process and demonstrates U.S. commitment to the welfare of the people of Lebanon by providing short-term relief and, as political and economic stability continues, by expanding community-level reconstruction efforts and assistance in improving public administration.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOs)_____

BROAD-BASED ECONOMIC GROWTH:

RECONSTRUCTION OF INFRASTRUCTURE. USAID is improving the delivery of nongovernmental, community-based services to encourage resettlement and raise the general well-being of the Lebanese people. For example, we support the repair of health centers, schools, water and sewage systems, roads, homes and electricity.

BUILDING DEMOCRACY:

PUBLIC ADMINISTRATION. USAID's strategy concentrates on public administration because increased public sector efficiency provides needed services to the Lebanese people and attracts both Lebanese and foreign investment. Current efforts will increase the capacity of key government agencies (Civil Service Board, Government Accounting Office, Central Inspections Board and Central Disciplinary Board) and Parliament to more effectively manage their resources. Specific administrative reforms will subsequently be tackled through tailored training programs and technical assistance. USAID also supports U.S. educational institutions in Lebanon which promote democratic values.

PROTECTING THE ENVIRONMENT:

WASTE DISPOSAL AND WATER. Based on its experience with nongovernmental organizations (NGOs), USAID is now developing a strategy to expand its assistance to rehabilitate water systems and solid and liquid waste disposal.

USAID PROGRAM RESULTS_____

BROAD-BASED ECONOMIC GROWTH:

RECONSTRUCTION OF INFRASTRUCTURE. U.S. private voluntary organizations (PVOs) and Lebanese NGOs have just begun to assist local communities to rehabilitate their water and sewage systems as well as repair health facilities, roads, homes, schools and electricity services throughout Lebanon. Results are not yet available. USAID also supports programs that aid war orphans and rehabilitate physically handicapped victims of the civil war. For example, a prosthetics training program has been established by the World Relief Foundation and the American University of Beirut. As a result of improved services in the rural areas of Lebanon, large numbers of people forced to migrate to urban areas during the war years will return to home villages and take up their former occupations.

BUILDING DEMOCRACY:

PUBLIC ADMINISTRATION. This is a new area begun in late FY 1993. USAID technical assistance and training is establishing computerized management systems in four key Government of Lebanon executive agencies and the Parliament and installing an electronic voting system in the Parliament. Support to U.S. educational institutions in Lebanon (the American University of Beirut, the Beirut University College and the International College of Beirut) has helped maintain an educational system with training in democratic values.

PROTECTING THE ENVIRONMENT:

WATER DISPOSAL AND WATER. USAID has just begun to focus on rehabilitation of community water and sewage systems that protect the environment and improve health conditions. Results are not yet available.

OTHER FY 1995 USAID-MANAGED ACTIVITIES_____

None.

OTHER DONORS_____

In FY 1992, the United States, with about 15% of bilateral contributions, was the third largest bilateral donor. Other major donors are France, Italy, Germany and Kuwait.

FY 1995 PROMOTING PEACE AND SUSTAINABLE DEVELOPMENT REQUEST

The Administration requests \$4,000,000 of Promoting Peace. Sustainable Development funds of \$4,795,000 are requested for: broad-based economic growth (\$3,400,000); democracy (\$795,000); and environment (\$600,000).

USAID/Washington Office Director: Frederick Machmer

SOUTH PACIFIC **FY 1995 PROMOTING PEACE REQUEST: \$14,000,000**

The program in the South Pacific is limited to fulfilling treaty agreements.

USAID PROMOTING PEACE GOALS AND MISSION STRATEGIC OBJECTIVES (MSOs) _____

MEET TREATY OBLIGATIONS. USAID supports the provisions of the 1987 Treaty on Fisheries Between Certain Pacific Island Countries and the United States of America. This treaty resolved differences over rights of U.S. boats to fish for tuna in the exclusive economic zones of 16 countries, including provisions for cash payments to the South Pacific Forum Fisheries Agency (FFA), administrator of the interests of the Pacific Island countries under the Treaty, required for fishing licenses to U.S. boats. The 16 countries are: Australia, Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Marshall Islands, Nauru, New Zealand, Niue, Palau, Papua New Guinea, Solomon Islands, Tonga, Tuvalu, Vanuatu, and Western Samoa.

USAID MISSION RESULTS _____

MEET TREATY OBLIGATIONS. Between FY 1988 and FY 1993, USAID programs made \$68 million of cash payments to FFA required by the Treaty, while U.S. boats harvested tuna estimated to be worth \$100 million per year or about \$600 million. FFA distributes these funds in limited equal shares (about 15%) to all member countries and the remainder (about 85%) in proportion to the fish taken in their economic zones. The U.S. boats also pay annual license fees and employ approximately 500 fishermen. FFA and U.S. agencies monitor and enforce conservation and environmental regulations under the Treaty. Other Treaty provisions provide technical assistance from the U.S. tuna industry to South Pacific fishing interests. Treaty operations make it possible for the Pacific Island countries to obtain economic benefits from the renewable resources.

OTHER FY 1995 USAID-MANAGED ACTIVITIES _____

None.

OTHER DONORS _____

No other donors are involved in the Treaty.

FY 1995 PROMOTING PEACE REQUEST _____

USAID requests \$14,000,000 in Promoting Peace funds in FY 1995 to provide the annual cash payment required under the 1987 Fisheries Treaty with Pacific Island countries.

--USAID/South Pacific Acting Director: D. Leong

West Bank and Gaza **FY 1995 PROMOTING PEACE REQUEST: \$78,350,000**
..... **FY 1995 SUSTAINABLE DEVELOPMENT REQUEST: \$1,880,000**

The September 1993 Declaration of Principles between the Palestinian Liberation Organization (PLO) and Israel represents a significant milestone on the road to peace. Ensuring social and economic stability in West Bank and Gaza is a key element within the overall goal of U.S. assistance to support prospects for peace in the region. In FY 1994, USAID funding levels increased threefold. USAID has accelerated the project design process to ensure that improvements in the lives of Palestinians occur quickly.

USAID SUSTAINABLE DEVELOPMENT GOALS AND MISSION STRATEGIC OBJECTIVES (MSOs) _____

The West Bank and Gaza strategy is being updated as a result of increased funding associated with the Declaration of Principles. Strategic objectives and performance indicators will be refined in FY 1994.

BROAD-BASED ECONOMIC GROWTH:

JOBS AND INFRASTRUCTURE. USAID's strategy is to improve physical infrastructure and to create private sector jobs because unemployment is at extremely high levels. Private sector capacity to manage, produce and market goods will be strengthened and the climate for local and foreign investment will be enhanced. Support for improved housing and infrastructure through new construction and rehabilitation of existing facilities will generate private sector employment, strengthen policy and planning capacities and support institutional development. By working with Palestinian authorities and nongovernment service providers to improve family health services (which will incorporate family planning efforts), USAID will assist in the transition to an autonomous health care delivery system. The capacity to plan, finance and implement coordinated and sustainable health care services will be strengthened. The West Bank and Gaza program will benefit from regionally funded economic, scientific and technical activities.

STABILIZING POPULATION GROWTH:

FAMILY PLANNING ASSISTANCE. The West Bank and Gaza program has not yet developed a strategy in this area. Plans at this time are to use central resources to assist in efforts to incorporate family planning efforts in the delivery of family health services.

BUILDING DEMOCRACY:

SELF-GOVERNMENT. USAID is assisting the Palestinian people in the transition to self-government by supporting the establishment of democratic administrative and legal systems and strengthening civil society. USAID programs are implemented through local nongovernmental organizations (NGOs) and private sector groups in these efforts.

PROTECTING THE ENVIRONMENT:

WATER. USAID's strategy focuses on improvements to water, sewage and wastewater treatment systems which will safeguard the environment and reduce illness. Municipal management capabilities will be strengthened to promote the development of environmental services and environmentally sound techniques for future land use planning.

USAID PROGRAM RESULTS _____

USAID's strategy is being revised in FY 1994. USAID will not report on performance of the revised strategy until baseline data become available in FY 1995.

BROAD-BASED ECONOMIC GROWTH:

JOBS AND INFRASTRUCTURE: U.S. private and voluntary organizations (PVOs), working with local counterparts, have assisted local communities with improved water conservation, irrigation, land reclamation, crop diversification and to obtain credit, thereby increasing local incomes. Technical assistance for agricultural and small business entrepreneurs, including graduates of vocational schools, has led to the creation and improved productivity of local small business. USAID health care resources promote primary health care at the community level, including assistance for 4,000 mentally and physically challenged or at-risk children in Gaza (implemented by an indigenous PVO), and provide health management and medical training services.

STABILIZING POPULATION GROWTH:

FAMILY PLANNING ASSISTANCE. The strategy has not yet been developed; thus results are not yet available.

BUILDING DEMOCRACY:

SELF-GOVERNMENT. USAID assistance to local nongovernmental organizations helps the Palestinians build a foundation for a participatory, democratic society.

PROTECTING THE ENVIRONMENT:

WATER. Financial and technical assistance provided for small-scale water conservation, irrigation, land reclamation, water and waste-water activities have improved the living and working environment for Palestinians by increasing the supply and usage of available water.

OTHER DONORS _____

In FY 1992, the United States remained the largest donor providing direct assistance, primarily through PVOs, and indirectly through the United Nations Relief Works Agency (UNRWA). Other leading donors were the European Community, France, Germany and Italy.

FY 1995 PROMOTING PEACE REQUEST _____

The Administration requests \$78,350,000 in Promoting Peace funds, of which \$75,000,000 is to further the social and economic stability of the West Bank and Gaza and \$3,350,000 is support from regionally funded activities which benefit the West Bank and Gaza. Also requested is \$1,880,000 of Sustainable Development funds for: broad-based economic growth (\$90,000); population (\$1,600,000); and environment (\$190,000).

USAID/Jerusalem Affairs Officer: Karen Turner
USAID/Tel Aviv Affairs Officer: Harry Birnholz

EUROPE AND THE NEW INDEPENDENT STATES

**Thomas A. Dine
Assistant Administrator
Bureau for Europe and the New Independent States**

CYPRUS FY 1995 PROMOTING PEACE REQUEST: \$15,000,000

It is the policy of the United States to support a peaceful resolution of the Cyprus conflict which will lead to the reunification of the island under one government. The United States supports resolution of the conflict because of its concern for the people of the Greek and Turkish Cypriot communities and because it has important strategic interests in the Eastern Mediterranean, principally with two of our North Atlantic Treaty Organization (NATO) allies, Greece and Turkey.

USAID STRATEGIC OBJECTIVES _____

From FY 1975 through end of 1993, USAID provided about \$286,000,000 in grant assistance to Cyprus. Approximately two-thirds of the aid was used for development projects, and one-third went to the Cyprus American Scholarship Program.

United Nations High Commission for Refugees (UNHCR) Bicommunal Project: Assistance has progressively shifted from relief and rehabilitation to promoting bicommunal projects aimed at establishing relationships between the Greek and Turkish Cypriot communities to foster equitable economic development. Since 1991, the United States has financed a single list of activities that benefit both communities. Bicommunal activities have been undertaken in the fields of health, environment, forestry, education, historic preservation and urban renewal.

The Cyprus-American Scholarship Program: A total of 1,062 people have been trained, including 584 undergraduates, 164 graduate students, and 314 short-term trainees from the combined Greek and Turkish Cypriot communities.

- a. Management Training: Short-term training in business management and marketing will result in shared economic development practices in both communities.
- b. Historic Preservation: Training of Greek and Turkish Cypriots in the kinds of economic and community development incentives used in the United States will promote lower cost integration of historic preservation and economic development and provide a basis for shared future responsibility for the renewal of Nicosia.

USAID PROGRAM RESULTS _____

BUILDING DEMOCRACY: In May 1993, 45 Greek and Turkish Cypriot students received U.S.-based training in conflict mediation and negotiation under a new initiative. The program is being expanded to train bicommunal project leaders, scholarship alumni and their families, legislators, and new scholarship students.

BROAD-BASED ECONOMIC GROWTH: Creative economic assistance projects have been introduced that promote cooperation and benefit both communities.

OTHER FY 1995 USAID-MANAGED ACTIVITIES _____

None.

OTHER DONORS _____

No donors other than the United States contribute to UNHCR or to the Cyprus-American Scholarship Program.

FY 1995 PROMOTING PEACE REQUEST _____

The Administration requests \$15,000,000 of Promoting Peace funds in FY 1995 to provide incremental funding of ongoing activities in support of the strategic objectives.

IRELAND FY 1995 PROMOTING PEACE REQUEST: \$15,000,000

The United States provides economic assistance to support and promote social reconciliation through economic development in Ireland and Northern Ireland, with priority allocation of funds being used for new investments that create jobs and reconstruct disadvantaged areas.

USAID STRATEGIC OBJECTIVES: _____

The United States has contributed approximately \$209,000,000 in Congressionally earmarked funds for the International Fund for Ireland (IFI) since its inception in 1986. The Fund is using U.S. contributions as intended by Congress.

USAID RESULTS _____

BROAD-BASED ECONOMIC GROWTH:

Job Creation: Approximately 29,257 permanent and temporary jobs have been created with IFI investment. Of the 17,963 permanent jobs created, 2,157 are in areas of highest unemployment. Of the 8,294 temporary jobs created, 1,389 are in disadvantaged areas. To date, \$21,000,000 has been disbursed for vocational training of youth.

New Investments: The \$284,000,000 in IFI resources have leveraged additional matching funds including another \$297,000,000 in United Kingdom and Irish government funds and \$186,000,000 in private investments. Every dollar the Fund has committed has leveraged an additional \$1.70.

Economic Reconstruction: The Fund has approved over 2,800 projects in the areas of tourism, urban development, agriculture and rural development, technology, business and community development. Between 70%-80% of IFI's funding is used in the most disadvantaged areas of Northern Ireland.

OTHER FY 1995 USAID-MANAGED ACTIVITIES _____

None.

OTHER DONORS _____

In 1993, the United States was the largest donor to the Fund, providing 67% of total donor funding. Other donors are Canada, New Zealand and the European Community.

FY 1995 PROMOTING PEACE REQUEST _____

The Administration requests \$15,000,000 of Promoting Peace funds in FY 1995 to provide incremental and new funding for activities in support of social and economic reconciliation.

TURKEY **FY 1995 PROMOTING PEACE REQUEST: \$100,000,000**
. **FY 1995 SUSTAINABLE DEVELOPMENT: \$ 5,500,000**

Turkey is a close, valued ally in the North Atlantic Treaty Organization (NATO). Its location between Europe and the Middle East is of strategic importance to the United States. The United States has an interest in encouraging and supporting the growth, development, and stability of a democratic, Western-oriented Turkey.

USAID STRATEGIC PROGRAM OBJECTIVES _____

BROAD-BASED ECONOMIC GROWTH: The cash transfer provides balance-of-payments support as the Government of Turkey continues to implement a private-sector-oriented economic stabilization and reform program. The funds are used for the service of nonmilitary debt owed to the U.S. Government or multilateral institutions. A small grant has been provided to the International Executive Service Corps to assist Turkish small businesses to establish joint ventures with U.S. businesses.

STABILIZING POPULATION GROWTH: Family planning assistance is provided to increase availability and effective use of modern methods of contraception, especially through access to more effective, long-lasting methods.

USAID PROGRAM RESULTS _____

BROAD-BASED ECONOMIC GROWTH: The cash transfer freed up Turkey's resources that would otherwise be programmed for U.S. non-military and World Bank debt repayment.

STABILIZING POPULATION GROWTH: In family planning, good progress has occurred in clinical service delivery systems, voluntary sterilization, training, and social marketing of contraceptives.

OTHER FY 1995 USAID-MANAGED ACTIVITIES _____

None.

OTHER DONORS _____

In 1992, the top five major bilateral donors (Saudi Arabia, Germany, France, Italy, and Japan) provided a total of \$391,000,000.

FY 1995 PROMOTING PEACE REQUEST _____

The Administration requests \$ 100,000,000 in Promoting Peace funds to continue the Turkish debt relief program, \$ 5,500,000 million in Sustainable Development funds for family planning assistance.

GLOSSARY OF TERMS, ABBREVIATIONS AND ACRONYMS

GLOSSARY OF TERMS

The glossary defines legislative, administrative, programming and budget terms referred to in the presentation. Underscored terms in the definitions are defined elsewhere in the glossary. Frequently used abbreviations are included.

Activity: Project or task required to carry out a program. The word "activity" is used for any activity or unified group of activities, programs, projects, types of material assistance or other operations -- refers to both project and non-project assistance.

Actual Year: Last completed fiscal year; in this case, FY 1993.

Appropriation: An act of Congress permitting Federal agencies to incur obligations for specified purposes, e.g., Foreign Assistance and Related Programs Appropriation Act, 1993.

Appropriation Accounts: The separate accounts for which specific dollar amounts are authorized and appropriated.

Authorization: Substantive legislation which establishes legal operation of a Federal program, either indefinitely or for a specific period, and sanctions particular program funding levels, e.g., the Foreign Assistance Act of 1961, as amended (FAA).

Bilateral Assistance: Economic assistance provided by the United States directly to a country or through regional programs to benefit one or more countries indirectly. (USAID assistance and most P.L. 480 food aid are among the U.S. bilateral programs. Others include Peace Corps and International Narcotics Control.)

Budget Authority: Authority provided to the Government by law to enter into obligations which result in outlays or government funds.

Budget Year: Authority provided to the Government by law to enter into obligations which result in outlays or government funds.

Budget Year: Year of budget consideration; in this case, FY 1995.

Consortium Grants: Grants to consortia of private and voluntary organizations (PVOs) to enable a group of PVOs with similar interests to exchange information and program experiences and to collaborate in programs, thereby avoiding duplication.

Continuing Resolution: A joint resolution passed to provide stop-gap funding for agencies or departments whose regular appropriations bills have not been passed by Congress by the beginning of the fiscal year.

Cooperatives: A business voluntarily owned and controlled by its users and operated for their benefits.

Deobligations: Unexpended funds obligated for a specific activity which are subsequently withdrawn following a determination that they are not required for that activity.

Development Assistance: Assistance under Chapter I of the Foreign Assistance Act of 1961, as amended, primarily designed to promote economic growth and equitable distribution of its benefits.

Development Assistance Committee (DAC): A specialized committee of the Organization for Economic Cooperation and Development (OECD). The purpose of the DAC is to increase total resources made

available to developing countries. Member countries jointly review the amount and nature of their contributions to bilateral and multilateral aid programs in the developing countries. DAC members are Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Italy, Japan, the Netherlands, New Zealand, Norway, Sweden, Switzerland, the United Kingdom, the United States and the Commission of the European Economic Communities.

Development Loan: Development assistance which must be repaid, usually a long-term, low-interest loan repayable in U.S. dollars.

Development Program Grants (DPGs): Grants to assist private and voluntary organizations to strengthen their ability to be effective development agencies.

Economic Assistance: Bilateral and multilateral foreign assistance designed primarily to benefit the recipient country's economy. Military assistance, Export-Import Bank activities, Overseas Private Investment Corporation programs and Commodity Credit Corporation short-term credit sales, which have primary purposes other than economic development, are not included in this category.

Economic Support Fund: An appropriation account for funding economic assistance to countries based on considerations of special economic, political or security needs and U.S. interests. It took the place of Security Supporting Assistance, as provided in Section 10(b)(6) of the International Security Assistance Act of 1978 (92 STAT 735). It would be replaced by Building Democracy and Promoting Peace funds under the proposed Peace, Prosperity and Democracy Act of 1994.

Expenditures: As reported in this document, represent the total value of goods and services received, disbursement for which may not have been made. Disbursements, also referred to as actual expenditures or outlays, represent funds paid from the U.S. Treasury.

U.S. Government Fiscal Year: Yearly accounting period, without regard to its relationship to a calendar year. (The fiscal year for the U.S. Government begins October 1 and ends September 30.)

Foreign Assistance Act (FAA): The Foreign Assistance Act of 1961, as amended, (USAID's present authorizing legislation).

Foreign Assistance and Related Programs Appropriation Act: The Appropriation Act for a particular year for economic (except P.L. 480 food aid) and military assistance and Export-Import Bank.

Grants: Assistance to an organization to carry out its activities as opposed to the acquisition of services for USAID or a host country which need not be repaid. (Term also describes a funding instrument for programs of an institution or organizations, e.g., International Executive Service Corps or an international agricultural research center.)

Gross Domestic Product (GDP): Measures the market value of total output of final goods and services produced within a country's territory, regardless of the ownership of the factors of production involved, i.e., local or foreign, during a given time period, usually a year. Earnings from capital invested abroad (mostly interest and dividend receipts) are not counted, while earnings on capital owned by foreigners but located in the country in question are included. The GDP differs from the GNP in that the former excludes net factor income from abroad.

Gross National Product (GNP): Measures the market value of total output of final goods and services produced by a nation's factors of production, regardless of location of those factors, i.e., in the country or abroad, during a given time period, usually a year. Earnings from capital owned by nationals but located abroad (mostly interest and dividend receipts) are included, while earnings in the country by factors owned by foreigners are excluded.

International Financial Institutions (IFIs): Currently known as multilateral development banks (MDBs), multilateral lending institutions which provide resources for development. They include the following: Asian Development Bank (ADB) and Fund (ADF), Inter-American Development Bank (IADB), International Bank for Reconstruction and Development (IBRD or the "World Bank"), International Finance Corporation (IFC), International Development Association (IDA) and African Development Bank (AfDB) and Fund (AfDF).

Loans: Assistance which must be repaid. Repayment terms for development loans under Development Assistance and the Economic Support Fund are established by USAID in accordance with the Foreign Assistance Act of 1961, as amended (FAA), and the current Foreign Assistance and Related Programs Appropriation Act.

Management Services Grants: Grants to private and voluntary organizations (PVOs) who in turn provide management or program support services to other PVOs (e.g., clearinghouse, accounting assistance, evaluation).

Multilateral Assistance: Assistance which the United States provides to less developed countries (LDCs) through multilateral development banks, the United Nations agencies, and other international organizations with development purposes.

Multilateral Development Banks: (MDBs): See international financial institutions.

New Directions: Legislation enacted in 1973 requiring USAID to focus more of its efforts on helping the poor majority in developing countries.

Non-Project Assistance: Program or commodity loans or grants which provide budget or balance-of-payments support to another country. Such assistance is usually funded under the Economic Support Fund or Development Fund for Africa.

Obligation: Legal commitment of funds through such mechanisms are signed agreements between the U.S. Government and host governments, contracts and grants to organization and purchase orders.

Ocean Freight Reimbursements: Reimburses private and voluntary organizations (PVOs) for up to one half of their cost in shipping equipment and commodities overseas in support of their development programs.

Official Development Assistance (ODA): Assistance on concessional terms (with a grant element of at least 25%), provided by member countries of the Development Assistance Committee (DAC) to promote economic development in developing countries.

Operating Expenses: Those appropriated funds used to pay salaries, benefits, travel, and all support costs of direct-hire personnel. The "cost of doing business."

Operational Year: Fiscal year in progress (current year), presently FY 1994.

Operational Program Grants (OPGs): Grants to private and voluntary organizations (PVOs) to carry out specific programs.

Organization for Economic Cooperation and Development (OECD): Organization of donor countries which promotes policies designed to stimulate economic growth and development of less developed countries (LDCs). OECD member countries are Australia, Belgium, Canada, Denmark, Finland, France, the Federal Republic of Germany, Greece, Iceland, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States.

Outlays: Cash disbursements from the Treasury.

Participant: USAID-sponsored less-developed country (LDC) national being trained outside his or her own country.

Peace, Prosperity and Democracy Act (PPDA): The Administration's proposed foreign assistance reform legislation of 1994 to replace the Foreign Assistance Act of 1961, as amended.

Peacekeeping Operations: The program authorized and appropriated for a special type of economic assistance for peacekeeping operations and other programs carried out in furtherance of the national interests of the United States.

Pipeline: The difference between obligations and expenditures.

P.L. 480: The Agricultural Trade Development and Assistance Act of 1954, as amended, which governs administration of the U.S. Food for Peace program. (Term is often used to describe food aid.)

President's Budget: Budget for a particular fiscal year transmitted to Congress by the President in accordance with the Budget and Accounting Act of 1921, as amended.

Private and Voluntary Organization (PVO): A non-profit, tax-exempt and nongovernmental organization established and governed by a group of private citizens whose purpose is to engage in voluntary charitable and development assistance operations overseas.

Program: A coordinated set of USAID-financed activities directed toward specific goals. For example, maternal and child health, nutrition, education and family planning projects designed to promote the spacing of children may comprise a program to reduce infant deaths.

Project: A single activity designed to generate specific results. For example, a maternal and child health project may be designed to extend basic health services to 60% of children under five years of age in a poor, rural district of the recipient country. A project is USAID's basic unit of management.

Reimbursement: Collection of funds for services provided to recipients outside the Agency.

Reobligations: Obligation of an amount which had been obligated and deobligated in prior transactions.

Strategic Objective: A measurable objective which is developmentally significant, whose achievement over the medium term (5-8 years) USAID is able to directly influence.

Sustainable Development: Economic and social growth that does not exhaust a country's resources; that does not damage the economic, cultural or natural environment; that creates incomes and enterprises; and builds indigenous institutions.

Congressional Presentation (CP) Terms:

Green Book: This publication is entitled U.S. Overseas Loans and Grants and Assistance from International Organizations. This data, which is grouped by country and geographic region, includes assistance from USAID, military assistance, P.L. 480, Export Import Bank, etc., from 1945 to the last completed fiscal year, in this case FY 1993. This publication is released at the time or shortly after the Congressional Presentation is distributed.

All Spigots Tables: Tables which show U.S. economic and military assistance levels from all sources, broken out by program, region and country.

ABBREVIATIONS AND ACRONYMS

AAFLI	-	Asian-American Free Labor Institute
ADP	-	Automated Data Processing
AFL-CIO	-	American Federation of Labor - Congress of Industrial Organizations
AFTA	-	Asian Free Trade Agreement
AIDS	-	Acquired Immunodeficiency Syndrome
AIDSCAP	-	AIDS Control and Prevention Project
ASEAN	-	Association of Southeast Asian Nations
AVSEC	-	Aviation Security
AWACS	-	A.I.D. Washington Accounting and Control System
BDG	-	Bangladesh Government
CABEI	-	Central American Bank for Economic Integration
CAEA	-	Climate and Atmospheric Environment Activities Trust Fund (World Meteorological Organization)
CAP	-	Central American Programs
CAR	-	Central African Republic
CCAD	-	Central America Commission on Environment and Development
CEE	-	Central and Eastern Europe
CFA	-	Communauté Financière Africaine (African Financial Community)
CIECC	-	Special Multilateral Fund (Organization of American States)
CIES	-	Special Development Assistance Fund (Organization of American States)
CITES	-	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CLICOM	-	Climate Computer Project (World Meteorological Organization)
COMESA	-	Common Market for East and Southern Africa
CPR	-	Cardio-Pulmonary Resuscitation
CPR	-	Contraceptive Prevalence Rate
CSD	-	Commission on Sustainable Development (United Nations)
CYP	-	Couple Years of Protection
DAC	-	Department of AIDS Control (Transitional Government of Ethiopia)
DART	-	Disaster Assistance Response Team
DFA	-	Development Fund for Africa
EC	-	European Community
EEC	-	European Economic Community
EPA	-	Environmental Protection Agency
EPTA	-	Expanded Program of Technical Assistance (United Nations)
ERP	-	Economic Reform Program
ESAF	-	Enhanced Structural Adjustment Facility
ESF	-	Economic Support Fund
FAA	-	Federal Aviation Administration
FAO	-	Food and Agriculture Organization
FCC	-	Federal Communications Commission
FCCC	-	Framework Convention on Climate Change (United Nations)
FEMICA	-	Federation of Central American Municipalities
FEWS	-	Famine Early Warning System
FFA	-	Forum Fisheries Agency (South Pacific)
FNDH	-	Foreign National Direct Hire
FP	-	Family Planning
FREEDOM	-	Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act
FTB	-	Federal Triangle Building
FTE	-	Full-Time Equivalent

G-7	-	Group of Seven (leading industrial nations consisting of Britain, Canada, France, Germany, Italy, Japan and the United States)
GATT	-	General Agreement on Tariffs and Trade
GCC	-	Global Climate Change
GCRP	-	Global Change Research Program
GDP	-	Gross Domestic Product
GIPME	-	Global Investigation of Pollution in the Marine Environment
GLOSS	-	Global Sea Level Observing System
GNP	-	Gross National Product
GOB	-	Government of Belize
GOB	-	Government of Benin
GOCI	-	Government of the Cote d'Ivoire
GOCR	-	Government of Costa Rica
GOCV	-	Government of Cape Verde
GODR	-	Government of the Dominican Republic
GOE	-	Government of Egypt
GOE	-	Government of Eritrea
GOES	-	Government of El Salvador
GOG	-	Government of Guyana
GOH	-	Government of Haiti
GOI	-	Government of Indonesia
GOI	-	Government of Israel
GOJ	-	Government of Jamaica
GOM	-	Government of Mexico
GOM	-	Government of Mongolia
GOM	-	Government of Morocco
GON	-	Government of Niger
GOOS	-	Global Ocean Observing System
GOP	-	Government of Peru
GOP	-	Government of Panama
GOS	-	Government of Senegal
GOT	-	Government of Tanzania
GOTG	-	Government of the Gambia
GOU	-	Government of Uganda
GPA	-	Global Program on AIDS (World Health Organization)
GRC	-	Government of the Republic of Cameroon
GRN	-	Government of the Republic of Namibia
GSA	-	General Services Administration
GSS	-	Global Strategy for Shelter to the Year 2000
HABITAT	-	United Nations Center for Human Settlements
HBCU	-	Historically Black Colleges and Universities
HDI	-	Human Development Index
HFI	-	Human Freedom Index
HIV	-	Human Immunodeficiency Virus
HMO	-	Health Maintenance Organization
ICAO	-	International Civil Aviation Organization
ICITAP	-	International Criminal Investigative Training Assistance Program (U.S. Department of Justice)
ICSECA	-	International Contributions for Scientific, Educational and Cultural Activities
ICSOC	-	International Conventions and Scientific Organizations Contributions (now ICSECA)
ICSU	-	International Council of Scientific Unions
IDB	-	Inter-American Development Bank
IDNDR	-	International Decade for Natural Disaster Reduction

IEC	-	Information, Education and Communication
IFI	-	International Financial Institutions
IFI	-	International Fund for Ireland
IG	-	Inspector General
IGCP	-	International Geological Correlation Program
IGOSS	-	Integrated Global Ocean Services System
IHP	-	International Hydrological Program
ILO	-	International Labor Organization
IMF	-	International Monetary Fund
INC	-	Intergovernmental Negotiating Committee
INCAE	-	Central American Institute of Business Administration
IO&P	-	International Organizations and Programs (State Department)
IOC	-	Intergovernmental Oceanographic Commission
IPCC	-	Intergovernmental Panel on Climate Change
IPDC	-	Intergovernmental Program for the Development of Communication
IPF	-	Indicative Planning Figure
IPPF	-	International Planned Parenthood Federation
IPS	-	Investment Promotion Service (UNIDO)
IRI	-	International Republican Institute
IRM	-	Information Resources Management
ISP	-	Information Systems Plan
ITSU	-	International Coordination Group for the Tsunami Warning System
ITTA	-	International Tropical Timber Agreement
ITTO	-	International Tropical Timber Organization
IUCN	-	International Union for Conservation of Nature
IUD	-	Intra-Uterine Device
JAFPP	-	Jordanian Association for Family Planning and Protection
JRMP	-	Joint Regional Marketing Program
LAC	-	Latin America and the Caribbean
LDC	-	Less, or Least, Developed Country
LG	-	Local Government
LRMC	-	Long-Run Marginal Cost
MAB	-	Man and Biosphere Program
MCH	-	Maternal and Child Health
MEP	-	Middle East Peace
MERC	-	Middle East Regional Cooperation Program
MOH	-	Ministry of Health
MSO	-	Mission Strategic Objective
MT	-	Metric Ton
NAFTA	-	North American Free Trade Agreement
NAS	-	National Academy of Sciences
NATO	-	North Atlantic Treaty Organization
NDI	-	National Democratic Institute
NGO	-	Nongovernmental Organization
NHP	-	Natural Hazards Program
NIS	-	New Independent States of the Former Soviet Union
NMFS	-	National Marine Fisheries Services
NPR	-	National Performance Review
NSN	-	Northern Sciences Network
OAS	-	Organization of American States
ODA	-	Official Development Assistance
OE	-	Operating Expense
OECS	-	Organization of Eastern Caribbean States
OMB	-	Office of Management and Budget

OPIC	-	Overseas Private Investment Corporation
OR	-	Operations Research
ORS	-	Oral Rehydration Salts
ORT	-	Oral Rehydration Therapy
PHC	-	Primary Health Care
PLO	-	Palestine Liberation Organization
PSC	-	Personal Services Contract
PTA	-	Parent-Teacher Association
PVO	-	Private and Voluntary Organization
RHUDO	-	Regional Housing and Urban Development Office (USAID)
RMA	-	Range Management Area
SADC	-	Southern Africa Development Community (formerly Southern Africa Development Coordination Conference)
SARP	-	Southern Africa Regional Program
SBA	-	Small Business Administration
SDA	-	Sustainable Development Assistance
SEED	-	Support for Eastern European Democracy Act
SICE	-	Inter-American System of Trade Information
SPAN	-	Specially Protected Areas and Wildlife
SPREP	-	South Pacific Regional Environmental Program
STD	-	Sexually Transmitted Disease
TFR	-	Total Fertility Rate
TGE	-	Transitional Government of Ethiopia
TOGA	-	Tropical Ocean and Global Atmosphere Study
UN	-	United Nations
UNCDF	-	United Nations Capital Development Fund
UNCED	-	United Nations Conference on the Environment and Development
UNCHS	-	United Nations Commission for Human Settlements
UNCTAD	-	United Nations Conference on Trade and Development
UNDHA	-	United Nations Department of Humanitarian Affairs
UNDP	-	United Nations Development Program
UNEP	-	United Nations Environment Program
UNESCO	-	United Nations Educational, Scientific and Cultural Organization
UNFP	-	United Nations Fellowship Program
UNFPA	-	United Nations Population Fund
UNGA	-	United Nations General Assembly
UNHCR	-	United Nations High Commission for Refugees
UNICEF	-	United Nations Children's Fund
UNIDO	-	United Nations Industrial Development Organization
UNIFEM	-	United Nations Development Fund for Women
UNOCHA	-	United Nations Office of Coordination for Humanitarian and Economic Aid to Afghanistan
UNRWA	-	United Nations Relief Works Agency
US-AEP	-	United States-Asian Environmental Partnership
USAID	-	United States Agency for International Development
USDA	-	United States Department of Agriculture
USDH	-	United States Direct Hire
VCP	-	Voluntary Cooperation Program (World Meteorological Organization)
WCP	-	World Climate Program (World Meteorological Organization)
WED	-	Women, Environment and Development Program (United Nations Development Fund for Women)
WFP	-	World Food Program (United Nations)
WHF	-	World Heritage Fund
WHO	-	World Health Organization

- WMO** - **World Meteorological Organization**
- WOCE** - **World Ocean Circulation Experiment**
- WWW** - **World Weather Watch (World Meteorological Organization)**

